



Development Charges Background Study

Municipality of Bayham

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List of Acronyms and Abbreviations

Acronym	Full Description of Acronym
A.M.P.	Asset management plan
C.B.C.	Community benefits charge
D.C.	Development charge
D.C.A.	<i>Development Charges Act, 1997</i> , as amended
F.I.R.	Financial Information Return
G.F.A.	Gross floor area
N.F.P.O.W.	No fixed place of work
OLT	Ontario Land Tribunal
O.M.B.	Ontario Municipal Board
O.P.A.	Official Plan Amendment
O. Reg.	Ontario Regulation
P.P.U.	Persons per unit
S.D.E.	Single detached equivalent
S.D.U.	Single detached unit
sq.ft.	square foot/feet
sq.m	square metre(s)



Report



Chapter 1

Introduction



1. Introduction

1.1 Purpose of this Document

This background study has been prepared pursuant to the requirements of the D.C.A. as amended, (section 10) and, accordingly, recommends new development charges (D.C.s) and policies for the Municipality of Bayham.

The Municipality retained Watson & Associates Economists Ltd. (Watson), to undertake the D.C. study process. Watson worked with Municipal staff in preparing the D.C. analysis and policy recommendations.

This D.C. background study, containing the proposed D.C. by-law, will be distributed to members of the public in order to provide interested parties with sufficient background information on the legislation, the study's recommendations, and an outline of the basis for these recommendations.

This report has been prepared, in the first instance, to meet the statutory requirements applicable to the Municipality's D.C. background study, as summarized in Chapter 3. It also addresses the requirement for "rules" (contained in Chapter 6) and the proposed by-law to be made available as part of the approval process (included as Appendix G).

Finally, it addresses post-adoption implementation requirements (Chapter 7) which are critical to the successful application of the new policy.

The chapters in the report are supported by Appendices containing the data required to explain and substantiate the calculation of the charge. A full discussion of the statutory requirements for the preparation of a background study and calculation of a D.C. is provided herein.

1.2 Summary of the Process

The public meeting required under section 12 of the D.C.A. has been scheduled for June 19, 2025. 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 Municipality'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 June 5, 2025.

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 Municipality of Bayham

Schedule of Study Milestone	Dates
1. Data collection, staff review, D.C. calculations and policy work	July 2023 to April 2025
2. Council Workshop	May 1, 2025
3. Public meeting advertisement was posted on the Municipality's website	No later than May 29, 2025
4. Public release of final D.C. Background study and proposed by-law	June 5, 2025
5. Public meeting of Council	June 19, 2025
6. Council considers adoption of background study and passage of by-law	August 21, 2025
7. Municipality website and media platform publication of by-law passage	By 20 days after passage
8. Last day for by-law appeal	40 days after passage
9. Municipality makes pamphlet available (where by-law not appealed)	By 60 days after in force date

1.3 Changes to the D.C.A. – *Bill 23: More Homes Built Faster Act, 2022*

On November 28, 2022, Bill 23 received Royal Assent. This Bill amends a number of pieces of legislation including the *Planning Act* and the D.C.A. It is noted that, the



Province removed the phase-in requirements and reinstated studies as an eligible capital cost through Bill 185 (discussed in section 1.4). The following provides a summary of the changes to the D.C.A.

1.3.1 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 creation of the greater of one unit or 1% of the existing residential units will be exempt from a 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.

1.3.2 Removal of Housing as an Eligible D.C. Service

Housing services are removed as an eligible service. Municipalities with by-laws that include a charge for housing services can no longer collect for this service.

1.3.3 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.



1.3.4 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: Section 1.3.13 provides further details of the Affordable Rental Unit and Affordable Owned Unit definitions, which 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.

1.3.5 Historical Level of Service Extended to Previous 15-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.



1.3.6 Revised Definition of Capital Costs

The definition of capital costs has been revised to remove studies¹. Furthermore, 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.

1.3.7 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 follows¹:

- 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.

1.3.8 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 years, prior to Bill 23.

1.3.9 Installment Payments

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

1.3.10 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

¹ This provision was repealed by *Bill 185, Cutting Red Tape to Build More Homes Act, 2024*.



- All other bedroom quantities – 15% reduction.

1.3.11 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.

1.3.12 Requirement to Allocate Funds Received

Annually, beginning in 2023, municipalities will be 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.

1.3.13 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 the definitions provided through Bill 134 (underlining added for emphasis).

Item	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>the lesser of</u> , <ul style="list-style-type: none"> 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 Minister of Municipal Affairs and Housing shall, <ul style="list-style-type: none"> (a) determine the <u>income of a household</u> that, in the Minister's opinion, is <u>at the 60th percentile of gross annual incomes for renter households in the applicable local municipality</u>; and (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>the lesser of</u> , <ul style="list-style-type: none"> 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 Minister of Municipal Affairs and Housing shall, <ul style="list-style-type: none"> (a) determine the <u>income of a household</u> that, in the Minister's opinion, is <u>at the 60th 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</u>



Item	Bill 134 Definition (Current D.C.A. Definition)
	<u>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

1.4 Bill 185: Cutting Red Tape to Build More Homes Act, 2024

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.

1.4.1 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.*

1.4.2 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).



1.4.3 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).

1.4.4 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.

1.4.5 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.

1.5 Proposed Bill 17: Protect Ontario by Building Faster and Smarter Act, 2025

Bill 17, Protect Ontario by Building Faster and Smarter Act, 2025 (herein referred to as Bill 17) was tabled in the Ontario Legislature on May 12, 2025.

The following provides a summary of the proposed changes to the D.C.A., along with commentary on the potential impacts to municipalities.

1. Exemption for long-term care homes

- Currently, D.C.s imposed on long-term care homes are subject to annual instalments under section 26.1 of the D.C.A.
- The proposed change would exempt long-term care homes from the payment of D.C.s.
- This exemption would apply to any future D.C. instalments on long-term care home developments.
- The D.C.A. does not allow reductions in D.C.s to be funded by other types of development. As such, the exemption will have to be funded from other municipal revenue sources.



2. Definition of capital costs, subject to regulation

- The proposed change would add the words “subject to the regulations” to section 5 (3) of the D.C.A.
 - The proposed amendment expands the scope of the Province’s authority to limit eligible capital costs via regulation.
 - The D.C.A. currently provides this ability to limit the inclusion of land costs.
 - The Province intends to engage with municipalities and the development community to determine potential restrictions on what costs can be recovered through D.C.s.
- Commentary from organizations in the development community suggests these discussions may continue to focus on limiting the inclusion of land costs in the D.C. calculations. The proposed amendment, however, provides broad authority for limiting eligible capital costs (i.e., the scope of regulatory authority is not restricted to land).
- Reductions in D.C.-eligible capital costs will have to be funded from other municipal revenue sources. Changes to the definition of capital costs through regulation will require municipalities to adjust funding for capital projects swiftly without the legislative amendment process.

3. Simplified D.C. by-law process to reduce charges

- Proposed change to section 19 (1.1) of the D.C.A. to allow a simplified process to amend a D.C. by-law for the following reasons:
 - Repeal or change a D.C. by-law expiry date (consistent with current provisions);
 - Repeal a D.C. by-law provision for indexing or amend to provide for a D.C. not to be indexed; and
 - Decrease the amount of a D.C. for one or more types of development.
- The simplified process includes passing of an amending by-law and providing notice of passing of the amending by-law. There will be no requirement to prepare a D.C. background study, undertake public consultation, and no ability to appeal to the Ontario Land Tribunal.
- Limiting the simplified D.C. by-law amendment process to situations where the amount of a D.C. for a type of development is being reduced would appear to allow municipalities to adjust the charges for changes in assumptions (e.g.,



reductions in capital cost estimates, application of grant funding to reduce the recoverable amount), adding exemptions for types of development, and phasing the imposition of a D.C.

- It is unclear if the simplified process would apply where exemptions are being provided for purposes other than development type, as specified in the amendment. For example, where a municipality is exempting a geographic area, such as an industrial park, downtown core, major transit station area, etc.
- While administratively expedient, eliminating the statutory public process for reductions in D.C.s will not provide the general public with an opportunity to delegate Council on the matter and will reduce transparency.

4. Deferral of D.C. payment to occupancy for residential development

- Proposed changes to section 26.1 of the D.C.A. provide that a D.C. payable for residential development (other than rental housing developments, which are subject to payment in instalments) would be payable upon the earlier of the issuance of an occupancy permit, or the day the building is first occupied.
- Only under circumstances prescribed in the regulations may the municipality require a financial security.
 - The Province has noted its intent to mitigate risk for municipalities. As such, the prescribed circumstances may allow for securities when no occupancy permit is required.
- Municipalities will not be allowed to impose interest on the deferral of D.C. payment to occupancy.
- It appears those municipalities that have elected to utilize subsection 26 (2) of the Act (i.e., water, wastewater, services related to a highway, and stormwater charges payable at the time of subdivision agreement) may no longer be able to utilize this section for residential subdivisions or consents.
- Deferring the timing of payment for all residential development to occupancy will have cashflow implications for municipalities. The impacts may include additional financing costs for capital projects, increased administrative costs associated with administering securities and occupancies, and potential delays in capital project timing.

5. Removal of interest for legislated instalments



- Proposed changes to section 26.1 of the Act would remove the ability to charge interest on instalments for rental housing and institutional development.
- This would also apply to future instalments for existing deferrals once Bill 17 receives Royal Assent.
- The repeal of subsection 26.1 (9) of the D.C.A. removes the municipality's ability to require immediate payment of all outstanding instalments when a development use changes from rental housing or institutional to another use.
- This proposed amendment has the same cashflow impacts for municipalities as noted in item 4 above, although it is more limited in scope.

6. Ability for residential and institutional development to pay a D.C. earlier than a by-law requires

- Currently, if a person wishes to waive the requirement to pay their D.C. in instalments as per section 26.1, an agreement under section 27 of the
- D.C.A. (early payment agreement) is required.
- The proposed changes state that, "For greater certainty, a person required to pay a development charge under this section may pay the charge before the day it is payable even in the absence of an agreement under section 27."
- This wording achieves its intent to allow a person to waive the requirement to pay in instalments. It also appears, however, to allow residential and institutional D.C.s to be paid earlier than required in a D.C. by-law, absent municipal agreement.
- This is problematic for municipalities, as the development community may elect to pay D.C.s before indexing or before municipalities pass a new
- D.C. by-law where a publicly available D.C. background study may be indicating a potential increase in the charges.

7. Lower charge for rate freeze

- Section 26.2 of the D.C.A. requires that, for developments proceeding through a site plan or zoning by-law amendment application, the D.C. be determined based on the rates that were in effect when the planning application was submitted to the municipality.
- In some instances, the D.C. that would be imposed at the time of building permit issuance may be lower than that in place at the time of planning application.



- Where rates have been frozen as per section 26.2 of the D.C.A., the proposed amendments would require municipalities to apply either the “frozen” or the current rate, whichever is lower, in such instances.
 - Note, interest charges for the D.C. determined at planning application may still be imposed.
- These proposed changes are positive as developers would not be charged in excess of current rates (where lower) and developers who proceed in a timely manner are not penalized with additional interest costs.

8. Grouping of services for the purposes of using credits

- Section 38 of the D.C.A. allows a person to construct growth-related works on a municipality’s behalf, subject to an agreement. The person receives a credit against future D.C.s payable for the service(s) to which the growth-related works relate.
- A municipality can agree to allow the credits to be applied to other services in the D.C. by-law.
- The proposed amendments would allow the Province to, through regulation, deem two or more services to be one service for the purpose of applying credits.
- This proposed change appears to remove the municipality’s discretion to combine services by agreement in certain instances.
- Combining services for the purposes of credits would have cashflow implications for municipalities, where funds held in a reserve fund for a service not included under the section 38 agreement would be reduced. This could delay the timing of capital projects for these impacted services and/or increase financing costs.

9. Defining local services in the regulations

- Section 59 of the D.C.A. delineates between charges for local services and, by extension, those that would be considered in a D.C. by-law.
- Municipalities typically establish a local service policy when preparing a
- D.C. background study to establish which capital works will be funded by the developer as a condition of approval under section 51 or section 53 of the Planning Act (i.e., local service) and which will be funded by the D.C. by-law.
- The proposed amendments would allow the Province to make regulations to determine what constitutes a local service.



- Although the Province has noted that this will be defined through consultations, there may be unintended impacts. For example, if the definition of a local service is too broad, it may lower the D.C. but increase the direct funding requirements on one particular developer. If the definition is too narrow, the opposite would result, whereby local services would be broadly included in D.C. funding, thereby increasing D.C. rates.
- Additionally, what is deemed a local service in one municipality may vary from what is deemed a local service in another, depending on the size, density, and types of development.

Most of the changes above would come into effect upon Royal Assent of Bill 17. The changes with respect to deferral of payment to occupancy for residential development would come into effect upon the date proclaimed by the Lieutenant Governor in Council.

As the Bill progresses through the legislative process, Watson will continue to monitor and advise of any amendments and associated impacts.

1.6 Noted Areas for Future Changes to Development Charges

In the Province's announcement, they indicated additional changes that are anticipated to follow proposed regulatory changes and/or ongoing consultations.

The Province has indicated the intent to add the Statistics Canada Non-Residential Building Construction Price Index for London to the prescribed indexes in the regulations. This would allow municipalities west of London and those that are closer to London than Toronto, to utilize the London series for indexing purposes.

The Province also indicated the intent to consult on a potential standardization of the approaches to benefit to existing deductions. Currently there are best practices to follow, however, there is no standardized approach across all municipalities. Providing a standardized approach may be problematic, as capital projects in different municipalities may be unique in scope and capital cost requirements.

Lastly, the announcement included commentary on expanding the Annual Treasurer's Statement reporting requirements. Currently for services related to a highway, water,



and wastewater services, municipalities must allocate 60% of monies in their D.C. reserve funds to projects. The Province may consider expanding this requirement to more services.

Watson will ensure that any changes to the D.C.A., along with their implications, are promptly monitored and communicated.



Chapter 2

Anticipated Development in the Municipality of Bayham



2. Anticipated Development in the Municipality of Bayham

2.1 Requirement of the Act

The growth forecast contained in this chapter (with supplemental tables in Appendix A) provides for the anticipated development for which the Municipality will be required to provide services over a 10-year (2025 to 2035) and a longer-term (2025 to 2051) time horizon.

Chapter 3 provides the methodology for calculating a D.C. as per the D.C.A. Figure 2-1 presents this methodology graphically. It is noted in the first box of the schematic that in order to determine the D.C. that may be imposed, it is a requirement of subsection 5 (1) of the D.C.A. that “the anticipated amount, type and location of development, for which development charges can be imposed, must be estimated.”

2.2 Basis of Population, Household and Non-Residential Gross Floor Area Forecast

The D.C. growth forecast has been derived by Watson in consultation with the Municipality of Bayham. In preparing the growth forecast, the following information sources were consulted to assess the residential and non-residential development potential for the Municipality over the forecast period, including:

- Updated Growth Forecasts and Land Needs Assessment for the County of Elgin Memo, February 25, 2025, Hemson Consulting Ltd;
- Official Plan of the Municipality of Bayham, Draft, December 2024;
- 2011, 2016 and 2021 population, household and employment Census data;
- Historical residential (2015 to 2024) and non-residential (2015 to 2023) building permit data;
- Residential and non-residential supply opportunities as identified by Municipality of Bayham staff; and
- Discussions with Municipal staff regarding anticipated residential and non-residential development in the Municipality of Bayham.

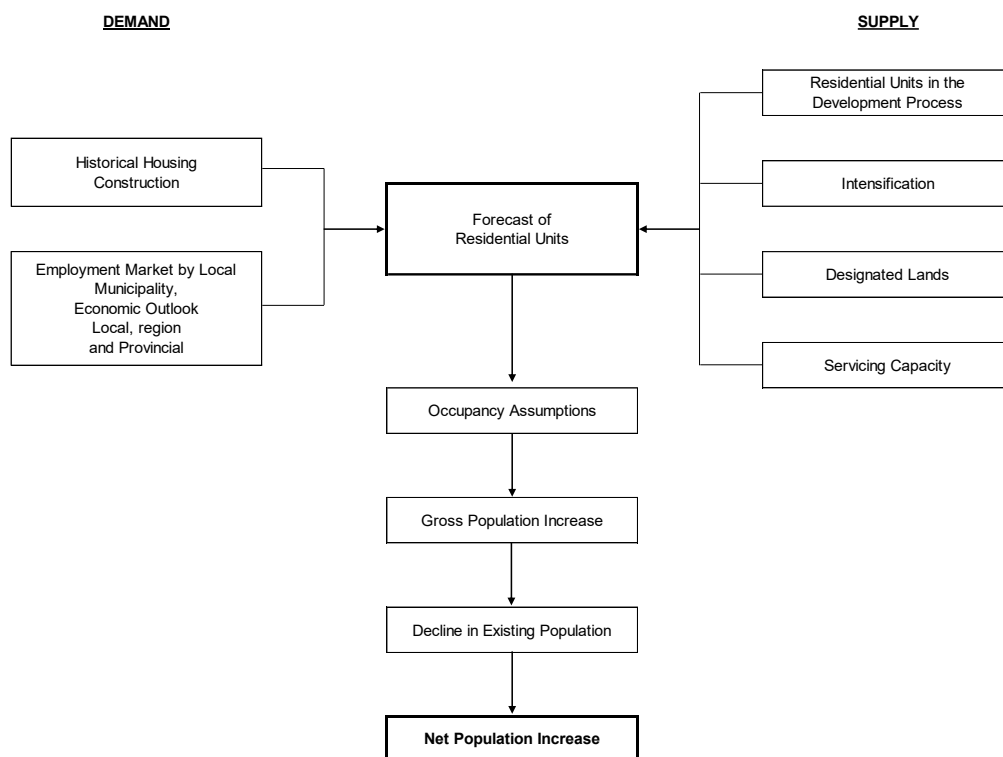


2.3 Summary of Growth Forecast

A detailed analysis of the residential and non-residential growth forecasts is provided in Appendix A and the methodology employed is illustrated in Figure 2-1. The discussion provided herein summarizes the anticipated growth for the Municipality and describes the basis for the forecast. The results of the residential growth forecast analysis are summarized in Table 2-1 below, and Schedule 1 in Appendix A.

As identified in Table 2-1 and Appendix A – Schedule 1, population in the Municipality of Bayham (excluding census undercount) is anticipated to reach approximately 8,000 by mid-2035 and 8,790 by mid-2051, resulting in an increase of approximately 550 and 1,340 persons, respectively. ^[1]

Figure 2-1
Population and Household Forecast Model



^[1] The population figures used in the calculation of the 2025 D.C. exclude the net Census undercount, which is estimated at approximately 4.0%. Population figures presented herein have been rounded.



Table 2-1
Municipality of Bayham
Residential Growth Forecast Summary

Year		Population (Including Census Undercount) ^[1]	Excluding Census Undercount			Housing Units						Person Per Unit (P.P.U.): Total Population/ Total Households
			Population	Institutional Population	Population Excluding Institutional Population	Singles & Semi- Detached	Multiple Dwellings ^[2]	Apartments ^[3]	Other	Total Households	Equivalent Institutional Households	
Historical	Mid 2011	7,270	6,989	44	6,945	2,007	62	54	164	2,287	40	3.056
	Mid 2016	7,690	7,396	16	7,380	2,095	60	55	185	2,395	15	3.088
	Mid 2021	7,380	7,096	21	7,075	2,045	35	45	135	2,260	19	3.140
Forecast	Mid 2025	7,750	7,451	22	7,429	2,177	35	55	135	2,402	20	3.102
	Mid 2035	8,320	7,996	24	7,972	2,393	49	75	135	2,652	21	3.015
	Mid 2051	9,140	8,789	26	8,763	2,719	89	107	135	3,050	23	2.882
Incremental	Mid 2011 - Mid 2016	420	407	-28	435	88	-2	1	21	108	-25	
	Mid 2016 - Mid 2021	-310	-300	5	-305	-50	-25	-10	-50	-135	4	
	Mid 2021 - Mid 2025	370	355	1	354	132	0	10	0	142	1	
	Mid 2025 - Mid 2035	570	545	2	543	216	14	20	0	250	2	
	Mid 2025 - Mid 2051	1,390	1,338	4	1,334	542	54	52	0	648	4	

^[1] Population includes the Census undercount estimated at approximately 4.0% and has been rounded.

^[2] Includes townhouses and apartments in duplexes.

^[3] Includes bachelor, 1-bedroom, and 2-bedroom+ apartment units.

Notes:

Numbers may not add due to rounding.

Source: Derived from the Updated Growth Forecasts and Land Needs Assessment for County of Elgin Memo, February 25, 2025, Hemson Consulting Ltd., by Watson & Associates Economists Ltd.



