

**ADDENDUM TO:  
PRINCE EDWARD COUNTY  
2013 DEVELOPMENT CHARGE  
BACKGROUND STUDY**

**FOR PUBLIC CIRCULATION AND COMMENT**

FEBRUARY 7, 2013



Plaza Three  
101-2000 Argentia Rd.  
Mississauga, Ontario  
Canada L5N 1V9

Phone: (905) 272-3600

Fax: (905) 272-3602

e-mail: [info@watson-econ.ca](mailto:info@watson-econ.ca)

[www.watson-econ.ca](http://www.watson-econ.ca)

 **Planning for growth**

---

# SUMMARY OF REVISIONS MADE TO THE JANUARY 30, 2013 DEVELOPMENT CHARGES BACKGROUND STUDY

## 1. BACKGROUND

Commensurate with the provisions of the *Development Charges Act, 1997*, the County has undertaken a Development Charges (DC) Background Study and has made the Study available to the public in advance of the statutory public meeting. The following provides a summary of the key dates in the development charge by-law process:

January 30, 2013 – Release of the DC Background Study

February 14, 2013 – Statutory DC Public Meeting

March 5, 2013 – Anticipated passage of Development Charges By-law

The purpose of this addendum to the DC Background Study is to provide for changes to the County's affordable housing rebate provisions within the draft DC By-Law. Moreover, the changes to these provisions will modify the Schedule of Development Charges, eliminating the differentiation of the single detached residential dwelling unit charge by number of bedrooms.

These refinements are made in advance of the statutory public meeting and will form part of the DC Background Study provided prior to Council's adoption of the DC By-Law.

## 2. DISCUSSION

This section of the Addendum Report provides an explanation for the above noted modifications. The changes to the draft DC By-Law provisions contained within the DC Background Study are as follows:

- **Affordable Housing Rebate** – The draft DC By-Law contained in the January 30, 2013 DC Background Study maintains the County's current provisions for DC rebates for eligible affordable housing units. The current DC By-Law provisions reduce the

development charges payable for affordable housing single detached dwelling units of greater than 2 bedrooms, to the single detached rate for dwelling units containing 2 bedrooms or less. In discussions with County staff it was determined that the affordable housing rebate provisions should not be limited to single detached dwelling units containing greater than 2 bedrooms, but should be available to all affordable housing dwelling types that satisfy the criteria. As such it is recommended that the affordable housing rebate provisions within the draft DC By-law be adjusted as follows:

- Remove reference within the affordable housing rebate provisions (i.e. s.3.14.1) to “single detached” and “single detached dwelling with more than two bedrooms” and replace with “dwelling”. This modification reflects the rebate being applicable for all dwelling types.
- Expand the affordable housing definition to include rental dwelling units, which would be established at or below the maximum affordable monthly rent amount established by the Province of Ontario. This amount is currently set at \$750 per month.
- Include a rebate provision for a 30% reduction in the development charge payable for residential dwelling unit types.
- The Schedule of Development Charges in Schedule B to the draft DC By-Law would be amended to include one single and semi-detached dwelling unit charge, irrespective of the number of bedrooms. The County’s existing bylaw differentiates the charge imposed between single and semi-detached dwelling units with greater than two bedrooms, and those with two bedrooms or less. This was implemented to provide a lower charge for affordable housing dwelling units. As this policy is recommended to be replaced by a 30% reduction in the charge, a uniform charge for this dwelling unit type is recommended.

The following revisions have been made to the January 30, 2013 DC Background Study and are included herein:

- Page 4-10 – textual changes to s. 4.9 Determination of the Charge;
- Page 5-1 – textual changes to s. 5.1 Development Charge Calculation;

- Pages 5-2 to 5-5 – changes to Development Charge Calculations to reflect one single detached residential dwelling unit rate;
- Page 6-3 – textual changes to s. 6.2 Full or Partial Exemptions;
- Page 6-6 – textual changes to s. 6.6 County-wide vs. Area-specific Charges;
- Appendix E, Pages E-12 to E14 – amended draft DC By-Law provisions for the affordable housing rebate; and
- Appendix E, Pages E-17 – amended draft DC By-Law, Schedule B Schedule of Development Charges.

