



Development Charges Background Study

Municipality of Southwest Middlesex

December 29, 2025

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List of Acronyms and Abbreviations

Acronym	Full Description of Acronym
A.M.P.	Asset management plan
C.B.C.	Community Benefits Charge
D.C.	Development charge
D.C.A.	Development Charges Act, 1997, as amended
F.I.R.	Financial Information Return
G.F.A.	Gross floor area
L.P.A.T.	Local Planning Appeal Tribunal
N.F.P.O.W.	No fixed place of work
O.L.T.	Ontario Land Tribunal
O.M.B.	Ontario Municipal Board
O.P.A.	Official Plan Amendment
O. Reg.	Ontario Regulation
P.O.A.	Provincial Offences Act
P.P.U.	Persons per unit
S.D.E.	Single detached equivalent
S.D.U.	Single detached unit
S.W.M.	Stormwater management
sq.ft.	square foot
sq.m	square metre



Report



Chapter 1

Introduction



1. Introduction

1.1 Purpose of this Document

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

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

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

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

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

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

1.2 Summary of the Process

The public meeting required under section 12 of the D.C.A. is proposed to take place on January 2026 (date to be determined). Its purpose is to present the study to the public and to solicit public input. The meeting is also being held to answer any questions



regarding the study's purpose, methodology, and the proposed modifications to the Municipality's D.C.s.

In accordance with the legislation, the background study and draft D.C. by-law will be available for public review on December 22, 2025.

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

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

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

Figure 1-1
Schedule of Key D.C. Process Dates for the Municipality of Southwest Middlesex

Schedule of Study Milestone	Dates
1. Data collection, staff review, engineering work, D.C. calculations and policy work	July 2025 to November 2025
2. Council Workshop	November 5, 2025
3. Senior Leadership Team Meeting	December 3, 2025
4. Council Meeting	December 17, 2025
5. Public release of final D.C. Background study and draft by-law	December 29, 2025
6. Public meeting advertisement placed in newspaper	At least 21 days prior to the Public Meeting
7. Public meeting of Council	January 2026
8. Council considers adoption of background study and passage of by-law	February 2026
9. Newspaper notice given of by-law passage	By 20 days after passage
10. Last day for by-law appeal	40 days after passage
11. Municipality makes pamphlet available (where by-law not appealed)	By 60 days after in force date



Chapter 2

Anticipated Development in the Municipality of Southwest Middlesex



2. Anticipated Development in the Municipality of Southwest Middlesex

2.1 Requirement of the Act

The growth forecast contained in this chapter (with supplemental tables in Appendix A) provides for the anticipated development for which the Municipality will be required to provide services over a 10-year (2025 to 2035) and a 20-year (2025 to 2045) time horizon.

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

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

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

- Middlesex County Growth Analysis Update, April 25, 2025, Watson & Associates Economists Ltd.;
- 2011, 2016 and 2021 population, household and employment Census data;
- Historical residential and non-residential building permit data over the 2015 to 2024 period;
- Residential and non-residential supply opportunities as identified by Municipality of Southwest Middlesex staff; and
- Discussions with Municipal staff regarding anticipated residential and non-residential development in the Municipality of Southwest Middlesex.

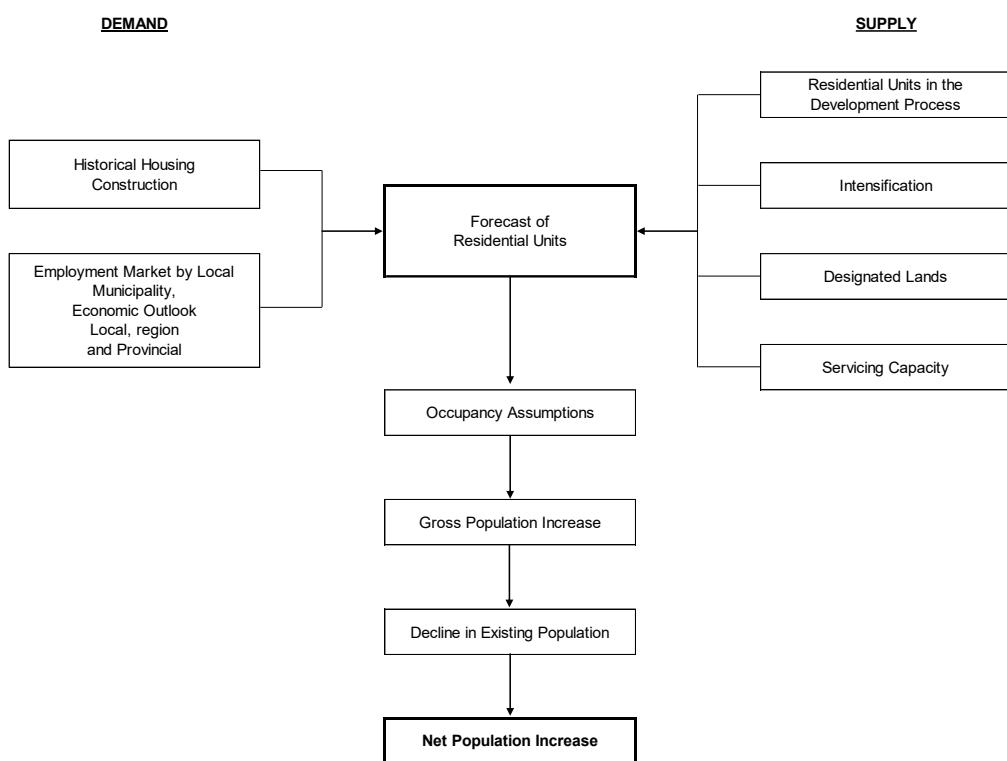


2.3 Summary of Growth Forecast

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

As identified in Table 2-1 and Appendix A – Schedule 1, the population in the Municipality of Southwest Middlesex (excluding Census undercount) is anticipated to reach approximately 6,550 by mid-2035 and 7,250 by mid-2045, resulting in an increase of approximately 510 and 1,210 persons, respectively. ^[1]

Figure 2-1
Population and Household Forecast Model



[1] The population figures used in the calculation of the 2025 D.C. exclude the net Census undercount, which is estimated at approximately 4.6%. Population figures presented herein have been rounded.



Table 2-1
 Municipality of Southwest Middlesex
 Residential Growth Forecast Summary

Year		Population (Including Census Undercount) ^[1]	Excluding Census Undercount			Housing Units					Person Per Unit (P.P.U.): Total Population/ Total Households
			Population	Institutional Population	Population Excluding Institutional Population	Singles & Semi- Detached	Multiple Dwellings ^[2]	Apartments ^[3]	Other	Total Households	
Historical	Mid 2011	6,127	5,860	90	5,770	2,099	84	135	36	2,354	82 2.489
	Mid 2016	5,983	5,723	73	5,650	2,105	85	155	5	2,350	66 2.435
	Mid 2021	6,161	5,893	53	5,840	2,145	70	190	5	2,410	48 2.445
Forecast	Mid 2025	6,310	6,038	55	5,983	2,207	90	191	5	2,493	50 2.422
	Mid 2035	6,840	6,545	62	6,483	2,406	141	205	5	2,757	56 2.374
	Mid 2045	7,580	7,247	69	7,178	2,645	224	240	5	3,114	63 2.327
Incremental	Mid 2011 - Mid 2016	-144	-137	-17	-120	6	1	20	-31	-4	-16
	Mid 2016 - Mid 2021	178	170	-20	190	40	-15	35	0	60	-18
	Mid 2021 - Mid 2025	149	145	2	143	62	20	1	0	83	2
	Mid 2025 - Mid 2035	530	507	7	500	199	51	14	0	264	6
	Mid 2025 - Mid 2045	1,270	1,209	14	1,195	438	134	49	0	621	13

^[1] Population includes the Census undercount estimated at approximately 4.6% and has been rounded.

^[2] Includes townhouses and apartments in duplexes.

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

Notes:

Numbers may not add due to rounding.

Source: Derived from the Middlesex County Growth Analysis Update, April 2025 for the Municipality of Southwest Middlesex, and discussions with Municipality of Southwest Middlesex staff regarding servicing and land supply by Watson & Associates Economists Ltd.



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

1. Unit Mix (Appendix A – Schedules 1 and 6)

- The housing unit mix for the Municipality was derived from a detailed review of historical development activity (as per Schedule 6), as well as active residential development applications and discussions with Municipal staff regarding anticipated development trends for the Municipality of Southwest Middlesex.
- Based on the above indicators, the 2025 to 2045 household growth forecast for the Municipality is comprised of a unit mix of 70% low-density units (single detached and semi-detached), 22% medium-density (multiples except apartments) and 8% high-density (bachelor, 1-bedroom and 2-bedroom apartments).

2. Geographic Location of Residential Development (Appendix A – Schedule 2)

- Schedule 2 summarizes the anticipated amount, type, and location of development by area for the Municipality of Southwest Middlesex
- In accordance with forecast demand and available land supply, the amount and percentage of forecast housing growth between 2025 and 2045 by development location is summarized below.

Table 2-2
Municipality of Southwest Middlesex
Geographic Location of Residential Development

Development Location	Amount of Housing Growth, 2025 to 2045	Percentage of Housing Growth, 2025 to 2045
Municipal Serviced Area	530	85%
Non-Municipal Serviced Area	90	15%
Municipality of Southwest Middlesex	620	100%

Note: Figures may not sum precisely due to rounding.



