

CHEMONG PLANNING AREA-SPECIFIC DEVELOPMENT CHARGES STUDY

City of Peterborough

HEMSON Consulting Ltd.

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EXECUTIVE SUMMARY

Hemson Consulting Ltd. was retained by the City of Peterborough to undertake a review and update of the Chemong planning area-specific development charges, as reflected in By-law 08-128. The review and update is triggered by a change in the servicing approach and infrastructure costs for the Chemong planning area. This study provides the background and basis to update the Chemong area-specific development charges and related policies.

- The City of Peterborough currently levies two types of development charges for the recovery of growth-related capital costs:
 1. **City-Wide Uniform Development Charges** — for the recovery of growth-related costs for the provision of general government, library, fire, indoor recreation, parks development and facilities, and public works (building, equipment and fleet) services. The City-wide charges also recover for: the growth-related costs for the provision of wastewater treatment and major sewage collection; major roads and related services, including structures, sidewalks, streetlights and special traffic management and design features; as well as stormwater management projects (erosion control projects), and related studies.
 2. **Planning Area-Specific Development Charges (PASDC)**—for the recovery of growth-related costs for the provision of some sanitary sewers, and stormwater projects.
- The City-wide charges are levied on a uniform basis against all development in the City. The PASDC are levied on a planning area-specific basis. The basis for the current charges is the City's most recent development charges background study completed in 2009.
- In 2011, the City initiated a review of the Chemong planning area-specific development charges projects and cost recovery approaches. The review was driven due to a change in the capital requirements necessary for development in this area and increased costs.
- The original servicing concept for the Chemong Growth Area envisioned sewer mains at depths that would have created significant future maintenance concerns.

The updated design provides for a sewer along the north limit of the Chemong East growth lands that provides the full servicing capacity for the entire Chemong Growth Area at more maintenance cost effective depths.

- This study is presented as part of a process to lead to the approval of a new PASDC by-law in compliance with the *Development Charges Act, 1997* (the *DCA*). The current City-wide development charges by-law and rates are not being addressed as part of this background study.
- The PASDC charges are calculated for the provision of sanitary sewer and servicing studies.
- The development potential for the Chemong growth area projects an increase of 770 approved units and 1,256 potential units for a total growth of 2,026 units. This translates into an additional population increase of 5,313 persons in the Chemong growth area.
- The City reviewed and enhanced the local service definitions in the 2008 Study. The change in local service policies results in growth-related costs being removed from the PASDC recovery.
- The total cost of the planning area-specific growth-related works recovered through the Chemong growth area is \$8.88 million. The total development charges-recoverable share of the capital program is also \$8.88 million.
- The proposed development charges rates provide for the full recovery of all eligible growth-related costs and are fully defensible under the *DCA*.
- Based on the growth forecast and capital program contained in this study, the newly calculated charge for the Chemong growth area is \$4,847 for a single or semi-detached unit, \$4,179 for a multiple unit, and \$2,842 for an apartment unit.
- The proposed draft by-law is appended to this report.

I INTRODUCTION & BACKGROUND

The City of Peterborough currently levies two types of development charges for the recovery of growth-related capital costs:

1. **City-Wide Uniform Development Charges** — for the recovery of growth-related costs for the provision of general government, library, fire, indoor recreation, parks development and facilities, and public works (building, equipment and fleet) services. The City-wide charges also recover for: the growth-related costs for the provision of wastewater treatment and major sewage collection; major roads and related services, including structures, sidewalks, streetlights and special traffic management and design features; as well as stormwater management projects (erosion control projects), and related studies.
2. **Planning Area-Specific Development Charges (PASDC)** — for the recovery of growth-related costs for the provision of some roads, sidewalks, sanitary sewers, stormwater and studies.

The City-wide charges are levied on a uniform basis against all development in the City. The PASDC are levied on a planning area-specific basis. The basis for the current charges is the City's most recent development charges background study, completed in 2009.

In 2011, the City initiated a review of the Chemong planning area-specific development charges projects and cost recovery approach. The update of the Chemong DC By-law was driven by changes in the capital requirements necessary for development in this area and increased costs, which are not being recovered for in the current by-law.

In addition, the existing planning area-specific approach has created some project delivery issues in a few of the areas. In some situations, local developer(s) in the planning areas would prefer to have a more direct control over project timing and costing. Under the City's existing regime, the timing of projects in the PASDC can be delayed due to the City having insufficient funding available to undertake the works. A new set of local service definitions has been developed to address this issue and exclude some costs from the development charges calculation.

Over the recent years, the City has undertaken a review of its area-specific development charges projects and costs. This review has included an examination of approaches of providing a more efficient and fiscally viable method of recovering growth-related costs while maintaining equatability through enhancing local service policies and recoveries.

This City of Peterborough development charges background study is presented as part of a process to lead to the approval of new Chemong PASDC by-law in compliance with the *Development Charges Act, 1997* (the *DCA*). The current City-wide development charges by-law and rates are not being addressed as part of this background study.

The *DCA* and *Ontario Regulation 82/98* (*O. Reg. 82/98*) require that, prior to enacting a development charges by-law, a development charges background study be prepared in which development charges are determined with reference to:

- A forecast of the amount, type and location of housing units, population and non-residential development anticipated in the City;
- A review of anticipated future capital projects, including an analysis of gross expenditures, funding sources, and net expenditures to be incurred by the City or its local boards to provide for the expected development, including the determination of the growth and non-growth-related components of the capital projects; and
- An examination of the long-term capital and operating costs for the capital facilities and infrastructure required for each service to which the development charges by-laws would relate.

