



STAFF REPORT EXECUTIVE SUMMARY & RECOMMENDATION

The following executive summary provides a brief description about the report and the recommendation advises on any action being requested from Council.

**Subject: 2024 Development Charges Amendment Background Study:
Wastewater Treatment Plant & By-law**

Executive Summary:

This report provides details regarding the updated costs for the Wastewater Treatment Plant (WWTP) Phase 3 as a result of the Development Charges Background Study (DCBS).

Recommendation:

- 1. That Staff Report DSR-018-25 regarding 2024 Development Charges Amendment Background Study: Wastewater Treatment Plant & By-Law dated February 12, 2025, be received; and**
- 2. That Council adopt the 2024 Development Charges Amendment Background Study: Wastewater Treatment Plant, dated December 13, 2024; and**
- 3. That approval of the capital programs included in the Development Charges Amendment Background Study indicates Council's intention that an increase in the need for service will be met as required under paragraph 3 of Section 5(1) of the *Development Charges Act, 1997* and Section 3 of Ontario Regulation 82/9, and this approval shall be subject to further annual review during the capital budget; and**
- 4. That in accordance with s.s.5(1)5 of the *Development Charges Act, 1997* and Section 5 of Ontario Regulation 82/98, it is Council's clear intention that any excess capacity identified in the Development Charges Amendment Background Study shall be paid for by development charges contemplated in the said Development Charges Background Study, or other similar changes; and**
- 5. That public meetings have been held on January 22, 2025, and February 12, 2025, before passage of the proposed Development Charges By-law with notice given and sufficient information made available to the public, and that no further public meetings are required pursuant to section 12 of the *Development Charges Act*; and**

6. **That By-law 013-25 to impose Development Charges for the recovery of growth-related capital costs for Wastewater Treatment Service (Plant) be adopted, with an effective date of February 12, 2025.**

2024 Development Charges Amendment Background Study: Wastewater Treatment Plant & By-Law



Staff Report DSR-018-25

To: Mayor, Deputy Mayor, and Members of Council

From: Audrey Webb, Treasurer

Date: February 12, 2025

Recommendation:

1. That Staff Report DSR-018-25 regarding 2024 Development Charges Amendment Background Study: Wastewater Treatment Plant & By-Law dated February 12, 2025, be received; and
2. That Council adopt the 2024 Development Charges Amendment Background Study: Wastewater Treatment Plant, dated December 13, 2024; and
3. That approval of the capital programs included in the Development Charges Amendment Background Study indicates Council's intention that an increase in the need for service will be met as required under paragraph 3 of Section 5(1) of the *Development Charges Act, 1997* and Section 3 of Ontario Regulation 82/9, and this approval shall be subject to further annual review during the capital budget; and
4. That in accordance with s.s.5(1)5 of the *Development Charges Act, 1997* and Section 5 of Ontario Regulation 82/98, it is Council's clear intention that any excess capacity identified in the Development Charges Amendment Background Study, shall be paid for by development charges contemplated in the said Development Charges Background Study, or other similar changes; and
5. That public meetings have been held, on January 22, 2025, and February 12, 2025, before passage of the proposed Development Charges By-law with notice given and sufficient information made available to the public, and that no further public meetings are required pursuant to section 12 of the *Development Charges Act*; and
6. That By-law 013-25 to impose Development Charges for the recovery of growth-related capital costs for Wastewater Treatment Service (Plant) be adopted, with an effective date of February 12, 2025.

Background:

On November 8, 2023, Council approved the Town's 2023 Development Charges Background Study (DCBS), and associated By-laws. Since then, updated costs for the Wastewater Treatment Plant (WWTP) Phase 3 have become known, and therefore an amendment to the DCBS and related By-law is required.

On December 11, 2024, Council received Staff Report DSR-170-24, and a presentation from Hemson Consulting Ltd, on the draft 2024 Development Charges (DC) Amendment Background Study and Wastewater Treatment Service (Plant) development charge rates. The purpose of

this meeting was to inform Council on the amendment study update, including the capital program used in developing the draft rates.

The draft 2024 DC Amendment Background Study and By-law, prepared by Hemson Consulting Ltd are available on the Town's website, and a link to the documents was sent to the Developers' Liaison Group (DLG). Public Notice for the January 22, 2025 public meeting was provided through advertisement at InnisfilToday.ca on December 19, 2024 and on the Town's website. The draft Wastewater Treatment Service (Plant) DC By-law was publicly available January 17, 2025.

On January 22, 2025, a Public Meeting was held to provide the public with an opportunity to review and comment on the Town's proposed DCBS and draft DC By-laws.

In accordance with *The Development Charges Act, 1997*, the proposed by-law and the background study are to be made available to the public at least two weeks prior to the statutory public meeting. While a public meeting was held on January 22, 2025, a second public meeting will be held as part of the regular Council meeting on February 12, 2025, to satisfy the statutory requirements prior to Council considering approval of the by-law that same night. Public Notice for the February 12, 2025 statutory public meeting was posted to the Town's website on January 17, 2025.

Analysis/Consideration:

The amendment study is prepared in accordance with the DCA and associated regulations, including the amendments that came into force on November 28, 2022, as per Bill 23: More Homes Built Faster Act, 2022. Bill 185: Cutting Red Tape to Build More Homes Act, 2024 came into force which reversed the 5-year mandatory phase-in of DCs enacted under Bill 23 and provides exemptions for Affordable and Attainable housing projects that meet the legislative requirements. Key steps required in calculating the development charge rates include the development forecast, the development related capital forecast, and the attribution to types of development.

Development Forecast

A planning horizon of 2024-2041 has been used for the WWTP and related infrastructure, consistent with the planning horizon used in the 2023 DC Background Study. The WWTP DC rate is based on available servicing capacity (cubic metres or m³) and average day flow per capita in order to arrive at cost per capita.

Development Related Capital Forecast

The DCA requires the Council of a Municipality to express its intent to provide future capital facilities/infrastructure at the level incorporated in the development charges calculation. One of the recommendations contained in the 2024 DC Amendment Background Study is for Council to adopt the development related capital program used in the DC calculation.

The WWTP expansion project and associated inflow and infiltration works is anticipated to cost \$284.8 million. Of the \$284.8 million, \$11.2 million is attributable to the Phase 4 expansion of the plant and there is \$34.9 million to be received in Housing Enabling Water System grant funds. As well, the WWTP DC reserve fund balance of \$26.4 million has been attributed to the project and is reduced from the amount required to be collected through DCs. Table 1 shows the summary of costs for developments subject to the Innisfil Developers Allocation Group (IDAG), which totals \$212.2 million.

Table 1 – Developments Subject to IDAG

Item	Amount
Net costs	\$284.7M
Less: Portion attributed to Phase 4 expansion	(11.2M)
Less: Grant funds to be received	(34.9M)
Less: Available DC reserve funds	(26.4M)
Total DC Eligible Costs	\$212.2M

Table 2 shows the summary of costs for developments not subject to IDAG, which totals \$284.9 million, and includes \$72.7 million of additional interest costs.

Table 2 – Developments Not Subject to IDAG

Item	Amount
Net costs	\$284.7M
Less: Portion attributed to Phase 4 expansion	(11.2M)
Less: Grant funds to be received	(34.9M)
Less: Available DC reserve funds	(26.4M)
Plus: Interest costs	72.7M
Total DC Eligible Costs	\$284.9M

Attribution to Types of Development

An allocation of the development-related net capital costs between the residential and the non-residential sectors is required. For the purposes of the WWTP calculation, the allocation is based on the average day demand per capita and per square metre of gross floor area over the planning period, which reflects the anticipated demand for services.

The residential component of the development charges is applied to different housing types based on average occupancy factors. The non-residential component is applied on the basis of gross building space in square metres.

Development Charge Rates

The development charge rates are proposed to increase. Table 3 and Table 4 below illustrate the increase in DC rates for the WWTP.

Table 3 – Current vs Calculated IDAG Rates

Rate Type	Current IDAG Rate	Calculated IDAG Rate	Difference	
			\$	%
Single & Semi-Detached	\$11,689	\$19,957	\$8,268	71%
Rows & Other Multiples	9,379	16,014	6,635	71%
Apartments – 2 Bedroom	6,959	11,881	4,922	71%
Apartments – Bachelor/1 Bedroom	5,219	8,911	3692	71%
Industrial	30.91	57.18	26.27	85%
Non-Industrial	59.08	109.72	50.64	86%

Table 4 – Current vs Calculated Non-IDAG Rates

Rate Type	Current IDAG Rate	Calculated IDAG Rate	Difference	
			\$	%
Single & Semi-Detached	\$12,050	\$26,796	\$14,746	122%

Rows & Other Multiples	9,669	21,501	11,832	122%
Apartments – 2 Bedroom	7,174	15,953	8,779	122%
Apartments – Bachelor/1 Bedroom	5,381	11,964	6,583	122%
Industrial	31.87	76.78	44.91	141%
Non-Industrial	61.16	147.32	86.16	141%

The above calculated DC rates will be subject to annual indexing on April 1st in each year, commencing April 1, 2025, in accordance with the most recent twelve month change in the Statistics Canada Quarterly, Building Construction Price Index.

