REGION OF DURHAM

REGIONAL DEVELOPMENT CHARGE BACKGROUND STUDY SUPPORTING PROPOSED AMENDMENTS TO REGIONAL DEVELOPMENT CHARGE BY-LAW NO. 28-2018

Prepared by:

THE REGIONAL MUNICIPALITY OF DURHAM

AND

WATSON & ASSOCIATES ECONOMISTS LTD.

April 24, 2020

1.0 Existing Development Charge By-law Provisions

1.1 The purpose of this Background Study is to set out proposed amendments to the Regional Development Charge By-law No. 28-2018 of the Regional Municipality of Durham. These amendments are to provide for the waiving of the scheduled July 1, 2020 indexing (if a positive increase), of the development charges.

1.2 Regional By-law No. 28-2018 concerning the Regional Development Charges, contains a provision that the Region's prevailing Regional Residential and Non-residential Development Charges be adjusted annually, without amendment to that by-law, as of the 1st day of July, in accordance with the Statistics Canada Quarterly, Construction Price Statistics, catalogue number 62-007, for the most recently available annual period ending March 31.

2.0 Rationale of Proposed Amendments

2.1 Given the current economic conditions and future uncertainties related to the COVID-19 pandemic, it is anticipated there will be an impact on demand for new housing and non-residential development which may negatively impact the residential and non-residential construction industry and related employment (skilled tradespersons, local restaurants, material suppliers etc.).

2.2 Given the current provisions for indexing of development charges, the cost of residential and non-residential development is anticipated to increase on July 1, 2020, potentially reducing the level of development within these sectors. There is an opportunity for Regional Council to consider waiving development charge indexing, in order to provide some relief for local development and building industry during these uncertain times.

2.3 The potential foregone revenue for the period July 1, 2020 to June 30, 2021 from waiving the scheduled July 1, 2020 indexing is unknown at this point as the indexing rate is not known until mid-May, 2020, when it is to be released by Statistics Canada. The estimate of foregone revenue is also largely dependent on the level of residential and non-residential activity during this time period which is difficult to predict.

2.4 Other than the indexing provision of By-law 28-2018, this Background Study does not amend or impact the calculation or quantum of the development charge. As such this Background Study complies with the requirements of s.19 of the Development Charges Act.

3.0 Recommended Amendments and Implementation

3.1 The proposed amendment to By-law 28-2018 is to waive the scheduled indexing of Regional residential and non-residential development charges on July 1, 2020 for a period of one year.

3.2 Appendix A includes the proposed by-law amendment.

3.3 Appendix B includes the existing Regional Development Charge By-law (No. 28-2018).

3.4 It is proposed that the amendments to By-law No. 28-2018 become effective on June 24, 2020.

3.5 Figure 1 shows the timing of the necessary actions to amend By-law No. 28-2018. Please contact Legislative Services at clerks@durham.ca or 905-668-7711, ext. 2054 for any updates and the process for providing comments, as the Region's current COVID-19 response evolves.

Figure 1
Schedule of Dates for the Region of Durham
DC By-law Amendment Process

1.	Background study and proposed by-law available to public on the Region's website	April 24, 2020
2.	Public Meeting Ad placed in newspapers	By May 6, 2020
3.	Public Meeting of Council	May 27, 2020
4.	Final Date for Public Comment	June 1, 2020 5:00 pm
5.	Consideration of Final Amending By-law	June 24, 2020
6.	Newspaper and other notice given of by-law passage	Within 20 days after passage of by-law
7.	Last day for by-law appeal	40 days after passage of by-law
8.	Region makes pamphlet available (where by-law not appealed)	By 60 days after in-force date

Appendix A

Proposed Amendments to Development Charge By-law No. 28-2018

THE REGIONAL MUNICIPALITY OF DURHAM

BY-LAW NO. ● XX-2020

a by-law to amend By-law No. 28-2018

WHEREAS Section 19 of the *Development Charges Act*, 1997, S.O. 1997, c.27, (the "Act"), provides for amendments to development charge by-laws;

AND WHEREAS the Council of The Regional Municipality of Durham requires certain amendments to By-law No. 28-2018;

AND WHEREAS in accordance with the Act, a development charge background study has been completed in support of the proposed amendments to By-law No. 28-2018;

AND WHEREAS the Council of The Regional Municipality of Durham has given notice and held a public meeting on the 27th day of May, 2020, in accordance with the Act;

AND WHEREAS the Council of The Regional Municipality of Durham has permitted any person who attended the public meeting to make representations in respect of the proposed amendments;

AND WHEREAS the Council of The Regional Municipality of Durham has determined that a further public meeting is not necessary pursuant to Section 12(3) of the Act;

NOW THEREFORE, THE COUNCIL OF THE REGIONAL MUNICIPALITY OF DURHAM HEREBY ENACTS AS FOLLOWS:

1. Section 24 of By-law No. 28-2018 is hereby repealed and replaced with the following:

   Development charges imposed pursuant to this by-law shall be adjusted annually, without an amendment to this by-law, as of the 1st day of July 2019, 2021 and 2022 in accordance with the Statistics Canada Quarterly, *Construction Price Statistics*, catalogue number 62-207 (the "Construction Price Index"), for the most recently available annual period ending March 31st. On July 1, 2020, development charges imposed pursuant to this by-law shall, if the Construction Price Index is:

   (a) positive or nil, not be adjusted and shall remain as adjusted on July 1, 2019 until the adjustment on July 1, 2021, or

   (b) negative, shall be adjusted in accordance with the Construction Price Index.