This study presents the results of the review to determine the growth-related net capital costs which are attributable to development that is forecast to occur in the planning area of Chemong. The growth-related net capital costs are then apportioned among various types of residential development in a manner that reflects the increase in the need for each service attributable to each type of development. The study arrives, therefore, at proposed development charges for various types of residential development.

The *DCA* provides for a period of public review and comment regarding the proposed development charges. Following completion of this process, in accordance with the *DCA* and Council's review of this study as well as the comments Council receives regarding this study or other information brought to its attention about the proposed charges, it is anticipated that Council will pass a new planning area-specific development charges by-law for the City.

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

Section II of the report details the methodology used in the development charges background study. Section III outlines the residential growth forecasts on which the development charges are based. Section IV summarizes the future growth-related capital costs associated with the provision of Chemong services. Section V details the proposed new rates for the Chemong Planning Area. Section VI provides the approach and requirements for administering an additional development charges by-law, including local services definitions.

II METHODOLOGY IS AN AREA-SPECIFIC APPROACH TO ALIGN GROWTH-RELATED COSTS AND BENEFITS

Several key steps are required when calculating a development charge. However, specific circumstances arise in each municipality which must be reflected in the calculation. In this study, we have tailored our approach to the City of Peterborough's unique circumstances. The approach to the proposed development charges is focussed on providing a reasonable alignment of growth-related costs with the development that necessitates them. This background study focuses only on the Chemong's planning area-specific development charges.

A. PLANNING AREA-SPECIFIC DEVELOPMENT CHARGES HAVE BEEN CALCULATED

The *DCA* provides municipalities with flexibility to define services that will be included in the development charges by-laws, provided that other provisions of the *Act* and *Regulation* are met. The *DCA* also requires that the by-laws designate the areas within which they shall be imposed. Development charges may apply to all lands in the municipality or to other designated development areas as specified in the by-laws.

The *DCA* allows for the development charges to be calculated and levied uniformly throughout the municipality or on an area-specific basis. The City's current PASDC recover growth-related costs for the provision of some sanitary sewers and stormwater projects. These types of works require additional identifiable and independent projects in order to provide for anticipated growth. The area-specific approach is applied to these services to more closely align the capital costs for these services with the particular planning areas that will be serviced by the required infrastructure.

The area-specific approach can facilitate front-end financing arrangements for the designated services if the City chooses to use the front-ending provisions of the *DCA*. As an alternative, area-specific charges can also facilitate the use of developer group cost-sharing agreements.

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

Summarized below are several key steps required when calculating development charges for future growth-related projects.

1. Growth Forecast

The first step in the methodology requires a development forecast to be prepared for the study period, in this case from 2011 to build-out. The forecast of the future development in the planning areas used in this study is based on a revised forecast of the approved and potential residential units, similar to the work undertaken in the 2008 Planning Area-Specific Development Charges Study. The 2011 forecast has been updated to reflect building activity in the City over the period from 2008 to the end of 2010. In addition, the planning areas and development potential have been adjusted to reflect changes in submitted plans and servicing needs.

2. Service Categories and Historic Service Levels

The *DCA* stipulates that development charges cannot be recovered for the shares of the capital program that exceed the historic ten-year average service level for each service. However, this provision does not apply to the services considered under this study as engineering standards, Provincial health, and environmental requirements prevail.

3. Growth-Related Capital Forecast and Analysis of Net Capital Costs to Be Included in the Development Charges

A growth-related capital forecast has been prepared by the staff at the City of Peterborough as part of the current study. The capital forecast identifies growth-related projects. There are no capital grants, subsidies or other contributions that require deductions. The capital programs included herein are considered to be fully growth-related and no benefit to the existing population have been identified.

The capital forecast provides another cornerstone upon which development charges are based. The *DCA* requires that the increase in the need for service attributable to the anticipated development may occur:

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

The growth-related capital forecast prepared for this study ensures that development charges are only imposed to pay for projects that have been or are intended to be purchased or built in order to accommodate future anticipated development. There

must also be a demonstrated commitment to continue to install facilities or infrastructure in the future. In this regard, *Ontario Regulation 82/98*, s.3 states that:

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

Finally, when calculating development charges, the growth-related net capital costs must be reduced by ten per cent for all services except water, wastewater, storm drainage, services related to highways, police services and fire (*DCA*, s.5.(1)8.). As this study deals with roads, sewer and stormwater management services capital costs, 100 per cent of the growth-related costs are recoverable through development charges.

4. Attribution to Types of Development

The development charges calculations yield a charge per capita. The per capita charge is applied to different housing types on the basis of average occupancy factors, based on the City of Peterborough Census data.

5. Final Adjustment

The final determination of the development charges results from adjustments made to growth-related net capital costs for reserve fund balances, negative or positive, and for any other outstanding funding needs, for example, recovery of credit or service-in-lieu agreements.

