

Township of East Garafraxa

Development Charge Background Study *(Inclusive of proposed By-Law)*

June 24, 2009



Executive Summary

As required under the Development Charges Act (DCA) this background study has been prepared as supporting documentation for the adoption of a new Development Charges By-law for the Township of East Garafraxa. The study provides the framework for a balanced and reasonable development charge based on the detailed requirement of the DCA and associated Regulations.

The approach used is similar to that used in the 2004 background study. Only minor refinements and modifications have been incorporated which have impacted the calculations. Overall, the study recommends a modest reduction to the current rates from \$9,498 per household to \$9,184.60. The primary reason for this reduction is the indexing that has been applied each year since the current by-law was adopted. The DCA permits municipalities to index rates using the Stats Can Construction Price Index and this index has risen close to 40% in the past five years.

The rapid rate of indexing, along with an increase to the population of the Township has resulted in a 10 year average level of service per capita that has the effect of this modest reduction.

Many other municipalities in Ontario are currently undertaking DC by-law reviews, and it is commonplace to be either freezing rates or implementing only modest increases. Both the Town of Orangeville and the Town of Caledon are proposing modest reductions to their residential charge and some other municipalities that are not currently conducting by-law reviews are taking measures to freeze indexing in response to the current economic climate.

INDEX

1.0 Introduction..... 1
 1.1 Background 1

2.0 Methodology used to determine charge..... 3

3.0 Changes in approach since 2004..... 5

4.0 Population and Growth Projections 6
 4.1 Current population 6

5.0 Service Level Calculations 8

6.0 Examination of long-term operating costs 9

7.0 Implementation Requirements..... 10

8.0 Proposed Rate 11

9.0 Current Trends with Development Charges..... 12

10.0 Development Charges Eligible Program Details 13
 10.1 Transportation 13
 10.2 Police..... 14
 10.3 Fire 15
 10.4 Recreation 16
 10.4 Library..... 17
 10.5 Administration..... 18

Figures and Tables

FIGURE 1 – RESIDENTIAL PERMIT ACTIVITY
FIGURE 2 – COMPONENTS OF DC
FIGURE 3 – COMPARATIVE RATES

TABLE 1 – GROWTH PROJECTIONS
TABLE 2 – PROPOSED RATE
TABLE 3 – COMPARATIVE RATES

Appendices

Development Charges Worksheet Summary
Draft By-law

Appendix 1
Appendix 2

1.0 Introduction

1.1 Background

The Township of East Garafraxa Development Charges Background Study is presented as a step in the process of determining and approving a new development charges by-law in compliance with the Development Charges Act, 1997 (DCA). The preparation of this study is mandatory as set out in Section 10 of the DCA and the associated Regulation 82/98 (O. Reg.82/98).

The DCA and associated Regulation 82/98 require that a development charges background study be prepared in which development charges are determined with reference to:

- A forecast of growth;
- The average capital service levels provided in the Township over the 10 year period immediately preceding the preparation of the background study;
- A review of future capital spending and determination of the growth related components of such spending;

The DCA requires an opportunity for public review and input regarding the calculations and proposed charges. Upon fulfillment of the statutory public process Council is expected to review the proposed rates and comments from the public then pass a new development charges by-law for the Township.

DC By-law time lines

- 1.) Provide Notice of Public Meeting – 20 days prior to meeting date
- 2.) Provide Background Study – 14 days prior to public meeting
- 3.) Hold Public Meeting and Adopt By-law
- 4.) Provide Notice of Passing within 15 days
- 5.) Any appeals must be submitted to Clerk within 30 days of notice being given

Key Dates in the DC Process

| Step | Activity | Date |
|------|------------------------------------------------------------------------------------------|----------------------|
| 1 | Advertise Public Meeting | June 24 |
| 2 | Prepare Background Study and release for public review (14 days prior to Public Meeting) | June 30 |
| 3 | Conduct Statutory Public Meeting | July 14 |
| 4 | Staff to finalize By-law | After Public Meeting |
| 5 | Council Adopts new By-law | August 11 |

The previous development charge by-law was adopted by Council on August 17, 2004 and will expire on August 30, 2009. Should the current by-law expire without the adoption of a new by-law, the Township will have no legal authority to collection development charges.

2.0 Methodology used to determine charge

There is a general process with a series of steps to be followed when calculating development charges, however every municipality may face specific circumstances that must be reflected in the methodology. A Township wide approach has been used in order to determine the charge in East Garafraxa. Under this approach, each site in the municipality would pay the same charge no matter where within the municipality it is located.

This Background Study contemplates the levying of development charges against residential development and wind turbines only. Council has elected not to impose development charges against other forms of development and thus have not been included in the financial calculations in this study. Given that some non-residential development may occur an allocation of growth costs in the amount of 5% was made to the non-residential sector in some service areas.

There are other policy issues that Council may wish to refine as a result of the public consultation process. Typically, such issues may include indexing and transition provisions. As this study is proposing a reduction to the current charge, there is no need for any transition provision. However, Council may wish to consider the language of the draft by-law as it relates to indexing. The Township has the authority to index the DC rate in accordance with a policy adopted in the By-law. Any indexing must be in accordance with the prescribed index which is the Statistics Canada Quarterly, Construction Price Statistics (Catalogue 62-007). This has been provided for within the DC By-law

Council can elect to enforce indexing as a mandatory provision, or may make indexing the discretion of Council. There is no standard approach to this option and each municipality tends to implement whatever approach they are comfortable with.

