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# Addendum #1 to the December 20, 2023, Development Charges Background Study

Town of Pelham

November 13, 2024

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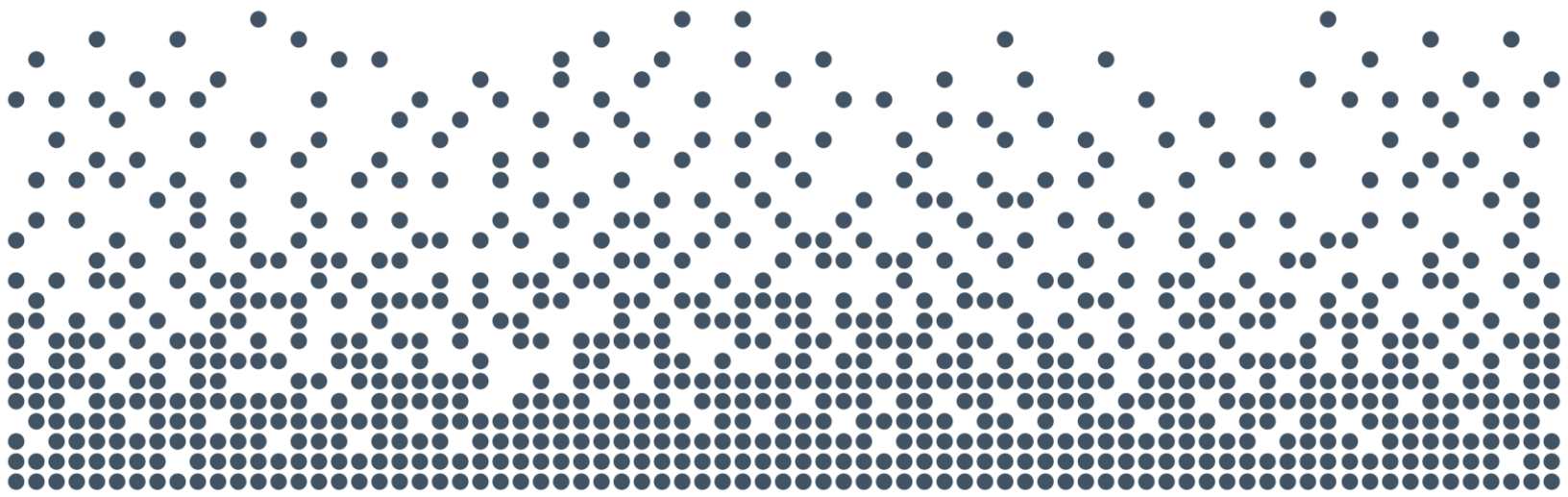
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## List of Acronyms and Abbreviations

<b>Acronym</b>	<b>Full Description of Acronym</b>
D.C.	Development Charges
D.C.A.	Development Charges Act
Sq.ft.	Square Feet



Addendum Report  
#1 to the December  
20, 2023,  
Development  
Charges Background  
Study



# 1. Introduction

Commensurate with the provisions of the *Development Charges Act, 1997*, as amended (D.C.A.), the Town has undertaken a Development Charges (D.C.) Background Study and released the study in accordance with the D.C.A. The following provides a summary of the key dates in the development charge by-law process:

- December 20, 2023 – Release of the D.C. Background Study and draft by-law
- February 21, 2024 – Public Meeting of Council
- August 27, 2024 – Stakeholder Meeting
- November 13, 2024 – Addendum #1 to December 20, 2023, report released
- November 20, 2024 – Council presentation and consideration of the passage of the D.C. By-law

On April 10, 2024, the Province released Bill 185: *Cutting Red Tape to Build More Homes Act*. The Bill received Royal Assent on June 6, 2024. This Bill reversed many of the key changes that were implemented through Bill 23. As such, this addendum report provides for changes to the December 20, 2023, D.C. background study to align the report and by-law with the D.C.A. as amended by Bill 185. Details of this amendment are provided in section 2 of this Addendum Report.

Additionally, this addendum report is to revise the capital listings for Services Related to a Highway – Roads and Related, Public Works (Facilities and Fleet), Fire Protection Services, Parks and Recreation Services, Library Services, Wastewater Services, and Water Services. As a result of updating the capital listings, the schedule of charges was also updated to reflect the decreased D.C. rates.

These refinements will form part of the D.C. background study provided prior to by-law adoption.

## 2. Legislative Changes

### 2.1 Changes to the Development Charges Act – Bill 185: *Cutting Red Tape to Build More Homes Act*

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The following section provides details of the revisions to the D.C.A. as a result of Bill 185: *Cutting Red Tape to Build More Homes Act*, which received Royal Assent on June 6, 2024.

#### **Revised Definition of Capital Costs**

Bill 185 reversed the capital cost amendments of Bill 23 by reinstating studies as an eligible capital cost. The following paragraphs were added to subsection 5(3) of the D.C.A.:

5. *Costs to undertake studies in connection with any of the matters referred to in paragraphs 1 to 4.*
6. *Costs of the development charge background study required under section 10.*

The amendment allows municipalities to fund studies, consistent with by-laws passed prior to the *More Homes Built Faster Act* (Bill 23).

#### **Removal of Mandatory Phase-in**

Bill 23 required the phase-in of charges imposed in a D.C. by-law over a five-year term for any by-laws passed after January 1, 2022. Bill 185 removed this mandatory phase-in.

For site plan and zoning by-law amendment applications that were made prior to Bill 185 receiving Royal Assent, the charges payable will be the charges that were in place on the day the planning application was made (i.e., including the mandatory phase-in).

#### **Process for Minor Amendments to D.C. By-laws**

Section 19 of the D.C.A. requires that a municipality must follow sections 10 through 18 of the D.C.A. (with necessary modifications) when amending D.C. by-laws. Sections 10 through 18 of the D.C.A. generally require the following:

- Completion of a D.C. background study, including the requirement to post the background study 60 days prior to passage of the D.C. by-law;
- Passage of a D.C. by-law within one year of the completion of the D.C. background study;
- A public meeting, including notice requirements; and
- The ability to appeal the by-law to the Ontario Land Tribunal.

Bill 185 allows municipalities to undertake minor amendments to D.C. by-laws for the following purposes without adherence to the requirements noted above (with the exception of the notice requirements):

1. To repeal a provision of the D.C. by-law specifying the date the by-law expires or to amend the provision to extend the expiry date (subject to the 10-year limitations provided in the D.C.A.);
2. To impose D.C.s for studies, including the D.C. background study; and
3. To remove the provisions related to the mandatory phase-in of D.C.s.

Minor amendments related to items 2 and 3 noted above may be undertaken only if the D.C. by-law being amended was passed after November 28, 2022, and before Bill 185 came into effect. Moreover, the amending by-law must be passed within six months of Bill 185 taking effect.

Notice requirements for these minor amending by-laws are similar to the typical notice requirements, with the exception of the requirement to identify the last day for appealing the by-law (as these provisions do not apply).

### **Reduction of D.C. Rate Freeze Timeframe**

Bill 108 provides for the requirement to freeze the D.C.s imposed on developments subject to a site plan and/or a zoning by-law amendment application. The D.C. rate for these developments is “frozen” at the rates that were in effect at the time the site plan and/or zoning by-law amendment application was submitted (subject to applicable interest). Once the application is approved by the municipality, if the date the D.C. is payable is more than two years from the approval date, the D.C. rate freeze would no longer apply. Bill 185 reduced the two-year timeframe to 18 months.

## **Modernizing Public Notice Requirements**

The D.C.A. sets out the requirements for municipalities to give notice of public meetings and of by-law passage. These requirements are prescribed in sections 9 and 10 of O. Reg. 82/98 and include giving notice in a newspaper of sufficiently general circulation in the area to which the by-law would apply. The regulatory changes modernized the public notice requirements by allowing municipalities to provide notice on a municipal website if a local newspaper is not available.

## **3. Updates to the 2023 D.C. Background Study**

This section of the addendum report provides a summary of the revisions to the December 20, 2023 D.C. background study.

### **3.1.1 Growth Studies**

The D.C.A. permits the inclusion of studies undertaken to facilitate the completion of the Town's capital works program. These studies have been included within a Growth Studies class of services, based on the eligible D.C. services to which the studies relate.

The Town has identified \$680,000 of growth-related studies. These studies include various development charge studies, official plan reviews and updates, and a provision for other growth-related studies that will be identified through the Town's budget process. For the official plan reviews, a deduction of 10% (\$35,000) has been applied to recognize the extent to which the studies relate to non-D.C.-eligible service. Further deductions of \$157,600 and \$28,863 were made to recognize the benefit to the existing community, as well as the existing reserve fund balance, respectively. Therefore, the net amount of \$458,537 has been included in the D.C. calculations.

The capital costs have been allocated 86% residential development and 14% non-residential development based on the incremental growth in population to employment for the 10-year forecast period.

Based on the calculations provided herein, Growth Studies results in a D.C. of \$315 per residential single detached dwelling and \$0.18 per sq.ft. of non-residential gross floor area.

The Growth Studies capital sheet is presented in Table 1.





Table 1  
Growth Studies Capital

Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Service to Which Project Relates	Gross Capital Cost Estimate (2023\$)	Post Period Benefit	Other Deductions (to recognize benefit to non-D.C. services)	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
								Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share	Non-Residential Share
2023-2033										86%	14%	
1	Development Charge Background Study	2024	All Services	80,000	-		80,000	-		80,000	68,800	11,200
2	Development Charge Update Study	2026-2030	All Services	20,000	-		20,000	-		20,000	17,200	2,800
3	Development Charge Background Study	2033	All Services	80,000	-		80,000	-		80,000	68,800	11,200
4	Official Plan Review and Update	2027	All Services	175,000	-	17,500	157,500	78,800		78,700	67,682	11,018
5	Official Plan Review and Update	2032	All Services	175,000	-	17,500	157,500	78,800		78,700	67,682	11,018
6	Provision for Growth-Related Studies	2024-2033	All Services	150,000	-		150,000	-		150,000	129,000	21,000
	Reserve Fund Adjustment							28,863		(28,863)	(24,822)	(4,041)
	<b>Total</b>			<b>680,000</b>	<b>-</b>	<b>35,000</b>	<b>645,000</b>	<b>186,463</b>	<b>-</b>	<b>458,537</b>	<b>394,342</b>	<b>64,195</b>



### **3.1.2 Parks and Recreation Services**

Subsequent to the release of the background study on December 20, 2023, the Town has re-evaluated the parks and recreation capital listing and the revisions are provided as follows:

- Project 1 – East Fonthill Parkland Development:
  - Timing updated to 2026 from 2025;
  - The gross capital cost was updated to \$1.15 million from \$1.30 million;
  - A 5% benefit to existing development was deducted from the project.
- Project 2 – East Fenwick Parkland Development:
  - The gross capital cost was updated to \$1.15 million from \$1.30 million;
  - A 5% benefit to existing development was deducted from the project.
- Projects 3, 4, and 5 – Playground Equipment:
  - Projects were removed from the capital forecast.
- Project 6 – Skate Park Lighting:
  - A benefit to development beyond the forecast period of 85% was deducted from the project;
  - A 5% benefit to existing development was deducted from the project.
- Project 7 – Woodstream Park:
  - A 5% benefit to existing development was deducted from the project.
- Project 8 – Cherry Ridge Mister:
  - A 5% benefit to existing development was deducted from the project.
- Project 9 – Forest Park:

- A 5% benefit to existing development was deducted from the project.
- Project 10 – MSSP Playground:
  - A 5% benefit to existing development was deducted from the project.
- Project 16 – Centennial Park New Soccer Field #3:
  - Project was removed from the capital forecast.
- Project 17 – Harold Black Park Ball Diamond #2 Lighting:
  - Timing updated to 2027 from 2025.
- Project 19 – Centennial Park New Parking Lot:
  - Project was removed from the capital forecast.
- Project 22 – Centennial Park Pavilion with Washroom Facilities:
  - The gross capital cost was updated to \$1.20 million from \$800,000;
- Project 25– MSSP Pool Upgrade:
  - The gross capital cost was updated to \$2.00 million from \$4.00 million;
  - The associated grant funding was updated to \$1,466,000 from \$1,970,752 based on the decreased gross capital cost.

Based on the changes noted above, the Parks and Recreation Services D.C. has decreased from \$11,412 to \$9,901 per residential single detached dwelling and \$2.07 to \$1.79 per sq.ft. of non-residential gross floor area.

The revised Parks and Recreation Services capital sheet is presented in Table 2.



**Table 2  
Parks and Recreation Services Capital**

Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2023\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share	Non- Residential Share
2023-2033											
1	East Fonthill Parkland Development	2026	1,150,000	-		1,150,000	7,500	1,000,000	142,500	135,375	7,125
2	East Fenwick Parkland Development	2028	1,150,000	-		1,150,000	57,500		1,092,500	1,037,875	54,625
6	Skate Park Lighting	2030	135,000	109,000		26,000	6,800		19,200	18,240	960
7	Woodstream Park	2027	250,000	-		250,000	12,500		237,500	225,625	11,875
8	Cherry Ridge Mister	2029	75,000	-	-	75,000	3,800		71,200	67,640	3,560
9	Forest Park	2027	400,000	-	-	400,000	20,000		380,000	361,000	19,000
10	MSSP Playground	2027	250,000	-		250,000	12,500		237,500	225,625	11,875
11	Civic Square	2030	4,000,000	3,400,000		600,000	-		600,000	570,000	30,000
12	Skate Park Debt - Principal	2023	95,606	-		95,606	-		95,606	90,826	4,780
13	Skate Park Debt - Discounted Interest	2023	3,294	-		3,294	-		3,294	3,129	165
14	Meridian Community Centre Debt - Principal	2023	10,830,692	4,548,900		6,281,792	-		6,281,792	5,967,702	314,090
15	Meridian Community Centre Debt - Discounted Interest	2023	1,795,651	754,200		1,041,451	-		1,041,451	989,378	52,073
17	Saffron Meadows Prk Dev.	2026	500,000	-		500,000	-		500,000	475,000	25,000
18	Harold Black Park BD#2 Lighting	2027	300,000	-		300,000	-		300,000	285,000	15,000
20	Centennial Park Ball Diamond #3 Lighting	2023	300,000	-		300,000	-		300,000	285,000	15,000
21	Centennial Park Soccer Field #2 Lighting	2023	300,000	-		300,000	-		300,000	285,000	15,000
22	Centennial Park Pavillion with Washroom Facilities	2028	1,200,000	-		1,200,000	-		1,200,000	1,140,000	60,000
23	Peace Park Washroom Facility	2023	405,000	-		405,000	-		405,000	384,750	20,250
24	North Pelham Park Multi-Purpose Court	2025	400,000	-		400,000	200,000		200,000	190,000	10,000
25	MSSP Pool Upgrade	2025	2,000,000	-		2,000,000	457,700	1,466,000	76,300	72,485	3,815
	Reserve Fund Adjustment						422,609		(422,609)	(401,479)	(21,130)
	<b>Total</b>		<b>25,540,243</b>	<b>8,812,100</b>	<b>-</b>	<b>16,728,143</b>	<b>1,200,909</b>	<b>2,466,000</b>	<b>13,061,233</b>	<b>12,408,172</b>	<b>653,062</b>



### **3.1.3 Library Services**

Subsequent to the release of the background study on December 20, 2023, the Town has re-evaluated the library services capital listing and the revisions are provided as follows:

- Project 1 – Fonthill Library - Main Branch Upgrades and Additional Programming Space:
  - Gross Capital Cost updated to \$6,238,425 from \$3,385,000;
  - The anticipated project grant was updated to \$4,678,471 from \$2,396,000;
  - A 74% benefit to existing development was deducted from the project.

Based on the changes noted above, the Library Services D.C. has decreased from \$965 to \$527 per residential single detached dwelling and \$0.18 to \$0.10 per sq.ft. of non-residential gross floor area.

The revised Library Services capital sheet is presented in Table 3.



Table 3  
Library Services Capital

Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2023\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share	Non-Residential Share
	2023-2033								95%	5%	
1	Fonthill Library - Main Branch Upgrades and Additional Programming Space	2024	6,238,425	-		6,238,425	1,148,600	4,678,471	411,354	390,787	20,568
2	Book Mobile	2024	84,000	-		84,000	-	58,500	25,500	24,225	1,275
3	Provision for Additional Library Materials	2023-2033	336,000	-		336,000	-		336,000	319,200	16,800
	Reserve Fund Adjustment						77,086		(77,086)	(73,232)	(3,854)
	<b>Total</b>		<b>6,658,425</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,225,686</b>	<b>4,736,971</b>	<b>695,768</b>	<b>660,980</b>	<b>34,788</b>



### **3.1.4 Services Related to a Highway – Roads and Related**

Subsequent to the release of the background study on December 20, 2023, the Town has re-evaluated the services related to a highway capital listing and the revisions are provided as follows:

- Project 3 – Cream Street – Welland Rd to Memorial Dr sidewalks – West Side:
  - Gross Capital Cost updated to \$465,000 from \$272,800.
- Project 4 – Memorial Drive - Maple St to Cream St Urbanize Road Section:
  - Timing updated to 2035 from [2028 to 2033];
  - Gross Capital Cost updated to \$7,357,500 from \$7,353,000.
- Project 5 – Memorial Drive - Maple St to Cream St Sidewalks-South Side:
  - Timing updated to 2035 from [2028 to 2033];
  - Gross Capital Cost updated to \$790,500 from \$900,000.
- Project 6 – Canboro Road - Garner Ave to Balfour St semi urbanize road section:
  - Gross Capital Cost updated to \$675,000 from \$900,000.
- Project 8 – Maple Street - Memorial St to Canboro Rd urbanize road section:
  - Timing updated to 2035 from [2028 to 2031].
- Project 9 – Canboro Road Urbanization:
  - Timing updated to 2035 from [2026 to 2033];
  - Gross Capital Cost updated to \$4,050,000 from \$4,000,000.
- Project 11 – Provision for Additional East Fenwick Roads Projects:
  - Timing updated to [2025 to 2031] from [2025 to 2028];
  - Gross capital cost updated to \$2,925,000 from \$4,500,000.

- Project 13 – Pelham Street - Quaker Rd traffic control-Quaker Road upgrades:
  - Timing updated to 2025 from 2024;
  - Gross capital cost updated to \$150,000 from \$400,000.
- Project 14 – Pelham Street - traffic control-Merritt Road:
  - Timing updated to 2028 from 2026.
- Project 15 – Merritt Road - Pelham St to Line Ave urbanize road section and sidewalks (Phase 1 of 2):
  - Timing updated to 2028 from 2027;
  - Gross capital cost updated to \$2,085,300 from \$2,270,000.
- Project 16 – Merritt Road - Line Ave to Rice Rd urbanize road section and sidewalks (Phase 2 of 2):
  - Timing updated to 2029 from 2028;
  - Gross capital cost updated to \$3,847,500 from \$2,290,000.
- Project 17 – Port Robinson Road - Station St to Rice Rd urbanize road section top coat:
  - Timing updated to 2027 from 2026.
- Project 18 – Effingham - Tice Rd to 800m south of Metler hard top surface:
  - Project was removed from the capital forecast.
- Project 30 – Clare Ave urbanization:
  - Timing updated to 2035 from 2028;
  - Gross capital cost updated to \$3,375,000 from \$2,340,000.
- Project 31 – Line Ave urbanization:
  - Timing updated to 2035 from 2028;



- Gross capital cost updated to \$2,482,500 from \$4,545,000.
- Project 32 – Haist Street urbanization:
  - Timing updated to 2032 from 2028;
  - Gross capital cost updated to \$1,800,000 from \$990,000.
- Project 33 – Quaker Road urbanization:
  - Gross capital cost updated to \$1,800,000 from \$2,100,000.
- Project 34 – Rd Reconstruction - Station St: Port Robinson to Hwy 20:
  - Timing updated to 2027 from 2025;
  - Gross capital cost updated to \$3,475,500 from \$3,600,000.
- Project 35 – Road Reconstruction - Canboro: Haist St to Pelham St:
  - Gross capital cost updated to \$3,375,500 from \$3,600,000.
- Project 36 – Road Extension - Station St - South of Port Robinson:
  - Gross capital cost updated to \$1,620,000 from \$2,250,000.
- Project 37 – Road Reconstruction - Pancake Ln: Pelham St to Haist St:
  - Timing updated to 2027 from 2026;
  - Gross capital cost updated to \$3,802,500 from \$3,800,000.
- Project 38 – Road Reconstruction - Stella/John/Vera
  - Timing updated to 2034 from 2029;
  - Gross capital cost updated to \$3,510,000 from \$3,500,000.

Based on the changes noted above, the Services Related to a Highway – Roads and Related D.C. has decreased from \$14,107 to \$13,667 per residential single detached dwelling and \$7.56 to \$7.32 per sq.ft. of non-residential gross floor area.

The revised Services Related to a Highway – Roads and Related capital sheet is presented in Table 4.



