

Report for Public Consultation

Prepared by Hemson for the Town of Grimsby

Town of Grimsby Community Benefits Charge Strategy

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List of Acronyms

Act Planning Act (Ontario), R.S.O. 1990, c. P.13

BTE Benefit to Existing

CBC Community Benefits Charge

DC Development Charges

DCA Development Charges Act, 1997

GFA Gross Floor Area

GFT Growth Funding Tools

PPU Persons per Unit

Executive Summary

A. Purpose of 2024 CBC Strategy

i. What is a Community Benefits Charge?

A Community Benefits Charge (CBC) is a relatively new funding tool authorized under the *Ontario Planning Act, 1990* (the Act) that allows municipalities to impose a charge against higher density development to pay for development-related capital costs. The CBC provisions replace former section 37 height and density bonusing provisions in the Act, subject to transition rules.

Municipalities can use CBCs to pay for “facilities, services, and other matters attributable to the anticipated development and redevelopment to which the community benefits charge by-law would relate.” CBCs can be used with development charges (DCs), parkland, and other public recreation amenities contributions by developers under section 42 of the Act, provided the same shares of a project are not also funded from DCs or section 42 contributions.

ii. Legislative Context

This Town of Grimsby 2024 Community Benefits Charge Strategy (CBC Strategy) is presented as part of the process to lead to the approval of a CBC By-law in compliance with the Act. The Strategy is prepared in accordance with the Act and associated Ontario Regulations 509/20 (O.Reg. 509/20), including the amendments that came into force on September 18, 2020.

iii. CBCs Levied on Higher Density Development

A CBC can only be levied against mid to high-density development, limited by the Act to buildings that are:

- five or more storeys, and
- contains 10 or more residential units.

Mixed-use development, meaning a building that contains both residential and non-residential uses, can also be subject to a CBC if it meets the above criteria.

Ontario Regulation 509/20 provides for a number of types of developments which are exempt from the payment of a CBC, namely:

- long-term care and retirement homes;
- colleges, universities and post-secondary indigenous institutes;
- Royal Canadian Legion buildings or structures;
- hospices for end of life care; and
- non-profit housing.

The Act was also amended to exempt affordable and attainable housing developments from the payment of CBCs; however, the regulations which will define these types of units have not yet been released and therefore, these changes are not yet in force.

B. CBC Strategy

Subsection 37(32) of the Act prescribes that the maximum permitted CBC that can be levied against any particular development is 4% of land value on the day before issuance of the building permit. Several key steps must be undertaken in order to levy CBCs. They include preparing a CBC Strategy prior to passing a CBC by-law.

Through the CBC Strategy, the Town must:

- prepare a development (growth) forecast;
- determine the increased infrastructure need arising from development;
- estimate the capital costs of providing the necessary infrastructure;
- determine the share of these costs attributed to CBC development, by identifying and deducting:
 - excess capacity;

- benefit to existing development; and
- grants, subsidies or other contributions.

C. Development Forecast

Over the 10-year planning period from 2024-2033, Grimsby is anticipated to grow by approximately 2,510 occupied dwellings in buildings subject to a CBC. As set out in Section 3 of O.Reg. 509/20 the maximum permissible CBC is capped at 4% of the land value of development sites.

D. CBC Capital Needs Exceed Revenue Forecast

The estimated CBC eligible costs of the development-related capital program total \$46.7 million (see Section 4) over the 10-year period 2024-2033. A high-level estimate of CBC revenues, over the same 10-year period, is \$3.8 million, based on the 4% legislated cap. As such, the CBC eligible costs exceed the anticipated 10-year revenue potential by a significant margin, supporting the application of a CBC charge that is based on the 4% cap or some other rate variation.

E. Application of CBCs

It is recommended that the Town of Grimsby levy CBCs as a percent of land value of the development prior to the issuance of a building permit, or the first permit, if the development requires multiple permits. The charges will be applied on a Town-wide basis to all eligible developments notwithstanding statutory exemptions in subsection 37(4)(e) of the Act and the Town's CBC By-law.

1. Introduction & Background

This Town of Grimsby Community Benefits Charge (CBC) Strategy is presented as part of a process to lead to the approval of a new community benefits charge by-law in compliance with the *Planning Act, 1990* (the Act).

CBCs are a relatively new revenue source for municipalities. Generally, the framework for CBCs is as follows:

- CBCs can only be used to fund growth-related shares of capital infrastructure – there are no restrictions on which services can be funded through CBCs;
- Projects identified for CBC funding can overlap with other revenue sources such as development charges and parkland dedication, but cannot be “doubled counted” for recovery through revenue sources;
- In-kind contributions are permitted and municipalities may require an agreement with a land owner be registered on title;
- CBCs are “capped” at 4% of the land value;
- CBCs can only be imposed on developments with 5 or more storeys and 10 or more residential units; and
- Only single-tier and lower-tier municipalities can charge CBCs on development.

A. CBC Strategy Requirements

Subsection 37(9) of the Act and section 2 of O. Reg. 509/20 require that a CBC Strategy shall:

- (a) include estimates of the anticipated amount, type and location of development and redevelopment with respect to which community benefits charges will be imposed;
- (b) include estimates of the increase in need for facilities, services and matters attributable to the anticipated development and redevelopment to which the community benefits charge by-law would relate;
- (c) identify the excess capacity that exists in relation to the facilities, services and matters referred to in clause (b);
- (d) include estimates of the extent to which an increase in a facility, service or matter referred to in clause (b) would benefit existing development;
- (e) include estimates of the capital costs necessary to provide the facilities, services and matters referred to in clause (b); and
- (f) identify any capital grants, subsidies and other contributions made to the municipality or that the council of the municipality anticipates will be made in respect of the capital costs referred to in clause (e).

This Strategy presents the estimated CBC development-related net capital costs attributable to CBC eligible development that is forecast to occur in the Town. The apportionment of the net capital costs among various development-related funding sources, including development charges, parkland dedication and others, is also provided.

B. Legislative Context

Community benefits charges has replaced what was previously referred to as section 37 “Increased Density” or “Density Bonusing” in the Act. The change was finalized through the *COVID-19 Economic Recovery Act, 2020*, which built on the *More Homes, More Choice Act, 2019* and *Plan to Build*

Ontario Together Act, 2019. Most recently, the government of Ontario passed Bill 23, the *More Homes Built Faster Act, 2022* which proposed significant changes to the land use approval system with the goal of constructing 1.5 million new homes by 2031.

The new section 37 authorizes municipalities to impose CBCs against land to pay for the capital costs of facilities, services and matters required because of development or redevelopment in the municipality. Not yet in force are reductions for developments containing affordable and attainable residential units, which were introduced through Bill 23, the *More Homes Built Faster Act, 2022*.

The new section 37 sets out the relationship between CBCs and other development-related funding tools, including development charges levied under the *Development Charges Act, 1997* (DCA). Capital costs identified for funding from development charges or parkland dedication cannot be funded from CBCs (i.e. “double counted”).

The legislation also sets out requirements for the adoption of a CBC By-law, including:

- Consultation with the public is required but not defined;
- Only one CBC By-law is allowed to be enforce at a time;
- Notice of the CBC By-law passing must be given (similar to a development charges by-law);
- The By-law is appealable to the Ontario Land Tribunal.

Moreover, various administration and reporting requirements must be implemented:

- A municipality with a CBC By-law must establish a “special account”;

- In each calendar year a municipality must “spend or allocate” at least 60% of the monies;
- A municipality with a CBC By-law must maintain a list of at least three appraisers; and
- An “annual report” must be produced showing the opening/closing of a special account and all transactions.