The Township provides or is responsible to ensure the provision of various DC eligible services. Such services include;

- Transportation
- Police
- Fire
- Recreation
- Library
- Administration

In order for an increase in need for service to be included in the DC calculation, Council must indicate "... that it intends to ensure that such an increase in need will be meet" (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 intent of this requirement has been fulfilled through Councils clear intention of the provision of these services

through the various service delivery agreements that are reviewed on a regular basis, and through the annual budget process.

The DCA restricts the planning horizon for “soft services” to 10 years, however so called “hard service” calculations are permitted to use a horizon as deemed appropriate by the provider. This study utilizes a 10 year horizon for all services as it is believed that this horizon is adequate for the purposes of the Township.

3.0 Changes in approach since 2004

Changes in the methodology and assumptions since the preparation of the 2004 DC background study are minimal. The approach used in this study is driven by per capita service levels and does not propose any discounting or reductions for the applicable forms of development

Key areas of refinement include;

- Replacement costs have been updated to reflect more current values in keeping with costing assumptions used in other municipalities and recent municipal estimates
- Council has elected to impose development charges on wind turbines

Wind Turbines

In keeping with recent green initiatives, particularly alternative energy production, commercial wind turbines have become prevalent in many parts of Ontario. This form of development has not specifically been addressed in the Development Charges Legislation. Council and Township staff has elected to impose a development charge on wind turbines, and have deemed them to have a similar impact on certain infrastructure as would a typical single family home. Council has elected to impose the fire, administration, roads and police component of the charge on each wind turbine structure. .

This approach is consistent with the methodology adopted in the Township of North Wellington where their amending by-law was adopted on May 11, 2009. This approach was not appealed to the Ontario Municipal Board. The same methodology is also being proposed for the Township of Amaranth

4.0 Population and Growth Projections

Based on the currently approved residential lands and an analysis of the historic growth rate within the Township, future growth is expected at a rate of 11 residential units per year with an average occupancy of 3.2 persons per unit in new units. This represents a gross population increase of 352 persons over the 10 year planning horizon of the DC background study.

When determining PPU, the expected population in new units must be considered rather than applying the average of the existing population. Established communities tend to see a smaller household population largely attributed to an aging population and “empty nesters”. This rate of decline is not occurring as quickly as had been expected in the past. Providing care for aging parents in the home and children staying at home longer than they had in the past are contributing factors to this change.

4.1 Current population

Determining the baseline population of the Township is not as straight forward of an exercise as it may appear on the surface. There are two acceptable approaches which are commonly used to determine municipal populations.

Statistics Canada (through the Census) or Municipal Property Assessment (MPAC) are both common sources of population figures. For the purposes of this exercise the study is based on the Stats Can population from the 2006 Census of 2,389 persons, adjusted to reflect 3 years of growth. The Census figure is a mid year count, therefore applying an assumed average PPU of 3.2 to actual building permit data over the past 3 years produces a reasonably accurate current population figure for the Township.

Three years of growth has generated 52 new residential units in the Township. Applying the average PPU of 3.2 results in an increased population of 173 persons. Thus, the Township’s current baseline population for the purposes of this study is 2,562

Many of the new housing options available within East Garafraxa are attractive to younger and growing families as the Estate type of development offers neighbourhood parkettes and are within close proximity to the amenities of Orangeville. For these reasons is it supportable to use the same PPU factor of 3.2.

The relatively low growth rate within the Township can be easily skewed by just a few new units. This background study uses a realistic, yet somewhat conservative approach to the rate of growth.

FIGURE 1 – RESIDENTIAL PERMIT ACTIVITY

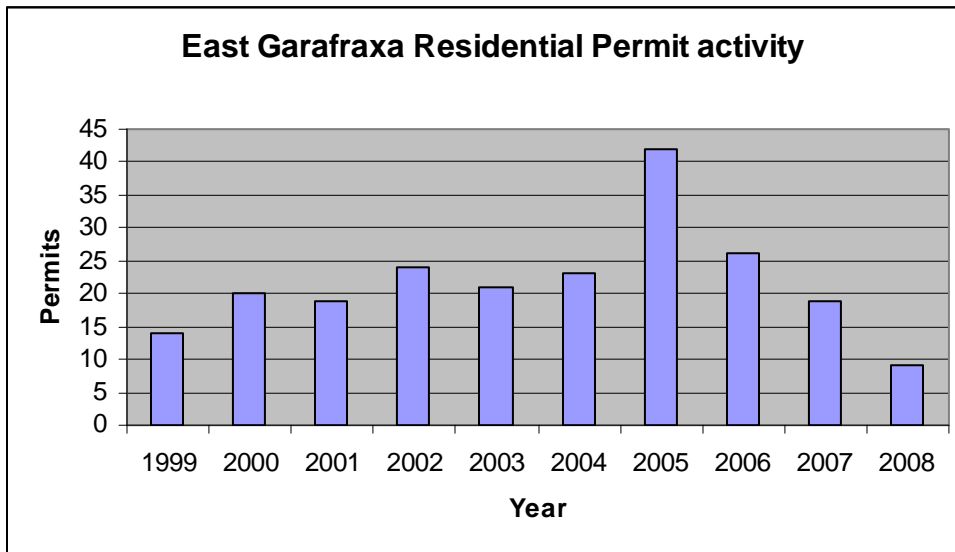


TABLE 1 – GROWTH PROJECTIONS

| East Garafraxa Growth Projections | | | | | | | | | | | |
|----------------------------------------------|-------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------------------------|
| Estimated PPU's | <u>3.2</u> | | | | | | | | | | |
| Projected Growth | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 10 Year Totals |
| Units | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 110 |
| Persons | 35 | 35 | 35 | 35 | 35 | 35 | 35 | 35 | 35 | 35 | 352 |

5.0 Service Level Calculations

The DCA and Ontario Regulation 82/98 require that development charges be set at a level no higher than the average level provided in the municipality over the 10 year period immediately preceding the preparation of the background study, on a service by service basis.

