

Addendum to:

**Town of Cobourg
2016 Development Charges
Background Study**

September 11, 2017



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 **Planning for growth**

List of Acronyms and Abbreviations

D.C.	Development Charge
D.C.A.	Development Charges Act
G.F.A.	Gross floor area
s.s.	Subsection
sq.ft.	Square footage

Summary of Revisions made to November 3, 2016 Development Charges Background Study (as amended December 20, 2016 and July 20, 2017)

1. Background

Commensurate with the provisions of the *Development Charges Act* (D.C.A.), 1997, the Town of Cobourg (Town) has undertaken a Development Charges (D.C.) Background Study and has distributed the study to the public, held a public meeting of Council to discuss the matter and passed a D.C. by-law on January 3, 2017. The following provides a summary of the key dates in the D.C. by-law process:

- November 3, 2016 – Release of the D.C. Background Study;
- December 12, 2016 – Public Meeting;
- December 20, 2016 – Addendum to the November 3, 2016 Background Study;
- January 3, 2017 – Passage of D.C. by-law.
- July 20, 2017 – Addendum to the November 3, 2016 D.C. Background Study (as amended)
- August 21, 2017 – Public Meeting

The purpose of this addendum to is to provide revisions to the non-statutory exemption policies to the payment of D.C.s

2. Discussion

This section of the Addendum Report provides an explanation for the above noted modifications to the draft amending D.C. By-law.

The D.C.A. provides for some statutory exemptions but also allows municipalities the ability to provide exemptions by by-law at the municipality's discretion. Rules must be developed to determine if a D.C. is payable in any particular case and these rules may provide for full or partial exemptions for types of development (s.s.5(1)9 & 10). A D.C. By-law must set out an express statement indicating how, if at all, the rules provide for exemptions (s.6, para. 1).

The following revisions to the Town's existing non-statutory D.C. exemptions are provided in the draft amending D.C. By-law:

1. The addition of a non-statutory exemption to recognize Council's intent to encourage the development of coach-house dwelling units.
2. The Town's current D.C. By-law includes a non-statutory exemption for commercial and institutional developments of equal or less than 4,000 sq.ft. of gross floor area. This exemption has been revised to limit the exemption to new construction only, as such this exemption would not apply to expansions of existing commercial and institutional buildings, or to new development on sites containing existing commercial or institutional buildings.

Based on the foregoing, Section 3.11 of By-law 001-2017 will be replaced in the draft amending D.C. By-law as follows:

Other Exemptions

- 3.11 Notwithstanding the provisions of this by-law, development charges shall not be imposed with respect to:
 1. Commercial and Institutional development of equal or less than 4,000 square feet of gross floor area.
 2. Industrial developments within the Existing Urban Service Area.
 3. Coach house dwelling units.
- 3.11.1 Notwithstanding section 3.11, paragraph 1., development charges will be imposed on expansions to existing commercial and institutional buildings, and for any commercial or institutional development on the same site as an existing commercial or institutional building.
- 3.11.2 Notwithstanding section 3.11, paragraph 3., development charges for coach house dwelling units shall be imposed only if the coach house dwelling unit has a gross floor area greater than the gross floor area of the existing dwelling unit.

Furthermore, the draft amending D.C. By-law will include the following definition to be added to Section 1 (Interpretation) of By-law 001-2017:

“Coach House Dwelling Unit” means:

- I. one (1) additional dwelling unit on a lot that is located within an accessory building or structure; and

- II. the accessory building or structure must be located on a residential lot containing a single detached, semi detached, or townhouse dwelling.

3. Changes to the Background Report

Based on the foregoing, the following revisions are made to the pages within the November 3, D.C. Background Study (as amended). Accordingly, the revised pages are appended to this report:

- Pages 7-3 to 7-5 – Reissued to reflect the changes described herein; and
- Appendix D – Draft amending D.C. By-law

4. Process for Adoption of the Development Charges By-law

The revisions provided herein form the basis for the D.C. By-law amendment and will be incorporated into the D.C. Background Study. This addendum report (i.e. background study) will be provided on the Town's website and the report and proposed amending by-law will be presented to Council, and the general public, at a public meeting of Council, prior to Council's consideration and adoption of the proposed D.C. By-law.

