



The Regional Municipality of Durham Report

To: Committee of the Whole
From: Commissioner of Finance
Report: #2017-COW-262
Date: December 6, 2017

Subject:

Final Recommendations Regarding the New Regional Transit Development Charge By-law

Recommendations:

That the Committee of the Whole recommends to Regional Council:

- A) That pursuant to Section 10(1) of the Development Charges Act, 1997, the Regional Transit Development Charges Background Study dated September 26, 2017 be adopted including the underlying capital forecast and the development charges calculations contained in the Background Study and further, that the approval of the capital forecast in the Background Study indicate Regional Council's intention to ensure that such an increase in need for services will be met as required under paragraph 3 of Section 5(1) of the Development Charges Act, 1997 and Section 3 of Ontario Regulation 82/98;
- B) That the Regional Transit Residential Development Charge by unit type as indicated in Table 1, be imposed on a uniform Region-wide basis, effective January 1, 2018 as follows:

**Table 1
Region of Durham
Recommended Regional Transit Residential Rates Per Dwelling Unit
Effective January 1, 2018**

Service Category	Single / Semi-Detached (\$)	Medium Density Multiple (\$)	Apartments	
			2 Bedrooms and Larger (\$)	1 Bedroom and Smaller (\$)
Regional Transit	1,143	919	664	431

- C) That the Regional Transit Non-Residential Development Charge of \$0.54 per square foot for commercial, industrial, and institutional development, be imposed on a uniform Region-wide basis effective January 1, 2018;
- D) That the Regional current development charge rules and administrative policies, as approved in the current Regional Development Charge By-law No. 47-2012, be maintained for the new Regional Transit Development Charge By-law, including, but not limited to, timing for imposition of the charge, exemptions and redevelopment credit;
- E) That the Regional Transit Residential and Non-Residential Development Charges be indexed annually as of July 1st of each year, starting in 2019, for the most recently available annual period ending March 31 in accordance with the prescribed index, defined in O.Reg. 82/98 s.7 as "The Statistics Canada Quarterly, Construction Price Statistics, catalogue number 62-007";
- F) That pursuant to Section 12(3) of the Development Charges Act, 1997 that requires Regional Council to determine whether a further public meeting is necessary when changes are made to a proposed development charges by-law following a public meeting and whereas no changes have been made to the Region's proposed development charges by-law following the public meeting on October 11, 2017, that Regional Council resolve that a further public meeting is not necessary as there are no proposed changes;
- G) That the Regional Solicitor be instructed to finalize the proposed new Regional Transit Development Charge By-law for presentation to Regional Council for approval;
- H) That the Regional Solicitor be instructed to revise future development agreements and any by-law(s) relating thereto to reflect any changes required to implement the foregoing recommendations and that these revised by-law(s) be presented to Council for passage;
- I) That the Regional Commissioner of Finance be instructed to undertake the necessary actions to implement the new By-law; and
- J) That the Regional Clerk be instructed to follow the by-law passage notification provisions pursuant to the Development Charges Act, 1997 and Regulations.

Report:

1. Purpose

- 1.1 The purpose of this report is to provide final recommendations regarding the proposed new Regional Transit Residential and Non-Residential Development Charges. These recommendations form the basis for the new Regional Transit

Development Charge (DC) By-law (Attachment #3) to be in force on January 1, 2018, which will replace the existing Regional Transit DC By-law (No. 47-2012).

- 1.2 The final recommendations are based on the information contained in the Regional Transit DC Background Study dated September 26, 2017.
- 1.3 The proposed new Regional Transit DC Background Study was made available to the public (free of charge) beginning September 26, 2017 as indicated in the public notices placed in the Toronto Star on September 16th and 18th, 2017 and in the local Metroland newspapers throughout the Region from September 7th, 2017 to September 14th, 2017 (with one advertisement in the Township of Brock on September 21, 2017). The proposed by-law and background study have been available to the public at no cost since September 26, 2017 from the Regional Clerk and on Durham Region's website.

2. Input Regarding Proposed Regional Residential and Non-residential Development Charges

- 2.1 Pursuant to the requirements of the Development Charges Act, 1997 (D.C.A), Regional Council held a public meeting on October 11, 2017 to receive public input regarding the new Regional Transit DC Background Study and proposed By-law. No delegations appeared at Regional Council. The Region did receive written correspondence from the AltusGroup on behalf of the Building Industry and Land Development Association (BILD) seeking clarification on a number of issues related to the capital program, the benefit to existing calculation, the residential and non-residential population and use of grant funding. Attachment #2 includes the letter from AltusGroup and the Regional staff's response which provided additional information related to the questions. No changes are being recommended.
- 2.2 Regional staff met with the Durham and GTA Chapters of BILD and the Durham Region Homebuilders Association on September 28, 2017 to discuss the proposed DC Background Study. Letters and copies of the Background Study were sent to the Chambers of Commerce and Boards of Trade in August and October, 2017, which provided the opportunity to meet with Regional staff. No formal feedback was received by staff from the Chambers of Commerce and Boards of Trade.

3. Highlights of Final Recommendations of the New Regional Transit Development Charge By-law

- 3.1 The provincial government enacted changes to the D.C.A. which came into effect in January 2016, which altered the methodology for the calculation of the development charges for transit service, the content to be included in the Background Study and the public process requirements. These changes included:
 - A) Removal of the mandatory 10% statutory reduction of growth-related capital costs;
 - B) Removal of the 10-year historical average level of service restriction which limited the amount of future development charge collections to the average level

of service provided in the previous ten years. This has been replaced and the development charge calculation is now based on the 10-year future planned level of service;

- C) The requirement of a detailed asset management plan that deals with all the assets whose capital costs are proposed to be funded under the DC By-law;
- D) The requirement to include ridership forecast for the 10-year forecast period and planned level of service; and
- E) An extended public process period (i.e. the DC Background Study must be now released 60 days to the public prior to the passage of the DC By-law and 14 days prior to the public meeting, rather than the prior requirement which was just 14 days prior to the public meeting).

