



# Wastewater Development Charges Update Study

Town of Erin

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December 30, 2022

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# Report



# Chapter 1

## Introduction



# 1. Introduction

## 1.1 Background

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The Town of Erin imposes development charges (D.C.) to recover capital costs arising from the increase in needs for service related to growth. The Town currently has a municipal-wide D.C. for roads, fire, parkland development, recreation, and growth-related studies. A water and wastewater D.C. is imposed on development within the Villages of Erin and Hillsburgh. The D.C.s came into effect on July 23, 2019 and was subsequently amended on October 27, 2020. The background information for these by-laws are documented through the following reports:

- “Town of Erin Development Charges Background Study,” dated May 21, 2019 provided the supporting documentation for By-law 19-32; and
- “Town of Erin Water and Wastewater Update Study”, dated August 21, 2020 provided the supporting documentation for By-law 20-40.

The Town’s D.C.s have been indexed (in accordance with section 5 of the by-law) annually on January 1st and are currently 17.9% higher than the 2019 rates implemented under By-law 19-32, as amended with By-law 20-40. The current D.C.s (unindexed) are shown in Figure 1-1.

The purpose of this report is to update the current D.C. by-law by incorporating the recent tender amounts related to the wastewater treatment plant (WWTP) and the wastewater linear infrastructure (sanitary trunk sewers and pumping stations). These changes are discussed in Chapter 4.

Additionally, there have been recent changes to the Development Charges Act (D.C.A.) as a result of Bill 23: *More Homes, Built Faster Act, 2022*, which received Royal Assent on November 28, 2022. The changes from this Bill are detailed in Chapter 2 and will be incorporated as part of the new D.C. by-law.



Figure 1-1  
Town of Erin  
Current Development Charges under By-law 19-32, as amended by By-law 20-40 (2019\$)

Service	RESIDENTIAL					NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Special Care/Special Dwelling Units	(per sq.ft. of Gross Floor Area)
<b>Town Wide Services:</b>						
Services Related to a Highway	7,837	5,680	3,971	3,375	2,700	4.39
Fire Protection Services	2,478	1,796	1,256	1,067	854	1.39
Parks & Recreation Services	4,808	3,484	2,436	2,070	1,656	0.85
Administration - Engineering Studies	1,802	1,306	913	776	621	0.75
Administration - Community Based Studies	333	241	169	143	115	0.14
<b>Total Town Wide Services</b>	<b>17,258</b>	<b>12,507</b>	<b>8,745</b>	<b>7,431</b>	<b>5,946</b>	<b>7.52</b>
<b>Urban Services</b>						
Water Services						
Water Supply and Distribution	5,748	4,166	2,913	2,475	1,980	1.94
Wastewater Services						
Wastewater Treatment	9,982	7,234	5,058	4,299	3,439	3.37
Wastewater Collection	3,413	2,473	1,729	1,470	1,176	1.15
<b>Total Urban Services</b>	<b>19,143</b>	<b>13,873</b>	<b>9,700</b>	<b>8,244</b>	<b>6,595</b>	<b>6.46</b>
<b>GRAND TOTAL RURAL AREA</b>	<b>17,258</b>	<b>12,507</b>	<b>8,745</b>	<b>7,431</b>	<b>5,946</b>	<b>7.52</b>
<b>GRAND TOTAL URBAN AREA</b>	<b>36,401</b>	<b>26,380</b>	<b>18,445</b>	<b>15,675</b>	<b>12,541</b>	<b>13.98</b>



## 1.2 Basis for the D.C. By-law Update

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This D.C. update study has been prepared to support the passage of a new D.C. by-law dealing with the costs of the WWTP and associated wastewater linear infrastructure and a corresponding amendment to the Town's current D.C.s by-laws (By-law 19-32 and By-law 20-40). The purpose of the new D.C. by-law is to address the increased capital costs with respect to the wastewater infrastructure as a result of the recent tenders for these works.

Additionally, the new D.C. by-law will include definitions and policies that have been established as part of Bill 23, *More Homes, Built Faster Act, 2022* (Chapter 2 provides details of Bill 23's amendments to the D.C.A.). The changes that will be incorporated as part of this update study include:

- Adding new exemptions, discounts, and definitions;
- Inclusion of a mandatory phase-in of the D.C.s;
- Adding maximum interest rate policies; and
- Other policies as described in the Act.

Due to the obligations required as part of the Town's financial agreements related to the wastewater infrastructure, as well as the changes arising from Bill 23, it is recommended that the Town remove wastewater services from the current D.C. by-law (by-law 19-30, as amended by by-law 20-40) and consider establishing a standalone wastewater D.C. by-law.

Details on the changes to the calculation and current by-law are presented in Chapter 4 and Chapter 5 of this report, respectively. The draft amending by-laws are presented in Appendix B to this report.

## 1.3 Summary of the Process

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The public meeting required under section 12 of the D.C.A. has been scheduled for February 16, 2023 located in the Town of Erin's Council chambers. Its purpose is to present the update study to the public and to solicit public input. The meeting is also being held to answer any questions regarding the study's purpose, methodology and





the proposed modifications to the Town’s D.C. by-law, as well as the new proposed D.C. by-law which will impose charges related to the wastewater service only.

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

- consideration of responses received prior to, at or immediately following the Public Meeting; and
- Council consideration of the amending by-law on March 23, 2023.

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

Figure 1-2  
Schedule of Key D.C. Process Dates for the Town of Erin

1. Data collection, staff review, engineering work, D.C. calculations and policy work	June 2022 to November 2022
2. Background study and proposed by-law available to public	December 30, 2022
3. Public meeting advertisement placed in newspaper(s)	January 26, 2023
4. Public meeting of Council	February 16, 2023
5. Council considers adoption of background study and passage of by-law	March 23, 2023
6. Newspaper notice given of by-law passage	By 20 days after passage
7. Last day for by-law appeal	40 days after passage
8. Town makes pamphlet available (where by-law not appealed)	By 60 days after in force date

## 1.4 Policy Recommendations

It is recommended that the Town’s current D.C. policies, as identified in the “*Town of Erin Development Charges Background Study*” (dated May 21, 2019) and “*Town of Erin Water and Wastewater Update Study*” (dated August 21, 2020), be continued.



Additionally, the new policies as stated in Bill 23 – *More Homes, Built Faster Act, 2022* are recommended to be included as part of the new D.C. by-law. This is discussed in more detail in Chapter 2 of this report.



# Chapter 2

## Changes to the D.C.A. Legislation



## 2. Changes to the D.C.A. Legislation

### 2.1 Bill 23 – *More Homes, Built Faster Act, 2022*

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On November 28, 2022, Bill 23 received Royal Assent. This Bill amends a number of pieces of legislation including the Planning Act and D.C.A. The following provides a summary of the changes to the D.C.A.:

#### 2.1.1 *Additional Residential Unit Exemption*

The rules for these exemptions are now provided in the D.C.A., rather than the regulations and are summarized as follows:

- Exemption for residential units in existing rental residential buildings – For rental residential buildings with four or more residential units, the greater of one unit or 1% of the existing residential units will be exempt from D.C.
- Exemption for additional residential units in existing and new residential buildings – The following developments will be exempt from a D.C.:
  - A second unit in a detached, semi-detached, or rowhouse if all buildings and ancillary structures cumulatively contain no more than one residential unit;
  - A third unit in a detached, semi-detached, or rowhouse if no buildings or ancillary structures contain any residential units; and
  - One residential unit in a building or structure ancillary to a detached, semi-detached, or rowhouse on a parcel of urban land, if the detached, semi-detached, or rowhouse contains no more than two residential units and no other buildings or ancillary structures contain any residential units.

#### 2.1.2 *Removal of Housing as an Eligible D.C. Service*

Housing services is removed as an eligible service. Municipalities with by-laws that include a charge for housing services can no longer collect for this service.



