

REPORT FOR PUBLIC CONSULTATION

PREPARED BY HEMSON FOR THE TOWNSHIP OF SCUGOG

DEVELOPMENT CHARGES BACKGROUND STUDY

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EXECUTIVE SUMMARY

A. PURPOSE OF DEVELOPMENT CHARGES BACKGROUND STUDY

i. Legislative Context

The Township of Scugog 2024 Development Charges Background Study is presented as part of the process to lead to the approval of a new DC by-law in compliance with the *DCA*. The study is prepared in accordance with the *DCA* and associated regulations, including amendments that came into force through the *More Homes, More Choice Act*, the *COVID-19 Economic Recovery Act*, and the *More Homes Built Faster Act* (Bill 23).

ii. Key Steps in Determining Future Development-Related Projects

In accordance with the *DCA* and associated regulations, several key steps are required to calculate development charges. This includes preparing a development forecast, establishing historical service levels, determining the increase in need for services arising from development and appropriate shares of costs, and attributing costs to development types (i.e. residential and non-residential).

iii. DC Eligible and Ineligible Costs

Development charges are intended to pay for the initial round of capital costs needed to service development over an identified planning period. This is based on the overarching principle that “growth pays for growth”. However, the *DCA* and associated regulation includes several statutory adjustments and deductions that prevent these costs from fully being recovered by growth. Such adjustments include, but are not limited to: ineligible costs (e.g. computer equipment and vehicles with a replacement life of less than seven years); ineligible services, including parking services, parkland acquisition, etc.; deductions for costs that exceed historical service level caps; and statutory exemptions for specific uses (e.g. industrial expansions).

iv. The Development-Related Capital Program is Subject to Change

It is recommended that Council adopt the development-related capital program developed for the purposes of the 2024 DC Background Study. However, it is recognized that the DC Background Study is a point-in-time analysis and there may be changes to project timing, scope, and costs through the Township’s normal annual budget process.

B. DEVELOPMENT FORECAST

i. Residential and Non-Residential

The table below provides a summary of the anticipated residential and non-residential growth over the 2024-2033 planning period. The development forecast is further discussed in Appendix A.

	Existing	2024-2033	
	2023 Estimate	Forecast Change	As at 2033
Residential			
Total Occupied Dwellings	8,388	770	9,158
- Singles & Semis		317	
- Rows & Other Multiples		360	
- Apartments		93	
Census Population	21,898	1,784	23,682
Forecast Population in New Units		1,956	
Employment*			
Place of Work	8,374	604	8,978
Non-Residential Building Space (sq.m)		36,170	

*Note: Excludes work at home

C. CALCULATED DEVELOPMENT CHARGES

The table below provides the Township-wide development charges for residential and non-residential development based on the aforementioned forecast.

	Residential Charge by Unit Type			Non-Residential Charge per Sq. m		
	Single & Semi-Detached	Rows & Other Multiples	Apartments	Industrial Charge Sq. m	Commercial Charge Sq. m	Institutional Charge Sq. m
General Services	\$15,365	\$12,458	\$8,564	\$21.30	\$21.30	\$21.30
Township Engineering	\$16,077	\$13,036	\$8,962	\$71.93	\$200.72	\$135.03
TOTAL DEVELOPMENT CHARGE	\$31,442	\$25,494	\$17,526	\$93.23	\$222.02	\$156.33

D. LONG-TERM CAPITAL AND OPERATING COSTS

An overview of the long-term capital and operating costs for the capital facilities and infrastructure to be included in the DC by-law is provided in the study. This examination is required as one of the provisions of the DCA. Additional details on the long-term capital and operating impact analysis is found in Appendix E. By 2033 the Township's net operating costs are estimated to increase by about \$2.87 million, of which \$231,000 relates to Township Engineering services while the remaining \$2.64 million relates to Township's General Services.

E. ASSET MANAGEMENT PLAN

A key function of the Asset Management Plan is to demonstrate that all assets proposed to be funded under the development charges by-law are financially sustainable over their full life cycle.

By 2034, the Township will need to fund an additional \$882,000 per annum in order to properly fund the full life cycle costs of the new assets supported under the 2024 Development Charges By-law.

F. DC BY-LAW TO BE RELEASED UNDER SEPARATE COVER

The Township is proposing to modify the current development charges by-law. The proposed draft by-law will be made available, under separate cover, a minimum of two weeks in advance of the statutory public meeting.

1. INTRODUCTION

The *Development Charges Act, 1997 (DCA)* and its associated *Ontario Regulation 82/98 (O. Reg. 82/98)* allow municipalities in Ontario to recover development-related capital costs from new development and redevelopment. The Township of Scugog Development Charges Background Study is presented as part of a process to pass a new development charge by-law in compliance with this legislation.

Growth forecasts for the Township of Scugog between 2024 and 2033 will increase the demand for all Township services. The Township wishes to continue implementing DCs to fund capital projects related to development so that growth can continue to be serviced in a fiscally responsible manner.

When passing a DC by-law, the *DCA* and *O. Reg. 82/98* require that a development charges background study be prepared in which DCs are determined with reference to:

- A forecast of the amount, type and location of housing units, population and non-residential development anticipated in the Township;
- The average capital service levels provided in the Township over the fifteen-year period immediately preceding the preparation of the background study;
- A review of capital works in progress and anticipated future capital projects, including an analysis of gross expenditures, funding sources, and net expenditures incurred or to be incurred by the Township to provide for the expected development, including the determination of the development and non-development-related components of the capital projects;
- An examination of the long-term capital and operating costs for the capital infrastructure required for each service to which the development charges by-laws would relate; and
- An Asset Management Plan to deal with all assets whose capital costs are proposed to be funded under the DC By-law, demonstrating that all assets included in the capital program are financially sustainable over their full life cycle.

The background study establishes the net capital costs attributable to development that is forecast to occur in the Township between 2024 and 2033. These development-related net capital costs are apportioned to residential and non-residential development in a manner that reflects the increase in the need for each service.

The *DCA* provides for a period of public review and comment regarding the proposed development charges. This process includes considering and responding to comments received by members of the public about the calculated charges and methodology used. Following completion of the process, and in accordance with the *DCA* and Council's review of the study, it is intended that Council will pass new development charges for the Township.

The remainder of this study sets out the information and analysis upon which the proposed development charges are based.

Section 2 designates the services for which the DCs are calculated and the areas within the Township to which the DCs will apply. It also briefly reviews the methodologies that have been used in the background study.

Section 3 summarizes of the forecast residential and non-residential development that is expected to occur within the Township over a planning period from 2024 to 2033.

Section 4 summarizes the fifteen-year historical average capital service levels that have been attained in the Township, which form the basis for the development charges calculations.

Section 5 reviews the development-related capital program from various Township departments.

Section 6 summarizes the calculation of applicable development charges and the resulting calculated development charges by class and type of development.

Section 7 presents a cost of growth analysis, which considers an Asset Management Plan for the Township, demonstrating the financial sustainability of assets over the life cycle of the 2024 Development Charges By-law. This section also considers the long-term operating impacts of the projects.

Section 8 provides a review of development charges administrative matters and consideration of area rating.

2. THE METHODOLOGY USES A TOWNSHIP-WIDE APPROACH

Several key steps are required in calculating any development charge. However, specific circumstances arise in each municipality which must be reflected in the calculation. In this study, the approach to the calculation of proposed development charges provides a reasonable alignment of development-related costs with the development that necessitates them. The Township-wide approach used herein is consistent with Scugog's previous Development Charges Background Studies. Despite the fact that development charges are calculated on a Township-wide basis, legislation allows a municipality to exempt or reduce rates for specific geographic areas. However, legislation prevents lost revenue, due to exemptions or reductions, from being made up through increasing charges on other areas.

