

THE CORPORATION OF THE MUNICIPALITY OF BAYHAM

BY-LAW NO. 2025-051

**BEING 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;

**THEREFORE THE COUNCIL OF THE CORPORATION OF THE 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 Elgin;
- (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 force and effect on the day of its passing.

10. Date By-law Expires

- 10.1 This By-law will expire at 12:01 AM on August 21, 2035 unless it is repealed by Council at an earlier date.

READ A FIRST, SECOND AND THIRD TIME AND FINALLY PASSED THIS 21st DAY OF AUGUST, 2025.

MAYOR

CLERK

Schedule A

To By-law No. 2025-051

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

To By-law No. 2025-051

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