O. Reg. 82/98 requires that when defining and determining historical service level standards that both quantity and quality of service be taken into consideration. It is for this reason that defining replacement costs of facilities such as fire halls is essential. As a funding partner with adjacent municipalities a reliance on average costing was used in determining such replacement costs.

The exception to this methodology is where through provincial legislation a higher level of service is required. Water and sewage quality are prime examples. There is no such mandated service level requirements that impact the services contemplated in this study. Therefore, all calculations utilize the 10 year historic average level of service approach.

The study has attempted to use a balanced and conservative approach when estimating the existing service levels.

6.0 Examination of long-term operating costs

As the municipality brings on additional capital infrastructure, operating costs will increase. It is fully expected that all increased operating costs will be offset by the increased assessment associated with growth.

7.0 Implementation Requirements

Once the Township has conducted the statutory public process and passed a new development charges by-law several steps must be followed in order to implement the by-law

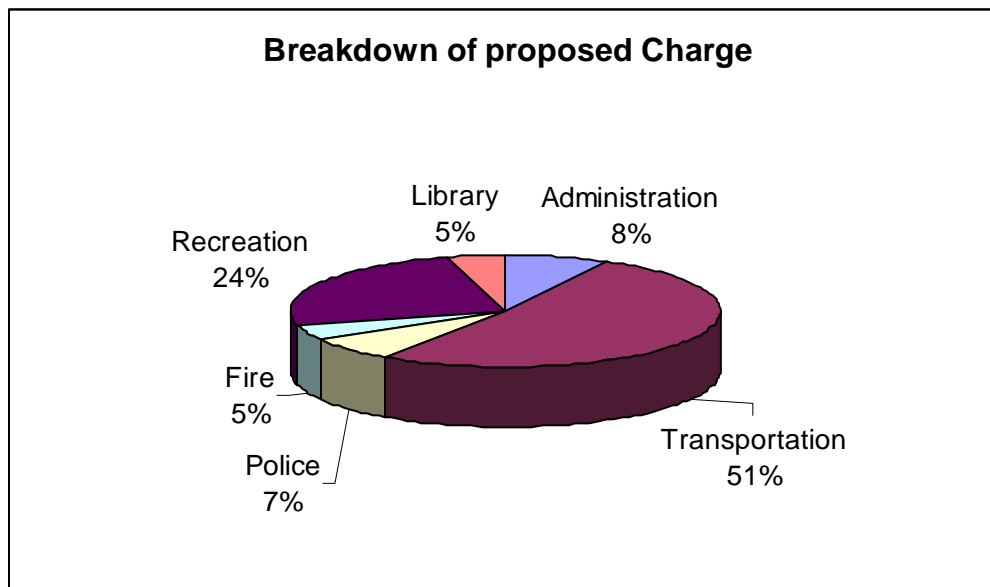
- Notice of passage must be prepared
- By-law pamphlet explaining the charge must be drafted
- Appeals must be dealt with
- Complaints must be treated as required by the DCA
- An annual Treasurer's statement must be prepared and provided to the Ministry of Municipal Affairs

8.0 Proposed Rate

TABLE 2 – PROPOSED RATE

| | Proposed Charge | | | Charge Adopted in 2004 | Current Charge |
|----------------|-------------------|----------------------|-------------------|------------------------|----------------------|
| | Per Capita | Per Residential Unit | Per Wind Turbine | Per Residential Unit | Per Residential Unit |
| | | | | | |
| Administration | \$220.77 | \$706.46 | \$706.46 | \$174.31 | \$780.00 |
| Transportation | \$1,485.21 | \$4,752.67 | \$4,752.67 | \$1,054.46 | \$4,719.00 |
| Police | \$197.90 | \$633.28 | \$633.28 | \$111.22 | \$498.00 |
| Fire | \$133.44 | \$427.01 | \$427.01 | \$110.83 | \$496.00 |
| Recreation | \$702.22 | \$2,247.10 | \$0.00 | \$578.44 | \$2,589.00 |
| Library | \$130.65 | \$418.08 | \$0.00 | \$93.03 | \$416.00 |
| TOTAL | \$2,870.19 | \$9,184.60 | \$6,519.42 | \$6,791.33 | \$9,498.00 |