3. Planning Period

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

4. Population in New Units (Appendix A – Schedules 3, 4 and 5)

- The number of housing units to be constructed by 2045 in the Municipality of Southwest Middlesex over the forecast period is presented in Table 3-1. Over the 2025 to 2045 forecast period, the Municipality is anticipated to average approximately 31 new housing units per year.
- Institutional population ^[1] is anticipated to increase by approximately 10 people between 2025 and 2045.
- Population in new units is derived from Schedules 3, 4 and 5, which incorporate historical development activity, anticipated units (see unit mix discussion) and average persons per unit (P.P.U.) by dwelling type for new units.
- Schedule 7a summarizes the average P.P.U. assumed for new housing units by age and type of dwelling based on Statistics Canada 2021 custom Census data for the Municipality of Southwest Middlesex. Due to data limitations, medium-density and high-density P.P.U. data was derived from Middlesex County, which includes the Municipality of Southwest Middlesex, and is outlined in Schedule 7b. The total calculated P.P.U. for all density types has been adjusted accordingly to account for the P.P.U. trends which have been recently experienced in both new and older units. Forecasted 25-year average P.P.U.s by dwelling type are as follows:
 - Low density: 2.501
 - Medium density: 2.323
 - High density: 1.881

^[1] Institutional population largely includes special care facilities such as nursing home or residences for senior citizens. A P.P.U. of 1.100 depicts 1-bedroom and 2-or-more-bedroom units in collective households.



5. Existing Units and Population Change (Appendix A – Schedules 3, 4, and 5)

- Existing households for mid-2025 are based on the 2021 Census households, plus estimated residential units constructed between mid-2021 to the beginning of the growth period, assuming a minimum six-month lag between construction and occupancy (see Schedule 3).
- The change in average occupancy levels for existing housing units is calculated in Schedules 3 through 5.^[1] The forecast population change in existing households over the 2025 to 2045 forecast period is forecast to decline by approximately 300.

6. Employment (Appendix A – Schedules 9a, 9b and 9c)

- The employment forecast provided herein is largely based on the activity rate method, which is defined as the number of jobs in the Municipality divided by the number of residents. Key employment sectors include primary, industrial, commercial/population-related, institutional, and work at home, which are considered individually below.
- 2016 employment data ^{[2],[3]} (place of work) for the Municipality of Southwest Middlesex is outlined in Schedule 9a. The 2016 employment base is comprised of the following sectors:
 - 90 primary (6%);
 - 315 work at home employment (21%);
 - 352 industrial (24%);
 - 448 commercial/population-related (30%); and
 - 285 institutional (19%).
- The 2016 employment by usual place of work, including work at home, is 1,490. An additional 210 employees have been identified for the

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

^[2] 2016 employment is based on Statistics Canada 2016 Place of Work Employment dataset by Watson & Associates Economists Ltd.

^[3] Statistics Canada 2021 Census place of work employment data has been reviewed. The 2021 Census employment results have not been utilized due to a significant increase in work at home employment captured due to Census enumeration occurring during the provincial COVID-19 lockdown from April 1, 2021 to June 14, 2021.



Municipality of Southwest Middlesex in 2016 that have no fixed place of work (N.F.P.O.W.).^[1]

- Total employment, including work at home and N.F.P.O.W. for the Municipality of Southwest Middlesex, is anticipated to reach approximately 2,230 by mid-2035 and 2,480 by 2045. This represents an employment increase of approximately 200 for the 10-year forecast period and 450 for the 20-year forecast period.
- Schedule 9b, Appendix A, summarizes the employment forecast, excluding work at home employment and N.F.P.O.W. employment, which is the basis for the D.C. employment forecast. The impact on municipal services from work at home employees has already been included in the population forecast. The need for municipal services related to N.F.P.O.W. employees has largely been included in the employment forecast by usual place of work (i.e., employment and gross floor area generated from N.F.P.O.W. construction employment). Furthermore, since these employees have no fixed work address, they cannot be captured in the non-residential G.F.A. calculation. Accordingly, work at home, and N.F.P.O.W. employees have been removed from the D.C.A. employment forecast and calculation.
- Total employment for the Municipality of Southwest Middlesex (excluding work at home and N.F.P.O.W. employment) is anticipated to reach approximately 1,600 by mid-2035 and 1,760 by 2045. This represents an employment increase of approximately 130 for the 10-year forecast period and 290 for the 20-year forecast period.

7. Non-Residential Sq.ft. Estimates (G.F.A.), Appendix A – Schedule 9b)

- Square footage estimates were calculated in Schedule 9b based on the following employee density assumptions:
 - 3,000 sq.ft. per employee for primary;
 - 1,500 sq.ft. per employee for industrial;
 - 500 sq.ft. per employee for commercial/population-related; and
 - 700 sq.ft. per employee for institutional employment.

^[2] No fixed place of work is defined by Statistics Canada as "persons who do not go from home to the same workplace location at the beginning of each shift. Such persons include building and landscape contractors, travelling salespersons, independent truck drivers, etc."



- The Municipal-wide incremental G.F.A. is anticipated to increase by 131,200 sq.ft. over the 10-year forecast period and 299,800 sq.ft. over the 20-year forecast period.
- In terms of percentage growth, the 2025 to 2045 incremental G.F.A. forecast by sector is broken down as follows:
 - Primary – 17%
 - industrial – 49%;
 - commercial/population-related – 17%; and
 - institutional – 16%.

8. Geographic Location of Non-Residential Development (Appendix A, Schedule 9c)

- Schedule 9c summarizes the anticipated amount, type and location of non-residential development by area for the Municipality of Southwest Middlesex.
- The amount and percentage of forecast total non-residential growth between 2025 and 2045 by development location is summarized below.

Table 3-3
Municipality of Southwest Middlesex
Geographic Location of Non-Residential Development

Development Location	Amount of Non-Residential G.F.A. (sq.ft.), 2025 to 2045	Percentage of Non-Residential G.F.A., 2025 to 2045
Municipal Serviced Area	235,500	79%
Non-Municipal Serviced Area	64,300	21%
Municipality of Southwest Middlesex	299,800	100%

Note: Figures may not sum precisely due to rounding



Chapter 3

The Approach to the Calculation of the Charge



3. The Approach to the Calculation of the Charge

3.1 Introduction

This chapter addresses the requirements of subsection 5 (1) of the D.C.A. with respect to the establishment of the need for service which underpins the D.C. calculation.

These requirements are illustrated schematically in Figure 3-1.

3.2 Services Potentially Involved

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

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

3.3 Increase in the Need for Service

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



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

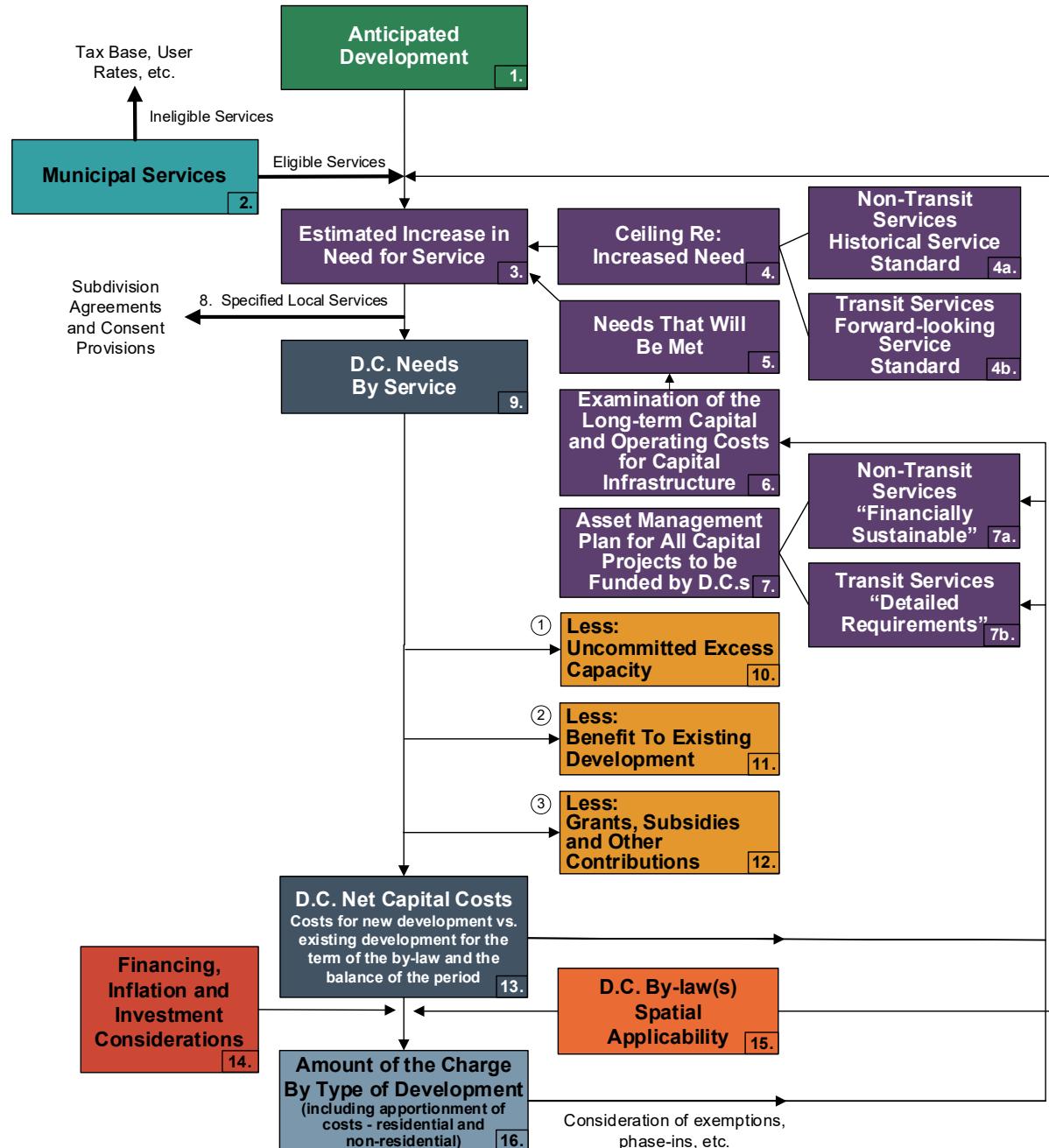




Table 3-1
Categories of Municipal Services to be Addressed as Part of the Calculation