Finally, a CBC Strategy must be reviewed every 5-years to determine if the by-law needs to be updated.

C. Consultation of Proposed CBCs in Grimsby

The Act requires that municipalities consult with the public when implementing a CBC by-law. Accordingly, the Town will make this CBC Strategy and a draft CBC By-law available for public comment prior to Council’s consideration and passage of the By-law. A public meeting of Council is proposed for June 17, 2024 following the public release of the CBC Strategy.

Following completion of the consultation process, it is proposed that Council review the Strategy and the comments received during the consultation process, before adopting the new CBC By-law in early July 2024.

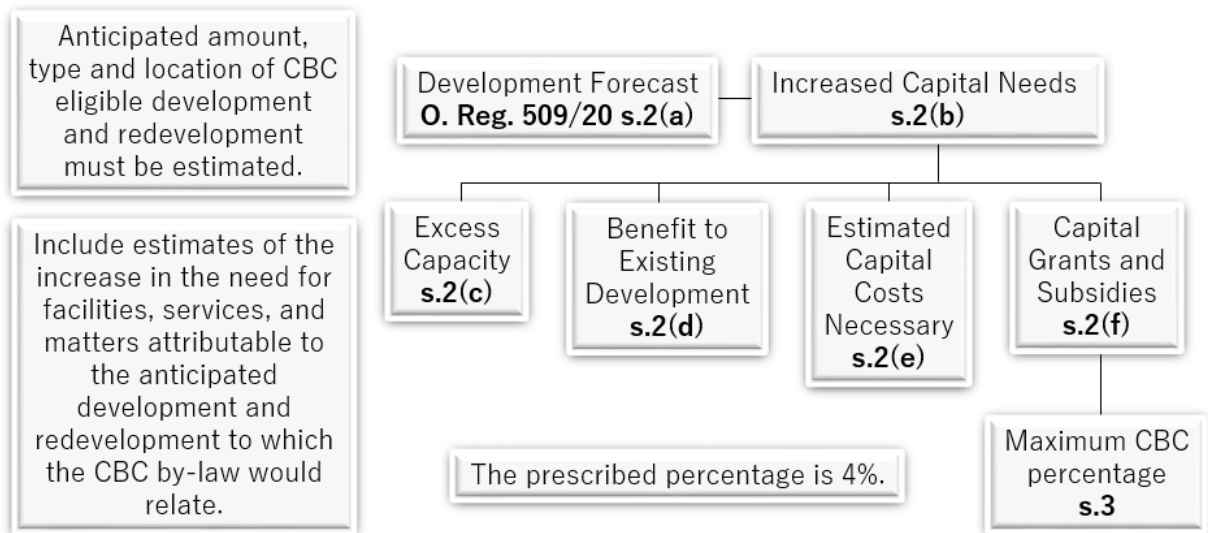
2. Purpose of the 2024 Community Benefits Charge Strategy

This section describes the methodology for determining the CBC rate for the Town and provides details on the capital works and service categories used to establish CBC eligible costs.

A. Key Steps in Determining CBCs

As shown in Figure 1, the Act requires that the CBC Strategy include various components in order to validate the resulting charge.

Figure 1 Key Steps in Determining CBCs



B. Proposed Methodology and Approach

The Act does not specify the method by which a CBC is levied. In developing a CBC, a municipality can consider charges based on a percentage of land value, a per-unit charge, or a charge based on gross floor area. Most municipalities with CBCs have adopted the first option, based on a charge calculated as 4% of land value at the time of first building permit issuance.

The CBC capital program, summarized in the section below and in Section 4, was developed with Town staff and relies on previous work completed for the Town’s capital budget and forecast, the 2020 DC Background Study, various master servicing plans, the Town Official Plan and other planning documents.

As required by the legislation, all CBC revenues will be paid into a single reserve fund (or special account). In each calendar year, the Town must allocate or spend at least 60% of the monies in the special account at the beginning of the year. A separate policy, outside the framework of this Strategy, will be developed to prioritize CBC project allocation and spending.

The CBC Strategy serves to substantiate levying a CBC rate per unit and to satisfy the legislative and regulatory requirements, and is a point in time analysis of eligible capital programs and projects to which the Town may allocate CBC monies. From a legislative perspective, the CBC Strategy does not represent any expression of Council policy, prioritization, or other formal expression of intent to fund or allocate any funds specific services, facilities, or projects set out in the CBC capital program.

C. CBC Capital Program Summary

The gross cost of the CBC capital program of projects eligible for partial or full funding from CBCs is \$92.8 million. Approximately \$46.1 million of this gross capital cost is ineligible for CBC funding, having been removed from consideration as excess capacity, costs that benefit existing residents of the Town (BTE shares), or costs to be funded from other growth funding tools such as development charges or other revenue sources (e.g. property tax or alternative revenue source).

No grants or subsidies have been identified to cover the gross cost of the program. Replacement or BTE shares are removed from the eligible recovery costs total \$5.6 million. Of the remaining \$87.2 million:

- \$46.7 million is considered to benefit development in buildings of five or more storeys and containing 10 or more residential units, and as such, is eligible for CBC funding;
- \$15.4 million will be funded through DCs; and
- \$25.1 million will be funded from other revenue sources.

The capital program is based on service levels planned for and provided by the Town. These service levels are not exclusively tied to a particular time horizon. The capital facilities set out herein are a snapshot of what the Town currently needs to fund to maintain those service levels during the 10-year planning period of 2024-2033. As projects are completed, the Town will continue with additional capital projects to provide the same or similar service levels, and therefore the capital facilities listed will continue to evolve. The CBC capital program is summarized in Table 1 below.

TABLE 1

TOWN OF GRIMSBY
SUMMARY OF CBC CAPITAL PROGRAM (\$000)

Service	Gross Cost	Grants, Subsidies & Other Recoveries	Net Cost	Ineligible Shares	Total Development-Related Cost	Development Charge Funding	Other Funding Sources	Total CBC Eligible Costs
1.0 Growth-Related Studies	\$ 1,300	\$ -	\$ 1,300	\$ 130	\$ 1,170	\$ 140	\$ 435	\$ 595
2.0 Parking Services	\$ 6,800	\$ -	\$ 6,800	\$ 4,759	\$ 2,041	\$ -	\$ 863	\$ 1,179
3.0 Bridges, Roads, and Active Transportation	\$ 24,408	\$ -	\$ 24,408	\$ 725	\$ 23,683	\$ -	\$ 10,010	\$ 13,673
4.0 CBC Administration	\$ 200	\$ -	\$ 200	\$ -	\$ 200	\$ -	\$ -	\$ 200
5.0 Fire Services	\$ 18,442	\$ -	\$ 18,442	\$ -	\$ 18,442	\$ 7,598	\$ 4,583	\$ 6,260
6.0 Parkland, Park Development, and Community Facilities	\$ 26,990	\$ -	\$ 26,990	\$ -	\$ 26,990	\$ 7,610	\$ 4,659	\$ 14,721
7.0 Public Art, Heritage, and Culture	\$ 12,000	\$ -	\$ 12,000	\$ -	\$ 12,000	\$ -	\$ 3,796	\$ 8,204
8.0 Climate Change Initiatives	\$ 650	\$ -	\$ 650	\$ -	\$ 650	\$ -	\$ 275	\$ 375
9.0 Affordable Housing	\$ 2,000	\$ -	\$ 2,000	\$ -	\$ 2,000	\$ -	\$ 481	\$ 1,519
Total	\$92,790	\$0	\$92,790	\$5,614	\$87,176	\$15,348	\$25,103	\$46,725

D. Relationship to Other Growth Funding Tools and Ongoing Studies

This CBC Strategy is being completed in advance of the other studies recognizing that applications for CBC eligible high-density developments are imminent. The projects identified in this Strategy account for any known contributions from other growth funding tools such as development charges and parkland dedication revenues. It is anticipated that the Town will update its existing 2020 DC Background Study sometime in 2025, at which time this CBC Strategy will be reviewed and capital project allocations may be redone to reflect anticipated funding from other revenue sources.