### **2.1.3 New Statutory Exemptions for Affordable Units, Attainable Units, Inclusionary Zoning Units, and Non-Profit Housing developments**

Affordable units, attainable units, inclusionary zoning units and non-profit housing developments are exempt from the payment of D.C.s, as follows:

- Affordable Rental Units: Where rent is no more than 80% of the average market rent as defined by a new bulletin published by the Ministry of Municipal Affairs and Housing.
- Affordable Owned Units: Where the price of the unit is no more than 80% of the average purchase price as defined by a new bulletin published by the Ministry of Municipal Affairs and Housing.
- Attainable Units: Excludes affordable units and rental units; will be defined as prescribed development or class of development and sold to a person who is at “arm’s length” from the seller.
  - Note: for affordable and attainable units, the municipality shall enter into an agreement that ensures the unit remains affordable or attainable for 25 years.
- Inclusionary Zoning Units: Affordable housing units required under inclusionary zoning by-laws are exempt from a D.C.
- Non-Profit Housing: Non-profit housing units are exempt from D.C.s and D.C. instalment payments due after November 28, 2022.

It is noted that the exemptions with respect to Affordable Rental units, Affordable Owned Units, and Attainable Units are not yet in effect until proclamation of the Bill.

### **2.1.4 Historical Level of Service extended to 15-year period instead of the historical 10-year period**

Currently, the increase in need for service is limited by the average historical level of service calculated over the 10-year period preceding the preparation of the D.C. background study. This average is now extended to the historical 15-year period.



### **2.1.5 Revised Definition of Capital Costs**

The definition of capital costs has been revised to remove studies. Further, the regulations to the Act will prescribe services for which land or an interest in land will be restricted. As at the time of writing, no services have been prescribed.

### **2.1.6 Mandatory Phase-in of a D.C.**

For all D.C. by-laws passed after January 1, 2022, the charge must be phased-in annually over the first five years the by-law is in force, as follows:

- Year 1 – 80% of the maximum charge;
- Year 2 – 85% of the maximum charge;
- Year 3 – 90% of the maximum charge;
- Year 4 – 95% of the maximum charge; and
- Year 5 to expiry – 100% of the maximum charge.

### **2.1.7 D.C. By-law Expiry**

A D.C. by-law now expires ten years after the day it comes into force (unless the by-law provides for an earlier expiry date). This extends the by-law's life from five years, currently.

### **2.1.8 Instalment Payments**

Non-profit housing development has been removed from the instalment payment section of the Act (section 26.1), as these units are now exempt from the payment of a D.C.

### **2.1.9 Rental Housing Discount**

The D.C. payable for rental housing development will be reduced based on the number of bedrooms in each unit as follows:

- Three or more bedrooms – 25% reduction;
- Two bedrooms – 20% reduction; and
- All other bedroom quantities – 15% reduction.



### ***2.1.10 Maximum Interest Rate for Instalments and Determination of Charge for Eligible Site Plan and Zoning By-law Amendment Applications***

No maximum interest rate was previously prescribed. As per Bill 23, the maximum interest rate is set at the average prime rate plus 1%. This maximum interest rate provision would apply to all instalment payments and eligible site plan and zoning by-law amendment applications occurring after November 28, 2022.

### ***2.1.11 Requirement to Allocate Funds Received***

Annually, beginning in 2023, municipalities will be required to spend or allocate at least 60% of the monies in a reserve fund at the beginning of the year for water, wastewater, and services related to a highway. Other services may be prescribed by the regulation.



# Chapter 3

## Refinements to the D.C. By-law





## 3. Anticipated Development

### 3.1 Growth Forecast in the 2019 D.C. Study

The 2019 D.C. study provided for the anticipated residential and non-residential growth within the Town of Erin. The growth forecast associated with services included in the background study is provided in Figure 3-1 below:

Figure 3-1  
Town of Erin  
2019 D.C. Background Study – Growth Forecast Summary

Measure	10 Year 2019-2028	Long-Term 2019-2041	Urban Longer- Term 2019-Urban Buildout
(Net) Population Increase	1,607	6,589	12,318
Residential Unit Increase (Low, Medium, and High Density)	650	2,283	4,497
Non-Residential Gross Floor Area Increase (ft <sup>2</sup> )	187,900	479,700	1,585,700

Source: Watson & Associates Economists Ltd. Forecast 2019

The growth forecast above utilizes the targets outlined from the Town's Growth Management Strategy (undertaken by Dillon Consulting Limited and Watson) and the Town's Urban Centre Wastewater Servicing Class EA (undertaken by Ainley Consulting Engineers).

From the work undertaken by Ainley, the developments to be serviced by the proposed wastewater infrastructure have been provided on a single detached equivalent (SDE) basis. The SDEs have been provided for all residential and non-residential development for both Erin and Hillsburgh for ease of measuring servicing capacity. The overall anticipated buildout is 6,740 SDEs. The forecast has been separated into two categories, new development vs. existing development. The growth-related units (including intensification and non-residential growth) total 4,467 SDEs. The non-growth existing units (including existing non-residential development) to be serviced totals 2,273 SDEs.



The 2019 D.C. Background Study provided a “Buildout” forecast (Appendix A – Schedule 5) which identified the Ainley Wastewater Servicing report growth assumptions. For the purposes of this D.C. update, the 2019 D.C. Background Study growth forecast remains unchanged as the incremental growth is anticipated to remain the same.



# Chapter 4

## Updates to the Town's D.C. Study



## 4. Updates to the Town's D.C. Study

As noted earlier, the Town passed By-law 19-32 on July 23, 2019, being a by-law for the purposes of establishing and collecting a D.C. in accordance with the provisions of the D.C.A. This by-law was subsequently amended with By-law 20-40 on October 27, 2020 to revise the water D.C.s and add wastewater as a new service.

This chapter of the report discusses the revision of growth-related projects related to wastewater. As the initial calculations for wastewater were undertaken as part of the current D.C. Background Study using 2019 dollars, this update study has utilized the same valuation for calculation purposes.

### 4.1 Wastewater

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In 2020, the Town introduced wastewater as part of their D.C. services (details regarding the background of the Town's wastewater servicing history is documents in the 2020 D.C. Update Study). As discussed earlier, the capital projects related to the wastewater treatment plant (WWTP), pumping stations and sanitary trunks sewers (linear segments) have updated costing based on awarded tenders in 2022. However, the costs related to these items have significantly increased from the estimates that were contained in the previous background study. The updated amounts in 2022 for the WWTP is \$128,900,000 while the costs for the pumping stations and sanitary trunk sewers are \$57,032,000. For the purposes of the calculations, these costs have been deflated to 2019\$. Therefore, in 2019\$, the WWTP costs equal \$109,300,000 and the linear segments equal \$48,359,000. The following provides for a summary of the cost increases from the previous study:

- WWTP – the costs have increased from \$67,208,500 to \$109,300,000
- Linear Segments – the costs have increased from \$20,346,000 to \$48,359,000

Based on the updated WWTP cost of \$109,300,000, a deduction of \$36,856,000 (34%) has been applied to recognize the treatment plant's benefit to the existing community based on 2,273 SDEs (out of the total 6,740 SDEs) comprising of existing residents and businesses. Therefore, the revised net D.C.-eligible amount of \$72,444,000 has been included in the calculations for D.C. recovery.



With respect to the linear segments totalling \$48,359,000, a deduction of \$12,090,100 has been deducted to recognize the portion of the works that will benefit the existing community (based on the servicing assessment undertaken by Ainley). Therefore, the revised net D.C.-eligible amount of \$36,268,900 has been included in the calculations for recovery.

Figures 4-1 and 4-2 present the wastewater capital costs being included in the D.C. calculations.