III POPULATION IS FORECAST TO INCREASE BY 5,310 PERSONS AND 2,025 RESIDENTIAL UNITS OVER THE PLANNING HORIZON

This section provides the basis for the growth forecast used in calculating the development charges and summarizes the forecast results. It begins with a brief discussion of the growth forecast in the context of key factors affecting growth in the City of Peterborough. This forecast is largely based on the forecast completed by Hemson Consulting for the City of Peterborough's 2008 Development Charges Background Study. The 2008 forecast has been updated to reflect building activity in the City over the period from 2008 to the end of 2010. This is followed by a summary of the results of the housing unit and population forecasts by planning area.

A. GROWTH OUTLOOK FOR CENTRAL ONTARIO PRIMARY FACTOR AFFECTING GROWTH IN PETERBOROUGH

Similar to many municipalities throughout Central Ontario, future growth in the geographic area of the City of Peterborough will be linked to the patterns of growth that will occur in Central Ontario and to a greater extent in the Greater Toronto Area–Hamilton region (GTAH). Since recovering from the recession of the early and mid 1990s, housing and employment growth in the GTAH and parts of Central Ontario has been robust. The long-term outlook for the GTAH region is for sustained economic health, leading to continued strong levels of population and employment growth. As a result, counties and regions adjacent to or near the GTAH region will likely experience growth due to the in-migration of GTAH residents and the economic opportunities that will arise with increased population growth.

Migration levels to the City of Peterborough are expected to increase over the next 20 years as the total level of migration to Central Ontario increases over time. This is based upon the assumption that as the urban areas of Central Ontario evolve they will provide greater economic opportunities, thus enabling Central Ontario to attract more growth. In addition, Central Ontario as a whole will attract higher amounts of growth, serving as an alternative to the GTAH region as it continues to grow and municipalities within it approach full development. In Peterborough, higher levels of net migration are

primarily reflected by the City's growing ties to Durham Region and the eastern portion of the GTA.

B. GROWTH FORECAST BY PLANNING AREA

Growth in population will occur through the provision of the forecast of new housing units. The key figures to pull from the residential forecast are the approved and potential units to be constructed from 2011 to build-out that are net of the units constructed between 2008 and 2010. This forecast of new units can then be translated into a population in new units forecast by applying a persons per unit (PPU) factor of 2.9, 2.5 and 1.7 for single and semi-detached houses, other multiple units and apartment units, respectively.

The planning area of Chemong will see a population increase of 5,313 persons. This population increase results from the development potential of 770 approved units, and 1,256 potential units. Sixty per cent of these units are low density (single, or semi-detached units), twenty-five per cent are medium density (multiple units), and the rest are high density apartment units. Table 1 below shows a summary of the growth anticipated in the Chemong planning area.

Table 1
Development Potential in Chemong Planning Area

Development Potential					
Unit Type	Approved	Potential	Total	Persons Per Unit	Population in New Households
Low	334	856	1,200	2.90	3,480
Medium	335	200	535	2.50	1,338
High	91	200	291	1.70	495
TOTAL	770	1,256	2,026		5,313

IV GROWTH-RELATED CAPITAL FORECAST

The growth-related capital forecast has been compiled by Hemson Consulting Ltd. in collaboration with City staff. The capital costs to be recovered through development charges are consistent with the City's capital budget, long-term servicing plans and objectives. The costs are shown in Table 2.

All of the works identified are proposed to be recovered through the Chemong planning area-specific development charges. There is a project, Bethune Street sanitary trunk sewer, that provides benefit to two additional areas and the costs of these projects have been shared between the benefiting areas based on development potential.

The total cost of the planning area-specific growth-related works is \$8.88 million. This amount consists of \$6.98 million of sewer construction works, \$150,000 for a peer review/servicing and planning study, \$563,250 for the recovery of the negative reserve fund balance (for sanitary sewer works done on Aylmer Street), and \$1.19 million for engineering and contingency.

It is important to note that through this study the City is enhancing and clarifying local service definitions. Projects that previously may have been recovered for fully or partially through development charges are now to be funded directly by the benefiting land owners as part of subdivision agreements, site plan agreements or other mechanisms. Chapter VI of this report provides details on the local service definitions and policies.

The following Table 2 summarizes the works recovered for through the Chemong planning area-specific charge.

TABLE 2

CITY OF PETERBOROUGH
 2011 DEVELOPMENT CHARGES STUDY
 CHEMONG GROWTH AREA SPECIFIC PROJECTS

Project Description	Length (m)	Cost Estimate					Total Costs
		Sewers	Studies	Reserve Fund Adjustment	Engineering & Contingency		
Chemong Growth Area							
1 Bethune Street - Sanitary Trunk Sewer	1,080	\$ 1,877,100	\$ -	\$ -	\$ 375,420	\$ -	\$ 2,252,520
2 Hilliard Street - Sanitary Trunk Sewer	970	\$ 2,605,000	\$ -	\$ -	\$ 310,000	\$ -	\$ 2,915,000
3 Chemong SPA - Sanitary Trunk Sewer	1,350	\$ 2,500,000	\$ -	\$ -	\$ 500,000	\$ -	\$ 3,000,000
4 Peer Review / Servicing & Planning Studies		\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000
5 Recovery of Aylmer Street Sanitary Trunk Sewer		\$ -	\$ -	\$ 563,241	\$ -	\$ -	\$ 563,241
Sub-Total Chemong Growth Area		\$ 6,982,100	\$ 150,000	\$ 563,241	\$ 1,185,420	\$ -	\$ 8,880,761

Notes:

- 1) Shared work with Carnegie East, Carnegie West and Chemong. Cost shown above only reflect Chemong Share (2,026 units of 3,103 or 65.3%)

V PROPOSED DEVELOPMENT CHARGES ARE CALCULATED IN ACCORDANCE WITH THE *DCA*

The City of Peterborough currently imposes both a uniform City-wide development charge, in accordance with By-laws 09-166 and 09-167, and eight planning area-specific charges, in accordance with By-laws 08-126 – 08-133. The City has been in a process of reviewing the projects and costs recovery approaches of the works included in the planning area-specific charges.