FIGURE 2 – COMPONENTS OF DC



9.0 Current Trends with Development Charges

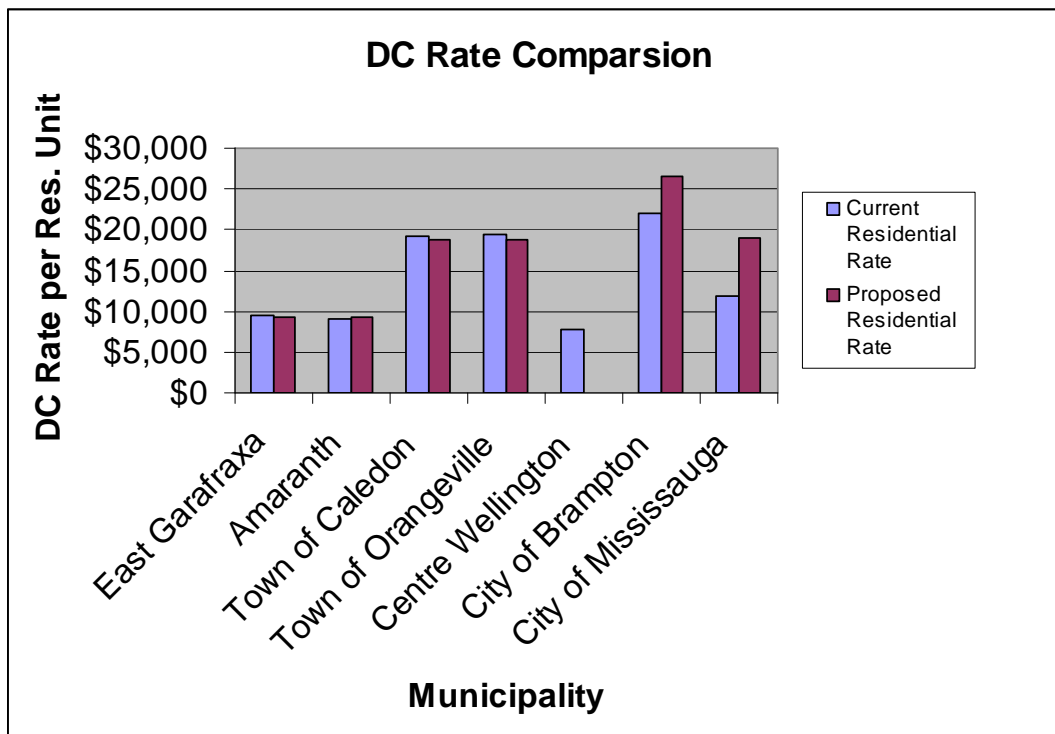
With most municipalities currently proceeding through the statutory 5 year DC By-law review, many significant increases are being proposed. The trend is largely related to increased capital costs associated with road improvements. Below is an indication of typical changes being proposed by surrounding municipalities.

TABLE 3 – COMPARATIVE RATES

| Municipality | Current Residential Rate | Proposed Residential Rate | Percent Change |
|---------------------|--------------------------|---------------------------|----------------|
| East Garafraxa | \$9,498 | \$9,185 | -3% |
| Amaranth | \$9,150 | \$9,329 | 2% |
| Town of Caledon | \$19,181 | \$18,691 | -3% |
| Town of Orangeville | \$19,479 | \$18,688 | -4% |
| Centre Wellington | \$7,722 | Not under review | |
| City of Brampton | \$21,941 | \$26,553 | 21% |
| City of Mississauga | \$11,850 | \$19,011 | 60% |
| | | | |
| | | | |

NOTE: Chart depicts total charge and each municipality may have different responsibilities for infrastructure

FIGURE 3 – COMPARATIVE RATES



10.0 Development Charges Eligible Program Details

10.1 Transportation

East Garafraxa is charged with the operations, maintenance and expansion to the arterial and collector road network throughout the Township. This network is made up of a number of hard surfaced, gravel roads and bridges. All roads providing access to Estate Residential subdivisions are maintained with a hard surface.

Part of the transportation component includes vehicles associated with the roads such as graders, ploughs and trucks as well as any structures used in support of roads. The DCA requires that only vehicles with an expected useful life of more than 7 years are eligible for consideration. All vehicles contemplated in this study meet the criteria of the Act.

According to municipal records the municipal vehicle fleet has a replacement value of \$2,135,000. The municipal works yard has a replacement value of \$738,000.

The eligible growth related capital costs for the transportation network include any initiatives intended to increase the capacity or flow of traffic in keeping with the increased traffic volumes. The Township has spent \$17,000 annually over the past 10 years on growth related capital works. Development charges collected will continue to be used to pay for growth related transportation costs.

| Transportation Category | Average Level of Service | Service Units | Total Anticipated Capital spending over 10 year horizon | Residential share per capita | DC Charge per dwelling |
|-------------------------|--------------------------|---------------|---------------------------------------------------------|------------------------------|------------------------|
| Road Network | \$17,000 | Annually | \$1,700,000 | \$688.21 | \$2,202.27 |
| Buildings & Yards | \$290.17 | Per Capita | \$102,140 | \$248.10 | \$793.92 |
| Vehicles and Equipment | \$641.99 | Per Capita | \$225,980 | \$548.90 | \$1,756.48 |
| TOTAL | | | \$2,028,120 | \$1,485.21 | \$4,752.67 |

NOTE: Numbers may not add due to rounding

10.2 Police

Police Services are provided to the Township through a service agreement with the Ontario Provincial Police (OPP). While this service was once provided for at no charge, the Township is now responsible for contributing towards the costs of these services. Approximately 3.0% of the police program is growth related capital.