A. TOWNSHIP-WIDE DEVELOPMENT CHARGES ARE PROPOSED

Scugog provides a range of services to the community it serves and has a sizeable inventory of facilities, land, infrastructure, vehicles and equipment. The DCA provides the Township with flexibility when defining services that will be included in the development charge by-laws, provided that the other provisions of the Act and Regulations are met. The DCA also permits the Township to designate, in its by-laws, the areas within which the development charges shall be imposed. The charges may apply to all lands in the Township or to other designated development areas as specified in the by-laws.

For all of the development charge eligible services that the Township provides, the full range of capital facilities, land, equipment and infrastructure is available throughout the municipality. All residents therefore have access to all facilities. A widely accepted method for sharing the development-related capital costs for such services is to apportion them over all new growth anticipated in the Township.

The following services are included in the Township-wide development charge calculation

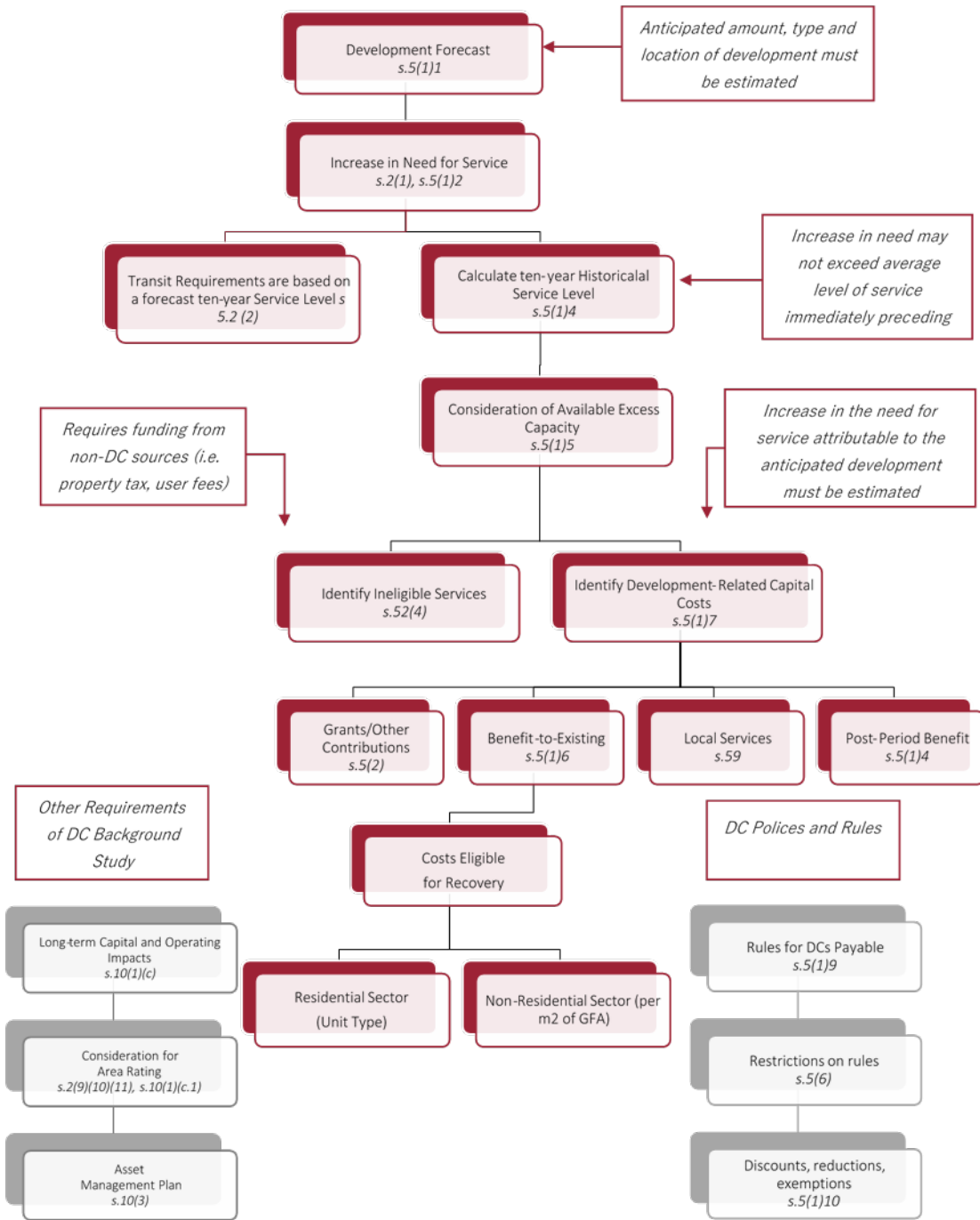
- Library Services
- Fire Services
- Parks and Recreation
- Services Related to a Highway: Public Works: Buildings and Fleet
- Bylaw Enforcement and Court Services (for Animal Services)
- Development Related Studies
- Township Engineering (includes: Services Related to a Highway and Stormwater)

These services form a reasonable basis in which to plan and administer the Township-wide development charges. Each of these services examines the individual capital facilities and equipment that constitute it. The resulting development charge for all of the above services would be imposed uniformly against all new development in the Township.

B. KEY STEPS IN DETERMINING DEVELOPMENT CHARGES FOR FUTURE DEVELOPMENT-RELATED PROJECTS

Several key steps are required in calculating DCs for future development-related projects. These are summarized in Figure 1 and discussed further in the following sections.

Figure 1 Key Steps in Calculating Development Charges



i. Development Forecast

The first step in the methodology requires a development forecast to be prepared for the ten-year study period, 2024 to 2033, for all general and engineered Township services.

For the residential portion of the forecast, the net population growth and population growth in new units is estimated. The net population growth determines the need for additional facilities and provides the foundation for the development-related capital program. When calculating the development charge, the development-related net capital costs are spread over the total additional population that occupy new housing units. This population in new units represents the population from which development charges will be collected.

The non-residential portion of the forecast estimates the gross floor area (GFA) of building space to be developed over the ten-year period, 2024 to 2033. The forecast of GFA is based on an employment forecast for the Township. It is noted that not all employment growth is associated with an increase in space. Factors for floor space per worker are used to convert the employment forecast into GFA.

ii. Service Categories and Historical Service Levels

The *Development Charges Act* provides that the increase in the need for service attributable to anticipated development:

... must not include an increase that would result in the level of service exceeding the average level of that service provided in the municipality over the fifteen-year period immediately preceding the preparation of the background study...(s. 5. (1) 4.)

Historical fifteen-year average service levels thus form the basis for development charges. A review of the Township's capital service levels for buildings, land, vehicles and so on, has therefore been prepared as a reference for the calculation, so that the portion of future capital projects that may be included in the development charge can be determined. The historical service levels used in this study have been calculated based on the period 2009 to 2023.

iii. Development-Related Capital Program and Analysis of Net Capital Costs to be Included in Development Charges

A development-related capital program has been prepared by Township staff and the consulting team as part of the study. The program identifies development-related projects and their gross and net costs, after allowing for capital grants, subsidies or other

contributions as required by the *Act* (*DCA*, s. 5. (2)). The capital program provides another cornerstone upon which development charges are based. The *DCA* requires that the increase in the need for service attributable to the anticipated development may include an increase:

... only if the council of the municipality has indicated that it intends to ensure that such an increase in need will be met. (s. 5. (1) 3.)