E. Implementation and Administration

The implementation and administration of the CBC will be determined by the CBC By-law, prevailing legislation and the CBC policies and practices to be established by Council.

3. Development Forecast

This section describes the methodology and results of the development forecast that forms the basis of the capital program. This section portrays the results of the housing unit and population forecast in line with the requirements of O. Reg. 509/20 s.2(a).

A. Proposed 10-Year Planning Horizon

The time frame for the development forecast and the capital programs in this CBC Strategy is 2024 – 2033.

B. Development Forecast Assumptions

The development forecast is based on estimates of growth occurring within approved Official Plan designated urban areas. The forecast has been largely informed by discussions with Town staff and development pipeline data.

Table 2: Forecast of Town-wide Units Subject to CBCs

Year	Total
Total 2024-2033	2,510

Table 3 shows the calculation of persons in units subject to CBCs as a percentage of persons in all units. This calculation uses the occupancy factors or “persons per unit” (PPU). The average apartment unit PPU is 1.69 for blended apartments; this, when applied by the total 10-year CBC unit start forecast (2,510), results in an estimate of 4,242 persons in units subject to a CBC. This represents 76% of the overall 10-year forecast of people in all unit starts (5,585) which has been informed by development pipeline data.

The share of CBC eligible units (76%) is used to inform the CBC-eligible percentage of projects that are anticipated to benefit all residential and

mixed-use development, as shown in Section 4. It is noted that, for certain projects a non-residential benefit is recognized resulting in a CBC-eligible share of 58%.

The 10-year non-residential forecast is informed by the Town’s 2020 DC Study by maintaining the allocation of growth between residential and non-residential sectors. Anticipated residential and non-residential growth is used to determine shares of capital costs related to growth in CBC-eligible development where a project benefits both residential and non-residential development. The 10-year forecasted population in new dwelling units plus place of work employment totals 7,348; of this total growth, 76% (5,585 persons) is anticipated to occur within residential development while the remaining 24% (1,763 employees) is related to non-residential development. The CBC eligible share of projects which have a residential and non-residential benefit is 58%.

Table 3: Town-wide Forecast of Persons in Unit Starts, 2024 – 2033

Residential	Single/Semi	Row	Apartment	Total
Units Subject to CBC	0	0	2,510	2,510
All Units	150	250	2,700	3,100
PPU Assumptions	3.31	2.10	1.69	
Persons in Units Subject to CBCs	0	0	4,242	4,242
Persons in All Units	497	525	4,563	5,585
% of Persons in Units Subject to CBCs (Residential Only)				76%
Non-Residential				Total
Employment Growth				1,763
Residential & Non-Residential Allocation				
Total Gross Population & Employment Growth				7,348
% of Persons in Units Subject to CBCs (Residential/Non-Residential)				58%

4. CBC Capital Program

A. Facilities, Services, and Matters Considered

Before passing a CBC by-law, the Act requires municipalities to prepare a CBC Strategy that identifies the facilities, services and matters that will be funded with community benefits charges. The Act does not prescribe the specific facilities, services or matters to which CBC funding may be allocated.

Section 5 outlines the CBC revenue analysis and rate structure. Detailed in this section is evidence that the anticipated CBC revenue permitted for collection under the 4% cap, is insufficient to meet the increased needs arising from the CBC-eligible development. Through consultation with Town staff, a priority list of service categories have been identified. The list is based on projects that have lost eligibility for DC funding, projects anticipated to provide service for new high-density developments not currently identified in the Town's 10-year capital plan, and projects where DC legislation limits funding due to historical service level. The following services have been included as related to developments subject to the CBC:

- Growth-Related Studies;
- Parking Services;
- Bridges, Roads, and Active Transportation;
- CBC Administration;
- Fire Services;
- Parkland, Park Development, and Community Facilities;
- Public Art, Heritage, and Culture;
- Climate Change Initiatives; and
- Affordable Housing

Under each of these services, the Town anticipates development-related costs that are fully or partially driven by mid and high-density residential and mixed-use development. The identified CBC-eligible project costs for these services

are beyond the costs anticipated to be funded through other GFTs – including development charges and parkland dedication.

The CBC capital program is a point-in-time analysis of the needs anticipated over the 2024 – 2033 planning period. It is recognized that these needs may change over time through the Town’s normal annual budgeting processes. While certain projects are listed within the CBC capital program, the identified capital project listings do not preclude the Town from assigning CBC funds to another facility or project under that service.

Each service area covers the following matters:

- Service Description;
- Service Delivery and Service Levels Consideration;
- Estimate of Need;
- Consideration of Excess Capacity;
- Capital Cost;
- Identification of any Anticipated Capital Grants, Subsidies or Other Contributions;
- Consideration of BTE;
- Relation to funding from Other GFTs (if applicable) and Other Funding;
- Share of Net Capital Costs related to CBC Eligible Developments.

B. Projects Funded by Multiple GFTs

When a project is identified for funding from both DCs and CBCs, it recognizes the CBC development places an incrementally higher demand for the service/project than is permitted under the 15-year service level restrictive funding envelope cap required for development charges. There is no funding of the same share of project from both DC and CBCs.

C. Capital Needs by Service

Table 4 below includes the details by service of the capital needs associated with the forecasted CBC eligible developments in the Town over the 10-year period 2024-2033. The capital costs included in this Strategy reflect a point in time for this framework, however, the need for the services is estimated to continue beyond the 10-year period relative to the amount of CBC development.

Although no formal policy on the application of funds has yet to be developed outside of the statutory requirements, the Town may choose to prioritize projects with no other GFT sources for CBC funds. This will continue to be monitored and evaluated on an ongoing basis.