**Table 4  
Services Related to a Highway – Roads and Related Capital**

Prj .No	Increased Service Needs Attributable to Anticipated Development  2023-2051	Timing (year)	Gross Capital Cost Estimate (2023\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 86%	Non-Residential Share 14%
	<b>Fenwick</b>										
1	Welland Road - Balfour St to Cream St semi-urbanize road section	2028-2033	4,500,000	-		4,500,000	1,800,000		2,700,000	2,322,000	378,000
2	Cream Street - Welland Rd to Memorial Dr urbanize road section	2028-2033	4,500,000	-		4,500,000	1,350,000		3,150,000	2,709,000	441,000
3	Cream Street - Welland Rd to Memorial Dr sidewalks-west side	2028-2033	465,000	-		465,000	139,500		325,500	279,930	45,570
4	Memorial Drive - Maple St to Cream St Urbanize Road Section	2035	7,357,500	-		7,357,500	2,207,300		5,150,200	4,429,172	721,028
5	Memorial Drive - Maple St to Cream St Sidewalks-South Side	2035	790,500	-		790,500	237,200		553,300	475,838	77,462
6	Canboro Road - Garner Ave to Balfour St semi urbanize road section	2028-2031	675,000	-		675,000	270,000		405,000	348,300	56,700
7	Canboro Road - Garner Ave to Balfour St traffic control-Maple Street	2028-2031	230,000	-		230,000	23,000		207,000	178,020	28,980
8	Maple Street - Memorial St to Canboro Rd urbanize road section	2035	4,500,000	-		4,500,000	1,350,000		3,150,000	2,709,000	441,000
9	Canboro Road Urbanization	2035	4,050,000	-		4,050,000	1,215,000		2,835,000	2,438,100	396,900
10	Balfour Street	2026-2033	1,890,000	-		1,890,000	567,000		1,323,000	1,137,780	185,220
11	Provision for Additional East Fenwick Roads Projects	2025-2031	2,925,000	-		2,925,000	1,170,000		1,755,000	1,509,300	245,700
	<b>Fonthill</b>										
12	Pelham Street (Spruceside Cr to Town limit) - Phase 4	2023-2025	2,295,000	-		2,295,000	1,147,500		1,147,500	986,850	160,650
13	Pelham Street - Quaker Rd traffic control-Quaker Road upgrades	2025	150,000	-		150,000	15,000		135,000	116,100	18,900
14	Pelham Street - traffic control-Merritt Road	2028	400,000	-		400,000	40,000		360,000	309,600	50,400
15	Merritt Road - Pelham St to Line Ave urbanize road section and sidewalks (Phase 1 of 2)	2028	2,085,300	-		2,085,300	625,600		1,459,700	1,255,342	204,358
16	Merritt Road - Line Ave to Rice Rd urbanize road section and sidewalks (Phase 2 of 2)	2029	3,847,500	-		3,847,500	1,154,300		2,693,200	2,316,152	377,048
17	Port Robinson Road - Station St to Rice Rd urbanize road section top coat	2027	500,000	-		500,000	150,000		350,000	301,000	49,000
19	Provision for future road expansions/upgrades	2033-2043	5,000,000	-		5,000,000	-		5,000,000	4,300,000	700,000



**Table 4 (Continued)**  
**Services Related to a Highway – Roads and Related Capital**

Prj .No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2023\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 86%	Non-Residential Share 14%
	2023-2051										
20	Port Robinson Debt - Principal	2023	181,721	-		181,721	-		181,721	156,280	25,441
21	Port Robinson Debt - Discounted Interest	2023	6,260	-		6,260	-		6,260	5,384	876
22	Fenwick Downtown Revitalization Debt - Principal	2023	1,008,723	-		1,008,723	-		1,008,723	867,502	141,221
23	Fenwick Downtown Revitalization Debt - Discounted Interest	2023	26,839	-		26,839	-		26,839	23,082	3,758
24	Port Robinson Rd Reconstruction Debt - Principal	2023	369,533	-		369,533	-		369,533	317,798	51,735
25	Port Robinson Rd Reconstruction Debt - Discounted Interest	2023	9,832	-		9,832	-		9,832	8,456	1,377
26	Effingham (16-Kilman) Debt - Principal	2023	21,414	-		21,414	-		21,414	18,416	2,998
27	Effingham (16-Kilman) Debt - Discounted Interest	2023	803	-		803	-		803	691	112
28	Hwy 20 (Station - Rice) Debt - Principal	2023	6,342	-		6,342	-		6,342	5,454	888
29	Hwy 20 (Station - Rice) Debt - Discounted Interest	2023	238	-		238	-		238	205	33
30	Clare Ave urbanization	2035	3,375,000	-		3,375,000	1,012,500		2,362,500	2,031,750	330,750
31	Line Ave urbanization	2035	2,482,500	-		2,482,500	744,800		1,737,700	1,494,422	243,278
32	Haist Street urbanization	2032	1,800,000	-		1,800,000	540,000		1,260,000	1,083,600	176,400
33	Quaker Road urbanization	2024	1,800,000	-		1,800,000	540,000		1,260,000	1,083,600	176,400
34	Rd Reconstruction - Station St: Port Robinson to Hwy 20	2027	3,475,500	-		3,475,500	1,042,700		2,432,800	2,092,208	340,592
35	Road Reconstruction - Canboro: Haist St to Pelham St	2025	3,375,000	-		3,375,000	1,012,500		2,362,500	2,031,750	330,750
36	Road Extension - Station St - South of Port Robinson	2025	1,620,000	-		1,620,000	-		1,620,000	1,393,200	226,800
37	Road Reconstruction - Pancake Ln: Pelham St to Haist St	2027	3,802,500	-		3,802,500	1,140,800		2,661,700	2,289,062	372,638
38	Road Reconstruction - Stella/John/Vera	2034	3,510,000	-		3,510,000	1,053,000		2,457,000	2,113,020	343,980
	Reserve Fund Adjustment		-	-		-	2,126,385		(2,126,385)	(1,828,691)	(297,694)
	<b>Total</b>		<b>73,033,007</b>	<b>-</b>	<b>-</b>	<b>73,033,007</b>	<b>22,674,085</b>	<b>-</b>	<b>50,358,922</b>	<b>43,308,673</b>	<b>7,050,249</b>



### **3.1.5 Public Works (Facilities and Fleet)**

Subsequent to the release of the background study on December 20, 2023, the Town has re-evaluated the public works capital listing and the revisions are provided as follows:

- Project 3 – Public Works Operations Centre – Land:
  - Timing updated to 2028 from 2027.
- Project 10 – Small Compactor Truck:
  - Timing updated to 2026 from 2025.
- Project 11 – Forestry Truck with Boom and Chip Box:
  - Timing updated to 2026 from 2025;
  - Gross capital cost updated to \$480,000 from \$240,000;
  - A 50% benefit to existing development was deducted from the project.

The revisions noted above do not impact the calculated D.C. for Public Works (Facilities and Fleet).

The revised capital sheet is presented in Table 5.



**Table 5  
Public Works (Facilities and Fleet) Capital**

Prj.No	Increased Service Needs Attributable to Anticipated Development	Service to Which Project Relates	Timing (year)	Gross Capital Cost Estimate (2023\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
								Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 86%	Non-Residential Share 14%
	2023-2051											
1	<b>Public Works Operations Centre - New Facility</b>											
	1A Public Works Operations Centre - New Facility	Services Related to a Highway	2029	2,703,000	-		2,703,000	1,523,500		1,179,500	1,014,370	165,130
	1B Public Works Operations Centre - New Facility	Parks and Recreation Services	2029	1,431,000	-		1,431,000	806,600		624,400	536,984	87,416
	1C Public Works Operations Centre - New Facility	Water Services	2029	583,000	-		583,000	328,600		254,400	218,784	35,616
	1D Public Works Operations Centre - New Facility	Wastewater Services	2029	583,000	-		583,000	328,600		254,400	218,784	35,616
	<b>Sub-Total</b>		2029	<b>5,300,000</b>	-	-	<b>5,300,000</b>	<b>2,987,300</b>	-	<b>2,312,700</b>	<b>1,988,922</b>	<b>323,778</b>
2	<b>Public Works Operations Centre - New Facility Financing Costs</b>											
	2A Public Works Operations Centre - New Facility Financing Costs	Services Related to a Highway	2029	458,418	-		458,418	-		458,418	394,239	64,178
	2B Public Works Operations Centre - New Facility Financing Costs	Parks and Recreation Services	2029	242,692	-		242,692	-		242,692	208,715	33,977
	2C Public Works Operations Centre - New Facility Financing Costs	Water Services	2029	98,874	-		98,874	-		98,874	85,032	13,842
	2D Public Works Operations Centre - New Facility Financing Costs	Wastewater Services	2029	98,874	-		98,874	-		98,874	85,032	13,842
	<b>Sub-Total</b>		2029	<b>898,858</b>	-	-	<b>898,858</b>	-	-	<b>898,858</b>	<b>773,018</b>	<b>125,840</b>
3	<b>Public Works Operations Centre - Land</b>											
	3A Public Works Operations Centre - Land	Services Related to a Highway	2028	1,020,000	-		1,020,000	574,900		445,100	382,786	62,314
	3B Public Works Operations Centre - Land	Parks and Recreation Services	2028	540,000	-		540,000	304,400		235,600	202,616	32,984
	3C Public Works Operations Centre - Land	Water Services	2028	220,000	-		220,000	124,000		96,000	82,560	13,440
	3D Public Works Operations Centre - Land	Wastewater Services	2028	220,000	-		220,000	124,000		96,000	82,560	13,440
	<b>Sub-Total</b>		2028	<b>2,000,000</b>	-	-	<b>2,000,000</b>	<b>1,127,300</b>	-	<b>872,700</b>	<b>750,522</b>	<b>122,178</b>

Table 5 (Continued)  
Public Works (Facilities and Fleet) Capital

Prj.No	Increased Service Needs Attributable to Anticipated Development	Service to Which Project Relates	Timing (year)	Gross Capital Cost Estimate (2023\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
								Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 86%	Non- Residential Share 14%
	2023-2051											
4	Tractor with Snow Plow and Salt Spreader	Services Related to a Highway	2029	190,000	-		190,000	-		190,000	163,400	26,600
5	Combination Snow Plow and Spreader	Services Related to a Highway	2025	350,000	-		350,000	-		350,000	301,000	49,000
6	Grader	Services Related to a Highway	2030	200,000	-		200,000	-		200,000	172,000	28,000
7	Pick up Truck	Services Related to a Highway	2030	65,000	-		65,000	-		65,000	55,900	9,100
8	Street Sweeper with Hydro-Vac Capability	Services Related to a Highway	2030	300,000	-		300,000	-		300,000	258,000	42,000
9	Compact SUV	Services Related to a Highway	2030	65,000	-		65,000	-		65,000	55,900	9,100
10	<b>Small Compactor Truck</b>											
	10A Small Compactor Truck	Services Related to a Highway	2026	120,000	-		120,000	-		120,000	103,200	16,800
	10B Small Compactor Truck	Parks and Recreation Services	2026	120,000	-		120,000	-		120,000	103,200	16,800
	<b>Sub-Total</b>		2026	<b>240,000</b>	-	-	<b>240,000</b>	-	-	<b>240,000</b>	<b>206,400</b>	<b>33,600</b>
11	Forestry Truck with Boom and Chip Box	Services Related to a Highway	2026	480,000	-		480,000	240,000		240,000	206,400	33,600
12	50 hp Tractor for bulk mowing	Parks and Recreation Services	2026	55,000	-		55,000	-		55,000	47,300	7,700
13	16" Mower Deck	Parks and Recreation Services	2026	26,000	-		26,000	-		26,000	22,360	3,640
14	<b>Pickup Truck</b>											
	14A Pickup Truck	Services Related to a Highway	2026	28,500	-		28,500	-		28,500	24,510	3,990
	14B Pickup Truck	Parks and Recreation Services	2026	28,500	-		28,500	-		28,500	24,510	3,990
	<b>Sub-Total</b>		2026	<b>57,000</b>	-	-	<b>57,000</b>	-	-	<b>57,000</b>	<b>49,020</b>	<b>7,980</b>
15	<b>Landscape Trailer</b>											
	15A Landscape Trailer	Services Related to a Highway	2026	6,500	-		6,500	-		6,500	5,590	910
	15B Landscape Trailer	Parks and Recreation Services	2026	6,500	-		6,500	-		6,500	5,590	910
	<b>Sub-Total</b>		2026	<b>13,000</b>	-	-	<b>13,000</b>	-	-	<b>13,000</b>	<b>11,180</b>	<b>1,820</b>
16	<b>Mower 48"</b>											
	16A Mower 48"	Services Related to a Highway	2026	11,000	-		11,000	-		11,000	9,460	1,540
	16B Mower 48"	Parks and Recreation Services	2026	11,000	-		11,000	-		11,000	9,460	1,540
	<b>Sub-Total</b>		2026	<b>22,000</b>	-	-	<b>22,000</b>	-	-	<b>22,000</b>	<b>18,920</b>	<b>3,080</b>
17	<b>Mower 60"</b>											
	17A Mower 60"	Services Related to a Highway	2026	12,500	-		12,500	-		12,500	10,750	1,750
	17B Mower 60"	Parks and Recreation Services	2026	12,500	-		12,500	-		12,500	10,750	1,750
	<b>Sub-Total</b>		2026	<b>25,000</b>	-	-	<b>25,000</b>	-	-	<b>25,000</b>	<b>21,500</b>	<b>3,500</b>
	<b>Total</b>			<b>10,286,858</b>	-	-	<b>10,286,858</b>	<b>4,354,600</b>	-	<b>5,932,258</b>	<b>5,101,742</b>	<b>830,516</b>



### **3.1.6 Fire Protection Services**

Subsequent to the release of the background study on December 20, 2023, the Town has re-evaluated the fire services capital listing and the revisions are provided as follows:

- Project 1 – New Station #1:
  - Timing updated to 2026 from 2025;
  - Gross capital cost updated to \$8,000,000 from \$7,300,000.
- Project 2 – Station 1 Pumper:
  - Timing updated to 2029 from 2025;
  - Gross capital cost updated to \$1,200,000 from \$950,000.
- Projects 4, 5, and 6 – Hose 44mm, Hose 65mm, and Hose 100mm:
  - Projects were removed from the capital forecast.

Based on the changes noted above, the Fire Protection Services D.C. has increased from \$968 to \$1,075 per residential single detached dwelling and \$0.52 to \$0.58 per sq.ft. of non-residential gross floor area.

The revised Fire Protection Services capital sheet is presented in Table 6.

Additionally, the service standard calculation was updated to reflect the revised cost of a Pumper truck at \$1.20 million from \$950,000. As a result, the maximum D.C.-eligible amount for recovery over the 2023 to 2051 forecast period for fire services increased to approximately \$16.40 million from \$15.90 million.

The revised Fire Protection Services – Vehicles and Equipment service standard calculation is presented in Table 7.





**Table 6**  
**Fire Protection Services Capital**

Prj. No	Increased Service Needs Attributable to Anticipated Development  2023-2051	Timing (year)	Gross Capital Cost Estimate (2023\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 86%	Non-Residential Share 14%
1	New Station #1	2026	8,000,000	-		8,000,000	6,128,700		1,871,300	1,609,318	261,982
2	Station 1 Pumper	2029	1,200,000	-		1,200,000	-		1,200,000	1,032,000	168,000
7	Thermal Imaging Cameras (2)	2025	16,000	-		16,000	-		16,000	13,760	2,240
8	Jaws of Life (2)	2025	40,000	-	-	40,000	-		40,000	34,400	5,600
9	Provision for Vehicles/Equipment	2031-2041	1,000,000	-	-	1,000,000	-		1,000,000	860,000	140,000
	Reserve Fund Adjustment						166,393		(166,393)	(143,098)	(23,295)
	<b>Total</b>		<b>10,256,000</b>	<b>-</b>	<b>-</b>	<b>10,256,000</b>	<b>6,295,093</b>	<b>-</b>	<b>3,960,907</b>	<b>3,406,380</b>	<b>554,527</b>



**Table 7**  
**Fire Protection Services – Vehicles and Equipment Service Standard Calculation**

**Town of Pelham**  
**Service Standard Calculation Sheet**

Service: Fire Protection Services - Vehicles & Equipment  
Unit Measure: No. of vehicles

Description	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 Value (\$/Vehicle)
Pumper	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	\$1,200,000
Heavy Rescue	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$625,000
Tanker	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	\$450,000
Aerial Unit	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$2,000,000
Light Rescue	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	\$300,000
Service vehicle	2	2	2	2	2	2	2	2	2	2	2	2	2	1	1	\$70,000
Fire Prevention Vehicle	-	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$60,000
Fire Chief Vehicle	-	-	-	-	-	-	1	1	1	1	1	1	1	1	1	\$60,000
Training Vehicle	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1	\$100,000
<b>Total</b>	<b>13</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	

Population	16,476	16,564	16,575	16,598	16,686	16,755	16,791	16,926	17,110	17,426	17,838	17,999	18,049	18,192	19,023
Per Capita Standard	0.0008	0.0008	0.0008	0.0008	0.0008	0.0008	0.0009	0.0009	0.0009	0.0009	0.0008	0.0008	0.0008	0.0008	0.0008

15 Year Average	2008-2022
Quantity Standard	0.0008
Quality Standard	\$696,925
Service Standard	\$558

D.C. Amount (before deductions)	28 Year
Forecast Population	8,575
\$ per Capita	\$558
Eligible Amount	\$4,780,906



### **3.1.7 Water Services**

Subsequent to the release of the background study on December 20, 2023, the Town has re-evaluated the water services capital listing and the revisions are provided as follows:

- Project 2 – Welland Rd New Watermain Looping (East Fenwick):
  - Timing updated to 2034 from 2030;
  - Gross capital cost updated to \$840,000 from \$680,400.
- Project 3 – Cream St. New Watermain Looping:
  - Timing updated to 2034 from 2030;
  - Gross capital cost updated to \$560,000 from \$474,500.
- Project 5 – Merritt Road New Watermain - Pelham St. to Line Ave.:
  - Timing updated to 2028 from 2026;
  - Gross capital cost updated to \$532,000 from \$1,531,700;
  - A 64% benefit to existing development was deducted from the project.
- Project 6 – Merritt Road New Watermain - Line Ave. to Rice Rd.:
  - Timing updated to 2028 from 2024 to 2033;
  - Gross capital cost updated to \$1,197,000 from \$1,190,000.
- Project 7 – Canboro Road - Haist to Church Hill – Upsize:
  - Timing updated to 2025 from 2028.
- Project 12 – Clare Ave Watermain Upgrade:
  - Timing updated to 2035 from 2026 to 2033;
  - Gross capital cost updated to \$700,000 from \$714,000;

- A 68% benefit to existing development was deducted from the project.
- Project 13 – Pelham Street Phase 4 Watermain Upgrade:
  - Gross capital cost updated to \$700,000 from \$1,128,000.
  - A 58% benefit to existing development was deducted from the project.
- Project 14 – Line Ave Watermain Upgrade:
  - Gross capital cost updated to \$700,000 from \$714,000;
  - A 91% benefit to existing development was deducted from the project.
- Project 15 – Quaker Road Watermain Upgrade;
  - A 58% benefit to existing development was deducted from the project.
- Project 16 – Station St. Extension Watermain (350m):
  - Gross capital cost updated to \$490,000 from \$700,000.

Based on the changes noted above, the Water Services D.C. has decreased from \$3,226 to \$2,143 per residential single detached dwelling and from \$2.25 to \$1.49 per sq.ft. of non-residential gross floor area.

The revised Water Services capital sheet is presented in Table 8.



**Table 8  
Water Services Capital**

Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2023\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share	Non-Residential Share
	2023-2051										
	<b>Fenwick</b>										
1	Provision for East Fenwick Secondary Plan - Proposed Upgrades	2026-2033	6,100,000	-		6,100,000	3,050,000		3,050,000	2,684,000	366,000
2	Welland Rd New Watermain Looping (East Fenwick)	2034	840,000	-		840,000	252,000		588,000	517,440	70,560
3	Cream St. New Watermain Looping	2034	560,000	-		560,000	280,000		280,000	246,400	33,600
4	Design - Welland: Canboro Rd to E of Balfour Watermain Upgrade	2025	55,000	-		55,000	11,000		44,000	38,720	5,280
	<b>Fonthill</b>										
5	Merritt Road New Watermain - Pelham St. to Line Ave.	2028	532,000	-		532,000	338,500		193,500	170,280	23,220
6	Merritt Road New Watermain - Line Ave. to Rice Rd.	2028	1,197,000	-		1,197,000	-		1,197,000	1,053,360	143,640
7	Canboro Road - Haist to Church Hill - Upsize	2025	2,000,000	-		2,000,000	816,800	979,046	204,154	179,656	24,498
8	Port Robinson Debt - Principal	2023	73,137	-		73,137	-		73,137	64,361	8,776
9	Port Robinson Debt - Discounted Interest	2023	2,520	-		2,520	-		2,520	2,217	302
10	Hwy 20 (Station - Rice) Debt - Principal	2023	51,100	-		51,100	-		51,100	44,968	6,132
11	Hwy 20 (Station - Rice) Debt - Discounted Interest	2023	1,916	-		1,916	-		1,916	1,686	230
12	Clare Ave Watermain Upgrade	2035	700,000	-		700,000	474,600		225,400	198,352	27,048
13	Pelham Street Phase 4 Watermain Upgrade	2023-2025	700,000	-		700,000	403,000		297,000	261,360	35,640
14	Line Ave Watermain Upgrade	2028	700,000	-		700,000	636,400		63,600	55,968	7,632
15	Quaker Road Watermain Upgrade	2023-2024	560,000	-		560,000	324,500		235,500	207,240	28,260
16	Station St. Extension Watermain (350m)	2025	490,000	-		490,000	-		490,000	431,200	58,800
	Reserve Fund Adjustment		672,246	-		672,246	-		672,246	591,576	80,669
	<b>Total</b>		<b>15,234,918</b>	<b>-</b>	<b>-</b>	<b>15,234,918</b>	<b>6,586,800</b>	<b>979,046</b>	<b>7,669,072</b>	<b>6,748,784</b>	<b>920,289</b>



### **3.1.8 Wastewater Services**

Subsequent to the release of the background study on December 20, 2023, the Town has re-evaluated the wastewater services capital listing and the revisions are provided as follows:

- Project 1 – Welland Road Upgrade existing sewer from 200 mm dia to 300 mm dia (150m):
  - Timing updated to 2026 to 2031 from 2026 to 2033;
  - Gross capital cost updated to \$1,500,000 from \$1,310,000.
- Project 3 – Foss Road Upgrade existing sewer from 350mm dia to 450mm dia (550m):
  - Timing updated to 2027 from 2025;
  - Gross capital cost updated to \$4,815,000 from \$4,830,000.
- Project 6 – Merritt Road New sanitary sewer to service new development:
  - Timing updated to 2029 from 2026 to 2033;
  - Gross capital cost updated to \$2,052,000 from \$2,000,000.
- Project 7 – Deer Park, Phase II Upgrade existing from 350 to 450 (75m):
  - Timing updated to 2034 from 2030;
  - Gross capital cost updated to \$1,225,000 from \$1,200,000.
- Project 8 – Welland Road/Deer Park Sanitary:
  - Timing updated to 2034 from 2030;
- Project 10 – Hurricane upgrade existing Station to Hwy 20:
  - Timing updated to 2029 from 2026 to 2033;
  - Gross capital cost updated to \$2,250,000 from \$2,290,000.

- Project 11 – Ker Crescent outlet - upgrade existing (280m):
  - Timing updated to 2028 from 2027 to 2033;
  - Gross capital cost updated to \$840,000 from \$740,000.
- Project 14 – Clare Ave new sani:
  - Timing updated to 2035 from 2026 to 2033;
  - Gross capital cost updated to \$2,100,000 from \$1,248,000.
- Project 15 – Quaker Road upgrade:
  - Gross capital cost updated to \$1,200,000 from \$1,050,000.
- Project 16 – Station Street sani upgrade:
  - Timing updated to 2027 from 2024 to 2027;
  - Gross capital cost updated to \$2,100,000 from \$1,728,000.

Based on the changes noted above, the Wastewater Services D.C. has increased from \$5,418 to \$5,760 per residential single detached dwelling and \$3.77 to \$4.01 per sq.ft. of non-residential gross floor area.

The revised Wastewater Services capital sheet is presented in Table 9.



**Table 9  
Wastewater Services Capital**

Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2023\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share	Non-Residential Share
	2023-2051									88%	12%
	<b>Fenwick</b>										
1	Welland Road Upgrade existing sewer from 200 mm dia to 300 mm dia (150m)	2026-2031	1,500,000	-		1,500,000	600,000		900,000	792,000	108,000
2	Church Street Upgrade existing sewer from 250 mm dia to 350 mm dia (900m)	2023	2,500,000	-		2,500,000	1,000,000		1,500,000	1,320,000	180,000
3	Foss Road Upgrade existing sewer from 350mm dia to 450mm dia (550m)	2027	4,815,000	-		4,815,000	1,926,000		2,889,000	2,542,320	346,680
4	Sewage Pumping Station for Northwest Fenwick	2025-2027	1,800,000	-		1,800,000	-	1,200,000	600,000	528,000	72,000
5	East Fenwick Secondary Plan - proposed upgrades	2026	12,000,000	-		12,000,000	6,000,000		6,000,000	5,280,000	720,000
	<b>Fonthill</b>		-	-		-	-		-	-	-
6	Merritt Road New sanitary sewer to service new development	2029	2,052,000	-		2,052,000	-		2,052,000	1,805,760	246,240
7	Deer Park, Phase II Upgrade existing from 350 to 450 (75m)	2034	1,225,000	-		1,225,000	490,000		735,000	646,800	88,200
8	Welland Road/Deer Park Sanitary	2034	1,270,000	-		1,270,000	508,000		762,000	670,560	91,440
9	Provision for Potential Upgrades/Oversizing	2033-2043	2,000,000	-		2,000,000	-		2,000,000	1,760,000	240,000
10	Hurricane upgrade existing Station to Hwy 20	2029	2,250,000	-		2,250,000	1,012,500		1,237,500	1,089,000	148,500
11	Ker Crescent outlet - upgrade existing (280m)	2028	840,000	-		840,000	126,000		714,000	628,320	85,680
12	Port Robinson Rd Reconstruction Debt - Principal	2023	102,704	-		102,704	-		102,704	90,380	12,324
13	Port Robinson Rd Reconstruction Debt - Discounted Interest	2023	2,733	-		2,733	-		2,733	2,405	328
14	Clare Ave new sani	2035	2,100,000	-		2,100,000	420,000		1,680,000	1,478,400	201,600
15	Quaker Road sani upgrade	2023-2024	1,200,000	-		1,200,000	240,000		960,000	844,800	115,200
16	Station Street sani upgrade	2027	2,100,000	-		2,100,000	1,050,000		1,050,000	924,000	126,000
	Reserve Fund Adjustment						2,570,742		(2,570,742)	(2,262,253)	(308,489)
	<b>Total</b>		<b>37,757,437</b>	<b>-</b>	<b>-</b>	<b>37,757,437</b>	<b>15,943,242</b>	<b>1,200,000</b>	<b>20,614,195</b>	<b>18,140,491</b>	<b>2,473,703</b>





## 3.2 Changes to the D.C. Calculations

The background study and D.C. calculations have been revised based on the changes noted above. As a result, the total calculated single detached unit charge for full services has decreased from \$37,707 to \$34,999. In regard to the non-residential charges, the total per sq.ft. charge for full services has decreased from \$17.23 to \$16.35.