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

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

[1] with 7+ year lifetime



Categories of Municipal Services	Eligibility for Inclusion in the D.C. Calculation	Service Components		Maximum Potential D.C. Recovery %
4. Fire Protection Services	Yes	4.1	Fire stations	100
	Yes	4.2	Fire pumpers, aerials and rescue vehicles ^[1]	100
	Yes	4.3	Small equipment and gear	100
5. Park Services (i.e., Parks and Open Space)	Ineligible	5.1	Acquisition of land for parks, woodlots and E.S.A.s	0
	Yes	5.2	Development of area municipal parks	100
	Yes	5.3	Development of district parks	100
	Yes	5.4	Development of municipal-wide parks	100
	Yes	5.5	Development of special purpose parks	100
	Yes	5.6	Parks rolling stock ^[1] and yards	100
6. Recreation Services	Yes	6.1	Arenas, indoor pools, fitness facilities, community centres, etc. (including land)	100
	Yes	6.2	Recreation amenities	100
	Yes	6.3	Recreation vehicles and equipment ^[1]	100
7. Library Services	No	7.1	Public library space (incl. furniture and equipment)	100
	n/a	7.2	Library vehicles ^[1]	100
	n/a	7.3	Library materials	100
8. Emergency Preparedness Services	n/a	8.1	Facility space (incl. furniture and equipment)	100
	n/a	8.2	Vehicles ^[1]	100
	n/a	8.3	Equipment	100
9. Electrical Power Services	Ineligible	9.1	Electrical substations	0
	Ineligible	9.2	Electrical distribution system	0
	Ineligible	9.3	Electrical system rolling stock	0

^[1] with 7+ year lifetime



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

^[1] with 7+ year lifetime



Categories of Municipal Services	Eligibility for Inclusion in the D.C. Calculation	Service Components	Maximum Potential D.C. Recovery %
19. Provincial Offences Act (P.O.A.)	No No	19.1 P.O.A. space 19.2 Vehicles and equipment ^[1]	100 100
20. Housing	Ineligible	20.1 Social Housing space	0
21. Ambulance	n/a n/a n/a	21.1 Ambulance station space 21.2 Vehicles[1] 21.3 Equipment and Gear	100 100 100
22. Hospital Provision	Ineligible	22.1 Hospital capital contributions	0
23. Provision of Headquarters for the General Administration of Municipalities and Area Municipal Boards	Ineligible Ineligible Ineligible	23.1 Office space 23.2 Office furniture 23.3 Computer equipment	0 0 0
24. Other Services	Yes No Yes	24.1 Studies in connection with acquiring buildings, rolling stock, materials and equipment, and improving land and facilities, including the D.C. background study cost 24.2 Land costs related to D.C.-eligible services 24.2 Interest on money borrowed to pay for growth-related capital	0-100 100 0-100

^[1] with a 7+ year lifetime

3.4 Local Service Policy

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



3.5 Capital Forecast

Paragraph 7 of subsection 5 (1) of the D.C.A. requires that “the capital costs necessary to provide the increased services must be estimated.” The Act goes on to require two potential cost reductions, and the regulation sets out the way in which such costs are to be presented. These requirements are outlined below.

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

The capital costs include:

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

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



3.6 Treatment of Credits

Section 8, paragraph 5, of O. Reg. 82/98 indicates that a D.C. background study must set out “the estimated value of credits that are being carried forward relating to the service.” Subsection 17, paragraph 4, of the same regulation indicates that “the value of the credit cannot be recovered from future D.C.s,” if the credit pertains to an ineligible service. This implies that a credit for eligible services can be recovered from future D.C.s. As a result, this provision should be made in the calculation, in order to avoid a funding shortfall with respect to future service needs. Credit obligations will be included in the D.C. calculations, if applicable.

3.7 Classes of Services

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

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

3.8 Existing Reserve Funds

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

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

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

For services that are subject to a per capita based, service level “cap,” the reserve fund balance should be applied against the development-related costs for which the charge was imposed once the project is constructed (i.e., the needs of recent growth). This



cost component is distinct from the development-related costs for the future forecast periods, which underlie the D.C. calculation herein.

The alternative would involve the Municipality spending all reserve fund monies prior to renewing each by-law, which would not be a sound basis for capital budgeting. Thus, the Municipality will use these reserve funds for the Municipality's cost share of applicable development-related projects, which are required but have not yet been undertaken, as a way of directing the funds to the benefit of the development that contributed them (rather than to future development, which will generate the need for additional facilities directly proportionate to future growth).

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

3.9 Deductions

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

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

The requirements behind each of these reductions are addressed below.

3.9.1 Reduction Required by Level of Service Ceiling

This is designed to ensure that the increase in need included in section 4.3 does "not include an increase that would result in the level of service [for the additional development increment] exceeding the average level of the service provided in the municipality over the 15-year period immediately preceding the preparation of the background study" (D.C.A., subsection 5 (1) 4). O. Reg. 82/98 (section 4) goes further to indicate that "both the quantity and quality of a service shall be taken into account in determining the level of service and the average level of service."

In many cases, this can be done by establishing a quantity measure in terms of units as floor area, land area, or road length per capita and a quality measure, in terms of the



average cost of providing such units based on replacement costs, engineering standards, or recognized performance measurement systems, depending on circumstances. When the quantity and quality factors are multiplied together, they produce a measure of the level of service which meets the requirements of the Act, i.e., cost per unit.

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

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

Note, to align with recent legislative changes introduced by Bill 60, land values have been excluded from the historical level of service calculations.

3.9.2 Reduction for Uncommitted Excess Capacity

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

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

3.9.3 Reduction for Benefit to Existing Development

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



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

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

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

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



As per recent legislative changes introduced by Bill 60, further details regarding the approach to calculating the benefit to existing deductions by service are provided in Appendix G.

3.9.4 Reduction for Anticipated Grants, Subsidies and Other Contributions

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

3.10 Municipal-wide vs. Area Rating

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

3.11 Allocation of Development

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

3.12 Asset Management

The legislation now requires that a D.C. background study must include an asset management plan (A.M.P.) (subsection 10 (2) c. 2). The A.M.P. must deal with all assets that are proposed to be funded, in whole or in part, by D.C.s. The current regulations provide very extensive and specific requirements for the A.M.P. related to



transit services (as noted in the subsequent subsection); however, they are silent with respect to how the A.M.P. is to be provided for all other services. As part of any A.M.P., the examination should be consistent with the municipality's existing assumptions, approaches, and policies on asset management planning. This examination has been included in Appendix F.

3.13 Transit

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

- The Background Study requires the following in regard to transit costs (as per subsection 8 (2) of the Regulations):
 - The calculations that were used to prepare the estimate for the planned level of service for the transit services, as mentioned in subsection 5.2 (3) of the Act.
 - i. An identification of the portion of the total estimated capital cost relating to the transit services that would benefit,
 - ii. the anticipated development over the 10-year period immediately following the preparation of the background study, or
 - iii. the anticipated development after the 10-year period immediately following the preparation of the background study.
 - An identification of the anticipated excess capacity that would exist at the end of the 10-year period immediately following the preparation of the background study.
 - An assessment of ridership forecasts for all modes of transit services proposed to be funded by the D.C. over the 10-year period immediately following the preparation of the background study, categorized by development types, and whether the forecasted ridership will be from existing or planned development.
 - An assessment of the ridership capacity for all modes of transit services proposed to be funded by the D.C. over the 10-year period immediately following the preparation of the background study.
- A forward-looking service standard (as per 6.1(2) of the Regulations):
 - The service is a discrete service.



- No portion of the service that is intended to benefit anticipated development after the 10-year period immediately following the preparation of the background study may be included in the estimate.
- No portion of the service that is anticipated to exist as excess capacity at the end of the 10-year period immediately following the preparation of the background study may be included in the estimate.
- A detailed asset management strategy and reporting requirements (subsection 6.1 (3) of the Regulation) that includes lifecycle costs, action plans that will enable the assets to be sustainable, summary of how to achieve the proposed level of service, discussion on procurement measures and risk.

The Municipality does not currently provide transit services; therefore, the above calculations and reporting requirements are not required.



Chapter 4

D.C.-Eligible Cost Analysis by Service



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

4.1 Introduction

This chapter outlines the basis for calculating eligible costs for the D.C.s to be applied on a uniform basis. In each case, the required calculation process set out in subsection 5 (1) paragraphs 2 to 7 in the D.C.A. and described in Chapter 3, was followed in determining D.C. eligible costs.

The service component is evaluated on two format sheets:

- The service standards that provide the average historical 15-year level of service calculation (see Appendix B), which “caps” the D.C. amounts; and
- The infrastructure cost calculation, which determines the potential D.C. recoverable cost.

Note that due to recent legislative amendments to the D.C.A. and O.Reg. 82/98, the value of land has been excluded from the 15-year level of service analysis. In addition, further explanation as to the methodology for determining the capital costs and the benefit to existing deductions are provided in Appendix G.

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

4.2 Service Levels and Municipal Serviced Areas 20-Year (2025 – 2045) Capital Costs for Southwest Middlesex’s D.C. Calculation

This section evaluates the development-related capital requirements for water and wastewater services in the municipal serviced areas of the Municipality.



4.2.1 Wastewater Services

Based on WSP's 2022 Water and Wastewater Master Servicing Plan (M.S.P.) and updated capital information provided by staff, three wastewater projects have been identified as required to support anticipated growth to 2045 within the municipal serviced areas. The total gross capital cost for these works is \$6.31 million.

The capital program includes the Glencoe Force main and Victoria Sanitary Pump Station. The Municipality's M.S.P. identifies this project as an upgrade to accommodate both existing system demands and future growth in the Glencoe area. Therefore, a deduction representing the share of the project that benefits existing development has been applied, resulting in a growth-related cost of \$2.0 million.

The program also includes the Industrial Road Sanitary Pump Station, which will service developments in the area. The gross cost of \$1.8 million has been reduced by potential grant funding and a benefit-to-existing deduction, resulting in \$311,900 being included as the D.C.-recoverable portion.

The final project is the oversizing component of the Stella Subdivision Pump Station, which is required to provide capacity for the broader area. The oversizing cost of \$509,000 is fully attributable to growth and included in the D.C. calculations.