Figure 4-1

**Infrastructure Costs Included in the Development Charges Calculation**

Town of Erin

Service: Wastewater Facilities

Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2019\$ Rounded)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 88%	Non- Residential Share 12%
1	Wastewater Treatment Plant	2020-2025	109,300,000	-		109,300,000	36,856,000		72,444,000	63,750,720	8,693,280
	<b>Total</b>		<b>109,300,000</b>	<b>-</b>	<b>-</b>	<b>109,300,000</b>	<b>36,856,000</b>	<b>-</b>	<b>72,444,000</b>	<b>63,750,720</b>	<b>8,693,280</b>



Figure 4-2

**Infrastructure Costs Included in the Development Charges Calculation**

Town of Erin

Service: Wastewater Sewers

Prj.No	Segment	Increased Service Needs Attributable to Anticipated Development  2019-Urban Buildout	Timing (year)	Gross Capital Cost Estimate (2019\$ Rounded)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
								Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 88%	Non- Residential Share 12%
1	Segment No. 1	Erin SPS 1 (transmission station to the WWTP)	2021-2026	11,859,000	-		11,859,000	2,964,800		8,894,200	7,826,896	1,067,304
2	Segment No. 1	Erin SPS 1 Forcemain (transmission station to the WWTP)	2021-2026	3,881,000	-		3,881,000	970,300		2,910,700	2,561,416	349,284
3	Segment No. 2	Erin Village Trunk Sewer (Dundas Street East to Water Street)	2021-2026	11,274,000	-		11,274,000	2,818,500		8,455,500	7,440,840	1,014,660
4	Segment No. 2	Service Connections to existing properties along the trunk sewer	2021-2026	2,277,000	-		2,277,000	569,300		1,707,700	1,502,776	204,924
5	Segment No. 3	Hillsburgh SPS 1 (transmission to Erin)	2027-2032	3,765,000	-		3,765,000	941,300		2,823,700	2,484,856	338,844
6	Segment No. 3	Hillsburgh SPS 1 Forcemain (transmission to Erin along ECT)	2027-2032	6,411,000	-		6,411,000	1,602,800		4,808,200	4,231,216	576,984
7	Segment No. 3	Extension of the Hillsburgh SPS 1 Forcemain (along Main St, from Main & ECT to Dundas St)	2027-2032	843,000	-		843,000	210,800		632,200	556,336	75,864
8	Segment No. 4	Hillsburgh Village Trunk Sewer (Mill Street to Elora Cataract Trail)	2033+	4,326,000	-		4,326,000	1,081,500		3,244,500	2,855,160	389,340
9	Segment No. 4	Hillsburgh Village Trunk Sewer (Queen Street to Mill Street)	2033+	1,752,000	-		1,752,000	438,000		1,314,000	1,156,320	157,680
10	Segment No. 4	Service Connections to existing properties along the trunk sewer	2033+	1,971,000	-		1,971,000	492,800		1,478,200	1,300,816	177,384
		<b>Total</b>		<b>48,359,000</b>	<b>-</b>	<b>-</b>	<b>48,359,000</b>	<b>12,090,100</b>	<b>-</b>	<b>36,268,900</b>	<b>31,916,632</b>	<b>4,352,268</b>



## 4.2 D.C. By-law Revised Schedule of Charges

### 4.2.1 Updated D.C. Calculation (2019\$)

Figure 4-3 calculates the proposed D.C. to be imposed on anticipated development in the Town for the wastewater projects over the urban buildout planning horizon.

For the residential calculations, the total cost is divided by the “gross” (new resident) population to determine the per capita amount. The eligible D.C. cost calculations set out in Figures 4-1 and 4-2 are based on the net anticipated population increase (the forecast new unit population less the anticipated decline in existing units). The cost per capita is then multiplied by the average occupancy of the new units to calculate the charge in Figure 4-3. With respect to non-residential development, the total costs in the uniform charge allocated to non-residential development (based on need for service) have been divided by the anticipated development over the planning period to calculate a cost per sq.ft. of gross floor area.

Figure 4-3  
Town of Erin  
Wastewater D.C. Calculations (2019 – Urban Buildout)

SERVICE	2019\$ D.C.-Eligible Cost		2019\$ D.C.-Eligible Cost	
	Residential	Non-Residential	S.D.U.	per sq.ft.
	\$	\$	\$	\$
1 Wastewater Services				
1.1 Wastewater Treatment	63,750,720	8,693,280	16,234	5.48
1.2 Wastewater Collection	31,916,632	4,352,268	8,127	2.75
	95,667,352	13,045,548	24,361	8.23
<b>TOTAL</b>	<b>\$95,667,352</b>	<b>\$13,045,548</b>	<b>\$24,361</b>	<b>8.23</b>
D.C.-Eligible Capital Cost	\$95,667,352	\$13,045,548		
Buildout Gross Population/GFA Growth (sq.ft.)	12,539	1,585,700		
<b>Cost Per Capita/Non-Residential GFA (sq.ft.)</b>	<b>\$7,629.58</b>	<b>\$8.23</b>		
<b>By Residential Unit Type</b>				
	<b>P.P.U.</b>			
Single and Semi-Detached Dwelling	3.193	\$24,361		
Multiples	2.314	\$17,655		
Apartments - 2 Bedrooms +	1.618	\$12,345		
Apartments - Bachelor and 1 Bedroom	1.375	\$10,491		
Special Care/Special Dwelling Units	1.100	\$8,393		

Figures 4-4 and 4-5 compare the amended and existing single detached dwelling unit and non-residential per square foot D.C.s (2019 \$ values)





Figure 4-4  
Town of Erin  
Comparison of Existing and Amending Residential (Single Detached Unit) D.C. (2019 \$)

Service	D.C. Based on 2019 D.C. Study	D.C. Based on 2020 D.C. Study	Calculated Based on 2022 D.C. Update
<b>Town Wide Services:</b>			
Services Related to a Highway	7,837	7,837	7,837
Fire Protection Services	2,478	2,478	2,478
Parks & Recreation Services	4,808	4,808	4,808
Administration - Engineering Studies	1,802	1,802	1,802
Administration - Community Based Studies	333	333	333
<b>Total Town Wide Services</b>	<b>17,258</b>	<b>17,258</b>	<b>17,258</b>
<b>Urban Services:</b>			
Water Services	5,026	5,748	5,748
Wastewater Services	-	13,395	24,361
<b>Total Urban Services</b>	<b>5,026</b>	<b>19,143</b>	<b>30,109</b>
<b>Grand Total - Urban Area</b>	<b>22,284</b>	<b>36,401</b>	<b>47,367</b>

Figure 4-5  
Town of Erin  
Comparison of Existing and Amending Non-Residential D.C. (2019 \$)

Service	D.C. Based on 2019 D.C. Study	D.C. Based on 2020 D.C. Study	Calculated Based on 2022 D.C. Update
<b>Town Wide Services:</b>			
Services Related to a Highway	4.39	4.39	4.39
Fire Protection Services	1.39	1.39	1.39
Parks & Recreation Services	0.85	0.85	0.85
Administration - Engineering Studies	0.75	0.75	0.75
Administration - Community Based Studies	0.14	0.14	0.14
<b>Total Town Wide Services</b>	<b>7.52</b>	<b>7.52</b>	<b>7.52</b>
<b>Urban Services:</b>			
Water Services	2.03	1.94	1.94
Wastewater Services	-	4.52	8.23
<b>Total Urban Services</b>	<b>2.03</b>	<b>6.46</b>	<b>10.17</b>
<b>Grand Total - Urban Area</b>	<b>9.55</b>	<b>13.98</b>	<b>17.69</b>

Based on the calculations above, the D.C. (in 2019 \$) for wastewater services are calculated to increase from \$13,395 to \$24,361 per single detached unit and decrease from \$4.52 to \$8.23 per square foot for non-residential development.



### **4.2.2 Revised D.C. Rates (2022 \$)**

The Town's current D.C.s have been indexed by 17.9% on January 1, 2022. Therefore, the wastewater D.C.s in 2022\$ are \$28,729 for residential (single and semi-detached) and \$9.71 per sq.ft. of non-residential development.