A. CALCULATED DEVELOPMENT CHARGES

The growth-related costs of the works under review are triggered or provide direct benefit to development within the Chemong planning area. These costs are proposed to be recovered on an area-specific basis which will yield development charges only to be levied in the Chemong planning area.

Table 3 provides a summary of the development charges rates calculation for the Chemong planning area. The table displays the growth-related costs, the development potential (population in new housing units) and the calculated development charges rate per capita and by unit type for each of the planning areas. As shown on Table 3, the City does not anticipate receiving any grants or subsidies to help fund the sanitary sewer projects, all of the projects are deemed to be 100 per cent growth related, and no post-period benefit has been allocated to the projects. The total DC eligible costs for recovery is the same as the gross total project cost of \$8.88 million.

This amount, \$8.88 million, divided by the anticipated population in new housing units of 5,313 persons, equates for a calculated development charge per capita of \$1,671.52. As the charges are levied on a per unit basis, the charge per capita is multiplied by persons per unit factors, reflecting occupancy factors of each unit.

The calculated charge per unit ranges from a high of \$4,847 per single or semi-detached unit, \$4,179 for other multiple units, and \$2,842 for apartment units.

TABLE 3

CITY OF PETERBOROUGH
 SUMMARY OF PLANNING AREA SPECIFIC RESIDENTIAL DEVELOPMENT CHARGES
 CHEMONG GROWTH AREA SPECIFIC PROJECTS

Build-Out of Designated Lands Population in New Units	5,313
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		Growth-Related Capital Forecast					
		Total Project Cost	Grants/ Subsidies Other Contributions	Non-Growth Share	Available DC Reserves	Post Period Benefit	Total Costs Eligible For DC Recovery
CHEMONG GROWTH AREA SPECIFIC PROJECTS							
1	Bethune Street - Sanitary Trunk Sewer	\$ 2,252,520	\$ -	\$ -	\$ -	\$ -	\$ 2,252,520
2	Hilliard Street - Sanitary Trunk Sewer	\$ 2,915,000	\$ -	\$ -	\$ -	\$ -	\$ 2,915,000
3	Chemong SPA - Sanitary Trunk Sewer	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -	\$ 3,000,000
4	Peer Review / Servicing & Planning Studies	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ 150,000
5	Recovery of Aylmer Street Sanitary Trunk Sewer	\$ 563,241	\$ -	\$ -	\$ -	\$ -	\$ 563,241
TOTAL CHEMONG GROWTH AREA SPECIFIC PROJECTS		\$ 8,880,761	\$ -	\$ -	\$ -	\$ -	\$ 8,880,761
Development Charge Per Capita		\$ 1,671.52					

RESIDENTIAL	Development Charge Per Capita	Charge By Unit Type (1)		
		Residential A Singles/Semi	Residential B Other Multiples	Residential C Apartments
Chemong Growth Area	\$1,671.52	\$4,847	\$4,179	\$2,842

(1) Based on Persons Per Unit Of: 2.90 2.50 1.70

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

Summaries for the calculated development charges rates are shown in Table 4. The table provides a side-by-side comparison of the variances between the calculated and current development charges. The table demonstrates that the difference in charge is more than a doubling of the rate, or an increase of 107 per cent.

The following is a summary of the impact of the proposed charges:

Table 4
Comparison of Current vs. Calculated Charges

Chemong Planning Area	Current Charge	Calculated Charge	Difference in Charge	
			\$	%
Single & Semi-Detached	\$2,339	\$4,847	\$2,508	107%
Other Multiples	\$2,015	\$4,179	\$2,164	107%
Apartments	\$1,370	\$2,842	\$1,472	107%

VI DEVELOPMENT CHARGES ADMINISTRATION AND LOCAL SERVICE DEFINITIONS

A. DEVELOPMENT CHARGES BY-LAW ADMINISTRATION

No changes are recommended to the City's current policies and practices regarding development charges administration. Considering the requirements of the *DCA*, the following recommendations are made:

- Present practices regarding collection of development charges and by-law administration should continue to the extent possible, having regard to any requirements of the *DCA*.
- As required under the *DCA*, the City should codify any rules regarding application of the by-laws and exemptions within the development charges by-laws proposed for adoption.
- The City should continue to actively encourage the use of front-ending agreements or developer agreements (and services-in-lieu arrangements), whichever are practical and desirable by the development industry and the City.
- The by-laws should permit the payment of development charges in cash or through services-in-lieu agreements. However, the municipality is not obligated to enter into services-in-lieu agreements.
- The City should adopt the growth-related capital forecast for the area-specific services included in this background study, subject to annual review through the City's normal capital budget process.