After accounting for all deductions, the net growth-related wastewater capital cost included in the D.C. calculations is \$2.82 million.

The growth costs have been allocated 82% to residential development and 18% to non-residential development based on the incremental growth in population to employment, for the municipal serviced areas over the 20-year forecast period.



Table 4-1
Infrastructure Cost Included in the Development Charges Calculation
Wastewater Services

Proj. No.	Increased Service Needs Attributable to Anticipated Development Municipal Serviced Area 2025 to 2045	Timing (year)	Gross Capital Cost Estimate (2025\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 82%	Non- Residential Share 18%
1	Glencoe Force main and Victoria Sanitary Pump Station	2025-2026	\$4,000,000	-		4,000,000	2,000,000		2,000,000	1,640,000	360,000
2	Industrial Road Sanitary Pump Station	2025-2027	\$1,800,000	-		1,800,000	65,100	1,423,000	311,900	255,758	56,142
3	Stella Subdivision Pumpstation (Oversizing Component)	2025	\$509,000	-		509,000	-		509,000	417,380	91,620
Total			6,309,000	-	-	6,309,000	2,065,100	1,423,000	2,820,900	2,313,138	507,762



4.2.2 Water Services

Similar to wastewater, the capital works identified herein are based on the Municipality's 2022 M.S.P. and updated capital information provided by staff. A total of four water-related capital projects have been identified as necessary to support anticipated growth within the municipal service areas to 2045. The total gross capital cost for these works is \$9.71 million.

The capital program includes an in-line booster pumping station for Appin, a new 200mm watermain in Appin, a 250mm watermain along Main Street, and a 200mm watermain on Industrial Drive. These projects were identified in the M.S.P. and are required to support future growth. The gross capital cost of these projects is \$9.71 million and has been reduced by \$2.49 million to reflect the benefit to existing development, resulting in a growth-related recoverable cost of \$7.22 million.

The growth costs have been allocated 82% to residential development and 18% to non-residential development based on the incremental growth in population to employment, for the municipal serviced areas 20-year forecast period.



Table 4-2
Infrastructure Cost Included in the Development Charges Calculation
Water Services

Proj. No.	Increased Service Needs Attributable to Anticipated Development Municipal Serviced Area 2025 to 2045	Timing (year)	Gross Capital Cost Estimate (2025\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 82%	Non- Residential Share 18%
1	In-line booster pumping station for Appin	2032	\$3,420,000	-		3,420,000	1,710,000		1,710,000	1,402,200	307,800
2	Adding a 200mm watermain in Appin in proposed easement west of Thames Road, approx 1000m in length	2033	\$1,560,000	-		1,560,000	780,000		780,000	639,600	140,400
3	Adding a 250mm watermain (approximately 350m in length) on Main St. between Industrial Rd. and Parkhouse Dr., serving as a second connection to the Village of Glencoe.	2028	\$1,350,000	-		1,350,000	-		1,350,000	1,107,000	243,000
4	Adding a 200mm watermain (approximately 1100m in length) extending the existing watermain on Industrial Dr. to the south of Main St. and connecting to the existing dead-ended watermain on Tanya Dr.	2029	\$3,375,000	-		3,375,000	-		3,375,000	2,767,500	607,500
Total			9,705,000	-	-	9,705,000	2,490,000	-	7,215,000	5,916,300	1,298,700



4.3 Service Levels and Municipal-wide 20-Year (2025 – 2045) Capital Costs for Southwest Middlesex’s D.C. Calculation

This section evaluates the development-related capital requirements for services with capital costs forecast on a Municipal-wide 20-year (2025-2045) forecast basis (i.e. for all areas of the Municipality).

4.3.1 Services Related to a Highway

4.3.1.1 Services Related to a Highway – Roads and Related

The Municipality owns and maintains:

- 1.75 km of concrete roads;
- 19.60 km of hot mix roads;
- 346 km of gravel roads;
- 39.30 km of tar and chip roads;
- 13 bridges;
- 68 culverts;
- 26 km of sidewalks;
- 456 streetlights; and
- 20 concrete streetlight poles.

This provides an average level of investment of \$24,514 per capita, resulting in a D.C.-eligible recovery amount of approximately \$24.96 million over the municipal wide 20-year (2025–2045) forecast period.

With respect to future growth-related roads and related needs, the Municipality’s capital program has been developed based on the works identified by staff as necessary to support development over the 20-year forecast period. The program includes infrastructure upgrades consisting of roadway improvements and associated streetlighting enhancements to meet required service levels as growth occurs. The total capital cost associated with these works is \$704,000.

The residential/non-residential capital cost allocation for all services related to a highway is 81% residential and 19% non-residential based on the incremental growth in population to employment for the municipal-wide 20-year forecast period.



Table 4-3
Infrastructure Cost Included in the Development Charges Calculation
Services Related to a Highway - Roads and Related

Proj. No.	Increased Service Needs Attributable to Anticipated Development 2025 to 2045	Timing (year)	Gross Capital Cost Estimate (2025\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 81%	Non- Residential Share 19%
1	Infrastructure Upgrades	2026-2035	704,000	-		704,000	-		704,000	570,240	133,760
	Total		704,000	-	-	704,000	-	-	704,000	570,240	133,760



4.3.1.2 Public Works – Facilities and Fleet

The Municipality's Public Works department operates out of a combined space of 27,030 sq.ft. of building area, providing an average level of service of \$1,133 per capita. This level of service provides the Municipality with a maximum D.C.-eligible amount for recovery over the 20-year forecast period of \$1.37 million.

The Public Works Department currently maintains an inventory of 33 vehicles and major equipment totalling \$6.90 million. This inventory provides for an average level of service of \$849 per capita. Over the forecast period, the D.C.-eligible amount for vehicles and equipment is \$1.03 million.

Based on the above, the maximum D.C.-eligible amount for public works is approximately \$2.40 million.

Based on the anticipated growth within the Municipality over the 20-year forecast period, two growth-related capital items have been identified to support the Municipality's Public Works operations. These include the acquisition of a single axle truck and a trackless snow plow, both required to maintain service levels as the road network expands with new development. The total gross capital cost associated with these items is \$535,000. A deduction of \$192,500 has been applied to reflect the portion of the single axle truck that benefits existing development. As a result, the net growth-related capital cost included in the D.C. calculations is \$342,500.

The residential/non-residential capital cost allocation for public works is based on an 81% residential/19% non-residential split, which is based on the ratio of incremental growth in population to employment for the municipal-wide 20-year forecast period.



Table 4-4
Infrastructure Cost Included in the Development Charges Calculation
Services Related to a Highway - Public Works

Proj. No.	Increased Service Needs Attributable to Anticipated Development 2025 to 2045	Timing (year)	Gross Capital Cost Estimate (2025\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 81%	Non- Residential Share 19%
1	Single Axle Truck	2027-2035	385,000	-		385,000	192,500		192,500	155,925	36,575
2	Trackless Snow Plow	2027-2035	150,000	-		150,000	-		150,000	121,500	28,500
	Total		535,000	-	-	535,000	192,500	-	342,500	277,425	65,075



4.3.2 Fire Protection Services

The Municipality currently operates its fire services from two stations, totalling 13,327 sq.ft. of facility space. The facility space provided over the historical 15-year period provides for an average level of service of 2.19 sq.ft. or an investment of \$1,466 per capita. With respect to fire facilities, this level of service provides the Municipality with a maximum D.C.-eligible amount for recovery over the forecast period of approximately \$1.77 million.

The fire department has a current inventory of 7 vehicles. The total D.C.-eligible amount calculated for fire vehicles over the forecast period is approximately \$1.0 million, based on an average level of service of \$825 per capita. In addition, the fire department provides 239 items of equipment and gear for use in fire services. Based on the level of service provided over the historical 15-year period, the calculated average level of service is \$239 per capita, providing for a D.C.-eligible amount over the forecast period of \$288,673 for small equipment and gear.

In total, the D.C.-eligible amount for fire services is approximately \$3.06 million.

Based on the anticipated growth over the 20-year forecast period, the Municipality has identified several capital needs related to Fire Services. These works include a new fire station in Wardsville, upgrades to existing tankers and pumpers, a new utility vehicle, and additional gear and communication equipment required to support expanded staffing levels as growth occurs. The total gross capital cost of the identified projects is \$6.56 million. Deductions have been applied to recognize the portion of certain projects that benefit existing development. These benefit-to-existing deductions total \$2.17 million, primarily associated with the new Wardsville Fire Station, as well as benefit to existing allocations for tanker and pumper upgrades. A post-period benefit deduction of \$2.79 million has been made to recognize projects that will serve growth beyond 2045 (primarily associated with the new Wardsville Fire Station, based on the relationship between projected growth needs and facility area).

After accounting for the benefit-to-existing and post period benefit, the net growth-related capital cost included in the D.C. calculations is \$1.59 million.

These costs are shared between residential and non-residential growth based on the population to employment growth ratio over the forecast period, resulting in an 81%



allocation to residential development and 19% allocation to non-residential development.



Table 4-5
Infrastructure Cost Included in the Development Charges Calculation
Fire Protection Services

Proj. No.	Increased Service Needs Attributable to Anticipated Development 2025 to 2045	Timing (year)	Gross Capital Cost Estimate (2025\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 81%	Non- Residential Share 19%
1	Wardsville Fire Station	2026-2030	3,500,000	2,142,800		1,357,200	1,129,800		227,400	184,194	43,206
2	Pumper/Rescue - Glencoe	2025	900,000	-		900,000	-		900,000	729,000	171,000
3	Tanker Upgrade - Glencoe	2032	600,000	-		600,000	360,000		240,000	194,400	45,600
4	Tanker Upgrade - Wardsville	2030	600,000	217,000		383,000	360,000		23,000	18,630	4,370
5	Pumper Upgrade - Wardsville	2027	800,000	433,900		366,100	320,000		46,100	37,341	8,759
6	New Utility Vehicle (pick-up truck)	2026	70,000	-		70,000	-		70,000	56,700	13,300
7	Additional Fire Fighter Gear (10)	2025-2031	62,000	-		62,000	-		62,000	50,220	11,780
8	Additional Pagers (10)	2025-2031	9,000	-		9,000	-		9,000	7,290	1,710
9	Additional Portable Radios (5)	2025-2031	15,000	-		15,000	-		15,000	12,150	2,850
	Total		6,556,000	2,793,700	-	3,762,300	2,169,800	-	1,592,500	1,289,925	302,575



4.4 Service Levels and 10-Year Capital Costs for Southwest Middlesex's D.C. Calculation

This section evaluates the development-related capital requirements for those services with 10-year capital costs.