In conjunction with *DCA*, s. 5. (1) 4. referenced above, these sections have the effect of requiring that the development charge be calculated on the lesser of the historical fifteen-year average service levels or the service levels embodied in future plans of the Township. The development-related capital program prepared for this study ensures that development charges are only imposed to help pay for projects that have been or are intended to be purchased or built in order to accommodate future anticipated development. It is not sufficient in the calculation of development charges merely to have had the service in the past. There must also be a demonstrated commitment to continue to emplace facilities or infrastructure in the future. In this regard, *Ontario Regulation 82/98*, s. 3 states that:

For the purposes of paragraph 3 of subsection 5 (1) of the Act, the council of a municipality has indicated that it intends to ensure that an increase in the need for service will be met if the increase in service forms part of an official plan, capital forecast or similar expression of the intention of the council and the plan, forecast or similar expression of the intention of the council has been approved by the council.

For some projects in the development-related capital program, a portion of the project may confer benefits to existing residents. As required by the *DCA*, s. 5. (1) 6., these portions of projects and their associated net costs are the funding responsibility of the Township from non-development charges sources. The amount of Township funding for such non-growth shares of projects is also identified as part of the preparation of the development-related capital forecast.

There is also a requirement in the *DCA* to reduce the applicable development charge by the amount of any “uncommitted excess capacity” that is available for a service. Adjustments are made in the analysis to meet this requirement of the Act through the use of “net” population and employment in the determination of maximum permissible funding envelopes. Furthermore, the Township’s capital programs, and the need for increased capacity, reflects available and useable capacity within existing infrastructure and facilities.

iv. Attribution to Types of Development

The next step in the determination of development charges is the allocation of the development-related net capital costs between the residential and non-residential sectors. This is done using apportionments for different services in accordance with the demands which the two sectors would be expected to place on the various services and the different benefits derived from those services. The apportionment is based on the expected demand for, and use of, the service by each sector (e.g. shares of population and employment).

The residential component of the development charge is applied to different housing types based on average occupancy factors. The non-residential component is applied on the basis of gross building space in square metres for industrial, commercial and institutional development.

v. Final Adjustment

The final determination of the development charge results from adjustments made to development-related net capital costs for each service and sector from the application of any unallocated reserve fund balances.

3. DEVELOPMENT FORECAST

This section provides the basis for the development forecasts used to calculate the development charges for the Township of Scugog. A more detailed summary of the forecasts, including tables illustrating historical trends and forecast results is provided in Appendix A.

The development forecasts used in this Development Charges Background Study were prepared by Hemson Consulting Ltd. in consultation with Township planning staff and are based on a range of statistical data including Statistics Canada Census and National Household Survey data, Canada Mortgage Housing Corporation (CMHC) housing market information with reference to the recently approved Durham Regional Official Plan. It is important to note that Census population, which excludes undercoverage, is used for development charges studies whereas total population, which includes undercoverage, is used in official plans.

A. RESIDENTIAL FORECAST

Development charges are levied on residential development as a charge per new unit. Therefore, for the residential forecast, a projection of the population growth (or net population growth) as well as the population in new units is required.

- The population growth determines the need for additional facilities and provides the foundation for the development-related capital program.
- When calculating the development charge, the development-related net capital costs are spread over the total additional population that occupy new housing units. This population in new units represents the population from which development charges will be collected.

Table 1 provides a summary of the residential forecast for a ten-year planning period, from 2024 to 2033. The ten-year planning period is applicable to all development charge services.

As shown on Table 1, the Township's Census population is forecast to increase by approximately 1,780 over the next ten years, reaching about 23,680 people by 2033. Over the ten-year planning period from 2024 to 2033, the number of households is forecast to increase by 770. This translates to population growth in new units of approximately 1,960.

B. NON-RESIDENTIAL FORECAST

Development charges are levied on non-residential development as a charge per square metre of GFA. As with the residential forecast, the non-residential forecast requires both a projection of employment growth as well as a projection of the employment growth associated with new floor space in the Township.

The non-residential forecast projects an increase of approximately 600 jobs by 2033, excluding work from home employment. The net employment growth will be accommodated in 36,170 square metres of new non-residential building space by 2033.

A summary of the non-residential growth forecast can be found in Table 1.

TABLE 1
TOWNSHIP OF SCUGOG
SUMMARY OF RESIDENTIAL & NON-RESIDENTIAL
DEVELOPMENT FORECAST

	Existing	2024-2033	
	2023 Estimate	Forecast Change	As at 2033
Residential			
Total Occupied Dwellings	8,388	770	9,158
- Singles & Semis		317	
- Rows & Other Multiples		360	
- Apartments		93	
Census Population	21,898	1,784	23,682
<i>Forecast Population in New Units</i>		<i>1,956</i>	
Employment*			
Place of Work	8,374	604	8,978
<i>Non-Residential Building Space (sq.m)</i>		<i>36,170</i>	

*Note: Excludes work at home

4. SUMMARY OF HISTORICAL CAPITAL SERVICE LEVELS

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

For General and Engineered Services the legislative requirement is met by documenting historical service levels for the preceding fifteen years, in this case, for the period from 2009 to 2023. Service levels are measured as a ratio of inputs per capita, or per capita plus employment.

O. Reg. 82/98 requires that when determining historical service levels both quantity and quality of service be taken into consideration. In most cases, the service levels are initially established in quantitative terms. For example, service levels for buildings are presented in terms of square feet per capita. The qualitative aspect is introduced by the consideration of the monetary value of the facility or service. In the case of buildings, for example, the cost would be shown in terms of dollars per square foot to replace or construct a facility of the same quality. This approach helps to ensure that the development-related capital facilities that are to be charged to new growth reflect both the quantity (number and size) and quality (value or replacement cost) of the service provided historically by the Township. Both the quantitative and qualitative aspects of service levels used in the present analysis are based on information provided by Township staff based on historical records and their experience with costs to acquire or construct similar facilities, equipment and infrastructure.

Table 2 summarizes service levels for all applicable services included in the development charge calculation. Appendix B and Appendix C provide the detailed historical inventory data upon which the calculation of service levels are based.

TABLE 2

TOWNSHIP OF SCUGOG
 HISTORICAL AVERAGE SERVICE LEVELS

Service	Historical Average Service Level 2009 - 2023
1 LIBRARY SERVICES Buildings Land Materials Furniture & Equipment	\$358.78 per capita \$292.47 per capita \$15.27 per capita \$36.53 per capita \$14.51 per capita
2 FIRE SERVICES Buildings Land Rolling Stock Furniture & Equipment Personal Protection Equipment	\$558.26 per pop. & emp. \$309.08 per pop. & emp. \$22.65 per pop. & emp. \$156.74 per pop. & emp. \$44.59 per pop. & emp. \$25.19 per pop. & emp.
3 PARKS & RECREATION Indoor Recreation - Major Facilities Park Development & Facilities - Park Development Park Facilities Outdoor Buildings And Rolling Stock & Equipment	\$4,005.34 per capita \$2,931.53 per capita \$495.60 per capita \$416.45 per capita \$161.76 per capita
4 PUBLIC WORKS: BUILDINGS & FLEET Buildings Land Furniture And Equipment Rolling Stock & Related Equipment	\$552.98 per pop. & emp. \$168.48 per pop. & emp. \$80.12 per pop. & emp. \$23.49 per pop. & emp. \$280.89 per pop. & emp.
5 BYLAW ENFORCEMENT & COURT SERVICES Buildings Land Furniture & Equipment Animal Rolling Stock By-Law Enforcement Rolling Stock	\$31.75 per capita \$23.92 per capita \$2.08 per capita \$0.65 per capita \$1.54 per capita \$3.56 per capita
6 TOWNSHIP ENGINEERING	\$24,211.27 per pop. & emp.