B. LOCAL SERVICE DEFINITIONS

The following provides the definition of "local service" under the *DCA* for a number of services provided by the City of Peterborough. The purpose of establishing these definitions is to determine the eligible capital costs for inclusion in the development charges calculations for the City. The functions or services deemed to be local in nature

are not to be included in the determination of the development charges rates. The provision of local services is considered to be a direct developer responsibility under s.59 of the *DCA* and will (or may) be recovered under other agreement(s) with the landowner or developer. The issue of “local service” is being specifically considered for the following services:

- Roads and Related
- Sanitary Sewer
- Stormwater Services
- Parkland Development

1. Roads and Related

- **Collector Roads**
 - Collector roads internal to a development are a direct developer responsibility as a local service under s.59 of the *DCA*.
 - Collector roads external to a development are a local service if the works are within the area to which the plan relates and therefore a direct developer responsibility under s.59 of the *DCA*. Otherwise, the works are included in the development charges calculations to the extent permitted under s.5(1) of the *DCA*.
- **Arterial Roads**
 - New arterial roads and arterial road improvements are included as part of road costing funded through development charges.
- **Local Roads**
 - Local roads are local services and a direct developer responsibility under s.59 of the *DCA*.
- **Subdivision/Site Entrances and Related**
 - Entrances and all related costs (including, but not limited to: signalization, turn lanes, utility conduits and extensions, etc.), no matter the class of road, are a local service and a direct developer responsibility under s.59 of the *DCA*.

- **Streetlights**
 - Streetlights internal to a development or site are a direct developer responsibility through local service provisions under s.59 of the *DCA*.
 - Streetlights external to a development but related to the subject lands are a direct developer responsibility through local service provisions under s.59 of the *DCA*.
- **Sidewalks**
 - Sidewalks internal to a development or site are a direct developer responsibility through local service provisions under s.59 of the *DCA*.
 - Sidewalks external to a development but related to the subject lands are a direct developer responsibility through local service provisions under s.59 of the *DCA*.
- **Bikeways**
 - Bike lanes within road allowance are included in development charges roads costs.
 - Bike lanes outside road allowance are included in development charges roads costs.
- **Noise Abatement Measures**
 - Noise Abatement Measures internal to a development are a direct developer responsibility through local service provisions under s.59 of the *DCA*.
- **Street Tree Planting**
 - Street tree planting is considered a local service and a direct developer responsibility.
- **Land Acquisition for Roads Allowances**
 - Land acquisition for roads is a dedication under the *Planning Act* subdivision provisions (s.51) through development lands.
 - In areas with limited or no development land, acquisition needs to be included in the City development charges to the extent eligible as identified and included in the Development Charges Background Study.
 - Land acquisition for grade separations (beyond normal dedication requirements) is to be included in the City development charges to the extent eligible as identified and included in the Development Charges Background Study.

2. Sanitary Sewer

- Major external trunk sanitary sewers (those with sizes over 300mm) and major pumping stations are to be included in the development charges. Oversizing within subdivisions is also to be included in the development charges above 300mm for sanitary sewers.
- Connections to trunk mains and minor pumping stations to service specific areas are to be a direct developer responsibility as a local service provision under s.59 of the *DCA*. Minor pumping stations are those that service a single subdivision or adjacent or adjoining subdivisions.

3. Stormwater Services

- The costs of stormwater management facilities (SWM) that are internal to a subdivision or are related to a single plan of subdivision are considered to be a local service under the *DCA* and the associated costs are not included in the development charges calculations. Local SWM facilities would typically include:
 - Storm sewer oversizing associated with local drainage areas; and
 - Storm sewer works on existing roads.
- The costs of stormwater management facilities benefiting more than one subdivision are largely to be recovered through development charges to the extent eligible as identified and included in the Development Charges Background Study.

4. Parkland Development

For the purpose of parkland development, local service includes the requirement for the owner to undertake preparation of the park plan, to retain necessary consultants to prepare design and to grade plans for the park prior to development. In addition, the owner is required to provide stripping and stockpiling, leveling, topsoiling, seeding and stormwater servicing (consistent with the plan), and services to the lot line. These requirements are part of the conditions of s.51 and s.53 of the *Planning Act* agreements. The municipality also requires the owner to dedicate parkland or provide cash-in-lieu, consistent with the *Planning Act* provisions. All of these costs are deemed a direct responsibility of the developer and have not been included in the development charges calculations.

With respect to other parkland development costs, the municipal policy is to include all other components of parkland development in the development charges calculations, including parking, park furniture, signage, landscaping and walkways/trails, in addition to the necessary fields, diamonds, playground equipment, lighting, irrigation and field houses.

C. LONG-TERM CAPITAL AND OPERATING COSTS

This section provides a brief examination of the long-term capital and operating costs for the capital facilities and infrastructure to be included in the development charges by-law. This examination is required as one of the features of the *DCA*.

The growth-related capital costs discussed herein are largely fully fundable from development charges. The operating cost impacts of the expanded municipal infrastructure are anticipated to be fully funded from additional tax revenues generated by the growth-related increase in the property assessment base. Furthermore, the new households will generate additional sewer utility rate revenue that will be utilized to fund any incremental sewage servicing operating costs.

Council is made aware of these factors so that they understand the financial implications of the quantum and timing of the projects included in the growth-related capital forecast as set out in this study.