- 3.2 The recommended new Regional Transit DC rates were derived using the new development charge methodology within the D.C.A. The following table provides a comparison of the current Regional Transit Service Development Charges (under DC By-law No. 47-2012) with the recommended new rates. The rate for a single / semi-detached unit is recommended to increase by \$579, from \$564 to \$1,143 (\$2018). The non-residential development charge is recommended to increase from \$0.34 per square foot of gross floor area to \$0.54 per square foot (\$2018).

Table 2
Recommended Regional Transit Development Charges (\$2018)

	Current Rate	Proposed Rate	Increase
Residential DC (per single / semi-detached unit)	\$564	\$1,143	\$579
Non-residential DC (per square foot of gross floor area)	\$0.34	\$0.54	\$0.20

- 3.3 It is recommended that the new Transit DCs apply to the entire Region. The proposed rates would take effect January 1, 2018 and replace the existing Regional Transit DC By-law (No. 47-2012) and be indexed annually, starting in July 2019.
- 3.4 As recommended, the Region's total residential development charge (per single / semi-detached unit) will increase from \$27,781 to \$28,360 (an increase of approximately 2.1%) with the proposed Regional Transit DC as outlined in the following table:

Table 3
Impact on Regional Residential Development Charge
(for a single / semi-detached unit)

	Current Rate	Proposed Rate	Increase
Water Supply	\$7,873	\$7,873	-
Sanitary Sewer	9,087	9,087	-
Regional Roads	8,590	8,590	-
GO Transit	702	702	-
Police	656	656	-
EMS	150	150	-
Long Term Care	32	32	-
Health and Social Services	102	102	-
Studies	25	25	-
Regional Transit	564	1,143	579
Total	<u>\$27,781</u>	<u>\$28,360</u>	<u>\$579</u>

- 3.5 With the proposed non-residential transit DC increasing by \$0.20 per square foot (from \$0.34 / sq ft to \$0.54 / sq ft), the Region's total non-residential DCs for commercial, industrial and institutional development are all proposed to increase by \$0.20 per square foot as follows:

Table 4
Impact on Regional Non-residential Development Charges

	Current Rate (\$/sq ft)	Proposed Rate (\$/sq ft)	Increase
Commercial	\$14.08	\$14.28	\$0.20
Industrial	\$11.41	\$11.61	\$0.20
Institutional	\$9.06	\$9.26	\$0.20

- 3.6 Attachment #1 provides the total Regional residential and non-residential DCs by service category with the recommended Regional Transit DCs.
- 3.7 The \$579 increase in the Transit residential DC is expected to yield approximately \$2.4 million in additional development charge revenue in 2018. Based on the new methodology under the D.C.A., the Region will also be able to apply a larger share of DC funding to the Transit capital projects included in the 10-year capital forecast, resulting in a lesser share of property tax funding.
- 3.8 There are no recommended policy changes in the Transit DC By-law in order to preserve consistency between the recommended Transit DC By-law and the current Region-wide DC By-law. If there are recommended policy changes as part of the Region-wide DC By-law Review in the spring of 2018, staff will also recommend an amendment to the Transit DC By-law to ensure consistency between these two by-laws.

4. Further Considerations by Regional Council per the D.C.A.

- 4.1 Regional Council is required under provisions of the D.C.A. to consider whether a second public meeting is required. A second public meeting would require public notices to be placed and provide at least twenty days notice of such a public meeting.
- 4.2 Given that no changes are being proposed following the public meeting held on October 11, 2017, Regional Council is not required to consider whether a further public meeting is necessary.
- 4.3 In order to implement the recommended Regional Transit DC By-law, various administrative tasks must be undertaken by the Regional Solicitor, Regional Clerk and Regional Treasurer. These include the notification of the passage of by-laws and notification to the area municipalities.

5. Conclusion

- 5.1 These recommendations will provide the basis for a new Regional Transit Residential and Non-Residential DC By-law and will replace the current by-law (No. 47-2012) which expires on December 31, 2017. The recommendations are based on the DC Background Study dated September 26, 2017.
- 5.2 This report has been reviewed by the General Manager for DRT, Commissioner of Planning and Economic Development and the Director of Legal Services, who concur with the recommendations.

6. Attachments

Attachment #1: Total Regional Development Charges

Attachment #2: Written Public Submission and Staff Response

Attachment #3: Proposed Regional Transit Development Charge By-law

Respectfully submitted,

Original signed by

R.J. Clapp, CPA, CA
Commissioner of Finance

Recommended for Presentation to Committee

Original signed by

G.H. Cubitt, MSW
Chief Administrative Officer

Table 1

Region of Durham Recommended Regional Transit Residential Rates Per Dwelling Unit Effective January 1, 2018				
Service Category	Single / Semi- Detached (\$)	Medium Density Multiple (\$)	Apartments- 2 Bedrooms and Larger (\$)	Apartments- 1 Bedroom and Smaller (\$)
Water Supply	7,873	6,325	4,573	2,980
Sanitary Sewer	9,087	7,301	5,279	3,440
Regional Roads	8,590	6,902	4,990	3,252
GO Transit	702	622	441	262
Police	656	526	380	248
EMS	150	121	87	57
Long Term Care	32	24	18	11
Health and Social Services	102	82	58	38
Studies	25	20	15	9
Sub-total	<u>27,217</u>	<u>21,923</u>	<u>15,841</u>	<u>10,297</u>
Regional Transit	1,143	919	664	431
Total	<u>28,360</u>	<u>22,842</u>	<u>16,505</u>	<u>10,728</u>