### **1.3 Process for Adoption of the Development Charges By-law**

As noted earlier, these changes will be incorporated into the final Development Charges Background Study to be provided to Council prior to adoption of the proposed DC By-law on March 5, 2013. If Council is satisfied with the above changes to the DC Background Study, it is recommended that Council:

“Approve the capital project listing set out in Appendix C of the Development Charges Background Study dated January 30, 2013 (as amended), subject to further annual review during the capital budget process”;

“Approve the Development Charges Background Study dated January 30, 2013 (as amended)”;  
“Determine that no further public meeting is required on the matter”; and

“Approve the Development Charges By-law”.

---

## AMENDED PAGES

---

---

## 4.9 Determination of the Charge

Applying the above deductions and allocations to the capital costs produces the potential DC recoverable costs. These costs are applied to the forecast growth to determine the maximum development charge for residential and non-residential development

The calculation for **residential development** is generated on a per capita basis, and based upon different forms of housing types (single and semi detached, apartments - two bedroom and larger, apartments - bachelor and one bedroom and all other multiples). The **non-residential development charge** has been calculated based on a per square foot of gross floor area basis for all types of development (industrial, commercial and institutional).

**For the residential calculations**, the total cost is divided by the “gross” (new resident) population to determine the per capita amount. The eligible DC cost calculations are based on the net anticipated population increase (the forecast new unit population less the anticipated decline in existing units). This approach acknowledges that service capacity will be “freed up” by the population decline in existing units. The cost per capita is then multiplied by the average occupancy of the new units to calculate the charges in.

The resultant calculations and schedule of charges is presented in Chapter 5, with supporting detailed service costing in Appendix C.

## 4.10 Long Term Capital and Operating Cost Examination

The revenue to be generated by the DC by-law during its life of up to five years will be determined by the quantum of the charge, the amount and type of development occurring and the impact of the rules regarding exemptions, phasing in, indexing, land redevelopment, etc. The net stream of revenue which results, in concert with County policy to employ front-ending agreements and long term debt, will determine the rate at which the County is able to construct the works which underlie the development charge. Consideration of these revenue streams would normally occur as part of the County’s annual capital budget and forecasting process. Subsection 10(2) of the Act lists as one of the things that a development charge background study must include:

---

---

## 5. CALCULATION OF THE CHARGE

### 5.1 Development Charge Calculation

Table 5-1 calculates the proposed uniform development charge to be imposed on anticipated development in the municipally serviced wastewater and water areas of County over a buildout planning horizon. Table 5-2 calculates the proposed development charges to be imposed for services constructed to facilitate County-wide development over a 20-year period. Table 5-3 calculates the proposed uniform development charge to be imposed on anticipated development in the County for municipal-wide services over a 10-year planning horizon.

The calculation for residential development is generated on a per capita basis, and is based upon four forms of housing types (Single and Semi-detached, Apartments 2+ bedrooms, Apartments bachelor and 1 bedroom, and all Other Multiples). The non-residential development charge has been calculated on a per sq.ft. of gross floor area basis for all types of non-residential development (industrial, commercial and institutional).

The DC eligible costs for each service component are provided in Appendix C for all municipal services, based on their proposed capital programs.

For the residential calculations, the total cost is divided by the “gross” (new resident) population to determine the per capita amount. The eligible DC cost calculations set out in Appendix C 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 Tables 5-1 through 5-3.

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.

Table 5-4 summarizes calculated maximum development charge that could be imposed by County Council by development type and service. Table 5-5 provides a comparison of the calculated charges and those currently imposed by the County.

**TABLE 5-1**  
**PRINCE EDWARD COUNTY**  
**DEVELOPMENT CHARGE CALCULATION FOR URBAN SERVICED AREA**  
**(BUILDOUT FORECAST PERIOD)**

| SERVICE   | 2013 \$ DC Eligible Cost |                    | 2013 \$ DC Eligible Cost |                     |
|---|--------------------------|--------------------|--------------------------|---------------------|
|   | Residential              | Non-Residential    | SDU                      | per ft <sup>2</sup> |
| 1. <u>Wastewater Services</u>                               | \$                       | \$                 | \$                       | \$                  |
| 1.1 Wastewater  | 23,454,641               | 4,803,963          | 5,575                    | 2.91                |
| <b>TOTAL</b>  | <b>\$23,454,641</b>      | <b>\$4,803,963</b> | <b>\$5,575</b>           | <b>\$2.91</b>       |
| <b>DC ELIGIBLE CAPITAL COST</b>                             | <b>\$23,454,641</b>      | <b>\$4,803,963</b> |                          |                     |
| Build out Gross Population / GFA Growth (ft <sup>2</sup> .) | 10,517                   | 1,650,200          |                          |                     |
| Cost Per Capita / Non-Residential GFA (ft <sup>2</sup> .)   | \$2,230.12               | \$2.91             |                          |                     |
| <u>By Residential Unit Type</u>                             | <u>p.p.u</u>             |                    |                          |                     |
| Single and Semi-Detached Dwelling                           | 2.50                     | \$5,575            |                          |                     |
| Apartments - 2 Bedrooms +                                   | 2.16                     | \$4,817            |                          |                     |
| Apartments - Bachelor and 1 Bedroom                         | 1.49                     | \$3,323            |                          |                     |
| Other Multiples   | 2.28                     | \$5,085            |                          |                     |