Stakeholder Consultation and Public Meetings

A stakeholder consultation session was held with SCS Consulting Group, who works directly with the IDAG group of developers on October 1, 2024, to discuss the draft rates. Additionally, extensive discussions and consultation took place with developers as InnServices and Town staff were reviewing the WWTP Phase 3 tender submission.

At the January 22, 2025, public meeting, a brief presentation was made by Hemson Consulting Ltd, regarding the proposed capital program and DC rates, and staff answered a couple of questions regarding the application of the DC charge. No further comments have been received subsequent to the January 22, 2025, meeting.

A second public meeting will be held as part of the regular Council meeting on February 12, 2025, to satisfy the statutory requirements prior to Council considering approval of the by-law. There has been significant consultation with the development community on the WWTP Phase 3 expansion costs and the related DC rates; however, if comments are received on February 12, 2025, that need further time to be considered, approval of the by-law may be deferred to a future Council meeting.

Community Strategic Plan Alignment:

Ensuring financial sustainability includes the utilization of growth funding tools, such as DCs to improve fiscal outcomes and support longer-term financial health. An updated Development Charges Background Study and By-law will ensure the Town maximizes opportunities for growth related revenues to be used to pay for growth costs

Financial Consideration:

The 2024 DC Amendment Background Study and By-law has been prepared with the objective of recovering the maximum allowable amount of growth-related costs as prescribed by the DCA.

The recovery of capital-related costs from future development is a crucial financial tool provided by the Province to assist in recovering the costs of infrastructure required to support new growth in the Town. The updated DC rates will help ensure that there are sufficient DC revenues to pay for the growth-related costs.

Local Impact:

The Town and InnServices staff continue to utilize all tools and opportunities to maximize the collection of DC revenues and mitigate the costs of growth on the existing community and property owners.

Options/Alternatives:

Council could choose to add additional non-statutory development charge discounts. This option is not recommended as full cost recovery is desirable in the collection of development charges.

Conclusion:

All statutory steps, timeframes and notification requirements prescribed by the Development Charges Act were followed in the development and presentation of the background study.

The Town will inform residents and businesses of the approval of the DC Bylaw by making this report available on the Town's website. In addition, as per the DCA, the Town will provide notice to the public within 20 days of the passing of its Development Charge Bylaw. Any person or organization may appeal the DC Bylaws to the Ontario Land Tribunal by filing a notice of appeal within 40 days after the By-law is passed.

InnServices has been working on an update to the 2018 Master Servicing Plan and is anticipating completion and approval of the new MSP shortly. Once the new MSP is approved, Town and InnServices staff will work with Hemson to update the Water and Wastewater portion of the DCBS and related DC By-laws.

Prepared By:

Audrey Webb, Treasurer

Approved By:

Mike Melinyshyn, CFO/Director of Corporate Services and Innovation

Attachments:

Attachment 1: DC Amendment Background Study WWTP

Attachment 2: DC By-law 013-25– Wastewater Treatment Service (Plant)

Reference Material:

[Community Strategic Plan](#)

[2023 Development Charges Background Study](#)

[DC By-law 100-23 – Wastewater Treatment Service \(Plant\)](#)

[Staff Report DSR-170-24 – December 11, 2024](#)

[Hemson Presentation of Draft Rates – December 11, 2024](#)

[Staff Report DSR-008-25 - January 22, 2025 Public Meeting](#)

[Hemson Presentation - January 22, 2025 Public Meeting](#)

Report for Public Consultation Prepared
by Hemson for the Town of Innisfil



2024 Development Charges Amendment Background Study: Wastewater Treatment Plant

December 13, 2024



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List of Acronyms

AMP	Asset Management Plan
BTE	Benefit to Existing
COG	Cost of Growth
DCA	Development Charges Act
DC	Development Charges
GFA	Gross Floor Area
PPB	Post-Period Benefit
PPU	Persons Per Unit
WWTP	Wastewater Treatment Plant

1. Introduction

The Town of Innisfil 2024 Development Charges (DC) Amendment Background Study related to the Lakeshore Water Pollution Control Plant (Stage III) is presented as part of the process to lead to the approval of an updated of DC By-law, No. 100-23 Wastewater Treatment Plant, in compliance with the *Development Charges Act, 1997* (DCA). The amendment is required to update the Town's existing WWTP DC rate to reflect recent cost increases to the Phase 3 expansion of the Lakeshore Water Pollution Control Plant.

The DCA and O. Reg. 82/98 require that a DC background study be prepared in which development charges are determined with reference to:

- The average capital service levels provided in the Town over the 15-year period immediately preceding the preparation of the background study (if applicable);
- A review of future capital projects, including an analysis of gross expenditures, funding sources, and net expenditures incurred, or to be incurred, by the Town or its local boards to provide for the expected development, including the determination of the eligible and ineligible components of the capital projects; and,
- An examination of the long-term capital and operating costs for the capital infrastructure required for each service to which the development charges by-laws would relate.

This study presents the results of the review which determines the development-related net capital costs attributable to growth anticipated to occur in the Town. These development-related net capital costs are then apportioned among residential and non-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 calculated development charges for various types of 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, Council will review this study, and comments received regarding this study or other information brought to Council's attention about the proposed charges. Council will then pass an amending development charges by-law for the Town.

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

A. Legislative Context

The study is prepared in accordance with the DCA and associated regulations, including the amendments that came into force on November 28, 2022 as per *Bill 23: More Homes Built Faster Act, 2022*. Prior to the publishing of this Study, *Bill 185: Cutting Red Tape to Build More Homes Act, 2024* came into force which reversed the 5-year mandatory phase-in of DCs enacted under Bill 23 and provides exemptions for Affordable and Attainable housing projects that meet the legislative requirements. Key legislative changes incorporated into this study include:

- Historical service level standards have been extended from a 10 to 15-year planning period;
- DC by-laws now expire every 10 years instead of 5 years;
- The amount of interest paid on DC deferrals and freeze is capped at prime plus 1%;
- Costs associated with affordable housing services are now ineligible for recovery through DCs;

- Municipalities must spend or allocate 60% of available DC reserve funds per year for roads, water and wastewater services;
- Discounts for purpose-built rentals based on the number of bedrooms; and
- Exemptions for Affordable and Attainable housing developments which meet the definitions under the DCA.

B. Consultation and Approval Process

The following provides a summary of the consultation and approval process to be completed as part of the DC Background Study. Following the release of the DC Background Study, consultation will continue with the public and development industry stakeholders prior to the passage of the new DC By-law anticipated to occur in February 2025.

Timeline of Consultation and Approval Process

Activity	Date
Council Information Session	December 11 th , 2024
Release of DC Amendment Study	December 13 th , 2024
Notice of Public Meeting	December 19 th , 2024
Statutory Public Meeting	January 22 nd , 2025
By-law Passage	February 12th, 2025
Notice of By-law Passage	March 4 th , 2025
Appeal Period Ends	March 24 th , 2025

C. Relevant Agreements Relating to the Phase III Lakeshore Water Pollution Control Plant Expansion

Development charges have been calculated related to the recovery of the Phase III WWTP expansion as well as optimization and inflow and infiltration

work in accordance with recent tenders. As of November 2024, the total project cost of the Phase III expansion was estimated to be \$283.8 million.

A significant portion of the Phase III expansion is anticipated to be funded by developments subject to the Innisfil Developers Allocation Group (IDAG) agreement. Under this agreement, developers are required to prepay the calculated WWTP development charge to fund the project. As a result of these early collections, the Town's need to debenture finance the project will be significantly reduced, as such, financing costs have not been included in WWTP DC rate calculation for developments subject to the IDAG agreement.

2. The DC Methodology Aligns Development-Related Costs and Benefits

Several key steps are required in 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 Town of Innisfil's unique circumstances. The approach to the calculated development charges is focused on providing a reasonable alignment of development-related costs with the development that necessitates them.

A. Consideration for Area Rated Services

In accordance with the DCA, Council must give consideration to the use of area rating, also known as area-specific development charges, as part of the development charges background study. The proposed WWTP expansion will benefit serviced development occurring across the Town and as a result, it is not reasonable to calculate the development charge on an area-specific basis.