Table 2

Region of Durham Recommended Regional Transit Non Residential Rates Effective January 1, 2018 (\$ per square foot)			
Service Category	Commercial	Industrial	Institutional
Water Supply	2.03	2.41	0.77
Sanitary Sewer	5.67	5.04	1.58
Regional Roads	6.04	3.62	6.37
Sub-total	<u>13.74</u>	<u>11.07</u>	<u>8.72</u>
Regional Transit	0.54	0.54	0.54
Total	<u>14.28</u>	<u>11.61</u>	<u>9.26</u>



November 2, 2017

Memorandum to: Mary Simpson
Region of Durham

From: Daryl Keleher, Director
Altus Group Economic Consulting

Subject: Review of 2017 Durham Region Transit DC

Our File: P-5720

Altus Group Economic Consulting was retained by BILD to review the Region's 2017 Transit Development Charges Background Study, which would see a new DC by-law for transit, updating DC by-law 47-2012.

Number of Buses Being Acquired

Compared to the Region's 2017 capital budget, there are significantly more costs included in the 2017 DC Study. The Region's capital budget, over the 2017-2026 period forecasts the acquisition of 55 new buses, at a total cost of \$27.4 million. The DC Study, over the 2018-2027 period, includes the acquisition of 146 buses at a cost of \$79.9 million.

The DC Study includes a listing of the number of replacement buses (110 buses for \$58.8 million), which is in line with the amount included in the Region's budget (112 buses for \$56.1 million).

We would like to understand why there are so many more growth-related buses in the DC Study than in the Region's capital budget.

Durham Transit DC
 November 2, 2017
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Figure 1 Comparison of Capital Costs in 2017 Capital Budget and 2017 DC Study

	Durham 2017 Budget 2017-2026		Durham 2017 DC Study 2018-2027		% Change Percent
	Number	Dollars (000)	Number	Dollars (000)	
Growth Related Capital					
Conventional Large Bus Expansion (40 Ft)	53	26,959	146	79,995	197%
North Strategy Small Bus (PTIF)	2	400			
Specialized Bus Expansion	5	1,000	10	2,000	100%
Non Revenue Service Vehicle	2	70	1	35	-50%
New Indoor Bus Storage / Servicing Facility		55,100		92,050	67%
New Facility in Seaton		25,000		25,000	0%
Additional PRESTO for Growth Buses	55	743	146	2,044	175%
Additional Fareboxes	55	1,035	146	2,774	168%
Additional ITS	55	825	146	2,190	165%
Automated Q-Straint	55	880	146	2,920	232%
Replacement Capital					
Conventional Bus Replacement	112	56,103	110	58,850	5%
Specialized Mini Bus Replacement (PTIF)	40	8,000	40	8,000	0%
Structural Refurbishing of Buses (PTIF)	94	17,556	98	18,130	3%
Service Vehicle Replacement	22	1,100	23	1,219	11%
Total Growth Related Capital		112,012		209,008	87%
Total Replacement Capital		82,759		86,199	4%

Source: Durham Region 2017 Capital Budget Forecast and 2017 Durham Region Transit DC Study

Indoor Bus Storage Facility

The 2017 DC study also includes \$92.1 million in costs for the new Indoor Bus Storage / Servicing facility, compared to \$55.1 million in the Region’s 2017 capital budget. We understand the differences relate to a \$37.3 million second phase of the project that may not have been included in the Region’s 2017 budget (the additional cost is shown within 2028 in the 2017 DC Study, outside of the capital budget horizon).

However, we have been unable to find details regarding what this project entails. Could the Region provide details regarding this project?

Benefit to Existing Development

Has the Region incorporated the future extension of GO train services to Central Oshawa and Bowmanville, and a corresponding increase in local transit mode share, particularly for existing residents in the calculation of benefit to existing development?

Durham Transit DC

November 2, 2017

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BTE for Indoor Storage Facility

The DC Study applied a 32% BTE equally to all projects in the capital program. We would like to understand whether it is a Region-wide facility, either replacing an existing building, or providing storage to the Region's entire fleet.

If the facility is being used to store and service all of the buses in the Region, a BTE deduction proportionate to the existing population and employment of the Region to the planned 2027 population and employment (77%) may be appropriate to apply to at least the costs associated with the first phase of work.

Forecast Population, Households and Employment

The 2017 Transit DC Study has a 10-year planning forecast horizon, ending in the year 2027. The 2027 forecasted population, households and employment are as follows:

- Population – 847,894 persons (assumed to be without undercount – if 4% undercount is added would be 881,810 persons)
- Employment – 287,820 jobs.

These 2027 population figures are significantly less than the population and employment figures for the year 2026 in the Region of Durham Official Plan (894,575 persons by 2026, and 324,920 jobs by 2026). If we estimate 2027 figures for the population and employment forecasts in the ROP by evenly extrapolating between the 2026 and 2031 figures, we get the following:

- Population – 907,660 persons (or 25,850 more persons than in the DC Study for 2027);
- Employment – 331,258 jobs (or 43,438 more jobs than in the DC Study for 2027);

The 2017 DC Study assumes that the 174,334 persons of population growth will be housed in 82,803 new dwelling units. The DC Study does not provide enough information to estimate how many additional dwelling units would be required to accommodate an additional 25,850 persons to 2027, but it would likely be substantial enough to significantly affect the calculated DC rates.

