



# Information Pamphlet

## 2020 Development Charge Background Study

### Update March 2022

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#### Purpose of Development Charges

Development charges are fees collected from developers/landowners when they are applying for a building permit. These fees are used to help fund new infrastructure which is needed to support growth within the community. New infrastructure includes the construction of infrastructure related to roads, transit, water and sewer pipes, community amenities (parks and community centres, fire, libraries, etc.).

The establishment and collection of fees is governed by provincial law, namely The Development Charges Act. This Act allows municipal governments (local and regional) to establish policies that allow them to assign development fees that when collected are used to support the building of appropriate growth-related infrastructure within their respective areas of responsibility. These fees are collected by the local municipality at the time a building permit is issued.

#### Development Charges Study

Under the Development Charges Act, municipalities are required to carry out a Development Charge (DC) Study prior to implementing fees. A DC Study looks at future population growth within a community along with the infrastructure required to support this growth. This information is used to calculate development charge fees that are applied on a per unit residential growth or per square metre non-residential growth when a building permit is obtained. The Town of Grimsby has engaged the services of Watson and Associates Economists Ltd. to prepare a new DC study and update the Town's existing DC By-law. The following is an outline of the project timelines and key dates:

- **2019 - 2020** - Retain consultant, assemble background information and carry out study.
- **December 21, 2020** - Release of the DC Study and draft DC By-law.
- **January 8, 2021** - Notice of Public Meeting.
- **February 1, 2021** - Public Meeting of Council.
- **March 22, 2021** - Passage of DC By-law (No. 21-14) and DC Amending By-law (No. 21-15).
- **April 8, 2021** - Notice of Passage of Development Charges By-law.

#### Development Charges Study Addendum

Subsequent to the passage of the DC By-law, it was discovered that the rates included in Schedule B to the By-law, related to "Multiples", "Apartments - 2 Bedrooms +", and "Apartments - Bachelor and 1 Bedroom", were identified incorrectly for the "Services Related to a Highway" and "Public Works" components of the charges. As such, an addendum was issued to correct the schedule to ensure they reflected the rates which were included in Chapter 6 of the December 21, 2020 DC Study. The following is an outline of the timelines necessary to complete the addendum process:

- **April 14, 2021** - Release of DC Study Addendum #1.
- **May 31, 2021 (no later than)** - Notice of Public Meeting.
- **June 21, 2021** - Public Meeting of Council to Pass DC Background Study Addendum
- **July 11, 2021 (no later than)** - Notice of Passage of Development Charges By-law.

## Development Charges Study Update

Subsequent to the passage of the DC By-law, it was determined that two road reconstruction projects identified in Section 5.3.1., Services Related to a Highway, of the December 21, 2020 DC Study report involved works that are eligible for developer direct contribution, but had not been identified as such. Specifically, project #15 - North Service Road - 5th Wheel (Winston Rd.) to 500m East and project #17 - Old Winston Road - North Service Road to 100m East, meet the condition 1) b. of the Local Servicing Policy for Services Related to a Highway; meaning 50% of the growth related costs are subject to developer direct responsibility with the remaining 50% being funded by Development Charges. In addition, project #16, relating to the estimated debt financing costs associated with project #15 are being revised based on the DC component of the project. As such, an update was issued to amend the schedule and recalculate the Development Charge fees that are impacted by this change.

The following is an outline of the timelines necessary to complete the update process:

- **January 20, 2022** - Release of DC Background Study Update
- **February 13, 2022 (no later than)** - Notice of Public Meeting
- **March 7, 2022** - Public Meeting of Council
- **March 21, 2022** - Council Meeting - Intending to Pass DC Background Study Update
- **April 10, 2022 (no later than)** - Notice of Passage of Development Charges By-law

### Application of the Development Charges By-law

1. The categories of services and classes of services for which development charges are imposed under this by-law are as follows:
  - a. By-law 21-14:
    - (a) Services Related to a Highway;
    - (b) Public Works;
    - (c) Fire Protection Services;
    - (d) Parks and Recreation Services;
    - (e) Library Services;
    - (f) Storm Water Drainage and Control Services;
    - (g) Wastewater Services;
    - (h) Water Services; and
    - (i) Growth Studies.
  - b. By-law 21-14:
    - (a) Parking Services.
2. Development Charges for Services Related to a Highway shall be calculated and be payable at the time of execution of a subdivision agreement. The development charges for the other services shall be calculated and be payable on the date the first building permit is issued.
3. Development Charges related to Institutional development and rental housing development are due and payable in six (6) instalments commencing with the first instalment payable on the date of occupancy, and each subsequent instalment, including interest, on the anniversary of the date of occupancy.
4. Development Charges related to non-profit housing development are due and payable in twenty one (21) instalments commencing with the first instalment payable on the date of occupancy, and each subsequent instalment, including interest, on the anniversary of the date of occupancy.
5. Where the development of land results from a site plan or zoning by-law amendment received after January 1, 2020, the Development Charges are calculated and frozen at the date of the application and are payable within two years of the approval of the site plan or zoning by-law amendment, including interest. If the permit is not issued within two years of the approval, the Development Charges in effect at the time of building permit issuance become due.

6. Development charges shall be payable in the amounts set out in these by-laws for all lands in the geographic area of the Town of Grimsby, with the exception of lands owned or uses for the purpose of the Town of Grimsby, Region of Niagara or a school board.
7. Development charges shall be imposed on all lands, buildings or structures that are developed for residential or non-residential uses if the development requires:
  - a. the passing of a zoning by-law or of an amendment 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 50 of the Condominium Act; or
  - g. The issuing of a permit under the Building Code Act, 1992 in relation to a building or structure.
8. Notwithstanding the provisions of these by-laws, development charges shall not be imposed with respect to developments or portions of developments as follows:
  - a. Development creating or adding an accessory use or accessory structure not exceeding 10 square metres of gross floor area;
  - b. An enlargement of the gross floor area of an existing industrial building in accordance with Section 4 of the Act;
  - c. The issuance of a building permit in accordance with Section 2(3) of the Act;
  - d. Bona fide farm (non-residential) buildings including wholesale greenhouse facilities and structures.
9. The development charges otherwise payable shall be reduced, pursuant to these By-laws in respect to redevelopment land, a building or structure existing on the same land with 60 months (5 years) prior to the date of payment of development charges in regard to such redevelopment was, or is to be demolished, in whole or in part, or converted from one principal use to another principal use on the same land, in order to facilitate the redevelopment; in the case of residential, non-residential or mixed-use building or structure was occupied, and a building permit for the redevelopment of the land was issued within 60 months (5 years) of the issuance of the demolition permit
10. The schedule of development charges will be adjusted annually as of January 1<sup>st</sup> each year, in accordance with the most recent twelve-month change in the Statistics Canada Quarterly, "Construction Price Statistics".

### **Additional Information**

This pamphlet summarizes the Corporation of the Town of Grimsby policy with respect to development charges. The information contained herein is intended only as a guide. Applicants should review By-law No. 21-14, By-law 21-15, amending By-law 21-44 and amending By-law 22-17 and consult with the Town of Grimsby's Planning, Building and By-law Department to determine the applicable charges that may apply to specific development proposals.

Development charges by-laws are available for inspection in the Clerk's Office, Monday to Friday, 8:30 am to 4:30 pm and on the municipal website at [www.grimsby.ca](http://www.grimsby.ca) and are available in accessible format.