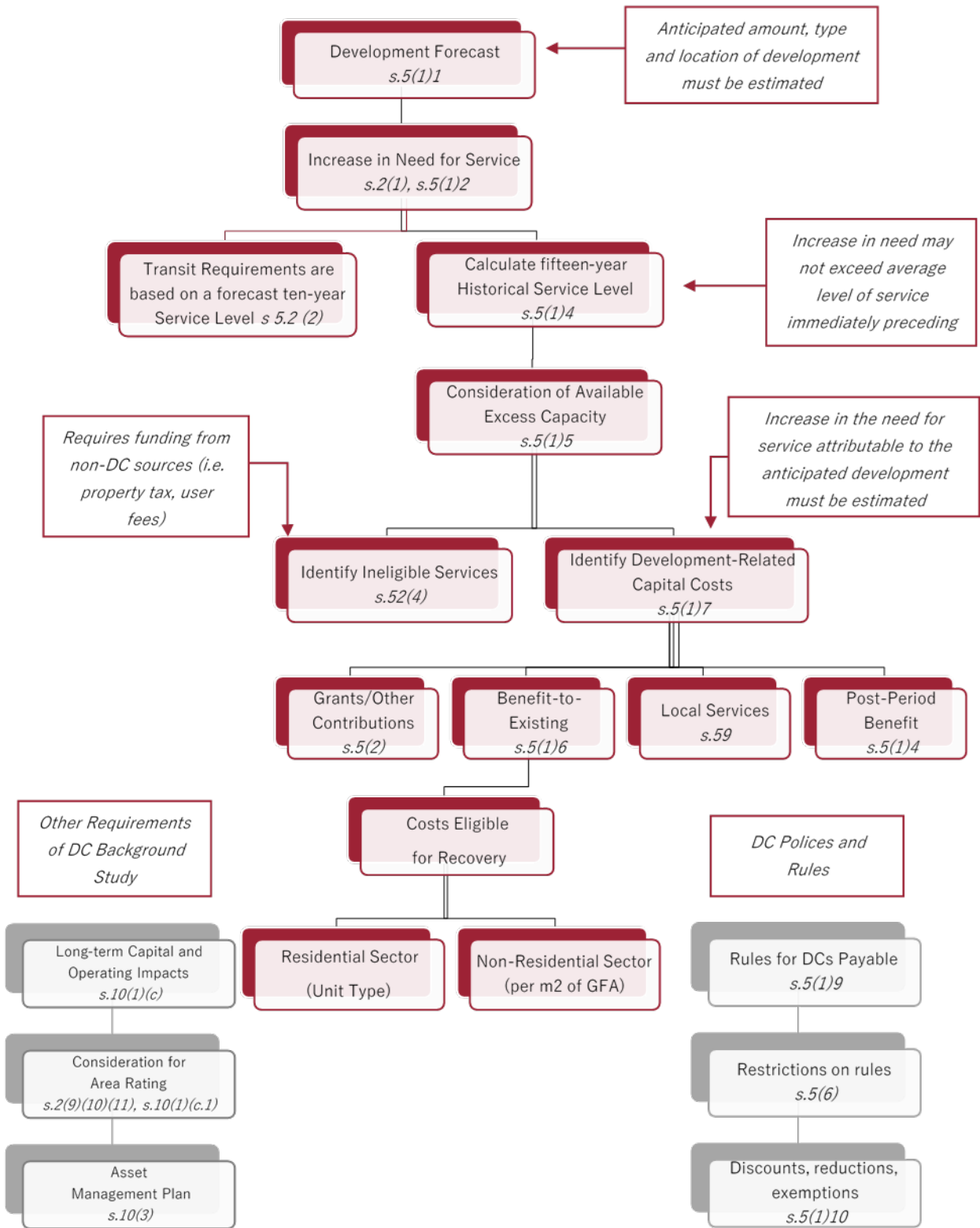
B. Town-Wide Development Charge Proposed

The DCA provides municipalities with flexibility to define services that will be included in the development charges by-laws, provided that its other provisions, as well as those of O. Reg. 82/98, are met. The DCA also requires that the by-laws designate the areas within which DCs shall be imposed. The development charges may apply to all lands in a municipality or to other designated development areas as specified in the by-laws. Recognizing that the proposed WWTP will benefit growth occurring across Innisfil, a Town-wide development charge is proposed.

C. Key Steps In Determining DCs for Future Development-Related Projects

Several key steps are required in calculating DCs for future development-related projects. These are summarized below and shown schematically in Figure 1.

Figure 1: Statutory Requirements of Development Charge Calculation and Study Process



i. Development Forecast

The first step in the methodology requires a development forecast to be prepared. A planning horizon of 2024-2041 has been used for the WWTP and related infrastructure, consistent with the planning horizon used in the 2023 DC Background Study.

The Town's historical practice has been to calculate the WWTP DC rate based on available servicing capacity (cubic metres or m³) and average day flow per capita in order to arrive at cost per capita. This approach is also proposed for the purposes of calculating the WWTP DC rate in this study.

ii. Service Categories and Historical Service Levels

The DCA provides that the increase in the need for service attributable to anticipated development:

... must not include an increase that would result in the level of service exceeding the average level of that service provided in the municipality over the 15-year period immediately preceding the preparation of the background study...(s. 5. (1) 4.)

Historical 15-year average service levels generally form the basis for development charges. However, this requirement is not applicable to the WWTP development charge calculation as the infrastructure included in the capital program is required to achieve health and safety standards as identified in relevant legislation including Provincial regulations, other relevant legislation as well as Town standards (see Section 4(3) of O.Reg. 82/98).

iii. Development-Related Capital Program and Analysis of DC Eligible Costs to be Recovered through Development Charges

A development-related capital program has been prepared as part of the study. The program identifies the gross and net municipal costs, after allowing for capital grants, subsidies or other recoveries as required by the Act (DCA, s. 5. (2)). The capital program provides another cornerstone upon

which development charges are based. The DCA requires that the increase in the need for service attributable to the anticipated development may include an increase:

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

The development-related capital program prepared for this study ensures that development charges are only imposed to help pay for projects that have been or are intended to be purchased or built in order to accommodate future anticipated development. It is not sufficient in the calculation of development charges merely to have had the service in the past. There must also be a demonstrated commitment to continue to emplace facilities or infrastructure in the future. In this regard, O. Reg. 82/98, s. 3 states that:

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

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

There is also a requirement in the DCA to reduce the applicable development charge by the amount of any “uncommitted excess capacity” that is available for a service. Such capacity is available to partially meet the future servicing requirements. Adjustments are made in the capital program analysis to meet this requirement of the DCA.

iv. Attribution to Types of Development

The next step in the determination of development charges is the allocation of the development-related net capital costs between the residential and the non-residential sectors. For the purposes of the WWTP calculation, the allocation is based on the average day demand per capita and per square metre of gross floor area over the planning period, which reflects the anticipated demand for services.

The residential component of the development charges is applied to different housing types based on average occupancy factors. The non-residential component is applied on the basis of gross building space in square metres.

v. Final Adjustment

The final determination of the development charge results from adjustments made to development-related DC eligible costs resulting from the application of any unallocated growth-related reserve fund balances that are available to finance the development-related capital costs in the capital program. A cash flow analysis is also undertaken to account for the timing of projects and receipt of development charges. Interest earnings or borrowing costs are therefore accounted for in the calculation as allowed under the DCA.

D. Operating & Capital Cost Impacts and Asset Management Plan Legislative Requirements

Section 10 of the DCA identifies what must be included in a Development Charges Background Study, namely:

- s.10 (2) The development charge background study shall include,
 - (c) an examination, for each service to which the development charge by-law would relate, of the long term capital and operating costs for capital infrastructure required for the service; and

(c.2) an asset management plan prepared in accordance with subsection (3).

i. Asset Management Plan

(3) The asset management plan shall,

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

The requirement to include an Asset Management Plan (AMP) was part of the DCA amendments that came into effect on January 1, 2016. A key function of the Asset Management Plan is to demonstrate that all assets proposed to be funded under the development charges by-law are financially sustainable over their full life cycle.

3. Development Forecast

The DCA requires the Town to estimate “the anticipated amount, type and location of development” for which development charges may be imposed. The development forecast must cover both residential and non-residential development and be specific enough with regards to quantum, type, location and timing of development to allow the Town to prepare a reasonable development-related capital program.

Consistent with the Town’s historical practice, the WWTP DC rate is based on available servicing capacity (cubic metres or m³) and average day flow per capita in order to arrive at cost per capita. Thus, the development forecast is based on total available servicing capacity as well as average day demand flows. The following average day demand flows are used for residential and non-residential development:

- **Residential** – average day flow per capita = 0.300 m³/day/cap
- **Non-Residential (Industrial)** – average day demand per square metre = 0.00289 m³
- **Non-Residential (Non-Industrial)** – average day demand per square metre = 0.00554 m³

Appendix A of the Town’s 2023 DC Background Study details the anticipated growth in the Town over the 2041 planning horizon. Table A-4 provides details on historical occupancy patterns for different unit types in the Town by period of unit construction and are used to calculate the amending WWTP DC rate in this study.