Tables 10 and 11 outlines the current charges vs. the charges as calculated in the December 20, 2023 D.C. background study and the November 13, 2024 Addendum Report #1 for residential and non-residential developments, respectively.

Table 10  
Residential (Single Detached) Comparison

Service/Class of Service	Rates Effective January 1, 2024	Calculated (Background Study December 20, 2023)	Calculated (Addendum Report 1)
<b>Town Wide Services/Classes:</b>			
Services Related to a Highway	13,506	14,107	13,667
Public Works (Facilities and Fleet)		1,611	1,611
Fire Protection Services	505	968	1,075
Parks and Recreation Services	7,645	11,412	9,901
Library Services	897	965	527
Growth Studies	1,002	-	315
<b>Total Town Wide Services/Classes</b>	<b>23,555</b>	<b>29,063</b>	<b>27,096</b>
<b>Urban Services (Fenwick and Fonthill):</b>			
Wastewater Services	3,997	5,418	5,760
Water Services	1,688	3,226	2,143
<b>Total Urban Services</b>	<b>5,685</b>	<b>8,644</b>	<b>7,903</b>
<b>Grand Total - Urban Area</b>	<b>29,240</b>	<b>37,707</b>	<b>34,999</b>

Table 11  
Non-Residential (per sq.ft.) Comparison

Service/Class of Service	Rates Effective January 1, 2024	Calculated (Background Study December 20, 2023)	Calculated (Addendum Report 1)
<b>Town Wide Services/Classes:</b>			
Services Related to a Highway	7.53	7.56	7.32
Public Works (Facilities and Fleet)		0.88	0.88
Fire Protection Services	0.27	0.52	0.58
Parks and Recreation Services	1.07	2.07	1.79
Library Services	0.13	0.18	0.10
Growth Studies	0.56	-	0.18
<b>Total Town Wide Services/Classes</b>	<b>9.56</b>	<b>11.21</b>	<b>10.85</b>
<b>Urban Services (Fenwick and Fonthill):</b>			
Wastewater Services	2.75	3.77	4.01
Water Services	1.16	2.25	1.49
<b>Total Urban Services</b>	<b>3.91</b>	<b>6.02</b>	<b>5.50</b>
<b>Grand Total - Urban Area</b>	<b>13.47</b>	<b>17.23</b>	<b>16.35</b>

Table 12 provides for the revised schedule of D.C. rates.



Table 12  
Summary of Development Charges

Service/Class of Service	RESIDENTIAL					NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Multiples	Apartments - 2 Bedrooms +	Apartments - Studio and 1 Bedroom	Special Care Dwellings	(per sq.ft. of Gross Floor Area)
<b>Town-Wide Services/Class of Service:</b>						
Services Related to a Highway	13,667	10,244	9,628	6,239	5,215	7.32
Public Works (Facilities and Fleet)	1,611	1,208	1,135	735	615	0.88
Fire Protection Services	1,075	806	757	491	410	0.58
Parks and Recreation Services	9,901	7,421	6,975	4,519	3,778	1.79
Library Services	527	395	371	241	201	0.10
Growth Studies	315	236	222	144	120	0.18
<b>Total Town-Wide Services/Class of Services</b>	<b>27,096</b>	<b>20,310</b>	<b>19,088</b>	<b>12,369</b>	<b>10,339</b>	<b>10.85</b>
<b>Urban Services</b>						
Wastewater Services	5,760	4,318	4,058	2,629	2,198	4.01
Water Services	2,143	1,606	1,510	978	818	1.49
<b>Total Urban Services</b>	<b>7,903</b>	<b>5,924</b>	<b>5,568</b>	<b>3,607</b>	<b>3,016</b>	<b>5.50</b>
<b>Total Town-Wide + Urban Area</b>	<b>34,999</b>	<b>26,234</b>	<b>24,656</b>	<b>15,976</b>	<b>13,355</b>	<b>16.35</b>



### 3.3 Refinements to the Draft D.C. By-law

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The draft by-law provided in Appendix G to the December 20, 2023, D.C. background study has been amended as follows:

- Refined the definition of “Capital Cost”;
- Removed the Phase-in of Development Charges section;
- Refined the D.C. rate freeze timeframe for Site Plan and Zoning By-law Amendment applications received after June 6, 2024;
- Revised the by-law’s effective and expiry dates; and
- Revised Schedule A and B to include growth studies and update the calculated charges.

The revised draft by-law with all refinements is included in the amending pages to this addendum report.

### 3.4 Changes to the Background Study

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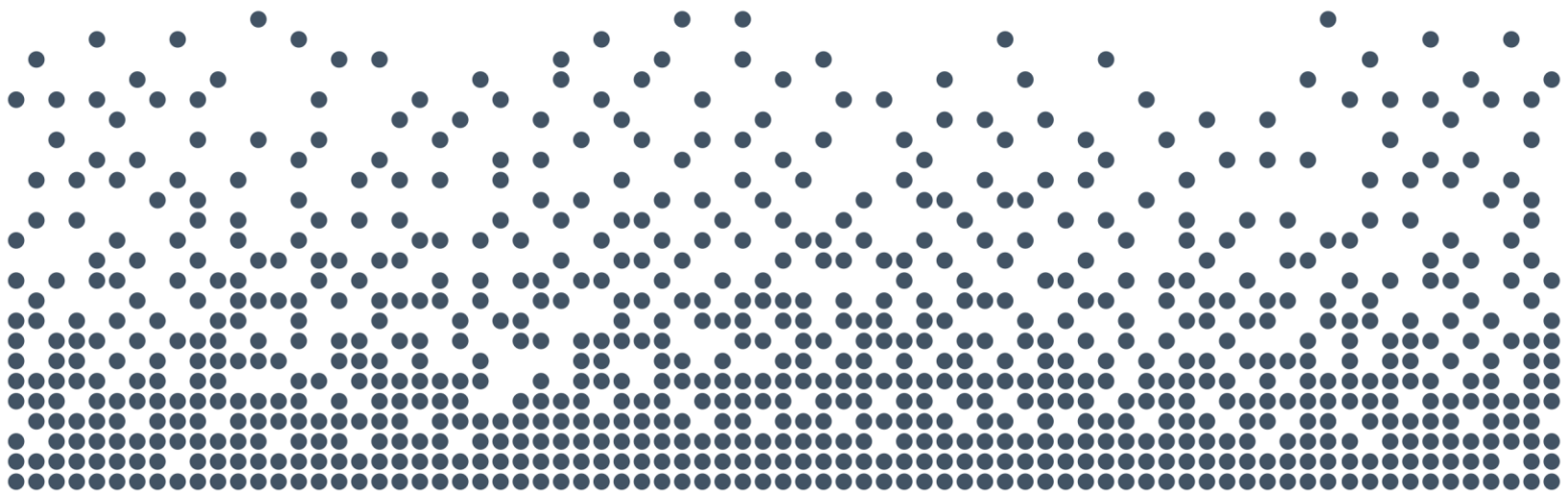
Based upon the above, the following revisions are made to the pages within the background study (new pages are appended to this report):

Page Reference	Description of Revisions
Table of Contents	Updated to reflect revised page numbers and headings.
ES	Updated section to summarize changes to the legislation arising from Bill 185, revised the calculated charges to include growth studies, revised Table ES-2 and subsequent writeup to reflect the summary of expenditures anticipated over the life of the by-law, added reference to growth studies, and revised Table ES-3 to include growth studies and the updated calculated charges.
1-2	Revised Figure 1-1 to include the release of the addendum report and updated the date for Council’s consideration of the Background Study and By-law.
1-7 to 1-15	Revised Section 1.4 to update the wording for Bill 23 and include summaries of Bill 134 and 185.

Page Reference	Description of Revisions
2-1	Updated Current D.C. Rates
4-6	Updated Table 4-1 to include studies as eligible capital costs to be recovered for in the D.C. calculation.
4-7	Updated the definition of capital costs to include studies.
4-8	Updated the Classes of Services section to include growth studies.
4-14	Removed section 4.14; Mandatory Phase-in of a D.C.
Chapter 5	Added growth studies and revised parks and recreation, library services, services related to a highway – roads and related, public works (facilities and fleet), fire protection services, water services, and wastewater services.
Chapter 6	Updated Tables 6-1 to 6-5.
Chapter 7	Updated the list of Bills related to changes in the legislation, recommended that one D.C. by-law be used for all services, added growth studies to section 7.3.2, removed wording for affordable units to be in force at a later date, removed section 7.3.5; Phasing-in, updated timing of collection, updated categories of services for reserve fund and credit policies to include growth studies, updated timing of indexing, by-law in force date, and included “as amended” wording for the approval of the capital list and D.C. Background Study recommendations.
A-11	Updated Schedule 7 to correct the quantity of residential building permits for 2022.
B-2	Updated summary table for the change in fire vehicles and equipment.
B-8	Updated Fire Protection Services – Vehicles and Equipment service standard calculation sheet.
C-4	Updated Table C-2.
D-5	Updated Figure D-1 to include Growth Studies.
F-4 and F-5	Revised the Asset Management amounts to reference the appropriate figures and updated the Asset Management table.
Appendix G	Updated draft by-law.

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

The preceding sections of this Addendum Report provides for a summary of the revisions to the Town’s D.C. Background Study. If Council is satisfied with the above changes to the Background Study and based on the public submissions made at the stakeholder meeting, this Addendum Report will be considered for approval by Council.



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# Executive Summary

1. The report provided herein represents the Development Charges (D.C.) Background Study for the Town of Pelham required by the *Development Charges Act, 1997*, as amended (D.C.A.). This report has been prepared in accordance with the methodology required under the D.C.A. The contents include the following:
  - Chapter 1 – Overview of the legislative requirements of the Act;
  - Chapter 2 – Review of present D.C. policies of the Town;
  - Chapter 3 – Summary of the residential and non-residential growth forecasts for the Town;
  - Chapter 4 – Approach to calculating the D.C.;
  - Chapter 5 – Review of historical service standards and identification of future capital requirements to service growth and related deductions and allocations;
  - Chapter 6 – Calculation of the D.C.s;
  - Chapter 7 – D.C. policy recommendations and rules; and
  - Chapter 8 – By-law implementation.
  
2. D.C.s provide for the recovery of growth-related capital expenditures from new development. The D.C.A. is the statutory basis to recover these charges. The methodology is detailed in Chapter 4; a simplified summary is provided below.
  - 1) Identify amount, type and location of growth.
  - 2) Identify servicing needs to accommodate growth.
  - 3) Identify capital costs to provide services to meet the needs.
  - 4) Deduct:
    - Grants, subsidies and other contributions;
    - Benefit to existing development;
    - Amounts in excess of 15-year historical service calculation; and
    - D.C. reserve funds (where applicable);
  - 5) Net costs are then allocated between residential and non-residential benefit; and
  - 6) Net costs divided by growth to provide the D.C.



3. Subsequent to the passage of the Town's 2018 D.C. By-law, the Town undertook a D.C. Update Study in 2021 to pass an amending D.C. By-law to incorporate a number of changes to the D.C.A. as a result of the following Acts (details of each Act are provided in Chapter 1 of this report):

- Bill 108: More Homes, More Choice Act, 2019
- Bill 138: Plan to Build Ontario Together Act, 2019
- Bill 197: COVID-19 Economic Recovery Act, 2020
- Bill 213: Better for People, Smarter for Business Act, 2020

The Province has since introduced another set of revisions to the D.C.A. through Bill 23: *More Homes Built Faster Act, 2022*. Bill 23 was first introduced on October 25, 2022, and received Royal Assent on November 28, 2022. A summary of the changes provided from Bill 23 are outlined below (further details are provided in Chapter 1 of this report):

- Additional residential unit exemption: allowance of a third unit as-of-right;
- Removal of Housing as an eligible D.C. service;
- New statutory exemptions for:
  - Affordable Inclusionary Zoning Units;
  - Attainable Units (currently not in force); and
  - Affordable Units.

Note: Bill 134: *Affordable Homes and Good Jobs Act, 2023* which was released on September 28, 2023, provides for a modified definition of “affordable” under the D.C.A. and received Royal Assent on December 4, 2023:

- Owned unit (lesser of): cost is less than 30% of the 60th percentile of income for households in the municipality or 90% of the average purchase price as defined in a new Bulletin.
- Rental unit (lesser of): rent is less than 30% of the 60th percentile of income for rental households or average market rent set out in a new Bulletin.
- New statutory exemption for Non-Profit Housing;
- Historical level of service extended to previous 15-year period instead of the previous 10-year period;



- Capital Cost definition revised to remove studies and prescribe services for which land or an interest in land will be restricted (nothing prescribed to date);
  - Mandatory phase-in of a D.C. for by-laws passed after January 1, 2022, as follows:
    - Year 1 – 80% of the maximum charge;
    - Year 2 – 85% of the maximum charge;
    - Year 3 – 90% of the maximum charge;
    - Year 4 – 95% of the maximum charge; and
    - Year 5 to expiry – 100% of the maximum charge.
  - D.C. By-law expiry will be a maximum of 10 years after the date the by-law comes into force;
  - D.C. for Rental Housing developments to receive a discount as follows:
    - Three or more bedrooms – 25% reduction;
    - Two bedrooms – 20% reduction; and
    - All other bedroom quantities – 15% reduction.
  - Maximum interest rate for instalments and determination of charge for eligible Site Plan and Zoning By-law Amendment applications to be set at the average prime rate plus 1%; and
  - Requirement to allocate funds received – municipalities are required to spend or allocate at least 60% of their reserve fund at the beginning of the year for water, wastewater, and services related to a highway.
4. On April 10, 2024, the Province introduced Bill 185: *Cutting Red Tape to Build More Homes Act*. The Bill received Royal Assent on June 6, 2024. A summary of the changes provided from Bill 185 are outlined below (further details are provided in Chapter 1 of this report):
- The definition of eligible capital costs has been amended to reinstate studies as an eligible capital cost;
  - The five-year mandatory phase-in of charges introduced by Bill 23 has been removed;
  - A process for minor amendments to D.C. by-laws has been provided;
  - The time for the D.C. rate freeze related to site plan and zoning by-law amendment planning applications has been reduced from two (2) years to 18 months;



- Modernization of public notice requirements; and
  - Implementation of the Affordable Residential Unit exemptions as of June 1, 2024.
5. The growth forecast (Chapter 3) on which the D.C. study is based, projects the following population, housing, and non-residential floor area for the 10-year (2023 to 2033), long-term (2023 to 2051), and urban long-term (2023 to 2051) periods.

Table ES-1  
Summary of Growth Forecast by Planning Period  
Town of Pelham

Measure	10 Year 2023-2033	Long-Term 2023-2051	Urban - Long-Term 2023-2051
(Net) Population Increase	3,088	8,575	8,678
Residential Unit Increase	1,547	3,939	3,920
Non-Residential Gross Floor Area Increase (sq.ft.)	363,100	960,800	617,100

6. On July 16, 2018, the Town of Pelham passed By-law 4023 (2018) under the D.C.A. The by-law imposes D.C.s on residential and non-residential uses. This by-law was amended via By-laws 4149 (2019), 4314 (2021), and 4431 (2022). The Town is undertaking a D.C. public process and anticipates passing a new by-law on November 20, 2024, with the mandatory public meeting scheduled for February 21, 2024.
7. The Town's D.C. currently in effect (as of January 1, 2024) is \$29,240 for single detached dwelling units for full services. The non-residential charge is \$13.47 per sq.ft. for full services.
8. This report has undertaken a recalculation of the charges based on future identified needs (presented in Schedule ES-3 for residential and non-residential). Charges have been provided on a Town-wide basis for all services excluding water and wastewater services, which have been provided on an urban-wide basis for the areas of Fenwick and Fonhill. The corresponding residential single



detached unit charge for full services is \$34,999. The non-residential charge for full services is \$16.35 per sq.ft. of building area. These rates are submitted to Council for their consideration.

9. The D.C.A. requires a summary be provided of the gross capital costs and the net costs to be recovered over the life of the by-law. This calculation is provided by service and is presented in Table 6-5. A summary of these costs is provided below:

Table ES-2  
Summary of Expenditures Anticipated Over the Life of the By-law

Summary of Expenditures Anticipated Over the Life of the By-law	Expenditure Amount
Total gross expenditures planned over the next ten years	\$128,806,808
Less: Benefit to existing development	\$41,830,025
Less: Post planning period benefit	\$5,630,240
Less: Ineligible re: Level of Service	\$0
Less: Other Deductions	\$35,000
Less: Grants, subsidies and other contributions	\$9,382,017
<b>Net costs to be recovered from development charges</b>	<b>\$71,929,527</b>

This suggests that for the non-D.C. cost over the ten-year D.C. by-law (benefit to existing development, and grants, subsidies and other contributions), \$51.25 million (or an annual amount of \$5.12 million) will need to be contributed from taxes and rates, or other sources. With respect to the post period benefit amount of \$5.63 million, it will be included in subsequent D.C. study updates to reflect the portion of capital that benefits growth in the post period D.C. forecasts.

Based on the above table, the Town plans to spend \$128.81 million over the life of the by-law, of which \$71.93 million (56%) is recoverable from D.C.s. Of this net amount, \$63.21 million is recoverable from residential development and \$8.71 million from non-residential development. It is noted also that any exemptions or reductions in the charges would reduce this recovery further.



10. Considerations by Council – The background study represents the service needs arising from residential and non-residential growth over the forecast periods.

The following services are calculated based on an urban long-term forecast:

- Wastewater Services; and
- Water Services.

The following services are calculated based on a long-term forecast to 2051:

- Services Related to a Highway – Roads and Related;
- Public Works (Facilities and Fleet); and
- Fire Protection Services.

The following services are calculated based on a 10-year forecast to 2033:

- Parks and Recreation Services;
- Library Services; and
- Growth Studies.

Council will consider the findings and recommendations provided in the report and, in conjunction with public input, approve such policies and rates it deems appropriate. These directions will refine the draft D.C. by-law which is appended in Appendix G. These decisions may include:

- adopting the charges and policies recommended herein;
- considering additional exemptions to the by-law; and
- considering reductions in the charge by class of development (obtained by removing certain services on which the charge is based and/or by a general reduction in the charge).





**Table ES-3  
Schedule of Development Charges**

Service/Class of Service	RESIDENTIAL					NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Multiples	Apartments - 2 Bedrooms +	Apartments - Studio and 1 Bedroom	Special Care Dwellings	(per sq.ft. of Gross Floor Area)
<b>Town-Wide Services/Class of Service:</b>						
Services Related to a Highway	13,667	10,244	9,628	6,239	5,215	7.32
Public Works (Facilities and Fleet)	1,611	1,208	1,135	735	615	0.88
Fire Protection Services	1,075	806	757	491	410	0.58
Parks and Recreation Services	9,901	7,421	6,975	4,519	3,778	1.79
Library Services	527	395	371	241	201	0.10
Growth Studies	315	236	222	144	120	0.18
<b>Total Town-Wide Services/Class of Service</b>	<b>27,096</b>	<b>20,310</b>	<b>19,088</b>	<b>12,369</b>	<b>10,339</b>	<b>10.85</b>
<b>Urban Services</b>						
Wastewater Services	5,760	4,318	4,058	2,629	2,198	4.01
Water Services	2,143	1,606	1,510	978	818	1.49
<b>Total Urban Services</b>	<b>7,903</b>	<b>5,924</b>	<b>5,568</b>	<b>3,607</b>	<b>3,016</b>	<b>5.50</b>
<b>Total Town-Wide</b>	<b>27,096</b>	<b>20,310</b>	<b>19,088</b>	<b>12,369</b>	<b>10,339</b>	<b>10.85</b>
<b>Total Urban Area</b>	<b>34,999</b>	<b>26,234</b>	<b>24,656</b>	<b>15,976</b>	<b>13,355</b>	<b>16.35</b>



## 1.2 Summary of the Process

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The public meeting required under section 12 of the D.C.A. has been scheduled for February 21, 2024. Its purpose is to present the study to the public and to solicit public input. The meeting is also being held to answer any questions regarding the study's purpose, methodology, and the proposed modifications to the Town's D.C.s.

In accordance with the legislation, the background study and proposed D.C. by-law will be available for public review on December 20, 2023.

The process to be followed in finalizing the report and recommendations includes:

- consideration of responses received prior to, at, or immediately following the public meeting; and
- finalization of the report and Council consideration of the by-law subsequent to the public meeting.

Figure 1-1 outlines the proposed schedule to be followed with respect to the D.C. by-law adoption process.

Figure 1-1  
Schedule of Key D.C. Process Dates for the Town of Pelham

Schedule of Study Milestone	Dates
1. Data collection, staff review, engineering work, D.C. calculations and policy work	September 2022 to November 2023
2. Public release of final D.C. Background study and proposed by-law	December 20, 2023
3. Public meeting advertisement placed in newspaper(s)	January 26, 2024
4. Public meeting of Council	February 21, 2024
5. Stakeholder Meeting	August 27, 2024
6. Public release of addendum to the D.C. Background Study	November 13, 2024
7. Council considers adoption of background study and passage of by-law	November 20, 2024
8. Newspaper notice given of by-law passage	By 20 days after passage
9. Last day for by-law appeal	40 days after passage
10. Town makes pamphlet available (where by-law not appealed)	By 60 days after in force date



and Universities Act by introducing a new section that would exempt the payment of D.C.s for developments of land intended for use by a university that receives operating funds from the Government. As a result, this mandatory exemption will be included in the D.C. by-law.

## **1.4 Changes to the D.C.A. - *Bill 23: More Homes Built Faster Act, 2022***

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On November 28, 2022, Bill 23 received Royal Assent. This Bill amended a number of pieces of legislation including the *Planning Act* and D.C.A. The following provides a summary of the changes to the D.C.A.:

### **1.4.1 *Additional Residential Unit Exemption***

The rules for these exemptions are now provided in the D.C.A., rather than the regulations and are summarized as follows:

- Exemption for residential units in existing rental residential buildings – For rental residential buildings with four or more residential units, the greater of one unit or 1% of the existing residential units will be exempt from D.C.
- Exemption for additional residential units in existing and new residential buildings – The following developments will be exempt from a D.C.:
  - A second unit in a detached, semi-detached, or rowhouse if all buildings and ancillary structures cumulatively contain no more than one residential unit;
  - A third unit in a detached, semi-detached, or rowhouse if no buildings or ancillary structures contain any residential units; and
  - One residential unit in a building or structure ancillary to a detached, semi-detached, or rowhouse on a parcel of urban land, if the detached, semi-detached, or rowhouse contains no more than two residential units and no other buildings or ancillary structures contain any residential units.

### **1.4.2 *Removal of Housing as an Eligible D.C. Service***

Housing is removed as an eligible service as of November 28, 2022. Municipalities with by-laws that include a charge for housing services can no longer collect for this service.



It is noted that the charge for housing services is still applicable where rates have been frozen for the purposes of instalment payments under the D.C.A.

### **1.4.3 New Statutory Exemption for Non-Profit Housing**

Non-profit housing units are exempt from D.C.s and D.C. instalment payments due after November 28, 2022.

### **1.4.4 New Statutory Exemptions for Affordable Units, Attainable Units, and Affordable Inclusionary Zoning Units**

Affordable units, attainable units, and inclusionary zoning units (affordable) are exempt from the payment of D.C.s, as follows:

- Affordable Rental Units: Where rent is no more than 80% of the average market rent as defined by a new bulletin published by the Ministry of Municipal Affairs and Housing.
- Affordable Owned Units: Where the price of the unit is no more than 80% of the average purchase price as defined by a new bulletin published by the Ministry of Municipal Affairs and Housing.