Provided below is a summary of the key assumptions and findings regarding the Municipality of Bayham D.C. growth forecast:

1. Unit Mix (Appendix A – Schedules 1 and 5)

- The housing unit mix for the Municipality was derived from a detailed review of historical development activity (as per Schedule 5), as well as active residential development applications and discussions with Municipal staff regarding anticipated development trends for the Municipality of Bayham.
- Based on the above indicators, the 2025 to 2051 household growth forecast for the Municipality is comprised of a unit mix of 84% low density units (single detached and semi-detached), 8% medium density (multiples except apartments) and 8% high density (bachelor, 1-bedroom and 2-bedroom apartments).

2. Planning Period

- Short- and longer-term time horizons are required for the D.C. process. The D.C.A. limits the planning horizon for transit services to a 10-year planning horizon. All other services can utilize a longer planning period if the municipality has identified the growth-related capital infrastructure needs associated with the longer-term growth planning period.

3. Population in New Units (Appendix A – Schedules 2, 3 and 4)

- The number of housing units to be constructed by 2051 in the Municipality of Bayham over the forecast period is presented in Table 2-1. Over the 2025 to 2051 forecast period, the Municipality is anticipated to average approximately 25 new housing units per year.
- Institutional population ^[1] is anticipated to increase by approximately 4 people between 2025 to 2051.

^[1] Institutional population largely includes special care facilities such as nursing home or residences for senior citizens. A P.P.U. of 1.050 depicts 1-bedroom and 2-or-more-bedroom units in collective households.



- Population in new units is derived from Schedules 2, 3 and 4, which incorporate historical development activity, anticipated units (see unit mix discussion) and average persons per unit (P.P.U.) by dwelling type for new units.
- Schedule 6a summarizes the average P.P.U. assumed for new housing units by age and type of dwelling based on Statistics Canada 2021 custom Census data for the Municipality of Bayham. Due to data limitations, medium and high density P.P.U. data was derived from the County of Elgin which includes the Municipality of Bayham, and is outlined in Schedule 6b. The total calculated P.P.U. for all density types has been adjusted accordingly to account for the P.P.U. trends which has been recently experienced in both new and older units. Forecasted 25-year average P.P.U.s by dwelling type are as follows:
 - Low density: 3.634
 - Medium density: 2.347
 - High density: 1.536

4. Existing Units and Population Change (Appendix A – Schedules 2, 3, and 4)

- Existing households for mid-2025 are based on the 2021 Census households, plus estimated residential units constructed between mid-2021 to the beginning of the growth period, assuming a minimum six-month lag between construction and occupancy (see Schedule 2).
- The change in average occupancy levels for existing housing units is calculated in Schedules 2 through 4.^[1] The forecast population change in existing households over the 2025 to 2051 forecast period is forecast to decline by approximately 840.

5. Employment (Appendix A – Schedules 8a and 8b)

- The employment projections provided herein are largely based on the activity rate method, which is defined as the number of jobs in the Municipality divided by the number of residents. Key employment sectors

^[1] Change in occupancy levels for existing households occurs due to aging of the population and family life cycle changes, lower fertility rates and changing economic conditions.



include primary, industrial, commercial/population-related, institutional, and work at home, which are considered individually below.

- 2016 employment data ^{[1],[2]} (place of work) for the Municipality of Bayham is outlined in Schedule 8a. The 2016 employment base is comprised of the following sectors:
 - 1555 primary (11%);
 - 385 work at home employment (27%);
 - 530 industrial (38%);
 - 240 commercial/population-related (17%); and
 - 100 institutional (7%).
- The 2016 employment by usual place of work, including work at home, is 1,410. An additional 290 employees have been identified for the Municipality of Bayham in 2016 that have no fixed place of work (N.F.P.O.W.).^[3]
- Total employment, including work at home and N.F.P.O.W. for the Municipality of Bayham is anticipated to reach approximately 2,080 by mid-2035 and 2,370 by 2051. This represents an employment increase of approximately 180 for the 10-year forecast period and 470 for the longer-term forecast period.
- Schedule 8b, Appendix A, summarizes the employment forecast, excluding work at home employment and N.F.P.O.W. employment, which is the basis for the D.C. employment forecast. The impact on municipal services from work at home employees has already been included in the population forecast. The need for municipal services related to N.F.P.O.W. employees has largely been included in the employment forecast by usual place of work (i.e., employment and gross floor area

^[1] 2016 employment is based on Statistics Canada 2016 Place of Work Employment dataset by Watson & Associates Economists Ltd.

^[2] Statistics Canada 2021 Census place of work employment data has been reviewed. The 2021 Census employment results have not been utilized due to a significant increase in work at home employment captured due to Census enumeration occurring during the provincial COVID-19 lockdown from April 1, 2021 to June 14, 2021.

^[3] No fixed place of work is defined by Statistics Canada as "persons who do not go from home to the same workplace location at the beginning of each shift. Such persons include building and landscape contractors, travelling salespersons, independent truck drivers, etc."



generated from N.F.P.O.W. construction employment). Furthermore, since these employees have no fixed work address, they cannot be captured in the non-residential G.F.A. calculation. Accordingly, work at home and N.F.P.O.W. employees have been removed from the D.C.A. employment forecast and calculation.

- Total employment for the Municipality of Bayham (excluding work at home and N.F.P.O.W. employment) is anticipated to reach approximately 1,270 by mid-2035 and 1,450 by 2051. This represents an employment increase of approximately 110 for the 10-year forecast period and 280 for the longer-term forecast period. ^[1]

6. Non-Residential Sq.ft. Estimates (G.F.A.), Appendix A – Schedule 8b)

- Square footage estimates were calculated in Schedule 8b based on the following employee density assumptions:
 - 3,000 sq.ft. per employee for primary;
 - 1,500 sq.ft. per employee for industrial;
 - 500 sq.ft. per employee for commercial/population-related; and
 - 690 sq.ft. per employee for institutional employment.
- The Municipal-wide incremental G.F.A. is anticipated to increase by 103,000 sq.ft. over the 10-year forecast period and 258,400 sq.ft. over the longer-term forecast period.
- In terms of percentage growth, the 2025 to 2051 incremental G.F.A. forecast by sector is broken down as follows:
 - Primary – 7%
 - industrial – 56%;
 - commercial/population-related – 27%; and
 - institutional – 10%.

^[1] G.F.A. and employment associated within special care institutional dwellings treated as residential, resulting in an institutional employment difference between Schedules 8a and bb. Total employment growth in Schedule 8b (excluding work at home and N.F.P.O.W. employment) has been downwardly adjusted to account for institutional employment associated with special care facilities. Total employment in Schedule 8b is anticipated to reach approximately 1,270 by mid-2035 and 1,450 by 2051.



Chapter 3

The Approach to the Calculation of the Charge



3. The Approach to the Calculation of the Charge

3.1 Introduction

This chapter addresses the requirements of subsection 5 (1) of the D.C.A. with respect to the establishment of the need for service which underpins the D.C. calculation. These requirements are illustrated schematically in Figure 3-1.

3.2 Services Potentially Involved

Table 3-1 lists the full range of municipal services that are provided within the Municipality.

A number of these services are not included in the list of eligible services provided in subsection 2 (4) of the D.C.A. as being ineligible for inclusion in D.C.s. These are shown as “ineligible” on Table 3-1. Two ineligible costs defined in subsection 5 (3) of the D.C.A. are “computer equipment” and “rolling stock with an estimated useful life of (less than) seven years.” In addition, local roads are covered separately under subdivision agreements and related means (as are other local services). Services that are potentially eligible for inclusion in the Municipality’s D.C. are indicated with a “Yes.”

3.3 Increase in the Need for Service

The D.C. calculation commences with an estimate of “the increase in the need for service attributable to the anticipated development,” for each service to be covered by the by-law. There must be some form of link or attribution between the anticipated development and the estimated increase in the need for service. While the need could conceivably be expressed generally in terms of units of capacity, subsection 5 (1) 3, which requires that the Municipal Council indicate that it intends to ensure that such an increase in need will be met, suggests that a project-specific expression of need would be most appropriate.



Figure 3-1
The Process of Calculating a Development Charge under the Act
that must be followed

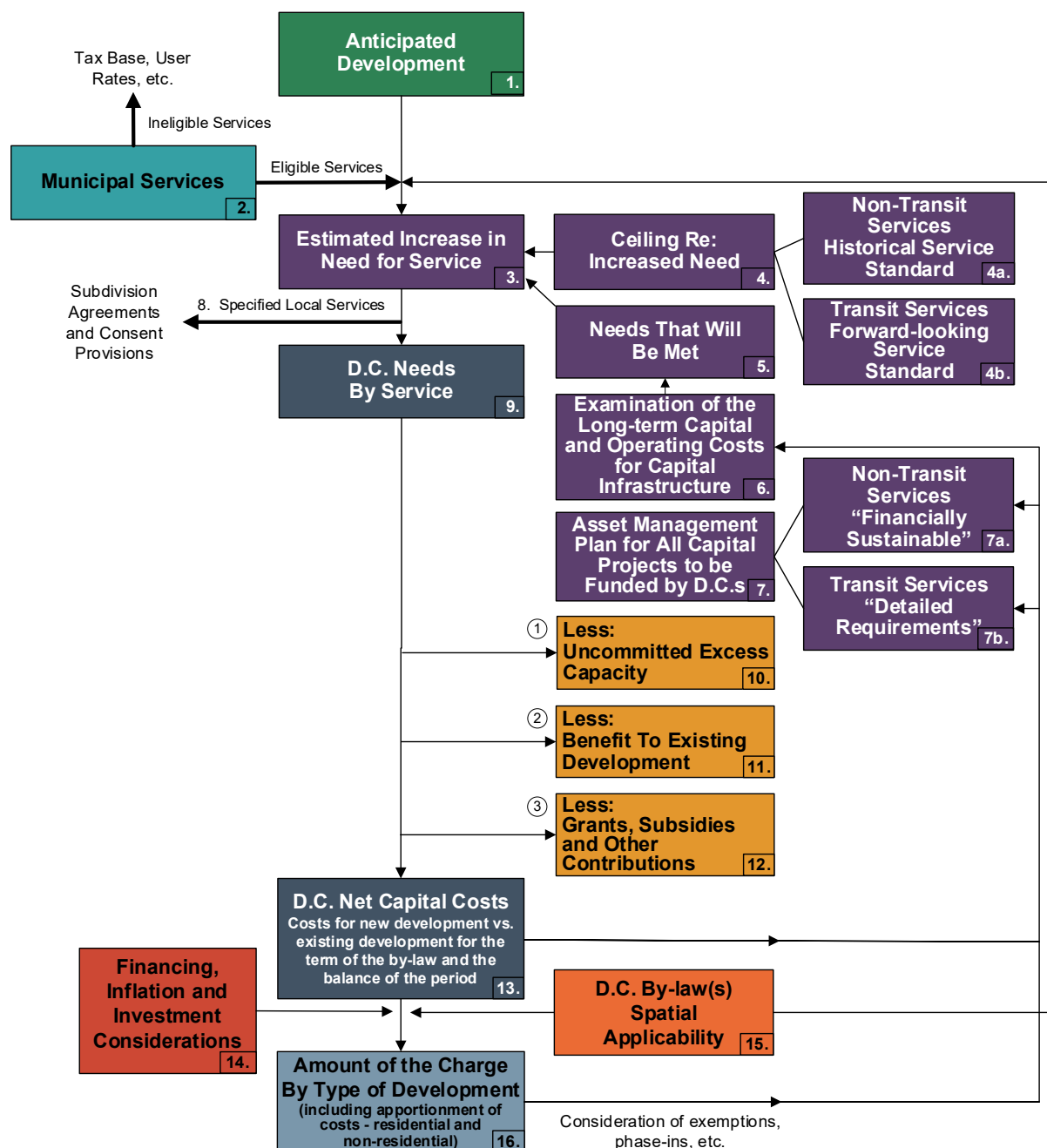




Table 3-1
Categories of Municipal Services to be Addressed as Part of the Calculation

Eligibility for Inclusion in the D.C. Calculation	Description
Yes	Municipality provides the service – service has been included in the D.C. calculation.
No	Municipality provides the service – service has not been included in the D.C. calculation.
n/a	Municipality does not provide the service.
Ineligible	Service is ineligible for inclusion in the D.C. calculation.

Categories of Municipal Services	Eligibility for Inclusion in the D.C. Calculation	Service Components	Maximum Potential D.C. Recovery %
1. Services Related to a Highway	Yes	1.1 Arterial roads	100
	Yes	1.2 Collector roads	100
	Yes	1.3 Bridges, culverts and roundabouts	100
	No	1.4 Local municipal roads	0
	Yes	1.5 Traffic signals	100
	Yes	1.6 Sidewalks and streetlights	100
	Yes	1.7 Active transportation	100
2. Other Transportation Services	n/a	2.1 Transit vehicles ¹ & facilities	100
	n/a	2.2 Other transit infrastructure	100
	Ineligible	2.3 Municipal parking spaces - indoor	0
	Ineligible	2.4 Municipal parking spaces - outdoor	0
	Yes	2.5 Works yards	100
	Yes	2.6 Rolling stock ¹	100
	n/a	2.7 Ferries	100
	n/a	2.8 Airport	100
3. Stormwater Drainage and Control Services	No	3.1 Main channels and drainage trunks	100
	No	3.2 Channel connections	100
	No	3.3 Retention/detention ponds	100

¹with 7+ year life-time



Categories of Municipal Services	Eligibility for Inclusion in the D.C. Calculation	Service Components	Maximum Potential D.C. Recovery %
4. Fire Protection Services	Yes Yes Yes	4.1 Fire stations 4.2 Fire pumpers, aerials and rescue vehicles ¹ 4.3 Small equipment and gear	100 100 100
5. Parks Services (i.e. Parks and Open Space)	Ineligible Yes Yes Yes Yes	5.1 Acquisition of land for parks, woodlots and E.S.A.s 5.2 Development of area municipal parks 5.3 Development of district parks 5.4 Development of municipal-wide parks 5.5 Development of special purpose parks 5.6 Parks rolling stock ¹ and yards	0 100 100 100 100 100
6. Recreation Services	Yes Yes	6.1 Arenas, indoor pools, fitness facilities, community centres, etc. (including land) 6.2 Recreation vehicles and equipment ¹	100 100
7. Library Services	No No No	7.1 Public library space (incl. furniture and equipment) 7.2 Library vehicles ¹ 7.3 Library materials	100 100 100
8. Emergency Preparedness Services	n/a n/a n/a	8.1 Facility space (incl. furniture and equipment) 8.2 Vehicles ¹ 8.3 Equipment	100 100 100
9. Electrical Power Services	Ineligible Ineligible Ineligible	9.1 Electrical substations 9.2 Electrical distribution system 9.3 Electrical system rolling stock	0 0 0

¹with 7+ year life-time



Categories of Municipal Services	Eligibility for Inclusion in the D.C. Calculation	Service Components	Maximum Potential D.C. Recovery %
10. Provision of Cultural, Entertainment and Tourism Facilities and Convention Centres	Ineligible Ineligible	10.1 Cultural space (e.g. art galleries, museums and theatres) 10.2 Tourism facilities and convention centres	0 0
11. Wastewater Services	No No n/a No	11.1 Treatment plants 11.2 Sewage trunks 11.3 Local systems 11.4 Vehicles and equipment ¹	100 100 0 100
12. Water Supply Services	No No n/a No	12.1 Treatment plants 12.2 Distribution systems 12.3 Local systems 12.4 Vehicles and equipment ¹	100 100 0 100
13. Waste Management Services	Ineligible Ineligible n/a n/a	13.1 Landfill collection, transfer vehicles and equipment 13.2 Landfills and other disposal facilities 13.3 Waste diversion facilities 13.4 Waste diversion vehicles and equipment ¹	0 0 100 100
14. Policing Services	No No No	14.1 Policing detachments 14.2 Policing rolling stock ¹ 14.3 Small equipment and gear	100 100 100
15. Homes for the Aged	n/a n/a	15.1 Homes for the aged space 15.2 Vehicles ¹	100 100
16. Child Care and Early Years Programs	n/a n/a	16.1 Childcare space 16.2 Vehicles ¹	100 100
17. Health	n/a n/a	17.1 Health department space 17.2 Health department vehicles ¹	100 100
18. Social Housing	n/a	18.1 Social housing space	100
19. Provincial Offences Act	n/a n/a	19.1 P.O.A. space 19.2 P.O.A. vehicles ¹	100 100
20. Social Services	n/a	20.1 Social service space	100

¹with 7+ year life-time



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 ¹	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

¹with a 7+ year lifetime

3.4 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 Municipality's detailed Local Service Policy is provided in Appendix E.

3.5 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, Municipality 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 Municipality’s approved and proposed capital budgets and master servicing/needs studies.

3.6 Treatment of Credits

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 service.” Section 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 outstanding credits to be included in the D.C. calculations.

3.7 Classes of Services

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. Furthermore, 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 a class of service for growth studies.

3.8 Existing Reserve Funds

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.

The alternative would involve the Municipality spending all reserve fund monies prior to renewing each by-law, which would not be a sound basis for capital budgeting. Thus, the Municipality will use these reserve funds for the Municipality’s cost share of



applicable development-related projects, which are required but have not yet been undertaken, as a way of directing the funds to the benefit of the development that contributed them (rather than to future development, which will generate the need for additional facilities directly proportionate to future growth).

There are no reserve fund adjustments to be incorporated into the calculations as this is the Municipality's first Municipal-Wide D.C. by-law.

3.9 Deductions

The D.C.A. potentially requires that four deductions be made to the increase in the need for service. These relate to:

- the level of service ceiling;
- uncommitted excess capacity;
- benefit to existing development; and
- anticipated grants, subsidies, and other contributions.

The requirements behind each of these reductions are addressed below.

3.9.1 *Reduction Required by Level of Service Ceiling*

This is designed to ensure that the increase in need included in section 3.3 does “not include an increase that would result in the level of service [for the additional development increment] exceeding the average level of the service provided in the municipality over the 15-year period immediately preceding the preparation of the background study” (D.C.A., subsection 5 (1) 4). O. Reg. 82/98 (section 4) goes further to indicate that “both the quantity and quality of a service shall be taken into account in determining the level of service and the average level of service.”

In many cases, this can be done by establishing a quantity measure in terms of units as floor area, land area, or road length per capita and a quality measure, in terms of the average cost of providing such units based on replacement costs, engineering standards, or recognized performance measurement systems, depending on circumstances. When the quantity and quality factors are multiplied together, they produce a measure of the level of service which meets the requirements of the Act, i.e., cost per unit.



With respect to transit services, the changes to the Act introduced in 2015 have provided for an alternative method for calculating the service standard ceiling. Transit services must now utilize a forward-looking service standard analysis, described later in this section.

The average service level calculation sheets for each service component in the D.C. calculation are set out in Appendix B.

3.9.2 Reduction for Uncommitted Excess Capacity

Paragraph 5 of subsection 5 (1) requires a deduction from the increase in the need for service attributable to the anticipated development that can be met using the Municipality's "excess capacity," other than excess capacity which is "committed."

"Excess capacity" is undefined, but in this case must be able to meet some or all of the increase in need for service, in order to potentially represent a deduction. The deduction of uncommitted excess capacity from the future increase in the need for service would normally occur as part of the conceptual planning and feasibility work associated with justifying and sizing new facilities, e.g., if a road widening to accommodate increased traffic is not required because sufficient excess capacity is already available, then widening would not be included as an increase in need, in the first instance.

3.9.3 Reduction for Benefit to Existing Development

Section 5 (1) 6 of the D.C.A. provides that, "The increase in the need for service must be reduced by the extent to which an increase in service to meet the increased need would benefit existing development." The general guidelines used to consider benefit to existing development included:

- The repair or unexpanded replacement of existing assets that are in need of repair;
- An increase in average service level of quantity or quality (compare water as an example);
- The elimination of a chronic servicing problem not created by growth; and
- Providing services where none previously existed (generally considered for water or wastewater services).



This step involves a further reduction in the need, by the extent to which such an increase in service would benefit existing development. The level of service cap in section 3.9.1 is related but is not the identical requirement. Sanitary, storm, and water trunks are highly localized to growth areas and can be more readily allocated in this regard than other services such as services related to a highway, which do not have a fixed service area.

Where existing development has an adequate service level which will not be tangibly increased by an increase in service, no benefit would appear to be involved. For example, where expanding existing library facilities simply replicates what existing residents are receiving, they receive very limited (or no) benefit as a result. Alternatively, where a clear existing service problem is to be remedied, a deduction should be made accordingly.