Figure 4-6 provides for the indexed 2022 values of the Town's total D.C.s.



Figure 4-7  
Town of Erin  
Updated Development Charge Schedule (2022\$)

Service	RESIDENTIAL					NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Special Care/Special Dwelling Units	(per sq.ft. of Gross Floor Area)
<b>Town Wide Services:</b>						
Services Related to a Highway	9,243	6,698	4,683	3,981	3,184	5.18
Fire Protection Services	2,922	2,118	1,481	1,259	1,007	1.64
Parks & Recreation Services	5,670	4,109	2,873	2,441	1,953	1.00
Administration - Engineering Studies	2,125	1,540	1,077	915	732	0.88
Administration - Community Based Studies	393	284	199	169	136	0.17
<b>Total Town Wide Services</b>	<b>20,354</b>	<b>14,749</b>	<b>10,313</b>	<b>8,766</b>	<b>7,012</b>	<b>8.87</b>
<b>Urban Services</b>						
Water Services						
Water Supply and Distribution	6,779	4,913	3,435	2,918	2,336	2.29
Wastewater Services						
Wastewater Treatment	19,145	13,875	9,701	8,244	6,596	6.46
Wastewater Collection	9,584	6,946	4,857	4,127	3,302	3.24
<b>Total Urban Services</b>	<b>35,508</b>	<b>25,734</b>	<b>17,993</b>	<b>15,289</b>	<b>12,234</b>	<b>11.99</b>
<b>GRAND TOTAL RURAL AREA</b>	<b>20,354</b>	<b>14,749</b>	<b>10,313</b>	<b>8,766</b>	<b>7,012</b>	<b>8.87</b>
<b>GRAND TOTAL URBAN AREA</b>	<b>55,861</b>	<b>40,483</b>	<b>28,307</b>	<b>24,054</b>	<b>19,246</b>	<b>20.86</b>



# Chapter 5

## Refinements to the D.C. By-law



## 5. Additions to the D.C. By-law

As stated in Chapter 1, it is proposed that the wastewater services be removed from the Town's current D.C. by-law and be provided under its own standalone by-law. The current D.C. policies are assumed to be continued under the new wastewater by-law. However, as summarized in Chapter 2, the wastewater D.C. by-law will need to incorporate the requirements from Bill 23. These requirements include:

- Additional Residential Unit Exemptions
  - A third unit in a detached, semi-detached, or rowhouse if no buildings or ancillary structures contain any residential units.
- New Statutory Exemptions:
  - Affordable Rental Units: Where rent is no more than 80% of the average market rent as defined by a new bulletin published by the Ministry of Municipal Affairs and Housing.
  - Affordable Owned Units: Where the price of the unit is no more than 80% of the average purchase price as defined by a new bulletin published by the Ministry of Municipal Affairs and Housing.
  - Attainable Units: Excludes affordable units and rental units; will be defined as prescribed development or class of development and sold to a person who is at "arm's length" from the seller.
  - Inclusionary Zoning Units: Affordable housing units required under inclusionary zoning by-laws are exempt from a D.C.
  - Non-Profit Housing: Non-profit housing units are exempt from D.C.s and D.C. instalment payments due after November 28, 2022.
- Mandatory Phase-in:
  - Year 1 – 80% of the maximum charge;
  - Year 2 – 85% of the maximum charge;
  - Year 3 – 90% of the maximum charge;
  - Year 4 – 95% of the maximum charge; and
  - Year 5 to expiry – 100% of the maximum charge.
- Rental Housing Discount:
  - The D.C. payable for rental housing development will be reduced based on the number of bedrooms in each unit as follows:
    - Three or more bedrooms – 25% reduction;
    - Two bedrooms – 20% reduction; and



- All other bedroom quantities – 15% reduction.
- Maximum Interest Rate for Instalments and Determination of Charge for Eligible Site Plan and Zoning By-law Amendment Applications:
  - The maximum interest rate is set at the average prime rate plus 1%. This maximum interest rate provision would apply to all instalment payments and eligible site plan and zoning by-law amendment applications occurring after November 28, 2022.

For the purposes of administering the by-law, the following definitions are provided as per the D.C.A.:

“Non-profit housing development” means development of a building or structure intended for use as residential premises by,

- a) a corporation to which the *Not-for-Profit Corporations Act, 2010* applies, that is in good standing under that Act and whose primary object is to provide housing;
- b) a corporation without share capital to which the *Canada Not-for-profit Corporations Act* applies, that is in good standing under that Act and whose primary object is to provide housing; or
- c) a non-profit housing co-operative that is in good standing under the *Co-operative Corporations Act, 2022*, c. 21, Sched. 3, s. 4.



# Chapter 6

## Recommendations



## 6. Recommendations

It is recommended that Council:

“Approve the Wastewater Development Charges Update Study dated December 30, 2022, as amended (if applicable)”;

“Approve the updated capital projects set out in Chapter 4 of the Wastewater Development Charges Update Study dated December 30, 2022”;

“Determine that no further public meeting is required”;

“Approve the Amending Development Charge By-law as set out in Appendix B”; and

“Approve the Wastewater Development Charge By-law as set out in Appendix C”.





# Appendix A

## Asset Management and Long-Term Capital and Operating Cost Examination



## A-1: Asset Management Plan

***The following Asset Management Plan analysis was presented in the 2019 Development Charges (D.C.) Background Study. It is being updated to reflect the revisions contained within this D.C. Update Study that pertain to the revised water capital projects and the addition of the wastewater capital projects.***

The recent changes to the *Development Charges Act, 1997* (D.C.A.) (new subsection 10 (2) (c.2)) require that the background study must include an asset management plan (A.M.P.) related to new infrastructure. Section 10 (3) of the D.C.A. provides:

“The asset management plan shall,

- (a) deal with all assets whose capital costs are proposed to be funded under the development charge by-law;
- (b) demonstrate that all the assets mentioned in clause (a) are financially sustainable over their full life cycle;
- (c) contain any other information that is prescribed; and
- (d) be prepared in the prescribed manner.”

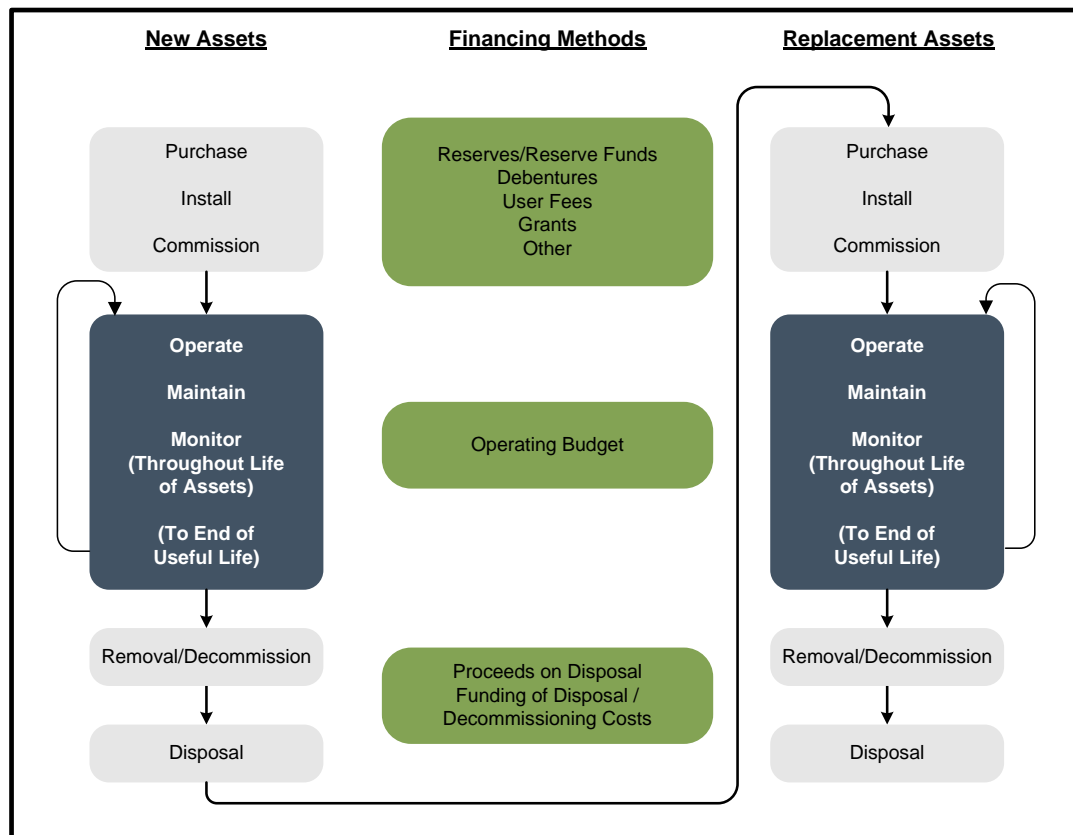
In regard to the above, section 8 of the Regulations was amended to include subsections (2), (3) and (4) which set out for specific detailed requirements for transit (only). For all services except transit, there are no prescribed requirements at this time thus requiring the municipality to define the approach to include within the background study.