5. THE DEVELOPMENT-RELATED CAPITAL FORECAST

The *DCA* requires the Council of a municipality to express its intent to provide future capital facilities at the average historical service level incorporated in the development charges calculation. As noted in Section II, Ontario Regulation 82/98, s. 3 states that:

For the purposes of paragraph 3 of subsection 5 (1) of the Act, the council of a municipality has indicated that it intends to ensure that an increase in the need for service will be met if the increase in service forms part of an official plan, capital forecast or similar expression of the intention of the council and the plan, forecast or similar expression of the intention of the council has been approved by the council.

A. A DEVELOPMENT-RELATED CAPITAL PROGRAM IS PROVIDED FOR COUNCIL'S APPROVAL

Based on the development forecasts summarized in Section III and detailed in Appendix A, Township staff, in collaboration with the consultants, have created a development-related capital program setting out those projects that are required to service anticipated development. For all services, the capital plan covers the ten-year period from 2024 to 2033.

One of the recommendations contained in this background study is for Council to adopt the development-related capital program derived for the purposes of the development charges calculation. It is assumed that future capital budgets and forecasts will continue to bring forward the development-related projects contained herein, that are consistent with the development occurring in the Township. It is acknowledged that changes to the forecast presented here may occur through the Township's normal capital budget process.

B. DEVELOPMENT-RELATED CAPITAL FORECAST

The capital forecast incorporates those projects identified to be related to development anticipated in the next ten years. It is not implied that all of these costs are to be recovered from new development by way of development charges (see Section VI for the method and determination of net capital costs attributable to growth). Portions of this capital forecast may relate to providing servicing for growth which has occurred prior to 2024 (for which development charge reserve fund balances exist), for replacement of existing capital facilities or for development anticipated to occur beyond the 2024–2033 planning period.

A summary of the Development-Related Capital Program for all services is presented in Table 3. The table shows that the gross cost of the Township's capital forecast is estimated to be \$120.82 million. \$42.12 million in grants, subsidies, and recoveries are anticipated in the ten-year planning period and, thus, reduce the amount of the capital program brought forth for the development charges consideration to \$78.70 million.

Of this \$78.70 million net capital cost, approximately 47 per cent, or \$37.04 million is related to capital works for township engineering projects. This capital program is comprised mainly of road works, but also includes sidewalks and multi-use trails, storm water management, and intersection improvement projects.

The parks and recreation capital program amounts to \$25.15 million, or 32% of the total net capital costs. It includes the construction of a new pool, an expansion to the Blackstock Arena with new facilities, new park and trail development, and the decommissioning and replacement of the Palmer Park Splash Pad.

The next highest share of net capital cost, at 13%, is attributable to Fire Services with a total of \$9.85 million. This includes a new 25,000 square foot fire station, a new aerial platform, a new pickup truck, and provisions for additional station and firefighter equipment. Note, the new station will result in the decommissioning of Station #1.

The capital program for Services Related to a Highway: Public Works amounts to \$2.78 million, representing 4% of the total net capital cost over the planning period. The program includes facility expansions for indoor storage, new salt storage facility, and a consolidated works yard. The program also includes additional rolling stock: a sidewalk plow/sweeper, loader snow blower attachment and new pick-up truck.

The capital program for Library Services, totalling \$1.89 million of net capital costs includes the acquisition of additional materials and equipment, an express library at the recreation center, and a new 8,000 square foot Blackstock Library Complex.

The capital program for Bylaw Enforcement and Court Services includes a new animal shelter (including the buyout of Uxbridge's share of the current facility), and the equipment for additional enforcement officers. This program totals \$1.20 million over the 10-year period from 2024-2033.

Several development-related studies have been included in the capital program, totalling a net capital cost of approximately \$810,000. This includes an official plan review, a housing study, 2 separate 5-year zoning reviews, 2 development charge studies, and an employment lands community improvement plan. Importantly, as of December 13, 2023, the Minister of

Municipal Affairs and Housing has indicated further consultation to inform further potential changes to the DCA, one of which is related to a review of the removal of studies from recovery under the DCA. At the time of publishing this DC Background Study, studies have not yet been re-instated as an eligible capital cost, but in anticipation of a change to the legislation, a Development Related Studies capital program has been included in this DC Background Study.

Further details of the capital programs for General Services can be found in Appendix B. Details of the Engineered Services capital programs are included in Appendix C.

TABLE 3
TOWNSHIP OF SCUGOG
SUMMARY OF GENERAL SERVICES DEVELOPMENT-RELATED CAPITAL FORECAST
2024-2033

Service	Gross Cost (\$000)	Grants/ Subsidies (\$000)	Capital Cost (\$000)
1.0 LIBRARY SERVICES	\$3,610.0	\$1,720.0	\$1,890.0
1.1 Additional Materials and Equipment	\$170.0	\$0.0	\$170.0
1.2 Land and Buildings	\$3,440.0	\$1,720.0	\$1,720.0
2.0 FIRE SERVICES	\$9,842.5	\$0.0	\$9,842.5
2.1 Buildings, Land & Furnishings	\$7,750.0	\$0.0	\$7,750.0
2.2 Vehicles	\$2,077.5	\$0.0	\$2,077.5
2.3 Equipment and Studies	\$15.0	\$0.0	\$15.0
3.0 PARKS & RECREATION	\$60,957.0	\$35,811.7	\$25,145.3
3.1 Indoor Recreation	\$57,517.0	\$35,811.7	\$21,705.3
3.2 Outdoor Recreation	\$3,440.0	\$0.0	\$3,440.0
4.0 PUBLIC WORKS: BUILDINGS & FLEET	\$2,778.0	\$0.0	\$2,778.0
4.1 Buildings, Land & Furnishings	\$2,393.0	\$0.0	\$2,393.0
4.2 Rolling Stock	\$385.0	\$0.0	\$385.0
5.0 BYLAW ENFORCEMENT & COURT SERVICES	\$1,196.6	\$0.0	\$1,196.6
6.0 DEVELOPMENT RELATED STUDIES	\$836.0	\$25.0	\$811.0
TOTAL - 10 YEAR GENERAL SERVICES	\$79,220.1	\$37,556.7	\$41,663.4
7.0 TOWNSHIP ENGINEERING	\$41,597.9	\$4,558.5	\$37,039.4
TOTAL - 10 YEAR ENGINEERED SERVICES	\$41,597.9	\$4,558.5	\$37,039.4
TOTAL - 10 YEAR ALL SERVICES	\$120,818.1	\$42,115.2	\$78,702.8

6. PROPOSED DEVELOPMENT CHARGES

This section summarizes the calculation of development charges for each service category and the resulting total development charge by type of development. For all services, the calculation of the per capita (residential) and per square metre (non-residential) charges is reviewed.

For residential development, a total per capita amount is applied to different housing types on the basis of average occupancy factors. These housing types are categorized as Single Residential Units, Rows and Other Multiples, and Apartments. For non-residential development three development charge rates are calculated – Industrial, Commercial and Institutional. The non-residential charges are based on gross floor area (GFA) of building space.