In the case of services such as recreation facilities, community parks, libraries, etc., the service is typically provided on a Municipal-wide system basis. For example, facilities of the same type may provide different services (i.e., leisure pool vs. competitive pool), different programs (i.e., hockey vs. figure skating), and different time availability for the same service (i.e., leisure skating available on Wednesdays in one arena and Thursdays in another). As a result, residents will travel to different facilities to access the services they want at the times they wish to use them, and facility location generally does not correlate directly with residence location. Even where it does, displacing users from an existing facility to a new facility frees up capacity for use by others and generally results in only a very limited benefit to existing development. Furthermore, where an increase in demand is not met for a number of years, a negative service impact to existing development is involved for a portion of the planning period.

3.9.4 Reduction for Anticipated Grants, Subsidies and Other Contributions

This step involves reducing the capital costs necessary to provide the increased services by capital grants, subsidies, and other contributions (including direct developer contributions required due to the local service policy) made or anticipated by Council and in accordance with various rules such as the attribution between the share related to new vs. existing development. That is, some grants and contributions may not specifically be applicable to growth or where Council targets fundraising as a measure to offset impacts on taxes (O. Reg. 82/98, section 6).



3.10 Municipal-wide vs. Area Rating

This step involves determining whether all of the subject costs are to be recovered on a uniform municipal-wide basis or whether some or all are to be recovered on an area-specific basis. Under the amended D.C.A., it is now mandatory to “consider” area rating of services (providing charges for specific areas and services); however, it is not mandatory to implement area rating. Further discussion is provided in subsection 6.4.4 of this report.

3.11 Allocation of Development

This step involves relating the costs involved to anticipated development for each period under consideration and using allocations between residential and non-residential development and between one type of development and another, to arrive at a schedule of charges.

3.12 Asset Management

The legislation now requires that a D.C. background study must include an asset management plan (A.M.P.) (subsection 10 (2) c. 2). The A.M.P. must deal with all assets that are proposed to be funded, in whole or in part, by D.C.s. The current regulations provide very extensive and specific requirements for the A.M.P. related to transit services (as noted in the subsequent subsection); however, they are silent with respect to how the A.M.P. is to be provided for all other services. As part of any A.M.P., the examination should be consistent with the municipality’s existing assumptions, approaches, and policies on the asset management planning. This examination has been included in Appendix F.

3.13 Transit

The D.C.A. provides for the following matters for transit:

- The background study requires the following in regard to transit costs (as per subsection 8 (2) of the Regulations):



- The calculations used to prepare the estimate for the planned level of service for the transit services, as mentioned in subsection 5.2 (3) of the Act.
 - i. An identification of the portion of the total estimated capital cost relating to the transit services that would benefit,
 - ii. the anticipated development over the 10-year period immediately following the preparation of the background study, or
 - iii. the anticipated development after the 10-year period immediately following the preparation of the background study.
- An identification of the anticipated excess capacity that would exist at the end of the 10-year period immediately following the preparation of the background study.
- An assessment of ridership forecasts 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, categorized by development types, and whether the forecast ridership will be from existing or planned development.
- 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 subsection 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 Regulations) 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 Municipality does not provide, nor intends to provide transit services in the near future. Therefore, the above calculations and reporting requirements are not applicable for this study.



Chapter 4

D.C.-Eligible Cost Analysis by Service



4. D.C.-Eligible Cost Analysis by Service

4.1 Introduction

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 3, 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 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, Municipality 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.

4.2 Service Levels and 10-Year Capital Costs for Municipality of Bayham D.C. Calculations

This section evaluates the development-related capital requirements Growth Studies over a 10-year planning period.

4.2.1 *Growth Studies*

Based on the anticipated growth forecast, several growth-related studies have been identified to support various municipal initiatives. The total gross capital cost of these studies is estimated at approximately \$300,000. These include a Water and Wastewater Master Plan, D.C. Background Studies, and other growth-related planning studies. For broader planning-related studies, a deduction of 10% (\$4,500) has been applied to recognize the extent to which the studies relate to non-D.C.-eligible service. A



deduction of \$97,800 was made to recognize the benefit to the existing community. Therefore, the net amount of \$197,700 has been included in the D.C. calculations.

The capital cost studies use the 10-year population-to-employment ratio to allocate growth-related capital costs, resulting in an allocation of 83% to residential development and 17% to non-residential development.



Table 4-1
Infrastructure Cost Included in the Development Charges Calculation
Growth Studies

Proj. No.	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Service to Which Project Relates	Gross Capital Cost Estimate (2025\$)	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
2025 to 2034										Service Specific		
1	Development charges study	2025	All D.C. Services	40,000	-		40,000	-		40,000	33,200	6,800
2	Development charges study	2030	All D.C. Services	40,000	-		40,000	-		40,000	33,200	6,800
3	Stormwater Development charges study	2026	Stormwater Services	20,000	-		20,000	-		20,000	16,600	3,400
4	Market Analysis	2027	All D.C. Services	15,000	-	1,500	13,500	6,800		6,700	5,561	1,139
5	Strategic Plan Update	2027	All D.C. Services	30,000	-	3,000	27,000	13,500		13,500	11,205	2,295
6	Road Needs Study	2025	Services Related to a Highway	55,000	-		55,000	27,500		27,500	22,825	4,675
7	Water/Wastewater Master Plan	2030	Water / Wastewater Services	100,000	-		100,000	50,000		50,000	41,500	8,500
	Total			300,000	-	4,500	295,500	97,800	-	197,700	164,091	33,609



4.3 Service Levels and Longer-Term (2051) Capital Costs for Municipality of Bayham D.C. Calculations

This section evaluates the development-related capital requirements for services related to a highway, fire protection services, and parks and recreation over a longer-term planning period from 2025 to 2051.

4.3.1 *Services Related to a Highway*

4.3.1.1 *Services Related to a Highway – Roads and Related*

The Municipality owns and maintains:

- 38.10 km of asphalt roads;
- 115.00 km of Tar and Chip roads;
- 49.00 km of gravel roads;
- 6 bridges;
- 9 culverts;
- 19.2 km of sidewalks; and
- 468 streetlights.

The inventory utilized over the historical 15-year period provides an average level of investment of \$38,188 per capita, resulting in a D.C.-eligible recovery amount of \$51.10 million over the longer-term forecast period.

With respect to future needs, the Municipality has identified a capital program totalling \$4.73 million. These projects include road upgrades, and provisions for sidewalks, road upgrades, and streetlights. A deduction of \$1.43 million was made to recognize the benefit to the existing community.

Therefore, the total growth-related cost to be included in the D.C. is \$3.30 million.

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 to employment growth over the longer-term forecast period. This results in 83% being allocated to residential development and 17% to non-residential development.



Table 4-2
Infrastructure Cost Included in the Development Charges Calculation
Services Related to a Highway – Roads and Related

Proj. No.	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2025\$)	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 83%	Non-Residential Share 17%
	2025 to 2051										
1	Toll Gate Road and Black Bridge Line	2031	500,000	-		500,000	450,000		50,000	41,500	8,500
2	Somers Road	2031	250,000	-		250,000	225,000		25,000	20,750	4,250
3	Mitchell Road	2031	385,000	-		385,000	346,500		38,500	31,955	6,545
4	Bayham Drive	2031	450,000	-		450,000	405,000		45,000	37,350	7,650
5	Provision - New Sidewalks	2025-2051	660,000	-		660,000	-		660,000	547,800	112,200
6	Provision for Road Upgrades / Improvements	2025-2051	2,400,000	-		2,400,000	-		2,400,000	1,992,000	408,000
7	Provision - Streetlights	2025-2051	80,000	-		80,000	-		80,000	66,400	13,600
	Total		4,725,000	-	-	4,725,000	1,426,500	-	3,298,500	2,737,755	560,745



4.3.1.2 Services Related to a Highway – Public Works Facilities, Equipment, and Fleet

The Municipality's Public Works department currently operates out of a combined space of 22,330 sq.ft. of building area. The space utilized over the previous 15-year period provides an average level of service of \$1,079 per capita. This level of service provides the Municipality with a maximum D.C.-eligible amount for recovery over the 10-year forecast period of \$1.44 million.

The Public Works Department currently maintains an inventory of 26 vehicles and major equipment totalling \$4.61 million. This inventory utilized over the historical 15-year period provides for an average level of service of \$622 per capita. Over the forecast period, the D.C.-eligible amount for vehicles and equipment is \$831,754.

Based on the above, the maximum D.C.-eligible amount for public works is approximately \$2.28 million.

Based on the anticipated growth in the Municipality over the longer-term forecast period, approximately \$1.33 million of future capital has been identified. These projects include a public works yard expansion, a drive shed, sidewalk machine, and a new snow plow. A deduction of approximately \$200,000 has been made for the share of the projects that benefits the existing development.

Therefore, the net growth-related D.C. recoverable amount of \$1.13 million has been included in the calculations.

The residential/non-residential capital cost allocation for service related to a highway – public works is based on the ratio of the anticipated population to employment growth over the longer-term forecast period. This results in 87% being allocated to residential development and 13% to non-residential development.



Table 4-3
Infrastructure Cost Included in the Development Charges Calculation
Services Related to a Highway – Public Works Facilities, Equipment, and Fleet

Proj. No.	Increased Service Needs Attributable to Anticipated Development 2025 to 2051	Timing (year)	Gross Capital Cost Estimate (2025\$)	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 83%	Non-Residential Share 17%
1	PW Yard Expansion, Building	2040-2041	750,000	-		750,000	-		750,000	622,500	127,500
2	Drive Shed	2027-2030	80,000	-		80,000	40,000		40,000	33,200	6,800
3	Sidewalk Machine	2027-2030	200,000	-		200,000	100,000		100,000	83,000	17,000
4	Snow Plow - 2 Ton with snow Equipment	2027-2030	300,000	-		300,000	60,000		240,000	199,200	40,800
	Total		1,330,000	-	-	1,330,000	200,000	-	1,130,000	937,900	192,100



4.3.2 Fire Protection Services

The Municipality of Bayham's Fire Department currently operates out of a combined 9,968 sq.ft. of facility space. The facility space provided over the 2010 to 2024 period provides for an average level of service of 1.27 sq.ft. per capita or \$891 per capita. This level of service provides the Municipality with a maximum D.C.-eligible amount for recovery over the forecast period of \$1.19 million.

The fire department has a current inventory of 10 vehicles. Based on the number of vehicles utilized in the provision of fire services over the previous 15 years, the total D.C.-eligible amount calculated for fire vehicles over the forecast period is \$948,281, (based on a standard of \$709 per capita).

In addition to vehicles, the Municipality provides 320 items of equipment and gear for the use in fire services. The inventory utilized over the previous 15-year period results in a calculated average level of service of \$311 per capita, providing for a D.C.-eligible amount over the forecast period of \$416,145 for small equipment and gear.

Based on the above, the maximum D.C.-eligible amount for fire protection services is approximately \$2.56 million.

Based on the projected growth over the longer-term forecast period, the Municipality has identified future capital needs totalling approximately \$3.08 million. The projects include provisions for a new pumper, and provisions for facilities and vehicles and equipment to support the forecast population. A deduction of \$1.0 million have been made to account for the share of the capital projects that benefits existing developments.

Therefore, the net growth-related D.C. recoverable amount of \$2.08 million has been included in the calculations.

These costs are shared between residential and non-residential development based on the population to employment ratio over the longer-term forecast period, resulting in 87% being allocated to residential development and 13% being allocated to non-residential development.



Table 4-4
Infrastructure Cost Included in the Development Charges Calculation
Fire Protection Services

Proj. No.	Increased Service Needs Attributable to Anticipated Development 2025 to 2051	Timing (year)	Gross Capital Cost Estimate (2025\$)	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 83%	Non- Residential Share 17%
1	Pumper	2029	1,200,000	-		1,200,000	1,000,000		200,000	166,000	34,000
2	Provision for Facilities	2025-2051	1,300,000	-		1,300,000	-		1,300,000	1,079,000	221,000
3	Provision for Vehicles and Equipment	2025-2051	580,000	-		580,000	-		580,000	481,400	98,600
	Total		3,080,000	-	-	3,080,000	1,000,000	-	2,080,000	1,726,400	353,600



4.3.3 Parks and Recreation Services

The Municipality currently provides a variety of parks and recreation-related assets to service the community. A summary of the Municipality's inventory is provided below:

- 30.40 acres of parkland (consisting of community parks and parkettes);
- 3,490 linear metres of trails;
- 258 amenities (baseball diamonds, playgrounds, picnic tables, tennis court, pavilions, etc.);
- 3 parks and recreation vehicles and equipment; and
- Approximately 7,640 sq.ft. of recreation facility spaces.

In total, the Municipality's parks and recreation service has provided a 15-year (2010 to 2024) historical level of service that equates to an investment of \$2,528 per capita. This level of investment provides the Municipality with a D.C.-eligible amount of \$3.40 million towards future parks and recreation capital.

Based on projected growth over the longer-term forecast period, the Municipality has identified approximately \$2.26 million in future growth-related capital costs for parks and recreation. These projects include a canoe/kayak launch, new pavilions, a beach shade structure, the Port Burwell Beach washroom expansion, and provisions for vehicles and equipment, and parkland development. With respect to deductions, the following adjustments have been made:

- Benefit to existing development: \$975,800
- Grants, Subsidies, and Other Contributions: \$210,000

Therefore, the net growth-related capital cost of \$1.07 million is being included in the D.C. calculations.

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



Table 4-5
Infrastructure Cost Included in the Development Charges Calculation
Parks and Recreation Services

Proj. No.	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2025\$)	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
	2025 to 2051									95%	5%
1	Canoe / Kayak Launch	2026	85,000	-		85,000	69,700		15,300	14,535	765
2	Eden Pavillion	2025	185,000	-		185,000	151,700		33,300	31,635	1,665
3	Richmond Pavillion	2025	125,000	-		125,000	102,500		22,500	21,375	1,125
4	Memorial Park Pavillion	2026	350,000	-		350,000	114,800	210,000	25,200	23,940	1,260
5	Beach Shade Structure	2027	80,000	-		80,000	65,600		14,400	13,680	720
6	Port Burwell East Beach Washroom Expansion	2025	575,000	-		575,000	471,500		103,500	98,325	5,175
7	Provision for Vehicles and Equipment	2025-2051	160,000	-		160,000	-		160,000	152,000	8,000
8	Provision for Parkland Development	2025-2051	700,000	-		700,000	-		700,000	665,000	35,000
	Total		2,260,000	-	-	2,260,000	975,800	210,000	1,074,200	1,020,490	53,710



Chapter 5

D.C. Calculation



5. D.C. Calculation

5.1 Municipal-Wide Calculations

Table 5-1 calculates the proposed uniform D.C.s to be imposed on anticipated development in the Municipality for Municipal-wide services over the longer-term (2051) forecast period. Table 5-2 calculates the proposed uniform D.C.s to be imposed on anticipated development in the Municipality for Municipal-wide services over the 10-year forecast period.

The calculation for residential development is generated on a per capita basis and is based upon five forms of housing types (singles and semi-detached, multiples, apartments 2+ bedrooms, apartments bachelor and 1 bedroom, and special care dwelling units). The non-residential D.C. has been calculated on a per sq.ft. of G.F.A. basis for all types of non-residential development (industrial, commercial, and institutional).

The D.C.-eligible costs for each service component were developed in Chapter 3 for all Municipal services, based on their proposed capital programs.

For the residential calculations, the total cost is divided by the “gross” (new resident) population to determine the per capita amount. The eligible-D.C. cost calculations set out in Chapter 4 are based on the net anticipated population increase (the forecast new unit population less the anticipated decline in existing units). The cost per capita is then multiplied by the average occupancy of the new units (Appendix A, Schedule 7) to calculate the charge in Tables 5-1 to 5-2.

With respect to non-residential development, the non-residential share of the D.C. eligible costs (based on need for service) have been divided by the anticipated development over the planning period to calculate a cost per sq.ft. of G.F.A.

Table 5-3 summarizes the total D.C. that is applicable for the Municipal-wide services and Table 5-4 summarizes the gross capital expenditures and sources of revenue for works to be undertaken during the life of the by-law.

Lastly, Table 5-5 provides the Schedule of D.C. rates, by service, for residential and non-residential developments.



Table 5-1
Municipality of Bayham
Development Charge Calculation
Municipal-wide Services
Longer-Term (2051)

SERVICE/CLASS	2025\$ D.C.-Eligible Cost		2025\$ D.C.-Eligible Cost	
	Residential	Non-Residential	S.D.U.	per sq.ft.
1. <u>Fire Protection Services</u>	\$	\$	\$	\$
1.1 Fire facilities, vehicles & equipment	1,726,400	353,600	2,876	1.37
	1,726,400	353,600	2,876	1.37
2. <u>Services Related to a Highway</u>				
2.1 Roads and Related	2,737,755	560,745	4,562	2.17
2.2 Public Works	937,900	192,100	1,563	0.74
	3,675,655	752,845	6,125	2.91
3. <u>Parks and Recreation Services</u>				
3.1 Park development, amenities, trails, recreation facilities, vehicles, and equipment	1,020,490	53,710	1,700	0.21
	1,020,490	53,710	1,700	0.21
TOTAL	\$6,422,545	\$1,160,155	\$10,701	\$4.49
D.C.-Eligible Capital Cost	\$6,422,545	\$1,160,155		
2051 Gross Population/GFA Growth (sq.ft.)	2,181	258,400		
Cost Per Capita/Non-Residential GFA (sq.ft.)	\$2,944.77	\$4.49		
By Residential Unit Type	P.P.U.			
Single and Semi-Detached Dwelling	3.634	\$10,701		
Multiples	2.347	\$6,911		
Apartments - 2 Bedrooms +	1.870	\$5,507		
Apartments - Studio and 1 Bedroom	1.100	\$3,239		
Special Care/Special Dwelling Units	1.050	\$3,092		

Table 5-2
Municipality of Bayham
Development Charge Calculation
Municipal-wide Services
10-Year

SERVICE/CLASS	2025\$ D.C.-Eligible Cost		2025\$ D.C.-Eligible Cost	
	Residential	Non-Residential	S.D.U.	per sq.ft.
4. <u>Growth Studies</u>	\$	\$	\$	\$
4.1 Growth Studies	164,091	33,609	702	0.33
	164,091	33,609	702	0.33
TOTAL	\$164,091	\$33,609	\$702	\$0.33
D.C.-Eligible Capital Cost	\$164,091	\$33,609		
10-Year Gross Population/GFA Growth (sq.ft.)	850	103,000		
Cost Per Capita/Non-Residential GFA (sq.ft.)	\$193.05	\$0.33		
By Residential Unit Type	P.P.U.			
Single and Semi-Detached Dwelling	3.634	\$702		
Multiples	2.347	\$453		
Apartments - 2 Bedrooms +	1.870	\$361		
Apartments - Studio and 1 Bedroom	1.100	\$212		
Special Care/Special Dwelling Units	1.050	\$203		



Table 5-3
Municipality of Bayham
Development Charge Calculation
Municipal-wide Services

	2025\$ D.C.-Eligible Cost		2025\$ D.C.-Eligible Cost	
	Residential	Non-Residential	S.D.U.	per sq.ft.
	\$	\$	\$	\$
Municipal-wide Services/Classes Longer-Term (2051)	6,422,545	1,160,155	10,701	4.49
Municipal-wide Services/Classes 10 Year	164,091	33,609	702	0.33
TOTAL	6,586,636	1,193,764	11,403	4.82



Table 5-4
Municipality of Bayham
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. Fire Protection Services							
1.1 Fire facilities, vehicles & equipment	1,896,296	0	1,000,000	0	0	743,926	152,370
2. Services Related to a Highway							
2.1 Roads and Related	4,725,000	0	1,426,500	0	0	2,737,755	560,745
2.2 Public Works	580,000	0	200,000	0	0	315,400	64,600
3. Parks and Recreation Services							
3.1 Park development, amenities, trails, recreation facilities, vehicles, and equipment	1,400,000	0	975,800	210,000	0	203,490	10,710
4. Growth Studies							
4.1 Growth Studies	300,000	4,500	97,800	0	0	164,091	33,609
Total Expenditures & Revenues	\$8,901,296	\$4,500	\$3,700,100	\$210,000	\$0	\$4,164,662	\$822,034



Table 5-5
Municipality of Bayham
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/Special Dwelling Units	(per sq.ft. of Gross Floor Area)
Municipal Wide Services/Class of Service:						
Services Related to a Highway	6,125	3,956	3,152	1,854	1,770	2.91
Fire Protection Services	2,876	1,857	1,480	871	831	1.37
Parks and Recreation Services	1,700	1,098	875	515	491	0.21
Growth Studies	702	453	361	212	203	0.33
Total Municipal Wide Services/Class of Services	11,403	7,364	5,868	3,452	3,295	4.82



Chapter 6

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



6. D.C. Policy Recommendations and D.C. By-law Rules

6.1 Introduction

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 best practices across Ontario; with consideration for the recent changes to the D.C.A. However, these policies are provided for Council’s consideration and may be refined prior to adoption of the by-law.