The overall average occupancy level for single and semi-detached units is 2.77 persons per unit (PPU). Occupancy levels for recently constructed units, built between 2011 and 2021, are typically higher than the overall average and are often used in the development charges calculations since they better reflect the number of people that are likely to reside in new development. The average PPU

of single and semi-detached units built in the Town between 2011 to 2021 is 3.36. Average PPUs for recently constructed row housing and apartments are 2.70 and 1.76, respectively. For the purpose of the development charges calculations, the following PPUs are assumed:

Single & Semi-Detached = 3.36 PPU, based on occupancy levels for units constructed between 2011 and 2021.

Rows & Other Multiples = 2.70 PPU, based on occupancy levels for units constructed between 2011 and 2021.

Apartments – 2 Bedrooms or Larger = 2.00 PPU has been estimated due to the limited sample size of recently constructed apartment units. A higher PPU reflects the Town's plan to accommodate a greater range and mix of apartment unit types moving forward accommodating a range of household sizes, including in the Orbit community.

Apartments – 1 Bedroom or Bachelor = 1.50 PPU has been estimated due to the limited sample size of recently constructed apartment units.

4. Development-Related Capital Forecast

A. A Development-Related Capital Forecast is Provided for Council's Approval

The DCA requires the council of a municipality to express its intent to provide future capital facilities at the level incorporated in the development charges calculation. As noted above in Section 2, O. Reg. 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.

One of the recommendations contained in the DC Background Study is for Council to adopt the WWTP development-related capital program derived for the purposes of the DC calculation. It is acknowledged that changes to the costs and/or scope of work proposed WWTP expansion may occur through the Town's normal capital budget process.

B. The Development-Related Capital Forecast

As summarized below, the WWTP expansion project and associated inflow and infiltration works is anticipated to cost \$284.8 million. Of the \$284.8 million, \$46.1 million is considered ineligible. A portion of the Town's available WWTP DC reserve fund balance (\$26.4 million) has been attributed to the project and is removed from the DC eligible share. Table 1 shows the summary of costs for developments subject to IDAG, which totals \$212.1 million. No post-period shares have been identified for the projects.

Table 2 shows the summary of costs for developments not subject to IDAG, which totals \$284.9 million, which includes \$72.7 million of additional interest costs. No post-period shares of the project have been identified.

Table 1 – Developments Subject to IDAG

Net Municipal Cost	\$284.8 million
Less: Ineligible Costs	\$46.1 million
Less: Available DC Reserves	\$26.4 million
Less: Post-Period Benefit	\$0.0 million
Total DC Eligible In-Period Costs	\$212.2 million

Table 2 – Developments Not Subject to IDAG

Net Municipal Cost	\$284.8 million
Less: Ineligible Costs	\$46.1 million
Less: Available DC Reserves	\$26.4 million
Less: Post-Period Benefit	\$0.0 million
Plus: Interest Costs	\$72.7 million
Total DC Eligible In-Period Costs	\$284.9 million

Tables 3 and 4 outline the development-related capital program for the Wastewater Treatment Costs related to the Lakeshore Water Pollution Control Plant Stage III for developments subject to IDAG, and developments not subject to IDAG.

TABLE 3

**TOWN OF INNISFIL
2024 DEVELOPMENT CHARGES AMENDMENT BACKGROUND STUDY
WASTEWATER TREATMENT COSTS
DEVELOPMENTS SUBJECT TO IDAG**

	Net Municipal Cost	Ineligible Costs	Total DC Eligible Costs	Available DC Reserves	DC Eligible Costs 2023-2041	DC Eligible Costs Post-2041
1 Lakeshore Water Pollution Control Plant Stage III						
1.1 Optimization and I&I Program	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -
1.2 Portion Attributed to 40MLD Expansion	\$ -	\$ (11,200,000)	\$ -	\$ -	\$ -	\$ -
1.3 Construction, Phase 3 Expansion (2024)	\$ 283,753,637	\$ (34,936,328)	\$ 237,617,309	\$ 26,401,485	\$ 211,215,824	\$ -
Subtotal	\$ 284,753,637	\$ (46,136,328)	\$ 238,617,309	\$ 26,401,485	\$ 212,215,824	\$ -
TOTAL	\$ 284,753,637	\$ (46,136,328)	\$ 238,617,309	\$ 26,401,485	\$ 212,215,824	\$ -

Capacity (m ³)	Total Capacity	10% Reserve	Net Capacity
Available Uncommitted Capacity	5,217	1,700	3,517
Phase III added capacity	8,000	800	7,200
Total Capacity Available (m³)	13,217	2,500	10,717
Cost Per Cubic Metre (\$ / m³)			\$19,802

DC Reserve Funds	
Oct 1, 2024	\$26,401,485

TABLE 4

**TOWN OF INNISFIL
2024 DEVELOPMENT CHARGES AMENDMENT BACKGROUND STUDY
WASTEWATER TREATMENT COSTS
DEVELOPMENTS NOT SUBJECT TO IDAG**

	Net Municipal Cost	Ineligible Costs	Total DC Eligible Costs	Available DC Reserves	DC Eligible Costs 2023-2041	DC Eligible Costs Post-2041
1 Lakeshore Water Pollution Control Plant Stage III						
1.1 Optimization and I&I Program	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -
1.2 Portion Attributed to 40MLD Expansion	\$ -	\$ (11,200,000)	\$ -	\$ -	\$ -	\$ -
1.3 Construction, Phase 3 Expansion (2024)	\$ 283,753,637	\$ (34,936,328)	\$ 237,617,309	\$ 26,401,485	\$ 211,215,824	\$ -
1.4 Interest Costs ¹	\$ -	\$ -	\$ -	\$ -	\$ 72,724,597	\$ -
Subtotal	\$ 284,753,637	\$ (46,136,328)	\$ 238,617,309	\$ 26,401,485	\$ 284,940,421	\$ -
TOTAL	\$ 284,753,637	\$ (46,136,328)	\$ 238,617,309	\$ 26,401,485	\$ 284,940,421	\$ -

Capacity (m ³)	Total Capacity	10% Reserve	Net Capacity
Available Uncommitted Capacity	5,217	1,700	3,517
Phase III added capacity	8,000	800	7,200
Total Capacity Available (m³)	13,217	2,500	10,717
Cost Per Cubic Metre (\$ / m³)			\$26,588

DC Reserve Funds	
Oct 1, 2024	\$26,401,485

5. Development Charges are Calculated in Accordance with the DCA

This section summarizes the calculation of development charges for the WTP and the resulting total development charge by type of development, including the calculation of the per capita (residential) and per square metre (non-residential) charges.

For residential development, the per capita amount is applied to different housing types on the basis of average occupancy factors. For non-residential development, the calculated development charges rates are based on gross floor area (GFA) of building space.

It is noted that the calculation of the development charges does not include any provision for exemptions required under the DCA, for example, the exemption for enlargements of up to 50% on existing industrial buildings. Such legislated exemptions, or other exemptions which Council may choose to provide, will result in a loss of development charges revenue for the affected types of development. Any such revenue loss may not be offset, however, by increasing other portions of the calculated charge.

A. Calculated Development Charges Rates

The summary below presents the calculated residential and non-residential development charges for WWTP DC rate for IDAG and non-IDAG developments.

i. IDAG Developments

The table below summarizes the calculated residential and non-residential development charges for the WWTP infrastructure for IDAG development, which does not include financing costs.

Table 5 – IDAG Development Charges

Residential		
<i>Residential Demand</i>		
Average day flow per capita		0.300 m ³ /day/cap
Cost per capita		\$5,940.54
<i>Residential Rate Calculations</i>		
	<u>PPU</u>	<u>\$/Unit</u>
Single & Semi-Detached	3.36	\$19,957
Rows & Other Multiples	2.70	\$16,014
Apartments - 2 Bedroom	2.00	\$11,881
Apartments - Bachelor/1 Bedroom	1.50	\$8,911

Non-Residential:		
<i>Non-Residential Demand</i>		
Average Day Demand Per Hectare		10 m ³ /ha.d
Average Coverage		25%
Average Day Demand GFA		
Non-Residential Development Per Square Metre	0.00400 m ³	
<i>Industrial Development Per Square Metre</i>	<i>0.00289 m³</i>	
<i>Non-Industrial Development Per Square Metre</i>	<i>0.00554 m³</i>	
<i>Non-Residential Rate Calculations</i>		
	<u>Cost per m³</u>	<u>\$/m²</u>
<i>Industrial Development Per Square Metre</i>	\$19,802	\$57.18
<i>Non-Industrial Development Per Square Metre</i>	\$19,802	\$109.72

ii. Non-IDAG Developments

The table below summarizes the calculated residential and non-residential development charges for the WWTP infrastructure for IDAG development, which does include financing costs.