| SERVICE   | 2013 \$ DC Eligible Cost |                    | 2013 \$ DC Eligible Cost |                     |
|---|--------------------------|--------------------|--------------------------|---------------------|
|   | Residential              | Non-Residential    | SDU                      | per ft <sup>2</sup> |
| 2. <u>Water Services</u>                                    | \$                       | \$                 | \$                       | \$                  |
| 2.1 Water   | 12,721,565               | 2,605,622          | 2,868                    | 1.55                |
| <b>TOTAL</b>  | <b>\$12,721,565</b>      | <b>\$2,605,622</b> | <b>\$2,868</b>           | <b>\$1.55</b>       |
| <b>DC ELIGIBLE CAPITAL COST</b>                             | <b>\$12,721,565</b>      | <b>\$2,605,622</b> |                          |                     |
| Build out Gross Population / GFA Growth (ft <sup>2</sup> .) | 11,088                   | 1,685,700          |                          |                     |
| Cost Per Capita / Non-Residential GFA (ft <sup>2</sup> .)   | \$1,147.28               | \$1.55             |                          |                     |
| <u>By Residential Unit Type</u>                             | <u>p.p.u</u>             |                    |                          |                     |
| Single and Semi-Detached Dwelling                           | 2.50                     | \$2,868            |                          |                     |
| Apartments - 2 Bedrooms +                                   | 2.16                     | \$2,478            |                          |                     |
| Apartments - Bachelor and 1 Bedroom                         | 1.49                     | \$1,709            |                          |                     |
| Other Multiples   | 2.28                     | \$2,616            |                          |                     |

**TABLE 5-2**  
**PRINCE EDWARD COUNTY**  
**DEVELOPMENT CHARGE CALCULATION FOR COUNTY-WIDE SERVICE AREA**  
**(20-YEAR FORECAST PERIOD)**

| SERVICE   | 2013 \$ DC Eligible Cost |                    | 2013 \$ DC Eligible Cost |                     |
|---|--------------------------|--------------------|--------------------------|---------------------|
|   | Residential              | Non-Residential    | SDU                      | per ft <sup>2</sup> |
|   | \$                       | \$                 | \$                       | \$                  |
| <b>3. Services Related to Highways</b>                    |                          |                    |                          |                     |
| 3.1 Roads   | 6,950,295                | 2,045,907          | 3,309                    | 2.94                |
| 3.2 Depots and Domes                                      | 986,322                  | 290,336            | 470                      | 0.42                |
| 3.3 PW Rolling Stock                                      | 246,768                  | 72,639             | 117                      | 0.10                |
|   | 8,183,385                | 2,408,883          | 3,896                    | 3.46                |
| <b>4. Fire Protection Services</b>                        |                          |                    |                          |                     |
| 4.1 Fire Facilities                                       | 419,987                  | 123,629            | 200                      | 0.18                |
| 4.2 Fire Vehicles   | 309,032                  | 90,968             | 147                      | 0.13                |
| 4.3 Small Equipment and Gear                              | 0                        | 0                  | 0                        | 0.00                |
|   | 729,020                  | 214,596            | 347                      | 0.31                |
| <b>TOTAL</b>  | <b>\$8,912,405</b>       | <b>\$2,623,479</b> | <b>\$4,243</b>           | <b>\$3.77</b>       |
| <b>DC ELIGIBLE CAPITAL COST</b>                           | <b>\$8,912,405</b>       | <b>\$2,623,479</b> |                          |                     |
| 20 Year Gross Population / GFA Growth (ft <sup>2</sup> .) | 5,251                    | 696,000            |                          |                     |
| Cost Per Capita / Non-Residential GFA (ft <sup>2</sup> .) | \$1,697.15               | \$3.77             |                          |                     |
| <b>By Residential Unit Type</b>                           | <b>p.p.u</b>             |                    |                          |                     |
| Single and Semi-Detached Dwelling                         | 2.50                     | \$4,243            |                          |                     |
| Apartments - 2 Bedrooms +                                 | 2.16                     | \$3,666            |                          |                     |
| Apartments - Bachelor and 1 Bedroom                       | 1.49                     | \$2,529            |                          |                     |
| Other Multiples   | 2.28                     | \$3,869            |                          |                     |