*Note: As discussed in Section 1.4.13, the definitions above of an Affordable Rental Unit and Affordable Owned Unit have been modified through Bill 134.*

- Attainable Units: Excludes affordable units and rental units; will be defined as prescribed development or class of development and sold to a person who is at “arm’s length” from the seller.

*Note: for affordable and attainable units, the municipality shall enter into an agreement that ensures the unit remains affordable or attainable for 25 years.*

*Note: the above Affordable Owned and Rental Unit exemptions came into force as of June 1, 2024. At the time of writing, it is not known when the exemption for Attainable Units will be in force.*

- Inclusionary Zoning Units: Affordable housing units required under inclusionary zoning by-laws are exempt from a D.C.



#### **1.4.5 Historical Level of Service Extended to 15-Year Period Instead of the Historical 10-Year Period**

Prior to Bill 23, the increase in need for service was limited by the average historical level of service calculated over the 10-year period preceding the preparation of the D.C. background study. This average is now extended to the historical 15-year period.

#### **1.4.6 Revised Definition of Capital Costs**

The definition of capital costs has been revised to remove studies. Further, the regulations to the Act may prescribe services for which land or an interest in land will be restricted. As at the time of writing, no services have been prescribed.

#### **1.4.7 Mandatory Phase-in of a D.C.**

For all D.C. by-laws passed after January 1, 2022, the charge must be phased-in annually over the first five years the by-law is in force, as follows:

- Year 1 – 80% of the maximum charge;
- Year 2 – 85% of the maximum charge;
- Year 3 – 90% of the maximum charge;
- Year 4 – 95% of the maximum charge; and
- Year 5 to expiry – 100% of the maximum charge.

#### **1.4.8 D.C. By-law Expiry**

A D.C. by-law now expires 10 years after the day it comes into force (unless the by-law provides for an earlier expiry date). This extends the by-law's life from five (5) years, prior to Bill 23.

#### **1.4.9 Installment Payments**

Non-profit housing development has been removed from the instalment payment section of the Act (section 26.1), as these units are now exempt from the payment of a D.C.

#### **1.4.10 Rental Housing Discount**

The D.C. payable for rental housing development will be reduced based on the number of bedrooms in each unit as follows:



- Three or more bedrooms – 25% reduction;
- Two bedrooms – 20% reduction; and
- All other bedroom quantities – 15% reduction.

#### **1.4.11 Maximum Interest Rate for Instalments and Determination of Charge for Eligible Site Plan and Zoning By-law Amendment Applications**

No maximum interest rate was previously prescribed. As per Bill 23, the maximum interest rate is set at the average prime rate plus 1%. This maximum interest rate provision would apply to all instalment payments and eligible site plan and zoning by-law amendment applications occurring after November 28, 2022.

#### **1.4.12 Requirement to Allocate Funds Received**

Annually, beginning in 2023, municipalities are required to spend or allocate at least 60% of the monies in a reserve fund at the beginning of the year for water, wastewater, and services related to a highway. Other services may be prescribed by the regulation.

#### **1.4.13 Bill 134: Affordable Homes and Good Jobs Act, 2023**

The exemption for affordable residential units was included in the More Homes Built Faster Act (Bill 23), enacted by the Province on November 28, 2022. Under this legislation, affordable residential units were defined within subsection 4.1 of the D.C.A. and exemptions for D.C.s were provided in respect of this definition. While the legislation was enacted in November 2022, the ability for municipalities to implement the exemptions is based on the “Affordable Residential Units for the Purposes of the Development Charges Act, 1997 Bulletin” published by the Minister of Municipal Affairs and Housing. This bulletin informs the average market rent and purchase price to be used in determining which developments qualify as affordable residential units. This bulletin was published on April 5, 2024.

Bill 134 received Royal Assent on December 4, 2023 and provides for a modification to the affordable residential unit definition by:

- Introducing an income-based test for affordable rent and purchase price; and
- Increasing the threshold for the market test of affordable rent and purchase price.



This change provides the exemption based on the lesser of the two measures. Moreover, the rules in subsection 4.1 of the D.C.A. are unchanged with respect to:

- The tenant and purchaser transacting the affordable unit being at arm’s length;
- The intent of maintaining the affordable residential unit definition for a 25-year period, requiring an agreement with the municipality (which may be registered on title); and
- Exemptions for attainable residential units and associated rules (requiring further regulations).

The following table provides a comparison of the definitions provided through Bill 23 and those provided through Bill 134 (underlining added for emphasis).

Item	Bill 23 Definition	Bill 134 Definition (Current D.C.A. Definition)
Affordable residential unit rent (subsection 4.1 (2), para. 1)	The rent is no greater than <u>80 per cent of the average market rent</u> , as determined in accordance with subsection (5).	The rent is no greater than <u>the lesser of</u> , i. the <u>income-based affordable rent</u> for the residential unit set out in the Affordable Residential Units bulletin, as identified by the Minister of Municipal Affairs and Housing in accordance with subsection (5), and ii. the <u>average market rent</u> identified for the residential unit set out in the Affordable Residential Units bulletin.
Average market rent/rent based on income (subsection 4.1 (5)) for the purposes of subsection 4.1 (2), para. 1	The <u>average market rent for the year in which the residential unit is occupied by a tenant</u> , as identified in the bulletin entitled the “Affordable Residential Units for the Purposes of the Development Charges Act, 1997 Bulletin.”	The Minister of Municipal Affairs and Housing shall, (a) determine the <u>income of a household</u> that, in the Minister’s opinion, is <u>at the 60<sup>th</sup> percentile of gross annual incomes for renter households in the applicable local municipality</u> ; and



Item	Bill 23 Definition	Bill 134 Definition (Current D.C.A. Definition)
		(b) identify the <u>rent</u> that, in the Minister's opinion, is <u>equal to 30 per cent of the income of the household</u> referred to in clause (a).
Affordable residential unit ownership (subsection 4.1 (3), para. 1)	The price of the residential unit is no greater than <u>80 per cent of the average purchase price</u> , as determined in accordance with subsection (6).	The price of the residential unit is no greater than <u>the lesser of</u> , i. the <u>income-based affordable purchase price</u> for the residential unit set out in the Affordable Residential Units bulletin, as identified by the Minister of Municipal Affairs and Housing in accordance with subsection (6), and ii. <u>90 per cent of the average purchase price</u> identified for the residential unit set out in the Affordable Residential Units bulletin.
Average market purchase price/purchase price based on income (subsection 4.1 (6)) for the purposes of subsection 4.1 (3), para. 1	The <u>average purchase price for the year in which the residential unit is sold</u> , as identified in the bulletin entitled the "Affordable Residential Units for the Purposes of the Development Charges Act, 1997 Bulletin," as it is amended from time to time, that is published by the Minister of Municipal Affairs and Housing on a website of the Government of Ontario.	The Minister of Municipal Affairs and Housing shall, (a) determine the <u>income of a household</u> that, in the Minister's opinion, is at the <u>60<sup>th</sup> percentile of gross annual incomes for households in the applicable local municipality</u> ; and (b) identify the <u>purchase price</u> that, in the Minister's opinion, <u>would result in annual accommodation costs equal to 30 per cent of the income of the household</u> referred to in clause (a)





Note: the Affordable Unit exemption came into force on June 1, 2024.

## **1.5 Bill 185: *Cutting Red Tape to Build More Homes Act***

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On April 10, 2024, the Province released Bill 185: *Cutting Red Tape to Build More Homes Act*. The Bill received Royal Assent on June 6, 2024. This Bill reversed many of the key changes that were implemented through Bill 23. The following sections provide a summary of the changes.

### **1.5.1 Revised Definition of Capital Costs**

Bill 185 reversed the capital cost amendments of Bill 23 by reinstating studies as an eligible capital cost. The following paragraphs were added to subsection 5(3) of the D.C.A.:

5. *Costs to undertake studies in connection with any of the matters referred to in paragraphs 1 to 4.*
6. *Costs of the development charge background study required under section 10.*

### **1.5.2 Removal of the Mandatory Phase-in**

As noted in Section 1.4.7 above, Bill 23 required the phase-in of charges imposed in a D.C. by-law over a five-year term for any by-laws passed after January 1, 2022. Bill 185 removed this mandatory phase-in. This change is effective for any D.C. by-laws passed after Bill 185 came into effect.

For site plan and zoning by-law amendment applications that were made prior to Bill 185 receiving Royal Assent, the charges payable will be the charges that were in place on the day the planning application was made (i.e., including the mandatory phase-in).

### **1.5.3 Process for Minor Amendments to D.C. By-laws**

Section 19 of the D.C.A. requires that a municipality must follow sections 10 through 18 of the D.C.A. (with necessary modifications) when amending D.C. by-laws. Sections 10 through 18 of the D.C.A. generally require the following:

- Completion of a D.C. background study, including the requirement to post the background study 60 days prior to passage of the D.C. by-law;



- Passage of a D.C. by-law within one year of the completion of the D.C. background study;
- A public meeting, including notice requirements; and
- The ability to appeal the by-law to the Ontario Land Tribunal.

Bill 185 allows municipalities to undertake minor amendments to D.C. by-laws for the following purposes without adherence to the requirements noted above (with the exception of the notice requirements):

1. To repeal a provision of the D.C. by-law specifying the date the by-law expires or to amend the provision to extend the expiry date (subject to the 10-year limitations provided in the D.C.A.);
2. To impose D.C.s for studies, including the D.C. background study; and
3. To remove the provisions related to the mandatory phase-in of D.C.s.

Minor amendments related to items 2 and 3 noted above may be undertaken only if the D.C. by-law being amended was passed after November 28, 2022, and before Bill 185 took effect. Moreover, the amending by-law must be passed within six months of Bill 185 coming into effect.

Notice requirements for these minor amending by-laws are similar to the typical notice requirements, with the exception of the requirement to identify the last day for appealing the by-law (as these provisions do not apply).

#### **1.5.4 Reduction of D.C. Rate Freeze Timeframe**

Bill 108 (see Section 1.3.1 above) provides for the requirement to freeze the D.C.s imposed on developments subject to a site plan and/or a zoning by-law amendment application. The D.C. rate for these developments is “frozen” at the rates that were in effect at the time the site plan and/or zoning by-law amendment application was submitted (subject to applicable interest). Once the application is approved by the municipality, if the date the D.C. is payable is more than two years from the approval date, the D.C. rate freeze would no longer apply. Bill 185 reduced the two-year timeframe to 18 months.



### **1.5.5 Modernizing Public Notice Requirements**

The D.C.A. sets out the requirements for municipalities to give notice of public meetings and of by-law passage. These requirements are prescribed in sections 9 and 10 of O. Reg. 82/98 and include giving notice in a newspaper of sufficiently general circulation in the area to which the by-law would apply. The regulatory changes modernized public notice requirements by allowing municipalities to provide notice on a municipal website if a local newspaper is not available.



## 2. Current Town of Pelham D.C. Policies

### 2.1 Schedule of Charges

On July 16, 2018, the Town of Pelham passed By-law, 4023 (2018) under the D.C.A. This by-law was amended via By-laws 4149 (2019), 4314 (2021), and 4431 (2022).

These by-laws impose D.C.s for residential and non-residential uses. The table below provides the rates currently in effect, as of January 1, 2024.

Table 2-1  
Town of Pelham  
Current D.C. Rates  
January 1, 2024

Service/Class of Service	RESIDENTIAL					NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Multiples	Apartments - 2 Bedrooms +	Apartments - Studio and 1 Bedroom	Special Care Dwellings	(per sq.ft. of Gross Floor Area)
<b>Town-Wide Services/Class of Service:</b>						
Services Related to a Highway	13,506	9,621	9,246	5,654	4,619	7.53
Fire Protection Services	505	360	345	211	173	0.27
Parks and Recreation Services	7,645	5,447	5,235	3,201	2,614	1.07
Library Services	897	638	614	376	307	0.13
Growth Studies	1,002	713	686	419	342	0.56
<b>Total Town-Wide Services/Class of Service</b>	<b>23,555</b>	<b>16,779</b>	<b>16,126</b>	<b>9,861</b>	<b>8,055</b>	<b>9.56</b>
<b>Urban Services (Fenwick and Fonthill)</b>						
Wastewater Services	3,997	2,849	2,738	1,673	1,367	2.75
Water Services	1,688	1,202	1,155	708	577	1.16
<b>Total Urban Services</b>	<b>5,685</b>	<b>4,051</b>	<b>3,893</b>	<b>2,381</b>	<b>1,944</b>	<b>3.91</b>
<b>Total Urban Area</b>	<b>29,240</b>	<b>20,830</b>	<b>20,019</b>	<b>12,242</b>	<b>9,999</b>	<b>13.47</b>

### 2.2 Services Covered

The following services are covered under By-law 4023 (2018), as amended:

- Services Related to a Highway;
- Fire Protection Services;
- Parks and Recreation Services;
- Library Services;
- Growth Studies;
- Wastewater Services; and
- Water Services.



Categories of Municipal Services	Eligibility for Inclusion in the D.C. Calculation	Service Components	Maximum Potential D.C. Recovery %
21. Ambulance	n/a n/a	21.1 Ambulance station space 21.2 Vehicles <sup>[1]</sup>	100 100
22. Hospital Provision	Ineligible	22.1 Hospital capital contributions	0
23. Provision of Headquarters for the General Administration of Municipalities and Area Municipal Boards	Ineligible Ineligible Ineligible	23.1 Office space 23.2 Office furniture 23.3 Computer equipment	0 0 0
24. Other Services	Yes	24.1 Studies in connection with acquiring buildings, rolling stock, materials and equipment, and improving land and facilities, including the D.C. background study cost	100
	Yes	24.2 Interest on money borrowed to pay for growth-related capital	0-100

<sup>[1]</sup> with a 7+ year lifetime

## 4.4 Local Service Policy

Some of the need for services generated by additional development consists of local services related to a plan of subdivision. As such, they will be required as a condition of subdivision agreements or consent conditions. The Town's detailed Local Service Policy is provided in Appendix E.

## 4.5 Capital Forecast

Paragraph 7 of subsection 5 (1) of the D.C.A. requires that "the capital costs necessary to provide the increased services must be estimated." The Act goes on to require two



potential cost reductions and the regulation sets out the way in which such costs are to be presented. These requirements are outlined below.

These estimates involve capital costing of the increased services discussed above. This entails costing actual projects or the provision of service units, depending on how each service has been addressed.

The capital costs include:

- a) costs to acquire land or an interest therein (including a leasehold interest);
- b) costs to improve land;
- c) costs to acquire, lease, construct or improve buildings and structures;
- d) costs to acquire, lease or improve facilities, including rolling stock (with a useful life of 7 or more years), furniture and equipment (other than computer equipment), materials acquired for library circulation, reference, or information purposes;
- e) Costs to undertake studies in connection with any of the matters referred to in paragraphs a to d;
- f) Costs of the development charge background study required under section 10; and
- g) interest on money borrowed to pay for the above-referenced costs;

In order for an increase in need for service to be included in the D.C. calculation, Town Council must indicate “that it intends to ensure that such an increase in need will be met” (subsection 5 (1) 3). This can be done if the increase in service forms part of a Council-approved Official Plan, capital forecast, or similar expression of the intention of Council (O. Reg. 82/98 section 3). The capital program contained herein reflects the Town’s approved and proposed capital budgets and master servicing/needs studies.

## 4.6 Treatment of Credits

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Section 8, paragraph 5, of O. Reg. 82/98 indicates that a D.C. background study must set out “the estimated value of credits that are being carried forward relating to the

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service.” Subsection 17, paragraph 4, of the same regulation indicates that “the value of the credit cannot be recovered from future D.C.s,” if the credit pertains to an ineligible service. This implies that a credit for eligible services can be recovered from future D.C.s. As a result, this provision should be made in the calculation, in order to avoid a funding shortfall with respect to future service needs. There are no current outstanding credits for inclusion in the D.C. calculations.

## 4.7 Classes of Services

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Section 7 of the D.C.A. states that a D.C. by-law may provide for any D.C. eligible service or the capital costs with respect to those services. Further, a class may be composed of any number or combination of services and may include parts or portions of each D.C. eligible service.

These provisions allow for services to be grouped together to create a class for the purposes of the D.C. by-law and D.C. reserve funds. The D.C. calculations and by-law provided herein have identified Public Works (Facilities and Fleet) and Growth Studies as classes of services.

## 4.8 Existing Reserve Funds

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Section 35 of the D.C.A. states that:

“The money in a reserve fund established for a service may be spent only for capital costs determined under paragraphs 2 to 7 of subsection 5 (1).”

There is no explicit requirement under the D.C.A. calculation method set out in subsection 5 (1) to net the outstanding reserve fund balance as part of making the D.C. calculation; however, section 35 does restrict the way in which the funds are used in the future.

For services that are subject to a per capita based, service level “cap,” the reserve fund balance should be applied against the development-related costs for which the charge was imposed once the project is constructed (i.e., the needs of recent growth). This cost component is distinct from the development-related costs for the future forecast periods, which underlie the D.C. calculation herein.



- An assessment of the ridership capacity for all modes of transit services proposed to be funded by the development charge over the 10-year period immediately following the preparation of the background study.
- A forward-looking service standard (as per 6.1(2) of the Regulations):
  - The service is a discrete service.
  - No portion of the service that is intended to benefit anticipated development after the 10-year period immediately following the preparation of the background study may be included in the estimate.
  - No portion of the service that is anticipated to exist as excess capacity at the end of the 10-year period immediately following the preparation of the background study may be included in the estimate.
- A detailed asset management strategy and reporting requirements (subsection 6.1 (3) of the Regulation) that includes lifecycle costs, action plans that will enable the assets to be sustainable, summary of how to achieve the proposed level of service, discussion on procurement measures and risk.

The Town does not currently have local transit services, and in the near future does not intend to consider the implementation of any local transit services. Therefore, the above calculations and reporting requirements are not required.





## 5. D.C.-Eligible Cost Analysis by Service

### 5.1 Introduction

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This chapter outlines the basis for calculating eligible costs for the D.C.s to be applied on a uniform basis. In each case, the required calculation process set out in subsection 5 (1) paragraphs 2 to 7 in the D.C.A. and described in Chapter 4, was followed in determining D.C. eligible costs.

The service component is evaluated on two format sheets:

- the service standards that provide the average historical 15-year level of service calculation (see Appendix B), which “caps” the D.C. amounts (note that this is not required for water and wastewater); and
- the infrastructure cost calculation, which determines the potential D.C. recoverable cost.

The nature of the capital projects and timing identified in the Chapter reflects Council's current intention. Over time, however, Town projects and Council priorities change; accordingly, Council's intentions may alter, and different capital projects (and timing) may be necessary to meet the need for services required by new growth.

### 5.2 Service Levels and 10-Year Capital Costs for Pelham's D.C. Calculation

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This section evaluates the development-related capital requirements for parks and recreation services, library services, and growth studies over a 10-year planning period from 2023 to 2033.

#### 5.2.1 Parks and Recreation Services

The Town currently has 57.4 hectares of parkland within its jurisdiction. This parkland consists of various sized parkettes and neighbourhood/community parks. The Town's level of service over the historical 15-year period (2008 to 2022) equals to an average of 3.3 hectares of parkland per 1,000 population. The Town also currently provides 65 parkland amenities, including various types of sports courts and fields, playground equipment, splash pads, a pavilion, bleachers, etc. Over the historical 15-year period

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the Town provided an average of 2.8 amenities per 1,000 population. Including parkland development and amenities, the level of service provided is approximately \$2,250 per capita. When applied over the forecast period, this average level of service translates into a D.C. eligible amount of approximately \$6.95 million.

With respect to recreation facilities, the Town currently operates the Heritage Hall, Outdoor Swimming Pool, and Meridian Community Centre. In total, these facilities provide the Town with 150,560 sq.ft. of recreation facility space. Based on the inventory of space provided over the historical 15-year period (2008 to 2022), the Town has provided an average of approximately 4.71 sq.ft. of space per capita or an investment of \$2,986 per capita. Based on this service standard, the Town would be eligible to collect approximately \$9.22 million from D.C.s for recreation facility space.

In total, the Town is eligible to collect approximately \$16.17 million for parks and recreation services.

Based on the projected growth over the 10-year forecast period, the Town has identified future capital needs totaling approximately \$25.54 million. These capital needs include various parkland developments, washroom facilities, new sports fields and courts, an upgrade to the MSSP Pool, etc. In addition, the discounted principal and interest payments associated with the Meridian Community Centre have been included as the Town continues to recover this expense. Of the total estimated capital cost, a deduction of approximately \$8.81 million has been made for the share of the projects anticipated to benefit growth outside of the forecast period. A deduction of \$778,300 was made to account for the share of the projects that benefit existing development. Grant amounts totalling \$2.47 million have been deducted from the cost of the East Fonthill Parkland Development project and the MSSP Pool Upgrade project, respectively. Additionally, \$422,609 has been deducted from the calculations to reflect the balance in the D.C. reserve fund. This results in a net growth-related amount of approximately \$13.06 million being included in the D.C. calculations.

As the predominant users of parks and recreation tend to be residents of the Town, the forecast growth-related costs have been allocated 95% to residential development and 5% to non-residential development.



Table 5-1  
Infrastructure Cost Included in the Development Charges Calculation  
Parks and Recreation Services

Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2023\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share	Non- Residential Share
2023-2033									95%	5%	
1	East Fonthill Parkland Development	2026	1,150,000	-		1,150,000	7,500	1,000,000	142,500	135,375	7,125
2	East Fenwick Parkland Development	2028	1,150,000	-		1,150,000	57,500		1,092,500	1,037,875	54,625
6	Skate Park Lighting	2030	135,000	109,000		26,000	6,800		19,200	18,240	960
7	Woodstream Park	2027	250,000	-		250,000	12,500		237,500	225,625	11,875
8	Cherry Ridge Mister	2029	75,000	-	-	75,000	3,800		71,200	67,640	3,560
9	Forest Park	2027	400,000	-	-	400,000	20,000		380,000	361,000	19,000
10	MSSP Playground	2027	250,000	-		250,000	12,500		237,500	225,625	11,875
11	Civic Square	2030	4,000,000	3,400,000		600,000	-		600,000	570,000	30,000
12	Skate Park Debt - Principal	2023	95,606	-		95,606	-		95,606	90,826	4,780
13	Skate Park Debt - Discounted Interest	2023	3,294	-		3,294	-		3,294	3,129	165
14	Meridian Community Centre Debt - Principal	2023	10,830,692	4,548,900		6,281,792	-		6,281,792	5,967,702	314,090
15	Meridian Community Centre Debt - Discounted Interest	2023	1,795,651	754,200		1,041,451	-		1,041,451	989,378	52,073



Table 5-1 (Continued)  
 Infrastructure Cost Included in the Development Charges Calculation  
 Parks and Recreation Services

Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2023\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share	Non- Residential Share
2023-2033									95%	5%	
17	Saffron Meadows Prk Dev.	2026	500,000	-		500,000	-		500,000	475,000	25,000
18	Harold Black Park BD#2 Lighting	2027	300,000	-		300,000	-		300,000	285,000	15,000
20	Centennial Park Ball Diamond #3 Lighting	2023	300,000	-		300,000	-		300,000	285,000	15,000
21	Centennial Park Soccer Field #2 Lighting	2023	300,000	-		300,000	-		300,000	285,000	15,000
22	Centennial Park Pavillion with Washroom Facilities	2028	1,200,000	-		1,200,000	-		1,200,000	1,140,000	60,000
23	Peace Park Washroom Facility	2023	405,000	-		405,000	-		405,000	384,750	20,250
24	North Pelham Park Multi-Purpose Court	2025	400,000	-		400,000	200,000		200,000	190,000	10,000
25	MSSP Pool Upgrade	2025	2,000,000	-		2,000,000	457,700	1,466,000	76,300	72,485	3,815
	Reserve Fund Adjustment						422,609		(422,609)	(401,479)	(21,130)
	<b>Total</b>		<b>25,540,243</b>	<b>8,812,100</b>	<b>-</b>	<b>16,728,143</b>	<b>1,200,909</b>	<b>2,466,000</b>	<b>13,061,233</b>	<b>12,408,172</b>	<b>653,062</b>



### **5.2.2 Library Services**

The Town currently operates its library services out of the Fonthill and Fenwick branches, providing a total of 12,425 sq.ft. in library space. Over the past 15 years, the Town has sustained a current level of service average of 0.63 sq.ft. of facility space and 9.97 collection materials per capita. Including facilities and collection materials (e.g., books, magazines, electronic collections, etc.), the level of service provided is \$549 per capita. When applied over the forecast period, this average level of service translates into a D.C.-eligible amount of approximately \$1.70 million.