6.2 D.C. By-law Structure

It is recommended that:

- the Municipality uses a uniform Municipal-wide D.C. calculation for services excluding water and wastewater services;
- one D.C. by-law be used for all Municipal-wide services referenced above; and
- D.C.s for water and wastewater services continue to be imposed on an area-specific basis as provided through By-law 2022-067.

6.3 D.C. By-law Rules

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.:

6.3.1 *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.”



6.3.2 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 amount 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, a 5% non-residential attribution has been made to recognize use by the non-residential sector ;
 - for services related to a highway, and fire protection services, an 87% residential/13% non-residential attribution has been made based on a population vs. employment growth ratio over the longer-term forecast period;
 - for growth studies an 87% residential/13% non-residential attribution has been made based on a population vs. employment growth ratio over the 10-year forecast period; and

6.3.3 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 60 months 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.

Non-residential developments may submit a request to Council for an extension to the 60 month period described above, up to an additional 12 months.

6.3.4 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 (for Council's consideration):

- Hospitals under the Public Hospitals Act;
- land, buildings or structures used for a place of worship or for the purpose of a cemetery or burial ground and exempt from taxation under the Assessment Act, R.S.O. 1990, c.A.31, as amended; and



- Buildings or structures used as farm buildings.

6.3.5 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 Municipality 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 subject to early or late payment agreements entered into by the Municipality and an owner under s. 27 of the D.C.A.

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 June 6, 2024), 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 Municipality can impose is the average prime rate plus 1%.

6.3.6 The Applicable Areas

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

- All Municipal-wide services – the full residential and non-residential charge will be imposed on all lands within the Municipality.

6.3.7 Indexing

Indexing of the D.C.s shall be implemented on a mandatory basis annually commencing on January 1, 2026, and each January 1st thereafter, in accordance with the Statistics Canada Quarterly, Non-Residential Building Construction Price Index (Table 18-10-0276-02)^[1] for the most recent year-over-year period.

^[1] O. Reg. 82/98 referenced “The Statistics Canada Quarterly, Construction Price Statistics, catalogue number 62-007” as the index source. Since implementation,



6.4 Other D.C. By-law Provisions

It is recommended that:

6.4.1 Categories of Services for Reserve Fund and Credit Purposes

It is recommended that the Municipality create new reserve funds for: Fire Protection Services, Parks and Recreation Services, Growth Studies, Services Related to a Highway.

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

6.4.2 By-law In-force Date

A by-law under the D.C.A. comes into force on the day it is passed or the day specified in the by-law, whichever is later.

6.4.3 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).

6.4.4 Area Rating

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

1. Subsection 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).

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.



2. Subsection 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.

All other Municipal services are proposed to be recovered based on a uniform, Municipal-wide basis. There have been several reasons why area-rating has not been imposed on these services, including:

1. All Municipal 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 Municipality, 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 layperson 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 Municipality 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 Municipal-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 Municipality 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 continue imposing water and wastewater D.C.s on an area-specific basis and that D.C.s for all other services be imposed on a uniform Municipal-wide basis.

6.5 Other Recommendations

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;”

“Establish a class of service for Growth Studies;”

“Adopt the D.C. approach to calculate the charges on a uniform Municipal-wide basis;”

“Approve the capital project listing set out in Chapter 4 of the D.C. Background Study dated June 5, 2025, subject to further annual review during the capital budget process;”

“Approve the D.C. Background Study dated June 5, 2025;”

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

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



Chapter 7

By-law Implementation



7. By-law Implementation

7.1 Public Consultation Process

7.1.1 Introduction

This chapter addresses the mandatory, formal public consultation process (section 8.1.2), as well as the optional, informal consultation process (section 8.1.3). The latter is designed to seek the co-operation and participation of those involved, in order to produce the most suitable policy. Section 8.2 addresses the anticipated impact of the D.C. on development from a generic viewpoint.

7.1.2 Public Meeting of Council

Section 12 of the D.C.A. indicates that before passing a D.C. by-law, Council must hold at least one public meeting, giving at least 20 clear days' notice thereof, in accordance with the Regulation. Council must also ensure that the proposed by-law and background report are made available to the public at least two weeks prior to the (first) meeting.

Any person who attends such a meeting may make representations related to the proposed by-law.

If a proposed by-law is changed following such a meeting, Council must determine whether a further meeting (under this section) is necessary (i.e., if the proposed by-law which is proposed for adoption has been changed in any respect, Council should formally consider whether an additional public meeting is required, incorporating this determination as part of the final by-law or associated resolution. It is noted that Council's decision, once made, is final and not subject to review by a Court or the Ontario Land Tribunal (OLT) (formerly the Local Planning Appeal Tribunal (LPAT)).

7.1.3 Other Consultation Activity

There are three broad groupings of the public who are generally the most concerned with municipal D.C. policy:

1. The first grouping is the residential development community, consisting of land developers and builders, who are typically responsible for generating the majority



of the D.C. revenues. Others, such as realtors, are directly impacted by D.C. policy. They are, therefore, potentially interested in all aspects of the charge, particularly the quantum by unit type, projects to be funded by the D.C. and the timing thereof, and municipal policy with respect to development agreements, D.C. credits and front-ending requirements.

2. The second public grouping embraces the public at large and includes taxpayer coalition groups and others interested in public policy.
3. The third grouping is the industrial/commercial/institutional development sector, consisting of land developers and major owners or organizations with significant construction plans, such as hotels, entertainment complexes, shopping centres, offices, industrial buildings, and institutions. Also involved are organizations such as Industry Associations, the Chamber of Commerce, the Board of Trade, and the Economic Development Agencies, who are all potentially interested in municipal D.C. policy. Their primary concern is frequently with the quantum of the charge, G.F.A. exclusions such as basements, mechanical or indoor parking areas, or exemptions and phase-in or capping provisions in order to moderate the impact.

7.2 Anticipated Impact of the Charge on Development

The establishment of sound D.C. policy often requires the achievement of an acceptable balance between two competing realities. The first is that high non-residential D.C.s can, to some degree, represent a barrier to increased economic activity and sustained industrial/commercial growth, particularly for capital intensive uses. Also, in many cases, increased residential D.C.s can ultimately be expected to be recovered via housing prices and can impact project feasibility in some cases (e.g., rental apartments).

On the other hand, D.C.s or other municipal capital funding sources need to be obtained in order to help ensure that the necessary infrastructure and amenities are installed. The timely installation of such works is a key initiative in providing adequate service levels and in facilitating strong economic growth, investment, and wealth generation.



7.3 Implementation Requirements

7.3.1 Introduction

Once the Municipality has calculated the charge, prepared the complete background study, carried out the public process and passed a new by-law, the emphasis shifts to implementation matters. These include notices, potential appeals and complaints, credits, front-ending agreements, subdivision agreement conditions and finally the collection of revenues and funding of projects.

The sections that follow present an overview of the requirements in each case.

7.3.2 Notice of Passage

In accordance with section 13 of the D.C.A., when a D.C. by-law is passed, the Municipality Clerk shall give written notice of the passing and of the last day for appealing the by-law (the day that is 40 days after the day it was passed). Such notice must be given no later than 20 days after the day the by-law is passed (i.e., as of the day of newspaper publication, the mailing of the notice, or publication on Municipal website).

Section 10 of O. Reg. 82/98 further defines the notice requirements which are summarized as follows:

- notice may be given by publication in a newspaper which is (in the Clerk's opinion) of sufficient circulation to give the public reasonable notice, or by Municipal website, personal service, fax, or mail to every owner of land in the area to which the by-law relates;
- subsection 10 (4) lists the persons/organizations who must be given notice; and
- subsection 10 (5) lists the eight items that the notice must cover.

7.3.3 By-law Pamphlet

In addition to the “notice” information, the Municipality must prepare a “pamphlet” explaining each D.C. by-law in force, setting out:

- a description of the general purpose of the D.C.s;



- the “rules” for determining if a charge is payable in a particular case and for determining the amount of the charge;
- the services to which the D.C.s relate; and
- a description of the general purpose of the Treasurer’s statement and where it may be received by the public.

Where a by-law is not appealed to the OLT, the pamphlet must be readied within 60 days after the by-law comes into force. Later dates apply to appealed by-laws.

The Municipality must give one copy of the most recent pamphlet without charge to any person who requests one.

7.3.4 Appeals

Sections 13 to 19 of the D.C.A. set out the requirements relative to making and processing a D.C. by-law appeal and OLT hearing in response to an appeal. Any person or organization may appeal a D.C. by-law to the OLT by filing a notice of appeal with the Municipality Clerk, setting out the objection to the by-law and the reasons supporting the objection. This must be done by the last day for appealing the by-law, which is 40 days after the by-law is passed.

The Municipality is conducting a public consultation process in order to address the issues that come forward as part of that process, thereby avoiding or reducing the need for an appeal to be made.

7.3.5 Complaints

A person required to pay a D.C., or his agent, may complain to the Municipal Council imposing the charge that:

- the amount of the charge was incorrectly determined;
- the reduction to be used against the D.C. was incorrectly determined; or
- there was an error in the application of the D.C.

Sections 20 to 25 of the D.C.A. set out the requirements that exist, including the fact that a complaint may not be made later than 90 days after a D.C. (or any part of it) is payable. A complainant may appeal the decision of Municipality Council to the OLT.



7.3.6 Credits

Sections 38 to 41 of the D.C.A. set out a number of credit requirements, which apply where a municipality agrees to allow a person to perform work in the future that relates to a service in the D.C. by-law.

These credits would be used to reduce the amount of D.C.s to be paid. The value of the credit is limited to the reasonable cost of the work which does not exceed the average level of service. The credit applies only to the service to which the work relates unless the municipality agrees to expand the credit to other services for which a D.C. is payable.

7.3.7 Front-Ending Agreements

The Municipality and one or more landowners may enter into a front-ending agreement that provides for the costs of a project that will benefit an area in the Municipality to which the D.C. by-law applies. Such an agreement can provide for the costs to be borne by one or more parties to the agreement who are, in turn, reimbursed in future by persons who develop land defined in the agreement.

Part III of the D.C.A. (sections 44 to 58) addresses front-ending agreements and removes some of the obstacles to their use which were contained in the *Development Charges Act*, 1989. Accordingly, the Municipality assesses whether this mechanism is appropriate for its use, as part of funding projects prior to Municipality funds being available.

7.3.8 Severance and Subdivision Agreement Conditions

Section 59 of the D.C.A. prevents a municipality from imposing directly or indirectly, a charge related to development or a requirement to construct a service related to development, by way of a condition or agreement under section 51 or section 53 of the *Planning Act*, except for:

- “local services, related to a plan of subdivision or within the area to which the plan relates, to be installed or paid for by the owner as a condition of approval under section 51 of the *Planning Act*,” and
- “local services to be installed or paid for by the owner as a condition of approval under section 53 of the *Planning Act*.”



It is also noted that subsection 59 (4) of the D.C.A. requires that the municipal approval authority for a draft plan of subdivision under subsection 51 (31) of the *Planning Act*, use its power to impose conditions to ensure that the first purchaser of newly subdivided land is informed of all the D.C.s related to the development, at the time the land is transferred.

In this regard, if the municipality in question is a commenting agency, in order to comply with subsection 59 (4) of the D.C.A. it would need to provide to the approval authority information regarding the applicable municipal D.C.s related to the site.

If the Municipality is an approval authority for the purposes of section 51 of the *Planning Act*, it would be responsible to ensure that it collects information from all entities that can impose a D.C.

The most effective way to ensure that purchasers are aware of this condition would be to require it as a provision in a registered subdivision agreement, so that any purchaser of the property would be aware of the charges at the time the title was searched prior to closing a transaction conveying the lands.



Appendices



Appendix A

Background Information on Residential and Non- Residential Growth Forecast



Schedule 1 Municipality of Bayham Residential Growth Forecast Summary

Year		Population (Including Census Undercount) ^[1]	Excluding Census Undercount			Housing Units						Person Per Unit (P.P.U.): Total Population/ Total Households
			Population	Institutional Population	Population Excluding Institutional Population	Singles & Semi- Detached	Multiple Dwellings ^[2]	Apartments ^[3]	Other	Total Households	Equivalent Institutional Households	
Historical	Mid 2011	7,270	6,989	44	6,945	2,007	62	54	164	2,287	40	3.056
	Mid 2016	7,690	7,396	16	7,380	2,095	60	55	185	2,395	15	3.088
	Mid 2021	7,380	7,096	21	7,075	2,045	35	45	135	2,260	19	3.140
Forecast	Mid 2025	7,750	7,451	22	7,429	2,177	35	55	135	2,402	20	3.102
	Mid 2035	8,320	7,996	24	7,972	2,393	49	75	135	2,652	21	3.015
	Mid 2051	9,140	8,789	26	8,763	2,719	89	107	135	3,050	23	2.882
Incremental	Mid 2011 - Mid 2016	420	407	-28	435	88	-2	1	21	108	-25	
	Mid 2016 - Mid 2021	-310	-300	5	-305	-50	-25	-10	-50	-135	4	
	Mid 2021 - Mid 2025	370	355	1	354	132	0	10	0	142	1	
	Mid 2025 - Mid 2035	570	545	2	543	216	14	20	0	250	2	
	Mid 2025 - Mid 2051	1,390	1,338	4	1,334	542	54	52	0	648	4	

^[1] Population includes the Census undercount estimated at approximately 4.0% and has been rounded.

^[2] Includes townhouses and apartments in duplexes.

^[3] Includes bachelor, 1-bedroom, and 2-bedroom+ apartment units.

Notes:

Numbers may not add due to rounding.

Source: Derived from the Updated Growth Forecasts and Land Needs Assessment for County of Elgin Memo, February 25, 2025, Hemson Consulting Ltd., by Watson & Associates Economists Ltd.



Schedule 2
Municipality of Bayham
Current Year Growth Forecast
Mid-2021 to Mid-2025

		Population
Mid 2021 Population		7,096
Occupants of New Housing Units, Mid 2021 to Mid 2025	Units (2)	142
	multiplied by P.P.U. (3)	3.520
	gross population increase	500
Occupants of New Equivalent Institutional Units, Mid 2021 to Mid 2025	Units	1
	multiplied by P.P.U. (3)	1.050
	gross population increase	1
Decline in Housing Unit Occupancy, Mid 2021 to Mid 2025	Units (4)	2,260
	multiplied by P.P.U. decline rate (5)	-0.065
	total decline in population	-146
Population Estimate to Mid 2025		7,451
Net Population Increase, Mid 2021 to Mid 2025		355

(1) 2021 population based on Statistics Canada Census unadjusted for Census undercount.

(2) Estimated residential units constructed, Mid-2021 to the beginning of the growth period assuming a six-month lag between construction and occupancy.

(3) Average number of persons per unit (P.P.U.) is assumed to be:

Structural Type	Persons Per Unit ¹ (P.P.U.)	% Distribution of Estimated Units ²	Weighted Persons Per Unit Average
<i>Singles & Semi Detached</i>	3.643	93%	3.386
<i>Multiples (6)</i>	2.974	0%	0.000
<i>Apartments (7)</i>	1.902	7%	0.134
Total		100%	3.520

¹ Based on 2021 Census custom database

² Based on Building permit/completion activity

(4) 2021 households taken from Statistics Canada Census.

(5) Decline occurs due to aging of the population and family life cycle changes, lower fertility rates and changing economic conditions.

(6) Includes townhouses and apartments in duplexes.

(7) Includes bachelor, 1-bedroom and 2-bedroom+ apartments.

Note: Numbers may not add to totals due to rounding.



Schedule 3 Municipality of Bayham 10-Year Growth Forecast Mid-2025 to Mid-2035

		Population
Mid 2025 Population		7,451
Occupants of New Housing Units, Mid 2025 to Mid 2035	Units (2)	250
	multiplied by P.P.U. (3)	3.393
	gross population increase	848
Occupants of New Equivalent Institutional Units, Mid 2025 to Mid 2035	Units	2
	multiplied by P.P.U. (3)	1.050
	gross population increase	2
Decline in Housing Unit Occupancy, Mid 2025 to Mid 2035	Units (4)	2,402
	multiplied by P.P.U. decline rate (5)	-0.127
	total decline in population	-305
Population Estimate to Mid 2035		7,996
Net Population Increase, Mid 2025 to Mid 2035		545

(1) Mid 2025 Population based on:

2021 Population (7,096) + Mid 2021 to Mid 2025 estimated housing units to beginning of forecast period $(142 \times 3.52 = 500) + (1 \times 1.05 = 1) + (2,260 \times -0.065 = -146) = 7,451$

(2) Based upon forecast building permits/completions assuming a lag between construction and occupancy.

(3) Average number of persons per unit (P.P.U.) is assumed to be:

Structural Type	Persons Per Unit ¹ (P.P.U.)	% Distribution of Estimated Units ²	Weighted Persons Per Unit Average
<i>Singles & Semi Detached</i>	3.634	86%	3.136
<i>Multiples (6)</i>	2.347	6%	0.134
<i>Apartments (7)</i>	1.536	8%	0.123
<i>one bedroom or less</i>	1.100		
<i>two bedrooms or more</i>	1.870		
Total		100%	3.393

¹ Persons per unit based on adjusted Statistics Canada Custom 2021 Census database.

² Forecast unit mix based upon historical trends and housing units in the development process.

(4) Mid 2025 households based upon 2021 Census (2,260 units) + Mid 2021 to Mid 2025 unit estimate (142 units) = 2,402 units.

(5) Decline occurs due to aging of the population and family life cycle changes, lower fertility rates and changing economic conditions.

(6) Includes townhouses and apartments in duplexes.

(7) Includes bachelor, 1-bedroom and 2-bedroom+ apartments.

Note: Numbers may not add to totals due to rounding.



Schedule 4 Municipality of Bayham Long-Term Growth Forecast Mid-2025 to Mid-2051

		Population
Mid 2025 Population		7,451
Occupants of New Housing Units, Mid 2025 to Mid 2051	Units (2)	648
	multiplied by P.P.U. (3)	3.359
	gross population increase	2,177
Occupants of New Equivalent Institutional Units, Mid 2025 to Mid 2051	Units	4
	multiplied by P.P.U. (3)	1.050
	gross population increase	4
Decline in Housing Unit Occupancy, Mid 2025 to Mid 2051	Units (4)	648
	multiplied by P.P.U. decline rate (5)	-1.301
	total decline in population	-843
Population Estimate to Mid 2051		8,789
Net Population Increase, Mid 2025 to Mid 2051		1,338

(1) Mid 2025 Population based on:

2016 Population (7,096) + Mid 2021 to Mid 2025 estimated housing units to beginning of forecast period (142 x = 500) + (2,260 x -0.0642 = -145) = 7,451

(2) Based upon forecast building permits/completions assuming a lag between construction and occupancy.

(3) Average number of persons per unit (P.P.U.) is assumed to be:

Structural Type	Persons Per Unit ¹ (P.P.U.)	% Distribution of Estimated Units ²	Weighted Persons Per Unit Average
<i>Singles & Semi Detached</i>	3.634	84%	3.041
<i>Multiples (6)</i>	2.347	8%	0.196
<i>Apartments (7)</i>	1.536	8%	0.123
<i>one bedroom or less</i>	1.100		
<i>two bedrooms or more</i>	1.870		
Total		100%	3.359

¹ Persons per unit based on Statistics Canada Custom 2021 Census database.

² Forecast unit mix based upon historical trends and housing units in the development process.

(4) Mid 2025 households based upon 2021 Census (2,260 units) + Mid 2021 to Mid 2025 unit estimate (142 units) = 2,402 units.

(5) Decline occurs due to aging of the population and family life cycle changes, lower fertility rates and changing economic conditions.

(6) Includes townhouses and apartments in duplexes.

(7) Includes bachelor, 1-bedroom and 2-bedroom+ apartments.

Note: Numbers may not add to totals due to rounding.



Schedule 5
Municipality of Bayham
Historical Residential Building Permits
Years 2015 to 2024

Year	Residential Building Permits			
	Singles & Semi Detached	Multiples ^[1]	Apartments ^[2]	Total
2015	8	0	0	8
2016	23	0	0	23
2017	29	0	0	29
2018	22	0	0	22
2019	19	0	0	19
Sub-total	101	0	0	101
Average (2015 - 2019)	20	0	0	20
% Breakdown	100.0%	0.0%	0.0%	100.0%
2020	23	0	0	23
2021	35	0	0	35
2022	32	0	0	32
2023	20	0	0	20
2024	45	0	10	55
Sub-total	155	0	10	165
Average (2020 - 2024)	31	0	2	33
% Breakdown	93.9%	0.0%	6.1%	100.0%
2015 - 2024				
Total	256	0	10	266
Average	26	0	1	27
% Breakdown	96.2%	0.0%	3.8%	100.0%

^[1] Includes townhouses and apartments in duplexes.