In 2008 the Township's contribution to OPP services was \$233,186. The municipality makes contributions to the growth related capital costs of policing via the annual service payment.

| Policing Category | Average Level of Service | Service Level Units | Total Anticipated Capital spending over 10 year horizon | Residential share per capita | DC Charge per dwelling |
|-------------------|--------------------------|------------------------------|---------------------------------------------------------|------------------------------|------------------------|
| Buildings | 3.0% | Of Annual Payment | \$69,956 | \$188.80 | \$604.16 |
| Equipment | 1.5 | Officers per 1,000 residents | \$3,370 | \$9.10 | \$29.12 |
| TOTAL | | | \$73,326 | \$197.90 | 633.28 |

NOTE: Numbers may not add due to rounding

10.3 Fire

Fire protection is provided through service agreements with the adjacent municipalities including Orangeville, Grand Valley and Erin. Vehicles, facilities and equipment are all eligible costs for DC recovery. The municipality makes contributions to the growth related capital costs of fire protection via these annual service payments. Service levels are based on the adjusted levels of service of the municipal service provider.

| Fire Protection Category | Average Level of Service | Service Level Units | Total Anticipated Capital spending over 10 year horizon | Residential share per capita | DC Charge per dwelling |
|--------------------------|--------------------------|--------------------------------|---------------------------------------------------------|------------------------------|------------------------|
| Land | 0.0002 | Acres Per Capita | \$1,056 | \$2.95 | \$9.44 |
| Buildings | 0.423 | Sq.ft Per Capita | \$25,312 | \$68.31 | \$218.59 |
| Fire Vehicles | \$59.95 | Dollars Per Capita | \$21,102 | \$56.95 | \$182.24 |
| Fire Suits | 1.648 | Fire Suits Per 1,000 Residents | \$1,972 | \$5.32 | \$17.02 |
| TOTAL | | | 49,443 | \$133.44 | \$427.01 |

NOTE: Numbers may not add due to rounding

10.4 Recreation

A combination of indoor and outdoor recreational facilities are provided to the residents. Some directly, and others through service agreements with the adjacent municipalities of Erin and Grand Valley.

Presently, the municipality maintains 18.85 acres of parks and a 1,080 Sq.ft. community centre. Development charges can be utilized to provide more recreational facilities for the residents.

| Recreation Category | Average Level of Service | Service Level Units | Total Anticipated Capital spending over 10 year horizon | Residential share per capita | DC Charge per dwelling |
|-----------------------|--------------------------|---------------------------|---------------------------------------------------------|------------------------------|------------------------|
| Parkland Improvements | 5.76 | Acres Per 1,000 Residents | \$81,101 | \$207.36 | \$663.55 |
| Community Facilities | 0.49 | Sq.ft. Per Capita | \$43,120 | \$110.25 | \$352.80 |
| Land for Facilities | 0.000056 | Acres Per Capita | \$296 | \$0.76 | \$2.43 |
| Erin | 2.4% | Of Annual Cost | \$528 | \$1.35 | \$4.32 |
| Grand Valley | 1.7 | Sq.ft. Per Capita | \$149,600 | \$382.50 | \$1,224 |
| TOTAL | | | \$274,644 | \$702.22 | \$2,247.10 |

NOTE: Numbers may not add due to rounding

10.4 Library

Residents of the municipality have access to library capital facilities provided through agreements for facilities outside of the Township. The service level standards for Library services used in the background study are based on a sample of the standards in place in the adjacent municipalities.

| Library Category | Average Level of Service | Service Level Unit | Total Anticipated Capital spending over 10 year horizon | Residential share per capita | DC Charge per dwelling |
|------------------|--------------------------|---------------------------------|---------------------------------------------------------|------------------------------|------------------------|
| Buildings | 0.2961 | Sq.ft. Per Capita | \$26,057 | \$66.62 | \$213.18 |
| Materials | 1.227 | Circulation Material Per Capita | \$19,436 | \$49.69 | \$159.01 |
| Land | 0.245 | Sq. M Per Capita | \$5,606 | \$14.33 | \$45.86 |
| TOTAL | | | \$51,098 | \$130.65 | \$418.08 |

NOTE: Numbers may not add due to rounding

10.5 Administration

The only eligible cost regarding administration is the cost of furnishings required to equip new staff. Personal computers and administrative buildings are specifically excluded from the eligible charge by the DCA.

Within the Administration category, several studies have been identified that are required as a result of growth. An update to the Official Plan has been initiated, but will likely take some time to complete. It is estimated that this update and other growth related studies that would be required in the next 10 years will cost \$60,000.

A Road Needs study will also be required in the near future. It is expected that this study will cost approximately \$30,000. The purpose of this study is to identify capital works required to meet the needs of the municipality in the future. A portion of the cost of this study has been attributing to benefiting the existing community.

| Administration Category | Average Level of Service | Service Level Units | Total Anticipated Capital spending over 10 year horizon | Residential share per capita | DC Charge per dwelling |
|-------------------------|--------------------------|---------------------------|---------------------------------------------------------|------------------------------|------------------------|
| Furniture | 1.1 | Staff Per 1,000 Residents | \$891 | \$2.16 | \$6.91 |
| Growth Related Studies | \$6,000 | Annually | \$60,000 | \$145.74 | \$466.37 |
| Roads Needs Study | \$30,000 | | \$30,000 | \$72.87 | \$233.18 |
| TOTAL | | | \$90,891 | \$220.77 | \$706.46 |