If Council is satisfied with the above noted changes to the D.C. Background Study and D.C. By-law, then prior to by-law passage Council must:

- Approve the D.C. Background Study, as amended;
- Determine that no further public meetings are required on the matter; and
- Adopt the amended D.C. By-law.

Appendix A - Amended Pages

- 2) Costs allocated to residential and non-residential uses are based upon a number of conventions, as may be suited to each municipal circumstance. These are summarized in Chapter 5 herein.

7.2.3 Application to Redevelopment of Land (Demolition and Conversion)

If a development involves the demolition and replacement of a building or structure on the same site, or the conversion from one principal use to another, the developer shall be allowed a credit equivalent to:

- 1) the number of dwelling units demolished/converted multiplied by the applicable residential D.C. in place at the time the D.C. is payable; and/or
- 2) the gross floor area of the building demolished/converted multiplied by the current non-residential D.C. in place at the time the D.C. is payable.

The demolition credit is allowed only if the land was improved by occupied structures, and if the demolition permit related to the site was issued less than 60 months (5 years) prior to the issuance of a building permit. The credit can, in no case, exceed the amount of D.C.s that would otherwise be payable.

7.2.4 Exemptions (full or partial)

a) Statutory exemptions

- Industrial building additions of up to and including 50% of the existing gross floor area (defined in O.Reg. 82/98, s.1) of the building; for industrial building additions which exceed 50% of the existing gross floor area, only the portion of the addition in excess of 50% is subject to D.C.s (s.4(3));
- Buildings or structures owned by and used for the purposes of any Town, local board or Board of Education (s.3); and
- Residential development that results in only the enlargement of an existing dwelling unit, or that results only in the creation of up to two additional dwelling units (based on prescribed limits set out in s.2 of O.Reg. 82/98).

b) Non-statutory exemptions

- commercial and institutional developments of equal to or less than 4,000 square feet of gross floor area, except for expansions to existing commercial and institutional building and development on the same site as an existing commercial or institutional building;

- industrial developments within the Existing Urban Service Area; and
- coach house dwelling units

7.2.5 Phase in Provision(s)

No provisions for phasing in the D.C. are provided in the proposed D.C. by-law.

7.2.6 Timing of Collection

The D.C.s for all services are payable upon issuance of a building permit for each dwelling unit, building or structure, subject to early or late payment agreements entered into by the Town and an owner under s.27 of the D.C.A., 1997.

7.2.7 Indexing

All D.C.s will be subject to mandatory indexing annually on January 1st, in accordance with provisions under the D.C.A.

7.3 Other Development Charge By-law Provisions

7.3.1 Categories of Services for Reserve Fund and Credit Purposes

It is recommended that the Town's D.C. collections be contributed into fourteen (14) separate reserve funds, including: Transit, Municipal Parking, Parks and Recreation, Library, Administration, Marina, Transportation, Fire, Police, Existing Urban Service Area Water, Existing Urban Service Area Wastewater, East Cobourg Service Area Stormwater Management, East Cobourg Service Area Water, and East Cobourg Service Area Wastewater.

It is further recommended that all D.C. exemptions granted over the life of the by-law be contributed into the applicable D.C. reserve funds from non-D.C. sources.

7.3.2 By-law In-force Date

The proposed by-law under D.C.A., 1997 will come into force on the date of by-law passage.

7.3.3 Minimum Interest Rate Paid on Refunds and Charged for Inter-Reserve Fund Borrowing

The minimum interest rate is the Bank of Canada rate on the day on which the by-law comes into force (as per s.11 of O.Reg. 82/98).

7.4 Other Recommendations

It is recommended that Council:

“Approve the capital project listing set out in Chapter 5 of the D.C.s Background Study dated November 3, 2016 (as amended), subject to further annual review during the capital budget process;”

“Approve the D.C.s Background Study dated November 3, 2016 (as amended);”

“Determine that no further public meeting is required;” and

“Approve the D.C. By-law as set out in Appendix D.”