APPENDIX A

***DRAFT CHEMONG PLANNING-AREA
BY-LAW***

DRAFT

THE CORPORATION OF THE CITY OF PETERBOROUGH

BY-LAW NUMBER 11-XXX

**BEING A BY-LAW TO ESTABLISH DEVELOPMENT CHARGES
FOR THE CITY OF PETERBOROUGH
(CHEMONG GROWTH AREA)**

WHEREAS the City of Peterborough has and will continue to experience growth through development;

AND WHEREAS development requires the provision of physical infrastructure and other services by the City;

AND WHEREAS subsection 2(1) of the *Development Charges Act*, 1997, S.O. 1997 c.27 (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 arising from the development of the area to which the by-law applies;

AND WHEREAS Council has before it a report entitled "Chemong Planning Area-Specific Development Charges Background Study", prepared by Hemson Consulting Limited, for the City of Peterborough, dated October 17, 2011, (the "Study");

AND WHEREAS the Study was made available to the public prior to a public meeting held on November 7, 2011, in accordance with Section 12 of the Act, at which time Council heard comments and representations from all persons who applied to be heard (the "Public Meeting");

AND WHEREAS Council, at its meeting on December 12, 2011, approved and adopted the Study, including the development related capital program referred to therein, and thereby has indicated that it intends to ensure that the increase in the need for services attributable to anticipated development will be met, and has further indicated its intent that the future excess capacity identified in the Study shall be paid for by development charges or other similar charges;

AND WHEREAS Council determined that no further public meetings were required under Section 12 of the Act;

AND WHEREAS, by By-laws 09-166 and 09-167, Council has established a City-Wide Uniform development charge, and this by-law is intended to establish an area-specific development charge for the Chemong Growth Area.

THE CORPORATION OF THE CITY OF PETERBOROUGH BY THE COUNCIL THEREOF HEREBY ENACTS AS FOLLOWS:

Definitions

1. In this By-law,

"Act" means the *Development Charges Act*, 1997, S.O. 1997, c.27;

"Board of education" has the same meaning as specified in the *Education Act*, or any successor legislation;

"building floor area" means the total of the horizontal areas of a building, as calculated by using the exterior dimensions;

"City" means the Corporation of the City of Peterborough;

“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 has the effect of increasing the building floor area thereof, and includes redevelopment;

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

“dwelling unit” means one or more rooms used, designed or intended to be used together as a single and separate house-keeping unit by one person or persons living together, in which both culinary and sanitary facilities are provided for the exclusive use of such person or persons;

“farm building” means a farm building as defined in the **Ontario Building Code**;

“gross floor area” has the same meaning as that which is contained in O.Reg. 82/98 made under the Act;

“local board” means a local board as defined in the **Development Charges Act, 1997**;

“multi-suite residence” means a multi-suite residence as defined in the Zoning By-law of the City;

“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**, as amended, or any successor legislation;

“Residential A building” means a building containing one or two dwelling units;

“Residential B building” means a building containing more than two dwelling units, other than a Residential C building;

“Residential C building” means a building containing more than two dwelling units, each of which has access to the common corridor and entrance(s); and a multi-suite residence;

“residential use” means land, buildings or structures or portions thereof used, designed or intended to be used as living accommodation for one or more individuals;

“semi-detached dwelling or row dwelling” means a residential building which contains a single dwelling unit, that has one or two vertical walls, but no other parts, attached to other buildings;

“services” means services designated in this By-law including Schedule A to this By-law or in an agreement under section 44 of the Act, or both;

“single detached dwelling” means a residential building which contains only a single dwelling unit, and which is not attached to other buildings;

“temporary building or structure” means a building or structure constructed or erected or placed on land for a continuous period not exceeding eight months, or an addition or alteration to a building or structure that has the effect of increasing the total floor area thereof for a continuous period not exceeding eight months;

Rules

2. For the purpose of complying with section 6 of the Act:
 - (a) the area to which this By-law applies shall be the area described in section 3 of this By-law;
 - (b) the rules developed under paragraph 9 of subsection 5(1) of the Act for determining if a development charge is payable in any particular case and for determining the amount of the charge shall be as set forth in sections 4 through 17, inclusive, of this By-law;
 - (c) the exemptions provided for by such rules shall be the exemptions set forth in sections 18 through 20, inclusive of this By-law, the indexing of charges shall be in accordance with section 15 if this By-law and the phasing in of charges shall be in accordance with subsection 16 of this By-law; and
 - (d) the redevelopment of land shall be in accordance with the rules set forth in section 21 of this By-law.

Lands Affected

3. (a) This By-law applies to the lands designated as the Chemong Growth Area on Schedule C. While every attempt has been made to accurately depict the boundaries of the Growth Areas on Schedule C, for the purposes of calculating the applicable development charge, the boundaries are considered to be conceptual. The City shall interpret the Growth Area boundaries, recognizing that the rationale for inclusion within a specific growth area is primarily related to common trunk storm and sanitary servicing systems.
- (b) This By-law shall not apply to lands which are owned by, or used for the purposes of:
 - (i) the City or a local board thereof;
 - (ii) a board of education.
- (c) The development of land within the City may be subject to one or more development charges by-laws of the City.