^[2] Includes bachelor, 1-bedroom, and 2-bedroom+ apartment units.

Source: Historical housing activity derived from building permit data for the Municipality of Bayham, by Watson & Associates Economists Ltd.



Schedule 6a
Municipality of Bayham
Person Per Unit by Age and Type of Dwelling
(2021 Census)

Age of Dwelling	Singles and Semi-Detached						25 Year Average	25 Year Average Adjusted ^[1]
	< 1 BR	1 BR	2 BR	3/4 BR	5+ BR	Total		
1-5	-	-	-	-	-	3.643		
6-10	-	-	-	3.462	-	3.792		
11-15	-	-	-	3.059	-	3.593		
16-20	-	-	-	-	-	3.278		
20-25	-	-	-	4.353	-	4.276	3.716	3.634
25-35	-	-	-	3.857	-	3.609		
35+	-	-	1.694	3.069	5.308	2.989		
Total	-	-	1.726	3.247	5.386	3.238		

Age of Dwelling	All Density Types					
	< 1 BR	1 BR	2 BR	3/4 BR	5+ BR	Total
1-5	-	-	-	-	-	3.500
6-10	-	-	-	3.538	-	3.833
11-15	-	-	-	3.059	-	3.714
16-20	-	-	-	-	-	3.316
20-25	-	-	-	4.353	-	4.276
25-35	-	-	-	3.929	-	3.167
35+	-	1.278	1.758	3.061	4.964	2.876
Total	-	1.500	1.865	3.243	5.220	3.128

[1] Adjusted based on historical trends.

Note: Does not include Statistics Canada data classified as "Other."

P.P.U. Not calculated for samples less than or equal to 50 dwelling units and does not include institutional population.



Schedule 6b
County of Elgin
Person Per Unit by Age and Type of Dwelling
(2021 Census)

Age of Dwelling	Multiples ^[1]					Total	25 Year Average	25 Year Average Adjusted ^[3]
	< 1 BR	1 BR	2 BR	3/4 BR	5+ BR			
1-5	-	-	2.000	3.364	-	2.974		
6-10	-	-	-	-	-	-		
11-15	-	-	-	-	-	1.308		
16-20	-	-	-	-	-	2.667		
20-25	-	-	-	-	-	2.063	2.253	2.347
25-35	-	-	2.154	3.357	-	2.375		
35+	-	1.111	1.867	2.992	-	2.297		
Total	0.357	1.152	1.933	3.041	4.273	2.326		

Age of Dwelling	Apartments ^[2]					Total	25 Year Average	25 Year Average Adjusted ^[3]
	< 1 BR	1 BR	2 BR	3/4 BR	5+ BR			
1-5	-	1.143	1.846	2.400	-	1.902		
6-10	-	1.000	-	-	-	1.200		
11-15	-	1.083	-	-	-	1.316		
16-20	-	-	-	-	-	-		
20-25	-	-	1.667	-	-	1.636	1.514	1.536
25-35	-	1.333	1.769	-	-	1.537		
35+	-	1.155	1.713	3.075	-	1.521		
Total	0.533	1.150	1.717	2.930	-	1.530		

Age of Dwelling	All Density Types					Total
	< 1 BR	1 BR	2 BR	3/4 BR	5+ BR	
1-5	-	1.238	1.922	2.922	4.409	2.772
6-10	-	1.188	1.925	2.971	4.400	2.848
11-15	-	1.348	1.776	2.877	4.556	2.767
16-20	-	-	1.875	2.973	4.100	2.884
20-25	-	1.250	1.683	2.776	4.128	2.680
25-35	-	1.318	1.907	2.668	3.913	2.497
35+	1.917	1.220	1.822	2.670	4.079	2.395
Total	1.682	1.234	1.830	2.739	4.166	2.506

^[1] Includes townhomes and apartments in duplexes.

^[2] Includes bachelor, 1 bedroom and 2 bedroom+ apartments.

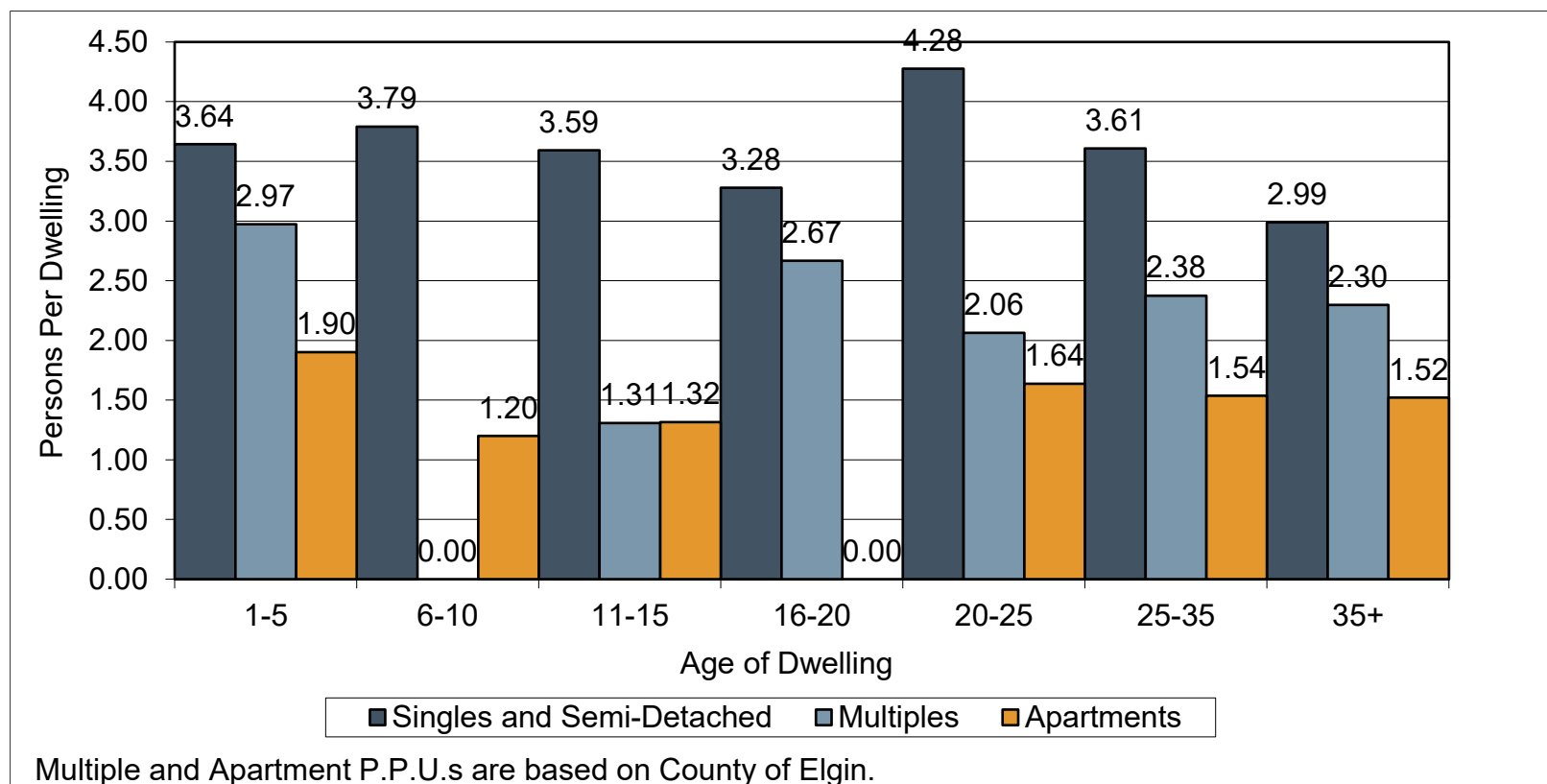
^[3] Adjusted based on historical trends.

Note: Does not include Statistics Canada data classified as "Other."

P.P.U. Not calculated for samples less than or equal to 50 dwelling units and does not include institutional population.



Schedule 7
Municipality of Bayham
Person Per Unit Structural Type and Age of Dwelling
(2021 Census)





Schedule 8a Municipality of Bayham Employment Forecast, 2025 to 2051

Period	Population	Activity Rate								Employment								Employment
		Primary	Work at Home	Industrial	Commercial/ Population Related	Institutional	Total	N.F.P.O.W. ^[1]	Total Including N.F.P.O.W.	Primary	Work at Home	Industrial	Commercial/ Population Related	Institutional	Total	N.F.P.O.W. ^[1]	Total Employment (Including N.F.P.O.W.)	Total (Excluding Work at Home and N.F.P.O.W.)
Mid 2011	6,989	0.027	0.041	0.044	0.024	0.019	0.155	0.024	0.179	190	285	305	170	135	1,085	165	1,250	800
Mid 2016	7,396	0.021	0.052	0.072	0.032	0.014	0.191	0.039	0.229	155	385	530	240	100	1,410	286	1,696	1,025
Mid 2025	7,451	0.021	0.058	0.075	0.045	0.015	0.214	0.041	0.255	157	431	560	339	109	1,596	303	1,899	1,165
Mid 2035	7,996	0.020	0.060	0.075	0.049	0.016	0.219	0.042	0.260	160	476	599	391	124	1,750	332	2,082	1,274
Mid 2051	8,789	0.019	0.062	0.075	0.054	0.017	0.227	0.043	0.270	163	546	656	478	150	1,993	377	2,370	1,447
Incremental Change																		
Mid 2011 - Mid 2016	407	-0.006	0.011	0.028	0.008	-0.006	0.035	0.015	0.051	-35	100	225	70	-35	325	121	446	225
Mid 2016 - Mid 2025	55	0.000	0.006	0.003	0.013	0.001	0.024	0.002	0.026	2	46	30	99	9	186	17	203	140
Mid 2025 - Mid 2035	545	-0.001	0.002	0.000	0.003	0.001	0.005	0.001	0.006	3	45	39	52	15	154	29	183	109
Mid 2025 - Mid 2051	1,338	-0.003	0.004	-0.001	0.009	0.002	0.013	0.002	0.015	6	115	96	139	41	397	74	471	282
Annual Average																		
Mid 2011 - Mid 2016	81	-0.001	0.002	0.006	0.002	-0.001	0.007	0.003	0.010	-7	20	45	14	-7	65	24	89	45
Mid 2016 - Mid 2025	6	0.000	0.001	0.000	0.001	0.000	0.003	0.000	0.003	0	5	3	11	1	21	2	23	16
Mid 2025 - Mid 2035	55	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.001	0	5	4	5	2	15	3	18	11
Mid 2025 - Mid 2051	51	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.001	0	4	4	5	2	15	3	18	11

^[1] Statistics Canada defines no fixed place of work (N.F.P.O.W.) employees as "persons who do not go from home to the same workplace location at the beginning of each shift. Such persons include building and landscape contractors, travelling salespersons, independent truck drivers, etc."

Note: Statistics Canada 2021 Census place of work employment data has been reviewed. The 2021 Census employment results have not been utilized due to a significant increase in work at home employment captured due to Census enumeration occurring during the provincial COVID-19 lockdown from April 1, 2021 to June 14, 2021.

Source: Derived from the Updated Growth Forecasts and Land Needs Assessment for County of Elgin Memo, February 25, 2025, Hemson Consulting Ltd., by Watson & Associates Economists Ltd.



Schedule 8b
Municipality of Bayham
Employment and Gross Floor Area (G.F.A.) Forecast, 2025 to 2051

Period	Population	Employment					Gross Floor Area in Square Feet (Estimated) ^[1]				
		Primary	Industrial	Commercial/ Population Related	Institutional ^[3]	Total	Primary ^[2]	Industrial	Commercial/ Population Related	Institutional ^[3]	Total
Mid 2011	6,989	190	305	170	135	800					
Mid 2016	7,396	155	530	240	100	1,025					
Mid 2025	7,451	157	560	339	109	1,165					
Mid 2035	7,996	160	599	391	123	1,273					
Mid 2051	8,789	163	656	478	148	1,445					
Incremental Change											
Mid 2011 - Mid 2016	407	-35	225	70	-35	225					
Mid 2016 - Mid 2025	55	2	30	99	9	140					
Mid 2025 - Mid 2035	545	3	39	52	14	108	9,000	58,500	26,000	9,500	103,000
Mid 2025 - Mid 2051	1,338	6	96	139	39	280	18,000	144,000	69,500	26,900	258,400
Annual Average											
Mid 2011 - Mid 2016	81	-7	45	14	-7	45					
Mid 2016 - Mid 2025	6	0	3	11	1	16					
Mid 2025 - Mid 2035	55	0	4	5	1	11	900	5,850	2,600	950	10,300
Mid 2025 - Mid 2051	51	0	4	5	2	11	692	5,538	2,673	1,035	9,938

I've asked

^[1] Square Foot Per Employee Assumptions

Primary - Non-Bona Fide Farming	3,000
Industrial	1,500
Commercial/Population-Related	500
Institutional	690

^[2] Primary industry includes agriculture and resource related employment.

^[3] Forecast institutional employment and gross floor area has been adjusted downward to account for employment associated with special care units.

*Reflects Mid-2025 to Mid-2051 forecast period.

Note: Numbers may not add up precisely due to rounding.

Source: Watson & Associates Economists Ltd.



Schedule 9
Municipality of Bayham
Employment Categories by Major Employment Sector

NAICS	Employment by industry	Comments
	<u>Primary Industry Employment</u>	
11	<i>Agriculture, forestry, fishing and hunting</i>	Categories which relate to local land-based resources
21	<i>Mining and oil and gas extraction</i>	
	<u>Industrial and Other Employment</u>	
22	<i>Utilities</i>	Categories which relate primarily to industrial land supply and demand
23	<i>Construction</i>	
31-33	<i>Manufacturing</i>	
41	<i>Wholesale trade</i>	
48-49	<i>Transportation and warehousing</i>	
56	<i>Administrative and support</i>	
	<u>Population Related Employment</u>	
44-45	<i>Retail trade</i>	Categories which relate primarily to population growth within the municipality
51	<i>Information and cultural industries</i>	
52	<i>Finance and insurance</i>	
53	<i>Real estate and rental and leasing</i>	
54	<i>Professional, scientific and technical services</i>	
55	<i>Management of companies and enterprises</i>	
56	<i>Administrative and support</i>	
71	<i>Arts, entertainment and recreation</i>	
72	<i>Accommodation and food services</i>	
81	<i>Other services (except public administration)</i>	
	<u>Institutional</u>	
61	<i>Educational services</i>	
62	<i>Health care and social assistance</i>	
91	<i>Public administration</i>	

Note: Employment is classified by North American Industry Classification System (NAICS) Code.

Source: Watson & Associates Economists Ltd.



Appendix B

Level of Service



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
		Cost (per capita)		Quantity (per capita)		Quality (per capita)	
Service Related to a Highway	Services Related to a Highway - Roads	\$35,014.93	0.0280	km of roadways	1,250,533	per km	46,849,976
	Services Related to a Highway - Bridges, Culverts & Structures	\$2,098.60	0.0021	Number of Bridges, Culverts & Structures	999,333	per item	2,807,927
	Services Related to a Highway - Sidewalks and Active Transportation	\$846.27	0.0026	km of sidewalks and active transportation	325,488	per km	1,132,309
	Services Related to a Highway - Traffic Signals & Streetlights	\$228.07	0.0605	No. of Traffic Signals	3,770	per signal	305,158
Public Works	Public Works - Facilities	\$1,078.96	3.0471	sq.ft. of building area	354	per sq.ft.	1,443,648
	Public Works - Vehicles & Equipment	\$621.64	0.0035	No. of vehicles and equipment	177,611	per vehicle	831,754
Fire Protection	Fire Protection Services - Facilities	\$890.51	1.2673	sq.ft. of building area	703	per sq.ft.	1,191,502
	Fire Protection Services - Vehicles & Equipment	\$708.73	0.0011	No. of vehicles	644,300	per vehicle	948,281
	Fire Protection Services - Small Equipment and Gear	\$311.02	0.0444	No. of equipment and gear	7,005	per item	416,145
Parks & Recreation	Parkland Development	\$413.67	0.0042	Acres of Parkland	98,493	per acre	553,490
	Parkland Amenities	\$1,163.74	0.0356	No. of parkland amenities	32,689	per amenity	1,557,084
	Parkland Trails	\$48.88	0.4453	Linear Metres of Paths and Trails	110	per linear m	65,401
	Recreation Facilities	\$868.63	1.5456	sq.ft. of building area	562	per sq.ft.	1,162,227
	Parks & Recreation Vehicles and Equipment	\$33.31	0.0004	No. of vehicles and equipment	83,275	per vehicle	44,569



**Municipality of Bayham
Service Standard Calculation Sheet**

Service: Fire Protection Services - Facilities
Unit Measure: sq.ft. of building area

Description	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Bld'g Value (\$/sq.ft.)	Value/sq.ft. with land, site works, etc.
Port Burwell Station / Bayham Station No. 1	-	-	6,068	6,068	6,068	6,068	6,068	6,068	6,068	6,068	6,068	6,068	6,068	6,068	6,068	\$600	\$771
Straffordville Station / Bayham Station No. 2	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	\$500	\$611
Total	3,900	3,900	9,968	9,968	9,968	9,968	9,968	9,968	9,968	9,968	9,968	9,968	9,968	9,968	9,968		

Population	6,968	6,989	7,050	7,162	7,265	7,349	7,396	7,360	7,214	7,174	7,129	7,097	7,232	7,343	7,406
Per Capita Standard	0.56	0.56	1.41	1.39	1.37	1.36	1.35	1.35	1.38	1.39	1.40	1.40	1.38	1.36	1.35

15 Year Average	2010 to 2024
Quantity Standard	1.27
Quality Standard	\$703
Service Standard	\$891

D.C. Amount (before deductions)	2051
Forecast Population	1,338
\$ per Capita	\$891
Eligible Amount	\$1,191,502



Service Standard Calculation Sheet

Service: Fire Protection Services - Small Equipment and Gear
Unit Measure: No. of equipment and gear

Description	Useful Life	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Value (\$/item)
Fully Equipped Firefighters		45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	\$6,148
SCBAs	15	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	\$16,000
Bottles - Composite	15	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	\$2,000
Portable Radios	10	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	\$1,700
Hydraulic Equipment	20	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	\$50,000
Thermal Imaging Cameras	20	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	\$7,000
Gas Detectors	15	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	\$1,500
Ice Water Rescue Suits	10	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	\$2,750
High Angle Rescue Equipment	20	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	\$2,500
Portable Pumps	20	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	\$10,000
Portable Generators	20	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	\$5,000
Portable Lights	20	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	\$2,000
Refill Station	15	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$60,000
Nozzles	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	\$1,000
Hoses - 100mm (pooled)	25	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$24,000
Hoses - 65mm (pooled)	25	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$24,000
Hoses - 45mm (pooled)	25	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$15,600
Adaptors	25	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	\$350
Cistern	40	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	\$125,000
Portable Fan	20	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	\$5,000
Portable Air bags	20	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	\$20,000
Compressor	20	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$60,000
Standby Generator	20	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$45,000
Communication Tower	20	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$350,000
Communication Equipment (On Tower)	10	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$150,000
Moible Truck Radios	20	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	\$3,000
Total		320	320	320	320	320	320	320	320	320	320	320	320	320	320	320	

Population	6,968	6,989	7,050	7,162	7,265	7,349	7,396	7,360	7,214	7,174	7,129	7,097	7,232	7,343	7,406
Per Capita Standard	0.05	0.05	0.05	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.05	0.04	0.04	0.04

15 Year Average	2010 to 2024
Quantity Standard	0.04
Quality Standard	\$7,005
Service Standard	\$311

D.C. Amount (before deductions)	2051
Forecast Population	1,338
\$ per Capita	\$311
Eligible Amount	\$416,145



**Municipality of Bayham
Service Standard Calculation Sheet**

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

Description	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Value (\$/Vehicle)
Pumper 1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$900,000
Pumper/Tanker 1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$900,000
Rescue 1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$500,000
Pumper 2	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$1,000,000
Pumper Tanker 2	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$1,200,000
Rescue 2	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$500,000
Marine 1	-	-	-	-	-	-	-	-	-	1	1	1	1	1	1	\$50,000
Marine Trailer	-	-	-	-	-	-	-	-	-	1	1	1	1	1	1	\$7,500
UTV	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1	\$33,000
Fire Chief Vehicle	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$80,000
Total	7	7	7	7	7	7	7	7	7	9	9	9	9	10	10	

Population	6,968	6,989	7,050	7,162	7,265	7,349	7,396	7,360	7,214	7,174	7,129	7,097	7,232	7,343	7,406
Per Capita Standard	0.0010	0.0010	0.0010	0.0010	0.0010	0.0010	0.0009	0.0010	0.0010	0.0013	0.0013	0.0013	0.0012	0.0014	0.0014