NOTE: Numbers may not add due to rounding

Appendix 1 Worksheet

| ANNUAL INFLATION | ANNUAL INTEREST RATE | RES SHARE | NON-RES SHARE | STUDY PERIOD | PPU | POPULATION GROWTH | AVERAGE | MEASURE | UNIT COST | UNIT REQUIREMENTS | GROSS CAPITAL | DISCOUNT | NET COST | GROSS RESIDENTIAL | PER CAPITA RES | NON-RES | DISCOUNT COST |
|-------------------------------------|------------------------------------|-----------|---------------|--------------|-----|-------------------|---------|-----------|---------------------------------------------------|--------------------|---------------|--------------------|--------------------|-------------------|-------------------|--------------------|---------------|
| | | | | | | | | | | | | | | | | | |
| | 3.0% | 3.0% | 95% | 5% | 3.2 | 352 PEOPLE | | | | | | | | | | | |
| | | | | | | | | | East Garafraxa | | | | | | | | |
| | | | | | | | | | Conservative Cost Updates | | | | | | | | |
| | | | | | | | | | Population increase reduces service levels | | | | | | | | |
| Administration | | | | | | | | | | | | | | | | | |
| Furniture | 1.1 staff person per 1000 | | | | | | | \$2,300 | 0.3872 | \$891 | 10% | \$802 | \$761 | \$2.16 | \$40 | \$89 | |
| Growth Studies | \$6,000.00 cost per annum | | | | | | | \$6,000 | 10 | \$60,000 | 10% | \$54,000 | \$51,300 | \$145.74 | \$2,700 | \$6,000 | |
| Road Needs | current study | | | | | | | \$30,000 | 1 | \$30,000 | 10% | \$27,000 | \$25,650 | \$72.87 | \$1,350 | \$3,000 | |
| | | | | | | | | | | \$90,891 | | \$81,802 | \$77,711 | \$220.77 | \$4,090 | \$9,089 | |
| Transportation | | | | | | | | | | | | | | | | | |
| Bridge Improvement & Rehabilitation | annual improvements | | | | | | | \$100,000 | 10 | \$1,000,000 | 85% | \$150,000 | \$142,500 | \$404.83 | \$7,500 | \$850,000 | |
| Arterial & Collector Roads | annual improvements | | | | | | | \$70,000 | 10 | \$700,000 | 85% | \$105,000 | \$99,750 | \$283.38 | \$5,250 | \$695,000 | |
| Works Yard & Buildings | \$290.17 dollars per capita | | | | | | | \$290.17 | 352 | \$102,140 | 10% | \$91,926 | \$87,330 | \$248.10 | \$4,596 | \$10,214 | |
| Vehicles and Equipment | \$641.99 equipment cost per capita | | | | | | | \$641.99 | 352 | \$225,980 | 10% | \$203,362 | \$193,213 | \$548.90 | \$10,169 | \$22,998 | |
| | | | | | | | | | | \$2,028,120 | | \$550,308 | \$522,793 | \$1,485.21 | \$27,515 | \$1,477,812 | |
| Police Services | | | | | | | | | | | | | | | | | |
| Buildings/Capital Equipment | 3.0% of total costs | | | | | | | \$233,186 | 10 | \$69,956 | 0% | \$69,956 | \$66,456 | \$188.80 | \$3,498 | \$0 | |
| | 1.5 officers per 1000 | | | | | | | \$3,500 | 0.962986 | \$3,370 | 0% | \$3,370 | \$3,202 | \$9.10 | \$169 | \$0 | |
| | | | | | | | | | | \$73,326 | | \$73,326 | \$69,660 | \$197.90 | \$3,666 | \$0 | |
| Fire Services | | | | | | | | | | | | | | | | | |
| Buildings | 0.423 sq ft per capita | | | | | | | \$170 | 149 | \$25,312 | 0% | \$25,312 | \$24,047 | \$68.31 | \$1,266 | \$0 | |
| Fire Vehicles | \$59.95 vehicle cost per capita | | | | | | | \$59.95 | 352 | \$21,102 | 0% | \$21,102 | \$20,047 | \$56.95 | \$1,055 | \$0 | |
| Fire Suits | 1.648 firefighters per 1000 | | | | | | | \$3,400 | 0.680096 | \$1,972 | 0% | \$1,972 | \$1,874 | \$5.32 | \$99 | \$0 | |
| Land | 0.0002000 acres per capita | | | | | | | \$15,000 | 0.070400 | \$1,056 | 0% | \$1,056 | \$1,003 | \$2.85 | \$53 | \$0 | |
| | | | | | | | | | | \$49,443 | | \$49,443 | \$46,971 | \$133.44 | \$2,472 | \$0 | |
| Recreation | | | | | | | | | | | | | | | | | |
| Parkland Improvements | 5.76 acres per 1000 | | | | | | | \$40,000 | 2.0275 | \$81,101 | 10% | \$72,991 | \$72,991 | \$207.36 | \$0 | \$8,110 | |
| Community Facilities Building | 0.49 sq ft per capita | | | | | | | \$250 | 172.5 | \$43,120 | 10% | \$38,808 | \$38,808 | \$110.25 | \$0 | \$4,312 | |
| Community Facilities - Land | 0.00005600 acres per capita | | | | | | | \$15,000 | 0.01971 | \$296 | 10% | \$266 | \$266 | \$0.76 | \$0 | \$30 | |
| Grand Valley DCC | 1.7 sq ft per capita | | | | | | | \$250 | 588.4 | \$149,600 | 10% | \$134,640 | \$134,640 | \$382.50 | \$0 | \$14,960 | |
| Firm | 2.400% of per annum cost | | | | | | | \$2,200 | 10 | \$528 | 10% | \$475 | \$475 | \$1.35 | \$0 | \$53 | |
| | | | | | | | | | | \$274,644 | | \$247,180 | \$247,180 | \$702.22 | \$0 | \$27,464 | |
| Library Services | | | | | | | | | | | | | | | | | |
| Building | 0.2961 sq ft per capita | | | | | | | \$250 | 104.2 | \$26,057 | 10% | \$23,451 | \$23,451 | \$66.62 | \$0 | \$2,606 | |
| Materials | 1.227 material per capita | | | | | | | \$45 | 431.9 | \$19,436 | 10% | \$17,492 | \$17,492 | \$49.69 | \$0 | \$1,944 | |
| Land | 0.245 sq m per capita | | | | | | | \$65 | 86.2 | \$5,606 | 10% | \$5,045 | \$5,045 | \$14.33 | \$0 | \$561 | |
| | | | | | | | | | | \$51,098 | | \$45,988 | \$45,988 | \$130.65 | \$0 | \$5,110 | |
| | | | | | | | | | Grand Totals | \$2,567,523 | | \$1,048,047 | \$1,010,303 | \$2,870.18 | \$37,744 | \$1,519,475 | |
| | | | | | | | | | Per Household | | | | | | \$9,184.58 | | |