2. This By-law shall come into force on June 24, 2020.

BY-LAW passed this 24th day of June, 2020

J. Henry, Regional Chair and CEO

R. Walton, Regional Clerk

Appendix B

Regional Development Charge
By-law No. 28-2018

Authority: Report #2018-COW-108

By-law Number 28-2018

of The Regional Municipality of Durham

Being a by-law regarding the imposition of development charges.

Whereas section 2(1) of the *Development Charges Act, 1997*, provides that council of a municipality may by by-law, impose development charges against land to pay for increased capital costs required because of increased needs for services arising from development of the area to which the by-law applies if the development requires one or more of the approvals identified in section 2(2) of the *Development Charges Act, 1997*;

And Whereas a development charge background study, dated March 27, 2018, has been prepared in support of the imposition of development charges;

And Whereas the Council of the Regional Municipality of Durham has given notice and will hold a public meeting on April 11, 2018, in accordance with section 12(1) of the *Development Charges Act, 1997*;

And Whereas the Council of the Regional Municipality of Durham has permitted any person who attended the public meeting to make representations in respect of the proposed development charges;

And Whereas Council considered all of the submissions made in respect of the background study and the proposed development charges;

And Whereas at the Council meeting on June 13, 2018, Council approved the Study and adopted the recommendations in Report #2018-COW-108.

Now therefore the Council of The Regional Municipality of Durham hereby enacts as follows:

Part I

Interpretation

Definitions

1. In this By-law,

   (a) “Act” means the *Development Charges Act, 1997*, or a successor statute;

   (b) “agricultural use” means lands, buildings or structures, excluding any portion thereof used as a dwelling unit or for a commercial use, used or designed or intended for use for the purpose of a *bona fide* farming operation including, but not limited to, animal husbandry, dairying, livestock, fallow, field crops, removal of sod, forestry, fruit farming, greenhouses, horticulture, market gardening, pasturage, poultry keeping, and equestrian facilities;

   (c) “air-supported structure” means a structure consisting of a pliable membrane that achieves and maintains its shape and is supported by internal air pressure;

   (d) “apartment building” means a residential building, or the residential portion of a mixed-use building, other than a triplex, semi-detached duplex, semi-detached triplex, townhouse or stacked townhouse, consisting of more than 3 dwelling units, which dwelling units have a common entrance to grade;

   (e) “apartment” means a dwelling unit in an apartment building or a single storey dwelling unit located within or above a residential garage or a commercial use;

(f) “area municipality” means a lower-tier municipality that forms part of the Region;

(g) “bedroom” means a habitable room, including a den, study, loft, or other similar area, but does not include a living room, a dining room, a bathroom or a kitchen;

(h) “building or structure: means a permanent enclosed structure and includes an air-supported structure;

(i) “commercial accessory building or structure" means a building or structure that complies with all of the following criteria:

(i) is not essential to,

(ii) is naturally and normally incidental to or subordinate in purpose to,

(iii) is exclusively devoted to,

(iv) is detached from, and

(v) is situated on the same property as,

a principal commercial use. Commercial accessory buildings or structures shall include, but not limited to, the separate storage of refuse or the storage of mechanical equipment related to the operation or maintenance of the principal use, building, structure or site. Commercial accessory building or structure shall not include any building or structure, whether in whole or in part, falling within the definition of “commercial use” in this by-law."

(j) “commercial use” means land, buildings or structures used, designed or intended for use for either or both of office and retail uses as defined in this by-law;

(k) “Council” means the Council of the Regional Municipality of Durham;

(l) “development” includes redevelopment;

(m) “development charges” means charges imposed pursuant to this By-law in accordance with the Act, except in sections 20 and 21 where “development charges” means charges with respect to water supply services, sanitary sewer services and regional road services;

(n) “duplex” means a building comprising, by horizontal division, two dwelling units;

(o) “dwelling unit” means a room or suite of rooms used, or designed or intended for use by one person or persons living together, in which culinary and sanitary facilities are provided for the exclusive use of such person or persons;

(p) “existing industrial building” means a building used for or in connection with,

(i) manufacturing, producing, processing, storing or distributing something,

(ii) research or development in connection with manufacturing, producing or processing something,

(iii) retail sales by a manufacturer, producer or processor of something they manufactured, produced or processed, if the retail sales are at the site where the manufacturing, production or processing takes place,

(iv) office or administrative purposes, if they are,

(1) carried out with respect to manufacturing, producing, processing, storage or distributing of something, and

(2) in or attached to the building or structure used for that manufacturing, producing, processing, storage or distribution;

(q) “farm building” means a building or structure used, in connection with a bona fide agricultural use and includes barns, silos, and similar structures, and includes a dwelling located on the same lot as the agricultural use or on a lot directly abutting the agricultural use, which is used exclusively for the housing of temporary or seasonal persons employed exclusively for the farming of that agricultural use, but otherwise excludes a building or structure used, or designed or intended for use for residential or commercial uses;

(r) “garden suite” means a one-unit detached, temporary residential structure containing bathroom and kitchen facilities that is ancillary to an existing residential structure and that is designed to be portable;