TABLE 4
TOWN OF GRIMSBY
SUMMARY OF CBC CAPITAL PROGRAM

Project Description	Timing	Gross Project Cost	Grants / Subsidies / Other Recoveries	Net Cost	BTE Shares (%)	BTE Shares (\$)	(A)	(B)	(C) = A - B	(D) = A - B - E	(E)	
							Total Development Related Costs	DC Funded Share	Remaining Development-Related	Other Funding	CBC Share (%)	Total CBC Related Costs
1.0 Growth-Related Studies												
1.1 Neighbourhood / District Area Plans	2024-2033	\$600,000	\$0	\$600,000	10%	\$60,000	\$540,000	\$140,000	\$400,000	\$169,070	58%	\$230,930
1.2 Supporting Growth-Related Studies	2024-2033	\$300,000	\$0	\$300,000	10%	\$30,000	\$270,000	\$0	\$270,000	\$114,122	58%	\$155,878
1.2 Zoning By-law Update	2024-2033	\$400,000	\$0	\$400,000	10%	\$40,000	\$360,000	\$0	\$360,000	\$152,163	58%	\$207,837
Subtotal Growth-Related Studies		\$1,300,000	\$0	\$1,300,000		\$130,000	\$1,170,000	\$140,000	\$1,030,000	\$435,355		\$594,645
2.0 Parking Services												
2.1 Parking Improvements	2024-2033	\$6,800,000	\$0	\$6,800,000	70%	\$4,758,597	\$2,041,403	\$0	\$2,041,403	\$862,849	58%	\$1,178,554
Subtotal Parking Services		\$6,800,000	\$0	\$6,800,000		\$4,758,597	\$2,041,403	\$0	\$2,041,403	\$862,849		\$1,178,554
3.0 Bridges, Roads, and Active Transportation												
3.1 Bridges/Crossings	2024-2033	\$16,800,000	\$0	\$16,800,000	4%	\$630,000	\$16,170,000	\$0	\$16,170,000	\$6,834,645	58%	\$9,335,355
3.2 Multi-Use Paths and Bikelanes	2024-2033	\$4,908,185	\$0	\$4,908,185	1%	\$65,309	\$4,842,876	\$0	\$4,842,876	\$2,046,960	58%	\$2,795,916
3.3 Intersection Improvements/Streetscaping/etc	2024-2033	\$2,700,000	\$0	\$2,700,000	1%	\$30,000	\$2,670,000	\$0	\$2,670,000	\$1,128,541	58%	\$1,541,459
Subtotal Bridges, Roads, and Active Transportation		\$24,408,185	\$0	\$24,408,185		\$725,309	\$23,682,876	\$0	\$23,682,876	\$10,010,145		\$13,672,731
4.0 CBC Administration												
4.1 Implementation of CBC By-law	2024-2033	\$200,000	\$0	\$200,000	0%	\$0	\$200,000	\$0	\$200,000	\$0	100%	\$200,000
Subtotal CBC Administration		\$200,000	\$0	\$200,000		\$0	\$200,000	\$0	\$200,000	\$0		\$200,000
5.0 Fire Services												
5.1 Fire Station #3: 2.3 Hectares of Land	2025	\$2,000,000	\$0	\$2,000,000	0%	\$0	\$2,000,000	\$824,000	\$1,176,000	\$497,065	58%	\$678,935
5.2 Fire Station #3: Construction of New station	2026-2027	\$9,600,000	\$0	\$9,600,000	0%	\$0	\$9,600,000	\$3,955,200	\$5,644,800	\$2,385,912	58%	\$3,258,888
5.3 Fire Station #3: Finish, Furnishings & Equipment	2026-2027	\$1,632,000	\$0	\$1,632,000	0%	\$0	\$1,632,000	\$672,384	\$959,616	\$405,605	58%	\$554,011
5.4 Fire Station #3: Quint Fire Truck	2025	\$1,800,000	\$0	\$1,800,000	0%	\$0	\$1,800,000	\$741,714	\$1,058,286	\$447,310	58%	\$610,975
5.5 Fire Station #3: Hose and Equipment for Quint Truck	2027	\$300,000	\$0	\$300,000	0%	\$0	\$300,000	\$123,619	\$176,381	\$74,552	58%	\$101,829
5.6 Fire Station #3: Medical/Rescue Truck	2025	\$400,000	\$0	\$400,000	0%	\$0	\$400,000	\$164,812	\$235,188	\$99,408	58%	\$135,780
5.7 Fire Station #3: Equipment for Medical/Rescue Truck	2027	\$100,000	\$0	\$100,000	0%	\$0	\$100,000	\$41,203	\$58,797	\$24,852	58%	\$33,945
5.8 Fire Station #3: Command Vehicle	2025	\$100,000	\$0	\$100,000	0%	\$0	\$100,000	\$41,143	\$58,857	\$24,877	58%	\$33,980
5.9 Fire Station #3: Equipment for Command Vehicle, radios MDT, and equipment	2027	\$50,000	\$0	\$50,000	0%	\$0	\$50,000	\$20,571	\$29,429	\$12,439	58%	\$16,990
5.10 Fire Station #3: 10 SCBA including Integrated TICs and Masks	2025	\$160,000	\$0	\$160,000	0%	\$0	\$160,000	\$65,920	\$94,080	\$39,765	58%	\$54,315
5.11 Fire Station #3: Fire Fighter Equipment - including PPE, Bunker Gear, and Pagers	2027	\$500,000	\$0	\$500,000	0%	\$0	\$500,000	\$205,952	\$294,048	\$124,286	58%	\$169,761
5.12 Fire Station #3: New Pumper Rescue Truck	2025	\$1,500,000	\$0	\$1,500,000	0%	\$0	\$1,500,000	\$617,993	\$882,007	\$372,802	58%	\$509,205
5.1 Fire Station #3: New Pumper Rescue Truck Equipment	2027	\$300,000	\$0	\$300,000	0%	\$0	\$300,000	\$123,599	\$176,401	\$74,560	58%	\$101,841
Subtotal Fire Services		\$18,442,000	\$0	\$18,442,000		\$0	\$18,442,000	\$7,598,111	\$10,843,889	\$4,583,434		\$6,260,455
6.0 Parkland, Park Development, and Community Facilities												
6.1 Provision for Additional Parkland Development - Regional	2024-2033	\$5,240,000	\$0	\$5,240,000	0%	\$0	\$5,240,000	\$0	\$5,240,000	\$1,259,777	76%	\$3,980,223
6.2 Provision for Additional Parkland Development - Community	2024-2033	\$3,930,000	\$0	\$3,930,000	0%	\$0	\$3,930,000	\$0	\$3,930,000	\$944,833	76%	\$2,985,167
6.3 Provision for Additional Parkland Development - Neighbourhood	2024-2033	\$3,140,000	\$0	\$3,140,000	0%	\$0	\$3,140,000	\$0	\$3,140,000	\$754,904	76%	\$2,385,096
6.4 Provision for Additional Parkland Development - Parkettes	2024-2033	\$1,570,000	\$0	\$1,570,000	0%	\$0	\$1,570,000	\$0	\$1,570,000	\$377,452	76%	\$1,192,548
6.5 Tree Canopy Expansion	2024-2033	\$1,500,000	\$0	\$1,500,000	0%	\$0	\$1,500,000	\$0	\$1,500,000	\$360,623	76%	\$1,139,377
6.6 Lighting Improvements	2024-2033	\$2,000,000	\$0	\$2,000,000	0%	\$0	\$2,000,000	\$0	\$2,000,000	\$480,831	76%	\$1,519,169
6.7 Provision for Community Facilities	2024-2033	\$9,610,000	\$0	\$9,610,000	0%	\$0	\$9,610,000	\$7,610,000	\$2,000,000	\$480,831	76%	\$1,519,169
Subtotal Parkland, Park Development, and Community Facilities		\$26,990,000	\$0	\$26,990,000		\$0	\$26,990,000	\$7,610,000	\$19,380,000	\$4,659,251		\$14,720,749
7.0 Public Art, Heritage, and Culture												\$0
7.1 Public Art	2024-2033	\$1,000,000	\$0	\$1,000,000	0%	\$0	\$1,000,000	\$0	\$1,000,000	\$240,415	76%	\$759,585
7.2 Provision for Future Cultural Space	2024-2033	\$6,000,000	\$0	\$6,000,000	0%	\$0	\$6,000,000	\$0	\$6,000,000	\$1,442,493	76%	\$4,557,507
7.3 Civic Design and Improvements	2024-2033	\$5,000,000	\$0	\$5,000,000	0%	\$0	\$5,000,000	\$0	\$5,000,000	\$2,113,372	58%	\$2,886,628
Subtotal Public Art, Heritage, and Culture		\$12,000,000	\$0	\$12,000,000		\$0	\$12,000,000	\$0	\$12,000,000	\$3,796,280		\$8,203,720
8.0 Climate Change Initiatives												
8.1 Provision for Future Climate Change Studies and Development Incentives	2024-2033	\$650,000	\$0	\$650,000	0%	\$0	\$650,000	\$0	\$650,000	\$274,738	58%	\$375,262
Subtotal Climate Change Initiatives		\$650,000	\$0	\$650,000		\$0	\$650,000	\$0	\$650,000	\$274,738		\$375,262
9.0 Affordable Housing												
9.1 Affordable Housing Implementation (TBD)	2024-2033	\$2,000,000	\$0	\$2,000,000	0%	\$0	\$2,000,000	\$0	\$2,000,000	\$480,831	76%	\$1,519,169
Subtotal Affordable Housing		\$2,000,000	\$0	\$2,000,000		\$0	\$2,000,000	\$0	\$2,000,000	\$480,831		\$1,519,169
TOTAL		\$92,790,185	\$0	\$92,790,185		\$5,613,906	\$87,176,279	\$15,348,111	\$71,828,168	\$25,102,883		\$46,725,286