Appendix 2 Draft By-law

CORPORATION OF THE TOWNSHIP OF EAST GARAFRAXA

BY-LAW NUMBER XXXXX

**BEING A BY-LAW OF THE CORPORATION OF THE
TOWNSHIP OF EAST GARAFRAXA WITH RESPECT TO
DEVELOPMENT CHARGES**

WHEREAS Section 2(1) of the New 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 lands 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 sub-section 2(1) of the Act;

AND WHEREAS The Corporation of the Township of East Garafraxa has determined that the development of lands within the municipality will increase the need for municipal services;

AND WHEREAS the Council of the Corporation of the Township of East Garafraxa, at its meeting of July 14, 2009 approved the recommendations of a report, entitled Township of East Garafraxa Development Charges Background Study prepared by E & T Development Services;

AND WHEREAS the Council has given notice of its development charges proposal in accordance with subsection 12(1) of the Act, and held a public meeting on July 14, 2009.

NOW THEREFORE The Corporation of the Township of East Garafraxa by its Council enacts the following:

PART 1 - DEFINITIONS

1. "Act" means the Development Charges Act, 1997, R.S.O. 1997, c.P.27.
2. In this By-Law:
 - (a) all words and phrases used in this by-law that have been defined in the Act shall have the same meaning as those words and phrases in the Act;

- (b) words and phrases that have not been defined in either the act or this by-law, but that have been defined in the Township of East Garafraxa Zoning By-Law 60/2004, shall have the same meaning given to them in such by-law.
 - (c) if said Zoning By-Law 60/2004 is amended or is repealed and replaced with a successor by-law, the words and phrases as amended or as defined in said successor by-law shall have the same meaning in this by-law unless they are given other meanings in the Act or in this by-law;
 - (d) the reference to any statute or regulation in this by-law includes not only the state or regulation itself, but also any statute or regulation that replaces it in the future; and
 - (e) the reference to any section or subsection of any statute or regulation in this by-law includes not only the section or subsection itself but also the equivalent section or subsection in any statute or regulation that replaces it, as amended from time to time.
3. “Wind Turbine” means a part of a system that converts energy into electricity, and consists of a wind turbine, a tower and associated control or conversion electronics. A wind turbine and energy system may be connect to the electricity grid in circuits at a substation to provide electricity off-site for sale to an electrical utility or other intermediary.

PART II -IMPOSITION OF DEVELOPMENT CHARGES

1. Subject to the provisions of this by-law, the development charge against land shall be collected in accordance with the base rate set out in Schedule “B”, which relates to the designated services as set out in Schedule “A”.

2. This by-law shall apply to the residential development of all lands, buildings and structures within the Corporate limits of the Corporation of the Township of East Garafraxa, and to commercial wind turbines whether or not the land is exempted from taxation under Section 3 of the Assessment Act R.S.O. 1990, c.A.31, and development shall include placing a mobile home on land, where permitted.
3. Subsection (1) and (2) shall not apply to lands:
 - a) where an existing dwelling is enlarged; or
 - b) where a maximum of two dwelling units are being created within an existing single detached dwelling or where one additional dwelling is added to any other residential building, provided that the gross floor area of the added dwelling units do not exceed the gross floor area of the existing dwelling unit; or
 - c) where a dwelling unit that existed and was used on the lands within 36 months of the enactment of this by-law is being replaced.
4. The development charge shall be collected if the development requires the issuing of a permit under the Building Code Act in relation to a building or structure, unless as otherwise provided for in an agreement under the Planning Act or Development Charges Act.
5. The building permit shall not be issued until the development charge has been paid in full.
6. Nothing in this by-law prevents Council from requiring, as a condition of an agreement under Section 51 or 53 of the Planning Act, that the owner, at his or her own expense, shall install or pay for such local services as council may require.