Designation of Services

4. It is hereby declared by Council that all development of land within the City will increase the need for services.
5. The development charge applicable to a development as determined under this By-law shall apply without regard to the services required or used by an individual development.
6. Development charges shall be imposed for the following categories of services to pay for the increased capital costs required because of increased needs for services arising from development:
 - (a) Chemong Growth Area Specific Engineering Infrastructure:
 - (i) Sanitary sewage works;
 - (ii) Other engineering infrastructure (as required);
 - (iii) Studies.

Approvals for Development

7. Development charges shall be imposed against all lands, buildings or structures within the area to which this By-law applies if the development of such lands, buildings or structures requires any of the following approvals:
 - (a) the passing of a zoning by-law or of an amendment thereto under section 34 of the **Planning Act**,
 - (b) the approval of a minor variance under section 45 of the **Planning Act**,
 - (c) a conveyance of land to which a by-law passed under subsection 50(7) of the **Planning Act** applies;
 - (d) the approval of a plan of subdivision under section 51 of the **Planning Act**,
 - (e) a consent under section 53 of the **Planning Act**,
 - (f) the approval of a description under section 50 of the **Condominium Act**, or
 - (g) the issuing of a permit under the **Building Code Act, 1992** in relation to a building or structure, except where the development entails the conversion or renovation, but not expansion, of an existing building for a change of use which does not require any of the approvals provided in subsections (a) to (f) inclusive above.
8. No more than one development charge for each service designated in section 6 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 section 7 are required before the lands, buildings or structure can be developed.
9. Notwithstanding section 8, if two or more of the actions described in section 7 occur at different times, additional development charges shall be imposed in respect of any increased or additional development permitted by such actions.
10. Where a development requires an approval described in section 7 after the issuance of a building permit and no development charge has been paid, then the development charge shall be paid prior to the granting of the approval required under section 7.
11. If a development does not require a building permit but does require one or more of the approvals described in section 7, then the development charge shall nonetheless be payable in respect of any increased or additional development permitted by such approval.
12. Nothing in this By-law prevents Council from requiring, as a condition of an agreement under sections 51 or 53 of the **Planning Act**, that the owner, at his or her own expense, install such local services related to a plan of subdivision or within the area to which the plan relates, as Council may require, or that the owner pay for local connections to storm drainage facilities installed at the owner's expense, or administrative, processing, or inspection fees.

Calculation of Development Charges

13. The development charge with respect to the use of any land, buildings or structures for residential development, or the residential portion of a mixed-use development, shall be calculated based upon the number and

type of dwelling units.

Amount of Charge - Residential

14. The development charges described in Schedule B to this By-law 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 component of the mixed use building or structure, according to the type of residential use. For the purposes of calculation of the charge for a multi-suite residence, two suites shall be deemed to comprise one dwelling unit.

Indexing of Development Charges

15. All development charges set out in Schedule B hereto shall be adjusted by the City Treasurer without amendment to this By-law annually on January 1st in each year, commencing January 1, 2013, in accordance with the most recent annual change in the Statistics Canada Quarterly, Construction Price Statistics.

Phasing, Timing of Calculation and Payment

16. (a) Except as provided in subsection (b) hereof, the development charges set out in this By-law are payable, in full, subject to the exemptions and credits provided herein, from the effective date of this By-law.
- (b) Subject to section 21 (with respect to redevelopment), the development charges set out in Schedule B shall be calculated as of, and may be payable, at the option of the City, with respect to a final approval of a plan of subdivision or a severance under section 51 or 53 of the *Planning Act*, which approval occurs after August 1, 2008, immediately upon entering into the subdivision or consent agreement, based upon the number and type of residential lots created and, in the case of subdivision blocks, based on the maximum zoned capacity of the block pursuant to the City's zoning by-law. When no subdivision agreement or consent agreement is required, or where the development occurs on a lot which exists on or before August 1, 2008, the development charges for each building or structure shall be calculated as of the date of the complete building permit application, and shall be payable and collected as of the date the first building permit is issued in respect of the building or structure for which the development charge applies.
- (c) If at the time of issuance of a building permit or permits for any development for which payments have been made pursuant to subsection (b), the total number or type of residential units for which building permits have been and are being issued is greater than that used for the calculation and payment referred to in subsection (b), an additional payment shall be required and shall be calculated by multiplying the applicable rates for those units shown in Schedule B, by the difference between the number or type of units for which building permits have been and are being issued and the number or type of units for which payments have been made pursuant to subsection (b) and this subsection.
- (d) Subject to subsection (f), if following the issuance of all building permits for all development in a subdivision or for all development in a block within that subdivision that had been intended for future development and for which payments have been made pursuant to subsection (b), the total number or type of units for which building permits have been issued is less than that used for the calculation and payment referred to in subsection (b), a refund shall be

payable by the City to the person who originally made the payment referred to in subsection (b), which refund shall be calculated by multiplying the amounts of the development charges in effect at the time such payments were made by the difference between the number or type of units for which payments were made pursuant to subsection (b) and the number and type of units for which building permits were issued.

- (e) Subsections (c) and (d) shall apply with necessary modifications to a development for which development charges have been paid pursuant to a condition of consent or pursuant to an agreement respecting same.
- (f) Notwithstanding subsection (b), pursuant to section 27 of the Act, the City may enter into an agreement with a person required to pay a charge pursuant to this By-law, including the provision of security for the person's obligations under such agreement, providing for all or part of the development charge to be paid before or after it otherwise would be payable. The terms of such agreement shall then prevail over the provisions of this By-law.
- (g) Where a development charge or any part of it remains unpaid after it is payable, the amount unpaid shall be added to the tax roll and shall be collected in the same manner as taxes.
- (h) Any refunds payable pursuant to subsections (d) and (e) shall be calculated and paid without interest.