**TABLE 5-3**  
**PRINCE EDWARD COUNTY**  
**DEVELOPMENT CHARGE CALCULATION FOR COUNTY-WIDE SERVICE AREA**  
**(10-YEAR FORECAST PERIOD)**

| SERVICE   | 2013 \$ DC Eligible Cost |                  | 2013 \$ DC Eligible Cost |                     |
|---|--------------------------|------------------|--------------------------|---------------------|
|   | Residential              | Non-Residential  | SDU                      | per ft <sup>2</sup> |
|   | \$                       | \$               | \$                       | \$                  |
| 5. <u>Marinas and Boat Launches</u>                       |                          |                  |                          |                     |
| 5.1 Marinas   | 49,755                   | 16,823           | 46                       | 0.05                |
| 6. <u>Outdoor Recreation Services</u>                     |                          |                  |                          |                     |
| 6.1 Parkland development, amenities & trails              | 319,326                  | 16,807           | 292                      | 0.05                |
| 7. <u>Indoor Recreation Services</u>                      |                          |                  |                          |                     |
| 7.1 Recreation facilities                                 | 1,155,951                | 60,840           | 1,057                    | 0.17                |
| 8. <u>Library Services</u>                                |                          |                  |                          |                     |
| 8.1 Library facilities                                    | 131,812                  | 6,937            | 121                      | 0.02                |
| 8.2 Library materials                                     | 86,079                   | 4,530            | 79                       | 0.01                |
|   | 217,892                  | 11,468           | 200                      | 0.03                |
| 9. <u>Administration</u>                                  |                          |                  |                          |                     |
| 9.1 Studies   | 782,133                  | 264,456          | 716                      | 0.73                |
| <b>TOTAL</b>  | <b>\$2,525,057</b>       | <b>\$370,393</b> | <b>\$2,311</b>           | <b>\$1.03</b>       |
| <b>DC ELIGIBLE CAPITAL COST</b>                           | <b>\$2,525,057</b>       | <b>\$370,393</b> |                          |                     |
| 10 Year Gross Population / GFA Growth (ft <sup>2</sup> .) | 2,733                    | 362,500          |                          |                     |
| Cost Per Capita / Non-Residential GFA (ft <sup>2</sup> .) | \$923.98                 | \$1.02           |                          |                     |
| <u>By Residential Unit Type</u>                           | <u>p.p.u</u>             |                  |                          |                     |
| Single and Semi-Detached Dwelling                         | 2.50                     | \$2,310          |                          |                     |
| Apartments - 2 Bedrooms +                                 | 2.16                     | \$1,996          |                          |                     |
| Apartments - Bachelor and 1 Bedroom                       | 1.49                     | \$1,377          |                          |                     |
| Other Multiples   | 2.28                     | \$2,107          |                          |                     |

| SERVICE   | 2013 \$ DC Eligible Cost |                 | 2013 \$ DC Eligible Cost |                     |
|---|--------------------------|-----------------|--------------------------|---------------------|
|   | Residential              | Non-Residential | SDU                      | per ft <sup>2</sup> |
|   | \$                       | \$              | \$                       | \$                  |
| 10 <u>Homes for the Aged</u>                              |                          |                 |                          |                     |
| 10.1 Homes for the aged facilities                        | 266,064                  | 0               | 302                      | 0.00                |
| <b>TOTAL</b>  | <b>\$266,064</b>         | <b>\$0</b>      | <b>\$302</b>             | <b>\$0.00</b>       |
| <b>DC ELIGIBLE CAPITAL COST</b>                           | <b>\$266,064</b>         | <b>\$0</b>      |                          |                     |
| 10 Year Gross Population / GFA Growth (ft <sup>2</sup> .) | 2,199                    | 362,500         |                          |                     |
| Cost Per Capita / Non-Residential GFA (ft <sup>2</sup> .) | \$120.99                 | \$0.00          |                          |                     |
| <u>By Residential Unit Type</u>                           | <u>p.p.u</u>             |                 |                          |                     |
| Single and Semi-Detached Dwelling                         | 2.50                     | \$302           |                          |                     |
| Apartments - 2 Bedrooms +                                 | 2.16                     | \$261           |                          |                     |
| Apartments - Bachelor and 1 Bedroom                       | 1.49                     | \$180           |                          |                     |
| Other Multiples   | 2.28                     | \$276           |                          |                     |