D. Growth-Related Studies

i. Service Description

Growth-Related Studies includes costs related to Neighbourhood/District Area Plans, which encompass large areas of downtown and its periphery (including the rail station and historic neighbourhoods) and will occur after the Town updates its Official Plan. There is also a provision for general growth-related studies, which includes the Parks Master Plan, Transportation Master Plan, and studies for other service areas. Lastly, the capital program for Growth-Related Studies includes the Town's Zoning By-law Update.

ii. Service Delivery and Service Levels Consideration

The Town currently uses development charges and property taxes to fund growth-related studies. The Town will continue to use these revenue sources as well as CBCs in order to fund future studies.

iii. Estimate of Need

Included in this service area are costs related to master plans and studies to provide to residents and employees within the Town of Grimsby.

iv. Consideration of Excess Capacity

No excess capacity exists for this service.

v. Capital Cost

The gross cost included in the capital program totals \$1.3 million over the 10-year planning period.

vi. Identification of any Anticipated Capital Grants, Subsidies or Other Contributions

There are no grants, subsidies, or other contributions identified for this service area and as such, no deductions are made.

vii. Consideration of Benefit to Existing

A 10% or \$130,000 benefit to existing share is removed from the total development related costs. This BTE share is in-line with the BTE assumptions used for studies in the Town's 2020 DC Background Study.

viii. Relation to Funding from GFT (if applicable) and Other Funding

The Neighbourhood/District Area Plans have \$140,000 funded from Town development charges (based on Town's 2020 DC Background Study, accounting for indexing). The share of the project proposed to be funded from DCs will not be funded from CBCs.

ix. Share of Net Capital Costs related to CBC Eligible Developments

The amount eligible for recovery from CBCs is 58% or \$594,600, which reflects that the project will provide a benefit to both residential and non-residential development as well as non-CBC eligible developments.

x. Other Funding

A share of \$435,500 represents other funding related to development, but is not currently funded from DCs or CBCs within the 10-year planning horizon.

E. Parking Services

i. Service Description

The Town is responsible for planning, managing, rehabilitating and maintaining the parking to meet the needs of the community.

ii. Service Delivery and Service Levels Consideration

There is a need in the Town to identify and plan how to best use existing parking facilities and expand servicing capacity to accommodate increased needs. Historically, the Town traditionally funded parking expansion through DCs; however, parking services are now ineligible for DC funding. CBCs are a new funding tool that can be leveraged for parking-related investments in developing areas.

iii. Estimate of Need

The need for adding new, or enhancing existing, parking facilities includes the expansion of the Balsam Lane Parking Lot, Downtown North Parking Lot, Elizabeth St Parking Lot, Lions Pool Parking Lot, and a new Grimsby on the Lake Parking Lot. As identified through the Town's Strategic Parking Management Study, the provision to expand the municipal parking supply is needed to maintain service levels in the face of growth. This need is driven by residential and non-residential development across the entire Town. The proposed parking expansions may also entail storm-sewer work, curb work, asphaltting, new sidewalks, new lighting, landscaping, wayfinding, new line markings, and EV chargers.

While the Parking Service CBC capital program represents a point-in-time analysis of the anticipated CBC-eligible project costs over the 2024-2033 period, similar service levels are anticipated to be provided by the Town beyond the 10-year planning horizon.

iv. Consideration of Excess Capacity

There is no excess capacity in the Parking Services CBC capital program.

v. Capital Cost

The gross capital cost associated with the Parking Services CBC program is \$6.8 million. The capital costs includes parking expansions at the Balsam Lane Parking Lot, Downtown North Parking Lot, Elizabeth St Parking Lot, Lions Pool Parking Lot, and a new Grimsby on the Lake Parking Lot.

vi. Identification of any anticipated capital grants, subsidies or other contributions

No grants, subsidies, or other contributions have been identified for this service.

vii. Consideration of Benefit to Existing

A BTE share of 70%, or \$4.8 million, of the total capital cost for parking accounts for the upgrades of existing parking lots and spaces and is thus removed from the CBC eligible share of cost. The BTE share is related to the cost of replacing existing parking spaces. The remaining 30%, or \$2.0 million, of costs are considered growth related as these costs relate to the creation of net new parking spaces.

viii. Relation to funding from DCs (if applicable)

The projects included in the Parking Services capital program are ineligible for DC funding. Therefore, no alternative funding is identified.

ix. Share of Net Capital Costs related to CBC Eligible Developments

The growth-related cost of \$2.0 million will benefit all development across the Town, including CBC eligible development. Of the \$2.0 million, \$1.2 million, or 58% of the total cost related to parking, is CBC eligible.

x. Other Funding

Approximately \$862,800 represents funding required from other sources and is not currently funded from DCs and CBCs over the planning horizon.

F. Bridges, Roads, and Active Transportation

i. Service Description

The Bridges, Roads, and Active Transportation service includes provisions for active Bridges and Crossings, Multi-Use Paths and Bike Lanes as well as Intersection Improvements and Streetscaping.

ii. Service Delivery and Service Levels Consideration

Specific roadways and intersections selected for Bridges, Roads, and Active Transportation have been identified by Town staff.

The Bridges and Crossings projects include the upgrading of the Forty Mile Creek Bridge, a new pedestrian bridge over the Queen Elizabeth Way connecting North Service Rd. and Hunter Rd., and a general provision for future bridges.

The Multi-Use Paths and Bike Lanes projects include the new Livingston Avenue Multi-Use Pathway and upgrading the Oakes Rd. CN Crossing to include a new multi-use pathway.

The Intersection Improvements & Streetscaping projects include provisions for intersection improvements and streetscaping across the Town. There is also an identified intersection improvement project at Main St. W. / Elm St. / Gibson St.

iii. Estimate of Need

As the Town continues to grow and intensify, this will put pressure on the existing road network and associated infrastructure. Some of these needs

are funded from development charges however the increased needs arising from high-density development are not fully eligible to be recovered from DCs. CBCs are a tool that can be used to fund a share of these increased needs.

iv. Consideration of Excess Capacity

No excess capacity exists for this service.

v. Capital Cost

The gross cost included in the capital program totals \$24.4 million over the 10-year planning period.

vi. Identification of Anticipated Capital Grants, Subsidies or Other Contributions

There are no grants, subsidies, or other contributions identified for this service area.

vii. Consideration of Benefit to Existing

About \$630,000 (4%) of the costs for Bridges and Crossings relates to the replacement share of Forty Mile Creek Bridge. Around \$65,300 (1%) of the costs of Multi-Use Paths and Bike Lanes relates to the replacement of the Oakes Rd. CN crossing. A further, \$30,000 (1%) relates to the service level enhancements and replacement of the Main St. W. / Elm St. / Gibson St. intersection improvement.