4.4.1 *Growth Studies*

Growth studies would be considered a class of service under the D.C.A. and comprise studies related to D.C.-eligible services. The Municipality has identified the need for several studies to support long-term planning and the implementation of growth-related infrastructure. These include periodic D.C. studies, updates to the Official Plan and Zoning By-law, a Fire Master Plan, studies related to Parks and Recreation, roads need study, and master servicing plan studies.

The total gross capital cost of the identified studies is \$620,000. Deductions of \$18,000 have been made to recognize the share of certain studies that benefit non-D.C.-eligible services. In addition, deductions of \$166,000 have been made to account for the portion of the studies that benefit existing development. No further adjustments have been made to post-period benefit. As a result, the net growth-related capital cost included in the D.C. calculations is \$436,000.

These costs are shared between residential and non-residential growth based on the following shares, which align with the shares utilized for the respective service categories:

- Parks and Recreation studies: 95% residential development/5% non-residential development (allocation to recognize minor benefit to the non-residential sector);
- Service Related to a Highway and Fire studies: 81% residential development/19% non-residential development (population to employment growth ratio over 20-year forecast period);
- Stormwater, Water and Wastewater studies: 82% residential development/12% non-residential development (population to employment growth ratio over the Municipal Serviced Area 20-year forecast period); and
- All other studies: 80% residential development/20% non-residential development (population to employment growth ratio over 10-year forecast period).



Table 4-6
Infrastructure Cost Included in the Development Charges Calculation
Growth Studies

Proj. No.	Increased Service Needs Attributable to Anticipated Development 2025 to 2035	Timing (year)	Service to Which Project Relates	Gross Capital Cost Estimate (2025\$)	Post Period Benefit	Other Deductions (to recognize benefit to non-D.C. services)	Net Capital Cost	Less:		Total	Potential D.C. Recoverable Cost	
								Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development		Residential Share	Non- Residential Share
								Service Specific				
1	Development Charges Study	2025	All services	50,000	-		50,000	-		50,000	40,000	10,000
2	Development Charges Study	2030	All services	50,000	-		50,000	-		50,000	40,000	10,000
3	Official Plan	2027	All services	100,000	-	10,000	90,000	45,000		45,000	36,000	9,000
4	Fire Master Plan	2028	Fire	50,000	-		50,000	12,500		37,500	30,375	7,125
5	Community Risk Assessment	2027	Parks & Recreation	10,000	-	1,000	9,000	4,500		4,500	4,275	225
6	Zoning By-law Update	2026	All services	20,000	-	2,000	18,000	9,000		9,000	7,200	1,800
7	Facilities and Recreation Master Plan	2031-2041	Parks & Recreation	50,000	-		50,000	12,500		37,500	35,625	1,875
8	Strategic Plan	2027	All Services	50,000	-	5,000	45,000	22,500		22,500	18,000	4,500
9	Roads Needs Study	2025-2033	Roads	90,000	-		90,000	22,500		67,500	54,675	12,825
10	Southwest Middlesex Master Servicing Plan	2025-2032	Stormwater, Water, Wastewater	90,000	-		90,000	22,500		67,500	55,350	12,150
11	Wardsville Stormwater Sewer Study	2026-2031	Stormwater	60,000	-		60,000	15,000		45,000	36,900	8,100
	Total			620,000	-	18,000	602,000	166,000	-	436,000	358,400	77,600



4.4.2 Parks and Recreation Services

The Municipality currently has 32.18 acres of parkland. This inventory consists of active parkland, active with trails, and passive parkland. The inventory provided over the previous 15-year period results in a calculated average level of service of 5.2 acres of parkland per 1,000 population.

The Municipality also provides 142 parkland amenities (e.g. playground equipment, skate park, tennis courts, splash pad, etc.). Over the historical 15-year period, the Municipality provided an average of 24.30 parkland amenities per 1,000 population.

With respect to recreation facilities, there are four facilities that provide the Municipality with 44,693 sq.ft. of recreation facility space. Based on the inventory of space over the historical 15-year period (2010 to 2024), the Municipality has provided an average of 7.66 sq.ft. of space per capita, or an investment of \$5,465 per capita.

The Municipality utilizes 8 vehicles and pieces of equipment to service the parks and recreation facilities. Over the historical 15-year period, the Municipality has provided an average level of service of 1.2 vehicles per 1,000 population. This level of service translates to an average investment of \$123 per capita.

Based on the average levels of service noted above, the Municipality's total D.C. eligible amount related to parks and recreation is \$4.00 million.

Based on projected growth and anticipated developments over the forecast period, the Municipality has identified capital needs related to the development of future parks, as well as a supporting vehicle to service the new parks. The total gross capital cost of these works is \$310,000. A deduction of \$35,000 has been applied to recognize the portion of the vehicle that benefits existing development. No deductions have been made for post-period benefit or other recoveries. As a result, the net growth-related capital cost included in the D.C. calculations is \$275,000.

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



Table 4-7
Infrastructure Cost Included in the Development Charges Calculation
Parks and Recreation Services

Proj. No.	Increased Service Needs Attributable to Anticipated Development 2025 to 2035	Timing (year)	Gross Capital Cost Estimate (2025\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 95%	Non- Residential Share 5%
1	Development of Parkland	2025-2034	240,000	-		240,000	-		240,000	228,000	12,000
2	Additional pick up truck	2028	70,000	-		70,000	35,000		35,000	33,250	1,750
	Total		310,000	-	-	310,000	35,000	-	275,000	261,250	13,750



5. D.C. Calculation

This chapter outlines the D.C. calculations for residential and non-residential developments using the D.C.-eligible costs for each service component that were identified in Chapter 4, based on their proposed capital programs.

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

For the residential calculations, the total cost is divided by the “gross” (new resident) population to determine the per capita amount. The D.C.-eligible cost calculations set out in Chapter 5 are based on the net anticipated population increase (the forecast new unit population plus the anticipated rise in existing units). The cost per capita is then multiplied by the average occupancy of the new units (Appendix A, Schedule 4) to calculate the charge in Tables 5-1 through 5-3.

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

The following provides a summary of the contents of each Table included in this chapter:

- Table 5-1 presents the proposed D.C. to be imposed for infrastructure services (water and wastewater) in the municipal serviced areas over the 20-year (2025–2045) planning horizon.
- Table 5-2 presents the proposed uniform D.C. to be imposed on anticipated development in the Municipality for Municipal-wide services over the 20-year (2025–2045) planning horizon.
- Table 5-3 presents the proposed uniform D.C. to be imposed on anticipated development in the Municipality for Municipal-wide services and classes over a 10-year planning horizon.
- Table 5-4 summarizes the total D.C. that is applicable for all services.



- Table 5-5 summarizes the gross capital expenditures and sources of revenue for works to be undertaken during the life of the by-law.
- Table 5-6 summarizes the proposed residential and non-residential Development Charges.



Table 5-1
Municipality of Southwest Middlesex
Development Charge Calculation
Municipal Serviced Areas
2025-2045

SERVICE/CLASS	2025\$ D.C.-Eligible Cost		2025\$ D.C.-Eligible Cost	
	Residential	Non-Residential	S.D.U.	per sq.ft.
1. <u>Wastewater Services</u>	\$	\$	\$	\$
1.1 Treatment plants & Sewers	2,313,138	507,762	4,520	2.16
	2,313,138	507,762	4,520	2.16
2. <u>Water Services</u>				
2.1 Treatment, storage and distribution systems	5,916,300	1,298,700	11,560	5.51
	5,916,300	1,298,700	11,560	5.51
TOTAL	\$8,229,438	\$1,806,462	\$16,080	\$7.67
D.C.-Eligible Capital Cost		\$8,229,438	\$1,806,462	
Municipal Serviced 20-Year Gross Population/GFA Growth (sq.ft.)		1,280	235,500	
Cost Per Capita/Non-Residential GFA (sq.ft.)	\$6,429.25		\$7.67	
By Residential Unit Type	P.P.U.			
Single and Semi-Detached Dwelling	2.501	\$16,080		
Other Multiples	2.323	\$14,935		
Apartments - 2 Bedrooms +	2.194	\$14,106		
Apartments - Bachelor and 1 Bedroom	1.397	\$8,982		
Special Care/Special Dwelling Units	1.100	\$7,072		

Table 5-2
Municipality of Southwest Middlesex
Development Charge Calculation
Municipal-wide Services
2025-2045

SERVICE/CLASS	2025\$ D.C.-Eligible Cost		2025\$ D.C.-Eligible Cost	
	Residential	Non-Residential	S.D.U.	per sq.ft.
3. <u>Services Related to a Highway</u>	\$	\$	\$	\$
3.1 Roads and Related	570,240	133,760	942	0.46
3.2 Public Works	277,425	65,075	459	0.22
	847,665	198,835	1,401	0.68
4. <u>Fire Protection Services</u>				
4.1 Fire facilities, vehicles & equipment	1,289,925	302,575	2,132	1.00
	1,289,925	302,575	2,132	1.00
TOTAL	\$2,137,590	\$501,410	\$3,533	\$1.68
D.C.-Eligible Capital Cost		\$2,137,590	\$501,410	
20-Year Gross Population/GFA Growth (sq.ft.)		1,513	299,800	
Cost Per Capita/Non-Residential GFA (sq.ft.)	\$1,412.82		\$1.68	
By Residential Unit Type	P.P.U.			
Single and Semi-Detached Dwelling	2.501	\$3,533		
Other Multiples	2.323	\$3,282		
Apartments - 2 Bedrooms +	2.194	\$3,100		
Apartments - Bachelor and 1 Bedroom	1.397	\$1,974		
Special Care/Special Dwelling Units	1.100	\$1,554		