(s) “gross floor area” means (except for the purposes of sections 11 and 17), in the case of a non-residential building or structure or the non-residential portion of a mixed-use building or structure, the aggregate of the areas of each floor, whether above or below grade, measured between the exterior faces of the exterior walls of the building or structure or pliable membrane in the case of an air supported structure, or from the centre line of a common wall separating a non-residential and a residential use, and, for the purposes of this definition, the non-residential portion of a mixed-use building is deemed to include one-half of any area common to the residential and non-residential portions of such mixed-use building or structure;

(t) “hospice” means a building or structure used to provide not for profit palliative care to the terminally ill;

(u) “housing services use”/ “housing services” means social housing which is rental housing provided by Durham Region Local Housing Corporation (DRLHC) or by a non-profit housing provider that receives ongoing subsidy from the Region of Durham and Affordable Housing which are rental units provided by private or non-profit housing providers that receive capital funding through a federal and / or provincial government affordable housing program;

(v) “industrial use” means lands, buildings or structures used or designed or intended for use for manufacturing, producing, processing, fabricating or assembly of raw goods, research or development in connection therewith, and includes office uses, warehousing or bulk storage of goods and the sale of commodities to the general public where such uses are accessory to an industrial use, but does not include the sale of commodities to the general public through a warehouse club or similar use;

(w) “institutional use” means lands, buildings or structures used or designed or intended for use by a non-profit organized body, society or religious group for promoting a public and non-profit purpose, and would include a hospice and office uses where such uses are accessory to an institutional use;

(x) “local board” means a local board as defined in the *Municipal Affairs Act*, other than a board defined in subsection 1(1) of the *Education Act*;

(y) “medium density multiples” includes plexes, townhouses, stacked townhouses and all other residential uses that are not included in the definition of “apartment building”, “apartment”, “garden suites”, “mobile homes”, “retirement residence units”, “single detached”, “single detached dwelling” or “semi-detached dwelling”;

(z) “mixed-use” means land, buildings or structures used, or designed or intended for use, for a combination of at least two of commercial, industrial, institutional or residential uses;

(aa) “mobile home” means any dwelling that is designed to be made mobile, and constructed or manufactured to provide a permanent or temporary residence for one or more persons, but does not include a travel trailer or tent trailer or trailer otherwise designed;

(bb) “non-residential use” means lands, buildings or structures or portions thereof used, or designed or intended for use for other than residential use, and includes commercial, industrial and institutional uses;

(cc) “office use” means lands, buildings or structures used or designed or intended for use for the practice of a profession, the carrying on of a business or occupation and, for greater certainty, but without in any way limiting the generality of the foregoing, shall include but not be limited to the office of a physician, lawyer, dentist, architect, engineer, accountant, real estate or insurance agency, insurance company, veterinarian, surveyor, appraiser, financial institution, consumer loan company, employment agency, advertising agency, consulting firm, business service, investment company, security broker, mortgage company, medical clinic, builder, land developer;

(dd) “place of worship” means a building or structure or part thereof that is used primarily for worship and is exempt from taxation as a place of worship under the *Assessment Act*;

(ee) “plex” means a duplex, a semi-detached duplex, a triplex or a semi-detached triplex;

(ff) “Region” means the Regional Municipality of Durham;

(gg) “region-wide charges” means the development charges imposed in regard to the region-wide services;

(hh) “region-wide services” means services in regard to regional roads, regional police, paramedic services, health and social services, long term care, development related studies, and housing services;

(ii) “residential use” means lands, buildings or structures used, or designed or intended for use as a home or residence of one or more individuals, and shall include, but is not limited to, a single detached dwelling, a semi-detached dwelling, a townhouse, a plex, a stacked townhouse, an apartment, an apartment building, a mobile home, a retirement residence and a residential dwelling unit accessory to a non-residential use;

(jj) “retail use” means lands, buildings or structures used or designed or intended for use for the sale or rental or offer for sale or rental of goods or services for consumption or use and, for greater certainty, but without in any way limiting the generality of the foregoing, shall include, but not be limited to, food stores, pharmacies, clothing stores, furniture stores, department stores, sporting goods stores, appliance stores, garden centres, automotive dealers, automotive repair shops, gasoline service stations, government owned retail facilities, private daycare, private schools, private lodging, private recreational facilities, sports clubs, golf courses, skiing facilities, race tracks, gambling operations, medical clinics, funeral homes, motels, hotels, rooming houses, restaurants, theatres, facilities for motion picture, audio and video production and distribution, sound recording services, self-storage facilities and secure document storage;

(kk) “retirement residence” means a residential building or the residential portion of a mixed-use building which provides accommodation for persons of retirement age, where common facilities for the preparation and consumption of food are provided for the residents of the building, and where each unit or living accommodation has separate sanitary facilities, less than full culinary facilities and a separate entrance from a common hall;

(ll) “retirement residence unit” means a unit within a retirement residence;

(mm) “rooming house” means a detached building or structure which comprises rooms that are rented for lodging and where the rooms do not have both culinary and sanitary facilities for the exclusive use of individual occupants;

(nn) “Seaton Community” means the lands shown on Schedule “F”, which may generally be described as being bounded: to the south by the Canadian Pacific Railway right-of-way; to the west by West Duffins Creek; to the north by Provincial Highway No. 7; and to the east by Sideline 16 and the boundary between the City of Pickering and the Town of Ajax, and excludes the lands comprising the Hamlet communities of Whitevale, Green River and Brougham;