PART III - APPLICABLE LANDS

1. This by-law applies to all lands in the Township of East Garafraxa.
2. In the case of residential use or the residential portion of a mixed use development, the development charge shall apply to each dwelling unit.
3. In the case of commercial wind turbines, the development charge shall apply to each structure.
4. This by-law shall not apply to non-residential development.

PART IV - INDEXING

The development charge shall be adjusted, without amendment to this by-law, on the first day of January in each year, beginning January 1, 2010, in accordance with the Statistics Canada Quarterly, Construction Price Statistics.

PART V - SERVICES IN LIEU

1. Council may enter into an agreement with an owner to provide for the payment in full of a development charge before or after the issuance of a building permit.
2. 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 provisions, 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 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 proportion of the development charge related to that service, payable by the owner to the municipality.

3. In any agreement under subsection (2), Council may also give further credit to the owner equal to the reasonable cost of providing services in addition to, or of a greater size or capacity, that would be required under this by-law. The credit shall not exceed the service standard used in the calculation of the development charge, and no credit shall be charged to any development charges reserve fund prescribed in this by-law.

PART VI- TIMING OF CALCULATION AND PAYMENT

1. Development charges shall be calculated any payable in full in money or by provisions of services as may be agreed upon, or by credit granted by the Act, on the date that the first building permit is issued in relation to a residential dwelling unit or wind turbine, or in a manner or at a time otherwise lawfully agreed upon.
2. Notwithstanding subsection (1), an owner may enter into an agreement with the municipality to provide for the payment in full of a development charge before building permit issuance or later that the issuing of a building permit.

PART VII - BY-LAW REGISTRATION

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

PART VIII - RESERVE FUNDS

- 1) Monies received from payment of development charges shall be maintained in a separate reserve fund, 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) Where any development charge, or part thereof, remains unpaid after the due date, the unpaid amount shall be added to the tax roll and shall be collected as taxes. Where any unpaid development charges are collected as taxes, the monies so collected shall be credited to the development charge reserve fund.
- 3) The Treasurer of the Township of East Garafraxa shall, in each year, furnish to Council a statement in respect of the reserve fund established hereunder for the prior year.

PART IX - BY-LAW AMENDMENT OR REPEAL

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.

PART X - ADMINISTRATION

This by-law shall be administered by the Treasurer of the Municipality.

PART XI - SCHEDULES TO THE BY-LAW

The following schedules to this by-law form an integral part of this by-law;

- 1) Schedule A - Classification of Services; and
- 2) Schedule B - components of Development Charge

PART XII - SEVERABILITY

If for any reason whatsoever any provision, terminology, covenant or condition of this by-law, or any application to any person or circumstances, is to an extent held to be or rendered invalid, unenforceable or illegal, then such provisions, terminology, covenants or condition is deemed to be independent to the remainder of the by-law or any part thereof, and this by-law continues to be applicable to and enforceable to the fullest extent permitted bylaw against any person in circumstances other than those as to which it has been held or rendered invalid, unenforceable or illegal.

PART XIII - EFFECTIVE DATE

1. This by-law comes into force and effect on the 31st day of August 2009.
2. This by-law shall continue in force and effect for a term not to exceed five years from its enactment.

BY-LAW READ A FIRST AND SECOND TIME THIS **17TH** day of **AUGUST 2009**

BY-LAW READ A THIRD TIME AND PASSED THIS **17TH** day of **AUGUST 2009**

HEAD OF COUNCIL

CLERK

SCHEDULE 'A'

OF

BY-LAW NUMBER _____

TOWNSHIP OF EAST GARAFRAXA

DEVELOPMENT CHARGES BY-LAW

CLASSIFICATION OF SERVICES

| CATEGORIES OF MUNICIPAL SERVICES | SERVICE COMPONENTS |
|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Administration | <ul style="list-style-type: none">➤ Furniture and Small Equipment➤ Growth Related Studies (Official Plan, Zoning By-Law, Road Needs Study) |
| Transportation | <ul style="list-style-type: none">➤ Arterial and Collector Roads➤ Bridges➤ Building, Sand Domes➤ Vehicles and Equipment |
| Fire Services | <ul style="list-style-type: none">➤ Fire Stations➤ Fire Pumpers, Tankers, Rescue Vehicles➤ Equipment |
| Police Services | <ul style="list-style-type: none">➤ Police Station➤ Equipment |
| Recreation | <ul style="list-style-type: none">➤ Parkland Improvements➤ Arenas➤ Fitness Facilities➤ Community Centres |
| Library Services | <ul style="list-style-type: none">➤ Libraries➤ Circulation Materials |

SCHEDULE 'B'

OF

BY-LAW NUMBER xxxxx_____

TOWNSHIP OF EAST GARAFRAXA

DEVELOPMENT CHARGES BY-LAW

COMPONENTS OF DEVELOPMENT CHARGE

| | Proposed Charge | | |
|----------------|-------------------|----------------------|-------------------|
| | Per Capita | Per Residential Unit | Per Wind Turbine |
| Administration | \$220.77 | \$706.46 | \$706.46 |
| Transportation | \$1,485.21 | \$4,752.67 | \$4,752.67 |
| Police | \$197.90 | \$633.28 | \$633.28 |
| Fire | \$133.44 | \$427.01 | \$427.01 |
| Recreation | \$702.22 | \$2,247.10 | \$0.00 |
| Library | \$130.65 | \$418.08 | \$0.00 |
| TOTAL | \$2,870.19 | \$9,184.60 | \$6,519.42 |