Table 6 – Non-IDAG Development Charges

Residential		
<i>Residential Demand</i>		
Average day flow per capita	0.300 m ³ /day/cap	
Cost per capita	\$7,976.31	
<i>Residential Rate Calculations</i>	<u>PPU</u>	<u>\$/Unit</u>
Single & Semi-Detached	3.36	\$26,796
Rows & Other Multiples	2.70	\$21,501
Apartments - 2 Bedroom	2.00	\$15,953
Apartments - Bachelor/1 Bedroom	1.50	\$11,964

Non-Residential:		
<i>Non-Residential Demand</i>		
Average Day Demand Per Hectare	10 m ³ /ha.d	
Average Coverage	25%	
Average Day Demand GFA		
Non-Residential Development Per Square Metre	0.00400 m ³	
<i>Industrial Development Per Square Metre</i>	<i>0.00289 m³</i>	
<i>Non-Industrial Development Per Square Metre</i>	<i>0.00554 m³</i>	
<i>Non-Residential Rate Calculations</i>	<u>Cost per m³</u>	<u>\$/m²</u>
<i>Industrial Development Per Square Metre</i>	\$26,588	\$76.78
<i>Non-Industrial Development Per Square Metre</i>	\$26,588	\$147.32

B. Comparison of 2024 Newly Calculated Development Charges with Charges Currently in Force in Innisfil

Tables 7 and 8 present a comparison of the newly calculated residential and non-residential WWTP DCs with currently imposed rates. As shown in Table 7, IDAG development charges for single and semi-detached units will increase from the current rate of \$11,689 to \$19,957 per unit. Rows and other multiples will increase from a current rate of \$9,379 to \$16,014 per unit. Apartments (2 Bedroom and larger) will increase from a current rate of \$6,959 per unit to \$11,881 per unit, and apartments (Bachelor or 1 Bedroom) will increase from a current rate of \$5,219 per unit to \$8,911 per unit. The industrial rate will

increase from a current rate of \$30.91 per square metre. to \$57.18 per square metre. The non-industrial rate will increase from a current rate of \$59.08 per square metre to \$109.72 per square metre.

Table 7 - Current vs. Calculated IDAG Rates

Rate Type	Current		Calculated		Difference	
	IDAG		IDAG Rate		\$	%
Single & Semi-Detached	\$	11,689	\$	19,957	\$ 8,268	71%
Rows & Other Multiples	\$	9,379	\$	16,014	\$ 6,635	71%
Apartments - 2 Bedroom	\$	6,959	\$	11,881	\$ 4,922	71%
Apartments - Bachelor/1 Bedroom	\$	5,219	\$	8,911	\$ 3,692	71%
Industrial	\$	30.91	\$	57.18	\$ 26.27	85%
Non-Industrial	\$	59.08	\$	109.72	\$ 50.64	86%

As shown in Table 8, non-IDAG development charges for single and semi-detached units will increase from the current rate of \$12,050 to \$26,796 per unit. Rows and other multiples will increase from a current rate of \$9,669 to \$21,501 per unit. Apartments (2 Bedroom and larger) will increase from a current rate of \$7,174 per unit to \$15,953 per unit, and apartments (Bachelor or 1 Bedroom) will increase from a current rate of \$5,381 per unit to \$11,964 per unit. The industrial rate will increase from a current rate of \$31.87 per square metre. to \$76.78 per square metre. The non-industrial rate will increase from a current rate of \$61.16 per square metre to \$147.32 per square metre.

Table 8 - Current vs. Calculated Non-IDAG Rates

Rate Type	Current		Calculated		Difference	
	Non-IDAG		Non-IDAG Rate		\$	%
Single & Semi-Detached	\$	12,050	\$	26,796	\$ 14,746	122%
Rows & Other Multiples	\$	9,669	\$	21,501	\$ 11,832	122%
Apartments - 2 Bedroom	\$	7,174	\$	15,953	\$ 8,779	122%
Apartments - Bachelor/1 Bedroom	\$	5,381	\$	11,964	\$ 6,583	122%
Industrial	\$	31.87	\$	76.78	\$ 44.91	141%
Non-Industrial	\$	61.16	\$	147.32	\$ 86.16	141%

It is important to note that the calculated DC rates will be subject to annual indexing in accordance with the rules in the draft DC By-law.

6. Cost of Growth Analysis

This section provides a brief examination of the long-term capital and operating costs as well as the asset management-related annual provisions for the capital facilities and infrastructure to be included in the DC By-law. This examination is required as one of the provisions of the DCA.

A. Asset Management Plan

The summary below provides the calculated annual asset management contribution for both the gross capital expenditures and the share related to the 2024-2041 DC recoverable portion. The year 2042 has been included to calculate the annual contribution for the 2024-2041 period as the expenditures 2041 will not trigger asset management contributions until 2042. As shown, by 2042, the Town should fund an additional \$2.6 per annum to fund the full life cycle costs of the WWTP expansion.

Table 9 – Asset Management Plan

Service	2024-2041 Capital Program		Calculated AMP Annual Provision by 2042	
	DC Related	Non-DC Related*	DC Related	Non-DC Related*
Lakeshore Water Pollution Control Plant Stage III	\$ 212,215,824	\$ 72,537,813	\$ 2,598,321	\$ 887,967

*Includes ineligible and post-period shares

B. Long-Term Capital and Operating Cost Impacts

The long-term operating cost impact for the WWTP expansion will be determined and funded as part of the Town’s utility rate model and associated rates.

With respect to long-term capital financing, approximately \$46.1 million will need to be funded from non-DC revenue sources as it relates to the ineligible/benefit to existing share of the project.

C. Program is Deemed Financially Sustainable

The calculated annual funding provision should be considered within the context of the Town's projected growth. Over the next 10 years (to 2034) the Town is projected to increase by approximately 9,200 households. In addition, the Town will also add nearly 4,500 new employees that will result in approximately 271,200 square metres of additional non-residential building space.

By 2041, there will be an increase of nearly 15,590 new households. In addition, the Town will also add 8,270 new employees that will result in approximately 519,450 square metres of additional non-residential building space. This growth will have the effect of increasing the overall assessment base and additional user fee and charges revenues to offset the capital asset provisions required to replace the infrastructure proposed to be funded under the development charges by-law. The collection of these funds is intended to be allocated to the Town's reserves for the future replacement of these assets.

In addition, as part of the annual budget update the Town also contributes to asset replacement reserves and spends on yearly asset replacement needs as needed. Through this annual exercise, staff identify the required funding and propose mitigating measures in order to ensure there are sufficient funds in reserves over the long term. Life-cycle funding methodologies are also reviewed in order to ensure that the Town is continuing to implement financially sustainable practices for funding the eventual replacement of assets.

The calculated annual provisions identified are considered to be financially sustainable as it is expected that the increased capital asset management requirements can be absorbed by the tax and user base over the long-term.

7. Other Considerations and Legislative Requirements

This section sets out other considerations and legislative requirements relating to the DCA including administration and collection, recent legislative changes, and consideration for area rating.

A. Development Charges Administration and Collection

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

i. Development Charges Amount Payable and Date of Payment

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

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

For rental housing and institutional development, DCs must be paid in six equal annual installments beginning at building occupancy (permit or actual occupancy) and for the following five anniversaries of that date.

For required instalments, the Town may charge interest from the date the DC would have been payable to the date the instalment is paid. Interest may accrue on each installment until the final payment has been made. Any skipped or late payments can be added to the tax roll (including interest). Full details on the prescribed payment plans are provided in section 26.1 of the

DCA. In accordance with section 26.3 the maximum interest rate a municipal can charge is prime plus 1%.

ii. Reserve Funds

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

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

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

B. Changes Arising From Bill 23, More Homes Built Faster Act (Bill 23) and Cutting Red Tape to Build More Homes Act (Bill 185)

A list of recent legislative changes that are now in force is provided below.

Table 10 – Recent Changes to the DCA

Section	Description
Section 2(1)	Exemptions for existing rental residential buildings and a range of residential units in existing and new houses.
Section 2(4)	Housing services are ineligible for DC funding (repeal of paragraph 17 of ss.2(4) of the <i>DCA</i>). Existing by-laws are deemed to be “amended” and no development charges can be collected for housing services from November 28, 2022 onward.
Section 4.1	Exemptions for affordable and attainable residential units as defined in the Affordable Residential Units Bulletin.
Section 4.2	Exemptions for non-profit housing development. This does not apply with respect to a DC payable before November 28, 2022.
Section 4.3	Exemption for inclusionary zoning residential units. This does not apply with respect to a DC payable before November 28, 2022.
Section 5(1)	Historical service level calculation period extended from 10 years to 15 years. Does not apply to by-laws in force prior to November 28, 2022.
Section 9(1)	Maximum life of a DC by-law extended from 5 years to 10 years. This does not apply to by-laws in-force before November 28, 2022.
Section 26.1	Deferral payments now apply to rental housing and institutional development. Interest on deferral payments is now capped at prime plus 1% in accordance with s.26.3.
Section 26.2	DCs for rental housing development are now discounted based on the number of bedrooms proposed. Interest on DC freeze now capped at prime plus 1% in accordance with section 26.3.
Section 26.3	Maximum interest rates are capped at prime plus 1%. This does not apply with respect to a DC that was payable before November 28, 2022.