15 Year Average	2010 to 2024
Quantity Standard	0.0011
Quality Standard	\$644,300
Service Standard	\$709

D.C. Amount (before deductions)	2051
Forecast Population	1,338
\$ per Capita	\$709
Eligible Amount	\$948,281



**Municipality of Bayham
Service Standard Calculation Sheet**

Service: Services Related to a Highway - Roads
Unit Measure: km of roadways

Description	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Value (\$/km)
Road Surface - Asphalt	37.90	37.90	37.90	37.90	37.90	37.90	37.90	37.90	37.90	37.90	38.00	38.00	38.00	38.00	38.10	\$1,900,000
Road Surface - Tar & Chip	105.20	105.20	105.20	105.20	105.20	105.20	105.20	105.20	105.20	107.80	111.90	114.90	114.90	114.90	115.00	\$1,200,000
Road Surface - Gravel	59.00	59.00	59.00	59.00	59.00	59.00	59.00	59.00	59.00	56.90	51.90	49.00	49.00	49.00	49.00	\$900,000
Total	202.10	202.10	202.10	202.10	202.10	202.10	202.10	202.10	202.10	202.60	201.80	201.90	201.90	201.90	202.10	

Population	6,968	6,989	7,050	7,162	7,265	7,349	7,396	7,360	7,214	7,174	7,129	7,097	7,232	7,343	7,406
Per Capita Standard	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03

15 Year Average	2010 to 2024
Quantity Standard	0.028
Quality Standard	\$1,250,533
Service Standard	\$35,015

D.C. Amount (before deductions)	2051
Forecast Population	1,338
\$ per Capita	\$35,015
Eligible Amount	\$46,849,976



**Municipality of Bayham
Service Standard Calculation Sheet**

Service: Services Related to a Highway - Bridges and Culverts
Unit Measure: Number of Bridges, Culverts & Structures

Description	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Value (\$/item)
Bridges	7	7	7	7	7	7	7	7	7	7	7	7	6	6	6	\$1,500,000
Culverts	8	8	8	8	8	8	8	8	8	8	8	8	9	9	9	\$600,000
Total	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	

Population	6,968	6,989	7,050	7,162	7,265	7,349	7,396	7,360	7,214	7,174	7,129	7,097	7,232	7,343	7,406
Per Capita Standard	0.0022	0.0021	0.0021	0.0021	0.0021	0.0020	0.0020	0.0020	0.0021	0.0021	0.0021	0.0021	0.0021	0.0020	0.0020

15 Year Average	2010 to 2024
Quantity Standard	0.0021
Quality Standard	\$999,333
Service Standard	\$2,099

Amount (before deduct	2051
Forecast Population	1,338
\$ per Capita	\$2,099
Eligible Amount	\$2,807,927



**Municipality of Bayham
Service Standard Calculation Sheet**

Service: Services Related to a Highway - Sidewalks
Unit Measure: km of sidewalks and active transportation

Description	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Value (\$/km)
Sidewalks	18.3	18.3	18.3	18.3	18.3	18.3	18.3	18.3	18.3	18.3	18.3	18.6	18.9	19.2	19.2	\$330,000
Total	18	18	18	18	18	18	18	18	18	18	18	19	19	19	19	

Population	6,968	6,989	7,050	7,162	7,265	7,349	7,396	7,360	7,214	7,174	7,129	7,097	7,232	7,343	7,406
Per Capita Standard	0.0026	0.0026	0.0026	0.0026	0.0025	0.0025	0.0025	0.0025	0.0025	0.0026	0.0026	0.0026	0.0026	0.0026	0.0026

15 Year Average	2010 to 2024
Quantity Standard	0.0026
Quality Standard	\$325,488
Service Standard	\$846

D.C. Amount (before deductions)	2051
Forecast Population	1,338
\$ per Capita	\$846
Eligible Amount	\$1,132,309



**Municipality of Bayham
Service Standard Calculation Sheet**

Service: Services Related to a Highway -Streetlights
Unit Measure: No. of Traffic Signals

Description	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2020 Value (\$/item)	2025 Value (\$/item)
Streetlights (LED)	-	-	-	-	-	-	-	428	428	428	436	444	452	460	468	\$1,174	\$4,000
Streethlights (Incandescent)	428	428	428	428	428	428	428	-	-	-	-	-	-	-	-		\$3,500
Total	428	428	428	428	428	428	428	428	428	428	436	444	452	460	468		

Population	6,968	6,989	7,050	7,162	7,265	7,349	7,396	7,360	7,214	7,174	7,129	7,097	7,232	7,343	7,406
Per Capita Standard	0.061	0.061	0.061	0.060	0.059	0.058	0.058	0.058	0.059	0.060	0.061	0.063	0.063	0.063	0.063

15 Year Average	2010 to 2024
Quantity Standard	0.061
Quality Standard	\$3,770
Service Standard	\$228

Amount (before deductio	2051
Forecast Population	1,338
\$ per Capita	\$228
Eligible Amount	\$305,158



**Municipality of Bayham
Service Standard Calculation Sheet**

Class of Service: Public Works - Facilities
Unit Measure: sq.ft. of building area

Description	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Bld'g Value (\$/sq.ft.)	Value/sq.ft. with land, site works, etc.
Public Works Yard	14,850	14,850	14,850	14,850	14,850	14,850	14,850	14,850	14,850	14,850	14,850	14,850	14,850	14,850	14,850	\$400	\$466
Salt Dome	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	\$100	\$100
Salt Shed	920	920	920	920	920	920	920	920	920	920	920	920	920	920	920	\$100	\$100
Storage Shed - Straffordville	840	840	840	840	840	840	840	840	840	840	840	840	840	840	840	\$175	\$204
Storage Shed - Port Burwell	-	-	-	-	-	-	920	920	920	920	920	920	920	920	920	\$175	\$204
Total	21,410	21,410	21,410	21,410	21,410	21,410	22,330	22,330	22,330	22,330	22,330	22,330	22,330	22,330	22,330		

Population	6,968	6,989	7,050	7,162	7,265	7,349	7,396	7,360	7,214	7,174	7,129	7,097	7,232	7,343	7,406
Per Capita Standard	3.07	3.06	3.04	2.99	2.95	2.91	3.02	3.03	3.10	3.11	3.13	3.15	3.09	3.04	3.02

15 Year Average	2010 to 2024
Quantity Standard	3.05
Quality Standard	\$354
Service Standard	\$1,079

D.C. Amount (before deductions)	2051
Forecast Population	1,338
\$ per Capita	\$1,079
Eligible Amount	\$1,443,648



**Municipality of Bayham
Service Standard Calculation Sheet**

Class of Service: Public Works - Vehicles & Equipment
Unit Measure: No. of vehicles and equipment

Description	Useful Life	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Value (\$/Vehicle)
Pick-up -Ford 150	10	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$70,000
Pick up Ford 150	10	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$70,000
Pick up Ford 150	10	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$70,000
Pickup Chev 1500	10	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$70,000
Pickup Dodge 1500	10	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$70,000
1 ton Chev	10	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$91,000
2 Ton Ford	10	-	-	-	-	-	-	-	-	-	-	-	1	1	1	1	\$107,000
International 03	10	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$510,000
International 04	10	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$510,000
Mack 08	10	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$510,000
Freightliner 09	10	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$510,000
Case Loader	15	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$204,000
Volvo Loader	15	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$204,000
Backhoe-john Deer	10	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$199,000
Grader John Deer	15	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$537,000
Tractor John Deer	15	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$268,000
Vermeer Vac Unit	0	-	-	-	1	1	1	1	1	1	1	1	1	1	1	1	\$241,000
Cat Dozer	15	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$182,000
20-ton Float	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$40,000
Utility Trailer	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$8,000
Traffic Light Trailers	0	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	\$25,000
Shoulder Attachment	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$12,000
Paving Box (behind the truck)	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$50,000
Paving Box	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$15,000
Beach Rake	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$10,000
Total		24	24	24	25	25	25	25	25	25	25	25	26	26	26	26	

Population	6,968	6,989	7,050	7,162	7,265	7,349	7,396	7,360	7,214	7,174	7,129	7,097	7,232	7,343	7,406
Per Capita Standard	0.0034	0.0034	0.0034	0.0035	0.0034	0.0034	0.0034	0.0034	0.0035	0.0035	0.0035	0.0037	0.0036	0.0035	0.0035

15 Year Average	2010 to 2024
Quantity Standard	0.0035
Quality Standard	\$177,611
Service Standard	\$622

D.C. Amount (before deductions)	2051
Forecast Population	1,338
\$ per Capita	\$622
Eligible Amount	\$831,754



**Municipality of Bayham
Service Standard Calculation Sheet**

Service: Parkland Development
Unit Measure: Acres of Parkland

Description	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Value (\$/Acre)
Community Parks	28.04	28.04	28.04	28.04	28.04	28.04	28.04	28.04	28.04	28.04	28.04	28.04	28.04	28.04	28.04	\$100,000
Parkette	2.36	2.36	2.36	2.36	2.36	2.36	2.36	2.36	2.36	2.36	2.36	2.36	2.36	2.36	2.36	\$75,000
Total	30.40	30.40	30.40	30.40	30.40	30.40	30.40	30.40	30.40	30.40	30.40	30.40	30.40	30.40	30.40	

Population	6,968	6,989	7,050	7,162	7,265	7,349	7,396	7,360	7,214	7,174	7,129	7,097	7,232	7,343	7,406
Per Capita Standard	0.0044	0.0043	0.0043	0.0042	0.0042	0.0041	0.0041	0.0041	0.0042	0.0042	0.0043	0.0043	0.0042	0.0041	0.0041

15 Year Average	2010 to 2024
Quantity Standard	0.0042
Quality Standard	\$98,493
Service Standard	\$414

D.C. Amount (before deductions)	2051
Forecast Population	1,338
\$ per Capita	\$414
Eligible Amount	\$553,490



**Municipality of Bayham
Service Standard Calculation Sheet**

Service: Parkland Amenities
Unit Measure: No. of parkland amenities

Description	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Value (\$/item)
Ball Diamonds - Unlit	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	\$76,000
Ball Diamonds - Lit	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	\$500,000
Basketball Courts	3	3	3	3	3	3	3	3	3	3	3	4	4	4	4	\$23,000
Benches	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	\$500
Bleachers	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	\$7,000
Concrete Pads	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	\$23,000
Digital Sign	-	-	-	-	-	-	-	-	-	-	-	1	1	1	1	\$32,000
Fencing	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	\$46,000
Flag Poles	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	\$1,000
Lighting	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	\$84,000
Parking Lots	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	\$130,000
Pavilions	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	\$225,000
Picnic Tables	136	136	136	136	136	136	136	136	136	136	136	136	136	136	136	\$800
Pier	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$986,000
Playground Equipment	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	\$266,000
Recycling Amenities	37	37	37	37	37	37	37	37	37	37	37	37	37	37	37	\$2,300
Skatepark	-	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$341,000
Soccer Fields	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	\$15,000
Stairs	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$84,000
Tennis Court	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$33,000
East Beach Washroom Building	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$650,000
Total	255	256	256	256	256	256	256	256	256	256	258	258	258	258	258	

Population	6,968	6,989	7,050	7,162	7,265	7,349	7,396	7,360	7,214	7,174	7,129	7,097	7,232	7,343	7,406
Per Capita Standard	0.037	0.037	0.036	0.036	0.035	0.035	0.035	0.035	0.036	0.036	0.036	0.036	0.036	0.035	0.035

15 Year Average	2010 to 2024
Quantity Standard	0.04
Quality Standard	\$32,689
Service Standard	\$1,164

D.C. Amount (before deductions)	2051
Forecast Population	1,338
\$ per Capita	\$1,164
Eligible Amount	\$1,557,084



**Municipality of Bayham
Service Standard Calculation Sheet**

Service: Parkland Trails
Unit Measure: Linear Metres of Paths and Trails

Description	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Value (\$/ Linear Metre)
Beach Trail	-	-	-	-	-	-	240	240	240	240	240	240	240	240	240	\$250
Utility Corridor Trail	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	\$100
Vienna Trail	-	-	-	-	-	-	-	-	-	-	-	250	250	250	250	\$250
Total	3,000	3,000	3,000	3,000	3,000	3,000	3,240	3,240	3,240	3,240	3,240	3,490	3,490	3,490	3,490	

Population	6,968	6,989	7,050	7,162	7,265	7,349	7,396	7,360	7,214	7,174	7,129	7,097	7,232	7,343	7,406
Per Capita Standard	0.43	0.43	0.43	0.42	0.41	0.41	0.44	0.44	0.45	0.45	0.45	0.49	0.48	0.48	0.47

15 Year Average	2010 to 2024
Quantity Standard	0.45
Quality Standard	\$110
Service Standard	\$49

D.C. Amount (before deductions)	2051
Forecast Population	1,338
\$ per Capita	\$49
Eligible Amount	\$65,401



**Municipality of Bayham
Service Standard Calculation Sheet**

Service: Recreation Facilities
Unit Measure: sq.ft. of building area

Description	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Bld'g Value (\$/sq.ft.)	Value/sq.ft. with land, site works, etc.
Straffordville Community Centre	7,640	7,640	7,640	7,640	7,640	7,640	7,640	7,640	7,640	7,640	7,640	7,640	7,640	7,640	7,640	\$500	\$562
Vienna Community Centre	4,022	4,022	4,022	4,022	4,022	4,022	4,022	4,022	4,022	4,022	4,022	4,022	4,022	-	-	\$500	\$562
Total	11,662	11,662	11,662	11,662	11,662	11,662	11,662	11,662	11,662	11,662	11,662	11,662	11,662	7,640	7,640		

Population	6,968	6,989	7,050	7,162	7,265	7,349	7,396	7,360	7,214	7,174	7,129	7,097	7,232	7,343	7,406
Per Capita Standard	1.67	1.67	1.65	1.63	1.61	1.59	1.58	1.58	1.62	1.63	1.64	1.64	1.61	1.04	1.03

15 Year Average	2010 to 2024
Quantity Standard	1.55
Quality Standard	\$562
Service Standard	\$869

D.C. Amount (before deductions)	2051
Forecast Population	1,338
\$ per Capita	\$869
Eligible Amount	\$1,162,227



**Municipality of Bayham
Service Standard Calculation Sheet**

Information listed is from page 37 in the 2020 Asset Management Plan

Service: Parks & Recreation Vehicles and Equipment
Unit Measure: No. of vehicles and equipment

Description	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Value (\$/Vehicle)
Machinery and Equipment	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	\$80,000
Total	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	

Population	6,968	6,989	7,050	7,162	7,265	7,349	7,396	7,360	7,214	7,174	7,129	7,097	7,232	7,343	7,406
Per Capita Standard	0.0004	0.0004	0.0004	0.0004	0.0004	0.0004	0.0004	0.0004	0.0004	0.0004	0.0004	0.0004	0.0004	0.0004	0.0004

15 Year Average	2010 to 2024
Quantity Standard	0.0004
Quality Standard	\$83,275
Service Standard	\$33

D.C. Amount (before deductions)	2051
Forecast Population	1,338
\$ per Capita	\$33
Eligible Amount	\$44,569



Appendix C

Long-Term Capital and Operating Cost Examination



Appendix C: Long-Term Capital and Operating Cost Examination

Municipality of Bayham Annual Capital and Operating Cost Impact

As a requirement of the *Development Charges Act, 1997*, as amended, under subsection 10 (2) (c), an analysis must be undertaken to assess the long-term capital and operating cost impacts for the capital infrastructure projects identified within the development charge. As part of this analysis, it was deemed necessary to isolate the incremental operating expenditures directly associated with these capital projects, factor in cost savings attributable to economies of scale or cost sharing where applicable and prorate the cost on a per unit basis (i.e., sq.ft. of building space, per vehicle, etc.). This was undertaken through a review of the Municipality's approved 2023 Financial Information Return (F.I.R.).

In addition to the operational impacts, over time the initial capital projects will require replacement. This replacement of capital is often referred to as lifecycle cost. By definition, lifecycle costs are all the costs which are incurred during the life of a physical asset, from the time its acquisition is first considered, to the time it is taken out of service for disposal or redeployment. The method selected for lifecycle costing is the sinking fund method which provides that money will be contributed annually and invested, so that those funds will grow over time to equal the amount required for future replacement. The following factors were utilized to calculate the annual replacement cost of the capital projects (annual contribution = factor X capital asset cost) and are based on an annual growth rate of 2% (net of inflation) over the average useful life of the asset:



Table C-1
Municipality of Bayham
Lifecycle Cost Factors and Average Useful Lives

Asset	Lifecycle Cost Factors	
	Average Useful Life	Factor
Facilities	50	0.01182321
Services Related to a Highway	50	0.01182321
Parkland Development	40	0.016555748
Vehicles	15	0.057825472
Small Equipment & Gear	10	0.091326528
Library Materials	10	0.091326528

Table C-2 depicts the annual operating impact resulting from the proposed gross capital projects at the time they are all in place. It is important to note that, while Municipality program expenditures will increase with growth in population, the costs associated with the new infrastructure (i.e., facilities) would be delayed until the time these works are in place.

Table C-2
Municipality of Bayham
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
1. Fire Protection Services				
1.1 Fire facilities, vehicles & equipment	2,080,000	107,737	129,523	237,260
2. Services Related to a Highway				
2.1 Roads and Related	3,298,500	76,174	565,909	642,083
2.2 Public Works	1,130,000	80,514	11,899	92,413
3. Parks and Recreation Services				
3.1 Park development, amenities, trails, recreation facilities, vehicles, and equipment	1,284,200	33,219	53,403	86,622
4. Growth Studies				
4.1 Growth Studies	202,200	-	-	-
Total	7,994,900	297,644	760,734	1,058,378



Appendix D

D.C. Reserve Fund Policy



Appendix D: D.C. Reserve Fund Policy

D.1 Legislative Requirements

The *Development Charges Act, 1997*, as amended (D.C.A.) requires development charge (D.C.) collections (and associated interest) to be placed in separate reserve funds. Sections 33 through 36 of the D.C.A. provide the following regarding reserve fund establishment and use:

- A municipality shall establish a reserve fund for each service to which the D.C. by-law relates; subsection 7 (1), however, allows services to be grouped into categories of services for reserve fund (and credit) purposes and for classes of services to be established.
- The municipality shall pay each D.C. it collects into a reserve fund or funds to which the charge relates.
- The money in a reserve fund shall be spent only for the “capital costs” determined through the legislated calculation process (as per subsection 5 (1) 2 to 8).
- Money may be borrowed from the fund but must be paid back with interest (O. Reg. 82/98, subsection 11 (1) defines this as Bank of Canada rate either on the day the by-law comes into force or, if specified in the by-law, the first business day of each quarter).
- D.C. reserve funds may not be consolidated with other municipal reserve funds for investment purposes and may only be used as an interim financing source for capital undertakings for which D.C.s may be spent (section 37).

Annually, the Treasurer of the municipality is required to provide Council with a financial statement related to the D.C. by-law(s) and reserve funds. This statement must be made available to the public and may be requested to be forwarded to the Minister of Municipal Affairs and Housing.

Subsection 43 (2) and O. Reg. 82/98 prescribe the information that must be included in the Treasurer’s statement, as follows:

- opening balance;
- closing balance;



- description of each service and/or service category for which the reserve fund was established (including a list of services within a service category);
- transactions for the year (e.g. collections, draws) including each asset's capital costs to be funded from the D.C. reserve fund and the manner for funding the capital costs not funded under the D.C. by-law (i.e. non-D.C. recoverable cost share and post-period D.C. recoverable cost share);
- for projects financed by D.C.s, the amount spent on the project from the D.C. reserve fund and the amount and source of any other monies spent on the project;
- amounts borrowed, purpose of the borrowing, and interest accrued during previous year;
- amount and source of money used by the municipality to repay municipal obligations to the D.C. reserve fund;
- list of credits by service or service category (outstanding at the beginning of the year, given in the year, and outstanding at the end of the year by the holder);
- for credits granted under section 14 of the previous D.C.A., a schedule identifying the value of credits recognized by the municipality, the service to which it applies and the source of funding used to finance the credit; and
- a statement as to compliance with subsection 59 (1) of the D.C.A., whereby the municipality shall not impose, directly or indirectly, a charge related to a development or a requirement to construct a service related to development, except as permitted by the D.C.A. or another Act.

Recent changes arising from Bill 109 (*More Homes for Everyone Act, 2022*) provide that the Council shall make the statement available to the public by posting the statement on the website or, if there is no such website, in the municipal office. In addition, Bill 109 introduced the following requirements which shall be included in the treasurer's statement.