As of January 1, 2023, the library services for the Town of Pelham and Town of Lincoln will be operated by the Lincoln Pelham Public Library Board (LPPL). For future capital needs, collection materials will be shared between the two municipalities, with 42% of the cost assigned to Pelham, and 58% being assigned to Lincoln. With respect to facilities, each municipality will be responsible for their own infrastructure. For Pelham, the LPPL has identified a need to expand Pelham's library services based on the forecasted growth over the next 10 years. The LPPL has identified the need for additional equipment, as well as provisions for additional space and collection materials totalling approximately \$6.66 million. A deduction of \$77,086 has been made from the calculations to reflect the balance in the D.C. reserve fund. Additionally, deductions in the amounts of \$4.68 million and \$58,500 have been made to account for other contributions made towards the Fonthill Library and the Book Mobile, respectively. Lastly, a deduction for the benefit to existing developments of approximately \$1.15 million was also made relating to the Fonthill Library. This results in a net growth-related amount of \$695,768 being included in the D.C. calculations.

While library usage is predominately residential based, there is some use of the facilities by non-residential users, for the purpose of research. To acknowledge this use of the growth-related capital costs have been allocated 95% residential development and 5% non-residential development.



Table 5-2  
Infrastructure Cost Included in the Development Charges Calculation  
Library Services

Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2023\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share	Non- Residential Share
	2023-2033									95%	5%
1	Fonthill Library - Main Branch Upgrades and Additional Programming Space	2024	6,238,425	-		6,238,425	1,148,600	4,678,471	411,354	390,787	20,568
2	Book Mobile	2024	84,000	-		84,000	-	58,500	25,500	24,225	1,275
3	Provision for Additional Library Materials	2023-2033	336,000	-		336,000	-		336,000	319,200	16,800
	Reserve Fund Adjustment						77,086		(77,086)	(73,232)	(3,854)
	<b>Total</b>		<b>6,658,425</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,225,686</b>	<b>4,736,971</b>	<b>695,768</b>	<b>660,980</b>	<b>34,788</b>



### **5.2.3 Growth Studies**

The Town has identified \$680,000 of growth-related studies. These studies include development charge studies, official plan reviews and updates, and a provision for other growth-related studies that will be identified through the Town's future budget process. For the official plan reviews, a deduction of 10% (\$35,000) has been applied to recognize the extent to which the studies relate to non-D.C.-eligible service. Further deductions of \$157,600 and \$28,863 were made to recognize the benefit to the existing community, as well as the existing reserve fund balance, respectively. Therefore, the net amount of \$458,537 has been included in the D.C. calculations.

The capital costs have been allocated 86% residential development and 14% non-residential development based on the incremental growth in population to employment for the 10-year forecast period.



Table 5-3  
Infrastructure Cost Included in the Development Charges Calculation  
Growth Studies

Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Service to Which Project Relates	Gross Capital Cost Estimate (2023\$)	Post Period Benefit	Other Deductions (to recognize benefit to non-D.C. services)	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
								Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share	Non-Residential Share
2023-2033										86%	14%	
1	Development Charge Background Study	2024	All D.C. Services	80,000	-		80,000	-		80,000	68,800	11,200
2	Development Charge Update Study	2026-2030	All D.C. Services	20,000	-		20,000	-		20,000	17,200	2,800
3	Development Charge Background Study	2033	All Services	80,000	-		80,000	-		80,000	68,800	11,200
4	Official Plan Review and Update	2027	All Services	175,000	-	17,500	157,500	78,800		78,700	67,682	11,018
5	Official Plan Review and Update	2032	All Services	175,000	-	17,500	157,500	78,800		78,700	67,682	11,018
6	Provision for Growth-Related Studies	2024-2033	All D.C. Services	150,000	-		150,000	-		150,000	129,000	21,000
	Reserve Fund Adjustment							28,863		(28,863)	(24,822)	(4,041)
	<b>Total</b>			<b>680,000</b>	<b>-</b>	<b>35,000</b>	<b>645,000</b>	<b>186,463</b>	<b>-</b>	<b>458,537</b>	<b>394,342</b>	<b>64,195</b>





## 5.3 Service Levels and Long-Term (2023 to 2051) Capital Costs for Pelham's D.C. Calculation

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This section evaluates the development-related capital requirements for services related to a highway – roads and related, public works (facilities and fleet), and fire protection services over a long-term planning period from 2023 to 2051.

### 5.3.1 Services Related to a Highway – Roads and Related

The Town owns and maintains 287 km of surface treated and hot mix asphalt roads. The current level of service over the historical 15-year period (2008-2022) is an average of 15.10 km per 1,000 population. This provides an average level of investment of \$52,334 per capita, resulting in a D.C.-eligible recovery amount of approximately \$448.76 million over the long-term forecast period to 2051.

With respect to future needs, the forecasted road program is an extension from the previous D.C. studies, as well as added components identified through discussions with Town staff and the East Fenwick Servicing Study, all of which totals approximately \$73.03 million. Of this total, approximately \$1.63 million is related to debentures for the Port Robinson, Fenwick Downtown Revitalization, Port Robinson Road., Effingham (16-Kilman), and Highway 20 (Station – Rice) projects. A deduction for the amount that benefits the existing development of approximately \$20.55 million has been included. Additionally, the existing reserve fund balance of approximately \$2.13 million has been deducted from the calculations. After the deduction of the benefit to existing and reserve fund balance, the net growth-related D.C. recoverable amount of approximately \$50.36 million has been included in the calculations.

The residential/non-residential capital cost allocation for service related to a highway – roads and related is based on the ratio of the anticipated population and employment growth over the long-term forecast period. This results in 86% being allocated to residential development and 14% to non-residential development.



**Table 5-3  
Infrastructure Cost Included in the Development Charges Calculation  
Services Related to a Highway – Roads and Related**

Prj.No	Increased Service Needs Attributable to Anticipated Development  2023-2051	Timing (year)	Gross Capital Cost Estimate (2023\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 86%	Non-Residential Share 14%
	<b>Fenwick</b>										
1	Welland Road - Balfour St to Cream St semi-urbanize road section	2028-2033	4,500,000	-		4,500,000	1,800,000		2,700,000	2,322,000	378,000
2	Cream Street - Welland Rd to Memorial Dr urbanize road section	2028-2033	4,500,000	-		4,500,000	1,350,000		3,150,000	2,709,000	441,000
3	Cream Street - Welland Rd to Memorial Dr sidewalks-west side	2028-2033	465,000	-		465,000	139,500		325,500	279,930	45,570
4	Memorial Drive - Maple St to Cream St Urbanize Road Section	2035	7,357,500	-		7,357,500	2,207,300		5,150,200	4,429,172	721,028
5	Memorial Drive - Maple St to Cream St Sidewalks-South Side	2035	790,500	-		790,500	237,200		553,300	475,838	77,462
6	Canboro Road - Garner Ave to Balfour St semi urbanize road section	2028-2031	675,000	-		675,000	270,000		405,000	348,300	56,700
7	Canboro Road - Garner Ave to Balfour St traffic control-Maple Street	2028-2031	230,000	-		230,000	23,000		207,000	178,020	28,980
8	Maple Street - Memorial St to Canboro Rd urbanize road section	2035	4,500,000	-		4,500,000	1,350,000		3,150,000	2,709,000	441,000
9	Canboro Road Urbanization	2035	4,050,000	-		4,050,000	1,215,000		2,835,000	2,438,100	396,900
10	Balfour Street	2026-2033	1,890,000	-		1,890,000	567,000		1,323,000	1,137,780	185,220
11	Provision for Additional East Fenwick Roads Projects	2025-2031	2,925,000	-		2,925,000	1,170,000		1,755,000	1,509,300	245,700
	<b>Fonthill</b>										
12	Pelham Street (Spruceside Cr to Town limit) - Phase 4	2023-2025	2,295,000	-		2,295,000	1,147,500		1,147,500	986,850	160,650
13	Pelham Street - Quaker Rd traffic control-Quaker Road upgrades	2025	150,000	-		150,000	15,000		135,000	116,100	18,900
14	Pelham Street - traffic control-Merritt Road	2028	400,000	-		400,000	40,000		360,000	309,600	50,400
15	Merritt Road - Pelham St to Line Ave urbanize road section and sidewalks (Phase 1 of 2)	2028	2,085,300	-		2,085,300	625,600		1,459,700	1,255,342	204,358
16	Merritt Road - Line Ave to Rice Rd urbanize road section and sidewalks (Phase 2 of 2)	2029	3,847,500	-		3,847,500	1,154,300		2,693,200	2,316,152	377,048
17	Port Robinson Road - Station St to Rice Rd urbanize road section top coat	2027	500,000	-		500,000	150,000		350,000	301,000	49,000
19	Provision for future road expansions/upgrades	2033-2043	5,000,000	-		5,000,000	-		5,000,000	4,300,000	700,000



**Table 5-3 (Continued)**  
**Infrastructure Cost Included in the Development Charges Calculation**  
**Services Related to a Highway – Roads and Related**

Prj.No	Increased Service Needs Attributable to Anticipated Development  2023-2051	Timing (year)	Gross Capital Cost Estimate (2023\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 86%	Non-Residential Share 14%
20	Port Robinson Debt - Principal	2023	181,721	-		181,721	-		181,721	156,280	25,441
21	Port Robinson Debt - Discounted Interest	2023	6,260	-		6,260	-		6,260	5,384	876
22	Fenwick Downtown Revitalization Debt - Principal	2023	1,008,723	-		1,008,723	-		1,008,723	867,502	141,221
23	Fenwick Downtown Revitalization Debt - Discounted Interest	2023	26,839	-		26,839	-		26,839	23,082	3,758
24	Port Robinson Rd Reconstruction Debt - Principal	2023	369,533	-		369,533	-		369,533	317,798	51,735
25	Port Robinson Rd Reconstruction Debt - Discounted Interest	2023	9,832	-		9,832	-		9,832	8,456	1,377
26	Effingham (16-Kilman) Debt - Principal	2023	21,414	-		21,414	-		21,414	18,416	2,998
27	Effingham (16-Kilman) Debt - Discounted Interest	2023	803	-		803	-		803	691	112
28	Hwy 20 (Station - Rice) Debt - Principal	2023	6,342	-		6,342	-		6,342	5,454	888
29	Hwy 20 (Station - Rice) Debt - Discounted Interest	2023	238	-		238	-		238	205	33
30	Clare Ave urbanization	2035	3,375,000	-		3,375,000	1,012,500		2,362,500	2,031,750	330,750
31	Line Ave urbanization	2035	2,482,500	-		2,482,500	744,800		1,737,700	1,494,422	243,278
32	Haist Street urbanization	2032	1,800,000	-		1,800,000	540,000		1,260,000	1,083,600	176,400
33	Quaker Road urbanization	2024	1,800,000	-		1,800,000	540,000		1,260,000	1,083,600	176,400
34	Rd Reconstruction - Station St: Port Robinson to Hwy 20	2027	3,475,500	-		3,475,500	1,042,700		2,432,800	2,092,208	340,592
35	Road Reconstruction - Canboro: Haist St to Pelham St	2025	3,375,000	-		3,375,000	1,012,500		2,362,500	2,031,750	330,750
36	Road Extension - Station St - South of Port Robinson	2025	1,620,000	-		1,620,000	-		1,620,000	1,393,200	226,800
37	Road Reconstruction - Pancake Ln: Pelham St to Haist St	2027	3,802,500	-		3,802,500	1,140,800		2,661,700	2,289,062	372,638
38	Road Reconstruction - Stella/John/Vera	2034	3,510,000	-		3,510,000	1,053,000		2,457,000	2,113,020	343,980
	Reserve Fund Adjustment		-	-		-	2,126,385		(2,126,385)	(1,828,691)	(297,694)
	<b>Total</b>		<b>73,033,007</b>	<b>-</b>	<b>-</b>	<b>73,033,007</b>	<b>22,674,085</b>	<b>-</b>	<b>50,358,922</b>	<b>43,308,673</b>	<b>7,050,249</b>



### **5.3.2 Public Works (Facilities and Fleet)**

The Town currently utilizes 17,338 sq.ft. of public works facility space including the Tice Road Operations Centre, office space at Town Hall, and three (3) storage facilities. This results in a calculated average level of service for the historical 15-year period of \$340 per capita and provides for a D.C.-eligible recovery amount of approximately \$2.91 million over the long-term forecast period to 2051.

In addition to the Public Works facilities, the Town currently maintains and operates a fleet of 44 vehicles and equipment, which has an estimated replacement value of approximately \$5.13 million. This results in a calculated average level of service for the historical 15-year period of \$291 per capita, providing a D.C. eligible amount over the forecast period of \$2.49 million.

In total, the Town is eligible to collect up to approximately \$5.41 million for public works (facilities and fleet).

Based on the anticipated growth in the Town over the forecast period, approximately \$10.29 million in facility space, vehicles, and equipment have been identified. These include an operations centre, pick-up trucks, trailers, mowers, etc. Of this amount, the Town anticipates financing costs associated to the operations centre, which is estimated to be approximately \$0.90 million, and has been included in the calculations. A deduction of approximately \$4.35 million has been made for the share of the projects that benefit existing development. The net growth-related D.C. recoverable amount of approximately \$5.93 million has been included in the calculations (Note: the portion of the utilized amount that is higher than the service standard ceiling is due to the interest cost associated with the debt financing, which is not subject to this ceiling amount).

The residential/non-residential capital cost allocation for public works (facilities and fleet) is based on the ratio of the anticipated population and employment growth over the forecast period. This results in 86% being allocated to residential development and 14% to non-residential development.



Table 5-4  
Infrastructure Cost Included in the Development Charges Calculation  
Public Works (Facilities and Fleet)

Prj.No	Increased Service Needs Attributable to Anticipated Development  2023-2051	Service to Which Project Relates	Timing (year)	Gross Capital Cost Estimate (2023\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
								Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share  86%	Non- Residential Share  14%
1	<b>Public Works Operations Centre - New Facility</b>											
1A	Public Works Operations Centre - New Facility	Services Related to a Highway	2029	2,703,000	-		2,703,000	1,523,500		1,179,500	1,014,370	165,130
1B	Public Works Operations Centre - New Facility	Parks and Recreation Services	2029	1,431,000	-		1,431,000	806,600		624,400	536,984	87,416
1C	Public Works Operations Centre - New Facility	Water Services	2029	583,000	-		583,000	328,600		254,400	218,784	35,616
1D	Public Works Operations Centre - New Facility	Wastewater Services	2029	583,000	-		583,000	328,600		254,400	218,784	35,616
	<b>Sub-Total</b>		2029	<b>5,300,000</b>	-	-	<b>5,300,000</b>	<b>2,987,300</b>	-	<b>2,312,700</b>	<b>1,988,922</b>	<b>323,778</b>
2	<b>Public Works Operations Centre - New Facility Financing Costs</b>											
2A	Public Works Operations Centre - New Facility Financing Costs	Services Related to a Highway	2029	458,418	-		458,418	-		458,418	394,239	64,178
2B	Public Works Operations Centre - New Facility Financing Costs	Parks and Recreation Services	2029	242,692	-		242,692	-		242,692	208,715	33,977
2C	Public Works Operations Centre - New Facility Financing Costs	Water Services	2029	98,874	-		98,874	-		98,874	85,032	13,842
2D	Public Works Operations Centre - New Facility Financing Costs	Wastewater Services	2029	98,874	-		98,874	-		98,874	85,032	13,842
	<b>Sub-Total</b>		2029	<b>898,858</b>	-	-	<b>898,858</b>	-	-	<b>898,858</b>	<b>773,018</b>	<b>125,840</b>
3	<b>Public Works Operations Centre - Land</b>											
3A	Public Works Operations Centre - Land	Services Related to a Highway	2028	1,020,000	-		1,020,000	574,900		445,100	382,786	62,314
3B	Public Works Operations Centre - Land	Parks and Recreation Services	2028	540,000	-		540,000	304,400		235,600	202,616	32,984
3C	Public Works Operations Centre - Land	Water Services	2028	220,000	-		220,000	124,000		96,000	82,560	13,440
3D	Public Works Operations Centre - Land	Wastewater Services	2028	220,000	-		220,000	124,000		96,000	82,560	13,440
	<b>Sub-Total</b>		2028	<b>2,000,000</b>	-	-	<b>2,000,000</b>	<b>1,127,300</b>	-	<b>872,700</b>	<b>750,522</b>	<b>122,178</b>



Table 5-4 (Continued)  
 Infrastructure Cost Included in the Development Charges Calculation  
 Public Works (Facilities and Fleet)

Prj.No	Increased Service Needs Attributable to Anticipated Development  2023-2051	Service to Which Project Relates	Timing (year)	Gross Capital Cost Estimate (2023\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
								Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share  86%	Non- Residential Share  14%
4		Tractor with Snow Plow and Salt Spreader	Services Related to a Highway	2029	190,000	-	190,000	-		190,000	163,400	26,600
5		Combination Snow Plow and Spreader	Services Related to a Highway	2025	350,000	-	350,000	-		350,000	301,000	49,000
6		Grader	Services Related to a Highway	2030	200,000	-	200,000	-		200,000	172,000	28,000
7		Pick up Truck	Services Related to a Highway	2030	65,000	-	65,000	-		65,000	55,900	9,100
8		Street Sweeper with Hydro-Vac Capability	Services Related to a Highway	2030	300,000	-	300,000	-		300,000	258,000	42,000
9		Compact SUV	Services Related to a Highway	2030	65,000	-	65,000	-		65,000	55,900	9,100
10		<b>Small Compactor Truck</b>										
	10A	Small Compactor Truck	Services Related to a Highway	2026	120,000	-	120,000	-		120,000	103,200	16,800
	10B	Small Compactor Truck	Parks and Recreation Services	2026	120,000	-	120,000	-		120,000	103,200	16,800
		<b>Sub-Total</b>		2026	<b>240,000</b>	-	<b>240,000</b>	-	-	<b>240,000</b>	<b>206,400</b>	<b>33,600</b>
11		Forestry Truck with Boom and Chip Box	Services Related to a Highway	2026	480,000	-	480,000	240,000		240,000	206,400	33,600
12		50 hp Tractor for bulk mowing	Parks and Recreation Services	2026	55,000	-	55,000	-		55,000	47,300	7,700
13		16" Mower Deck	Parks and Recreation Services	2026	26,000	-	26,000	-		26,000	22,360	3,640
14		<b>Pickup Truck</b>										
	14A	Pickup Truck	Services Related to a Highway	2026	28,500	-	28,500	-		28,500	24,510	3,990
	14B	Pickup Truck	Parks and Recreation Services	2026	28,500	-	28,500	-		28,500	24,510	3,990
		<b>Sub-Total</b>		2026	<b>57,000</b>	-	<b>57,000</b>	-	-	<b>57,000</b>	<b>49,020</b>	<b>7,980</b>
15		<b>Landscape Trailer</b>										
	15A	Landscape Trailer	Services Related to a Highway	2026	6,500	-	6,500	-		6,500	5,590	910
	15B	Landscape Trailer	Parks and Recreation Services	2026	6,500	-	6,500	-		6,500	5,590	910
		<b>Sub-Total</b>		2026	<b>13,000</b>	-	<b>13,000</b>	-	-	<b>13,000</b>	<b>11,180</b>	<b>1,820</b>
16		<b>Mower 48"</b>										
	16A	Mower 48"	Services Related to a Highway	2026	11,000	-	11,000	-		11,000	9,460	1,540
	16B	Mower 48"	Parks and Recreation Services	2026	11,000	-	11,000	-		11,000	9,460	1,540
		<b>Sub-Total</b>		2026	<b>22,000</b>	-	<b>22,000</b>	-	-	<b>22,000</b>	<b>18,920</b>	<b>3,080</b>
17		<b>Mower 60"</b>										
	17A	Mower 60"	Services Related to a Highway	2026	12,500	-	12,500	-		12,500	10,750	1,750
	17B	Mower 60"	Parks and Recreation Services	2026	12,500	-	12,500	-		12,500	10,750	1,750
		<b>Sub-Total</b>		2026	<b>25,000</b>	-	<b>25,000</b>	-	-	<b>25,000</b>	<b>21,500</b>	<b>3,500</b>
		<b>Total</b>			<b>10,286,858</b>	-	<b>10,286,858</b>	<b>4,354,600</b>	-	<b>5,932,258</b>	<b>5,101,742</b>	<b>830,516</b>



### **5.3.3 Fire Protection Services**

The Town of Pelham currently operates its fire services from three (3) facilities with 28,193 sq.ft. of facility space, providing for a per capita average level of service of 1.50 sq.ft. per capita or \$1,253 per capita. This level of service provides the Town with a maximum D.C.-eligible amount for recovery over the forecast period of approximately \$10.74 million.

The fire department has a current inventory of 15 vehicles. The inventory provided over the previous 15-year period results in a calculated average level of service of 0.80 vehicles per 1,000 population, and an average level of investment of \$558 per capita. This level of service provides for a D.C.-eligible amount of approximately \$4.78 million over the forecast period.

In addition to vehicles, the Town also provides 562 items of small equipment and gear for use in fire services, with a total value of approximately \$2.09 million. This results in a calculated average level of service for the historical 15-year period of \$102 per capita, providing for a D.C.-eligible amount over the forecast period of \$872,849 for small equipment and gear.

Based on the above, the maximum D.C.-eligible amount for recovery over the 2023 to 2051 forecast period for fire services is approximately \$16.40 million.

To service new development, the Town has identified future capital needs totaling approximately \$10.26 million, including the need for a pumper truck, thermal imaging cameras, jaws of life, and a new Station #1 facility. Of this amount, a deduction of approximately \$6.13 million has been made for the amount that benefits the existing development. Additionally, the existing reserve fund balance of \$166,393 has been deducted from the calculations. In total, the net D.C. recoverable amount included in the D.C. calculation is approximately \$3.96 million.

These costs are shared between residential and non-residential development based on the population to employment ratio over the forecast period, resulting in 86% being allocated to residential development and 14% being allocated to non-residential development.



Table 5-5  
Infrastructure Cost Included in the Development Charges Calculation  
Fire Protection Services

Prj .No	Increased Service Needs Attributable to Anticipated Development  2023-2051	Timing (year)	Gross Capital Cost Estimate (2023\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 86%	Non-Residential Share 14%
1	New Station #1	2026	8,000,000	-		8,000,000	6,128,700		1,871,300	1,609,318	261,982
2	Station 1 Pumper	2029	1,200,000	-		1,200,000	-		1,200,000	1,032,000	168,000
7	Thermal Imaging Cameras (2)	2025	16,000	-		16,000	-		16,000	13,760	2,240
8	Jaws of Life (2)	2025	40,000	-	-	40,000	-		40,000	34,400	5,600
9	Provision for Vehicles/Equipment	2031-2041	1,000,000	-	-	1,000,000	-		1,000,000	860,000	140,000
	Reserve Fund Adjustment						166,393		(166,393)	(143,098)	(23,295)
	<b>Total</b>		<b>10,256,000</b>	<b>-</b>	<b>-</b>	<b>10,256,000</b>	<b>6,295,093</b>	<b>-</b>	<b>3,960,907</b>	<b>3,406,380</b>	<b>554,527</b>





## **5.4 Service Levels and Urban Long-Term (2023 to 2051) Capital Costs for Pelham's D.C. Calculation**

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This section evaluates the development-related capital requirements over a long-term planning period from 2023 to 2051 for urban services including Water and Wastewater Services in Fonthill and Fenwick.