The calculation of the development charges does not include any provision for exemptions required under the *DCA*, for example, the exemption for enlargements of up to 50 per cent on existing industrial buildings or the five year phase-in of charges. Such legislated exemptions, or other exemptions which Council may choose to provide, will result in a loss of development charges revenue for the affected types of development. Any such revenue loss may not be offset by increasing other portions of the calculated charge.

A. DEVELOPMENT CHARGES CALCULATION

A summary of the residential and non-residential development charges for all Township services is presented in Table 5 and Table 6 below. Further details of the calculation for each individual service category are available in Appendix B (General Services) and Appendix C (Engineered Services).

i. General Services

The capital forecast for General Services incorporates those projects related to growth anticipated in the next ten years. The net municipal cost of the program is \$41.66 million; however, not all of the capital costs are to be recovered from new development by way of development charges. A share of \$7.74 million represents benefit to existing development or replacement costs. An additional share of \$3.21 million will be funded through revenues collected from previous development charges. Of the remaining \$30.71 million, \$19.79 million has been deemed a benefit that is outside of the 2024-2033 planning period.

The remaining \$10.92 million is carried forward to the development charges calculation as a development-related cost. Of the total development-related cost for general services, \$10.15 million is allocated to new residential development and \$770,000 is allocated to new non-residential development. This results in a charge of \$5,190.59 per capita and \$21.30 per square metre for the provision of general services.

Further details of the calculation for each individual Township service category are available in Appendix C.

ii. **Engineered Services**

Table 5 displays the development-related capital forecast Engineered Services in Scugog from 2024 to 2033. The net municipal cost of the capital program amounts to \$37.04 million; however, \$19.39 million is deemed to be replacement or a benefit to existing development. The Township also has \$2.39 million in available DC reserve funds to offset the cost of the program. Another \$1.09 million is deemed a benefit that is outside the 2033 planning horizon. The DC eligible costs for recovery after these deductions is \$14.17 million.

The DC eligible costs are allocated at 75 per cent, or \$10.62 million to residential development, and \$3.54 million to non-residential development. The resulting charges are \$5,431.52 per capita for residential development, \$71.93 per square metre for industrial developments, \$200.72 per square metre for commercial developments, and \$135.03 for institutional developments.

Further details of the calculation for Township engineered services are available in Appendix B.

TABLE 4
TOWNSHIP OF SCUGOG
SUMMARY OF UNADJUSTED RESIDENTIAL AND NON-RESIDENTIAL DEVELOPMENT CHARGES
GENERAL SERVICES 2024-2033

10-Year Growth in Population in New Units	1,956
10-Year Growth in Square Metres	36,170

	Development-Related Capital Forecast					Residential Share		Non-Residential Share	
	Net Municipal Cost (\$000's)	Replacement & Benefit to Existing (\$000's)	Available DC Reserves (\$000's)	Post-2033 Benefit (\$000's)	Total DC Eligible Costs for Recovery (\$000's)	%	(\$000's)	%	(\$000's)
1.0 LIBRARY SERVICES	\$1,890.0	\$0.0	\$99.2	\$1,150.7	\$640.1	100%	\$640.1	0%	\$0.00
Development Charge Per Capita							\$327.21		
Development Charge Per Sq. m									\$0.00
2.0 FIRE SERVICES	\$9,842.5	\$3,689.0	\$744.8	\$4,075.6	\$1,333.1	75%	\$999.8	25%	\$333.28
Development Charge Per Capita							\$511.13		
Development Charge Per Sq. m									\$9.21
3.0 PARKS & RECREATION	\$25,145.3	\$2,987.0	\$1,818.9	\$13,193.9	\$7,145.5	100%	\$7,145.5	0%	\$0.00
Development Charge Per Capita							\$3,652.87		
Development Charge Per Sq. m									\$0.00
4.0 SERVICES RELATED TO A HIGHWAY: PUBLIC W	\$2,778.0	\$355.0	\$388.6	\$713.9	\$1,320.5	75%	\$990.4	25%	\$330.13
Development Charge Per Capita							\$506.30		
Development Charge Per Sq. m									\$9.13
5.0 BYLAW ENFORCEMENT & COURT SERVICES	\$1,196.6	\$467.7	\$17.3	\$655.0	\$56.6	100%	\$56.6	0%	\$0.00
Development Charge Per Capita							\$28.96		
Development Charge Per Sq. m									\$0.00
6.0 DEVELOPMENT RELATED STUDIES	\$811.0	\$241.0	\$141.9	\$0.0	\$428.1	75%	\$321.0	25%	\$107.01
Development Charge Per Capita							\$164.12		
Development Charge Per Sq. m									\$2.96
TOTAL 10 YEAR GENERAL SERVICES	\$41,663.4	\$7,739.6	\$3,210.7	\$19,789.1	\$10,923.9		\$10,153.5		\$770.4
Development Charge Per Capita							\$5,190.59		
Development Charge Per Sq. m									\$21.30

TABLE 5

TOWNSHIP OF SCUGOG
 SUMMARY RESIDENTIAL AND NON-RESIDENTIAL DEVELOPMENT CHARGES
 TOWNSHIP ENGINEERING SERVICES 2024-2033

Population in New Units (2024-2033)	1,956
Non-Residential Floor Space Growth in Square Meters (2024-2033)	36,170
<i>Industrial</i>	26,730
<i>Commercial</i>	5,240
<i>Institutional</i>	4,200

	Development-Related Capital Forecast										
	Gross Cost (\$000)	Grants and Subsidies (\$000)	Net Municipal Cost (\$000)	Replacement & Benefit to Existing (\$000)	Available DC Reserves (\$000)	Post-2033 Benefit (\$000)	Total DC Eligible Costs for Recovery (\$000)	Residential Share		Non-Residential Share	
								%	\$000	%	\$000
TOWNSHIP ENGINEERING	\$41,597.9	\$4,558.5	\$37,039.4	\$19,392.0	\$2,389.9	\$1,091.1	\$14,166.4	75%	\$10,624.8	25%	\$3,541.6
Residential Charge									\$5,431.52		
Industrial Share											\$1,922.7
Industrial Charge											\$71.93
Commercial Share											\$1,051.8
Commercial Charge											\$200.72
Institutional Share											\$567.1
Institutional Charge											\$135.03

B. RESIDENTIAL AND NON-RESIDENTIAL DEVELOPMENT CHARGES

Table 6 displays the calculated development charges on a per-residential unit type and Tables 7 to 9 display the calculated charge per-square metre of non-residential floor space basis. It is noted that the calculated DC rates represent the maximum permitted, fully calculated rates as per the *DCA*. Implementation of the rates is subject to Council consideration. Note, the fully calculated rates illustrated include development-related studies.

Table 6 summarizes the results of the adjustment for the residential Township-wide development charges by service. Residential development charges are proposed to vary by dwelling type to reflect the various occupancy factors and resulting demand for services. As shown, the total calculated charge of \$10,662 per capita is translated into a charge by residential unit type based on average occupancy (persons per unit) factors. The calculated charges are \$31,442 per single or semi-detached unit, \$25,494 row housing or other multiples, and \$17,526 per apartment unit.

Non-residential development charges have been calculated at different rates depending on the type of industry intended. Table 7 summarizes the calculated charge of \$93.23 per square metre for industrial development. Table 8 shows the calculated charge of \$222.02 per square metre for commercial development. Lastly, Table 9 shows the calculated charge of \$156.33 per square metre for institutional development.