- For each service for which a development charge is collected during the year
 - whether, as of the end of the year, the municipality expects to incur the amount of capital costs that were estimated, in the relevant development charge background study, to be incurred during the term of the applicable development charge by-law, and
 - if the answer to subparagraph i is no, the amount the municipality now expects to incur and a statement as to why this amount is expected;



- For any service for which a development charge was collected during the year but in respect of which no money from a reserve fund was spent during the year, a statement as to why there was no spending during the year.

Additionally, as per subsection 35 (3) of the D.C.A.:

35(3) If a service is prescribed for the purposes of this subsection, beginning in the first calendar year that commences after the service is prescribed and in each calendar year thereafter, a municipality shall spend or allocate at least 60 per cent of the monies that are in a reserve fund for the prescribed service at the beginning of the year.

The services currently prescribed are water, wastewater, and services related to a highway. Therefore, as of 2023, a municipality shall spend or allocate at least 60 percent of the monies in the reserve fund at the beginning of the year. There are generally two (2) ways in which a municipality may approach this requirement:

- a) Include a schedule as part of the annual treasurer's statement; or
- b) Incorporate the information into the annual budgeting process.

Based upon the above, Figure 1 and Attachments 1 and 2, set out the format for which annual reporting to Council should be provided. Attachment 3 provides for the schedule for allocating reserve fund balances to projects.

D.2 D.C. Reserve Fund Application

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).”

This provision clearly establishes that reserve funds collected for a specific service are only to be used for that service, or to be used as a source of interim financing of capital undertakings for which a D.C. may be spent.



Figure D-1
Municipality of Bayham
Annual Treasurer's Statement of Development Charge Reserve Funds

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

¹ Source of funds used to repay the D.C. reserve fund

² See Attachment 1 for details

³ 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



Figure D-2a
Municipality of Bayham
Attachment 1
Annual Treasurer's Statement of Development Charge Reserve Funds
Amount Transferred to Capital (or Other) Funds – Capital Fund Transactions

Capital Fund Transactions	Gross Capital Cost	D.C. Recoverable Cost Share					Non-D.C. Recoverable Cost Share				
		D.C. Forecast Period			Post D.C. Forecast Period		Other Reserve/Reserve Fund Draws	Tax Supported Operating Fund Contributions	Rate Supported Operating Fund Contributions	Debt Financing	Grants, Subsidies Other Contributions
		D.C. Reserve Fund Draw	D.C. Debt Financing	Grants, Subsidies Other Contributions	Post-Period Benefit/Capacity Interim Financing	Grants, Subsidies Other Contributions					
<u>Services Related to a Highway</u>											
Capital Cost A											
Capital Cost B											
Capital Cost C											
Sub-Total - Services Related to Highways	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>Fire Services</u>											
Capital Cost D											
Capital Cost E											
Capital Cost F											
Sub-Total - Fire Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>Parks and Recreation Services</u>											
Capital Cost G											
Capital Cost H											
Capital Cost I											
Sub-Total - Parks and Recreation Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0



Figure D-2b
Municipality of Bayham
Attachment 1
Annual Treasurer's Statement of Development Charge Reserve Funds
Amount Transferred to Capital (or Other) Funds – Operating Fund Transactions

Operating Fund Transactions	Annual Debt Repayment Amount	D.C. Reserve Fund Draw		Post D.C. Forecast Period			Non-D.C. Recoverable Cost Share		
		Principal	Interest	Principal	Interest	Source	Principal	Interest	Source
<u>Services Related to a Highway</u>									
Capital Cost J									
Capital Cost K									
Capital Cost L									
Sub-Total - Services Related to a Highway	\$0	\$0	\$0	\$0	\$0		\$0	\$0	
<u>Fire Services</u>									
Capital Cost M									
Capital Cost N									
Capital Cost O									
Sub-Total - Water	\$0	\$0	\$0	\$0	\$0		\$0	\$0	
<u>Parks and Recreation Services</u>									
Capital Cost P									
Capital Cost Q									
Capital Cost R									
Sub-Total - Wastewater	\$0	\$0	\$0	\$0	\$0		\$0	\$0	



Figure D-3
Municipality of Bayham
Attachment 2
Annual Treasurer's Statement of Development Charge Reserve Funds
Statement of Credit Holder Transactions

Credit Holder	Applicable D.C. Reserve Fund	Credit Balance Outstanding Beginning of Year _____	Additional Credits Granted During Year	Credits Used by Holder During Year	Credit Balance Outstanding End of Year _____
Credit Holder A					
Credit Holder B					
Credit Holder C					
Credit Holder D					
Credit Holder E					
Credit Holder F					



Figure D-4
Municipality of Bayham
Attachment 3
Annual Treasurer's Statement of Development Charge Reserve Funds
Statement of Reserve Fund Balance Allocations

Service:	Services Related to a Highway
Balance in Reserve Fund at Beginning of Year:	
60% of Balance to be Allocated (at a minimum):	

Projects to Which Funds Will be Allocated

Project Description	Project Number	Total Growth-related Capital Cost Remaining to be Funded	Share of Growth-related Cost Allocated to Date	Share of Growth-related Cost Allocated - Current Year
Total		\$0	\$0	\$0



Appendix E

Local Service Policy



Appendix E: Local Service Policy

This Appendix sets out the Municipality's General Policy Guidelines on Development Charges (D.C.) and local service funding for Services Related to a Highway, Stormwater Management, Transit Bus Stops and Amenities, Parkland Development, and Underground Linear Services. The guidelines outline, in general terms, the size and nature of engineered infrastructure that is included in the study as a development charge project, versus infrastructure that is considered as a local service, to be emplaced separately by landowners, pursuant to a development agreement.

The following policy guidelines are general principles by which staff will be guided in considering development applications. However, each application will be considered, in the context of these policy guidelines as subsection 59 (2) of the Development Charges Act, 1997 (D.C.A.), on its own merits having regard to, among other factors, the nature, type and location of the development and any existing and proposed development in the surrounding area, as well as the location and type of services required and their relationship to the proposed development and to existing and proposed development in the area.

E.1 Services Related to a Highway

A highway and services related to a highway are intended for the transportation of people and goods via many different modes including, but not limited to passenger automobiles, commercial vehicles, transit vehicles, bicycles and pedestrians. The highway shall consist of all land and associated infrastructure built to support (or service) this movement of people and goods regardless of the mode of transportation employed, thereby achieving a complete street. A complete street is the concept whereby a highway is planned, designed, operated and maintained to enable pedestrians, cyclists, public transit users and motorists to safely and comfortably be moved, thereby allowing for the efficient movement of persons and goods.

The associated infrastructure to achieve this concept shall include, but is not limited to: road pavement structure and curbs; grade separation/bridge structures (for any vehicles, railways and/or pedestrians); grading, drainage and retaining wall features; culvert structures; storm water drainage systems; utilities; traffic control systems; signage; gateway features; street furniture; active transportation facilities (e.g. paved shoulders, bike lanes, multi-use trails which interconnect the transportation network, etc.); transit



lanes & lay-bys; roadway illumination systems; boulevard and median surfaces (e.g. sod & topsoil, paving, etc.); street trees and landscaping; parking lanes & lay-bys; (excluding on-street parking in the downtown) and driveway entrances; noise attenuation systems; railings and safety barriers.

E.1.1 Local and Collector Roads (including land)

- a. Collector Roads Internal to Development, inclusive of all land and associated infrastructure – direct developer responsibility under s. 59 of the D.C.A. as a local service.
- b. Collector Roads External to Development, inclusive of all land and associated infrastructure – if needed to support a specific development or required to link with the area to which the plan relates, direct developer responsibility under s. 59 of the D.C.A.; otherwise, included in D.C. calculation to the extent permitted under s. 5 (1) of the D.C.A. (dependent on local circumstances).
- c. All local roads are considered to be the developer's responsibility.

E.1.2 Arterial Roads

- a. New, widened, extended or upgraded arterial roads, inclusive of all associated infrastructure: Included as part of road costing funded through D.C.A., s. 5 (1).
- b. Land acquisition for arterial roads on existing rights-of-way to achieve a complete street: dedication under the Planning Act provisions (s. 41, 51 and s. 53) through development lands; in area with limited development: included in D.C.s.
- c. Land acquisition for arterial roads on new rights-of-way to achieve a complete street: dedication, where possible, under the Planning Act provisions (s. 51 and s. 53) through development lands up to the R.O.W. specified in the Official Plan.
- d. Land acquisition beyond normal dedication requirements to achieve transportation corridors as services related to highways including grade separation infrastructure for the movement of pedestrians, cyclists, public transit and/or railway vehicles: included in D.C.s.



E.1.3 Traffic Control Systems, Signals and Intersection Improvements

- a. On new arterial roads and arterial road improvements unrelated to a specific development: included as part of road costing funded through D.C.s.
- b. On non-arterial roads, or for any private site entrances or entrances to specific development: direct developer responsibility under s. 59 of D.C.A. (as a local service).
- c. On arterial or collector road intersections with County roads: include in D.C.s or in certain circumstances, may be a direct developer responsibility
- d. Intersection improvements, new or modified signalization, signal timing & optimization plans, area traffic studies for highways attributed to growth and unrelated to a specific development: included in D.C. calculation as permitted under s. 5 (1) of the D.C.A.

E.1.4 Streetlights

- a. Streetlights on new arterial roads and arterial road improvements: considered part of the complete street and included as part of the road costing funded through D.C.s or in exceptional circumstances, may be direct developer responsibility through local service provisions (s. 59 of D.C.A.).
- b. Streetlights on non-arterial roads internal to development: considered part of the complete street and included as a direct developer responsibility under s. 59 of the D.C.A. (as a local service).
- c. Streetlights on non-arterial roads external to development, needed to support a specific development or required to link with the area to which the plan relates: considered part of the complete street and included as a direct developer responsibility under s. 59 of the D.C.A. (as a local service).

E.1.5 Transportation Related Pedestrian and Cycling Facilities

- a. Paved shoulders, multi-use trails, cycle tracks, and bike lanes, inclusive of all required infrastructure, located within arterial roads, County roads and provincial highway corridors: considered part of the complete street and included in D.C.s,



or, in exceptional circumstances, may be direct developer responsibility through local service provisions (s. 59 of D.C.A.).

- b. Paved shoulders, multi-use trails, cycle tracks, and bike lanes, inclusive of all required infrastructure, located within or linking to non-arterial road corridors internal to development: considered part of the complete street and include in D.C.s.
- c. Paved shoulders, multi-use trails, cycle tracks, and bike lanes, inclusive of all required infrastructure, located within non-arterial road corridors external to development and needed to support a specific development or required to link with the area to which the plan relates: direct developer responsibility under s. 59 of D.C.A. (as a local service).
- d. Multi-use trails (not associated with a road), inclusive of all land and required infrastructure, that go beyond the function of a (parkland) recreational trail and form part of the municipality's active transportation network for cycling and/or walking: included in D.C.s.

E.1.6 Noise Abatement Measures

- a. Noise abatement measures external and internal to development where it is related to, or a requirement of a specific development: direct developer responsibility under s. 59 of D.C.A. (as a local service).
- b. Noise abatement measures on new arterial roads and arterial road improvements abutting an existing community and unrelated to a specific development: included as part of road costing funded through D.C.s.

E.1.7 Transit Lanes and Lay-bys

- a. Transit lanes and lay-bys located within municipal arterial and County road corridors: considered part of the complete street and included in D.C.s
- b. Transit lanes and lay-bys located within non-arterial road corridors internal to development: considered part of the complete street and direct developer responsibility under s. 59 of the D.C.A. (as a local service).



- c. Transit lanes and lay-bys located within non-arterial road corridors external to development and needed to support a specific development or required to link with the area to which the plan relates: direct developer responsibility under s. 59 of the D.C.A. (as a local service).

E.2 Parkland Development

E.2.1 Recreational Trails

- a. Recreational trails (Multi-use trails) that do not form part of the municipality's active transportation network, and their associated infrastructure (landscaping, bridges, trail surface, etc.), is included in area municipal parkland D.C.s.

E.2.2 Parkland

- a. Parkland Development for Community Parks, District Parks, Neighbourhood Parks and Village Squares: direct developer responsibility to provide at base condition, as follows:
 - Clearing and grubbing. Tree removals as per the subdivision's tree preservation and removals plan.
 - Topsoil Stripping, screening, and stockpiling.
 - Rough grading (pre-grading) to allow for positive drainage of the Park, with minimum slopes of 2%. If necessary, this may include some minor drainage tile work and grading as per the overall subdivision grading design complete with any required swales or catch basins. Runoff from the development property shall not drain into the park unless approved by the Manager, Environment Services, Public Works.
 - Spreading of topsoil to 150 mm depth (import topsoil if existing on-site is insufficient to reach required depth).
 - Seeding of site with Municipality-approved seed mix. Maintenance of seed until acceptance by Municipality.
 - Parks shall be free of any contaminated soil or subsoil.
 - Parks shall not be mined for fill.
 - Parks shall be conveyed free and clear of all encumbrances.



- 100% of 1.5 m chain link perimeter fencing to the Municipal standards to separate the development lands from the Municipal lands or lands to be dedicated to the Municipality, unless the perimeter fencing is on land that will be dedicated to the Municipality to fulfil the requirement of parkland dedication under the Planning Act, in which case the cost shall be shared 50/50.
- When Park parcels cannot be developed in a timely manner, they shall be graded to ensure positive drainage and seeded to minimize erosion and dust. These shall be maintained by the developer until construction commences thereon.
- The Park block shall not be used for topsoil or other construction material, equipment storage, or sales pavilions.
- Required heritage features within the Park as set out within the Planning approval conditions.

b. Program facilities, amenities, and furniture, within parkland: are included in D.C.s.

E.3.3 Landscape Buffer Blocks, Features, Cul-de-sac Islands, Berms, Grade Transition Areas, Walkway Connections to Adjacent Arterial Roads, Open Space, Etc.

- a. The cost of developing all landscape buffer blocks, landscape features, cul-de-sac islands, berms, grade transition areas, walkway connections to adjacent arterial roads, open space and other remnant pieces of land conveyed to the municipality shall be a direct developer responsibility as a local service. Such costs include but are not limited to:
- Pre-grading, sodding or seeding, supply and installation of amended topsoil, (to the Municipality's required depth), landscape features, perimeter fencing and amenities and all planting.
 - Perimeter fencing to the Municipal standard located on the public property side of the property line adjacent land uses (such as but limited to arterial roads) as directed by the Municipality.



E.4 Natural Heritage System (N.H.S.)

N.H.S. includes engineered and in situ stream corridors, natural buffers for woodlots, wetland remnants, etc. as well as subwatersheds within the boundaries of the Municipality.

Direct developer responsibility as a local service provision including but not limited to the following:

- a. Riparian planting and landscaping requirements (as required by the Municipality, Conservation Authority or other authorities having jurisdiction) as a result of creation of, or construction within in the N.H.S. and associated buffers.
- b. Perimeter fencing of the N.H.S. to the Municipal standard located on the public property side of the property line adjacent land uses (residential, industrial, commercial) as required by the Municipality.
- c. All works to be in conformance with the Municipality's "Restoration Framework" for stream corridors, natural buffers and subwatersheds areas as directed by the approved studies and reports related to the Secondary Plan that development occurs in.

E.4.1 Infrastructure Assets Constructed by Developers

- a. All infrastructure assets constructed by Developers must be designed in accordance with the Municipality's Engineering and Parks Standards Manual as revised
- b. All infrastructure assets shall be conveyed in accordance with the Municipality's Engineering and Parks Standards Manual as revised
- c. Any Parks and Open Space infrastructure assets approved to be built by the developer on behalf of the Municipality shall be in accordance with the Municipality's Park Development Methods Policy.



E.5 Underground Services (Stormwater, Water and Sanitary Sewers)

E.5.1 Water and Wastewater

1. Underground services (linear infrastructure for water, and sanitary services) within the road allowance are not included in the cost of road infrastructure and are treated separately. The responsibility for such services as well as pumping stations, which are undertaken as part of new developments or redevelopments, will be determined by the following principles:
2. The costs of the following items shall be direct developer responsibilities as a local service:
 - a) providing all underground services internal to the development, including water and sanitary services;
 - b) providing service connections from existing underground services to the development;
 - c) providing new underground services or upgrading existing underground services external to the development if the services are required to service the development. If external services are required by two or more developments, the developer for the first development will be responsible for the cost of the external services and may enter into front-ending/cost-sharing agreements with other developers independent of the Municipality;
 - d) providing other facilities required by the development including all associated features such as landscaping and fencing;
 - e) water booster pumping stations, reservoir pumping stations and/or sanitary pumping stations serving individual developments; and
 - f) existing water booster pumping stations, reservoir pumping station and/or sanitary pumping station which require upsizing as a result of a development, shall be upgraded at the expense of the developing landowner.



3. The costs of the following items shall be paid through development charges:
 - a) external underground services involving trunk infrastructure for water and sanitary services that are not identified in 2(c);
 - b) water, reservoir and/or sanitary pumping stations not required for the individual development;
 - c) Water treatment, storage facilities, transmission mains, re-chlorination/sampling stations and wells associated with municipal service areas to be included within the D.C.; and
 - d) Wastewater treatment plants and transmission mains associated with municipal service areas shall be included in the D.C

E.5.2. Storm Water Management

1. Storm Sewer systems and drainage works that are required, related to, or within the area needed to support the development, either internal or external to the area to which the plan relates: Direct developer responsibility under section 59 of the D.C.A. as a local service.
2. Storm Water facility for quality and/or quantity management:
 - a) inclusive of land and all associated infrastructure, such as landscaping and perimeter fencing: Direct developer responsibility under section 59 of the D.C.A. as a local service.
 - b) the over-sizing cost of a facility's capacity, excluding land, to accommodate runoff from new, widened, extended or upgraded arterial roadways that are included in the D.C.: Included as part of Services related to a Highway funded by the Municipality.
 - c) Erosion works, inclusive of all restoration requirements, related to, or within the area needed to support the development: Direct developer responsibility under section 59 of the D.C.A. as a local service.



Appendix F

Asset Management Plan



Appendix F: Asset Management Plan

The recent changes to the *Development Charges Act, 1997*, as amended (D.C.A.) (new subsection 10 (2) (c.2)) require that the background study must include an asset management plan (A.M.P.) related to new infrastructure. Section 10 (3) of the D.C.A. provides:

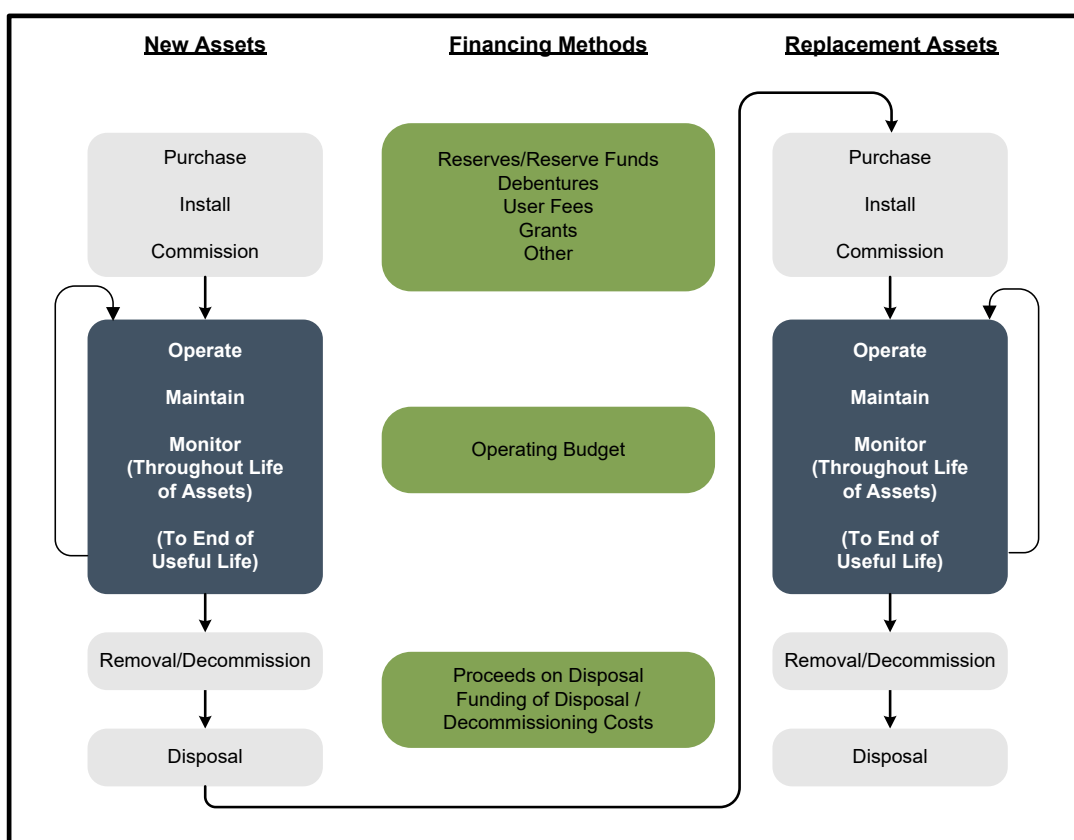
“The asset management plan shall,

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

In regard to the above, section 8 of the regulations was amended to include subsections (2), (3), and (4) which set out specific detailed requirements for transit (only). For all services except transit, there are no prescribed requirements at this time, thus requiring the municipality to define the approach to include in the background study.