### **5.4.1 Water Services**

The Town has identified the need to undertake water-related capital works in the areas of Fonthill and Fenwick in the form of new watermains and upsizing existing watermains. In addition to these works, the Town has included the recovery of debentures related to Port Robinson, and Highway 20 (Station Street to Rice Road). The gross capital costs of these projects is approximately \$14.56 million, with an additional recovery of \$672,246 to recognize the Town's reserve fund deficit. A deduction in the amount of approximately \$6.59 million has been applied to recognize the portion of the works that will benefit the existing developments in the Town. Additionally \$979,046 has been deducted from the calculation as other funding has been recognized for the Canboro Road – Haist to Church Hill – Upsize project. After the deductions, the net growth capital cost of approximately \$7.67 million has been included in the D.C.

These costs are shared between residential and non-residential based on the population to employment ratio over the 28-year urban forecast period, resulting in 88% being residential development and 12% being allocated to non-residential development.



Table 5-6  
Infrastructure Cost Included in the Development Charges Calculation  
Water Services

Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2023\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share	Non-Residential Share
	2023-2051									88%	12%
	<b>Fenwick</b>										
1	Provision for East Fenwick Secondary Plan - Proposed Upgrades	2026-2033	6,100,000	-		6,100,000	3,050,000		3,050,000	2,684,000	366,000
2	Welland Rd New Watermain Looping (East Fenwick)	2034	840,000	-		840,000	252,000		588,000	517,440	70,560
3	Cream St. New Watermain Looping	2034	560,000	-		560,000	280,000		280,000	246,400	33,600
4	Design - Welland: Canboro Rd to E of Balfour Watermain Upgrade	2025	55,000	-		55,000	11,000		44,000	38,720	5,280
	<b>Fonthill</b>										
5	Merritt Road New Watermain - Pelham St. to Line Ave.	2028	532,000	-		532,000	338,500		193,500	170,280	23,220
6	Merritt Road New Watermain - Line Ave. to Rice Rd.	2028	1,197,000	-		1,197,000	-		1,197,000	1,053,360	143,640
7	Canboro Road - Haist to Church Hill - Upsize	2025	2,000,000	-		2,000,000	816,800	979,046	204,154	179,656	24,498
8	Port Robinson Debt - Principal	2023	73,137	-		73,137	-		73,137	64,361	8,776
9	Port Robinson Debt - Discounted Interest	2023	2,520	-		2,520	-		2,520	2,217	302
10	Hwy 20 (Station - Rice) Debt - Principal	2023	51,100	-		51,100	-		51,100	44,968	6,132
11	Hwy 20 (Station - Rice) Debt - Discounted Interest	2023	1,916	-		1,916	-		1,916	1,686	230
12	Clare Ave Watermain Upgrade	2035	700,000	-		700,000	474,600		225,400	198,352	27,048
13	Pelham Street Phase 4 Watermain Upgrade	2023-2025	700,000	-		700,000	403,000		297,000	261,360	35,640
14	Line Ave Watermain Upgrade	2028	700,000	-		700,000	636,400		63,600	55,968	7,632
15	Quaker Road Watermain Upgrade	2023-2024	560,000	-		560,000	324,500		235,500	207,240	28,260
16	Station St. Extension Watermain (350m)	2025	490,000	-		490,000	-		490,000	431,200	58,800
	Reserve Fund Adjustment		672,246	-		672,246	-		672,246	591,576	80,669
	<b>Total</b>		<b>15,234,918</b>	<b>-</b>	<b>-</b>	<b>15,234,918</b>	<b>6,586,800</b>	<b>979,046</b>	<b>7,669,072</b>	<b>6,748,784</b>	<b>920,289</b>



### **5.4.2 Wastewater Services**

The Town has identified the need to undertake wastewater-related capital works in the areas of Fonthill and Fenwick in the form of various new sanitary sewers, extensions, upgrades, and oversizing. In addition to these works, the Town has included the recovery of debentures related to the Port Robinson Road reconstruction. The total gross capital cost included is approximately \$37.76 million. Deductions in the amounts of approximately \$13.37 million and \$2.57 million have been made to account for the benefit to existing development and the reserve fund balance, respectively. Additionally \$1.20 million has been deducted from the calculation as other funding has been recognized for the Sewage Pumping Station for Northwest Fenwick project. After deductions, the total net growth related capital cost of approximately \$20.61 million has been included in the D.C.

These costs are shared between residential and non-residential based on the population to employment ratio over the 28-year urban forecast period, resulting in 88% being residential development and 12% being allocated to non-residential development.



Table 5-6  
Infrastructure Cost Included in the Development Charges Calculation  
Wastewater Services

Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2023\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share	Non-Residential Share
2023-2051									88%	12%	
	<b>Fenwick</b>										
1	Welland Road Upgrade existing sewer from 200 mm dia to 300 mm dia (150m)	2026-2031	1,500,000	-		1,500,000	600,000		900,000	792,000	108,000
2	Church Street Upgrade existing sewer from 250 mm dia to 350 mm dia (900m)	2023	2,500,000	-		2,500,000	1,000,000		1,500,000	1,320,000	180,000
3	Foss Road Upgrade existing sewer from 350mm dia to 450mm dia (550m)	2027	4,815,000	-		4,815,000	1,926,000		2,889,000	2,542,320	346,680
4	Sewage Pumping Station for Northwest Fenwick	2025-2027	1,800,000	-		1,800,000	-	1,200,000	600,000	528,000	72,000
5	East Fenwick Secondary Plan - proposed upgrades	2026	12,000,000	-		12,000,000	6,000,000		6,000,000	5,280,000	720,000
	<b>Fonthill</b>		-	-		-	-		-	-	-
6	Merritt Road New sanitary sewer to service new development	2029	2,052,000	-		2,052,000	-		2,052,000	1,805,760	246,240
7	Deer Park, Phase II Upgrade existing from 350 to 450 (75m)	2034	1,225,000	-		1,225,000	490,000		735,000	646,800	88,200
8	Welland Road/Deer Park Sanitary	2034	1,270,000	-		1,270,000	508,000		762,000	670,560	91,440
9	Provision for Potential Upgrades/Oversizing Hurricane upgrade existing Station to Hwy 20	2033-2043	2,000,000	-		2,000,000	-		2,000,000	1,760,000	240,000
10	Ker Crescent outlet - upgrade existing (280m)	2029	2,250,000	-		2,250,000	1,012,500		1,237,500	1,089,000	148,500
11	Port Robinson Rd Reconstruction Debt - Principal	2023	102,704	-		102,704	-		102,704	90,380	12,324
12	Port Robinson Rd Reconstruction Debt - Discounted Interest	2023	2,733	-		2,733	-		2,733	2,405	328
13	Clare Ave new sani	2035	2,100,000	-		2,100,000	420,000		1,680,000	1,478,400	201,600
14	Quaker Road sani upgrade	2023-2024	1,200,000	-		1,200,000	240,000		960,000	844,800	115,200
15	Station Street sani upgrade	2027	2,100,000	-		2,100,000	1,050,000		1,050,000	924,000	126,000
	Reserve Fund Adjustment						2,570,742		(2,570,742)	(2,262,253)	(308,489)
	<b>Total</b>		<b>37,757,437</b>	<b>-</b>	<b>-</b>	<b>37,757,437</b>	<b>15,943,242</b>	<b>1,200,000</b>	<b>20,614,195</b>	<b>18,140,491</b>	<b>2,473,703</b>



Table 6-1  
Town of Pelham  
Development Charge Calculation  
Urban Area Services  
Long-Term (2023 to 2051)

SERVICE/CLASS	2023\$ D.C.-Eligible Cost		2023\$ D.C.-Eligible Cost	
	Residential	Non-Residential	S.D.U.	per sq.ft.
1. <u>Wastewater Services</u>				
1.1 Sewers	18,140,491	2,473,703	5,760	4.01
	18,140,491	2,473,703	5,760	4.01
2. <u>Water Services</u>				
2.1 Distribution Systems	6,748,784	920,289	2,143	1.49
	6,748,784	920,289	2,143	1.49
<b>TOTAL</b>	<b>24,889,275</b>	<b>3,393,992</b>	<b>7,903</b>	<b>5.50</b>
D.C.-Eligible Capital Cost	24,889,275	3,393,992		
Urban - 28 Year Gross Population/GFA Growth (sq.ft.)	9,080	617,100		
<b>Cost Per Capita/Non-Residential GFA (sq.ft.)</b>	<b>\$2,741</b>	<b>\$5.50</b>		
<b><u>By Residential Unit Type</u></b>	<b><u>P.P.U.</u></b>			
Single and Semi-Detached Dwelling	2.883	\$7,903		
Multiples	2.161	\$5,924		
Apartments - 2 Bedrooms +	2.031	\$5,567		
Apartments - Studio and 1 Bedroom	1.316	\$3,607		
Special Care Dwellings	1.100	\$3,015		



Table 6-2  
Town of Pelham  
Development Charge Calculation  
Town-wide Services  
Long-Term (2023 to 2051)

SERVICE/CLASS	2023\$ D.C.-Eligible Cost		2023\$ D.C.-Eligible Cost	
	Residential	Non-Residential	S.D.U.	per sq.ft.
	\$	\$	\$	\$
3. <u>Services Related to a Highway</u>				
3.1 Roads and Related	43,308,673	7,050,249	13,667	7.32
	43,308,673	7,050,249	13,667	7.32
4. <u>Public Works (Facilities and Fleet)</u>				
4.1 Services Related to a Highway	3,157,505	514,012	997	0.54
4.2 Water Services	386,376	62,898	122	0.07
4.3 Wastewater Services	386,376	62,898	122	0.07
4.4 Parks and Recreation Services	1,171,485	190,707	370	0.20
	5,101,742	830,516	1,611	0.88
5. <u>Fire Protection Services</u>				
5.1 Fire facilities, vehicles & equipment	3,406,380	554,527	1,075	0.58
	3,406,380	554,527	1,075	0.58
<b>TOTAL</b>	<b>51,816,796</b>	<b>8,435,292</b>	<b>16,353</b>	<b>8.78</b>
D.C.-Eligible Capital Cost	\$51,816,796	\$8,435,292		
28-Year Gross Population/GFA Growth (sq.ft.)	9,135	960,800		
<b>Cost Per Capita/Non-Residential GFA (sq.ft.)</b>	<b>\$5,672</b>	<b>\$8.78</b>		
<b>By Residential Unit Type</b>	<b>P.P.U.</b>			
Single and Semi-Detached Dwelling	2.883	\$16,353		
Multiples	2.161	\$12,258		
Apartments - 2 Bedrooms +	2.031	\$11,521		
Apartments - Studio and 1 Bedroom	1.316	\$7,465		
Special Care Dwellings	1.100	\$6,240		



Table 6-3  
Town of Pelham  
Development Charge Calculation  
Town-wide Services  
10-Year (2023 to 2033)

SERVICE/CLASS	2023\$ D.C.-Eligible Cost		2023\$ D.C.-Eligible Cost	
	Residential	Non-Residential	S.D.U.	per sq.ft.
6. <u>Parks and Recreation Services</u>	\$	\$	\$	\$
6.1 Park development, amenities, and recreation facilities	12,408,172	653,062	9,901	1.79
	12,408,172	653,062	9,901	1.79
7. <u>Library Services</u>				
7.1 Library facilities and materials	660,980	34,788	527	0.10
	660,980	34,788	527	0.10
8. <u>Growth Studies</u>				
8.1 Growth Studies	394,342	64,195	315	0.18
	394,342	64,195	315	0.18
<b>TOTAL</b>	<b>13,463,493</b>	<b>752,045</b>	<b>10,743</b>	<b>2.07</b>
D.C.-Eligible Capital Cost	13,463,493	752,045		
10-Year Gross Population/GFA Growth (sq.ft.)	3,613			
<b>Cost Per Capita/Non-Residential GFA (sq.ft.)</b>	<b>\$3,726</b>	<b>\$2.07</b>		
<b>By Residential Unit Type</b>	<b>P.P.U.</b>			
Single and Semi-Detached Dwelling	2.883	\$10,743		
Multiples	2.161	\$8,053		
Apartments - 2 Bedrooms +	2.031	\$7,568		
Apartments - Studio and 1 Bedroom	1.316	\$4,904		
Special Care Dwellings	1.100	\$4,099		

Table 6-4  
Town of Pelham  
Development Charge Calculation  
Total All Services

	2023\$ D.C.-Eligible Cost		2023\$ D.C.-Eligible Cost	
	Residential	Non-Residential	S.D.U.	per sq.ft.
<b>Urban-wide Services/Classes Long-Term</b>	\$	\$	\$	\$
	24,889,275	3,393,992	7,903	5.50
<b>Town-wide Services/Classes Long-Term</b>	51,816,796	8,435,292	16,353	8.78
<b>Town-wide Services/Classes 10 Year</b>	13,463,493	752,045	10,743	2.07
<b>TOTAL</b>	<b>90,169,563</b>	<b>12,581,330</b>	<b>34,999</b>	<b>16.35</b>



**Table 6-5**  
**Town of Pelham**  
**Gross Expenditure and Sources of Revenue Summary for Costs to be Incurred over the Life of the By-law**

Service/Class	Total Gross Cost	Sources of Financing					
		Tax Base or Other Non-D.C. Source			Post D.C. Period Benefit	D.C. Reserve Fund	
		Other Deductions	Benefit to Existing	Other Funding		Residential	Non-Residential
1. Wastewater Services							
1.1 Sewers	31,162,437	0	11,954,500	1,200,000	0	15,846,984	2,160,952
2. Water Services							
2.1 Distribution Systems	11,700,173	0	5,198,950	979,046	0	4,859,516	662,661
3. Services Related to a Highway							
3.1 Roads and Related	41,877,895	0	12,108,775	0	0	25,601,443	4,167,677
4. Public Works (Facilities and Fleet)							
4.1 Services Related to a Highway	5,643,184	0	2,338,400	0	0	2,842,114	462,670
4.2 Water Services	822,775	0	452,600	0	0	318,350	51,824
4.3 Wastewater Services	822,775	0	452,600	0	0	318,350	51,824
4.4 Parks and Recreation Services	2,279,038	0	1,111,000	0	0	1,004,513	163,525
5. Fire Protection Services							
5.1 Fire facilities, vehicles & equipment	9,324,966	0	6,128,700	0	0	2,748,788	447,477
6. Parks and Recreation Services							
6.1 Park development, amenities, and recreation facilities	17,964,437	0	778,300	2,466,000	5,630,240	8,635,402	454,495
7. Library Services							
7.1 Library facilities and materials	6,627,880	0	1,148,600	4,736,971	0	705,194	37,115
8. Growth Studies							
8.1 Growth Studies	581,250	35,000	157,600	0	0	334,239	54,411
<b>Total Expenditures &amp; Revenues</b>	<b>\$128,806,808</b>	<b>\$35,000</b>	<b>\$41,830,025</b>	<b>\$9,382,017</b>	<b>\$5,630,240</b>	<b>\$63,214,894</b>	<b>\$8,714,633</b>





## 7. D.C. Policy Recommendations and D.C. By-law Rules

### 7.1 Introduction

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Subsection 5 (1) 9 states that rules must be developed:

“to determine if a development charge is payable in any particular case and to determine the amount of the charge, subject to the limitations set out in subsection (6).”

Paragraph 10 of the section goes on to state that the rules may provide for exemptions, phasing in and/or indexing of D.C.s.

Subsection 5 (6) establishes the following restrictions on the rules:

- the total of all D.C.s that would be imposed on anticipated development must not exceed the capital costs determined under subsection 5 (1) 2-7 for all services involved;
- if the rules expressly identify a type of development, they must not provide for it to pay D.C.s that exceed the capital costs that arise from the increase in the need for service for that type of development; however, this requirement does not relate to any particular development; and
- if the rules provide for a type of development to have a lower D.C. than is allowed, the rules for determining D.C.s may not provide for any resulting shortfall to be made up via other development.

With respect to “the rules,” section 6 states that a D.C. by-law must expressly address the matters referred to above re subsection 5 (1) paragraphs 9 and 10, as well as how the rules apply to the redevelopment of land.

The rules provided are based on the Town’s existing policies; with some modifications and consideration for the changes to the D.C.A. resulting from Bills 108, 138, 109, 197, 213, 23, 134 and 185.



## 7.2 D.C. By-law Structure

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**It is recommended that:**

- the Town uses a uniform Town-wide D.C. calculation for all Town-wide services;
- D.C.s for water and wastewater services be imposed on the urban service areas of the Town; and
- one D.C. by-law be used for all services.

## 7.3 D.C. By-law Rules

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The following subsections set out the recommended rules governing the calculation, payment and collection of D.C.s in accordance with section 6 of the D.C.A.

**It is recommended that the following sections provide the basis for the D.C.s.:**

### ***7.3.1 Payment in any Particular Case***

In accordance with the D.C.A., subsection 2 (2), a D.C. be calculated, payable, and collected where the development requires one or more of the following:

- “(a) the passing of a zoning by-law or of an amendment to a zoning by-law 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, 1998; or
- (g) the issuing of a permit under the Building Code Act, 1992 in relation to a building or structure.”



### **7.3.2 Determination of the Amount of the Charge**

The following conventions be adopted:

- 1) Costs allocated to residential uses will be assigned to different types of residential units based on the average occupancy for each housing type constructed during the previous decade. Costs allocated to non-residential uses will be assigned based on the number of square feet of G.F.A. constructed for eligible uses (i.e., industrial, commercial, and institutional).
- 2) Costs allocated to residential and non-residential uses are based upon a number of conventions, as may be suited to each municipal circumstance, e.g.
  - for parks and recreation services and library services, a 5% non-residential attribution has been made to recognize use by the non-residential sector;
  - for growth studies an 86% residential/14% non-residential attribution has been made based on a population vs. employment growth ratio over the 10-year (2023 to 2033) forecast period;
  - for services related to a highway – roads and related, public works (facilities and fleet), and fire protection services an 86% residential/14% non-residential attribution has been made based on a population vs. employment growth ratio over the long-term (2023 to 2051) forecast period; and
  - for water and wastewater services an 88% residential/12% non-residential allocation has been made based on population vs. employment growth over the urban long-term (2023 to 2051) forecast period.

### **7.3.3 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 (within 5 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 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 G.F.A. of the building demolished/converted multiplied by the current non-residential D.C. in place at the time the D.C. is payable;

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

### **7.3.4 Exemptions (full or partial)**

a) Statutory exemptions:

- industrial building additions of up to and including 50% of the existing G.F.A. (defined in O. Reg. 82/98, section 1) of the building; for industrial building additions that exceed 50% of the existing G.F.A., only the portion of the addition in excess of 50% is subject to D.C.s (subsection 4 (3) of the D.C.A.);
- buildings or structures owned by and used for the purposes of any municipality, local board, or Board of Education (section 3);
- may add up to 2 apartments in an existing or new detached, semi-detached, or rowhouse (including in an ancillary structure);
- add one additional unit or 1% of existing units in an existing rental residential building;
- a university in Ontario that receives direct, regular, and ongoing operating funding from the Government of Ontario;
- affordable units;
- attainable units(to be in force at a later date);
- affordable inclusionary zoning units;
- non-profit housing; and
- discount for rental housing units based on bedroom size (i.e., three or more bedrooms – 25% reduction, two bedrooms – 20% reduction, and all others – 15% reduction).

b) Non-statutory exemptions:

- a hospital as defined under the Public Hospitals Act;
- that portion of a place of worship that is exempt from taxation under the Assessment Act;
- a garden suite;
- a farm help house;



- a farm building;
- Institutions that are exempt from municipal taxation under the following legislation;
  - Social Housing Reform Act,
  - Long Term Care Act, or
  - Mental Health Act,Save and except those that are operated for profit.
- Lands developed for the purposes where the development is clearly exempt from taxation under the Provincial or Federal Legislation.

### **7.3.5 Timing of Collection**

The D.C.s for all services and classes 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.

Rental housing and institutional developments will pay D.C.s in 6 equal annual payments commencing at occupancy.

Moreover, the D.C. amount for all developments occurring within 18 months of a Site Plan or Zoning By-law Amendment planning approval (for applications submitted after January 1, 2020), shall be determined based on the D.C. in effect on the day the applicable Site Plan or Zoning By-law Amendment application was submitted (as a complete application).

Instalment payments and payments determined at the time of Site Plan or Zoning By-law Amendment application are subject to annual interest charges. The maximum interest rate the Town can impose is the average prime rate plus 1%.

### **7.3.6 The Applicable Areas**

The charges developed herein provide for varying charges within the Town, as follows:

- All Town-wide services – the full residential and non-residential charge will be imposed on all lands within the Town; and
- Water and Wastewater – the full residential and non-residential charge will be imposed on the urban service areas of the Town (Fonthill and Fenwick).



### **7.3.7 Indexing**

Indexing of the D.C.s shall be implemented on a mandatory basis annually commencing on January 1, 2025, and each January 1<sup>st</sup> thereafter, in accordance with the Statistics Canada Quarterly, Non-Residential Building Construction Price Index (Table 18-10-0276-02)<sup>1</sup> for the most recent year-over-year period.

## **7.4 Other D.C. By-law Provisions**

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**It is recommended that:**

### **7.4.1 Categories of Services for Reserve Fund and Credit Purposes**

The Town's D.C. collections are currently reserved in nine (9) separate reserve funds: General Government, Fire Protection, Public Works, Indoor Recreation, Outdoor Recreation, Library Services, Water, Sewer, and Stormwater.

It is recommended that the Town combine the Indoor Recreation and Outdoor Recreation reserve funds into a new combined reserve fund called "Parks and Recreation Services".

With respect to the general government reserve fund, it is recommended that the Town re-name this reserve fund to be called "Growth Studies".

Appendix D outlines the reserve fund policies that the Town is required to follow as per the D.C.A.

### **7.4.2 By-law In-force Date**

A by-law under the D.C.A. comes into force on January 1, 2025.

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<sup>1</sup> O. Reg. 82/98 referenced "The Statistics Canada Quarterly, Construction Price Statistics, catalogue number 62-007" as the index source. Since implementation, Statistics Canada has modified this index twice and the above-noted index is the most current. The draft by-law provided herein refers to O. Reg. 82/98 to ensure traceability should this index continue to be modified over time.



### **7.4.3 Minimum Interest Rate Paid on Refunds and Charged for Inter-Reserve Fund Borrowing**

The minimum interest rate is what the Bank of Canada rate is on the day the by-law comes into force updated on the first business day of every January, April, July and October (as per section 11 of O. Reg. 82/98).

### **7.4.4 Area Rating**

The D.C.A. required that Council must consider the use of area specific charges:

1. Section 2 (9) of the D.C.A. now requires a municipality to implement area-specific D.C.s for either specific services which are prescribed and/or for specific municipalities which are to be regulated (note that at this time, no municipalities or services are prescribed by the regulations).
2. Section 10 (2) c.1 of the D.C.A. requires that “the development charges background study shall include consideration of the use of more than one development charge by-law to reflect different needs for services in different areas.”

In regard to the first item, there are no services or specific municipalities identified in the regulations which must be area rated. The second item requires Council to consider the use of area rating.

Currently the Town’s by-law provides for water and wastewater services on an urban area basis (Fonthill and Fenwick). All other services are recovered on a uniform, Town-wide basis. There have been several reasons why area-rating has not been imposed on these services, including:

1. All Town services, with the exception of water and wastewater, require that the average 15-year service standard be calculated. This average service standard multiplied by growth in the Town, establishes an upper ceiling on the amount of funds that can be collected from all developing landowners. Section 4 (4) of O. Reg. 82/98 provides that “if a development charge by-law applies to a part of the municipality, the level of service and average level of service cannot exceed that which would be determined if the by-law applied to the whole municipality.” Put in layman terms, the average service standard multiplied by the growth within



the specific area would establish an area-specific ceiling which would significantly reduce the total revenue recoverable for the Town hence potentially resulting in D.C. revenue shortfalls and impacts on property taxes.