At a broad level, the A.M.P. provides for the long-term investment in an asset over its entire useful life along with the funding. The schematic below identifies the costs for an asset through its entire lifecycle. For growth-related works, the majority of capital costs will be funded by the D.C. Non-growth-related expenditures will then be funded from non-D.C. revenues as noted below. During the useful life of the asset, there will be minor maintenance costs to extend the life of the asset along with additional program related expenditures to provide the full services to the residents. At the end of the life of the asset, it will be replaced by non-D.C. financing sources.

It should be noted that with the recent passing of the *Infrastructure for Jobs and Prosperity Act* (I.J.P.A.) municipalities are now required to complete A.M.P.s, based on



certain criteria, which are to be completed by 2021 for core municipal services and 2023 for all other services. The amendments to the D.C.A. do not require municipalities to complete these A.M.P.s (required under I.J.P.A.) for the D.C. background study, rather the D.C.A. requires that the D.C. background study include information to show the assets to be funded by the D.C. are sustainable over their full lifecycle.



In 2012, the Province developed Building Together: Guide for municipal asset management plans which outlines the key elements for an A.M.P., as follows:

**State of local infrastructure:** asset types, quantities, age, condition, financial accounting valuation and replacement cost valuation.

**Desired levels of service:** defines levels of service through performance measures and discusses any external trends or issues that may affect expected levels of service or the municipality's ability to meet them (for example, new accessibility standards, climate change impacts).



**Asset management strategy:** the asset management strategy is the set of planned actions that will seek to generate the desired levels of service in a sustainable way, while managing risk, at the lowest lifecycle cost.

**Financing strategy:** having a financial plan is critical for putting an A.M.P. into action. By having a strong financial plan, municipalities can also demonstrate that they have made a concerted effort to integrate the A.M.P. with financial planning and municipal budgeting and are making full use of all available infrastructure financing tools.

Commensurate with the above, the Town prepared an A.M.P. in 2017 for its existing assets, however, the A.M.P. did not take into account future growth-related assets. As a result, the asset management requirement for the D.C. must be undertaken in the absence of this information.

In recognition to the schematic above, the following table (presented in 2019 \$) has been developed to provide the annualized expenditures and revenues associated with new growth. Note that the D.C.A. does not require an analysis of the non-D.C. capital needs or their associated operating costs so these are omitted from the table below. As well, as all capital costs included in the D.C.-eligible capital costs are not included in the municipality's A.M.P., the present infrastructure gap and associated funding plan have not been considered at this time. Hence the following does not represent a fiscal impact assessment (including future tax/rate increases) but provides insight into the potential affordability of the new assets:

1. The non-D.C. recoverable portion of the projects which will require financing from municipal financial resources (i.e. taxation, rates, fees, etc.). This amount has been presented on an annual debt charge amount based on 20-year financing.
2. Lifecycle costs for the 2019 D.C. capital works have been presented based on a sinking fund basis. The assets have been considered over their estimated useful lives.
3. Incremental operating costs for the D.C. services (only) have been included.
4. The resultant total annualized expenditures are \$19.5 million.
5. Consideration was given to the potential new taxation and user fee revenues which will be generated as a result of new growth. These revenues will be



available to finance the expenditures above. The new operating revenues are \$5.2 million. This amount, totalled with the existing operating revenues of \$11.2 million, provide annual revenues of \$16.4 million by the end of the period.

6. In consideration of the above, the capital plan is deemed to be financially sustainable.

Figure A-1  
Town of Erin  
Asset Management – Future Expenditures and Associated Revenues  
(Updated with the Revised Water Capital and Added Wastewater Capital)  
2019 \$

	2041 (Total)
<b>Expenditures (Annualized)</b>	
Annual Debt Payment on Non-Growth Related Capital <sup>1</sup>	4,043,421
Annual Debt Payment on Post Period Capital <sup>2</sup>	-
<b>Lifecycle:</b>	
<b>Sub-Total - Annual Lifecycle</b>	<b>\$10,543,491</b>
<b>Incremental Operating Costs (for D.C. Services)</b>	<b>\$4,898,582</b>
<b>Total Expenditures</b>	<b>\$19,485,494</b>
<b>Revenue (Annualized)</b>	
Total Existing Revenue <sup>3</sup>	\$11,153,313
Incremental Tax and Non-Tax Revenue (User Fees, Fines, Licences, etc.)	\$5,240,036
<b>Total Revenues</b>	<b>\$16,393,349</b>

<sup>1</sup> Non-Growth Related component of Projects including 10% mandatory deduction on soft services

<sup>2</sup> Interim Debt Financing for Post Period Benefit

<sup>3</sup> As per Sch. 10 of FIR



## A-2: Long-Term Capital and Operating Cost Examination

As a requirement of the D.C.A. under subsection 10 (2) (c), an analysis must be undertaken to assess the long-term capital and operating cost impacts for the capital infrastructure projects identified within the D.C. As part of this analysis, it was deemed necessary to isolate the incremental operating expenditures directly associated with the capital projects for wastewater, factor in cost saving attributable to economies of scale or cost sharing where applicable, and prorate the cost on a per unit basis (i.e. sq.ft. of building space, per vehicle, etc.).

In addition to the operational impacts, over time the initial capital projects will require replacement. This replacement of capital is often referred to as life cycle cost. By definition, life cycle costs are all the costs which are incurred during the life of a physical asset, from the time its acquisition is first considered, to the time it is taken out of service for disposal or redeployment. The method selected for life cycle costing is the sinking fund method which provides that money will be contributed annually and invested, so that those funds will grow over time to equal the amount required for future replacement. The following factors were utilized to calculate the annual replacement cost of the capital projects (annual contribution = factor X capital asset cost) and are based on an annual growth rate of 2% (net of inflation) over the average useful life of the asset:

ASSET	LIFECYCLE COST FACTOR	USEFUL LIFE
Facilities	0.00886549	50
Trunk Mains	0.00311175	80
Equipment	0.08723051	10

Figure A-2 depicts the annual operating impact resulting from the proposed gross capital projects for wastewater at the time they are all in place. It is important to note that, while Town program expenditures will increase with growth in population, the costs associated with the new infrastructure (i.e. facilities) would be delayed until the time these works are in place.