Section	Description
Section 35	Municipalities are now required to spend or allocate at least 60% of reserve balances each year for Water Supply, Wastewater, and services related to a highway beginning in 2023.
Section 44(4)	Rules for front ending agreements as they relate to affordable and attainable residential units.
Section 60(1)(s.4)	Additional services for which municipalities are required to spend or allocate at least 60% of reserve fund balances may be prescribed through Regulations (none are proposed as of yet).
Section 60(1)(d.2) and 9d.3)	Prescribes developments and criteria related to attainable residential units (section 4.1).

C. Development Charges Administration

Many of the administrative requirements of the DCA will be similar to those presently followed by the Town in terms of collection practices. However, changes will likely be required in the use of and reporting on the new development charges. In this regard:

- It is recommended that the present practices regarding collection of development charges and by-law administration continue to the extent possible;
- As required under the DCA, the Town should codify any rules regarding application of the by-laws and any exemptions within the development charges by-laws proposed for adoption;
- It is recommended that the Town develop reporting policies consistent with the requirements of the DCA;

- It is recommended that the by-laws permit the payment of a development charge in cash or through services-in-lieu agreements. The municipality is not obligated to enter into services-in-lieu agreements;
- The proposed draft by-law will set out the rules to determine development charges applicable in any particular case. Rules for exemptions are also outlined in the proposed draft by-law; and
- It is recommended that Council adopt the development-related capital forecast included in this background study, subject to annual review through the Town's normal capital budget process.

The Corporation of the Town of Innisfil

By-Law No. 013-25

A By-Law of The Corporation of the Town of Innisfil to impose development charges for the recovery of growth-related capital costs for Wastewater Treatment Service (Plant).

Whereas pursuant to subsection 2(1) of the *Development Charges Act*, S.O. 1997, c.27 (hereinafter called the Act) enables the Council of a municipality to pass by-laws for the imposition of development charges against land within the municipality for increased capital costs required because of the need for municipal services arising from development in the area to which the by-law applies; and

Whereas the Council of The Corporation of the Town of Innisfil, at its meeting of February 12, 2025, approved the Town of Innisfil Development Charges Amendment Background Study dated December 13, 2024 (the "Study"), as amended, required by section 10 of the Act indicating that it intends that the increase in the need for services attributable to development be met; and

Whereas public meetings have been held, on January 22, 2025, and February 12, 2025, before passage of this by-law with notice given and sufficient information made available to the public pursuant to section 12 of the Act; and

Whereas Council has heard all persons who applied to be heard in objection to, or in support of, the development charges proposal at such public meeting and provided a subsequent period for written communications to be made; and

Whereas on February 12, 2025, Council determined that no further public meetings were required under section 12 of the Act; and

Whereas on February 12, 2025, expressed its intention that any excess capacity identified in the Study shall be paid for by development charges contemplated in the said Study or other similar changes; and

Whereas Council, in approving the Study directed that development charges be imposed on land under development or redevelopment within the geographical limits of the municipality as hereinafter provided.

Now Therefore Council of The Corporation of the Town of Innisfil enacts as follows:

Definitions

1. In this By-law:

Act means the *Development Charges Act, 1997*, S.O. 1997, c.27 as amended, or successor legislation;

Agricultural Use means a bona fide farming operation, including sod farms, the breeding and boarding of horses, and greenhouses;

Air-Supported Structure means an air supported structure as defined in the *Building Code Act*;

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Apartment Dwelling means any residential dwelling unit within a building containing four or more dwelling units where the residential units are connected by an interior corridor and including units defined as a Stacked Townhouse or Special Care Dwelling Units; or any dwelling unit in a Multiple Use building or structure, other than a home occupation.

Bedroom means a room which can be used as sleeping quarters but does not include a kitchen, bathroom, living room or dining room, but does include a den or study;

Board of Education means a board of education, public school board, secondary school board, Catholic school board or Protestant school board;

Building or Structure means a structure as defined in the *Building Code Act*, and includes an air-supported structure and an exterior storage tank;

Building Code Act means the *Building Code Act*, S.O. 1992, chapter 23, as amended, or any successor thereto and all Regulations thereto, as amended;

Building Permit means a Permit issued in accordance with the *Building Code Act*;

County means The County of Simcoe;

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 Total Floor Area and includes Redevelopment;

Development Charge means a charge imposed pursuant to this By-law;

Dwelling Unit means one or more habitable rooms designed or intended to be used together as a single and separate unit by one person or jointly by two or more persons, containing its own kitchen and sanitary facilities, with a private entrance from outside the unit itself;

Farm Building means a building or structure used as part of or in connection with a bona fide farming operation and includes barns, silos and other buildings or structures ancillary to a bona fide farming operation, but excluding a residential use and/or buildings and structures for retail uses and cannabis use;

Grade means the average level of proposed or finished ground adjoining a building or structure at all exterior walls;

Industrial Use means a building used for or in connection with:

- (a) manufacturing, producing, processing, or distributing something;
- (b) research or development in connection with manufacturing, producing or processing something;
- (c) retail sales by a manufacturer, producer or processor of something they manufactured, produced or processed, if the retail sales are at the site where the manufacturing, production or processing takes place;

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(d) office or administrative purposes, if they are carried out with respect to manufacturing, producing, processing, storage or distributing of something, and in or attached to the building or structure used for manufacturing, producing, processing, storage or distribution.

Local Board means a public utility commission, transportation commission, public library board, board of park management, local board of health, police services board, planning board, or any other board, commission, committee, body or local authority established or exercising any power or authority under any general or special Act with respect to any of the affairs or purposes of the Town or the County;

Long Term Care Home or Nursing Home means premises in which lodging is provided with or without meals and in addition, nursing or medical care and treatment is provided in accordance with the *Long Term Care Homes Act, 2007*, as amended, and/or other applicable legislation and regulations, and shall include a hospice in accordance with any applicable regulations, but does not include a Retirement Home as defined herein. For the purpose of this by-law, a Long-Term Care Home or Nursing Home structure is considered a Non-Industrial Use.

Manufactured Housing means a prefabricated dwelling that is manufactured and assembled in a factory and then transported to a site for use. Manufactured Housing are built as dwelling units of at least 30 square metres with a permanent chassis to assure the initial and continued transportability of the home. The combined gross floor area of a Manufactured House shall not exceed 100 square metres. Manufactured Housing does not include modular homes that are constructed and then transported to a site for assembly. For the purposes of this definition, Park Model Trailers are considered Manufactured Housing. Park Model Trailers shall not exceed 50 square meters and are transportable and primarily designed for long-term or permanent placement. For the purpose of this by-law, this type of dwelling unit is considered to be equivalent to a large apartment unit.

Mezzanine means a mezzanine as defined in the *Building Code Act*;

Multiple Dwellings means all dwellings other than single-family detached dwellings, semi-detached dwellings, and apartment dwellings;

Multiple Use means any Building or Structure that contains portions of the Building or Structure that vary between the definition of Residential or Non-Residential within the same Building or Structure.

Non-Industrial Use means a building or structure used for other than a residential use or an industrial use.

Non-Profit Housing Development means the development of a building or structure intended for use as a residential premises and developed by,

- (a) a corporation to which the Not-for-Profit Corporations Act, 2010 applies, that is in good standing under that Act and whose primary object is to provide housing,
- (b) a corporation without share capital to which the Canada Not-for-profit

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Corporations Act applies, that is in good standing under that Act and whose primary object is to provide housing, or

- (c) a non-profit housing co-operative that is in good standing under the Co-operative Corporations Act, 2022, c. 21, Sched. 3, s. 4.