**TABLE 5-4**  
**PRINCE EDWARD COUNTY**  
**DEVELOPMENT CHARGE CALCULATION FOR ALL ELIGIBLE SERVICES**

| Service                              | RESIDENTIAL                       |                           |                                     |                 | NON-RESIDENTIAL                           |
|--------------------------------------|-----------------------------------|---------------------------|-------------------------------------|-----------------|---|
|                                      | Single and Semi-Detached Dwelling | Apartments - 2 Bedrooms + | Apartments - Bachelor and 1 Bedroom | Other Multiples | (per ft <sup>2</sup> of Gross Floor Area) |
| <b>Municipal Wide Services:</b>      |                                   |                           |                                     |                 |   |
| Services Related to Highways         | 3,896                             | 3,366                     | 2,322                               | 3,553           | 3.46                                      |
| Fire Protection Services             | 347                               | 300                       | 207                                 | 316             | 0.31                                      |
| Outdoor Recreation Services          | 292                               | 252                       | 174                                 | 266             | 0.05                                      |
| Indoor Recreation Services           | 1,057                             | 913                       | 630                                 | 964             | 0.17                                      |
| Library Services                     | 200                               | 173                       | 119                                 | 182             | 0.03                                      |
| Administration                       | 716                               | 619                       | 427                                 | 653             | 0.73                                      |
| Marinas and Boat Launches            | 46                                | 40                        | 27                                  | 42              | 0.05                                      |
| Homes for the Aged                   | 302                               | 261                       | 180                                 | 275             | 0.00                                      |
| <b>Total Municipal Wide Services</b> | <b>6,856</b>                      | <b>5,924</b>              | <b>4,086</b>                        | <b>6,251</b>    | <b>4.80</b>                               |
| <b>Urban Services</b>                |                                   |                           |                                     |                 |   |
| Wastewater Services                  | 5,575                             | 4,817                     | 3,323                               | 5,084           | 2.91                                      |
| Water Services                       | 2,868                             | 2,478                     | 1,709                               | 2,616           | 1.55                                      |
| <b>Total Urban Services</b>          | <b>8,443</b>                      | <b>7,295</b>              | <b>5,032</b>                        | <b>7,700</b>    | <b>4.46</b>                               |
| <b>GRAND TOTAL RURAL AREA</b>        | <b>6,856</b>                      | <b>5,924</b>              | <b>4,086</b>                        | <b>6,251</b>    | <b>4.80</b>                               |
| <b>GRAND TOTAL URBAN AREA</b>        | <b>15,299</b>                     | <b>13,219</b>             | <b>9,118</b>                        | <b>13,951</b>   | <b>9.26</b>                               |

**TABLE 5-5**  
**PRINCE EDWARD COUNTY**  
**DEVELOPMENT CHARGE COMPARISON FOR SINGLE DETACHED RESIDENTIAL UNIT**  
**AND PER SQ.FT. OF NON-RESIDENTIAL GFA**  
**(CALCULATED VS. EXISTING)**