Table 5-3
Municipality of Southwest Middlesex
Development Charge Calculation
Municipal-wide Services and Classes
2025-2034

SERVICE/CLASS	2025\$ D.C.-Eligible Cost		2025\$ D.C.-Eligible Cost	
	Residential	Non-Residential	S.D.U.	per sq.ft.
5. <u>Parks and Recreation Services</u> Park development, amenities, recreation 5.1 facilities, vehicles, and equipment	261,250	13,750	1,005	0.11
	261,250	13,750	1,005	0.11
6. <u>Growth Studies</u> 6.1 Growth Studies	358,400	77,600	1,379	0.59
	358,400	77,600	1,379	0.59
TOTAL	\$619,650	\$91,350	\$2,384	\$0.70
D.C.-Eligible Capital Cost		\$619,650	\$91,350	
10-Year Gross Population/GFA Growth (sq.ft.)		650	131,200	
Cost Per Capita/Non-Residential GFA (sq.ft.)	\$953.31	\$0.70		
By Residential Unit Type	P.P.U.			
Single and Semi-Detached Dwelling	2.501	\$2,384		
Other Multiples	2.323	\$2,215		
Apartments - 2 Bedrooms +	2.194	\$2,092		
Apartments - Bachelor and 1 Bedroom	1.397	\$1,332		
Special Care/Special Dwelling Units	1.100	\$1,049		

Table 5-4
Municipality of Southwest Middlesex
Development Charge Calculation
Total All Services and Classes

	2025\$ D.C.-Eligible Cost		2025\$ D.C.-Eligible Cost	
	Residential	Non-Residential	S.D.U.	per sq.ft.
Municipal Serviced Area-wide Services/Classes 20-Year	\$ 8,229,438	\$ 1,806,462	\$ 16,080	7.67
Municipal-wide Services/Classes 20 Year	2,137,590	501,410	3,533	1.68
Municipal-wide Services/Classes 10 Year	619,650	91,350	2,384	0.70
TOTAL	10,986,678	2,399,222	21,997	10.05



Table 5-5
Municipality of Southwest Middlesex
Gross Expenditure and Sources of Revenue Summary for Costs to be Incurred over the Life of the By-law

Service/Class	Total Gross Cost	Sources of Financing					
		Tax Base or Other Non-D.C. Source			Post D.C. Period	D.C. Reserve Fund	
		Other Deductions	Benefit to Existing	Other Funding		Residential	Non-Residential
1. Wastewater Services							
1.1 Treatment plants & Sewers	6,309,000	-	2,065,100	1,423,000	-	2,313,138	507,762
2. Water Services							
2.1 Treatment, storage and distribution systems	9,705,000	-	2,490,000	-	-	5,916,300	1,298,700
3. Services Related to a Highway							
3.1 Roads and Related	640,000	-	-	-	-	518,400	121,600
3.2 Public Works	475,556	-	171,111	-	-	246,600	57,844
4. Fire Protection Services							
4.1 Fire facilities, vehicles & equipment	6,556,000	-	2,169,800	-	2,793,700	1,289,925	302,575
5. Parks and Recreation Services							
5.1 Park development, amenities, recreation facilities, vehicles, and equipment	310,000	-	35,000	-	-	261,250	13,750
6. Growth Studies							
6.1 Growth Studies	590,000	18,000	158,500	-	-	337,025	76,475
Total Expenditures & Revenues	\$24,585,556	\$18,000	\$7,089,511	\$1,423,000	\$2,793,700	\$10,882,638	\$2,378,706



Table 5-6
Municipality of Southwest Middlesex
Schedule of Development Charges

Service/Class of Service	RESIDENTIAL				NON-RESIDENTIAL (per sq.ft. of Gross Floor Area)
	Single and Semi- Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	
Municipal Wide Services/Class of Service:					
Services Related to a Highway	1,401	1,301	1,229	783	0.68
Fire Protection Services	2,132	1,980	1,870	1,191	1.00
Parks and Recreation Services	1,005	933	882	561	0.11
Growth Studies	1,379	1,281	1,210	770	0.59
Total Municipal Wide Services/Class of Services	5,917	5,495	5,191	3,305	2.38
Infrastructure Services:					
Wastewater Services	4,520	4,198	3,965	2,525	2.16
Water Services	11,560	10,737	10,141	6,457	5.51
Total Infrastructure Services	16,080	14,935	14,106	8,982	7.67
GRAND TOTAL NON-MUNICIPAL SERVICED AREA	5,917	5,495	5,191	3,305	2.38
GRAND TOTAL MUNICIPAL SERVICED AREA	21,997	20,430	19,297	12,287	10.05



Chapter 6

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



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

6.1 Introduction

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

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

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

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

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

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

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



6.2 D.C. By-law Structure

It is recommended that:

- the Municipality uses a uniform Municipal-wide D.C. calculation for all municipal services, except for water and wastewater services;
- water and wastewater services be imposed on the municipal serviced areas of the Municipality ; and
- one municipal D.C. by-law be used for all services.

6.3 D.C. By-law Rules

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

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

6.3.1 *Payment in any Particular Case*

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

- “(a) the passing of a zoning by-law or of an amendment to a zoning by-law under section 34 of the Planning Act;
- (b) the approval of a minor variance under section 45 of the Planning Act;
- (c) a conveyance of land to which a by-law passed under subsection 50 (7) of the Planning Act applies;
- (d) the approval of a plan of subdivision under section 51 of the Planning Act;
- (e) a consent under section 53 of the Planning Act;
- (f) the approval of a description under section 9 of the Condominium Act, 1998; or
- (g) the issuing of a permit under the Building Code Act, 1992 in relation to a building or structure.”



6.3.2 *Determination of the Amount of the Charge*

The following conventions be adopted:

- 1) Costs allocated to residential uses will be assigned to different types of residential units based on the average occupancy for each housing type constructed during the previous decade. Costs allocated to non-residential uses will be assigned based on the number of square feet of G.F.A. constructed for eligible uses (i.e., industrial, commercial, and institutional).
- 2) Costs allocated to residential and non-residential uses are based upon a number of conventions, as may be suited to each municipal circumstance, e.g.
 - For water and wastewater services, a 82% residential/18% non-residential allocation has been made based on the ratio of population vs. employment growth over the municipal serviced area 20-year forecast period;
 - For services related to a highway and fire protection services, a 81% residential/19% non-residential allocation has been made based on the ratio of population vs. employment growth ratio over the 20-year forecast period;
 - For parks and recreation, a 5% non-residential attribution has been made to recognize use by the non-residential sector; and
 - With respect to growth studies (i.e. class of D.C.-eligible services), the residential/non-residential allocation is based on the allocation identified above for the D.C.-eligible service (e.g. parks and recreation studies would be based on a 95% residential/5% non-residential allocation based on the above).

6.3.3 *Application to Redevelopment of Land (Demolition and Conversion)*

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 D.C.s 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 D.C.s 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 D.C. in the 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
- 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 D.C.s in the by-law 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 D.C.s otherwise payable with respect to the redevelopment.

6.3.4 *Exemptions (full or partial)*

- Statutory exemptions:
- industrial building additions of up to and including 50% of the existing G.F.A. (defined in O. Reg. 82/98, section 1) of the building; for industrial building additions that exceed 50% of the existing G.F.A., only the portion of the addition in excess of 50% is subject to D.C.s (subsection 4 (3) of the D.C.A.);
- buildings or structures owned by and used for the purposes of any municipality, local board, or Board of Education (section 3);
- may add up to 2 apartments in an existing or new detached, semi-detached, or rowhouse (including in an ancillary structure);
- add one additional unit or 1% of existing units in an existing rental residential building;
- a university in Ontario that receives direct, regular, and ongoing operating funding from the Government of Ontario;
- affordable units;
- attainable units (to be in force at a later date);
- affordable inclusionary zoning units;
- non-profit housing;
- long-term care homes; and



- discount for rental housing units based on bedroom size (i.e. three or more bedrooms – 25% reduction, two bedrooms – 20% reduction, and all others – 15% reduction).
- Discretionary discounts for Council's consideration:
- 50% rate reduction for qualifying Industrial buildings.
- Discretionary exemptions for Council's consideration:
- Non-residential farm buildings.

6.3.5 Timing of Collection

The D.C.s for all services and classes are payable upon issuance of a building permit for each dwelling unit, building, or structure, subject to early or late payment agreements entered into by the Municipality and an owner under s. 27 of the D.C.A.

D.C.s payable for residential development (other than rental housing, which are subject to payment in instalments) are payable upon the earlier of the issuance of an occupancy permit, or the day the building is first occupied.

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

The D.C. amount for all developments occurring within 18 months of a Site Plan or Zoning By-law Amendment planning approval (for applications submitted after January 1, 2020), shall be determined based on the lower of the D.C. in effect on the day the applicable Site Plan or Zoning By-law Amendment application was submitted (as a complete application), including interest, and the D.C. at current rates at the time the D.C. is payable.

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

6.3.6 The Applicable Areas

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



- All municipal-wide services/classes – the full residential and non-residential charges will be imposed on all lands within the Municipality; and
- Water and wastewater – the full residential and non-residential charge will be imposed on the municipal serviced areas of the Municipality.

6.3.7 *Indexing*

Rates shall be adjusted, without amendment to the By-law, annually on January 1, in accordance with the Statistics Canada Quarterly, Non-Residential Building Construction Price Index (Table 18-10-0276-02).¹

6.4 Other D.C. By-law Provisions

It is recommended that:

6.4.1 *Categories of Services for Reserve Fund and Credit Purposes*

It is recommended that the Municipality create new reserve funds for: Water Services, Wastewater Services, Fire Protection Services, Parks and Recreation Services, Growth Studies, and Services Related to a Highway. Appendix D outlines the reserve fund policies that the Municipality is required to follow as per the D.C.A.