TABLE 6
TOWNSHIP OF SCUGOG
TOWNSHIP-WIDE DEVELOPMENT CHARGES
RESIDENTIAL DEVELOPMENT CHARGES

SERVICE	Unadjusted Charge Per Capita	Charge By Unit Type (1)		
		Single & Semi-Detached	Rows & Other Multiples	Apartments
Library Services	\$327	\$969	\$785	\$540
Fire Services	\$511	\$1,513	\$1,227	\$843
Parks & Recreation	\$3,653	\$10,812	\$8,767	\$6,027
Services Related to a Highway: Public Works: Buildings & Fleet	\$506	\$1,499	\$1,215	\$835
Bylaw Enforcement & Court Services	\$29	\$86	\$70	\$48
Development Related Studies	\$164	\$486	\$394	\$271
General Services Charge Per Unit	\$5,191	\$15,365	\$12,458	\$8,564
Township Engineering	\$5,432	\$16,077	\$13,036	\$8,962
TOTAL DEVELOPMENT CHARGE PER UNIT	\$10,622	\$31,442	\$25,494	\$17,526

(1) Based on Persons Per Unit Of:

2.96

2.40

1.65

TABLE 7

TOWNSHIP OF SCUGOG
TOWNSHIP-WIDE DEVELOPMENT CHARGES
INDUSTRIAL DEVELOPMENT CHARGES

SERVICE	Unadjusted Charge (\$/sq.m)
Library Services	\$0.00
Fire Services	\$9.21
Parks & Recreation	\$0.00
Services Related to a Highway: Public Works: Buildings & Fleet	\$9.13
Bylaw Enforcement & Court Services	\$0.00
Development Related Studies	\$2.96
General Services Charge Per sq. m	\$21.30
Township Engineering	\$71.93
TOTAL DEVELOPMENT CHARGE PER SQ M	\$93.23

TABLE 8

TOWNSHIP OF SCUGOG
TOWNSHIP-WIDE DEVELOPMENT CHARGES
COMMERCIAL DEVELOPMENT CHARGES

SERVICE	Unadjusted Charge (\$/sq.m)
Library Services	\$0.00
Fire Services	\$9.21
Parks & Recreation	\$0.00
Services Related to a Highway: Public Works: Buildings & Fleet	\$9.13
Bylaw Enforcement & Court Services	\$0.00
Development Related Studies	\$2.96
General Services Charge Per sq. m	\$21.30
Township Engineering	\$200.72
TOTAL DEVELOPMENT CHARGE PER SQ M	\$222.02

TABLE 9

TOWNSHIP OF SCUGOG
TOWNSHIP-WIDE DEVELOPMENT CHARGES
INSTITUTIONAL DEVELOPMENT CHARGES

SERVICE	Unadjusted Charge (\$/sq.m)
Library Services	\$0.00
Fire Services	\$9.21
Parks & Recreation	\$0.00
Services Related to a Highway: Public Works: Buildings & Fleet	\$9.13
Bylaw Enforcement & Court Services	\$0.00
Development Related Studies	\$2.96
General Services Charge Per sq. m	\$21.30
Township Engineering	\$135.03
TOTAL DEVELOPMENT CHARGE PER SQ M	\$156.33

C. COMPARISON OF NEWLY CALCULATED DEVELOPMENT CHARGES WITH CHARGES CURRENTLY IN FORCE

Tables 10-13 present a comparison of total calculated Township-wide development charges for a single/semi-detached housing unit, industrial, commercial and industrial uses respectively with the Township's existing charges (as at July 1, 2023).

Table 10 shows that the calculated charge per single/semi detached unit of \$31,442 will increase \$7,839, or 33 per cent over the present development charge of \$23,603.

Table 11 shows the calculated increase in the industrial development charge. The calculated charge of \$93.23 per square metre exceeds \$73.46 charge currently in force by \$19.77 per square metre, or 27 per cent.

Table 12 shows the calculated increase in the commercial development charge. The calculated charge of \$222.02 per square metre represents an increase of 59 per cent or \$82.17 over the existing rate of \$139.85.

As shown in Table 13, the calculated institutional development charge of \$156.33 per square metre represents an increase of 67 per cent or \$62.45 from the existing rate of \$93.88.

TABLE 10

**TOWNSHIP OF SCUGOG
COMPARISON OF CURRENT AND CALCULATED
RESIDENTIAL DEVELOPMENT CHARGES**

SERVICE	Current Residential Charge SDU	Calculated Residential Charge SDU	Difference in Charge	
			\$	%
Library Services	\$446	\$969	\$523	117%
Fire Services	\$1,230	\$1,513	\$283	23%
Parks & Recreation	\$8,529	\$10,812	\$2,283	27%
Services Related to a Highway: Public Works: Buildings & Fleet	\$1,381	\$1,499	\$118	9%
Bylaw Enforcement & Court Services	\$71	\$86	\$15	21%
Development Related Studies	\$591	\$486	(\$105)	-18%
General Services Charge Per Unit	\$12,248	\$15,365	\$3,117	25%
Township Engineering	\$11,355	\$16,077	\$4,722	42%
TOTAL DEVELOPMENT CHARGE PER UNIT	\$23,603	\$31,442	\$7,839	33%

TABLE 11

TOWNSHIP OF SCUGOG
COMPARISON OF CURRENT AND CALCULATED
INDUSTRIAL DEVELOPMENT CHARGES

SERVICE	Current	Calculated	Difference in	
	Industrial	Industrial	Charge	
	Charge Sq. m	Charge Sq. m	\$	%
Library Services	\$0.00	\$0.00	\$0.00	n/a
Fire Services	\$7.92	\$9.21	\$1.29	16%
Parks & Recreation	\$0.00	\$0.00	\$0.00	n/a
Services Related to a Highway: Public Works: Buildings & Fleet	\$8.64	\$9.13	\$0.49	6%
Bylaw Enforcement & Court Services	\$0.00	\$0.00	\$0.00	n/a
Development Related Studies	\$3.79	\$2.96	(\$0.83)	-22%
General Services Charge Per sq. m	\$20.35	\$21.30	\$0.95	5%
Township Engineering	\$53.11	\$71.93	\$18.82	35%
TOTAL DEVELOPMENT CHARGE PER SQ M	\$73.46	\$93.23	\$19.77	27%

TABLE 12

TOWNSHIP OF SCUGOG
COMPARISON OF CURRENT AND CALCULATED
COMMERCIAL DEVELOPMENT CHARGES

SERVICE	Current	Calculated	Difference in	
	Commercial	Commercial	Charge	
	Charge Sq. m	Charge Sq. m	\$	%
Library Services	\$0.00	\$0.00	\$0.00	n/a
Fire Services	\$7.92	\$9.21	\$1.29	16%
Parks & Recreation	\$0.00	\$0.00	\$0.00	n/a
Services Related to a Highway: Public Works: Buildings & Fleet	\$8.64	\$9.13	\$0.49	6%
Bylaw Enforcement & Court Services	\$0.00	\$0.00	\$0.00	n/a
Development Related Studies	\$3.79	\$2.96	(\$0.83)	-22%
General Services Charge Per sq. m	\$20.35	\$21.30	\$0.95	5%
Township Engineering	\$119.50	\$200.72	\$81.22	68%
TOTAL DEVELOPMENT CHARGE PER SQ M	\$139.85	\$222.02	\$82.17	59%