We would like to understand why the forecasts in the Region's DC Study do not match their Official Plan forecasts.

Durham Transit DC

November 2, 2017

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Grants

It is our understanding that the Region may have received grants for past transit projects. The 2017 DC Study does not have any deductions for grants included. Can you confirm that the Region has not received any grants to be applied to the projects being recovered for in the DC Study?

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November 15, 2017

Daryl Keleher, Director
AltusGroup
33 Yonge Street Suite 500
Toronto, Ontario
M5E 1G4

Dear Mr. Keleher:

RE: Response to Comments Related to the 2017 Transit DC
Background Study

The Regional
Municipality
of Durham

Finance Department

605 ROSSLAND RD. E.
P.O. BOX 623
WHITBY ON L1N 6A3
CANADA
905-668-7711
Fax: 905-666-6256

www.durham.ca

R.J. Clapp, CPA, CA
Treasurer and
Commissioner of
Finance

Thank you for your letter dated November 2, 2017 regarding the 2017 Transit Development Charge Study. Please find responses to your questions below.

Number of Buses Being Required

1. Your letter seeks clarification as to why the number of growth-related buses in the 2017 Transit DC Background Study (2018-2027) exceeds the number of growth-related buses in the 10-year period (2017-2026) included in Durham Region's 2017 Transit Budget.

The assessment of transit needs for the 2017 Transit DC Background Study utilized Durham Region's proposed 2017 Transportation Master Plan (Draft June 2017) and planned level of service, which resulted in the need for 146 additional conventional buses to accommodate growth in service demands. At the time Durham Region's 2017 Capital Budget was developed, the results of the Transportation Master Plan were not available which resulted in a lower capital program with respect to buses. For example, the 2017 Capital Budget did not include buses for the Bus Rapid Transit (BRT) service as this plan was still being refined, whereas the 2017 Transit DC Study included 29 conventional buses for BRT service as this program was identified in the Transportation Master Plan.

Indoor Bus Storage Facility

2. Your letter seeks details on the second phase of the Indoor Bus Storage Facility shown in the 10-year capital forecast in 2027 of the Region's Transit DC Background Study.

This is to confirm your assumptions that the second phase of the Indoor Bus Storage Facility was not included in the Region's 2017 Capital Budget as it was outside the 10-year forecast period. The 10-year forecast period in the 2017 Transit DC Background Study (2018 – 2027) encapsulates the timing for the second phase of the Indoor Bus Storage Facility in 2027. It is anticipated that Phase 1 will include the

If this information is required in an accessible format, please contact the Accessibility Co-ordinator at 1-800-372-1102 ext. 2009.

acquisition of 17 acres of land with construction scheduled for 2020 (\$50.5 million) and is planned to house 115 new buses. Phase 2 of the Indoor Bus Storage Facility is anticipated to house an estimated 85 new buses at a total capital cost of \$37.3 million. With Phase 2 being proposed for 2027, a \$13.7 million deduction has been made for benefits of this facility beyond the 2027 forecast period (i.e. post period benefit).

Benefit to Existing Development

3. Your letter asks if the Region incorporated the future extension of GO Train Services to Central Oshawa and Bowmanville, and a corresponding increase in local transit mode share, particularly for existing residents in the calculation of benefit to existing development.

The analysis undertaken for the Benefit to Existing includes the expansion of GO Rail service to Central Oshawa and Bowmanville. The transit trips used in the calculation of the benefit to existing includes all riders that use DRT, including those that access GO Rail.

BTE for Indoor Storage Facility

4. You have asked if the proposed Indoor Bus Storage Facility is a Region-wide facility, either replacing an existing building, or providing storage to the Region's entire fleet.

The Indoor Bus Storage Facility (Phases 1 and 2) is a new facility and will not be replacing an existing facility. It will be constructed to house the additional bus requirements identified in the growth section of the 10-year capital forecast and not the Region's existing fleet. As this facility supports the Region-wide transit system and the Benefit to Existing of 32% is for the entire system, a 32% Benefit to Existing has been applied to this capital project.

Forecast Population, Households and Employment

5. You have asked why the forecasts in the Regional Municipality of Durham Transit DC Study do not match Durham's Official Plan forecasts.

The population, households and employment forecast in the 2017 Transit DC Study is consistent with the Regional Official Plan (ROP) forecast. The ROP, however, includes total households, population and employment, whereas the 2017 DC Transit Study includes only those households, population and employment that are subject to development charges. For example, the residential forecast provided in the 2017 Transit DC Study does not include:

- institutional population;
- unassigned growth for the northern municipalities due to servicing constraints; and
- unallocated growth in North-East Pickering where the urban area land use designations were removed from the ROP through the settlement of Regional Official Plan Amendment No. 128 at the Ontario Municipal Board.

The ROP forecast was developed through the Growing Durham Study and finalized in 2008. In order to reflect current development levels (year-end 2016), the time horizons of the DC forecast for households and population have been adjusted to reflect the latest state of development. Similarly, the employment forecast does not include approximately 19,000 jobs related to 'No Fixed Place of Work', nor the minor level of jobs related to unassigned growth for the northern municipalities. The transit demand modeling excludes these types of development. This is consistent with the Region's Transportation Model.