The total BTE cost for Bridges, Roads, and Active Transportation amounts to approximately \$725,300 and is removed from the CBC eligible costs.

viii. Relation to Funding from Other GFT (if applicable)

No DCs or other GFTs have been identified for the projects. However, the CBC capital program and CBC eligible share may be adjusted following the

completion of the Town's 2025 DC Background Study to reflect funding from future development charge revenues.

ix. Share of Net Capital Costs related to CBC Eligible Developments

The total growth related cost related to CBC development is \$13.7 million (58%). This reflects that the project will also provide a benefit to non-residential development and non-CBC eligible development.

x. Other Funding

Approximately \$10.0 million represents funding required from other sources and is not currently funded from DCs and CBCs over the planning horizon.

G. CBC Administration

i. Service Description

The cost of the CBC Strategy itself is eligible under the Act and included in this service category. Costs related to supporting the administration of the CBC Strategy and By-law, including a provision for land appraisals, is also included.

ii. Service Delivery and Service Levels Consideration

Inclusion of the CBC Strategy and implementation is intended to address new requirements of administering the program in response to growth.

iii. Estimate of Need

Included in the cost provision are regular updates to the CBC Strategy as well as the cost of dispute resolutions, legal costs, and other costs related to implementing and administering the Strategy and By-law. While the capital program represents a point-in-time analysis of the anticipated CBC-eligible

project costs over the 2024-2033 period, similar needs are anticipated to continue beyond the 10-year planning horizon.

iv. Consideration of Excess Capacity

No excess capacity exists for this service.

v. Capital Cost

The gross cost included in the capital program totals \$200,000 over the 10-year planning period.

vi. Identification of Anticipated Capital Grants, Subsidies or Other Contributions

There are no grants, subsidies, or other contributions identified for this service area.

vii. Consideration of Benefit to Existing

No replacement or benefit to existing shares have been identified for this service area.

viii. Relation to Funding from Other GFT (if applicable)

No DCs or other GFTs have been identified for this service area.

ix. Share of Net Capital Costs related to CBC Eligible Developments

The entire cost of the CBC Strategy implementation of \$200,000 is deemed eligible for funding through CBCs.

H. Fire Services

i. Service Description

The Fire Service projects are all related to the new Fire Station #3 and include the cost of acquiring land, constructing the new station, and purchasing associated equipment and vehicles with the new station.

ii. Service Delivery and Service Levels Consideration

There is an increased in need for servicing arising from high-density development. The costs associated with Fire Station #3 included in the Town's 2020 DC Background Study exceeded the maximum permissible funding envelop. As such, the growth-related shares of the project which exceed this funding envelope has been included in the CBC Strategy.

iii. Estimate of Need

The need for Fire Services is driven by CBC eligible developments in new growth areas of the Town and is based on the anticipated population growth in these units and the associated demand on infrastructure. As such, the capital costs are fully attributable to CBC eligible developments.

iv. Consideration of Excess Capacity

No excess capacity exists for this service.

v. Capital Cost

The gross cost included in the capital program totals \$18.4 million over the 10-year planning period.

vi. Identification of Anticipated Capital Grants, Subsidies or Other Contributions

There are no grants, subsidies, or other contributions identified for this service area.

vii. Consideration of Benefit to Existing

There is no BTE share for Fire Services as Fire Station #3 is a net new station to accommodate future development in the Town.

viii. Relation to Funding from Other GFT (if applicable)

About \$7.60 million of the Fire Services capital program will be funded by DCs as per costing from the Town’s 2020 DC Background Study indexed to current day dollars. However, the CBC capital program and CBC eligible share may be adjusted following the completion of the Town’s 2025 DC Background Study in order to reflect funding from future DC revenues.

ix. Share of Net Capital Costs related to CBC Eligible Developments

The total growth related cost related to CBC development is \$6.3 million (58%).

x. Other Funding

A share of \$4.6 million represents funding required from other revenues sources and is not currently funded from DCs and CBCs within the planning period.

I. Parkland, Park Development, and Community Facilities

i. Service Description

This service area includes various capital costs related to annual parkland development provisions, tree purchases, lighting improvement, and a provision for future community facilities.

ii. Service Delivery and Service Levels Consideration

The Town's Parks, Recreation and Culture Master Plan a Town staff provided the estimated need for Parkland, Park Development, and Community Facilities.

iii. Estimate of Need

Based off the Town's Parks, Recreation and Culture Master Plan, the Town will add 2.0 hectares in regional parks per 1,000 people, 1.5 hectares in community parks per 1,000 people, 1.0 hectares in neighbourhood parks per 1,000 people, and 0.5 hectare in parkettes, village squares, and urban greens per 1,000 people.

The Town proposes to add 100 new trees to the tree canopy annually. As the Town grows and vacant lands are developed, there is an increased need to expand the tree canopy to provide passive recreation and health benefits for residents.

The Town plans to add \$200,000 in lighting improvements across various parks to cope with increased park use. This includes \$600,000 in lighting improvements this year (2024) for sports fields at two parks.

The Town plans on adding a new community facility. On average, the service level for indoor recreation in the Town is \$2,265 per capita (indexed from the Town's 2020 DC Study), this amount multiplied by the anticipated CBC eligible growth amounts to \$9.6 million.

iv. Consideration of Excess Capacity

There is no excess capacity available within the Town's Parkland, Park Development, and Community Facilities infrastructure and the costs included in the CBC Strategy relate to incremental needs arising from development over the 10-year planning horizon.

v. Capital Cost

The gross capital cost included is \$27.0 million.

vi. Identification of any Anticipated Capital Grants, Subsidies or Other Contributions

No grants, subsidies, or other contributions have been identified for this service.

vii. Consideration of Benefit to Existing

No BTE shares have been identified for this service area, as all capital items are net new and will meet the increase in need for servicing arising from future development.

viii. Relation to Funding from GFT (if applicable) and Other Funding

Parkland Development, tree canopy expansion, and lighting improvement are not currently funded from development charges or parkland acquisition. However, the CBC capital program and CBC eligible share may be adjusted following the completion of the Town's 2025 DC Background Study in order to reflect funding from future development charge revenues. The non-CBC shares of projects will be funded from other revenue sources.

The Provision for Community Facilities will have \$7.6 million funded from DC sources as per the indexed costing in the 2020 DC Background Study.

ix. Share of Net Capital Costs related to CBC Eligible Developments

The total growth related cost related to CBC development is \$14.7 million (76%). This reflects that the project will mainly provide a benefit to residential development, including non-CBC eligible development.

x. Other Funding

A share of \$4.6 million represents funding required from other sources and is not currently funded from DCs and CBCs over the planning period.

J. Public Art, Heritage, and Culture

i. Service Description

This service area includes provision for public art, a future cultural space, and civic design and improvements. Public art can take many forms and is a way to express community values and brings a shared experience into the Town of Grimsby. The future cultural space could be related to the expansion of the museum or gallery or a new space. Civic design improvements include enhancements related to complete streets, beautifying densifying areas, and a roll-out of strategic civic design investments in conjunction with public works. The capital costs included are those which are ineligible for funding through development charges and is not abutting development which are part of the local service.