Figure A-2  
Town of Erin  
Operating and Capital Expenditure Impacts  
For Future Capital Expenditures

SERVICE	GROSS COST LESS BENEFIT TO EXISTING	ANNUAL LIFECYCLE EXPENDITURES	ANNUAL OPERATING EXPENDITURES	TOTAL ANNUAL EXPENDITURES
<b>1. Wastewater Services</b>				
1.1 Wastewater Treatment	72,444,000	1,728,677	684,999	2,413,676
1.2 Wastewater Collection	36,268,900	550,240	174,677	724,917
<b>Total</b>	<b>108,712,900</b>	<b>2,278,918</b>	<b>859,676</b>	<b>3,138,593</b>

Note: The Town of Erin does not currently provide for Wastewater Services. Therefore, the operating expenditures have been based on Guelph Eramosa



# Appendix B

## Draft Amending Development Charge By-law





## The Corporation of the Town of Erin

### By-law Number 23-\_\_

#### **Being a By-Law of The Corporation of the Town of Erin To Amend By-Law 19-32 and By-Law 20-40, Respecting Development Charges**

**Whereas** the Town of Erin enacted By-law 19-32, as amended with By-law 20-40, pursuant to the *Development Charges Act, 1997*, S.O. 1997, c. 27, as amended (the “Act”), which Act authorizes Council to pass by-laws for the imposition of development charges against land;

**And Whereas** Council has before it a report entitled “Town of Erin 2022 Wastewater Development Charge Update Study” prepared by Watson & Associates Economists Ltd., dated December 30, 2022 (the “update study”);

**And Whereas** the update study and proposed amending by-law were made available to the public on December 30, 2022 and Council gave notice to the public pursuant to section 12 of the Act.

**And Whereas** Council, on February 16, 2023 held a meeting open to the public, pursuant to section 12 of the Act, at which Council considered the study, and written and oral submissions from the public;

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE TOWN OF ERIN HEREBY ENACTS AS FOLLOWS:

1. By-law 19-32 and By-law 20-40 is hereby amended as follows:
  - A. Remove Wastewater Services from Schedule B.
2. This by-law shall come into force on the day it is enacted.
3. Except as amended by this by-law, all provisions of By-law 19-32, as amended, are and shall remain in full force and effect.

By-law read a first and second time this 23 day of March, 2023.

By-law read a third time and finally passed this 23 day of March, 2023.



Corporation of the Town of Erin

Mayor: \_\_\_\_\_  
Michael Dehn

Clerk: \_\_\_\_\_  
Lisa Champion



# Appendix C

## Draft Wastewater Development Charge By-law



## The Corporation of the Town of Erin

### By-law Number 23-\_\_\_

#### Being a By-Law of The Corporation of the Town of Erin To Impose Wastewater Development Charges

**Whereas** the Town of Erin will experience growth through development and re-development;

**And Whereas** development and re-development requires the provision of capital works by the Town of Erin;

**And Whereas** Council desires to ensure that the capital cost of meeting growth-related demands for or burden on municipal services does not place an excessive financial burden on the Town of Erin or its existing taxpayers while at the same time ensuring new taxpayers contribute no more than the net capital cost attributable to providing the current level of municipal services;

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

**And Whereas** section 2(8) of the Act provides that multiple Development Charges By-laws may apply to the same area within a municipality;

**And Whereas** a development charge background study has been completed in accordance with the Act;

**And Whereas** the Council of The Corporation of the Town of Erin has given notice of and held a public meeting on the 16 day of February, 2023 in accordance with the Act and the regulations thereto;

#### **NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE TOWN OF ERIN HEREBY ENACTS AS FOLLOWS:**

##### **1. INTERPRETATION**

1.1 In this By-law the following items shall have the corresponding meanings:



“Act” means the Development Charges Act, 1997, as amended, or any successor thereof;

“apartment unit” means any residential unit within a building containing more than four dwelling units where the units are connected by a public corridor or passageway;

“bed and breakfast” means a dwelling or part thereof in which the proprietor resides and supplies accommodation and meals to overnight guests on a temporary basis and contains no more than three guest rooms;

“bedroom” means a habitable room which can be used as sleeping quarters, but does not include a bathroom, living room, dining room or kitchen;

“board of education” has the same meaning as set out in the Education Act, R.S.O. 1990, Chap. E.2, as amended, or any successor thereof;

“boarding, lodging or rooming house” means a dwelling in which meals are regularly served for a fee or compensation for three up to eight persons other than the owner, lessee or tenant of the dwelling, or members of his/her immediate family;

“bona fide farm uses” means the proposed development will qualify as a farm business operating with a valid Farm Business Registration Number issued by the Ontario Ministry of Agriculture, Food and Rural Affairs and be assessed in the Farmland Realty Tax Class by the Ontario Property Assessment Corporation;

“Building Code Act” means the Building Code Act, S.O. 1992, as amended, or any successor thereof;

“capital cost” means costs incurred or proposed to be incurred by the Town or a local board thereof directly or by others on behalf of and as authorized by the Town or local board,

- (a) to acquire land or an interest in land, including a leasehold interest,
- (b) to improve land,



- (c) to acquire, lease, construct or improve buildings and structures,
- (d) to acquire, construct or improve facilities including,
  - (i) furniture and equipment other than computer equipment, and
  - (ii) material acquired for circulation, reference or information purposes by a library board as defined in the Public Libraries Act, R.S.O. 1990, Chap. P.44, as amended, or any successor thereof; and
  - (iii) rolling stock with an estimated useful life of seven years or more, and
- (e) to undertake studies in connection with any matter under the Act and any of the matters in clauses (a) to (d) above, including the development charge background study required for the provision of services designated in this By-law within or outside the Town, including interest on borrowing for those expenditures under clauses (a) to (e) above that are growth-related;

“commercial” means any use of land, structures or buildings for the purposes of buying or selling commodities and services, but does not include industrial or agricultural uses, but does include hotels, motels, motor inns and boarding, lodging and rooming houses;

“Council” means the Council of the Town;

“development” means the construction, erection or placing of one or more buildings or structures on land or the making of an addition or alteration to a building or structure that the effect of increasing the size of usability thereof, and includes redevelopment;

“development charge” means a charge imposed with respect to this By-law;

“dwelling unit” means any part of a building or structure used, designed or intended to be used as a domestic establishment in which one or more persons may sleep and are provided with culinary and sanitary facilities for their exclusive use;



“existing” means the number, use and size that existed as of the date this by-law was passed;

“farm building” means that part of a bona fide farming operation encompassing barns, silos and other ancillary development to an agricultural use, but excluding a residential use;

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

“gross floor area” means:

(a) in the case of a residential building or structure, the total area of all floors above grade of a dwelling unit measured between the outside surfaces of exterior walls or between the outside surfaces of exterior walls and the centre line of party walls dividing the dwelling unit from any other dwelling unit or other portion of a building; and

(b) in the case of a non-residential building or structure, or in the case of a mixed-use building or structure in respect of the non-residential portion thereof, the total area of all building floors above or below grade measured between the outside surfaces of the exterior walls, or between the outside surfaces of exterior walls and the centre line of party walls dividing a non-residential use and a residential use, except for:

- (i) a room or enclosed area within the building or structure above or below that is used exclusively for the accommodation of heating, cooling, ventilating, electrical, mechanical or telecommunications equipment that service the building;
- (ii) loading facilities above or below grade; and
- (iii) a part of the building or structure below grade that is used for the parking of motor vehicles or for storage or other accessory use;

“hotel” means a building that contains four or more suites and that provides sleeping accommodation for the travelling public or for recreational purposes



with or without kitchen facilities for the exclusive use of individual occupants and may include motel and hostel;

“industrial” means lands, buildings or structures used or designed or intended for use for manufacturing, processing, fabricating or assembly of raw goods, warehousing or bulk storage of goods, and includes office uses 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;

“Institutional development” means development of a building or structure intended for use,