Grants

6. You are seeking confirmation that the Region has not received any grants to be applied to the projects being recovered in the DC Study.

We can confirm that the Region does receive Provincial Gas Tax funding on an annual basis. These funds are fully applied (as approved by Regional Council) to:

- i) non-development charge-related capital (i.e. the replacement of Durham Region's existing bus fleet as they come to the end of their useful life and the refurbishment of buses to extend their useful life); and
- ii) operating costs to implement service enhancements in order to attract ridership.

The Region is also receiving funding from the Federal Government through the Public Transit Infrastructure Fund (PTIF). However, the 10-year capital forecast within the 2017 Transit DC Study does not include any projects under this program.

If you have any questions or comments, please call me at 905-668-4113
ext 2301.

A handwritten signature in cursive script that reads "Mary Simpson".

Mary Simpson, C.P.A., C.M.A., M.A.
Director of Financial Planning & Purchasing

cc: R.J. Clapp, Commissioner of Finance
R. Walton, Regional Clerk / Director of Legislative Services
S. Siopis, Commissioner of Works
B. Bridgeman, Commissioner of Planning and Economic Development
J. Hunt, Regional Solicitor
V. Patterson, General Manager of Transit
S. Tsenis, Manager, Corporate Asset Management
A. Wismer, Economist
G. Asselin, Economist
A. Grunda, Watson & Associates Economists Ltd.

BY-LAW

NUMBER * OF

THE REGIONAL MUNICIPALITY OF DURHAM

being a by-law regarding development charges for transit services

WHEREAS section 2(1) of the *Development Charges Act, 1997*,

provides

that council of a municipality may by by-law impose development charges against land to pay for increased capital costs required because of increased needs for services arising from development of the area to which the by-law applies if the development requires one or more of the approvals identified in section 2(2) of the *Development Charges Act, 1997*;

AND WHEREAS a development charge background study has been completed in support of the imposition of development charges;

AND WHEREAS the Council of The Regional Municipality of Durham has given notice and held a public meeting on October 11, 2017, in accordance with section 12(1) of the *Development Charges Act, 1997*;

AND WHEREAS the Council of The Regional Municipality of Durham has permitted any person who attended the public meeting to make representations in respect of the proposed development charges;

NOW THEREFORE THE COUNCIL OF THE REGIONAL MUNICIPALITY OF DURHAM HEREBY ENACTS AS FOLLOWS:

PART I

INTERPRETATION

Definitions

1. In this By-law,
 - (a) "Act" means the *Development Charges Act, 1997*, or a successor statute;
 - (b) "agricultural use" means lands, buildings or structures, excluding any portion thereof used as a dwelling unit or for a commercial use, used or designed or intended for use for the purpose of a *bona fide* farming operation including, but not limited to, animal husbandry, dairying, livestock, fallow, field crops, removal of sod, forestry, fruit farming, greenhouses, horticulture, market gardening, pasturage, poultry keeping, and equestrian facilities;

- (c) “apartment building” means a residential building, or the residential portion of a mixed-use building, other than a triplex, semi-detached duplex, semi-detached triplex, townhouse or stacked townhouse, consisting of more than 3 dwelling units, which dwelling units have a common entrance to grade;
- (d) “apartment” means a dwelling unit in an apartment building;
- (e) “area municipality” means a lower-tier municipality that forms part of the Region;
- (f) “bedroom” means any room used, or designed or intended for use, as sleeping quarters;
- (g) “commercial use” means land, buildings or structures used, or designed or intended for use for either or both of office and retail uses as defined in this by-law;
- (h) “Council” means the Council of the Regional Municipality of Durham;
- (i) “development” includes redevelopment;
- (j) “development charges” means charges in regard to transit services imposed pursuant to this By-law in accordance with the Act;
- (k) “duplex” means a building comprising, by horizontal division, two dwelling units;
- (l) “dwelling unit” means a room or suite of rooms used, or designed or intended for use by one person or persons living together, in which culinary and sanitary facilities are provided for the exclusive use of such person or persons;
- (m) “existing industrial building” means a building used for or in connection with,
 - (i) manufacturing, producing, processing, storing or distributing something,
 - (ii) research or development in connection with manufacturing, producing or processing something,
 - (iii) 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,
 - (iv) office or administrative purposes, if they are,
 - (A) carried out with respect to manufacturing, producing, processing, storage or distributing of something, and

- (B) in or attached to the building or structure used for that manufacturing, producing, processing, storage or distribution;
- (n) “farm building” means a building or structure used, or designed or intended for use in connection with a *bona fide* agricultural use and includes barns, silos, and similar structures but excludes a building or structure used, or designed or intended for use for residential or commercial uses;
- (o) “garden suite” means a one-unit detached, temporary residential structure containing bathroom and kitchen facilities that is ancillary to an existing residential structure and that is designed to be portable;
- (p) “gross floor area” means (except for the purposes of sections 9 and 15), in the case of a non-residential building or structure or the non-residential portion of a mixed-use building or structure, the aggregate of the areas of each floor, whether above or below grade, measured between the exterior faces of the exterior walls of the building or structure or from the centre line of a common wall separating a non-residential and a residential use, and, for the purposes of this definition, the non-residential portion of a mixed-use building is deemed to include one-half of any area common to the residential and non-residential portions of such mixed-use building or structure;
- (q) “local board” means a local board as defined in the *Municipal Affairs Act*, other than a board defined in subsection 1(1) of the *Education Act*;
- (r) “medium density multiples” includes plexes, townhouses, stacked townhouses, and all other residential uses that are not included in the definition of “apartment building”, “apartment”, “garden suites”, “mobile homes”, “retirement residence units”, “single detached”, “single detached dwelling” or “semi-detached dwelling”;
- (s) “mixed-use” means land, buildings or structures used, or designed or intended for use, for a combination of non-residential and residential uses;
- (t) “mobile home” means any dwelling that is designed to be made mobile, and constructed or manufactured to provide a permanent or temporary residence for one or more persons, but does not include a travel trailer or tent trailer or trailer otherwise designed;
- (u) “non-residential use” means lands, buildings or structures or portions thereof used, or designed or intended for use for other than residential use;