(oo) “semi-detached duplex” means one of a pair of attached duplexes, each duplex divided vertically from the other by a party wall;

(pp) “semi-detached dwelling” means a building divided vertically (above or below ground) into and comprising 2 dwelling units;

(qq) “semi-detached triplex” means one of a pair of triplexes divided vertically one from the other by a party wall;

(rr) “serviced” means the particular service is connected to or available to be connected to the lands, buildings or structures, or, as a result of the development, will be connected to or will be available to be connected to the lands, buildings or structures, or the lands to be developed are in an area designated for the particular service in the Region’s Official Plan;

(ss) “services” means the services designated in section 7 of this by-law;

(tt) “single detached dwelling” and “single detached” means a building comprising 1 dwelling unit;

(uu) “stacked townhouse” means a building, other than a plex, townhouse or apartment building, containing at least 3 dwelling units; each dwelling unit separated from the other vertically and/or horizontally and each dwelling unit having a separate entrance to grade;

(vv) “townhouse” means a building, other than a plex, stacked townhouse or apartment building, containing at least 3 dwelling units, each dwelling unit separated vertically from the other by a party wall and each dwelling unit having a separate entrance to grade;

(ww) “triplex” means a building comprising 3 dwelling units.

2. In this by-law where reference is made to a statute or a section of a statute such reference is deemed to be a reference to any successor statute or section.

Part II

Application of By-Law — Rules

Circumstances Where Development Charges are Payable

3. Development charges shall be payable in the amounts set out in sections 10, 13, 14 and 15 of this by-law where:

(a) the lands are located in the area described in subsection 4(1); and

(b) the development of the lands requires any of the approvals set out in section 5.

Area to Which By-law Applies

4. (1) Subject to subsections 4(2) and 4(3), this by-law applies to all lands in the Region.

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

(a) the Region or a local board thereof;

(b) a board as defined in subsection 1(1) of the *Education Act*; and

(c) an area municipality or a local board thereof in the Region.

(3) Development charges imposed under this by-law in regard to water supply and sanitary sewerage services do not apply to the development of lands located within the Seaton Community. For greater certainty, the balance of the development charges imposed under this by-law apply to the development of lands located within the Seaton Community.

Approvals for Development

5. Development charges shall be imposed upon all lands, buildings or structures that are developed for residential or non-residential uses if the development requires,

(a) the passing of a zoning by-law or of an amendment thereto under section 34 of the *Planning Act*;

(b) the approval of a minor variance under section 45 of the *Planning Act*;

(c) a conveyance of land to which a by-law passed under subsection 50(7) of the *Planning Act* applies;

(d) the approval of a plan of subdivision under section 51 of the *Planning Act*;

(e) a consent under section 53 of the *Planning Act*;

(f) the approval of a description under section 9 of the *Condominium Act, 1998*; or

(g) the issuing of a permit under the *Building Code Act, 1992* in relation to a building or structure.

Designation of Services

6. It is hereby declared by Council that all development of land within the area to which this By-law applies will increase the need for services.

7. The development charges under this By-law applicable to a development shall apply without regard to the services required or used by a particular development.

8. (1) No more than one development charge for each service designated in section 9 shall be imposed on land to which this by-law applies even though two or more of the actions described in section 5 are required before the land can be developed.

(2) Notwithstanding subsection 8(1), if two or more of the actions described in section 5 occur at different times, additional development charges shall be imposed if the subsequent action has the effect of increasing the need for services.

9. (1) The categories of services for which development charges are imposed under this by-law are as follows:

(a) water supply;

(b) sanitary sewerage;

(c) regional roads;

(d) long term care;

(e) regional police;

(f) paramedic services;

(g) health and social services;

(h) housing services; and

(i) development related studies.

(2) The components of the services designated in subsection 9(1) are described on Schedule “A”.

Amount of Charge

Residential

10. The development charges described in Schedule “B” to this by-law shall be imposed upon residential uses of lands, buildings or structures, including a dwelling unit accessory to a non-residential use and, in the case of a mixed use building or structure, upon the residential uses in the mixed use building or structure, according to the type of residential unit. The development charges payable shall comprise the following:

(a) Region-wide Charges

(i) a development charge with respect to each of the region-wide services according to the type of residential use;

(b) Regional Water Supply and Sanitary Sewer Charges

(i) where the lands, buildings or structures are serviced by regional water supply services, the development charge with respect to water supply services according to the type of residential use;

(ii) where the lands, buildings or structures are serviced by regional sanitary sewer services, the development charge with respect to sanitary sewer services according to the type of residential use.

Exemptions

11. (1) In this section,

(a) “gross floor area” means the total floor area, measured between the outside of exterior walls or between the outside of exterior walls and the centre line of party walls dividing the building from another building, of all floors above the average level of finished ground adjoining the building at its exterior walls;

(b) “other residential building” means a residential building not in another class of residential building described in this subsection;

(c) “semi-detached or row dwelling” means a residential building consisting of one dwelling unit having one or two vertical walls, but no other parts, attached to another structure;

(d) “single detached dwelling” means a residential building consisting of one dwelling unit and not attached to another structure.