- a) as a long-term care home within the meaning of subsection 2 (1) of the Long-Term Care Homes Act, 2007;
- b) as a retirement home within the meaning of subsection 2 (1) of the Retirement Homes Act, 2010;
- c) by any of the following post-secondary institutions for the objects of the institution:
  - i. a university in Ontario that receives direct, regular, and ongoing operating funding from the Government of Ontario,
  - ii. a college or university federated or affiliated with a university described in subclause (i), or
  - iii. an Indigenous Institute prescribed for the purposes of section 6 of the Indigenous Institutes Act, 2017;
- d) as a memorial home, clubhouse or athletic grounds by an Ontario branch of the Royal Canadian Legion; or
- e) as a hospice to provide end of life care;

“Local Board” means a school board, public utility, commission, transportation commission, public library board, board of park management, local board of health, board of commissioners of police, planning board, or any other board,





commission, committee, body or local authority established or exercising any power or authority under any general or special Act with respect to any of the affairs or purposes, including school purposes, of the Town of Erin or any part or parts thereof;

“local services” means those services, facilities or things which are under the jurisdiction of the Town and are related to a plan of subdivision or within the area to which the plan relates in respect of the lands under sections 41, 51 or 53 of the Planning Act, R.S.O. 1990, Chap. P.13, as amended, or any successor thereof;

“multiple dwellings” means all dwellings other than single detached, semi-detached and apartment unit dwellings;

“Non-profit housing development” means development of a building or structure intended for use as residential premises by,

- a) a corporation to which the *Not-for-Profit Corporations Act, 2010* applies, that is in good standing under that Act and whose primary object is to provide housing;
- b) a corporation without share capital to which the *Canada Not-for-profit Corporations Act* applies, that is in good standing under that Act and whose primary object is to provide housing; or
- c) a non-profit housing co-operative that is in good standing under the *Co-operative Corporations Act, 2022*, c. 21, Sched. 3, s. 4.

“non-residential use” means a building or structure of any kind whatsoever used, designed or intended to be used for other than a residential use;

“Official Plan” means the Official Plan adopted for the Town, as amended and approved;

“owner” means the owner of land or a person who has made application for an approval for the development of land upon which a development charge is imposed’



“place of worship” means that part of a building or structure that is exempt from taxation as a place of worship under the Assessment Act, R.S.O. 1990, Chap. A.31, as amended, or any successor thereof;

“rate” means the interest rate established weekly by the Bank of Canada based on Treasury Bills having a term of 91 days;

“regulation” means any regulation made pursuant to the Act;

“rental housing” means development of a building or structure with four or more dwelling units all of which are intended for use as rented residential premises;

“residential dwelling” means a building, occupied or capable of being occupied as a home, residence or sleeping place by one or more persons, containing one or more dwelling units but not including motels, hotels, tents, truck campers, tourist trailers, mobile camper trailers or boarding, lodging or rooming houses;

“residential use” means the use of a building or structure or portion thereof for one or more dwelling units. This also includes a dwelling unit on land that is used for an agricultural use;

“row dwelling and/or multi-dwelling building” means building that is not a hotel containing three or more dwelling units in a building, each of which has an independent entrance from the exterior and is separated either vertically, horizontally or both from any abutting dwelling;

“semi-detached dwelling” means a dwelling unit in a residential building consisting of two dwelling units having one vertical wall or one horizontal wall, but not other parts, attached or another dwelling unit where the residential unit are not connected by an interior corridor;

“service” means a service designed in Schedule “A” to this By-law, and  
“services” shall have a corresponding meaning;

“servicing agreement” means an agreement between a landowner and the Town relative to the provision of municipal services to specified land within the Town;



“single detached dwelling unit” means a residential building consisting of one dwelling unit and not attached to another structure;

“special care facilities” means lands, buildings or structures used or designed or intended for uses for the purpose of providing supervision, nursing care or medical treatment, which do not comprise dwelling units, that are licensed, approved or supervised under any special or general statute, and excludes the special care/special dwelling portions of the building;

“special care/special dwelling” a residential portion of a special care facilities building containing two or more dwelling units, which units have a common entrance from street level:

- (a) Where the occupants have the right to use in common, halls, stairs, yards, common rooms, and accessory buildings;
- (b) Which may or may not have exclusive sanitary and/or culinary facilities;
- (c) That is designed to accommodate persons with specific needs, including, but not limited to, independent permanent living arrangements;
- (d) Where support services such as meal preparation, grocery shopping, laundry, housekeeping, nursing, respite care and attendant services are provided at various levels; and
- (e) Includes, but is not limited to, retirement houses, nursing homes, group homes and hospices;

“Town” means the Corporation of the Town of Erin and/or the area within the geographic limits of the Town of Erin; “

“Zoning By-Law” means the Zoning By-Law of the Town of Erin, including the former Village of Erin, the former Township of Erin or any successor thereof passed pursuant to section 34 of the Planning Act, S.O. 1998.

## **2. DESIGNATION OF SERVICES**



2.1 The categories of services for which development charges are imposed under this By-law are as follows:

(a) Wastewater Services

2.2 The components of the services designated in subsection 2.1 are described in Schedule A.

### **3. APPLICATION OF BY-LAW RULES**

3.1 Development charges shall be payable in the amounts set out in this By-law where:

(a) the lands are located in the area described in subsection 3.2; and

(b) the development of the lands requires any of the approvals set out in subsection 3.4 (a).

#### Area to Which By-law Applies

3.2 Subject to subsection 3.3, this By-law applies to all lands in the Town whether or not the land or use thereof is exempt from taxation under section 13 of the Assessment Act.

3.3 Notwithstanding clause 3.2 above, this by-law shall not apply to lands that are owned by and used for the purposes of:

(a) the Town or a local board thereof;

(b) a board of education; or

(c) the Corporation of the County of Wellington or a local board thereof.

#### Approvals for Development

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



- (i) the passing of a zoning by-law or of an amendment to a zoning by-law under section 34 of the Planning Act;
- (ii) the approval of a minor variance under section 45 of the Planning Act;
- (iii) a conveyance of land to which a by-law passed under subsection 50 (7) of the Planning Act applies;
- (iv) the approval of a plan of subdivision under section 51 of the Planning Act;
- (v) a consent under section 53 of the Planning Act;
- (vi) the approval of a description under section 50 of the Condominium Act, R.S.O. 1990, Chap. C.26, as amended, or any successor thereof; or
- (vii) the issuing of a permit under the Building Code Act in relation to a building or structure.

(b) No more than one development charge for each service designated in subsection 2.1 shall be imposed upon any lands, buildings or structures to which this By-law applies even though two or more of the actions described in subsection 3.4 (a) are required before the lands, buildings or structures can be developed.

(c) Despite subsection 3.4 (b), if two or more of the actions described in subsection 3.4 (a) occur at different times, additional development charges shall be imposed if the subsequent action has the effect or increasing the need for services.

## Exemptions

### Rules with Respect to Exemptions for Intensification of Existing Housing or New Housing

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

- (a) an enlargement to an existing dwelling unit;



- (b) the creation of additional dwelling units equal to the greater of one or 1% of the existing dwelling units in an existing residential rental building containing four or more dwelling units or prescribed ancillary structure to the existing residential building;
- 3.6 Notwithstanding the provisions of this By-law, development charges shall not be imposed with respect to the creation of any of the following in existing houses:
- (a) A second residential unit in an existing detached house, semi-detached house or rowhouse on a parcel of land on which residential use, other than ancillary residential use, is permitted, if all buildings and structures ancillary to the existing detached house, semi-detached house or rowhouse cumulatively contain no more than one residential unit.
  - (b) A third residential unit in an existing detached house, semi-detached house or rowhouse on a parcel of land on which residential use, other than ancillary residential use, is permitted, if no building or structure ancillary to the existing detached house, semi-detached house or rowhouse contains any residential units.
  - (c) One residential unit in a building or structure ancillary to an existing detached house, semi-detached house or rowhouse on a parcel of urban residential land, if the existing detached house, semi-detached house or rowhouse contains no more than two residential units and no other building or structure ancillary to the existing detached house, semi-detached house or rowhouse contains any residential units.
- 3.7 Notwithstanding the provisions of this By-law, development charges shall not be imposed with respect to the creation of any of the following in new residential buildings:
- (a) A second residential unit in a new detached house, semi-detached house or rowhouse on a parcel of land on which residential use, other than ancillary residential use, is permitted, if all buildings and structures ancillary to the new detached house, semi-detached house or rowhouse cumulatively will contain no more than one residential unit