- (v) “office use” means lands, buildings or structures used or designed or intended for use for the practice of a profession, the carrying on of a business or occupation or the conduct of a non-profit organization and, for greater certainty, but without in any way limiting the generality of the foregoing, shall include but not be limited to the office of a physician, lawyer, dentist, architect, engineer, accountant, real estate or insurance agency, insurance company, veterinarian, surveyor, appraiser, financial institution, consumer loan company, employment agency, advertising agency, consulting firm, business service, investment company, security broker, mortgage company, medical clinic, contractor, builder, land developer;
- (w) “place of worship” means a building or structure or part thereof that is used primarily for worship and is exempt from taxation as a place of worship under the Assessment Act;
- (x) “plex” means a duplex, a semi-detached duplex, a triplex or a semi-detached triplex;
- (y) “Region” means the Regional Municipality of Durham;
- (z) “residential use” means lands, buildings or structures used, or designed or intended for use as a home or residence of one or more individuals, and shall include, but is not limited to, a single detached dwelling, a semi-detached dwelling, a townhouse, a plex, a stacked townhouse, an apartment building, a mobile home, a retirement residence and a residential dwelling unit accessory to a non-residential use;
- (aa) “retail use” means lands, buildings or structures used or designed or intended for use for the sale or rental or offer for sale or rental of goods or services for consumption or use and, for greater certainty, but without in any way limiting the generality of the foregoing, shall include, but not be limited to, food stores, pharmacies, clothing stores, furniture stores, department stores, sporting goods stores, appliance stores, garden centres, automotive dealers, automotive repair shops, gasoline service stations, government owned retail facilities, private daycare, private schools, private lodging, private recreational facilities, sports clubs, golf courses, skiing facilities, race tracks, gambling operations, medical clinics, funeral homes, motels, hotels, rooming houses, restaurants, theatres, facilities for motion picture, audio and video production and distribution, sound recording services, self-storage mini warehouses and secure document storage;

- (bb) “retirement residence” means a residential building or the residential portion of a mixed-use building which provides accommodation for persons of retirement age, where common facilities for the preparation and consumption of food are provided for the residents of the building, and where each unit or living accommodation has separate sanitary facilities, less than full culinary facilities and a separate entrance from a common hall;
 - (cc) “retirement residence unit” means a unit within a retirement residence;
 - (dd) “rooming house” means a detached building or structure which comprises rooms that are rented for lodging and where the rooms do not have both culinary and sanitary facilities for the exclusive use of individual occupants;
 - (ee) “semi-detached duplex” means one of a pair of attached duplexes, each duplex divided vertically from the other by a party wall;
 - (ff) “semi-detached dwelling” means a building divided vertically (above or below ground) into and comprising 2 dwelling units;
 - (gg) “semi-detached triplex” means one of a pair of triplexes divided vertically one from the other by a party wall;
 - (hh) “service” means the service designated in section 7 of this by-law;
 - (ii) “single detached dwelling” and “single detached” means a building comprising 1 dwelling unit;
 - (jj) “stacked townhouse” means a building, other than a plex, townhouse or apartment building, containing at least 3 dwelling units; each dwelling unit separated from the other vertically and/or horizontally and each dwelling unit having a separate entrance to grade;
 - (kk) “townhouse” means a building, other than a plex, stacked townhouse or apartment building, containing at least 3 dwelling units, each dwelling unit separated vertically from the other by a party wall and each dwelling unit having a separate entrance to grade;
 - (ll) “triplex” means a building comprising 3 dwelling units.
2. In this by-law where reference is made to a statute or a section of a statute such reference is also deemed to be a reference to any successor statute or section.

PART II

APPLICATION OF BY-LAW — RULES

Circumstances Where Development Charges are Payable

3. Development charges shall be payable in the amounts set out in sections 8 and 13 of this by-law where:
 - (a) the lands are located in the area described in subsection 4(1); and
 - (b) the development of the lands requires any of the approvals set out in subsection 5(1).

Area to Which By-law Applies

4. (1) Subject to subsection 4(2), this by-law applies to all lands in the Region.
4. (2) This by-law shall not apply to lands that are owned by and used for the purposes of:
 - (a) the Region or a local board thereof;
 - (b) a board as defined in subsection 1(1) of the *Education Act*; and
 - (c) an area municipality or a local board thereof in the Region.

Approvals for Development

5. (1) Development charges shall be imposed upon all lands, buildings or structures that are developed for residential or non-residential uses if the development requires,
 - (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 9 of the *Condominium Act*; or
 - (g) the issuing of a permit under the *Building Code Act, 1992* in relation to a building or structure.
5. (2) Council has determined that the development of the land to which this by-law applies increases the need for the service designated in section 7.

6. (1) No more than one development charge for the service designated in section 7 shall be imposed on land to which this by-law applies even though two or more of the actions described in subsection 5(1) are required before the land can be developed.
6. (2) Notwithstanding subsection 6(1), if two or more of the actions described in subsection 5(1) occur at different times, additional development charges shall be imposed, if the subsequent action has the effect of increasing the need for services.