2. Expanding on item 1, attempting to impose an area charge potentially causes equity issues in transitioning from a Town-wide approach to an area-specific approach. For example, if all services were now built (and funded) within Area A (which is 75% built out) and this was funded with some revenues from Areas B and C, moving to an area-rating approach would see Area A contribute no funds to the costs of services in Areas B and C. The D.C.s would be lower in Area A (as all services are now funded) and higher in Areas B and C. As well, funding shortfalls may then potentially encourage the municipality to provide less services to Areas B and C due to reduced revenue.
3. Many services provided (roads, parks and recreation facilities, etc.) are not restricted to one specific area and are often used by all residents. For example, arenas located in different parts of the Town will be used by residents from all areas depending on the programming of the facility (i.e., a public skate is available each night, but at a different arena; hence usage of any one facility at any given time is based on programming availability).

For the reasons noted above, it is recommended that Council calculate the charges on a uniform Town-wide basis for all services/classes of services other than water and wastewater, which are recommended to be imposed on an urban area basis.

## 7.5 Other Recommendations

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### **It is recommended that Council:**

“Whenever appropriate, request that grants, subsidies and other contributions be clearly designated by the donor as being to the benefit of existing development or new development, as applicable;”

“Adopt the assumptions contained herein as an ‘anticipation’ with respect to capital grants, subsidies and other contributions;”

“Continue the D.C. approach to calculate the charges on a uniform Town-wide basis for all services except water and wastewater;”





“Continue the D.C. approach to calculate the charges on an urban-area basis for water and wastewater services;”

“Approve the capital project listing set out in Chapter 5 of the D.C.s Background Study dated December 20, 2023, as amended, subject to further annual review during the capital budget process;”

“Approve the D.C.s Background Study dated December 20, 2023, as amended;”

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

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



Schedule 7  
Town of Pelham  
Historical Residential Building Permits  
Years 2013 to 2022

Year	Residential Building Permits			
	Singles & Semi Detached	Multiples <sup>[1]</sup>	Apartments <sup>[2]</sup>	Total
2013	19	7	3	29
2014	43	27	0	70
2015	65	20	0	85
2016	134	31	10	175
2017	176	6	16	198
Sub-total	437	91	29	557
<b>Average (2013 - 2017)</b>	<b>87</b>	<b>18</b>	<b>6</b>	<b>111</b>
% Breakdown	78%	16%	5%	100%
2018	57	27	77	161
2019	47	32	24	103
2020	77	36	15	128
2021	75	118	137	330
2022	35	62	72	169
Sub-total	291	275	325	891
<b>Average (2018 - 2022)</b>	<b>58</b>	<b>55</b>	<b>65</b>	<b>178</b>
% Breakdown	33%	31%	36%	100%
2013 - 2022				
Total	728	366	354	1,448
<b>Average</b>	<b>73</b>	<b>37</b>	<b>35</b>	<b>145</b>
% Breakdown	50%	25%	24%	100%

<sup>[1]</sup> Includes townhouses and apartments in duplexes.

<sup>[2]</sup> Includes studio, 1-bedroom, and 2-bedroom+ apartment units.

Source: Historical housing activity derived from Town of Pelham data, by Watson & Associates Economists Ltd.



## Appendix B: Level of Service

SUMMARY OF SERVICE STANDARDS AS PER DEVELOPMENT CHARGES ACT, 1997, AS AMENDED								
Service Category	Sub-Component	15 Year Average Service Standard					Maximum Ceiling LOS	Remaining (Unutilized Ceiling)
		Cost (per capita)	Quantity (per capita)		Quality (per capita)			
Service Related to a Highway	Services Related to a Highway - Roads	\$52,333.80	0.015100	km of roadways	3,465,815	per km	448,762,335	398,447,385
Public Works	Public Works - Facilities	\$339.86	0.964600	sq.ft. of building area	352	per sq.ft.	2,914,300	372,966
	Public Works - Vehicles & Equipment	\$290.62	0.002400	No. of vehicles and equipment	121,092	per vehicle	2,492,067	
Fire Protection	Fire Protection Services - Facilities	\$1,253.00	1.501700	sq.ft. of building area	834	per sq.ft.	10,744,475	12,437,323
	Fire Protection Services - Vehicles & Equipment	\$557.54	0.000800	No. of vehicles	696,925	per vehicle	4,780,906	
	Fire Protection Services - Small Equipment and Gear	\$101.79	0.029900	No. of equipment and gear	3,404	per item	872,849	
Parks & Recreation	Parkland Development	\$1,549.82	0.003300	Hectares of Parkland	469,642	per hectare	4,785,844	4,152,897
	Parkland Amenities	\$700.48	0.002800	No. of parkland amenities	250,171	per amenity	2,163,082	
	Recreation Facilities	\$2,985.90	4.713400	sq.ft. of building area	633	per sq.ft.	9,220,459	
Library	Library Services - Facilities	\$468.44	0.627900	sq.ft. of building area	746	per sq.ft.	1,446,543	2,390,926
	Library Services - Collection Materials	\$80.51	9.971700	No. of library collection items	8	per collection item	248,615	



**Town of Pelham  
Service Standard Calculation Sheet**

Service: Fire Protection Services - Vehicles & Equipment  
Unit Measure: No. of vehicles

Description	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 Value (\$/Vehicle)
Pumper	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	\$1,200,000
Heavy Rescue	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$625,000
Tanker	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	\$450,000
Aerial Unit	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$2,000,000
Light Rescue	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	\$300,000
Service vehicle	2	2	2	2	2	2	2	2	2	2	2	2	2	1	1	\$70,000
Fire Prevention Vehicle	-	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$60,000
Fire Chief Vehicle	-	-	-	-	-	-	1	1	1	1	1	1	1	1	1	\$60,000
Training Vehicle	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1	\$100,000
<b>Total</b>	<b>13</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	

Population	16,476	16,564	16,575	16,598	16,686	16,755	16,791	16,926	17,110	17,426	17,838	17,999	18,049	18,192	19,023
Per Capita Standard	0.0008	0.0008	0.0008	0.0008	0.0008	0.0008	0.0009	0.0009	0.0009	0.0009	0.0008	0.0008	0.0008	0.0008	0.0008

15 Year Average	2008-2022
Quantity Standard	0.0008
Quality Standard	\$696,925
Service Standard	\$558

D.C. Amount (before deductions)	28 Year
Forecast Population	8,575
\$ per Capita	\$558
Eligible Amount	\$4,780,906



**Table C-2**  
**Town of Pelham**  
**Operating and Capital Expenditure Impacts for Future Capital Expenditures**

SERVICE/CLASS OF SERVICE	GROSS COST LESS BENEFIT TO EXISTING	ANNUAL LIFECYCLE EXPENDITURES	ANNUAL OPERATING EXPENDITURES	TOTAL ANNUAL EXPENDITURES
<b>1. Wastewater Services</b>				
1.1 Sewers	21,814,195	601,740	1,118,317	1,720,057
<b>2. Water Services</b>				
2.1 Distribution Systems	8,648,118	197,440	1,700,057	1,897,497
<b>3. Services Related to a Highway</b>				
3.1 Roads and Related	50,358,922	2,193,616	2,599,584	4,793,200
<b>4. Public Works (Facilities and Fleet)</b>				
4.1 Services Related to a Highway	3,304,784	264,661	226,858	491,520
4.2 Water Services	370,175	29,645	25,411	55,056
4.3 Wastewater Services	370,175	29,645	25,411	55,056
4.4 Parks and Recreation Services	1,168,038	93,541	80,181	173,722
<b>5. Fire Protection Services</b>				
5.1 Fire facilities, vehicles & equipment	3,960,907	408,134	689,224	1,097,358
<b>6. Parks and Recreation Services</b>				
6.1 Park development, amenities, and recreation facilities	24,339,333	736,125	1,034,080	1,770,205
<b>7. Library Services</b>				
7.1 Library facilities and materials	5,432,739	226,874	174,219	401,093
<b>8. Growth Studies</b>				
8.1 Growth Studies	493,537	-	-	-
<b>Total</b>	<b>120,260,923</b>	<b>4,781,422</b>	<b>7,673,342</b>	<b>12,454,764</b>



Figure D-1  
Town of Pelham  
Annual Treasurer's Statement of Development Charge Reserve Funds

Description	Services to which the Development Charge Relates								Total
	Services Related to a Highway	Public Works (Facilities and Fleet)	Water Services	Wastewater Services	Fire Protection Services	Parks and Recreation Services	Library Services	Growth Studies	
<b>Opening Balance, January 1, _____</b>									<b>0</b>
<b>Plus:</b>									
Development Charge Collections									0
Accrued Interest									0
Repayment of Monies Borrowed from Fund and Associated Interest <sup>1</sup>									0
<b>Sub-Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Less:</b>									
Amount Transferred to Capital (or Other) Funds <sup>2</sup>									0
Amounts Refunded									0
Amounts Loaned to Other D.C. Service Category for Interim Financing									0
Credits <sup>3</sup>									0
<b>Sub-Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Closing Balance, December 31, _____</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<sup>1</sup> Source of funds used to repay the D.C. reserve fund

<sup>2</sup> See Attachment 1 for details

<sup>3</sup> See Attachment 2 for details

The Municipality is compliant with s.s. 59.1 (1) of the *Development Charges Act*, whereby charges are not directly or indirectly imposed on development nor has a requirement to construct a service related to development been imposed, except as permitted by the *Development Charges Act* or another Act.



made a concerted effort to integrate the A.M.P. with financial planning and municipal budgeting and are making full use of all available infrastructure financing tools.

Commensurate with the above, the Town prepared an A.M.P. in 2022 for its existing assets; however, it did not take into account future growth-related assets for all services included in the D.C. calculations. As a result, the asset management requirement for the D.C. must be undertaken in the absence of this information.

In recognition to the schematic above, the following table (presented in 2023 \$) has been developed to provide the annualized expenditures and revenues associated with new growth. Note that the D.C.A. does not require an analysis of the non-D.C. capital needs or their associated operating costs so these are omitted from the table below. As well, as all capital costs included in the D.C.-eligible capital costs are not included in the Town's A.M.P., the present infrastructure gap and associated funding plan have not been considered at this time. Hence the following does not represent a fiscal impact assessment (including future tax/rate increases) but provides insight into the potential affordability of the new assets:

1. The non-D.C. recoverable portion of the projects that will require financing from municipal financial resources (i.e., taxation, rates, fees, etc.). This amount has been presented on an annual debt charge amount based on 20-year financing.
2. Lifecycle costs for the 2023 D.C. capital works have been presented based on a sinking fund basis. The assets have been considered over their estimated useful lives.
3. Incremental operating costs for the D.C. services (only) have been included.
4. The resultant total annualized expenditures are approximately \$16.61 million.
5. Consideration was given to the potential new taxation and user fee revenues which will be generated as a result of new growth. These revenues will be available to finance the expenditures above. The new operating revenues are approximately \$10.69 million. This amount, totalled with the existing operating revenues of approximately \$35.70 million, provides annual revenues of approximately \$46.39 million by the end of the period.



6. In consideration of the above, the capital plan is deemed to be financially sustainable.

Town of Pelham  
Asset Management – Future Expenditures and Associated Revenues  
2023\$

<b>Asset Management - Future Expenditures and Associated Revenues</b>	<b>2051 (Total)</b>
<b>Expenditures (Annualized)</b>	
Annual Debt Payment on Non-Growth Related Capital <sup>1</sup>	3,893,740
Annual Debt Payment on Post Period Capital <sup>2</sup>	258,198
<b>Lifecycle:</b>	
Annual Lifecycle - Town-wide Services	\$4,781,422
Incremental Operating Costs (for D.C. Services)	\$7,673,342
<b>Total Expenditures</b>	<b>\$16,606,703</b>
<b>Revenue (Annualized)</b>	
Total Existing Revenue <sup>3</sup>	\$35,695,041
Incremental Tax and Non-Tax Revenue (User Fees, Fines, Licences, etc.)	\$10,693,117
<b>Total Revenues</b>	<b>\$46,388,158</b>

<sup>1</sup> Non-Growth Related component of Projects

<sup>2</sup> Interim Debt Financing for Post Period Benefit

<sup>3</sup> As per Sch. 10 of FIR





# Appendix G

## Proposed D.C. By-law

**THE CORPORATION OF THE TOWN OF PELHAM**

**BY-LAW NUMBER XXXX (2024)**

**BEING A BY-LAW FOR THE IMPOSITION OF**

**DEVELOPMENT CHARGES AND TO REPEAL BY-LAW 4023 (2018) AND  
AMENDING BY-LAW 4149 (2019), 4314 (2021), and 4431 (2022)**

**WHEREAS** subsection 2(1) of the *Development Charges Act, 1997*, S.O. c. 27 (“the Act”) provides that the council of a municipality may pass by-laws for the imposition of development charges against land to pay for increased capital costs required because of the need for services arising from development in the area to which the by-law applies;

**AND WHEREAS** the Council of The Corporation of the Town of Pelham (“ the Town”) has undertaken the action required by section 12 of the Act prior to passing a by-law under section 2 of the Act;

**AND WHEREAS** the Council of the Town has heard all persons who applied to be heard no matter whether in objection to, or in support of, the development charge proposal at a public meeting held on February 21, 2024;

**AND WHEREAS** the Council of the Town, had before it a report entitled Town of Pelham Development Charges Background Study dated December 20, 2023, as amended, prepared by Watson & Associates Economists Ltd., wherein it is indicated that the development of any land within the Town of Pelham will increase the need for services as defined herein;

**AND WHEREAS** the Council of the Town on November 20, 2024, approved the applicable Development Charges Background Study, dated December 20, 2023, as amended, in which certain recommendations were made relating to the establishment of a development charge policy for the Town pursuant to the Act;

**AND WHEREAS** the Council of the Town on November 20, 2024, determined that no additional public meeting was required;

**NOW THEREFORE THE COUNCIL OF THE TOWN OF PELHAM ENACTS AS  
FOLLOWS:**



## **DEFINITIONS**

1. In this by-law,

“Act” means the *Development Charges Act*, 1997, S.O. 1997, c. 27, as amended or updated from time to time.

“Affordable Residential Unit” means a Dwelling Unit that meets the criteria set out in subsection 4.1 (2) or 4.1(3) of the Act.

“Agricultural Use” means Agricultural Use as defined in the Zoning By-law.

“Apartment Unit” means any Dwelling Unit within a building containing three (3) or more Dwelling Units where access to each Dwelling Unit is obtained through a common entrance or entrances from the street level and the Dwelling Units are connected by an interior corridor.

“Attainable Residential Unit” means a Dwelling Unit that meets the criteria set out in subsection 4.1(4) of the Act.

“Back-to-back Townhouse Dwelling” means Dwelling, Back-to-Back Townhouse as defined in the Zoning By-law.

“Bedroom” means a habitable room larger than seven (7) square metres, including a den, study, or other similar area, but does not include a living room, dining room or kitchen.

“Board of Education” means a board as defined in subsection 1(1) of the *Education Act*, R.S.O. 1990, c.E.2.

“Building Code Act” means the Building Code Act, 1992, S.O. 1992, as amended or updated from time to time, and all Regulations thereto.

“Capital Cost” means costs incurred or proposed to be incurred by the Town or a local board thereof directly or by others on behalf of, and as authorized by, the Town or local board:

- (a) to acquire land or an interest in land, including a leasehold interest;
- (b) to improve land;



- (c) to acquire, lease, construct or improve buildings and structures;
- (d) to acquire, lease, construct or improve facilities including,
  - (i) rolling stock with an estimated useful life of seven years or more,
  - (ii) furniture and equipment, other than computer equipment, and
  - (iii) materials acquired for circulation, reference or information purposes by a library board as defined in the *Public Libraries Act*, R.S.O. 1990, c.P.44;
- (e) to undertake studies in connection with any of the matters referred to in clauses (a) to (d);
- (f) to complete the development charge background study required under section 10 of the Act; and
- (g) interest on borrowing for those expenditures under clauses (a) to (d) above that are growth-related;

required for provision of services designated in this by-law within or outside the Town;

“Class” means a grouping of Services combined to create a single Service for the purposes of this by-law and as provided in section 7 of the Act, which may also be referred to as a Class of Service or Classes of Services.

“Commercial Use” means a Commercial Use as defined in the Zoning By-law.

“Council” means the Council of The Corporation of the Town of Pelham.

“Development” means any activity or proposed activity in respect of land that requires one or more of the actions referred to in section 7 of this By-law and includes the redevelopment of land and/or the redevelopment, expansion, extension or alteration of a use, building or structure except interior alterations to an existing building or structure which do not change or intensify the use of land, and “Developed” and “Developing” have corresponding meanings.



“Development Charge” means a charge imposed pursuant to this By-law.

“Duplex Dwelling” means a Dwelling, Duplex as defined in the Zoning By-law.

“Dwelling” means a Dwelling as defined in the Zoning By-law.

“Dwelling Unit” means a Dwelling Unit as defined in the Zoning By-law, namely a group of rooms in a building used or designed or intended to be used as a single, independent and separate housekeeping unit:

- (a) in which a food preparation area and sanitary facilities are provided for the exclusive use of such housekeeping unit; and
- (b) which has a private entrance from outside the building or from a common hallway or stairway inside the building, but does not include a tent, cabin, trailer, motor home, mobile home, or in a hotel, motel or bed and breakfast establishment.

“Farm building” means a building or structure that is integral to an Agricultural Use including barns, silos or other similar buildings or structures, but excludes Residential Uses and Marijuana Production Facilities.

“Farm help house” means a Farm Help House, Permanent or Seasonal, as defined in the Zoning By-law.

“Garden Suite” means a Garden Suite as defined in the Zoning By-law.

“Grade” means the average level of finished ground adjoining a building or structure at all exterior walls.

“Gross floor area” means Floor Area, Gross as defined in the Zoning By-law.

“Institutional Development” means Development of a building or structure intended for Use:

- (a) as a long-term care home within the meaning of subsection 2 (1) of the *Fixing Long-Term Care Act, 2021*, S.O. 2021, c. 39, Sched. 1 (“*Fixing Long-Term Care Act*”);



- (b) as a retirement home within the meaning of subsection 2(1) of the *Retirement Homes Act, 2010*, S.O. 2010, c.11;
- (c) by any of the following post-secondary institutions for the objects of the institution:
  - (i) a university in Ontario that receives direct, regular, and ongoing operating funding from the Government of Ontario,
  - (ii) a college or university federated or affiliated with a university described in subclause (i), or
  - (iii) an Indigenous Institute prescribed for the purposes of section 6 of the *Indigenous Institutes Act, 2017*, S.O. 2017, c.34, Sched. 20;
- (d) as a memorial home, clubhouse or athletic grounds by an Ontario branch of the Royal Canadian Legion; or
- (e) as a hospice to provide end of life care.

“Interest Rate” means the annual rate of interest as set out in section 26.3 of the Act.

“Live/Work Unit” means a unit which contains separate Residential and Non-Residential areas intended for concurrent Residential and Non-Residential Use, and which shares a common wall or floor with direct access between the Residential and Non-Residential areas.

“Local Board” means a public utility commission, public library board, local board of health, or any other board, commission, committee or 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 any part or parts thereof.

"Local Services" means those services or facilities which are under the jurisdiction of the Town and are related to a plan of subdivision or within the area to which the plan relates, required as a condition of approval under section 51 of



the *Planning Act*, or as a condition of approval under section 53 of the *Planning Act*.

"Marijuana production facilities" means a building used for growth, producing, processing, testing, destroying, storing or distribution, excluding retail sales, of medical marijuana or cannabis authorized by a license issued under the *Cannabis Regulations*, SOR/2018-144.

"Mixed-Use" means lands, buildings or structures used for both Residential and Non-Residential.

"Multiple Dwelling" means all Dwellings Units other than Single Detached Dwellings, Semi-Detached Dwellings, Apartment Units, and Special Care Dwellings.

"Non-Profit Housing Development" means Development of a building or structure that meets the criteria set out in section 4.2 of the Act.

"Non-Residential" means the Use or Development of lands, buildings or structures or portions thereof for a purpose other than Residential Use.

"Owner" means the registered owner of land or a person who has made application for an approval for the Development of land upon which a Development Charge is imposed.

"Place of Worship" means that part of a building or structure that is exempt from taxation as a place of worship under the Assessment Act, R.S.O. 1990, c. A.31.

"Planning Act" means the *Planning Act*, R.S.O. 1990, c.P.13, as amended or updated from time to time.

"Regulation" means any regulation made pursuant to the Act;

"Rental Housing" means Development of a building or structure with four (4) or more Dwelling Units, all of which are intended for rented Residential Use.

"Residential" means the Use of land, buildings or structures or portions thereof for human habitation and includes all types of Dwelling Units described herein.



“Semi-Detached Dwelling” means a Dwelling, Semi-Detached as defined in the Zoning By-law.

“Service” or “Services” means one (1) or more of the Services set out in Schedule "A", which is attached hereto and forms part of this By-law.

“Single Detached Dwelling” means a Dwelling, Single Detached as defined in the Zoning By-law.

“Special Care Dwelling” means a land, building or structure:

- (a) containing two (2) or more Dwelling Units that have a common entrance from street level;
- (b) where the occupant(s) of each Dwelling Unit have the right to use in common with other occupant(s) the halls, stairs, yards, common rooms, and accessory buildings of the Special Care Dwelling; and
- (c) that is designed to accommodate persons with specific needs, including but not limited to, independent permanent living arrangements; and where support services such as meal preparation, grocery shopping, laundry, housing, nursing, respite care, and attending services are provided at various levels; and

for greater certainty, Special Care Dwellings include but are not limited to retirement homes, lodges, group homes, dormitories, and hospices.

“Stacked Townhouse Dwelling” means a Dwelling, Stacked Townhouse as defined in the Zoning By-law.

“Town” means the Corporation of the Town of Pelham or the geographic area of the municipality, as the context requires.

“Use” means a Use as defined in the Zoning By-law.

“Zoning By-law” means the Town of Pelham Comprehensive Zoning By-law No. 4481(2022), as amended or updated from time to time.

## **CALCULATION OF DEVELOPMENT CHARGES**





2. (1) Subject to the provisions of this By-law, Development Charges shall be imposed, calculated and collected in accordance with the charges set out in Schedule "B", which is attached hereto and forms part of this By-law, and shall relate to the services set out in Schedule "A".
- (2) The Development Charge with respect to the Use(s) of any land, building or structure shall be calculated as follows:
  - (a) in the case of Residential Development or the Residential portion of a Mixed Use Development, based on the number and type of Dwelling Units, as the sum of the product of the number of Dwelling Units of each type multiplied by the corresponding total amount for such Dwelling Unit type, as set out in Schedule "B";
  - (b) in the case of Non-Residential Development, or the Non-Residential portion of a Mixed Use Development, as the sum of the product of the Gross Floor Area multiplied by the corresponding total amount for such Gross Floor Area as set out in Schedule "B".
- (3) The Development of land, buildings or structures for Residential and Non-Residential Use(s) shall require the provision, enlargement or expansion of the Services referenced in Schedule "A".