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

#### Rules with Respect to an Industrial Expansion Exemption

3.8 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 is determined in accordance with the following:

- (a) Subject to subsection 3.8 (c), if the gross floor area is enlarged by 50 per cent or less of the lesser of:
  - (i) the gross floor area of the existing industrial building, or
  - (ii) the gross floor area of the existing industrial building before the first enlargement for which:
    - a. an exemption from the payment of development charges was granted, or
    - b. a lesser development charge than would otherwise be payable under this by-law, or predecessor thereof, was paid, pursuant to section 4 of the Act and this subsection,

the amount of the development charge in respect of the enlargement is zero;
- (b) Subject to subsection 3.8 (c), if the gross floor area is enlarged by more than 50 per cent or less of the lesser of:



- (i) the gross floor area of the existing industrial building, or
- (ii) the gross floor area of the existing industrial building before the first enlargement for which:
  - a. an exemption from the payment of development charges was granted, or
  - b. a lesser development charge than would otherwise be payable under this by-law, or predecessor thereof, was paid,

pursuant to section 4 of the Act and this subsection,

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 50 per cent of the gross floor area before the first enlargement, and
  - (ii) divide the amount determined under subsection (i) by the amount of the enlargement.
- (c) For the purposes of calculating the extent to which the gross floor area of an existing industrial building is enlarged in subsection 3.8 (b), the cumulative gross floor area of any previous enlargements for which:
- (i) An exemption from the payment of development charges was granted, or
  - (ii) A lesser development charge than would otherwise be payable under this by-law, or predecessor thereof, was paid,

pursuant to section 4 of the Act and this subsection, shall be added to the calculation of the gross floor area of the proposed enlargement.

- (d) For the purposes of this subsection, the enlargement must not be attached to the existing industrial building by means only of a tunnel, bridge, passageway, canopy, shared below grade connection, such as a service tunnel, foundation, footing or parking facility.





3.9 For the purpose of section 3.8 herein, “existing industrial building” is used as defined in the Regulation made pursuant to the Act.

3.10 Other Exemptions/Reductions:

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

- (a) lands, buildings or structures used or to be used for a place of worship or for the purposes of a cemetery or burial ground exempt from taxation under the Assessment Act;
- (b) a public hospital receiving aid under the Public Hospitals Act, R.S.O. 1990, Chap. P.40, as amended, or any successor thereof;
- (c) the development of non-residential farm buildings constructed for bona fide farm uses, which qualify as a farm business, being that which operates with a valid Farm Business Registration Number and is assessed in the Farmland Realty Tax Class;
- (d) one additional dwelling unit in any other existing residential accessory building;
- (e) garden suite constructed in accordance with the Planning Act;
- (f) bed and breakfast establishment that is not considered a hotel; and
- (g) boarding, lodging or rooming house that is not considered a hotel.

3.10.1 Discounts for Rental Housing (for profit):

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

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



## **Amount of Charges**

### **Residential**

3.11 The development charges set out in Schedule B shall be imposed on residential uses of lands, buildings or structures, including a dwelling unit accessory to a non-residential use and, in the case of a mixed-use building or structure, on the residential uses in the mixed-use building or structure, according to the type of residential unit, and calculated with respect to each of the services according to the type of residential use.

### **Non-Residential**

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

### **Mandatory Phase-in**

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

- (a) Year 1 - 80 per cent;
- (b) Year 2 – 85 per cent;
- (c) Year 3 – 90 per cent;
- (d) Year 4 – 95 per cent;
- (e) Year 5 through 10 – 100 per cent.

### **Reduction of Development Charges for Redevelopment**

3.14 Despite any other provisions of this by-law, where, as a result of the redevelopment of land, a building or structure existing on the same land within 60



months prior to the date of payment of development charges in regard to such redevelopment was, or is to be demolished, in whole or in part, or converted from one principal use to another principal use on the same land, in order to facilitate the redevelopment, the development charges otherwise payable with respect to such redevelopment shall be reduced by the following amounts:

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

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

### Time of Payment of Development Charges

- 3.15 Development charges imposed under this by-law are calculated, payable, and collected upon issuance of a building permit for the development.
- 3.16 Notwithstanding subsections 3.11 and 3.12, development charges for rental housing and institutional developments are due and payable in 6 instalments commencing with the first instalment payable on the date of occupancy, and each subsequent instalment, including interest (calculated in accordance with Section 26.3 of the Act), payable on the anniversary date each year thereafter.
- 3.17 Where the development of land results from the approval of a Site Plan or Zoning By-law Amendment received on or after January 1, 2020, and the approval of the application occurred within two years of building permit issuance, the development charges under subsections 3.11 and 3.12 shall be calculated on the rates set out in Schedule "B" on the date of the planning application, including



interest. Where both planning applications apply development charges under subsections 3.11 and 3.12 shall be calculated on the rates, including interest (calculated in accordance with Section 26.3 of the Act), set out in Schedules "B" on the date of the later planning application

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

### Complaints

- 3.19 Complaints about development charges may be filed to Council in accordance to Section 20 of the Act.

## **4. PAYMENT BY SERVICES**

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

## **5. INDEXING**

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

## **6. SCHEDULES**

- 6.1 The following schedules shall form part of this by-law:

Schedule A – Components of Services Designated in subsection 2.1

Schedule B – Residential and Non-Residential Schedule of Development Charges for Wastewater Services

## **7. CONFLICTS**

- 7.1 Where the Town and an owner or former owner have entered into an agreement with respect to land within the area to which this by-law applies, and a conflict



exists between the provisions of this by-law and such agreement, the provisions of the agreement shall prevail to the extent that there is a conflict.

7.2 Notwithstanding section 7.1, where a development which is the subject of an agreement to which section 7.1 applies, is subsequently the subject of one or more of the actions described in subsection 3.4 (a), an additional development charge in respect of the development permitted by the action shall be calculated, payable and collected in accordance with the provisions of this by-law if the development has the effect of increasing the need for services, unless such agreement provides otherwise.

**8. SEVERABILITY**

8.1 If, for any reason, any provision of this by-law is held to be invalid, it is hereby declared to be the intention of Council that all the remainder of this by-law shall continue in full force and effect until repealed, re-enacted, amended or modified.

**9. DATE BY-LAW IN FORCE**

9.1 This By-law shall come into effect at 12:01 AM on March 23, 2023.

**10. DATE BY-LAW EXPIRES**

10.1 This By-law will expire at 12:01 AM on March 23, 2033 unless it is repealed by Council at an earlier date.

By-law read a first and second time this 23 day of March, 2023.

By-law read a third time and finally passed this 23 day of March, 2023.

Corporation of the Town of Erin

Mayor: \_\_\_\_\_  
Michael Dehn

Clerk: \_\_\_\_\_  
Lisa Campion





## SCHEDULE "A" TO BY-LAW

### COMPONENTS OF SERVICES DESIGNATED IN SUBSECTION 2.1

#### **Wastewater Services**

- Treatment
- Collection



SCHEDULE "B" TO BY-LAW 23-XX  
SCHEDULE OF DEVELOPMENT CHARGES

Service	RESIDENTIAL					NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Special Care/Special Dwelling Units	(per sq.ft. of Gross Floor Area)
Wastewater Services						
Wastewater Treatment	19,145	13,875	9,701	8,244	6,596	6.46
Wastewater Collection	9,584	6,946	4,857	4,127	3,302	3.24
<b>Total Wastewater Services</b>	<b>28,729</b>	<b>20,821</b>	<b>14,558</b>	<b>12,371</b>	<b>9,898</b>	<b>9.71</b>