(2) Subject to subsections 11(3), 11(4) and11(5), development charges shall not be imposed in respect to:

(a) the issuance of a building permit not resulting in the creation of an additional dwelling unit;

(b) the enlargement of an existing dwelling unit;

(c) the creation of one or two additional dwelling units within an existing single detached dwelling or on the same lot as an existing single detached dwelling;

(d) the creation of one additional dwelling unit within a semi-detached dwelling, a row dwelling, or any other residential building, or on the same lot as an existing semi-detached dwelling, a row dwelling, or any other residential building; or

(e) the creation of a garden suite.

(3) Notwithstanding 11(2)(c) and (d), prior to the issuance of a building permit for any additional dwelling unit located on the same lot, but not within a single detached dwelling, semi-detached dwelling, a row dwelling, or any other residential building, the owner shall be required to enter into an agreement with the Region under section 27 of the Act respecting the timing and calculation of payment of development charges, notice of which the owner shall register on the title to the lands at its sole cost and expense with the intention that the provisions shall bind and run with title to the lands. Such agreement will require that in the event that the lands upon which any additional dwelling unit is located are the subject of an application for consent under section 53 of the *Planning Act*; or for which a by-law is passed under subsection 50(7) of the *Planning Act*, within 10 years of the date of building permit issuance for such additional dwelling unit, the development charges that would have otherwise been payable for such dwelling unit, shall become due and payable.

(4) Notwithstanding subsection 11(2)(c), development charges shall be imposed in accordance with section 10 if the total gross floor area of the additional one or two dwelling units within the existing single detached dwelling or on the same lot as the existing single detached dwelling exceeds the gross floor area of the existing dwelling unit.

(5) Notwithstanding subsection 11(2)(d), development charges shall be imposed in accordance with section 10 if the additional dwelling unit has a gross floor area greater than:

(a) in the case of a semi-detached or row dwelling, the gross floor area of the existing dwelling unit; and

(b) in the case of any other residential building, the gross floor area of the smallest dwelling unit already contained in the residential building.

Mobile Home

12. (1) The development charges imposed upon a mobile home under section 10 shall be payable at the rate applicable to an apartment of two bedrooms or larger.

(2) The development charges paid in regard to a mobile home shall be refunded in full to the then current owner thereof, upon request, if the mobile home is removed within ten years of the issuance of the building permit relating thereto.

(3) The onus is on the applicant to produce evidence to the satisfaction of the Region, acting reasonably, which establishes that the applicant is entitled to the refund claimed under this section.

Retirement Residence Unit

12.1 (1) The development charges imposed on a retirement residence unit under section 10 shall be payable at the rate applicable to an apartment of one bedroom and smaller.

Non-Residential

Commercial

13. (1) The development charges described in Schedule “C” to this by-law shall be imposed upon commercial uses of lands, buildings or structures, and, in the case of a mixed use building or structure, upon the commercial uses in the mixed use building or structure. The development charges payable shall comprise the following:

(a) Regional Road Charges

(i) a development charge with respect to regional road services according to the gross floor area of the commercial use;

(b) Regional Water Supply and Sanitary Sewer Charges

(i) where the lands, buildings or structures are serviced by regional water supply services, the development charge with respect to water supply services according to the gross floor area of the commercial use;

(ii) where the lands, buildings or structures are serviced by regional sanitary sewer services, the development charge with respect to sanitary sewer services according to the gross floor area of the commercial use.

(2) Subject to subsections 13(3) and 13(4) of this by-law, the development charges imposed on commercial accessory buildings or structures shall be payable at the rate applicable to industrial development under Schedule “E”.

(3) The application of development charges at the industrial rate in regard to commercial accessory buildings or structures shall be limited to an aggregate of 7,000 square feet of gross floor area of all such buildings or structures on the same site.

(4) Development charges at the rate applicable to commercial development under Schedule “C” shall be imposed upon the gross floor area of commercial accessory buildings or structures in excess of 7,000 square feet on the same site.

Institutional

14. The development charges described in Schedule “D” to this by-law shall be imposed upon institutional uses of lands, buildings or structures, and, in the case of a mixed use building or structure, upon the institutional uses in the mixed use building or structure. The development charges payable shall comprise the following:

(a) Regional Road Charges

(i) a development charge with respect to regional road services according to the gross floor area of the institutional use;

(b) Regional Water Supply and Sanitary Sewer Charges

(i) where the lands, buildings or structures are serviced by regional water supply services, the development charge with respect to water supply services according to the gross floor area of the institutional use;

(ii) where the lands, buildings or structures are serviced by regional sanitary sewer services, the development charge with respect to sanitary sewer services according to the gross floor area of the institutional use.

Industrial

15. The development charges described in Schedule “E” to this by-law shall be imposed upon industrial uses of lands, buildings or structures, and, in the case of a mixed use building or structure, upon the industrial uses in the mixed use building or structure. The development charges payable shall comprise the following:

(a) Regional Road Charges

(i) a development charge with respect to regional road services according to the gross floor area of the industrial use;

(b) Regional Water Supply and Sanitary Sewer Charges

(i) where the lands, buildings or structures are serviced by regional water supply services, the development charge with respect to water supply services according to the gross floor area of the industrial use;

(ii) where the lands, buildings or structures are serviced by regional sanitary sewer services, the development charge with respect to sanitary sewer services according to the gross floor area of the industrial use.