Payment by Services

- 17. The City, may in an agreement pursuant to Section 38 of the Act, permit an owner to provide services in lieu of the payment of all or any portion of a development charge. The City shall give the owner who performed the work a credit towards the development charge in accordance with the agreement, subject to the requirements of the Act.

Rules with Respect to Exemptions for Intensification of Existing Housing

- 18. This By-law does not apply with respect to approvals related to the residential development of land, buildings or structures that would have the affect only of,
 - (a) permitting the enlargement of an existing dwelling unit;
 - (b) creating one or two additional dwelling units in an existing single detached dwelling, where the total gross floor area of the additional unit or units does not exceed the gross floor area of the existing dwelling unit;
 - (c) creating one additional dwelling unit in an existing semi-detached or row dwelling where the gross floor area of the additional unit does not exceed the gross floor area of the existing dwelling unit; or
 - (d) creating one additional dwelling unit in any other existing residential building, where the total gross floor area of the additional unit does not exceed the gross floor area of the smallest existing dwelling unit in the building.

Other Exemptions

- 19. Notwithstanding anything else contained in this By-law, development charges shall not be imposed with respect to lands, buildings or structures used for:

- (a) a hospital governed by the *Public Hospitals Act*, R.S.O 1990, c.P.40;
- (b) a place of worship, or a cemetery or burial ground;
- (c) Trent University or Sir Sandford Fleming College;
- (d) a farm building.

Temporary Buildings or Structures

20. (a) Temporary buildings or structures shall be exempt from the provisions of this By-law.
- (b) In the event that a building or structure continues to exist for a continuous period exceeding eight (8) months, it shall be deemed not to be, nor ever to have been, a temporary building or structure, and the development charges required to be paid under this By-law shall be calculated and payable on the date that the building or structure is deemed not to be a temporary building or structure.
- (c) Prior to the City issuing a building permit for a temporary building or structure, the City may require an owner to enter into an agreement, including the provision of security for the owner's obligation under the agreement, pursuant to section 27 of the Act, providing for all or part of the development charge required by this section to be paid after it would otherwise be payable. The terms of such agreement shall then prevail over the provisions of this By-law.

Rules with Respect to the Redevelopment of Land

21. (a) Where there is a redevelopment of land on which there is a conversion of space proposed, or on which there was formerly erected a building or structure that has been demolished, a credit shall be allowed against the development charge otherwise payable by the owner pursuant to this By-law for the portion of the previous building or structure still in existence that is being converted or for the portion of the building or structure that has been demolished, as the case may be, calculated by multiplying the number and type of dwelling units being converted or demolished by the development charge shown in Schedule B on the date when the development charge is payable in accordance with this By-law.
- (b) A credit in respect of any demolition under this section shall not be given unless a building permit has been issued or a subdivision agreement has been entered into with the City for the development within five (5) years from the date the demolition permit was issued.
- (c) The amount of any credit hereunder shall not exceed, in total, the amount of the development charges otherwise payable with respect to the development.
- (d) The onus is on the applicant to produce evidence to the satisfaction of the City, acting reasonably, which establishes that the applicant is entitled to the credit against the payment of development charges claimed under this section.

Interest

22. The City shall pay interest on a refund under subsection 18(3), 18(5), or 25(2) of the Act, at the Bank of Canada rate on the date this By-law comes into force, updated on the first business day of every January, April, July and October.

Schedules

23. The following Schedules to this By-law form an integral part of this By-law.

Schedule A: Designated Services

Schedule B: Growth Area Specific Development Charges

Schedule C: Map Delineating Growth Area Specific Development Charges Area

By-law Registration

24. A certified copy of this By-law may be registered in the Land Registry Office against title to any land to which this By-law applies.

Date By-law Effective

25. This By-law comes into force on January 1, 2012.

Date By-law Expires

26. This By-law expires five years after the date it becomes effective.

Headings for Reference Only

27. The headings inserted in this By-law are for convenience of reference only and shall not affect the construction or interpretation of this By-law.

Severability

28. If, for any reason, any provision, section, subsection or paragraph of this By-law is held 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, reenacted or amended, in whole or in part or dealt with in any other way.

Repeal

29. By-law No. 08-128 and any amendments made thereto is hereby repealed as of the date this By-law comes into force and effect.

By-law read a first, second and third time this 12th day of December, 2011

(Sgd.) Daryl Bennett, Mayor

(Sgd.) Nancy Wright-Laking, City Clerk

**SCHEDULE A
SERVICES**

Chemong Growth Area Specific Engineering Infrastructure:

- (a) Sanitary sewage works;
- (b) Other engineering infrastructure (as required);
- (c) Studies.

SCHEDULE B
CHEMONG GROWTH AREA
AREA SPECIFIC DEVELOPMENT CHARGES

Effective Date	Residential A	Residential B	Residential C
January 1, 2012	\$4,847	\$4,179	\$2,842

Notes:

- 1 The development charges will be indexed annually as per provisions of this by-law.
- 2 Additional development charges may be applicable to these lands

SCHEDULE C

PLANNING AREA SPECIFIC MAP OF PLANNING AREAS