TABLE 13

TOWNSHIP OF SCUGOG
COMPARISON OF CURRENT AND CALCULATED
INSTITUTIONAL DEVELOPMENT CHARGES

SERVICE	Current	Calculated	Difference in	
	Institutional	Institutional	Charge	
	Charge Sq. m	Charge Sq. m	\$	%
Library Services	\$0.00	\$0.00	\$0.00	n/a
Fire Services	\$7.92	\$9.21	\$1.29	16%
Parks & Recreation	\$0.00	\$0.00	\$0.00	n/a
Services Related to a Highway: Public Works: Buildings & Fleet	\$8.64	\$9.13	\$0.49	6%
Bylaw Enforcement & Court Services	\$0.00	\$0.00	\$0.00	n/a
Development Related Studies	\$3.79	\$2.96	(\$0.83)	-22%
General Services Charge Per sq. m	\$20.35	\$21.30	\$0.95	5%
Township Engineering	\$73.53	\$135.03	\$61.49	84%
TOTAL DEVELOPMENT CHARGE PER SQ M	\$93.88	\$156.33	\$62.45	67%

i. Statutory Phase-in of Calculated Development Charges

The DCA now requires that the calculated development charge rates be phased-in over a five year period based on the following:

- Year 1 = 80% of calculated rates
- Year 2 = 85% of calculated rates
- Year 3 = 90% of calculated rates
- Year 4 = 95% of calculated rates
- Year 5 = 100% of calculated rates

Table 14 provides a summary of the 5-year phase in for the fully calculated residential and non-residential rates in the Township of Scugog. The phase-in of the development charges will be subject to the provisions of the DCA.

TABLE 14
TOWNSHIP OF SCUGOG
CALCULATION OF STATUTORY 5-YEAR PHASE-IN

Charge Type		Year 1 (80%)	Year 2 (85%)	Year 3 (90%)	Year 4 (95%)	Year 5 (100%)
Residential	SDUs (\$/unit)	\$25,154	\$26,726	\$28,298	\$29,870	\$31,442
	Other Multiples (\$/unit)	\$20,395	\$21,670	\$22,945	\$24,219	\$25,494
	Apartments (\$/unit)	\$14,021	\$14,897	\$15,773	\$16,650	\$17,526
Non-Residential	Commercial (\$/Sq. Metre)	\$177.62	\$188.72	\$199.82	\$210.92	\$222.02
	Industrial (\$/Sq. Metre)	\$74.59	\$79.25	\$83.91	\$88.57	\$93.23
	Institutional (\$/Sq. Metre)	\$125.06	\$132.88	\$140.69	\$148.51	\$156.33

Note: the year-5 Rates represent the fully calculated DC which includes development-related studies

7. COST OF GROWTH ANALYSIS

This section summarizes the examination of the long-term capital and operating costs as well as the asset management-related annual provisions for the capital facilities and infrastructure to be included in the DC By-law(s). The examination is required as one of the provisions of the *DCA*. Additional details on the cost of growth analysis, including asset management analysis, are included in Appendix E.

A. ASSET MANAGEMENT PLAN

Tables 15 summarizes the annual capital provisions required to replace the capital infrastructure proposed to be funded under the development charges by-law. This estimate is based on information obtained through discussions with Township staff regarding useful life assumptions and the capital cost of acquiring and/or constructing each asset.

Table 15 illustrates that, by 2034, the Township will need to fund approximately an additional \$572,000 per annum for General Services to properly fund the full life-cycle costs of the new assets supported under the DC by-law. Engineered services will require additional funding of \$310,000 per annum. The calculated annual funding provision should be considered within the context of the Township's projected growth; over the next ten years (to 2033) the forecast predicts an increase of approximately 770 occupied dwellings, which represents a 9 per cent increase over the existing base.

Additionally, about 600 net new employees occupying 36,170 square metres of non-residential building space are anticipated in the Township over the next ten years. This growth will have the effect of increasing the overall assessment base and additional user fee and charges revenues to offset the capital asset provisions required to replace the infrastructure proposed to be funded under the DC by-law.

**TABLE 15
CALCULATED ANNUAL PROVISION BY 2034**

Service	2024 - 2033 Capital Program		Calculated AMP Annual Provision by 2034	
	DC Recoverable	Non-DC Funded	DC Related	Non-DC Related
Library Services	\$ 739,000	\$ 2,871,000	\$ 27,000	\$ 72,000
Fire Services	\$ 2,078,000	\$ 7,765,000	\$ 106,000	\$ 188,000
Parks & Recreation	\$ 8,964,000	\$ 51,993,000	\$ 379,000	\$ 1,619,000
Public Works: Buildings & Fleet	\$ 1,520,000	\$ 355,000	\$ 58,000	\$ 9,000
Bylaw Enforcement & Court Ser	\$ 66,000	\$ 1,119,000	\$ 2,000	\$ 29,000
Township Engineering	\$ 16,556,000	\$ 25,042,000	\$ 310,000	\$ 453,000
Total			\$ 882,000	\$ 2,370,000

B. LONG-TERM CAPITAL AND OPERATING COSTS

Table 16 summarizes the estimated increase in net operating costs that the Township will experience for additions associated with the planned capital program for General and Roads and Related Services. The Township’s annual net operating costs are estimated to increase by \$2.87 million by 2033.

TABLE 16
TOWNSHIP OF SCUGOG
ESTIMATED NET OPERATING COST OF THE PROPOSED
GROWTH-RELATED CAPITAL PROGRAM
(in constant 2024 dollars)

Category	Cost Driver (in 2024\$)			Operating Costs at 2033 (000's)
	\$	unit measure	Quantity	
Library Services				
New Blackstock Complex (8,000 sq. feet)	\$0.14	per \$1.00 new infrastructure	\$3,440,000	\$487.8
Fire Services				
Additional Rolling Stock	\$0.15	per \$1.00 of new rolling stock	\$1,980,000	\$297.0
New Fire Station	\$50.00	per sq. foot of additional space	13,100	\$655.0
Parks & Recreation				
New Complex at Blackstock	\$15.00	per sq. foot of additional space	36,790	\$551.8
New Pool	\$300,000.00	per year		\$300.0
Parkland and Trail Development	\$0.07	per \$1.00 additional parks and trails	\$3,440,000	\$243.9
Services Related to a Highway: Public Works: Buildings & Fleet				
Additional Rolling Stock	\$0.10	per \$1.00 of new rolling stock	\$385,000	\$38.5
Bylaw Enforcement & Court Services				
New Animal Shelter	\$35.00	per sq.ft. of Scugog's Share	1,838	\$64.3
Township Engineering				
New Roads Construction	\$300.00	per new household	770	\$231.0
TOTAL ESTIMATED GROWTH-RELATED OPERATING COSTS (\$000)				\$2,869.4

Appendix E also summarizes the components of the development related capital program that will require funding from non-development charge sources. Of the \$78.70 million net municipal cost of all services, about \$27.13 million will need to be funded from non-development charge sources over the next ten years. This is entirely related to shares of projects related to facility and infrastructure replacement and for non-development-related shares of projects that provide benefit to the existing community. A further \$20.88 million relates to post-2033 shares of projects which may need to be interim financed.

Council is made aware of these estimates so that they understand the financial implications of the quantum and timing of the projects included in the development related capital forecast in this study.

C. THE PROGRAM IS DEEMED TO BE FINANCIALLY SUSTAINABLE

In summary, the asset management plan and long-term capital and operating analysis contained in Appendix E demonstrates that the Township can afford to invest and operate the identified general and engineered services infrastructure over the ten-year planning period.