| Residential (Single Detached) Comparison |               |               | Non-Residential (per ft <sup>2</sup> ) Comparison |             |             |
|--|---------------|---------------|---|-------------|-------------|
| Service                                  | Existing      | Calculated    | Service   | Existing    | Calculated  |
| <b>Municipal Wide Services:</b>          |               |               | <b>Municipal Wide Services:</b>                   |             |             |
| Services Related to Highways             | 4,112         | 3,896         | Services Related to Highways                      | 2.04        | 3.46        |
| Fire Protection Services                 | 390           | 347           | Fire Protection Services                          | 0.12        | 0.31        |
| Outdoor Recreation Services              | 339           | 292           | Outdoor Recreation Services                       | 0.02        | 0.05        |
| Indoor Recreation Services               | 1,088         | 1,057         | Indoor Recreation Services                        | 0.06        | 0.17        |
| Library Services                         | 290           | 200           | Library Services                                  | 0.02        | 0.03        |
| Administration                           | 606           | 716           | Administration                                    | 0.28        | 0.73        |
| Marinas and Boat Launches                | 31            | 46            | Marinas and Boat Launches                         | 0.01        | 0.05        |
| Homes for the Aged                       | 678           | 302           | Homes for the Aged                                | -           | -           |
| <b>Total Municipal Wide Services</b>     | <b>7,533</b>  | <b>6,856</b>  | <b>Total Municipal Wide Services</b>              | <b>2.55</b> | <b>4.80</b> |
| <b>Area Specific Services:</b>           |               |               | <b>Area Specific Services:</b>                    |             |             |
| Wastewater Services                      | 4,446         | 5,575         | Wastewater Services                               | 2.31        | 2.91        |
| Water Services                           | 6,249         | 2,868         | Water Services                                    | 3.04        | 1.55        |
| <b>Total Area Specific Services</b>      | <b>10,695</b> | <b>8,443</b>  | <b>Total Area Specific Services</b>               | <b>5.35</b> | <b>4.46</b> |
| <b>Grand Total - Urban Area</b>          | <b>18,228</b> | <b>15,299</b> | <b>Grand Total - Urban Area</b>                   | <b>7.90</b> | <b>9.26</b> |

Note: existing water and wastewater charges reflect current connection charges.

- Exempt from payment of services (e.g. exempt industrial from payment of soft service DCs, etc.)

Municipalities have the flexibility to design these exemptions at their discretion with the proviso that they be uniformly applied to all applicable developments through the DC Bylaw. It should be noted however, that providing discretionary exemptions produces a revenue loss and therefore is an implicit expenditure. If Council is to exempt an area from development charges, the costs required to service this area cannot be born by development occurring elsewhere in the County and must be funded by the County from tax and related sources. As with any government subsidy or program which is designed to influence private sector investment decisions, it is important to ensure that the public expenditure or foregone revenue produces a community benefit of greater magnitude. The difficulty in measuring the effect of a development charge exemption is that it would apply to all projects of a given type or within a defined area. As a result, projects that may have gone ahead without the incentive would receive a windfall benefit. The impact of such an incentive can be difficult to discern, particularly if development charges represent a small portion of total development costs.

The following discretionary exemptions and rebate programs are provided for Council's consideration. These exemptions and rebate programs are consistent with the County's current practice, or have been suggested by County staff, and are included in the draft by-law in Appendix E:

- Non-residential farm buildings;
- Places of worship;
- Industrial development (excluding water and wastewater services if include in DC By-law);
- Park model trailers;
- Temporary building or structure; and
- Affordable housing rebate - to reduce the development charges payable for affordable housing units by 30%.

---

---

## 6.6 County-wide vs. Area-specific Charges

At this time, the County imposes a uniform development charge for all services presented herein, excluding water and wastewater. Connection charges for water and wastewater services are currently imposed by the County to recover the growth-related costs of service under the authority of the *Municipal Act*. The County has elected to recovery growth-related costs of service for water and wastewater services under the *Municipal Act* due, in part, to the lack of legislative restrictions related to uncommitted excess capacity. Utilizing the connection charge regime allows the County to recover from future development the existing service capacity provided to the benefit of these developments that is ineligible for recovery under the *Development Charges Act*.

Table 5-5 illustrates the difference in approach. For water services, the calculated DC would be approximately \$2,900 per single detached residential unit. This compares with the County's current connection charge for water of roughly \$6,250 per single detached unit. Under the DC regime the charge is approximately ½ that currently being charged as a connection charge. This is reflective of the restriction under the DCA to charge for the existing capacity provided at the Picton Water Treatment Plant, as well as other oversized water infrastructure.

By comparison, the wastewater DC rate is higher than the existing wastewater connection charge. This is reflective of the additional provisions for future wastewater treatment capacity to full buildout that were not identified in the previous connection charge study. It is presumed that when County proceeds with the update to the connection charge study, these additional provisions would be included in the calculations.

Given the County's current policy for recovering growth-related water and wastewater service costs through connection charges, the proposed DC By-Law provided in Appendix E maintains the current uniform DC for all services addressed within the DC Background Study, excluding water and wastewater services.

- 3.13 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.