Non-Residential Use means land, buildings or structures or portions thereof used, or designed or intended to be used for a use other than for a residential use;

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;

Places of Worship means that part of a building or structure that is exempt from taxation under Section 3 of the *Assessment Act*, R.S.O. 1990 C.A. 31, as amended, as a place of worship under the *Assessment Act*, 1990, as amended or any successor thereto;

Planning Act means the *Planning Act*, R.S.O. 1990 C.P. 13, as amended and all Regulations enacted thereunder;

Private School means an institution at which instruction is provided on any school day for five or more pupils who are of or over compulsory school age in subjects of the elementary or secondary school courses of study as defined by the *Education Act* and is not a school of a Board of Education. Notwithstanding the Zoning By-law designation for the lands on which the Private School is to be located, for the purpose of this by-law a Private School is to be considered a Non-Industrial Use;

Protracted means in relation to a Temporary Building or Structure the persistence of its construction, erection, placement on land, alteration or of an addition to it for a period exceeding eight months;

Redevelopment means the construction, erection or placing of one or more buildings or structures on land where all or part of a building or structure has previously been demolished on such land, or the conversion of an existing use to another use;

Rental Housing means development of a building or structure with four or more dwelling units all of which are intended for use as rented residential premises;

Residential Uses means land, buildings or structures or portions thereof used, designed, or intended to be used principally (or primarily) as living accommodation for one or more individuals and shall include a Single Detached Dwelling, a Semi-Detached Dwelling, a Row and Other Multiple Dwelling, an Apartment Dwelling, a Special Care Dwelling Unit, a Stacked Townhouse, an Accessory Dwelling, and the residential portion of a Multiple Use building;

Retail Motor Vehicle Establishment means a building or structure used or designed or intended to be used for the sale, rental or servicing of motor vehicles, or any other function associated with the sale, rental or servicing of motor vehicles including but not limited to detailing, leasing and brokerage of motor vehicles, and short or long-term storage of customer motor vehicles. Notwithstanding the Total Floor Area definition included in this by-law, for a retail motor vehicle establishment, Total Floor Area includes

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the sum of the areas of each floor used, or designed or intended for use for the parking or storage of motor vehicles. For the purpose of this by-law a Retail Motor Vehicle Establishment is to be considered a Non-Industrial Use;

Retirement Home means premises that provides accommodation primarily to retired persons or couples where each private bedroom or living unit has a separate private bathroom and separate entrance from a common hall but where common facilities for the preparation and consumption of food are provided, and where common lounges, recreation rooms and medical care facilities may also be provided, but which shall not include a Long Term Care Home or Nursing Home. For the purpose of this by-law, a Retirement Home structure will be considered Multiple Use.

Row and Other Multiple Dwelling Unit means all dwellings units other than a Single Detached Dwelling, Semi-Detached Dwelling, Apartment Dwelling, a Special Care Dwelling Unit, a Stacked Townhouse Dwelling and an Accessory Unit and includes but is not limited to Townhouses and Back-to-Back Townhouses.

Semi-Detached Dwelling means a building divided vertically, into two separate dwelling units, with at least 50 per cent of the above-grade area of a main wall on one side of each dwelling unit attached to or the same as a main wall on one side of the other dwelling unit;

Services means services designated in Section 6 to this By-law or in agreement under Section 44 of the Act, or both;

Single-Detached Dwelling means a completely detached residential building containing only one dwelling unit;

Special Care Dwelling Unit means a unit in a residential building not otherwise defined in this bylaw containing self-contained dwelling units which may include culinary facilities, which are designed to accommodate persons with specific needs and where meals are provided within the development on a regular basis, including, but not limited to, Independent Living Units and Assisted Living Units. For the purpose of this by-law, a Special Care Dwelling Unit is considered to be equivalent to a small apartment unit;

Stacked Townhouse Dwelling means a building containing two or more dwelling units where each dwelling unit is separated horizontally and/or vertically from another dwelling unit by a common wall or floor. For the purpose of this by-law, a Stacked Townhouse Dwelling is considered to be an Apartment Dwelling.

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;

Total Floor Area means the sum total of all the areas of the floors in a building or structure, whether at, above, or below-grade, measured between the exterior faces of the exterior walls of the building or structure or from the center line of a common wall separating two uses, or from the outside edge of a floor where the outside edge of the floor does not meet an exterior or common wall, and:

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- (a) includes the floor area of a mezzanine and air-supported structure and the space occupied by interior wall partitions; and
- (b) excludes any parts of the building or structure used for mechanical equipment related to the operation or maintenance of the building or structure, stairwells, elevators, washrooms, and the parking and loading of vehicles, and;
- (c) where a building does not have any walls, the total floor area shall be the sum total of the area of land directly beneath the roof of the building and the total areas of the floors in the building or structure.

Town means The Corporation of the Town of Innisfil;

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 19, inclusive and Section 28 of this By-law;
 - (c) the exemptions provided for by such rules shall be the exemptions set forth in Sections 20 through 27, inclusive of this By-law, the indexing of charges shall be in accordance with Section 18 of this By-law; and
 - (d) the Redevelopment of land shall be in accordance with the rules set forth in Section 28 of this By-law.

Lands Affected

- 3. This By-law applies to all lands in the geographic area of the Town, subject to the following:
 - (a) municipal wastewater services Development Charges, as identified on Schedules A and B will only be levied against development of land that will receive sanitary sewerage services from the Town of Innisfil, or a local board thereof, at the time of Development.

Designation of Services

- 4. It is declared by Council that all development of land within the area to which this By-law applies 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, except as set out in subsections 3(a) and 3(b) of this By-law.

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6. Development Charges shall be imposed for the following category of service to pay for the increased capital costs required because of increased needs for services arising from development:

- (a) Wastewater Treatment

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, 1998*; or
- (g) the issuing of a Permit under the *Building Code Act* in relation to a Building or Structure.

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 12, 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 that action.

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 required for the increased or additional Development being granted.

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 as council may require, or that the owner pay for local connections to storm drainage facilities installed at the owner's expense, or

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administrative, processing, or inspection fees.

Calculation of Development Charges, Timing and Payment

13. The Development Charge with respect to the use of any land, Buildings or Structures shall be calculated as follows:
 - (1) in the case of Residential Development, or the residential portion of a Multiple Use Development, based upon the number and type of Dwelling Units; or
 - (2) in the case of Non-Residential Development, or the non-residential portion of a Multiple Use Development, based upon the Total Floor Area of such development.
 - (3) Development Charges shall be payable in full in money or by provision of services as may be agreed upon on the date that the first building permit is issued in relation to a building or structure on land to which a development charge applies;
 - (4) The amount of Development Charge will be determined in accordance with Section 26, 26.1 and 26.2 of the Act, prior to issuance of the building permit or revision to building permit;
 - (5) If construction has not begun after 24 months from the date of issuance of a building permit (conditional or full), a top-up to the rate in effect at that time will apply;
 - (6) Notwithstanding subsection (3), Development Charges for Rental Housing and Institutional Developments in accordance with Section 26.1 of the Act, are due inclusive of interest established from the date the Development Charge would have been payable in accordance with Section 26 of the Act, in 6 equal annual payments beginning on the date that is the earlier of:
 - (i) the date of the issuance of a permit under the Building Code Act, 1992 authorizing occupation of the building; and
 - (ii) the date the building is first occupied and continuing on the following five anniversaries of that date.
 - (7) Where the development of land results from the approval of a site plan or zoning by-law amendment application received on or after January 1, 2020, and the approval of the application occurred within 18 months of building permit issuance, or such other time period as may be prescribed by the Act, the development charges under shall be calculated on the rates set out in Schedules A and B on the date of the site plan or zoning by-law amendment application, including interest. Where both site plan or zoning by-law amendment applications apply, Development Charges under Section 13 shall be calculated on the rates in effect on the day of the later planning application, including interest.
14. (1) Subject to Section 28 (with respect to Redevelopment) and subsection (2) the Development Charge shall be calculated as of, and shall be payable prior to

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issuance, on the date the first Building Permit is issued in relation to a building or structure on land to which the Development Charge applies.

- (2) Notwithstanding subsection (1), the Town may require and where so required an Owner shall enter into an agreement, including the provision of security for the Owner's obligations under agreement, pursuant to Section 27 of the Act and, without limiting the generality of the foregoing, such an agreement may require the early payment of the development charges hereunder. The terms of such agreement shall then prevail over the provisions of this By-law.

Amount of Charge – Residential

15. For greater certainty, the Development Charges described in Schedules A and 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 Multiple Use Building or Structure, on the Residential component of the Multiple Use Building or Structure, according to the type of Residential Use.

Amount of Charge – Non-Residential

16. For greater certainty, the Development Charges described in Schedules A and B to this By-law shall be imposed on Non-Residential Uses of lands, Buildings or Structures and, in the case of a Multiple Use Building or Structure, on the Non-Residential components of the Multiple Use Building or Structure, and calculated with respect to each of the services according to the Total Floor Area of the Non-Residential Use.

Phase-in of Development Charges

17. Development charges shall be phased in accordance with the requirements of the Act.

Indexing of Development Charges

18. The Development Charges set out in Schedules A and B hereto shall be adjusted without amendment to this By-law annually on April 1st in each year, commencing April 1st, 2025, in accordance with the most recent twelve month change in the Statistics Canada Quarterly, Building Construction Price Index.

Payment by Money or the Provision of Services

19.
 - (1) Payment of Development Charges shall be by cash or by cheque payable to the Treasurer of the Town of Innisfil.
 - (2) In the alternative to payment by the means provided in subsection (1), the Town may, by an agreement entered into with the Owner, accept the provision of services in full or partial satisfaction of the Development Charge otherwise payable provided that:
 - (a) If the Town and the Owner cannot agree as to the reasonable cost of doing the work under sub-section (2), the dispute shall be referred to Council whose decision shall be final and binding.