Exemptions

16. (1) Notwithstanding the provisions of this by-law, development charges shall not be imposed in regard to:

(a) agricultural uses and farm buildings;

(b) places of worship;

(c) public hospitals receiving aid under the *Public Hospitals Act*, R.S.O. 1990, c. P.40, excluding such buildings or structures or parts thereof used, designed or intended for use primarily for or in connection with a commercial purpose;

(d) any part of a building or structure used for the parking of motor vehicles, excluding parking spaces for display of motor vehicles for sale or lease or parking spaces associated with the servicing of motor vehicles;

(e) free standing roof-like structures and canopies that do not have exterior walls.

Exemption for Enlargement of Existing Industrial Building

17. (1) Despite any other provisions of this by-law, if a development includes the enlargement of the gross floor area of an existing industrial building, the amount of the development charge that is payable in respect of the enlargement shall be calculated as follows:

(a) if the gross floor area is enlarged by fifty percent or less, the amount of the development charge in respect of the enlargement is zero;

(b) if the gross floor area is enlarged by more than fifty percent the amount of the development charge in respect of the enlargement is the amount of the development charge that would otherwise be payable multiplied by the fraction determined as follows:

(i) determine the amount by which the enlargement exceeds fifty percent of the gross floor area before the enlargement; and

(ii) divide the amount determined under paragraph (i) by the amount of the enlargement.

(2) For the purposes of subsection 17(1) the following provisions apply:

(a) the gross floor area of an existing industrial building shall be calculated as it existed as of July 1, 2018;

(b) subject to 2(c) below, the enlargement need not be an attached addition or expansion of an existing industrial building, but rather may be a new standalone structure, provided it is located on the same parcel of land as the existing industrial building;

(c) in the event that the enlargement is in the form of a standalone building or structure located on the same parcel of land as per 2(b) above, prior to the issuance of a building permit for the standalone building or structure, the owner shall be required to enter into an agreement with the Region under section 27 of the Act respecting the timing and calculation of payment of development charges, notice of which the owner shall register on the title to the lands at its sole cost and expense with the intention that the provisions shall bind and run with title to the lands. Such agreement will require that in the event that the lands upon which any standalone building or structure is located are the subject of an application for consent under section 53 of the *Planning Act*; or for which a by-law is passed under subsection 50(7) of the *Planning Act*, within 10 years of building permit issuance for such standalone building or structure, that the development charges that would have otherwise been payable for such standalone building or structure, shall become due and payable.

(3) In this section “gross floor area” means the total floor area, measured between the outside of exterior walls or between the outside of exterior walls and the centre line of party walls dividing the building from another building, of all floors above the average level of finished ground adjoining the building at its exterior walls.

Reduction of Development Charges For Redevelopment

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

(a) in the case of a residential building or structure, the amount of the reduction in the applicable development charges will equal the applicable development charges under section 10 of this by-law that would have been chargeable on the type of dwelling units demolished or to be demolished or converted to another use; and

(b) in the case of a non-residential building or structure, the amount of the reduction in the applicable development charges will equal the applicable development charges under sections 13, 14 or 15 of this by-law that would have been chargeable on the gross floor area of the non-residential building or structure that was demolished or to be demolished or converted to another use;

(c) in the case of a non-residential building or structure that would have been exempt from the payment of development charges under the current Regional Development Charge By-law, the amount of the reduction in the applicable development charge will equal the applicable development charge under section 14 of this by-law that, had the building or structure not been exempt, could have been chargeable on the gross floor area of the non-residential building or

structure that was demolished or to be demolished or converted to another use; and

(d) in the case of a mixed-use building or structure, the amount of the reduction in the applicable development charges will equal the applicable development charges under sections 10, 13, 14 or 15 of this by-law that would have been chargeable either upon the type of dwelling units or the gross floor area of non-residential use in the mixed-use building or structure that is being demolished or to be demolished or converted to another use;

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

(2) The ten year period referred to in subsection 18(1) of this by-law shall be calculated from the date of the issuance of the first demolition permit.

(3) Development charges shall not be reduced under this section where the building or structure that is to be demolished or has been demolished or converted from one principal use to another was, or would have been, exempt from development charges under this by-law.

(4) The onus is on the applicant to produce evidence to the satisfaction of the Region, acting reasonably, which establishes that the applicant is entitled to the reduction in the payment of development charges claimed under this section.

Part III

Administration

Timing of Payment of Development Charges

19. Development charges, adjusted in accordance with section 24 of this by-law to the date of payment, are payable in full on the date on which a building permit is issued with respect to each dwelling unit, building or structure.

20. (1) Notwithstanding section 19, development charges, adjusted in accordance with section 24 to the date of payment, with respect to water supply services, sanitary sewer services and regional road services shall be payable, with respect to an approval of a residential plan of subdivision under section 51 of the Planning Act, immediately upon the owner entering into the subdivision agreement with the Region, on the basis of the proposed number and type of dwelling units in the plan of subdivision.

(2) Notwithstanding section 20(1), development charges applicable to a high density or condominium block in a residential plan of subdivision are payable in accordance with section 19.