Importantly, the Township's annual budget review allows staff to continue to monitor and implement mitigating measures should the program become less sustainable.

8. ADMINISTRATION AND COLLECTION

This section sets out the *DCA* requirements in respect of DC collection and administration.

A. DEVELOPMENT CHARGES ADMINISTRATION AND COLLECTION

The *DCA* requirements in respect of the collection of DCs, certification and remittance, as well as reserve fund management are outlined in this section.

i. Development Charges Amount Payable and Date of Payment

The total amount of a DC is the amount of the DC that would be determined under the by-law on the day of an application for site plan approval or the day of an application for rezoning or, if neither of these apply, the day of building permit issuance. Full details on determining the DCs payable in any particular case are provided in s.26 and s.26.2 of the *DCA*.

The default date of payment of a DC is the date of building permit issuance. However, under s.27 of the *DCA* the Township may enter into an agreement with a developer to alter the timing of payment.

For three specific types of development DCs must be paid according to the following plan:

- Six equal annual installments beginning at building occupancy (permit or actual occupancy) and for the following five anniversaries of that date for rental housing and institutional development.
- Twenty-one equal annual installments beginning at building occupancy (permit or actual occupancy) and for the following twenty anniversaries of that date for non-profit housing development.

For required installments, the Township may charge interest from the date the DC would have been payable to the date the instalment is paid. Interest may accrue on each installment until the final payment has been made. Any skipped or late payments can be added to the tax roll (including interest). Full details on the prescribed payment plans are provided in s.26.1 of the *DCA*. In accordance with s.26.3 the maximum interest rate a municipality can charge is prime plus 1 per cent.

ii. Reserve Funds

Under the *DCA*, a municipality that has passed a development charge by-law must establish a separate reserve fund for each service to which the development charge relates and pay each development charge it collects into the respective reserve fund. While the *DCA* does permit municipalities to borrow from the reserve fund, the amount borrowed is to be repaid with interest at a rate not less than the prescribed minimum interest rate. Additionally, money in the reserve fund is to be spent only on development-related capital costs.

Annual financial statements are to be provided to Council and must include the following:

- Opening and closing balances and in-year transactions
- A description of service or category of service
- Details on credits paid by individual credit holders
- Amounts borrowed and purpose of borrowing
- Interest accrued on borrowing
- Amount and source of money used to repay borrowing
- Projects funded from DCs including amount and source of DC and non-DC funding

Statutory and non-statutory exemptions should be funded from non-DC sources.

iii. Changes Arising From the More Homes Built Faster Act (Bill 23)

As of November 28, 2022 there are several changes to the *DCA* due to the enactment and Royal Assent of Bill 23. A list of the changes that are now in force is provided below in Table 15.

Table 15: Bill 23 – *DCA* Changes in Force as of February 20, 2024

Section	Description
Section 2(1)	Exemptions for existing rental residential buildings and a range of residential units in existing and new houses.
Section 2(4)	Housing services are ineligible for DC funding (repeal of paragraph 17 of s.2(4) of the <i>DCA</i>). Existing by-laws are deemed to be “amended” and no development charges can be collected for housing services from November 28, 2022 onward.
Section 4.2	Exemptions for non-profit housing development. This does not apply with respect to a DC payable before November 28, 2022.
Section 4.3	Exemption for inclusionary zoning residential units. This does not apply with respect to a DC payable before November 28, 2022.

Section	Description
Section 5(1)	Historical service level calculation period extended from 10 years to 15 years. Does not apply to by-laws in force prior to November 28, 2022.
Section 5(4)	Studies, including DC studies, are no longer a DC-eligible capital cost. Does not apply retroactively to by-laws that were in force prior to November 28, 2022.
Section 5(6) and Section 5(7)	DC by-laws passed on or after November 28, 2022 must be phased-in according to a prescribed schedule. The phase-in also applies retroactively to by-laws passed on or after January 1, 2022 as well as to the DCs “frozen” under s.26.2 of the <i>DCA</i> .
Section 9(1)	Maximum life of a DC by-law extended from 5 years to 10 years. This does not apply to by-laws in-force before November 28, 2022.
Section 26.1	Deferral payments now apply to rental housing and institutional development. Interest on deferral payments is now capped at prime plus 1% in accordance with s.26.3.
Section 26.2	DCs for rental housing development are now discounted based on the number of bedrooms proposed. Interest on DC freeze now capped at prime plus 1% in accordance with section 26.3.
Section 26.3	Maximum interest rates are capped at prime plus 1%. This does not apply with respect to a DC that was payable before November 28, 2022.
Section 35	Municipalities are now required to spend or allocate at least 60% of reserve balances each year for Water Supply, Wastewater, and Services Related to a Highway beginning in 2023.
Section 60(1)(s.4)	Additional services for which municipalities are required to spend or allocate at least 60% of reserve fund balances may be prescribed through Regulations (none are proposed as of yet).

Table 16 summarizes the *DCA* changes that will take effect at a date to be determined. It is noted that section 60(1)(l) of the *DCA* allows for future regulations to identify services for which land will be an ineligible capital cost. No regulations have been released in this regard.

Table 16: Bill 23 – DCA Changes Not Currently In Force

Section	Description
<i>DCA</i> , Section 4.1	Exemptions for affordable and attainable residential units. Note: Implementation is contingent on the Minister developing a definition of “attainable residential unit” as well as bulletins to establish eligibility and (possibly) standard forms of agreement to assist with administration.
<i>DCA</i> , Section 44(4)	Rules for front ending agreements as they relate to affordable and attainable residential units.
<i>DCA</i> , Section 60(1)(d.2) and 9d.3)	Prescribes developments and criteria related to attainable residential units (section 4.1).

iv. Recommendations

- As required under the *DCA*, the Township should codify any rules regarding application of the by-law and exemptions within the DC by-law proposed for adoption.
- It is recommended that Council adopt the development-related capital forecast included in this Background Study, subject to annual review through the Township’s normal capital budget process.
- It is recommended that limited exemptions, other than those required in the *DCA*, be formally adopted in the by-laws.
- It is recommended that the Township continue to include indexing provisions in the by-law so as to ensure that the DC rates incorporate inflationary increases over the by-law term.

B. CONSIDERATION FOR AREA-RATED SERVICES

In accordance with the recent changes to s.10(2) of the *DCA*, a development charge background study must give consideration for “the use of more than one development charge by-law to reflect different needs for services in different areas”. Following consultation with Township staff, it was determined that a municipal-wide approach continues to be most appropriate for the nature of the works and services provided in the Township, and as such, only a Township-wide charge has been proposed.

For all of the development charge eligible services that Scugog provides, the full range of capital facilities, land, equipment and infrastructure is available throughout the Township. All residents therefore have access to all facilities. A widely accepted method for recovering the development-related capital costs for such services is to apportion them over all new development anticipated in the Township.

The needs for servicing are outlined as follows:

i. General Services

- Services such as Library, Parks & Recreation, and Bylaw Enforcement & Court Services are open and accessible to all residents in the Township and are driven and planned for based on Township-wide population growth.
- Fire Services, Services Related to a Highway: Public Works: Buildings and Fleet, and Development-Related Studies are provided to all residents and employees in the Township and are driven and planned for based on Township-wide population or population and employment growth.

ii. Township Engineering

- All engineered services, including Roads & Related, Sidewalks, and Stormwater Management are provided through a Township-wide network and is planned based on Township-wide population and employment growth.