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- (b) If the credit exceeds the amount of the charge for the service to which the work relates:
 - (i) the excess amount shall not be credited against the charge for any other service, unless the Town has so agreed in an agreement under Section 38 of the Act; and
 - (ii) in no event shall the Town be required to make a cash payment to the credit holder.
- (3) Nothing in this By-law prevents Council from requiring, as a condition of any approval given under the *Planning Act* that the Owner, at the Owner's expense, install such local services as Council may require in accordance with the Town's local services' policies in effect at the time.

Exemptions for Intensification of Existing Housing

- 20. (1) 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:
 - (a) of permitting the enlargement of an existing Dwelling Unit;
 - (b) of creating one or two additional Dwelling Units in an existing Single-Detached Dwelling;
 - (c) of creating one additional Dwelling Unit in an existing Semi-Detached Dwelling; or
 - (d) of creating additional dwelling units equal to the greater of one or 1% of the existing dwelling units in an existing residential rental building containing four or more dwelling units to the existing residential building;
 - (e) of creating one additional Dwelling Unit for any other existing Residential Use.
- (2) Notwithstanding clauses (1)(b) to (e), a Development Charge shall be imposed with respect to the creation of one or two additional Dwelling Units in a Building, if the Total Floor Area of the additional one or two Dwelling Units exceeds the Total Floor Area of the existing Dwelling Unit for the purposes of clause (1)(b) and (1)(d), and the smallest existing Dwelling Unit for the purposes of clause (1)(e).

Industrial Expansion Exemption

- 21. (1) If a Development includes the enlargement of the Total Floor Area of an existing Building, the amount of the Development Charge that is payable is the following:
 - (a) if the Total Floor Area is enlarged by 50 per cent or less, the amount of the Development Charge in respect of the enlargement is zero; and
 - (b) if the Total Floor Area is enlarged by more than 50 per cent, Development Charges are payable on the amount by which the enlargement exceeds

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50 per cent of the Total Floor Area before the enlargement.

- (2) In this section, for greater certainty in applying the exemption herein:
- (a) the Total Floor Area of an existing Industrial Building shall be determined as of the date this By-law comes into force; and
 - (b) the Total Floor Area of an existing Industrial Building is enlarged where there is a bona fide increase in the size of the existing Building and the enlarged area is attached to existing Industrial Building and is used for or in connection with an industrial purpose as set out in subsection 1(1) of O. Reg. 82/98. Without limiting the generality of the foregoing, the exemption in this section shall not apply where the enlarged area is attached to the existing Industrial Building by means only of a tunnel, bridge, canopy, corridor or other passageway, or through a shared below grade connection such as a service tunnel, foundation, footing or a parking facility.

Other Statutory Exemptions and Discounts

22. Notwithstanding the provisions of this By-law, development charges shall not be imposed with respect to developments or portions of developments, as per the Act, as follows:
- (a) Non-profit housing
 - (b) Inclusionary zoning residential units in respect of residential units that are affordable housing units required to be included in a development or redevelopment pursuant to a by-law passed under section 34 of the *Planning Act* to give effect to the policies described in subsection 16 (4) of that Act. 2022, c. 21, Sched. 3, s. 4.
23. The following designated categories of uses are subject to discounted development charges, as per the Act, as noted below:
- (a) notwithstanding the table of development charges set out in Schedules A and B in the case of rental housing development, the development charge for a residential unit intended for use as a rental residential premises with three or more bedrooms shall be reduced by 25%;
 - (b) notwithstanding the table of development charges set out in Schedules A and B in the case of rental housing development, the development charge for a residential unit intended for use as a rental residential premises with two bedrooms shall be reduced by 20%;
 - (c) notwithstanding the table of development charges set out in Schedules A and B in the case of rental housing development, the development charge for a residential unit intended for use as a rental residential premises not referred to in section (a) or (b) above shall be reduced by 15%.

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24. Provisions, exemptions, discounts and definitions included in Sections 20, 21, 22 and 23 of this by-law are subject to the requirements of the Act including any amendments thereof.

Institutions

25. (1) The following categories of Institutions are hereby designated as being exempt from the payment of Development Charges:
- (a) Buildings or Structures used as Hospitals governed by the *Public Hospitals Act*, R.S.O 1990, c. P. 40;
 - (b) Buildings or Structures owned by and used for the purposes of the Town, the County, or their Local Boards;
 - (c) Buildings or Structures owned by a Board of Education and used for school purposes;
 - (d) Buildings or Structures owned by and used for the purposes of a college of applied arts and technology established pursuant to the Ministry of Training Colleges and Universities Act, R.S.O. 1990, c. M.19;
 - (e) Buildings or Structures owned by and used for the purposes of a university established by an Act of the Legislative Assembly of Ontario; and
 - (f) Places of Worship.
- (2) The exemption referred to in paragraph 25(1)(b) does not apply to the development for Residential Uses of lands owned by:
- (a) the County or any local board thereof; or
 - (b) any corporation owned, controlled, or operated by the County.

Agricultural Uses

26. Agricultural Uses as well as Farm Buildings shall be exempt from the provisions of this By-law.

Temporary Buildings or Structures

27. (1) Temporary Buildings or Structures shall be exempt from the provisions of this By-law.
- (2) In the event that a Temporary Building or Structure becomes protracted, 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 become payable on the date the Temporary Building or Structure becomes protracted.

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- (3) Prior to the Town issuing a Building Permit for a Temporary Building or Structure, the Town 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 subsection 27(2) of this By-law 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

28. (1) 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 since 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 or the Non-Residential Total Floor Area being converted or demolished by the relevant Development Charge in effect on the date when the Development Charge is payable in accordance with this By-law.
- (2) 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 Town for the Development within five years from the date the demolition permit was issued.
- (3) The amount of any credit hereunder shall not exceed, in total, the amount of the Development Charges otherwise payable with respect to the Development.
- (4) No credit shall be provided for a Development that was exempt from payment of Development Charges at the time of its original construction or for which no Development Charge was paid.

Interest on Refunds

29. The Town shall pay interest on a refund under subsection 18(3) and 25(2) of the Act at a rate equal to the Bank of Canada rate on the date this By-law comes into force.

Front Ending Agreements

30. The Town may enter into agreements under Section 44 of the Act.

Schedules

31. The following Schedules are attached to this by-law:
 - a) Schedule A – Wastewater Treatment Charges
 - b) Schedule B – Wastewater Treatment Charges Developments Subject to the IDAG Agreement
 - c) Schedule C – Geographic area to which the Development Charges rates for Schedule A is applied

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By-law Registration

32. A certified copy of this By-law may be registered in the by-law register in the Land Registry Office against all land in the Town and may be registered against title to any land to which this By-law applies.

Date By-law Effective

33. This By-law comes into force and effect on February 13th, 2025.

Date By-law Expires

34. This By-law expires ten years from its effective date, unless repealed earlier.

Repeal

35. By-law 100-23 is repealed effective on the date this By-law comes into force.

Headings for Reference Only

36. 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

37. 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, re-enacted or amended, in whole or in part or dealt with in any other way.

Short Title

38. This By-law may be referred to as the Town's Development Charges By-law.

Passed this 12th day of February 2025.

Lynn Dollin, Mayor

Patty Thoma, Clerk

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Schedule 'A'

Wastewater Treatment Charges

Rate Type	Measure	Non-IDAG
Single & Semi-Detached	\$/unit	\$ 26,796
Rows & Other Multiples	\$/unit	\$ 21,501
Apartments - 2 Bedroom	\$/unit	\$ 15,953
Apartments - Bachelor/1 Bedroom	\$/unit	\$ 11,964
Industrial	\$/square metre	\$ 76.78
Non-Industrial	\$/square metre	\$ 147.32

Note:

- 1) These charges are applicable to development receiving municipal sewer and/or water servicing within the prescribed service area.
- 2) The Service Area is shown on Schedule C.

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Schedule 'B'

Wastewater Treatment Charges Developments Subject to the IDAG Agreement

Rate Type	Measure	IDAG
Single & Semi-Detached	\$/unit	\$ 19,957
Rows & Other Multiples	\$/unit	\$ 16,014
Apartments - 2 Bedroom	\$/unit	\$ 11,881
Apartments - Bachelor/1 Bedroom	\$/unit	\$ 8,911
Industrial	\$/square metre	\$ 57.18
Non-Industrial	\$/square metre	\$ 109.72

Note:

- 3) These charges are applicable to development receiving municipal sewer and/or water servicing within the prescribed service area.
- 4) The Service Area is shown on Schedule C.

Schedule 'C'

Geographic area to which the Development Charges rates for Schedules A & B are applied.