Designation of Services

7. (1) The category of service for which development charges are imposed under this by-law is transit.
7. (2) The components of the service designated in subsection 7(1) are described on Schedule "A".

Amount of Development Charges

Residential

8. (1) The development charges described in Schedule "B" to this by-law shall be imposed upon residential uses of lands, buildings or structures, including a dwelling unit accessory to a non-residential use and, in the case of a mixed use building or structure, upon the residential uses in the mixed use building or structure, according to the type of residential unit.

Exemptions

9. (1) In this section,
 - (a) "gross floor area" means the total floor area, measured between the outside of exterior walls or between the outside of exterior walls and the centre line of party walls dividing the building from another building, of all floors above the average level of finished ground adjoining the building at its exterior walls;
 - (b) "other residential building" means a residential building not in another class of residential building described in this subsection;
 - (c) "semi-detached or row dwelling" means a residential building consisting of one dwelling unit having one or two vertical walls, but no other parts, attached to another structure;
 - (d) "single detached dwelling" means a residential building consisting of one dwelling unit and not attached to another structure.
9. (2) Subject to subsections 9(3) and 9(4), development charges shall not be imposed in respect to:

- (a) the issuance of a building permit not resulting in the creation of an additional dwelling unit;
 - (b) the enlargement of an existing dwelling unit;
 - (c) the creation of one or two additional dwelling units in an existing single detached dwelling;
 - (d) the creation of one additional dwelling unit in a semi-detached dwelling, a row dwelling, or any other residential building.
9. (3) Notwithstanding subsection 9(2)(c), development charges shall be imposed in accordance with section 8 if the total gross floor area of the additional one or two dwelling units in the existing single detached dwelling exceeds the gross floor area of the existing dwelling unit.
9. (4) Notwithstanding subsection 9(2)(d), development charges shall be imposed in accordance with section 8 if the additional dwelling unit has a gross floor area greater than:
- (a) in the case of a semi-detached or row dwelling, the gross floor area of the existing dwelling unit; and
 - (b) in the case of any other residential building, the gross floor area of the smallest dwelling unit already contained in the residential building.

Garden Suite

10. (1) The development charges imposed upon a garden suite under section 8 shall be payable at the rate applicable to a one-bedroom apartment.
10. (2) The development charges paid in regard to a garden suite shall be refunded in full to the then current owner thereof, upon request, if the garden suite is demolished or removed within ten years of the issuance of the building permit relating thereto.
10. (3) The onus is on the applicant to produce evidence to the satisfaction of the Region, acting reasonably, which establishes that the applicant is entitled to the refund claimed under this section.

Mobile Home

11. (1) The development charges imposed upon a mobile home under section 8 shall be payable at the rate applicable to an apartment of two bedrooms or larger.
11. (2) The development charges paid in regard to a mobile home shall be refunded in full to the then current owner thereof, upon request, if the mobile home is removed within ten years of the issuance of the building permit relating thereto.
11. (3) The onus is on the applicant to produce evidence to the satisfaction of the Region, acting reasonably, which establishes that the applicant is entitled to the refund claimed under this section.

Retirement Residence Unit

12. The development charges imposed on a retirement residence unit under section 8 shall be payable at the rate applicable to an apartment of one bedroom and smaller.

Non-Residential Uses

13. The development charges described in Schedule "C" to this by-law shall be imposed upon non-residential uses of lands, buildings or structures, and, in the case of a mixed use building or structure, upon the non-residential uses in the mixed use building or structure, according to the gross floor area of the non-residential use.

Exemptions

14. (1) Notwithstanding section 13 of this by-law, development charges shall not be imposed upon non-residential development if the development does not have the effect of creating gross floor area of non-residential development or of increasing existing gross floor area of non-residential development.
14. (2) Notwithstanding the provision of this by-law, development charges shall not be imposed in regard to:
 - (a) agricultural uses and farm buildings;
 - (b) places of worship;
 - (c) public hospitals receiving aid under *the Public Hospitals Act* R.S.O. 1990, c. P.40, excluding such buildings or structures or parts thereof used, designed or intended for use primarily for or in connection with a commercial purpose;
 - (d) any part of a building or structure used for the parking or loading of motor vehicles;
 - (e) free standing roof-like structures and canopies that do not have exterior walls.

Exemption for Enlargement of Existing Industrial Building

15.(1) Despite any other provisions of this by-law, if a development includes the enlargement of the gross floor area of an existing industrial building, the amount of the development charge that is payable in respect of the enlargement shall be calculated as follows:

- (a) if the gross floor area is enlarged by fifty percent or less, the amount of the development charge in respect of the enlargement is zero;
- (b) if the gross floor area is enlarged by more than fifty percent the amount of the development charge in respect of the enlargement is the amount of the development charge that would otherwise be payable multiplied by the fraction determined as follows:
 - (i) determine the amount by which the enlargement exceeds fifty percent of the gross floor area before the enlargement; and
 - (ii) divide the amount determined under paragraph (i) by the amount of the enlargement.

15.(2) For the purposes of subsection 15(1) the following provisions apply:

- a. the gross floor area of an existing industrial building shall be calculated as it existed prior to the first enlargement of such building for which an exemption under subsection 14(1) was sought;
- b. the enlargement of the gross floor area of the existing industrial building must be attached to such building;
- c. the enlargement must not be attached to the existing industrial building by means only of a tunnel, bridge, passageway, shared below grade connection, foundation, footing or parking facility, but must share a common wall with such building.