#### 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.

- 3.14.1 (1) In this Section “Affordable Housing Unit” means any residential dwelling unit for which the purchase price is at least 25% less than the average purchase price for the same

---

type of residential dwelling unit in the County of Prince Edward and any residential dwelling unit where the monthly rent is at or below the maximum affordable monthly rent amount established by the Province of Ontario for the County of Prince Edward.

- (2) In determining the average purchase price for a residential dwelling unit in the County of Prince Edward for the purposes of subparagraph 1 above, the average purchase price for the same type of residential dwelling unit will be calculated for the calendar year next preceding the calendar year in which the completed application for the building permit for the dwelling unit in question is received and shall be determined by the Chief Building Official on the basis of information compiled by the Quinte Real Estate Board or its successor.
- (3) In determining the maximum affordable monthly rent for a residential dwelling unit in the County of Prince Edward for the purposes of subparagraph 1 above, the maximum affordable monthly rent for the same type of residential dwelling unit will be calculated for the calendar year next preceding the calendar year in which the completed application for the building permit for the dwelling unit in question is received and shall be determined by the Chief Building Official on the basis of information compiled by the Province of Ontario.
- (4) The development charge payable for a residential dwelling unit that qualifies as an Affordable Housing Unit in accordance with the definition as set out in subparagraph 1 above shall be equal to the development charge otherwise payable pursuant to this By-law, less 30% of the calculated charge.
- (5) Despite the provisions of subparagraph 4 above, the development charge required by this By-law for a residential dwelling unit shall be paid prior to the issuance of the building permit in accordance with the provisions of this By-law.
- (6) The person to whom the building permit was issued may upon completion of the initial sale or rental of a residential dwelling unit shall apply to the Chief Building Official for a reduction of the Development Charge payable to the rate set out in Section 3.14.1 (4) above and shall provide such documentary evidence as is satisfactory to the Chief

---

Building Official that the building qualifies as an Affordable Housing Unit as defined in subparagraph 1 above.

- (7) Satisfactory documentary evidence that the building qualifies as an Affordable Housing Unit shall include, but not be limited to:
- (a) a copy of a Land Transfer Tax Affidavit duly executed in accordance with Section 5 (1.2) of the Land Transfer Tax Act;
  - (b) a statement forming part of the electronic document as required by Section 5 (1.1) of the Land Transfer Tax Act; or
  - (c) a lease contract with the first tenant to occupy the residential dwelling unit.
- (8) Upon receiving an application for reduction of the Development Charge in accordance with subparagraph 6 of this By-law, and upon being satisfied that the building qualifies as an Affordable Housing Unit as defined in subparagraph 1 above, the Chief Building Official may refund to the person to whom the building permit was originally issued a sum equal to the difference between the Development Charge originally paid upon the issuance of the building permit and the Development Charge originally paid less 30% as provided for in this By-law.

#### 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 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.

#### **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.

**SCHEDULE "B" TO BY-LAW NO. \_\_\_\_-2013**

**SCHEDULE OF DEVELOPMENT CHARGES**

| Service                              | RESIDENTIAL                       |                           |                                     |                 | NON-RESIDENTIAL                           |
|--------------------------------------|-----------------------------------|---------------------------|-------------------------------------|-----------------|---|
|                                      | Single and Semi-Detached Dwelling | Apartments - 2 Bedrooms + | Apartments - Bachelor and 1 Bedroom | Other Multiples | (per ft <sup>2</sup> of Gross Floor Area) |
| <b>Municipal Wide Services:</b>      |                                   |                           |                                     |                 |   |
| Services Related to Highways         | 3,896                             | 3,366                     | 2,322                               | 3,553           | 3.46                                      |
| Fire Protection Services             | 347                               | 300                       | 207                                 | 316             | 0.31                                      |
| Outdoor Recreation Services          | 292                               | 252                       | 174                                 | 266             | 0.05                                      |
| Indoor Recreation Services           | 1,057                             | 913                       | 630                                 | 964             | 0.17                                      |
| Library Services                     | 200                               | 173                       | 119                                 | 182             | 0.03                                      |
| Administration                       | 716                               | 619                       | 427                                 | 653             | 0.73                                      |
| Marinas and Boat Launches            | 46                                | 40                        | 27                                  | 42              | 0.05                                      |
| Homes for the Aged                   | 302                               | 261                       | 180                                 | 275             | 0.00                                      |
| <b>Total Municipal Wide Services</b> | <b>6,856</b>                      | <b>5,924</b>              | <b>4,086</b>                        | <b>6,251</b>    | <b>4.80</b>                               |