### **APPLICABLE LANDS**

3. (1) The Town-wide Development Charges indicated on Schedule "B" to this By-law shall be imposed on all lands, buildings and structures within the Town in order to defray the growth-related net capital cost of providing, enlarging, expanding or improving the Services indicated on Schedule "A" to this By-law.
- (2) Subject to subsections 3(5), 3(6) and 3(7) of this By-law, Schedule "B" to this By-law applies to all lands in the Town, whether or not the land or use is exempt from taxation under section 3 of the *Assessment Act*, R.S.O. 1990, c. A.31 ("*Assessment Act*").
- (3) Subject to subsections 3(5), 3(6) and 3(7) of this By-law, the Water and Sanitary Sewer Development Charges indicated on Schedule "B" to this By-law apply to all lands within the Fenwick Urban Boundary as defined



on the map in Schedule "C" to this By-law, whether or not the land or use is exempt from taxation under section 3 of the *Assessment Act*. Water and Sewer charges will also apply to any property that is serviced by these facilities and are outside the mapped area in Schedule "C", which is appended hereto and forms part of this By-law.

- (4) Subject to subsections 3(5), 3(6) and 3(7) of this By-law, the Water and Sanitary Sewer Development Charges indicated on Schedule "B" to this By-law apply to all lands within the Fonthill Urban Boundary as defined on the map in Schedule "D" to this By-law, whether or not the land or use is exempt from taxation under section 3 of the *Assessment Act*. Water and Sewer charges will also apply to any property that is serviced by these facilities and are outside the mapped area in Schedule "D", which is appended hereto and forms part of this By-law.
- (5) Notwithstanding subsections 3(3) and 3(4):
  - (a) the Development Charge for the water Service is applicable to Development within the designated service areas provided that municipal water service is available or expected to be made available during the term of this By-law;
  - (b) the Development Charge for the sanitary sewer Service is applicable to Development within the designated service areas provided that municipal sanitary sewage service is available or expected to be made available during the term of this By-law;
- (6) Notwithstanding subsections 3(3) and 3(4), this By-law shall not apply to land that is owned by and used for the purposes of:
  - (a) a Board of Education;
  - (b) any municipality or local board thereof;
  - (c) a hospital as defined under the *Public Hospitals Act*, R.S.O. 1990, c. P.40;
  - (d) that portion of a Place of Worship that is exempt from taxation under the *Assessment Act*;



- (e) a Garden Suite;
  - (f) a Farm Help House;
  - (g) a Farm Building;
  - (h) Institutions, other than those operated for profit, that are exempt from municipal taxation under the following legislation:
    - (i) *Housing Services Act, 2011, S.O. 2011, c. 6, Sched. 1;*
    - (ii) *Fixing Long-Term Care Act: or*
    - (iii) *Mental Health Act, R.S.O. 1990, c. M.7*
  - (i) land Developed for purposes where the Development is clearly exempt from taxation under provincial or federal legislation;
  - (j) land vested in or leased to a university that receives direct, regular and ongoing operating funding from the Government of Ontario where the Development is one in respect of which Development Charges would otherwise be payable but is intended to be occupied and used by the university;
  - (k) Non-Profit Residential Development; and
  - (l) Affordable Residential Units;
  - (m) Affordable Residential Units required pursuant to section 34 and 16(4) of the Planning Act (Inclusionary Zoning).
- (7) Notwithstanding subsections 3(3) and 3(4), the Development Charges payable for Residential Development, where the Dwelling Units are intended for rented Residential Use, will be reduced based on the number of bedrooms in each Dwelling Unit as follows:
- (a) Three (3) or more Bedrooms – 25% reduction;
  - (b) Two (2) Bedrooms – 20% reduction;
  - (c) Fewer than two (2) Bedrooms – 15% reduction.



- (8) Notwithstanding subsections 3(3) and 3(4), as of the date on which section 4.1 of the Act is proclaimed into force, the following shall be exempt from Development Charges:
- (a) Attainable Residential Units.
- (9) Notwithstanding subsection 3(1), a 75% Development Charge exemption shall be granted for Development of the type(s) described in paragraph (a) and located within the areas defined in paragraph (b) subject to such Development meeting all of the conditions set out in paragraph (c).
- (a) (i) addition of Residential Dwelling Units to existing Residential, commercial or Mixed Use buildings; and/or
- (ii) conversion of existing commercial and Mixed Use buildings that creates additional Residential Dwelling Units; and/or
- (iii) new Residential or commercial Development on vacant lots/ parking lots; and/or
- (iv) conversion of non-commercial space to commercial space.
- (b) the Development is in an area shown as Downtown Fenwick in Schedule "E" or the area shown as Downtown Fonthill in Schedule "F", which Schedules are appended hereto and form part of this By-law.
- (c) The Development must meet the following criteria:
- (i) the Treasurer of the Town determines that the property taxes for the land on which the Development is located, are in good standing at the time of the application; and
- (ii) the Director of Planning Services determines that the existing and proposed land Uses for the Development are in conformity with applicable Official Plans, Zoning By-law and other planning requirements at both the local and Regional level; and



- (iii) the Chief Building Official determines that all improvements relating to the Development are to be made pursuant to a building permit and constructed in accordance with the Building Code Act and all applicable zoning requirements and planning approvals; and
  - (iv) the Chief Building Official determines that any outstanding work orders and/or orders or requests to comply from the Town have been satisfactorily addressed prior to the Town granting the Development Charge exemption; and
  - (v) where required by the Director of Planning Services, the applicant shall submit for approval professional design/architectural drawings in conformity with the urban design guidelines of the Town, traffic impact studies or studies of microclimatic conditions (e.g., sun, shadow, wind) and/or any other requirements must be met prior to the Town granting the Development Charge exemption.
- (10) Notwithstanding any other provision of this By-law, no Development Charge shall be payable where the Development:
- (a) is limited to the creation of an additional Dwelling Unit as prescribed, in prescribed classes of new Residential buildings as set out in the Regulations to the Act; or
  - (b) is limited to the creation of an additional Dwelling Unit ancillary to a new Dwelling Unit for prescribed classes of new Residential buildings as set out in the Regulations Act.

**RULES WITH RESPECT TO EXEMPTIONS FOR INTENSIFICATION OF EXISTING OR NEW HOUSING**

4. (1) Notwithstanding any other provision of this By-law, Development Charges shall not be imposed with respect to:
- (a) an enlargement to an existing Dwelling Unit;



- (b) the creation of additional Dwelling Units equal to the greater of one (1) or 1% of the existing Dwelling Units in an existing Residential rental building containing four (4) or more Dwelling Units or prescribed ancillary structure to the existing Residential building;
- (2) Notwithstanding any other provision of this By-law, Development Charges shall not be imposed with respect to the creation of any of the following in existing Single Detached Dwellings, Semi-Detached Dwellings, Back-to-back Townhouse Dwellings or Stacked Townhouse Dwellings:
  - (a) A second Dwelling Unit on a parcel of land on which Residential Use, other than ancillary Residential Use, is permitted, if all buildings and structures ancillary to the existing Residential structure cumulatively contain no more than one (1) Dwelling Unit.
  - (b) A third Dwelling Unit on a parcel of land on which Residential Use, other than ancillary Residential Use, is permitted, if no building or structure ancillary to the existing Residential structure contains any Dwelling Units.
  - (c) One Dwelling Unit on a parcel of urban Residential land, if the existing structure contains no more than two (2) Dwelling Units and no other building or structure ancillary to the existing Residential structure contains any Dwelling Units.
- (3) Notwithstanding any other provision of this By-law, Development Charges shall not be imposed with respect to the creation of any of the following in new Single Detached Dwellings, Semi-Detached Dwellings, Back-to-back Townhouse Dwellings or Stacked Townhouse Dwellings:
  - (a) A second Dwelling Unit on a parcel of land on which Residential Use, other than ancillary Residential Use, is permitted, if all buildings and structures ancillary to the new Residential structure cumulatively will contain no more than one (1) Dwelling Unit.
  - (b) A third Dwelling Unit on a parcel of land on which Residential Use other than ancillary Residential Use, is permitted, if no building or



structure ancillary to the new Residential structure contains any Dwelling Units.

- (c) One (1) Dwelling Unit in a building or structure ancillary to a new Residential structure on a parcel of urban Residential land, if the new Residential structure contains no more than two (2) Dwelling Units and no other building or structure ancillary to the new Residential structure contains any Dwelling Units.

### **RULES WITH RESPECT TO AN "INDUSTRIAL" EXPANSION EXEMPTION**

- 5. (1) Notwithstanding section 4 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 is the following:
  - (a) if the gross floor area is enlarged by 50 percent or less, the amount of the Development Charge in respect of the enlargement is zero;  
or
  - (b) if the gross floor area is enlarged by more than 50 percent, Development Charges are payable on the amount by which the enlargement exceeds 50 percent of the gross floor area before the enlargement.
- (2) For the purpose of this section, the terms "gross floor area" and "existing industrial building" shall have the same meaning as those terms have in O. Reg. 82/98 made under the Act.
- (3) In this section, for greater certainty in applying the exemption herein, the gross floor area of an existing industrial building is enlarged where there is a bona fide physical and functional increase in the size of the existing industrial building and that the expansion will be used for an industrial purpose. The enlargement must be attached to, or within, the existing industrial building, but shall not be attached by means only of a tunnel, bridge, passageway, shared below grade connection, foundation, footing, shared connected roof or parking facility.



## **DEVELOPMENT CHARGES IMPOSED**

6. (1) Subject to subsection (2), Development Charges shall be calculated and collected in accordance with the provisions of this By-law and be imposed on land to be Developed for Residential and Non-Residential Uses, where the Development requires:
- (a) the passing of a zoning by-law or 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*, R.S.O. 1990, c.C.26; or
  - (g) the issuing of a permit under the *Building Code Act*, in relation to a building or structure.
- (2) Subsection 7(1) shall not apply in respect to:
- (a) local services installed or paid for by the Owner within a plan of subdivision or within the area to which the plan relates, as a condition of approval under section 51 of the *Planning Act*;
  - (b) local services installed or paid for by the owner as a condition of approval under Section 53 of the *Planning Act*.

## **LOCAL SERVICE INSTALLATION**

7. Nothing in this By-law prevents the Town from requiring, as a condition of an agreement under section 51 or section 53 of the *Planning Act*, that the Owner





install local services within the plan of subdivision or the area to which the plan relates at the expense of the Owner.

### **MULTIPLE CHARGES**

8. (1) Where two or more of the actions described in subsection 6(1) of this By-law are required before land to which a Development Charge applies can be Developed, only one (1) Development Charge shall be calculated, imposed and collected in accordance with the provisions of this By-law.
- (2) Notwithstanding subsection 8(1), if two (2) or more of the actions described in subsection 6(1) occur at different times, and if the subsequent action has the effect of increasing the need for Services as set out in Schedule "A", an additional Development Charge on the additional Dwelling Unit(s) and additional Non-Residential Gross Floor Area shall be calculated and collected in accordance with the provisions of this By-law.

### **SERVICES IN LIEU**

9. (1) Council may authorize an Owner, through an agreement under section 38 of the Act, to substitute such part of the Development Charge applicable to the Owner's Development as may be specified in the agreement, by the provision of Services in lieu at the sole expense of the Owner. Such agreement shall further specify that where the Owner provides Services in lieu in accordance with the agreement, the Town shall provide to the Owner a credit against the Development Charge in accordance with the agreement provisions and section 39 of the Act, equal to the reasonable cost to the Owner of providing the Services in lieu. For greater certainty, in no case shall the agreement provide for a credit that exceeds the total Development Charge payable by an Owner to the Town in respect of the Development to which the agreement relates.
- (2) In any agreement under subsection 9(1), Council may also give a further credit to the Owner equal to the reasonable cost of providing Services in addition to, or of a greater size or capacity, than would be required under this By-law. However, any such credit shall not be charged to any Development Charge reserve fund.



## **RULES WITH RESPECT TO RE-DEVELOPMENT**

10. In the case of the re-development involving the demolition and replacement of all or part of a building or structure:
  - (1) a credit offsetting the Development Charges payable shall be allowed, provided that the land was improved by occupied structures (or structures capable of occupancy) within the five (5) years prior to the issuance of the demolition permit, and the building permit has been issued for the development or redevelopment within five (5) years from the date the demolition permit has been issued; and
  - (2) the credit shall be calculated as follows:
    - (a) for Residential buildings or structures, the credit shall be equivalent to the number of Dwelling Units demolished multiplied by the applicable Residential Development Charge in place at the time the Development Charge is payable under this By-law; and
    - (b) for Non-Residential buildings or structures, the credit shall be equivalent to the Gross Floor Area demolished multiplied by the applicable Non-Residential Development Charge in place at the time the Development Charge is payable under this By-law.
11. Notwithstanding subsection 10 (1), the credit cannot exceed the amount of the Development Charge that would otherwise be payable, and no credit is available if the existing land use is exempt under this By-law.
12. If a Development includes the conversion of a premise from one Use to another Use, then the amount of Development Charges payable shall be reduced by the amount, calculated pursuant to this By-law at the current Development Charge rates, that would be payable as Development Charges in respect of the pre-conversion Use, provided that such reduction shall not exceed the Development Charges otherwise payable.

## **TIMING OF CALCULATION AND PAYMENT**

13. (1) Development Charges shall be calculated and payable in full in money or by provision of Services as may be agreed upon, or by credit granted



under the Act, 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.

- (2) Where Development Charges apply to land in relation to which a building permit is required, the building permit shall not be issued until the Development Charge has been paid in full.
- (3) Notwithstanding subsections 13 (1) and 13 (2), Development Charges for Rental Housing and Institutional Developments (where not otherwise exempt) are due and payable in six (6) equal annual instalment payments commencing with the first instalment payable on the date of occupancy, and each subsequent instalment, including interest (calculated in accordance with section 26.3 of the Act), payable on the anniversary date each year thereafter.
- (4) Where a Development 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 the timing set out in subsection 26.2 of the Act, the Development Charges under subsection 2 (2) shall be calculated on the rates set out in Schedule "B" on the date of the planning application, including interest. Where both planning applications apply Development Charges under section 2 (2), the Development Charges shall be calculated on the rates payable on the anniversary date each year thereafter, set out in Schedule "B" on the date of the later planning application, including interest (calculated in accordance with section 26.3 of the Act).
- (5) Notwithstanding subsections 13(1) to 13(4), Council may at any time enter into agreements providing for all or any part of a Development Charge to be paid before or after it would otherwise be payable, in accordance with section 27 of the Act.

## **RESERVE FUNDS**

14. (1) Monies received for the payment of Development Charges shall be used only in accordance with section 35 of the Act.



- (2) Monies received from payment of Development Charges under this By-law shall be maintained in separate reserve funds. The Treasurer of the Town shall divide the reserve funds created hereunder into separate accounts in accordance with the designated Services set out in Schedule "A" to which the Development Charge payments shall be credited in accordance with the amounts shown, plus interest earned thereon.
- (3) Where any Development Charge, or part thereof, remains unpaid after the due date, the amount unpaid shall be added to the tax roll and shall be collected in like manner as taxes.
- (4) Where any unpaid Development Charges are collected as taxes under subsection 14(4), the monies so collected shall be credited to the Development Charge reserve funds referred to in subsection 14(2).
- (5) The Treasurer of the Town shall, in each year, furnish to Council a statement in respect of the reserve funds established hereunder for the prior year, containing the information set out in section 12 of O. Reg. 82/98.

#### **BY-LAW AMENDMENT OR APPEAL**

15. (1) Where this By-law or any Development Charge prescribed thereunder is amended or repealed either by order of the Ontario Land Tribunal or by resolution of Council, the Treasurer of the Town shall calculate forthwith the amount of any overpayment to be refunded as a result of said amendment or repeal.
- (2) Refunds that are required to be paid under subsection 15(1) shall be paid with interest to be calculated as follows:
  - (a) interest shall be calculated from the date on which the overpayment was collected to the date on which the refund is paid;
  - (b) the minimum interest rate is what the Bank of Canada rate is on the day the by-law comes into force updated on the first business day of every January, April, July and October shall be used.

#### **BY-LAW INDEXING**



16. The Development Charges set out in Schedule "B" to this By-law shall be adjusted annually, commencing on January 1, 2025, and each January 1st thereafter, without amendment to the by-law, in accordance with the Statistics Canada Quarterly, Non-Residential Building Construction Price Index, catalogue number 62-007.

### **SEVERABILITY**

17. 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.

### **HEADINGS FOR REFERENCE ONLY**

18. 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.

### **BY-LAW REGISTRATION**

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

### **BY-LAW ADMINISTRATION**

20. This By-law shall be administered by the Treasurer of the Town.

### **SCHEDULES TO THE BY-LAW**

21. The following Schedules to this By-law are attached hereto and form an integral part of this by-law:

Schedule "A" - Designated Municipal Services under this By-law

Schedule "B" - Schedule of Development Charges

Schedule "C" - Designated Water and Sanitary Sewer Development Charge Area (Fenwick)

Schedule "D" - Designated Water and Sanitary Sewer Development Charge Area (Fonthill)



Schedule "E" - Area to which the Downtown Fenwick Exemption Provisions Apply

Schedule "F" - Area to which the Downtown Fonthill Exemption Provisions Apply

**EXISTING BY-LAW REPEAL**

22. By-law 4023 (2018), and amending by-laws 4149 (2019), 4314 (2021), and 4431 (2022) are repealed effective the date this By-law is in force and effect.

**BY-LAW EFFECTIVE**

23. This By-law shall come into force and effect on January 1, 2025.

**BY-LAW EXPIRES**

24. This By-law expires December 31, 2034, unless rescinded earlier.

**SHORT TITLE**

25. The short title of this By-law is the "Development Charges By-law, 2024".

Passed by the Council this 20th day of November, 2024.

\_\_\_\_\_  
M. JUNKIN, MAYOR

\_\_\_\_\_  
\_\_\_\_\_, TOWN CLERK



## **SCHEDULE “A”**

### **TO BY-LAW NO XXXX (2024)**

#### **DESIGNATED MUNICIPAL SERVICES UNDER THIS BY-LAW**

##### Town-wide Services:

- Fire Protection Services;
  - Facilities;
  - Vehicles and Equipment;
  - Small Equipment and Gear;
- Services Related to a Highway;
  - Roads;
- Public Works (Facilities and Fleet);
  - Facilities;
  - Vehicles and Equipment;
- Parks and Recreation Services;
  - Parkland Development;
  - Parkland Amenities;
  - Recreation Facilities;
- Library Services
  - Facilities;
  - Collection Materials;
- Growth Studies;

##### Urban Services:

- Water Services; and
- Wastewater Services.

## Schedule "B"

### Schedule of Development Charges

Service/Class of Service	RESIDENTIAL					NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Multiples	Apartments - 2 Bedrooms +	Apartments - Studio and 1 Bedroom	Special Care Dwellings	(per sq.ft. of Gross Floor Area)
<b>Town-Wide Services/Class of Service:</b>						
Services Related to a Highway	13,667	10,244	9,628	6,239	5,215	7.32
Public Works (Facilities and Fleet)	1,611	1,208	1,135	735	615	0.88
Fire Protection Services	1,075	806	757	491	410	0.58
Parks and Recreation Services	9,901	7,421	6,975	4,519	3,778	1.79
Library Services	527	395	371	241	201	0.10
Growth Studies	315	236	222	144	120	0.18
<b>Total Town-Wide Services/Class of Service</b>	<b>27,096</b>	<b>20,310</b>	<b>19,088</b>	<b>12,369</b>	<b>10,339</b>	<b>10.85</b>
<b>Urban Services</b>						
Wastewater Services	5,760	4,318	4,058	2,629	2,198	4.01
Water Services	2,143	1,606	1,510	978	818	1.49
<b>Total Urban Services</b>	<b>7,903</b>	<b>5,924</b>	<b>5,568</b>	<b>3,607</b>	<b>3,016</b>	<b>5.50</b>
<b>Total Town-Wide</b>	<b>27,096</b>	<b>20,310</b>	<b>19,088</b>	<b>12,369</b>	<b>10,339</b>	<b>10.85</b>
<b>Total Urban Area</b>	<b>34,999</b>	<b>26,234</b>	<b>24,656</b>	<b>15,976</b>	<b>13,355</b>	<b>16.35</b>

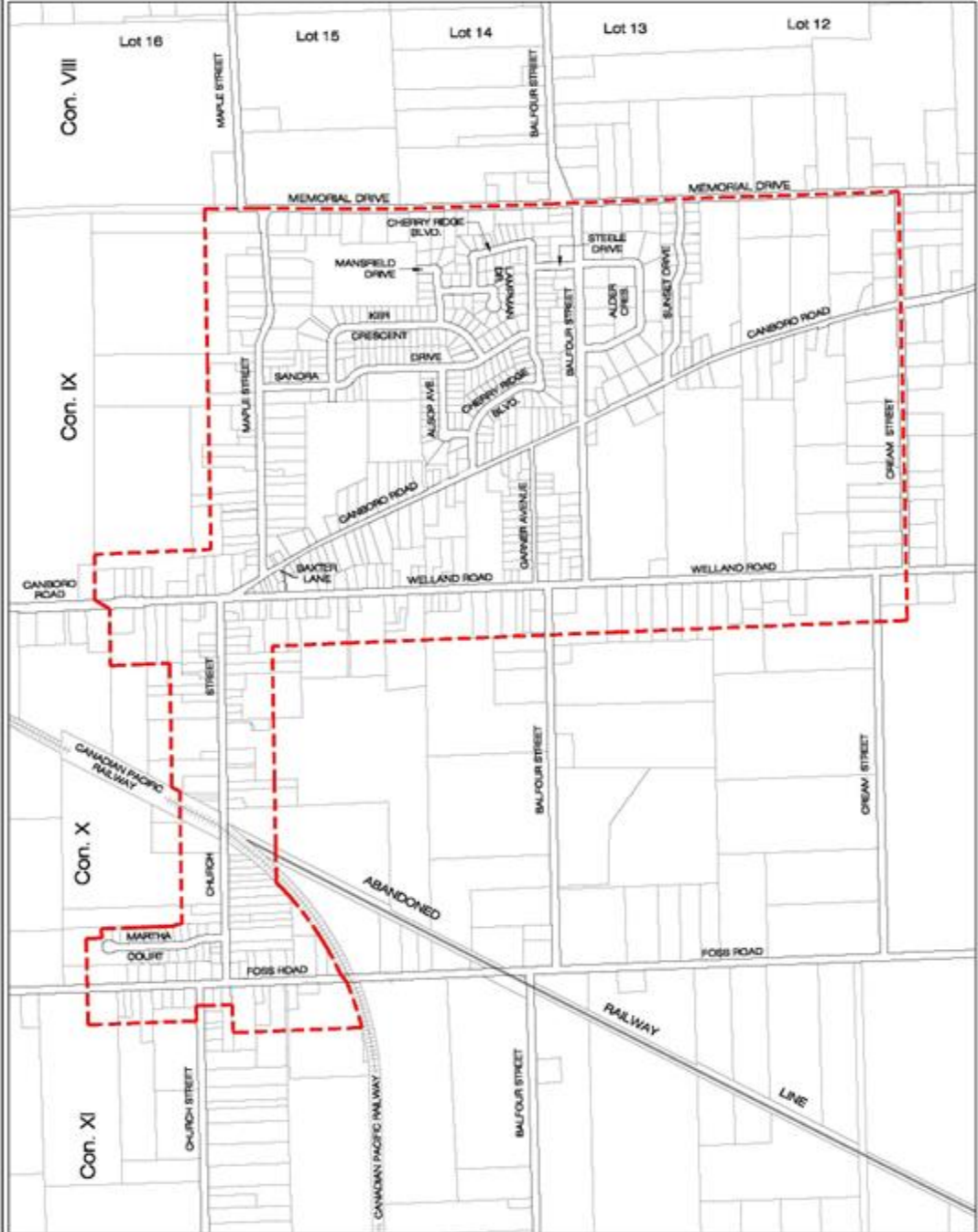




### SCHEDULE 'C' TO BY-LAW NO.

DESIGNATED WATER AND SANITARY SEWER DEVELOPMENT  
CHARGE AREA (FENWICK) UNDER THIS BY-LAW

Town of Pelham



**LEGEND**

- Fenwick Village Area Boundary

**DIGITAL MAP**

DATE: February 2008	SCALE: N.T.S.
DRAWN BY: J.M.	CAD FILE: MAP A
TERANET PARCEL MAPPING	