THE CORPORATION OF THE TOWN OF COBOURG

BY-LAW ____-2017

A BY-LAW TO AMEND BY-LAW 001-2017 RESPECTING DEVELOPMENT CHARGES

WHEREAS the Town of Cobourg enacted By-law 001-2017 pursuant to the *Development Charges Act, 1997*, S.O. 1997, C 27 (the “Act”), which Act authorizes Council to pass by-laws for the imposition of development charges against land;

AND WHEREAS the Town has undertaken an addendum study pursuant to the act which has identified revisions for inclusion in the Town’s development charges;

AND WHEREAS Council has before it reports entitled “Addendum to: Town of Cobourg 2016 Development Charges Background Study” prepared by Watson & Associates Economists Ltd., dated July 20, 2017 and “Addendum to: Town of Cobourg 2016 Development Charges Background Study” prepared by Watson & Associates Economists Ltd., dated September 8, 2017 (the “addendums”);

AND WHEREAS the addendums have been completed in accordance with the Act;

AND WHEREAS the Council of The Corporation of the Town of Cobourg has given notice of and held a public meeting on the 21st day of August, 2017 in accordance with the Act and the regulations thereto;

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE TOWN OF COBOURG ENACTS AS FOLLOWS:

1. By-law 001-2017 is hereby amended as follows:
 - a. The following definition is added to Section 1. Interpretation:

“Coach House Dwelling Unit” means:

 - I. one (1) additional dwelling unit on a lot that is located within an accessory building or structure; and
 - II. the accessory building or structure must be located on a residential lot containing a single detached, semi detached, or townhouse dwelling.
 - b. Section 3.11 is deleted and replaced with the following
 - 3.11 Notwithstanding the provisions of this by-law, development charges shall not be imposed with respect to:

1. Commercial and Institutional development of equal or less than 4,000 square feet of gross floor area.
2. Industrial developments within the Existing Urban Service Area
3. Coach house dwelling units

3.11.1 Notwithstanding section 3.11 paragraph 1., development charges will be imposed for expansions to existing commercial and institutional buildings, and for any commercial or institutional development on the same site as an existing commercial or institutional building.

3.11.2 Notwithstanding section 3.11 paragraph 3., development charges for coach house dwelling units shall be imposed only if the coach house dwelling unit has a gross floor area greater than the gross floor area of the existing dwelling unit.

c. Schedule "B" is deleted and the attached Schedule "B" substituted therefore.

2. This by-law shall come into force on the day it is enacted.
3. Except as amended by the By-law, all provisions of By-law 001-2017 are and shall remain in full force and effect.

PASSED THIS _____ day of _____, 2017

Mayor

Town Clerk

SCHEDULE B SCHEDULE OF DEVELOPMENT CHARGES

Service	RESIDENTIAL				NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Multiples & Apartments - 2 Bedrooms +	Multiples & Apartments - Bachelor and 1 Bedroom	Special Care/Special Dwelling Units	(per ft² of Gross Floor Area)
Municipal Wide Services:					
Transportation Services	7,948	6,227	3,536	3,129	4.08
Fire Protection Services	451	353	201	178	0.23
Police Services	496	388	220	195	0.26
Transit Services	-	-	-	-	0.00
Municipal Parking Services	91	72	41	36	0.05
Parks and Recreation Services	5,316	4,165	2,365	2,093	0.92
Library Services	941	738	419	371	0.17
Administration	357	280	159	141	0.22
Marinas	302	237	135	119	0.19
Total Municipal Wide Services	15,903	12,460	7,076	6,262	6.12
Existing Urban Serviced Area					
Wastewater Services	551	431	245	217	0.38
Water Services	640	501	285	252	0.46
Total Existing Urban Serviced Area	1,191	932	530	469	0.84
Cobourg East Community Serviced Area					
Stormwater Services	3,585	2,808	1,595	1,411	1.58
Wastewater Services	3,441	2,696	1,531	1,355	1.52
Water Services	2,948	2,309	1,311	1,160	1.30
Total Cobourg East Community Serviced Area	9,973	7,813	4,437	3,926	4.39
Total Municipal Wide and Existing Urban Serviced Area	17,094	13,392	7,606	6,731	6.96
Total Municipal Wide and Cobourg East Community Service Area	25,876	20,273	11,513	10,188	10.51