(3) Notwithstanding subsection 20(1), where an owner elects to enter into an agreement with the Region pursuant to section 27 of the Act, development charges with respect to water supply services, sanitary sewer services and regional road services may be payable as follows:

(a) upon the execution of the subdivision agreement, 50% of the development charges otherwise payable under subsection 20(1), adjusted in accordance with section 24 to the date of payment; and

(b) on the first anniversary date of the execution of the subdivision agreement, 50% of the development charges otherwise payable under subsection 20(1), adjusted in accordance with section 24 to the date of payment;

provided, however, in regard to any lot on the plan of subdivision, any balance of the development charges owing during the one year period

following execution of the subdivision agreement shall become payable, after adjustment in accordance with section 24 to the date of payment, on the date a building permit is issued in regard to such lot.

(4) The balance of the development charges outstanding at any time that are payable in accordance with subsection 20(3) shall be secured by a letter of credit, in a form acceptable to the Region, in an amount which is equal to 55% of the development charges as determined under section 10. The payment of the outstanding balance under subsection 20(3) may be made by way of a draw by the Region on the letter of credit.

(5) Notwithstanding section 19 and subsection 20(3), Council, from time to time, and at any time, may enter into agreements in accordance with section 27 of the Act which provide for all or any part of a development charge to be paid before or after it would otherwise be payable.

(6) Notwithstanding any of the foregoing, for lands, buildings and structures developed for a housing services use, the Region may defer the timing of the payment of development charges from building permit issuance to a period of time not to exceed eighteen months from the date of first building permit issuance, to be at the discretion of the Commissioner of Finance, if the owner enters into an agreement with the Region and the applicable area municipality under section 27 of the Act respecting the timing and calculation of payment of development charges, notice of which the owner shall register on the title to the lands at its sole cost and expense, with the intention that the provisions shall bind and run with title to the lands.

21. (1) If, at the time of issuance of a building permit or permits in regard to a lot on a plan of subdivision for which payments have been made pursuant to subsection 20(1) or 20(3), the type of dwelling unit for which building permits are being issued is different than that used for the calculation and payment under subsection 20(1) or 20(3), and there has been no change in the zoning affecting such lot, and the development charges for the type of dwelling unit for which building permits are being issued were greater at the time that payments were made pursuant to subsection 20(1) or 20(3) than for the type of dwelling unit used to calculate the payment under subsection 20(1) or 20(3), an additional payment to the Region is required, which payment, in regard to such different unit types, shall be the difference between the development charges in respect to the type of dwelling unit for which building permits are being issued, calculated as at the date of issuance of the building permit or permits, and the development charges previously collected in regard thereto, adjusted in accordance with section 24 of this by-law to the date of issuance of the building permit or permits.

(2) If, at the time of issuance of a building permit or permits in regard to a lot on a plan of subdivision for which payments have been made pursuant to subsection 20(1) or 20(3), the total number of dwelling units of a particular type for which building permits have been or are being issued is greater, on a cumulative basis, than that used for the calculation and payment under subsection 20(1) or 20(3), and there has been no change in the zoning affecting such lot, an additional payment to the Region is required, which payment shall be calculated on the basis of the number of additional dwelling units at the rate prevailing as at the date of issuance of the building permit or permits for such dwelling units.

(3) If, at the time of issuance of a building permit or permits in regard to a lot on a plan of subdivision for which payments have been made pursuant to subsection 20(1) or 20(3), the type of dwelling unit for which building permits are being issued is different than that used for the calculation and payment under subsection 20(1) or 20(3), and there has been no change in the zoning affecting such lot, and the development charges for the type of dwelling unit for which building permits are being issued were less at the time that payments were made pursuant to subsection 20(1) or 20(3) than for the type of dwelling unit used to calculate the payment under subsection 20(1) or

20(3), a refund in regard to such different unit types shall be paid by the Region, which refund shall be the difference between the development charges previously collected, adjusted in accordance with section 24 of this by-law to the date of issuance of the building permit or permits, and the development charges in respect to the type of dwelling unit for which building permits are being issued, calculated as at the date of issuance of the building permit or permits.

(4) If, at the time of issuance of a building permit or permits in regard to a lot on a plan of subdivision for which payments have been made pursuant to subsection 20(1) or 20(3), the total number of dwelling units of a particular type for which building permits have been or are being issued is less, on a cumulative basis, than that used for the calculation and payment under subsection 20(1) or 20(3), and there has been no change in the zoning affecting such lot, a refund shall be paid by the Region, which refund shall be calculated on the basis of the number of fewer dwelling units at the rate prevailing as at the date of issuance of the building permit or permits.

(5) Notwithstanding subsections 21(3) and 21(4), a refund shall not exceed the amount of the development charges paid under section 20.

Payment by Services

22. Notwithstanding the payments required under sections 19 and 20, the Region may, by agreement pursuant to section 38 of the Act, permit an owner to provide services in lieu of the payment of all or any portion of a development charge. The Region shall give the owner who performed the work a credit towards the development charge in accordance with the agreement subject to the requirements of the Act.

Front-Ending Agreements

23. Council, from time to time, and at any time, may enter into front-ending agreements in accordance with the Act.

Indexing

24. Development charges imposed pursuant to this by-law shall be adjusted annually, without amendment to this by-law, as of the 1st day of July, 2019, and on each successive July 1st date in accordance with the Statistics Canada Quarterly, *Construction Price Statistics*, catalogue number 62-207, for the most recently available annual period ending March 31.