Recognizing the higher level of pedestrian and other active transportation activity in the Town – especially in higher density areas, Public Art, Heritage, and Culture investments are important to ensure functional and liveable communities.

ii. Service Delivery and Service Levels Consideration

Town staff from the Public Works and Planning Department provided the capital needs for Public Art, Heritage, and Culture.

iii. Estimate of Need

The capital needs included in the CBC Strategy for recovery from CBC eligible developments is based on discussions with staff.

The Town proposes to spend \$100,000 per year on public art and \$1.0 million every other year on civic design and improvement. The Town plans the future cultural space to be a high quality facility with specialized HVAC, green initiatives, and detailed design with an estimated square footage of 5,000 square feet.

iv. Consideration of Excess Capacity

There is no excess capacity in the Public Art CBC capital program.

v. Capital Cost

The total gross cost of the Public Art, Heritage, and Culture program is \$12.0 million.

vi. Identification of any Anticipated Capital Grants, Subsidies or Other Contributions

No grants, subsidies, or other contributions have been identified for the projects included in the capital program.

vii. Consideration of Benefit to Existing

No benefit to existing shares have been identified for this service area, as all capital items are net new and will meet the increase in need for servicing arising from future development.

viii. Relation to Funding from GFT (if applicable) and Other Funding

None of the identified projects have funding from other growth funding tools. A share of \$3.8 million has been removed from the eligible costs and is related to development in the Town that does not fall within the CBC eligible development threshold and therefore will not be funded from CBCs.

ix. Share of Net Capital Costs Related to CBC Eligible Developments

The provision for Public Art and the Future Cultural Space have been allocated 76% (\$759,600 and \$4.6 million) to CBC eligible developments as they will primarily benefit residential development. The total growth related cost related to CBC development for Civic Design and Improvements is \$2.9 million (58%). This reflects that the Civic Design and Improvements will provide a benefit to non-residential development and non-CBC eligible development.

K. Climate Change Initiatives

i. Service Description

This service accounts for a Provision for Future Climate Changes Studies and Incentives.

ii. Service Delivery and Service Levels Consideration

Climate Change Initiatives encompass a planned climate change mitigation study, climate change initiatives in the upcoming Official Plan update, and new site plan and green development standards.

iii. Estimate of Need

The capital needs included in the CBC Strategy for recovery from CBC eligible developments is based on discussions with Public Parks and Planning staff.

iv. Consideration of Excess Capacity

No excess capacity exists for this service.

v. Capital Cost

The total cost of the provision for future climate changes studies and incentives is \$650,000.

vi. Identification of any Anticipated Capital Grants, Subsidies or Other Contributions

No grants, subsidies, or other recoveries have been identified for the new greenhouse facility.

vii. Consideration of Benefit to Existing

No benefit to existing shares have been identified for this service area as all capital items are net new and growth-related.

viii. Relation to Funding from GFT (if applicable) and Other Funding

No other development charges or other growth-funding tools have been identified for this service. In total, \$274,700 has been identified through other funding sources.

ix. Share of Net Capital Costs Related to CBC Eligible Developments

In total, \$375,300 (58%) of the Climate Change Initiatives is included in the CBC-related cost and is eligible for recovery from CBC developments. This reflects that the project will provide a benefit to non-residential development and non-CBC eligible development.

L. Affordable Housing

The need for affordable housing increases as a Town's population grows. Under the provincial statute, Niagara Region lacks the ability to levy CBCs for infrastructure or services related to affordable housing. However, the Town is permitted to use CBCs as a growth funding tool to create affordable housing units.

i. Service Delivery and Service Levels Consideration

Discussions with Town staff suggest CBC funding may cover up to 20 units per year in the Town of Grimsby up to a cost of \$100,000 per unit.

ii. Estimate of Need

Affordable housing is currently the responsibility of Niagara Region. However, funding from the Region varies year over year. Therefore, it is important that the Town allocate fund for affordable housing initiatives and construction to maintain funding consistency.

iii. Consideration of Excess Capacity

No deductions for excess capacity have been made for the affordable housing provision identified in the CBC capital program.

iv. Gross Capital Cost

The gross capital cost of the program is \$2.0 million over the 10-year period from 2024-2033. Eligible costs may include construction, planning application fees, development incentives, and other capital costs associated with the development of affordable housing units in high-density buildings which.

v. Identification of any Anticipated Capital Grants, Subsidies or Other Contributions

There are no grants, subsidies, or other contributions identified for this service area.

vi. Consideration of Benefit to Existing

No BTE share applies to Affordable Housing Initiatives as new housing construction is entirely growth-related.

vii. Relation to Funding from GFT (if applicable) and Other Funding

Given the legislative changes arising from Bill 23, affordable housing will not be included as a service in future DC Studies. As such, no development charges or other growth funding tools have been identified for this service area. In total, \$480,800 has been identified through other funding sources.

viii. Share of Net Capital Costs related to CBC Eligible Developments

The amount eligible for recovery from CBCs is 76% or \$1.5 million. This reflects that the project will provide a benefit to residential development, including non-CBC eligible development.

5. CBC Revenue Analysis and Rate Structure

A. CBC Capital Needs Greater than Projected CBC Revenue

The average per-unit land value in current (2024) dollars is calculated at \$25,000 - \$50,000. These land values are based on land appraisals which from nearby municipalities.

Applying the legislated 4% cap, the average unit will contribute \$1,000 - \$2,000 in CBCs. Applying this range against the projected 2,510 CBC eligible apartment units results in a high-level estimate of potential CBC revenues of \$2.5 – \$5.02 million over the 2024 – 2033 period.

As set out in Section 4, the total cost of the CBC-eligible capital program over the same 2024 – 2033 period is \$46.7 million. As such, the CBC capital needs cannot be fully funded from potential CBC revenues.

Table 5: Estimate of Potential CBC Revenues, 2024 – 2033

Land Value Scenarios	Land Value per Unit	Average CBC (4% cap)	# of Units	Potential CBC Revenue
Low	\$25,000	\$1,000	2,510	\$2,510,000
High	\$50,000	\$2,000	2,510	\$5,020,000
Average	\$37,500	\$1,500	2,510	\$3,765,000

B. Rate Structure Considerations

It is proposed that the CBC be a uniform 4% of land value across the Town. All development that meets the criteria set out in Section 37(4) of the Act would be subject to the CBC excluding those listed as exempt under *O.Reg. 509/20*.

C. Land Appraisal Process

Payment is required prior to the issuance of a building permit by the Town. In accordance with subsection 37 (44) of the Act, if the developer considers the charge to be higher than 4% of land value, they are permitted to submit a payment under protest and must submit an alternate appraisal within 30 days. The Town then has 45 days to provide the appraisal upon which the charge was based.

D. CBC Special Account

i. Existing Reserves

Existing reserves to be transferred to the CBC Special Account include any unspent or unallocated portions of the legacy Parking DC reserve less any prior commitments.

ii. CBC Reserve

Subsection 37 (45) of the Act requires that a single CBC special account be established. This is unlike DC reserves, which require separate reserves dedicated to specific service areas as defined in the DC by-law. The funds in the CBC reserve will include any existing reserves from non-eligible DC services and CBC monies collected.