6.4.2 *By-law In-force Date*

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

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

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

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



6.4.4 Area Rating

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

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

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

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

1. All Municipality services, with the exception of water and wastewater, require that the average 15-year service standard be calculated. This average service standard multiplied by growth in the Municipality, establishes an upper ceiling on the amount of funds that can be collected from all developing landowners. Section 4 (4) of O. Reg. 82/98 provides that “if a development charge by-law applies to a part of the municipality, the level of service and average level of service cannot exceed that which would be determined if the by-law applied to the whole municipality.” Put in layman terms, the average service standard multiplied by the growth within the specific area would establish an area-specific ceiling which would significantly reduce the total revenue recoverable for the Municipality hence potentially resulting in D.C. revenue shortfalls and impacts on property taxes.
2. Expanding on item 1, attempting to impose an area charge potentially causes equity issues in transitioning from a Municipal-wide approach to an area-specific approach. For example, if all services were now built (and funded) within Area A



(which is 75% built out) and this was funded with some revenues from Areas B and C, moving to an area-rating approach would see Area A contribute no funds to the costs of services in Areas B and C. The D.C.s would be lower in Area A (as all services are now funded) and higher in Areas B and C. As well, funding shortfalls may then potentially encourage the municipality to provide less services to Areas B and C due to reduced revenue.

3. Many services provided (roads, parks and recreation facilities, etc.) are not restricted to one specific area and are often used by all residents. For example, arenas located in different parts of the Municipality will be used by residents from all areas depending on the programming of the facility (i.e., a public skate is available each night, but at a different arena; hence usage of any one facility at any given time is based on programming availability).

For the reasons noted above, it is recommended that Council consider the D.C. approach to calculate the charges on an area-specific basis for water and wastewater, while all other services be charged on a uniform Municipal-wide basis.



6.5 Other Recommendations

It is recommended that Council:

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

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

“Adopt the D.C. approach to calculate water and wastewater services on a uniform municipal serviced-area basis and all other services be calculated on a uniform Municipal-wide basis;”

“Approve the capital project listing set out in Chapter 4 of the D.C.s Background Study dated December 22, 2025, subject to further annual review during the capital budget process;”

“Approve the D.C. Background Study dated December 29, 2025;”

“Approve the Local Service Policy set out in Appendix E;”

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

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



Chapter 7

By-law Implementation



7. By-law Implementation

7.1 Introduction

This chapter addresses the mandatory, formal public consultation process (section 7.1.2), as well as the optional, informal consultation process (section 7.1.3). The latter is designed to seek the co-operation and participation of those involved, in order to produce the most suitable policy. Section 7.2 addresses the anticipated impact of the D.C. on development from a generic viewpoint.

7.1.1 Public Meeting of Council

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

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

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

7.1.2 Other Consultation Activity

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

1. The first grouping is the residential development community, consisting of land developers and builders, who are typically responsible for generating the majority of the D.C. revenues. Others, such as realtors, are directly impacted by D.C. policy. They are, therefore, potentially interested in all aspects of the charge, particularly the quantum by unit type, projects to be funded by the D.C. and the



timing thereof, and municipal policy with respect to development agreements, D.C. credits and front-ending requirements.

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

7.2 Anticipated Impact of the Charge on Development

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

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



7.3 Implementation Requirements

7.3.1 *Introduction*

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

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

7.3.2 *Notice of Passage*

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

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

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

7.3.3 *By-law Pamphlet*

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

- a description of the general purpose of the D.C.s;
- the "rules" for determining if a charge is payable in a particular case and for determining the amount of the charge;
- the services to which the D.C.s relate; and



- a description of the general purpose of the Treasurer's statement and where it may be received by the public.

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

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

7.3.4 Appeals

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

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

7.3.5 Complaints

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

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

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

7.3.6 Credits

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



These credits would be used to reduce the amount of D.C.s to be paid. The value of the credit is limited to the reasonable cost of the work, which does not exceed the average level of service. The credit applies only to the service to which the work relates unless the municipality agrees to expand the credit to other services for which a D.C. is payable, except in the case of water and wastewater services which are grouped together as a result of recent changes to Ontario Regulation 82/98.

7.3.7 *Front-Ending Agreements*

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

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

7.3.8 *Severance and Subdivision Agreement Conditions*

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

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

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

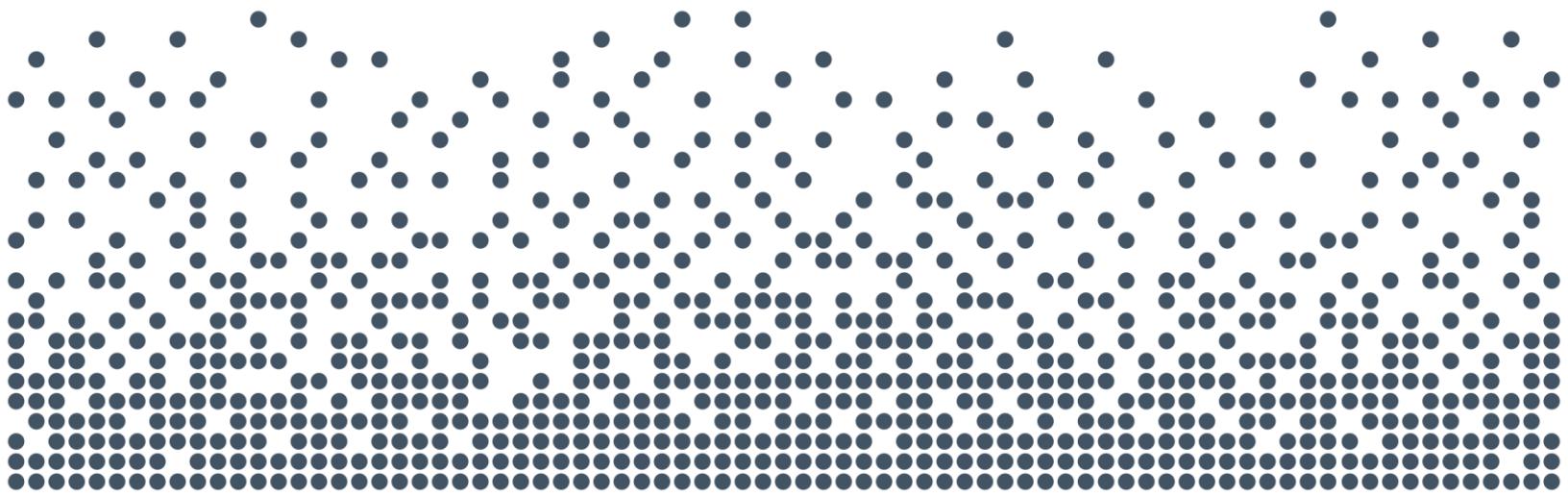


land is informed of all the D.C.s related to the development, at the time the land is transferred.

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

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

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



Appendices



Appendix A

Background Information on Residential and Non- Residential Growth Forecast



Schedule 1
Municipality of Southwest Middlesex
Residential Growth Forecast Summary

Year		Population (Including Census Undercount) ^[1]	Excluding Census Undercount			Housing Units						Person Per Unit (P.P.U.): Total Population/ Total Households
			Population	Institutional Population	Population Excluding Institutional Population	Singles & Semi- Detached	Multiple Dwellings ^[2]	Apartments ^[3]	Other	Total Households	Equivalent Institutional Households	
Historical	Mid 2011	6,127	5,860	90	5,770	2,099	84	135	36	2,354	82	2.489
	Mid 2016	5,983	5,723	73	5,650	2,105	85	155	5	2,350	66	2.435
	Mid 2021	6,161	5,893	53	5,840	2,145	70	190	5	2,410	48	2.445
Forecast	Mid 2025	6,310	6,038	55	5,983	2,207	90	191	5	2,493	50	2.422
	Mid 2035	6,840	6,545	62	6,483	2,406	141	205	5	2,757	56	2.374
	Mid 2045	7,580	7,247	69	7,178	2,645	224	240	5	3,114	63	2.327
Incremental	Mid 2011 - Mid 2016	-144	-137	-17	-120	6	1	20	-31	-4	-16	
	Mid 2016 - Mid 2021	178	170	-20	190	40	-15	35	0	60	-18	
	Mid 2021 - Mid 2025	149	145	2	143	62	20	1	0	83	2	
	Mid 2025 - Mid 2035	530	507	7	500	199	51	14	0	264	6	
	Mid 2025 - Mid 2045	1,270	1,209	14	1,195	438	134	49	0	621	13	

^[1] Population includes the Census undercount estimated at approximately 2.5% and has been rounded.

^[2] Includes townhouses and apartments in duplexes.

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

Notes:

Numbers may not add due to rounding.

Source: Derived from the Middlesex County Growth Analysis Update, April 2025, for the Municipality of Southwest Middlesex, and discussions with Municipality of Southwest Middlesex staff regarding servicing and land supply by Watson & Associates Economists Ltd.



Schedule 2
Municipality of Southwest Middlesex
Estimate of the Anticipated Amount, Type and Location of
Residential Development for Which Development Charges can be Imposed

Development Location	Timing	Single & Semi-Detached	Multiples ^[1]	Apartments ^[2]	Total Residential Units	Gross Population In New Units	Existing Unit Population Change	Net Population Increase, Excluding Institutional	Institutional Population	Net Population Including Institutional
Municipal Serviced Area	2025 - 2035	154	51	14	219	530	-63	467	7	474
	2025 - 2045	345	134	49	528	1,266	-133	1,133	14	1,147
Non-Municipal Serviced Area	2025 - 2035	45	0	0	45	113	-80	32	0	32
	2025 - 2045	93	0	0	93	233	-171	62	0	62
Municipality of Southwest Middlesex	2025 - 2035	199	51	14	264	643	-143	500	7	507
	2025 - 2045	438	134	49	621	1,499	-304	1,195	14	1,209

^[1] Includes townhouses and apartments in duplexes.