15.(3) In this section “gross floor area” means the total floor area, measured between the outside of exterior walls or between the outside of exterior walls and the centre line of party walls dividing the building from another building, of all floors above the average level of finished ground adjoining the building at its exterior walls.

Reduction of Development Charges For Redevelopment

16.(1) Despite any other provision of this by-law, where, as a result of the redevelopment of land, a building or structure existing on the land within ten years prior to the date of payment of development charges in regard to such redevelopment was, or is to be demolished, in whole or in part, or converted from one principal use to another, in order to facilitate the redevelopment, the development charges otherwise payable with respect to such redevelopment shall be reduced by the following amounts:

- a. in the case of a residential building or structure, or in the case of a mixed-use building or structure, the residential uses in the mixed-use building or structure, an amount calculated by multiplying the applicable development charge under section 8 of this by-law by the number, according to type, of dwelling units that have been or will be demolished or converted to another principal use; and
- b. in the case of a non-residential building or structure or, in the case of a mixed-use building or structure, the non-residential uses in the mixed-use building or structure, an amount calculated by multiplying the applicable development charges under section 13 of this by-law by the gross floor area that has been or will be demolished or converted to another principal use;

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

16. (2) The ten year period referred to in subsection 16(1) of this by-law shall be calculated from the date of the issuance of the first demolition permit.
16. (3) Development charges shall not be reduced under this section where the building or structure that is to be demolished or has been demolished or converted from one principal use to another was, or would have been, exempt from development charges under this by-law.
16. (4) The onus is on the applicant to produce evidence to the satisfaction of the Region, acting reasonably, which establishes that the applicant is entitled to the reduction in the payment of development charges claimed under this section.

PART III

ADMINISTRATION

Timing of Payment of Development Charges

17. Development charges, adjusted in accordance with section 21 of this by-law to the date of payment, are payable in full on the date on which a building permit is issued with respect to each dwelling unit, building or structure.
18. Notwithstanding section 17, Council, from time to time, and at any time, may enter into agreements in accordance with section 27 of the Act which provide for all or any part of a development charge to be paid before or after it would otherwise be payable.

Payment by Services

19. Notwithstanding the payments required under section 16, the Region may, by agreement pursuant to section 38 of the Act, permit an owner to provide services in lieu of the payment of all or any portion of a development charge. The Region shall give the owner who performed the work a credit towards the development charge in accordance with the agreement subject to the requirements of the Act.

Front-Ending Agreements

20. Council, from time to time, and at any time, may enter into front-ending agreements in accordance with the Act.

Indexing

21. Development charges imposed pursuant to this by-law shall be adjusted annually, without amendment to this by-law, as of the 1st day of July, 2019, and on each successive July 1st date in accordance with the Statistics Canada Quarterly, *Construction Price Statistics*, catalogue number 62-007, for the most recently available annual period ending March 31.

Schedules

22. The following schedules to this by-law form an integral part thereof:
- | | | |
|--------------|---|---|
| Schedule "A" | — | Components of Service Designated in section 7 |
| Schedule "B" | — | Residential Development Charges |
| Schedule "C" | — | Non-Residential Development Charges |

Date By-law in Force

23. This by-law shall come into force on January 1, 2018.

Date By-law Expires

24. This by-law will expire five years from the date it comes into force, unless it is repealed at an earlier date by a subsequent by-law.

Registration

25. A certified copy of this by-law may be registered on title to any land to which this by-law applies.

Severability

26. In the event any provision, or part thereof, of this by-law is found by a court of competent jurisdiction to be *ultra vires*, such provision, or part thereof, shall be deemed to be severed, and the remaining portion of such provision and all other provisions of this by-law shall remain in full force and effect.

Short Title

27. This By-law may be cited as the Regional Municipality of Durham Transit Development Charges By-law, 2017.

BY-LAW read and passed this 13th day of December 2017.

Roger Anderson, Regional Chair
and CEO

Ralph Walton, Regional Clerk / Director of
Legislative Services

SCHEDULE "A"

**DESIGNATED REGIONAL SERVICE AND
SERVICE COMPONENTS THEREUNDER**

<u>CATEGORY OF REGIONAL SERVICE</u>	<u>SERVICE COMPONENTS</u>
Transit	<ul style="list-style-type: none">• Conventional and specialized buses and non-revenue vehicles expansion and related equipment (e.g. fareboxes, radio's, Presto, etc.)• New facilities, transit hubs, control centres, lands, buildings and related equipment• On road amenities (e.g. hard surface stops and shelters)• System improvements• Studies

SCHEDULE "B"

**RESIDENTIAL DEVELOPMENT CHARGES EFFECTIVE
JANUARY 1, 2018 — \$ PER DWELLING UNIT BY TYPE**

SERVICE CATEGORY	SINGLE DETACHED & SEMI- DETACHED DWELLINGS	MEDIUM DENSITY MULTIPLES	APARTMENTS	
			TWO BEDROOMS & LARGER	ONE BEDROOM & SMALLER
Regional Transit	\$1,143	\$919	\$664	\$431

NOTE: The development charges described above shall be adjusted annually pursuant to section 21 of this By-law.

SCHEDULE "C"

**NON-RESIDENTIAL USE DEVELOPMENT CHARGES
EFFECTIVE JANUARY 1, 2018
\$ PER SQUARE FOOT OF GROSS FLOOR AREA**

SERVICE CATEGORY	Non-Residential Use
Regional Transit	\$0.54

NOTE: The development charges described above shall be adjusted annually pursuant to section 21 of this By-law.