Annually, the Town must allocate or spend 60% of the funds in the special account to CBC-eligible projects. The following information shall be provided to the public each year in the respect of the preceding year:

1. Statements of the opening and closing balances of the special account and of the transactions relating to the account.
2. In respect of the special account referred to in subsection 37 (45) of the Act, statements identifying,

- i. facilities, services and matters acquired during the year with funds from the special account;
 - ii. details of the amounts spent; and
 - iii. for each facility, service or matter mentioned in subparagraph i, the manner in which any capital cost not funded from the special account was or will be funded.
3. In respect of the special account referred to in subsection 42 (15) of the Act, statements identifying,
 - i. land and machinery acquired during the year with funds from the special account;
 - ii. buildings erected, improved or repaired during the year with funds from the special account;
 - iii. details of the amounts spent; and
 - iv. for each asset mentioned in subparagraphs i and ii, the manner in which any capital cost not funded from the special account was or will be funded.
4. The amount of money borrowed from the special account and the purpose for which it was borrowed.
5. The amount of interest accrued on any money borrowed from the special account.

E. Statutory Exemptions

O. Reg. 509/20 includes the following statutory exemptions:

1. Development or redevelopment of a building or structure intended for use as a long-term care home within the meaning of subsection 2 (1) of the Long-Term Care Homes Act, 2007.
2. Development or redevelopment of a building or structure intended for use as a retirement home within the meaning of subsection 2 (1) of the Retirement Homes Act, 2010.
3. Development or redevelopment of a building or structure intended for use by any of the following post-secondary institutions for the objects of the institution:
 - i. a university in Ontario that receives direct, regular and ongoing operating funding from the Government of Ontario,
 - ii. a college or university federated or affiliated with a university described in subparagraph i,
 - iii. an Indigenous Institute prescribed for the purposes of section 6 of the Indigenous Institutes Act, 2017.
4. Development or redevelopment of a building or structure intended for use as a memorial home, clubhouse or athletic grounds by an Ontario branch of the Royal Canadian Legion.
5. Development or redevelopment of a building or structure intended for use as a hospice to provide end of life care.
6. Development or redevelopment of a building or structure intended for use as residential premises by any of the following entities:

- i. a corporation to which the Not-for-Profit Corporations Act, 2010 applies that is in good standing under that Act and whose primary object is to provide housing,
- ii. a corporation without share capital to which the *Canada Not-for-profit Corporations Act* applies, that is in good standing under that Act and whose primary object is to provide housing,
- iii. a non-profit housing co-operative that is in good standing under the Co-operative Corporations Act. O. Reg 509/20, s. 1, 8.

In addition, recent legislative changes introduced to the Act through Bill 23 have provided exemptions for attainable and affordable housing. The Province has yet to define these housing types through regulation, as such the exemption is not yet in force. Hemson anticipates that legislative changes will likely occur in 2024 and will supersede the policies identified in the CBC By-law.

6. Implementation & Administration

A. Consultation

The Act requires that a municipality consult with such persons and public bodies as the municipality considered appropriate. Subsection 37 (10) indicates that, at the discretion of the Town, consultation shall be conducted. For the CBC Strategy, the Town met with Council in early 2024 and has provided information for public review:

- An information meeting was held with the Corporate Leadership Team (CLT) on April 11, 2024.
- An information meeting was held with the Finance Committee on April 25, 2024.
- The draft CBC Strategy will be posted on the Town's website in May of 2024, in advance of a formal public meeting.
- An information session is anticipated to be held with Council on May 21, 2024.
- A formal public meeting is anticipated to be held on June 17, 2024 ahead of the by-law being presented to Council for passage.
- The CBC By-law is anticipated to be passed on July 2, 2024.

B. By-Law Passage, Notice and Appeal Provisions

The CBC By-law is anticipated to be passed in April 2023. The commencement of the by-law will be on the date the by-law is passed or the specified in the by-law, whichever is later in accordance with subsection 37 (11) of the Act.

A notice of By-law passage must be provided no later than 20 days after passing a CBC By-law subsection 37 (13) of the Act. Furthermore, O.Reg. 509/20 subsection 4(2) states that a notice shall be given by personal

service, fax, mail or email to every owner of land in the area to which the by-law applies, every person and organization that has written request for the notice, upper-tier municipalities and school boards. Alternatively, notice may be giving in a newspaper that is, in the clerk's opinion, of sufficiently general circulation in the area to which the by-law applies to give the public reasonable notice of the passing of the by-law.

A CBC by-law may be appealed to the Ontario Land Tribunal within 40 days of passage by filing with the clerk of the Town. The Tribunal is limited in its ability to amend the CBC By-law including not being able to increase the amount of CBCs that will be payable in any particular case, add, remove or reduce the scope of an exemption, change a provision for a phasing in so as to make the charges payable earlier and change the date the by-law will expire.

C. Treatment of In-Kind Contributions

The Town may allow developers to pay CBCs in part or in whole with in-kind contributions. Such contributions will be evaluated on a case-by-case basis. The Town may require that an agreement be registered on title for the provision of these contributions.

Paragraphs 6-8 of subsection 37 of the Act guide the legislative framework for the consideration of in-kind contributions:

In-kind contributions

(6) A municipality that has passed a community benefits charge by-law may allow an owner of land to provide to the municipality facilities, services or matters required because of development or redevelopment in the area to which the by-law applies. 2020, c. 18, Sched. 17, s. 1.

Notice of value of in-kind contributions

(7) Before the owner of land provides facilities, services or matters in accordance with subsection (6), the municipality shall advise the owner of land of the value that will be attributed to them. 2020, c. 18, Sched. 17, s. 1.

Agreement re facilities, services or matters

(7.1) If the municipality intends to allow an owner of land to provide facilities, services or matters in accordance with subsection (6), the municipality may require the owner to enter into an agreement with the municipality that addresses the provision of the facilities, services or matters. 2022, c. 21, Sched. 9, s. 10 (1).

Registration of agreement

(7.2) An agreement entered into under subsection (7.1) may be registered against the land to which it applies and the municipality is entitled to enforce the agreement against the owner and, subject to the *Registry Act* and the *Land Titles Act*, against any and all subsequent owners of the land. 2022, c. 21, Sched. 9, s. 10 (1).

Deduction of value of in-kind contributions

(8) The value attributed under subsection (7) shall be deducted from the amount the owner of land would otherwise be required to pay under the community benefits charge by-law. 2020, c. 18, Sched. 17, s. 1.

The CBC by-law will provide for the potential acceptance of CBC in-kind contributions consistent with the legislative requirements.

D. CBC Payment Dispute Mechanism

Developers may dispute the CBC charge by paying in protest and submitting an alternate appraisal. If the appraisals are within 5% (5%) of each other the Town must refund the difference (see outcome in Table 6). However, if the appraisal difference is greater than 5% (5%), the Town will request the developer to

select one of three appraisers from a Town list. That will be the final appraisal and if it results in a lower CBC rate than paid, the Town must refund the difference. Table 6 below provides a summary of the appraisal and dispute process.

Table 6: Payment Dispute Mechanism

	Planning Act	Timing	Action	Outcome
Charge as set by Town	37(44)	Building permit	Developer pays	Payment received – process complete
			Developers pays under protest	New appraisal required
Payment under protest	37(33)	30 days	Developer submits appraisal to Town	Town review need for new appraisal or accept value
Town disputes developer’s value	37(35)	45 days	Town submits appraisal to applicant	Joint review - if less than 5 percent difference, use higher value
Arbitrated value	37(38)	60 days	Applicant picks appraiser from Town roster	New appraisal sets value
In-kind contribution	37(7)	Before providing service / facility	Town to advise applicant of in kind value	No appeal process, value is deducted from charge

Appendix A
Draft CBC By-law
(Available
Under Separate Cover)