At a broad level, the A.M.P. provides for the long-term investment in an asset over its entire useful life along with the funding. The schematic below identifies the costs for an asset throughout its entire lifecycle. For growth-related works, the majority of capital costs will be funded by the D.C. Non-growth-related expenditures will then be funded from non-D.C. revenues as noted below. During the useful life of the asset, there will be minor maintenance costs to extend the life of the asset along with additional program-related expenditures to provide the full services to the residents. At the end of the life of the asset, it will be replaced by non-D.C. financing sources.

It should be noted that with the recent passing of the *Infrastructure for Jobs and Prosperity Act* (I.J.P.A.) municipalities are now required to complete A.M.P.s, based on certain criteria, which are to be completed by 2022 for core municipal services and 2024 for all other services. The amendments to the D.C.A. do not require municipalities to complete these A.M.P.s (required under I.J.P.A.) for the D.C. background study, rather the D.C.A. requires that the D.C. background study include information to show the assets to be funded by the D.C. are sustainable over their full lifecycle.



In 2012, the Province developed Building Together: Guide for municipal asset management plans which outlines the key elements for an A.M.P., as follows:

State of local infrastructure: asset types, quantities, age, condition, financial accounting valuation and replacement cost valuation.

Desired levels of service: defines levels of service through performance measures and discusses any external trends or issues that may affect expected levels of service or the municipality's ability to meet them (for example, new accessibility standards, climate change impacts).

Asset management strategy: the asset management strategy is the set of planned actions that will seek to generate the desired levels of service in a sustainable way, while managing risk, at the lowest lifecycle cost.

Financing strategy: having a financial plan is critical for putting an A.M.P. into action. By having a strong financial plan, municipalities can also demonstrate that they have



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 Municipality prepared an A.M.P. in 2020 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 2025 \$) 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 Municipality's A.M.P.s, 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 2025 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 \$1.23 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 \$991,823. This amount, totaled with the existing operating revenues of approximately \$12.56 million, provides annual revenues of approximately \$13.55 million by the end of the period.



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

Municipality of Bayham
Asset Management – Future Expenditures and Associated Revenues
2025\$

	2051 (Total)
Expenditures (Annualized)	
Annual Debt Payment on Non-Growth Related Capital ¹	167,200
Sub-Total - Annual Lifecycle	\$297,644
Incremental Operating Costs (for D.C. Services)	\$760,734
Total Expenditures	1,225,578
Revenue (Annualized)	
Total Existing Revenue ³	\$12,555,375
Incremental Tax and Non-Tax Revenue (User Fees, Fines, Licences, etc.)	\$991,823
Total Revenues	\$13,547,198

¹ Non-Growth Related component of Projects

² Interim Debt Financing for Post Period Benefit

³ As per Sch. 10 of FIR



Appendix G

Draft D.C. By-law



Appendix G: Draft D.C. By-law

The Corporation of the Municipality of Bayham

By-law Number 2025 - __

A By-law to establish development charges for the Corporation of the Municipality of Bayham

Whereas the *Development Charges Act*, 1997 (the "Act") provides that the council of a municipality may by by-law impose development charges against land to pay for increased capital costs required because of increased needs for services;

And whereas a Development Charges Background Study has been completed in accordance with the Act;

And whereas Council has before it a report entitled "Municipality of Bayham Development Charge Background Study" prepared by Watson & Associates Economists Ltd. dated June 5, 2025;

And whereas the Council of the Corporation of the Municipality of Bayham has given notice of and held a public meeting on June 19, 2025 in accordance with the Act and the regulations thereto;

Now Therefore, the Council of the Corporation of Municipality of Bayham Enacts as follows:

1. DEFINITIONS

In this By-law the following items shall have the corresponding meanings:

"Accessory use" means where used to describe a use, building or structure, that the use, building, or structure is naturally and normally incidental, subordinate in purpose of floor area or both, and exclusively devoted to a principal use, building or structure, but is not an ancillary residential building.

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



“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 use or intended use for bona fide farming purpose:

- a. Including (but not limited to):
 - i. cultivation of crops, whether on open land or in greenhouses, including (but not limited to) fruit, vegetables, herbs, grains, field crops, cannabis, sod, trees, shrubs, flowers, and ornamental plants;
 - ii. raising of animals, including (but not limited to) cattle, horses, pigs, poultry, livestock, fish; and
 - iii. agricultural animal husbandry, dairying, equestrian activities, horticulture, fallowing, pasturing, and market gardening;
- b. But excluding:
 - i. retail sales activities; including but not limited to restaurants, banquet facilities, hospitality facilities and gift shops;
 - ii. services related to grooming, boarding, or breeding of household pets; and
 - iii. Marijuana production facilities.

“Ancillary residential building” means a residential building that would be ancillary to a detached dwelling, semi-detached dwelling, or row dwelling.

“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 residential unit that meets the criteria set out in subsection 4.1(4) of the Act.



“Back-to-back townhouse dwelling” means a building containing more than two dwelling units separated vertically by a common wall, including a rear common wall, that do not have rear yards.

“Bedroom” means a habitable room, 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 permit” means a permit pursuant to the *Building Code Act, 1992, S.O. 1992, c. 23*, as amended.

“Building Code Act” means the *Building Code Act, S.O. 1992; Chapter 23*, as amended and all Regulations thereto including the Ontario Building Code, 1997, as amended or any successor legislation thereof.

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

“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 Municipality of Bayham.

“Development” means the construction, erection or placing of one or more buildings or structures on land or the making of an addition or alteration to a building or structure that the effect of increasing the size of usability thereof, and includes redevelopment.

“Development charge” means a charge imposed with respect to this By-law.

“Swelling unit” means any part of a building or structure used, designed, or intended to be used as a domestic establishment in which one or more persons may sleep and are provided with culinary and sanitary facilities for their exclusive use.

“Existing” means the number, use, and size that existed as of the date this By-law was passed.

“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.

“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 the total area of all floors above grade of a dwelling unit measured between the outside surfaces of exterior walls or between the outside surfaces of exterior walls and the centre line of party walls dividing the dwelling unit from other dwelling unit or other portion of a building;

(a) In the case of a non-residential building or structure, or in the case of a mixed-use building or structure in respect of the non-residential portion thereof, the total area of all building floors above or below grade measured between the outside surfaces of the exterior walls, or between the outside surfaces of exterior walls and the centre line of party walls dividing a non-residential use and a residential use, except for:

- i. a room or enclosed area within the building or structure above or below grade that is used exclusively for the accommodation of heating, cooling, ventilating, electrical, mechanical or telecommunications equipment that service the building;
- ii. loading facilities above or below grade; and
- iii. a part of the building or structure below grade that is used for the parking of motor vehicles or for storage or other accessory use.

“industrial use” means land, buildings or structures used for or in connection with manufacturing by:

- a. manufacturing, producing, and processing goods for a commercial purpose, as well as storing and/or distribution of goods manufactured, produced, or processed on site;
- b. research or development in connection with manufacturing, producing, or processing good for a commercial purpose;
- c. retail sales by a manufacturer, producer, or processor of goods they manufactured, produced, or processed, if the retail sales are at the site where the manufacturing, production or processing takes place;
- d. office or administrative purposes if it is:



- i. carried out with respect to manufacturing, producing, processing, storage or distributing of something; and
 - ii. in or attached to the building or structure used for that manufacturing, producing, processing, storage, or distribution;
- e. but does not include a commercial self-storage facility.

“Institutional development ” shall have the same meaning as defined in Section 11.1 of O.Reg. 82/98 of the Act.

“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 Municipality or any part or parts thereof.

"Local Services" means those services or facilities which are under the jurisdiction of the Municipality 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 building” means a building or structure used for both residential and non-residential use.

“Multiple dwellings” means all dwellings other than single-detached, semi-detached, or apartment units.



“Municipal Act” means the Municipal Act, 2001, S.O. 2001, c. 25.

“Municipality” means the Corporation of the Municipality of Bayham.

“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 use” means a building or structure of any kind whatsoever used, designed, or intended to be used for other than a Residential use.

“Owner” means the owner of land or a person who has made application for an approval for the development of land upon which a development charge is imposed.

“Place of worship” means that part of a building or structure that is exempt from taxation as a place of worship under the Assessment Act, as amended or any successor thereto.

“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.

“Municipality” means the area within the geographic limits of the Municipality of Bayham;

“Use” means either residential use or non-residential use;



“Zoning By-Law” means the Zoning By-Law or By-laws of the Municipality of Bayham, or any successor thereof passed pursuant to section 34 of the *Planning Act*, S.O. 1990.

2. Designation of Services/Class of Services

2.1 The categories of Services/Class of Services for which development charges are imposed under this By-law are as follows:

- (a) Services Related to a Highway;
- (b) Fire Protection Services;
- (c) Parks & Recreation Services; and
- (d) Growth Studies;

2.2 The components of the Services and Class of Services designated in section 2.1 are described in Schedule A.

3. Application of By-law Rules

3.1 Development charges shall be payable in the amounts set out in this By-law where:

- (a) the lands are located in the area described in section 3.2; and
- (b) the development of the lands requires any of the approvals set out in subsection 3.4 (a).

Area to Which By-law Applies

3.2 Subject to section 3.3, this By-law applies to all lands in the Municipality of Bayham whether or not the land or use thereof is exempt from taxation under s. 13 or the Assessment Act, 1990.

3.3 Notwithstanding clause 3.2 above, this By-law shall not apply to lands that are owned by and used for the purposes of:

- (a) the Municipality of Bayham or a local board thereof;
- (b) a board of education;



- (c) the County of Peterborough;
- (d) Land vested in or leased to a university that receives regular and ongoing operating funds from the government for the purposes of post-secondary education is exempt from development charges imposed under the Act if the development in respect of which development charges would otherwise be payable is intended to be occupied and used by the university;
- (e) Non-Profit Residential Development;
- (f) Affordable Residential Units as defined by the Act;
- (g) Attainable Residential Units as defined by the Act; and
- (h) Affordable Residential Units required pursuant to section 34 and 16(4) of the Planning Act (Inclusionary Zoning).

Approvals for Development

- 3.4 (a) Development charges shall be imposed on all lands, buildings or structures that are developed for residential or non-residential uses if the development requires:
- (i) the passing of a Zoning By-law or of an amendment to a zoning by-law under section 34 of the *Planning Act*;
 - (ii) the approval of a minor variance under section 45 of the *Planning Act*;
 - (iii) a conveyance of land to which a by-law passed under subsection 50 (7) of the *Planning Act* applies;
 - (iv) the approval of a plan of subdivision under section 51 of the *Planning Act*;
 - (v) a consent under section 53 of the *Planning Act*;



- (vi) the approval of a description under section 50 of the *Condominium Act*, R.S.O. 1990, Chap. C.26, as amended, or any successor thereof; or
 - (vii) the issuing of a permit under the *Building Code Act* in relation to a building or structure.
- (b) No more than one development charge for each service designated in subsection 2.1 shall be imposed upon any lands, buildings or structures to which this By-law applies even though two or more of the actions described in subsection 3.4 (a) are required before the lands, buildings or structures can be developed.
- (c) Despite subsection 3.4 (b), if two or more of the actions described in subsection 3.4 (a) occur at different times, additional development charges shall be imposed if the subsequent action has the effect of increasing the need for services.

Rules of Intensification

3.5 (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 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.

3.6 Exemption for Industrial Development

- 3.6.1 For the purpose of sections 3.6.2 to 3.7.3 inclusive, the term “existing industrial building” shall have the same meaning as that term has in the Regulation and shall not include self-storage or mini-storage facilities.



3.6.2 Notwithstanding any other provision of this By-law, but subject to sections 3.7.2 and 3.7.3 below, no development charge is payable with respect to the enlargement of the total floor area of an existing industrial building where the total floor area is enlarged by 50 percent or less:

3.7 Gross Floor Area of Existing Industrial Building Expansion

3.7.1 If the gross floor area of an existing industrial building is enlarged by greater than 50 percent, the amount of the development charge payable in respect of the enlargement is the amount of the development charge that would otherwise be payable multiplied by the fraction determined as follows:

- a) determine the amount by which the enlargement exceeds 50 percent of the total floor area before the enlargement;
- b) divide the amount determined under subsection 3.7(a) by the amount of the enlargement.

3.7.2 For greater certainty in applying the exemption in this section, the gross floor area of an existing industrial building is enlarged where there is a bona fide increase in the size of the existing industrial building, the enlarged area is attached to the existing industrial building, there is a direct means of ingress and egress from the existing industrial building to and from the enlarged area for persons, goods and equipment and the existing industrial building and the enlarged area are used for or in connection with an industrial purpose as set out in subsection 1(1) of the Regulation. Without limiting the generality of the foregoing, the exemption in this section shall not apply where the enlarged area is attached to the existing industrial building by means only of a tunnel, bridge, canopy, corridor, or other passageway, or through a shared below-grade connection such as a service tunnel, foundation, footing or parking facility.

3.7.3 The exemption for an existing industrial building provided by this section shall be applied up to a maximum of 50 percent of the gross floor area before the first enlargement for which an exemption from the payment of development charges was granted pursuant to this By-law or any previous development charges by-law made pursuant to the Act or its predecessor legislation. Development charges shall be imposed in accordance with Schedule B with



respect to the amount of floor area of an enlargement that results in the gross floor area of the industrial building being increased by greater than 50 percent of the total floor area of the existing industrial building.

3.7.4 For the purposes of this section, despite any new sites created which result in an existing industrial building being on a site separate from its enlargement or enlargements for which an exemption was granted under this section, further exemptions, if any, pertaining to the existing industrial building shall be calculated in accordance with section 3.7.2 on the basis of its site prior to any division.

3.8 Other Exemptions

Notwithstanding the provision of this By-law, development charges shall not be imposed with respect to:

- a hospital as defined under the Public Hospitals Act, R.S.O. 1990, c. P.40;
- that portion of a Place of Worship that is exempt from taxation under the Assessment Act; and
- a Farm Building.

3.9 Discounts for Rental Housing (for profit)

Notwithstanding subsections 3.11 and 3.12, 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:

- (i) Three or more bedrooms – 25% reduction
- (ii) Two bedrooms – 20% reduction
- (iii) All other bedroom quantities – 15% reduction

3.10 Reduction of Development Charges with Respect to Redevelopment and Conversion

Despite any other provision of this By-law, where, as a result of the redevelopment of land, a building or structure existing on the same land within 60 months prior to the date of payment of development charges in regard to



such redevelopment was, or is to be demolished, in whole or in part, or converted from one principal use to another principal use on the same land, in order to facilitate the redevelopment, the development charges otherwise payable with respect to such redevelopment shall be reduced by the following amounts:

- a) in the case of a residential building or structure, or in the case of a mixed-use building or structure, the residential uses in the mixed-use building or structure, an amount calculated by multiplying the applicable development charge under subsection 3.11 of this by-law by the number, according to type, of dwelling units that have been or will be demolished or converted to another principal use; and provided that such amounts shall not exceed, in total, the amount of the development charges otherwise payable with respect to the redevelopment.
- b) in the case of a non-residential building or structure or, in the case of mixed-use building or structure, the non-residential uses in the mixed-use building or structure, an amount calculated by multiplying the applicable development charges under subsection 3.12 by the gross floor area that has been or will be demolished or converted to another principal use; provided that such amounts shall not exceed, in total, the amount of the development charges otherwise payable with respect to the redevelopment.

Amount of Charges

3.11 Residential

The development charges set out in Schedule B to this By-law shall be imposed on residential uses of lands, buildings, or structures, including a dwelling unit accessory to a non-residential use and, in the case of a mixed-use building or structure, on the residential uses in the mixed-use building or structure, including the residential component of a live/work unit, according to the type of residential unit, and calculated with respect to each of the services according to the type of residential use.

3.12 Non-Residential



The development charges described in Schedule B to this By-law shall be imposed on non-residential uses of lands, buildings, or structures, and, in the case of a mixed-use building or structure, on the non-residential uses in the mixed-use building or structure, including the non-residential component of a live/work unit, and calculated with respect to each of the services according to the gross floor area of the non-residential use.

Time of Calculation and Payment of Development Charges

- 3.13 Development charges imposed under this By-law are calculated, payable, and collected upon issuance of the first building permit for the development.
- 3.14 Notwithstanding subsections 3.13, development charges for rental housing and institutional developments are due and payable in 6 equal annual payments commencing with the first instalment payable on the earlier of the date the first occupancy permit is granted or the date of first occupancy, and each subsequent instalment, including interest calculated in accordance with subsection 26.3 of the Act.
- 3.15 Where the development of land results from the approval of a site plan or zoning by-law amendment received on or after January 1, 2020, and the approval of the application occurred within 18 months of building permit issuance, the development charges under subsections 3.11 and 3.12 shall be calculated on the rates set out in Schedule “B” on the date of the planning application, including interest in accordance with subsection 26.3 of the Act. Where both planning applications apply development charges under subsections 3.11 and 3.12 shall be calculated on the rates, including interest at a rate of the average prime rate plus 1% as defined by Section 26.3 of the Act, payable on the anniversary date each year thereafter, set out in Schedule “B” on the date of the later planning application, including interest.
- 3.16 Notwithstanding subsections 3.13 to 3.15 and in accordance with section 27 of the Act, Council from time to time, and at any time, may enter into agreements providing for all or any part of a development charge to be paid before or after it would otherwise be payable.



4. Payment by Services

- 4.1 Despite the payment required under subsections 3.13 to 3.16, Council may, by agreement, give a credit towards a development charge in exchange for work that relates to a service to which a development charge relates under this By-law.

5. Indexing

- 5.1 Development charges imposed pursuant to this By-law shall be adjusted annually, without amendment to this By-law, commencing on the 1st of January 1, 2026 and each year thereafter, in accordance with the prescribed index in the Act.

6. Schedules

- 6.1 The following schedules shall form part of this By-law:

Schedule A – Components of Services and Classes of Services Designated in Subsection 2.1

Schedule B – Residential and Non-Residential Development Charges

7. Conflicts

- 7.1 Where the Municipality of Bayham and an owner or former owner have entered into an agreement with respect to land within the area to which this By-law applies, and a conflict exists between the provisions of this By-law and such agreement, the provisions of the agreement shall prevail to the extent that there is a conflict.
- 7.2 Notwithstanding subsection 7.1, where a development which is the subject of an agreement to which subsection 7.1 applies, is subsequently the subject of one or more of the actions described in subsection 3.4 (a), an additional development charge in respect of the development permitted by the action shall be calculated, payable and collected in accordance with the provisions of this By-law if the development has the effect of increasing the need for services, unless such agreement provides otherwise.



8. Severability

- 8.1 If, for any reason, any provision of this By-law is held to be invalid, it is hereby declared to be the intention of Council that all the remainder of this By-law shall continue in full force and effect until repealed, re-enacted, amended or modified.

9. Date By-law in Force

- 9.1 This By-law shall come into effect at 12:01 AM on XXXX XX, 2025.

10. Date By-law Expires

- 10.1 This By-law will expire at 12:01 AM on XXXX XX, 2035 unless it is repealed by Council at an earlier date.

Passed this ____ day of _____ 2025.

Mayor

Clerk



Schedule A

To By-law No. 2025-__

Municipality of Bayham Components of Services Designated in Subsection 2.1

Municipal-Wide Services

- Services Related to a Highway
 - Roads, Bridges, Culverts, Sidewalks, Streetlights
 - Public Works Facilities, Vehicles, and Equipment
- Fire Protection Services
 - Facilities, Vehicles, and Equipment
- Parks & Recreation Services
 - Parkland, Amenities, Trails, Facilities, Vehicles, and Equipment
- Growth Studies



SCHEDULE "B"
BY-LAW NUMBER ____-____
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/Special Dwelling Units	(per sq.ft. of Gross Floor Area)
Municipal Wide Services/Class of Service:						
Services Related to a Highway	6,125	3,956	3,152	1,854	1,770	2.91
Fire Protection Services	2,876	1,857	1,480	871	831	1.37
Parks and Recreation Services	1,700	1,098	875	515	491	0.21
Growth Studies	702	453	361	212	203	0.33
Total Municipal Wide Services/Class of Services	11,403	7,364	5,868	3,452	3,295	4.82