Schedules

25. The following schedules to this by-law form an integral part thereof:

Schedule “A”	-	Components of Services Designated in section 7
Schedule “B”	-	Residential Development Charges
Schedule “C”	-	Commercial Development Charges
Schedule “D”	-	Institutional Development Charges
Schedule “E”		Industrial Development Charges
Schedule “F”	-	Map of Seaton Community

Date By-law in Force

26. This by-law shall come into force on July 1, 2018.

Date By-law Expires

27. This by-law will expire five years from the date it comes into force, unless it is repealed at an earlier date by a subsequent by-law.

Repeal

28. By-law No.16-2013 is hereby repealed effective on the date this by-law comes into force.

Registration

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

Severability

30. In the event any provision, or part thereof, of this by-law is found by a court of competent jurisdiction to be *ultra vires*, such provision, or part thereof, shall be deemed to be severed, and the remaining portion of such provision and all other provisions of this by-law shall remain in full force and effect.

Short Title

31. This By-law may be cited as the Regional Municipality of Durham Development Charges By-law, 2018

This By-law Read and Passed on the 13th day of June, 2018.

G.L. O'Connor, Regional Chair and CEO

R. Walton, Regional Clerk

Schedule "A"

Designated Regional Services and Service Components Thereunder

	Category of Regional Services	Service Components
1.	Regional Road	• Regional Road Construction/Improvements/Urbanization • Improvements to Highway Interchanges/Grade Separations • Intersection and Corridor Improvements • Traffic Signals and Systems • Property Acquisition • Maintenance Facilities • Capital Equipment • Landscaping • Studies • Environmental Assessment
2.	Regional Police	• Costs to Acquire Land or an Interest in Land, Including a Leasehold Interest • Costs to Improve Land • Costs to Acquire, Lease, Construct or Improve Buildings and Structures • Costs to Acquire, Lease, Construct or Improve Facilities • Vehicles and Equipment
3.	Long Term Care	• Costs to Acquire Land or an Interest in Land, Including a Leasehold Interest • Costs to Improve Land • Costs to Acquire, Lease, Construct or Improve Buildings and Structures • Costs to Acquire, Lease, Construct or • Improve Facilities
4.	Water Supply	• Pumping Stations • Reservoirs • Feedermains • Water Supply Plants and Municipal Wells • Capital Equipment • Studies • Environmental Assessment • Water Use Efficiency Strategy • Well Interference
5.	Sanitary Sewerage	• Sewage Pumping Stations and Forcemains • Trunk Sanitary Sewers • Water Pollution Control Plants • Sludge Storage and Disposal Facilities • Capital Equipment • Studies • Environmental Assessment • Water Use Efficiency
6.	Paramedic Services	• Land Ambulances and Equipment Stations and Land
7.	Health and Social Services	• Costs to Acquire Land and Buildings • Studies

8.	Housing Services	• Costs to Acquire Land and Buildings or Units • Costs to Improve Land • Costs for Construction of new Buildings or Units • Studies
9.	Development Related Studies	

Schedule "B"

Residential Development Charges per Dwelling Unit
Effective July 1, 2018 - $ per Dwelling Type

Service Category	Single Detached & Semi-Detached $	Medium Density Multiples $	Two Bedroom Apartment & Larger $	One Bedroom Apartment & Smaller $
Region-Wide Charges				
Regional Roads	9,250	7,432	5,373	3,502
Regional Police	715	575	416	271
Long-Term Care	19	15	11	7
Paramedic Services	170	137	99	64
Health & Social Services	123	99	72	47
Housing Services	387	311	225	147
Development Related Studies	19	15	11	7
Subtotal	10,683	8,584	6,207	4,045
Regional Water Supply & Sanitary Sewer Charges				
Water Supply	9,420	7,569	5,472	3,566
Sanitary Sewerage	9,170	7,368	5,327	3,472
Subtotal	18,591	14,938	10,799	7,038
Total of All Charges	**29,273**	**23,521**	**17,006**	**11,083**

NOTE: The development charges described above shall be adjusted annually on July 1 pursuant to Section 24 of this By-law.

Schedule "C"

Commercial Development Charges Effective July 1, 2018
$ per Square Foot of Gross Floor Area

Service Category	Commercial Development Charges
Water Supply	3.51
Sanitary Sewerage	5.88
Regional Roads	8.54
Total of All Charges	**17.93**

NOTE: The development charges described above shall be adjusted annually on July 1 pursuant to section 24 of this By-law.

Schedule “D”

Institutional Development Charges Effective July 1, 2018
$ per Square Foot of Gross Floor Area

Service Category	Institutional Development Charges
Water Supply	0.86
Sanitary Sewerage	1.05
Regional Roads	7.18
Total of All Charges	**9.09**

NOTE: The development charges described above shall be adjusted annually on July 1 pursuant to section 24 of this By-law.

Schedule "E"

Industrial Development Charges Effective July 1, 2018
$ per Square Foot of Gross Floor Area

SERVICE CATEGORY	INDUSTRIAL DEVELOPMENT CHARGES
Water Supply	2.80
Sanitary Sewerage	3.38
Regional Roads	3.24
Total of All Charges	**9.42**

NOTE: The development charges described above shall be adjusted annually on July 1 pursuant to section 24 of this By-law.

Schedule "F"

Seaton Community