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

Source: Watson & Associates Economists Ltd.



Schedule 3
Municipality of Southwest Middlesex
Current Year Growth Forecast
Mid-2021 to Mid-2025

		Population
Mid 2021 Population		5,893
Occupants of New Housing Units, Mid 2021 to Mid 2025	<i>Units (2) multiplied by P.P.U. (3)</i>	83 2.622
	<i>gross population increase</i>	218
Occupants of New Equivalent Institutional Units, Mid 2021 to Mid 2025	<i>Units multiplied by P.P.U. (3)</i>	2 1.100
	<i>gross population increase</i>	2
Change in Housing Unit Occupancy, Mid 2021 to Mid 2025	<i>Units (4) multiplied by P.P.U. change rate (5)</i>	2,410 -0.031
	<i>total change in population</i>	-75
Population Estimate to Mid 2025		6,038
<i>Net Population Increase, Mid 2021 to Mid 2025</i>		145

- (1) 2021 population based on Statistics Canada Census unadjusted for Census undercount.
(2) Estimated residential units constructed, Mid-2021 to the beginning of the growth period assuming a six-month lag between construction and occupancy.
(3) Average number of persons per unit (P.P.U.) is assumed to be:

Structural Type	Persons Per Unit ^[1] (P.P.U.)	% Distribution of Estimated Units ^[2]	Weighted Persons Per Unit Average
<i>Singles & Semi Detached</i>	2.667	75%	1.992
<i>Multiples (6)</i>	2.521	24%	0.607
<i>Apartments (7)</i>	1.895	1%	0.023
Total		100%	2.622

^[1] Based on 2021 Census custom database.

^[2] Based on Building permit/completion activity.

- (4) 2021 households taken from Statistics Canada Census.
(5) Change occurs due to aging of the population and family life cycle changes, lower fertility rates and changing economic conditions.
(6) Includes townhouses and apartments in duplexes.
(7) Includes bachelor, 1-bedroom and 2-bedroom+ apartments.

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



Schedule 4
Municipality of Southwest Middlesex
10-Year Growth Forecast
Mid-2025 to Mid-2035

		Population
Mid 2025 Population		6,038
Occupants of New Housing Units, Mid 2025 to Mid 2035	<i>Units (2)</i> <i>multiplied by P.P.U. (3)</i> <i>gross population increase</i>	264 2,434 643
Occupants of New Equivalent Institutional Units, Mid 2025 to Mid 2035	<i>Units</i> <i>multiplied by P.P.U. (3)</i> <i>gross population increase</i>	6 1,100 7
Change in Housing Unit Occupancy, Mid 2025 to Mid 2035	<i>Units (4)</i> <i>multiplied by P.P.U. change rate (5)</i> <i>total change in population</i>	2,493 -0.057 -143
Population Estimate to Mid 2035		6,545
<i>Net Population Increase, Mid 2025 to Mid 2035</i>		507

(1) Mid 2025 Population based on:

2021 Population (5,893) + Mid 2021 to Mid 2025 estimated housing units to beginning of forecast period (83 x 2.622 = 218) + (2 x 1.1 = 2) + (2,410 x -0.031 = -75) = 6,038

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

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

Structural Type	Persons Per Unit ^[1] (P.P.U.)	% Distribution of Estimated Units ^[2]	Weighted Persons Per Unit Average
<i>Singles & Semi Detached</i>	2.501	75%	1.886
<i>Multiples (6)</i>	2.323	19%	0.449
<i>Apartments (7)</i>	1.881	5%	0.100
<i> one bedroom or less</i>	1.397		
<i> two bedrooms or more</i>	2.194		
Total		100%	2.434

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

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

(4) Mid 2025 households based upon 2021 Census (2,410 units) + Mid 2021 to Mid 2025 unit estimate (83 units) = 2,493 units.

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

(6) Includes townhouses and apartments in duplexes.

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

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



Schedule 5
Municipality of Southwest Middlesex
Long-Term Growth Forecast
Mid-2025 to Mid-2045

		Population
Mid 2025 Population		6,038
Occupants of New Housing Units, Mid 2025 to Mid 2045	<i>Units (2)</i>	621
	<i>multiplied by P.P.U. (3)</i>	2,414
	<i>gross population increase</i>	1,499
Occupants of New Equivalent Institutional Units, Mid 2025 to Mid 2045	<i>Units</i>	13
	<i>multiplied by P.P.U. (3)</i>	1.100
	<i>gross population increase</i>	14
Change in Housing Unit Occupancy, Mid 2025 to Mid 2045	<i>Units (4)</i>	2,493
	<i>multiplied by P.P.U. change rate (5)</i>	-0.122
	<i>total change in population</i>	-304
Population Estimate to Mid 2045		7,247
<i>Net Population Increase, Mid 2025 to Mid 2045</i>		1,209

(1) Mid 2025 Population based on:

2021 Population (5,893) + Mid 2021 to Mid 2025 estimated housing units to beginning of forecast period (83 x 2,622 = 218) + (2 x 1.1 = 2) + (2,410 x -0.031 = -75) = 6,038

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

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

Structural Type	Persons Per Unit ^[1] (P.P.U.)	% Distribution of Estimated Units ^[2]	Weighted Persons Per Unit Average
<i>Singles & Semi Detached</i>	2.501	71%	1.764
<i>Multiples (6)</i>	2.323	22%	0.501
<i>Apartments (7)</i>	1.881	8%	0.148
<i>one bedroom or less</i>	1.397		
<i>two bedrooms or more</i>	2.194		
Total		100%	2.414

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

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

(4) Mid 2025 households based upon 2021 Census (2,410 units) + Mid 2021 to Mid 2025 unit estimate (83 units) = 2,493 units.

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

(6) Includes townhouses and apartments in duplexes.

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

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



Schedule 6
Municipality of Southwest Middlesex
Historical Residential Building Permits
Years 2015 to 2024

Year	Residential Building Permits			
	Singles & Semi Detached	Multiples ^[1]	Apartments ^[2]	Total
2015	7	0	0	7
2016	15	0	0	15
2017	16	0	0	16
2018	9	0	0	9
2019	17	0	0	17
Sub-total	64	0	0	64
Average (2015 - 2019)	13	0	0	13
% Breakdown	100.0%	0.0%	0.0%	100.0%
2020	18	0	0	18
2021	16	0	0	16
2022	13	0	0	13
2023	14	20	0	34
2024	19	0	1	20
Sub-total	80	20	1	101
Average (2020 - 2024)	16	4	0	20
% Breakdown	79.2%	19.8%	1.0%	100.0%
2015 - 2024				
Total	144	20	1	165
Average	14	2	0	17
% Breakdown	87.3%	12.1%	0.6%	100.0%

^[1] Includes townhouses and apartments in duplexes.

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

Source: Historical housing activity derived from Municipality of Southwest Middlesex data, by Watson & Associates Economists Ltd.



Schedule 7a
Municipality of Southwest Middlesex
Person Per Unit by Age and Type of Dwelling
(2021 Census)

Age of Dwelling	Singles and Semi-Detached						25 Year Average	25 Year Average Adjusted ^[1]
	< 1 BR	1 BR	2 BR	3/4 BR	5+ BR	Total		
1-5	-	-	-	-	-	2.667		
6-10	-	-	-	-	-	2.167		
11-15	-	-	-	-	-	2.769		
16-20	-	-	-	-	-	-		
21-25	-	-	-	2.615	-	2.778	2.595	2.501
26-30	-	-	-	2.833	-	2.471		
30+	-	-	1.887	2.625	4.217	2.552		
Total	0.308	-	1.969	2.616	4.880	2.556		

^[1] Adjusted based on historical trends.

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

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



Schedule 7b
Middlesex County
Person Per Unit by Age and Type of Dwelling
(2021 Census)

Age of Dwelling	Multiples ^[1]						25 Year Average	25 Year Average Adjusted ^[3]
	< 1 BR	1 BR	2 BR	3/4 BR	5+ BR	Total		
1-5	-	1.507	1.986	2.849	4.400	2.521		
6-10	-	1.167	1.821	2.415	-	2.285		
11-15	-	-	1.770	2.379	-	2.200		
16-20	-	1.455	1.811	2.543	3.375	2.325		
21-25	-	-	1.734	2.550	-	2.259	2.318	2.323
26-30	-	-	1.991	2.634	-	2.488		
30+		1.239	1.900	2.797	3.081	2.462		
Total	2.650	1.309	1.886	2.714	3.306	2.428		

Age of Dwelling	Apartments ^[2]						25 Year Average	25 Year Average Adjusted ^[3]
	< 1 BR	1 BR	2 BR	3/4 BR	5+ BR	Total		
1-5	-	1.405	1.954	2.854	-	1.895		
6-10	-	1.330	1.967	2.792	-	1.780		
11-15	-	1.363	2.000	2.957	-	1.796		
16-20	-	1.350	2.101	3.393	-	1.919		
21-25	-	1.435	2.145	3.400	-	1.940	1.866	1.881
26-30	1.909	1.365	1.995	2.943	-	1.816		
30+	1.136	1.238	1.940	2.621	2.263	1.640		
Total	1.266	1.277	1.970	2.764	2.333	1.711		

Age of Dwelling	All Density Types							
	< 1 BR	1 BR	2 BR	3/4 BR	5+ BR	Total		
1-5	1.684	1.434	1.998	3.124	4.204	2.684		
6-10	-	1.342	1.929	3.117	4.215	2.755		
11-15	-	1.387	1.983	3.056	4.360	2.786		
16-20	1.923	1.389	2.008	3.057	4.122	2.769		
21-25	-	1.419	2.048	2.911	3.799	2.594		
26-30	2.100	1.378	1.976	2.826	3.651	2.476		
30+	1.377	1.255	1.897	2.641	3.593	2.282		
Total	1.579	1.295	1.928	2.776	3.819	2.417		

^[1] Includes townhouses and apartments in duplexes.

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

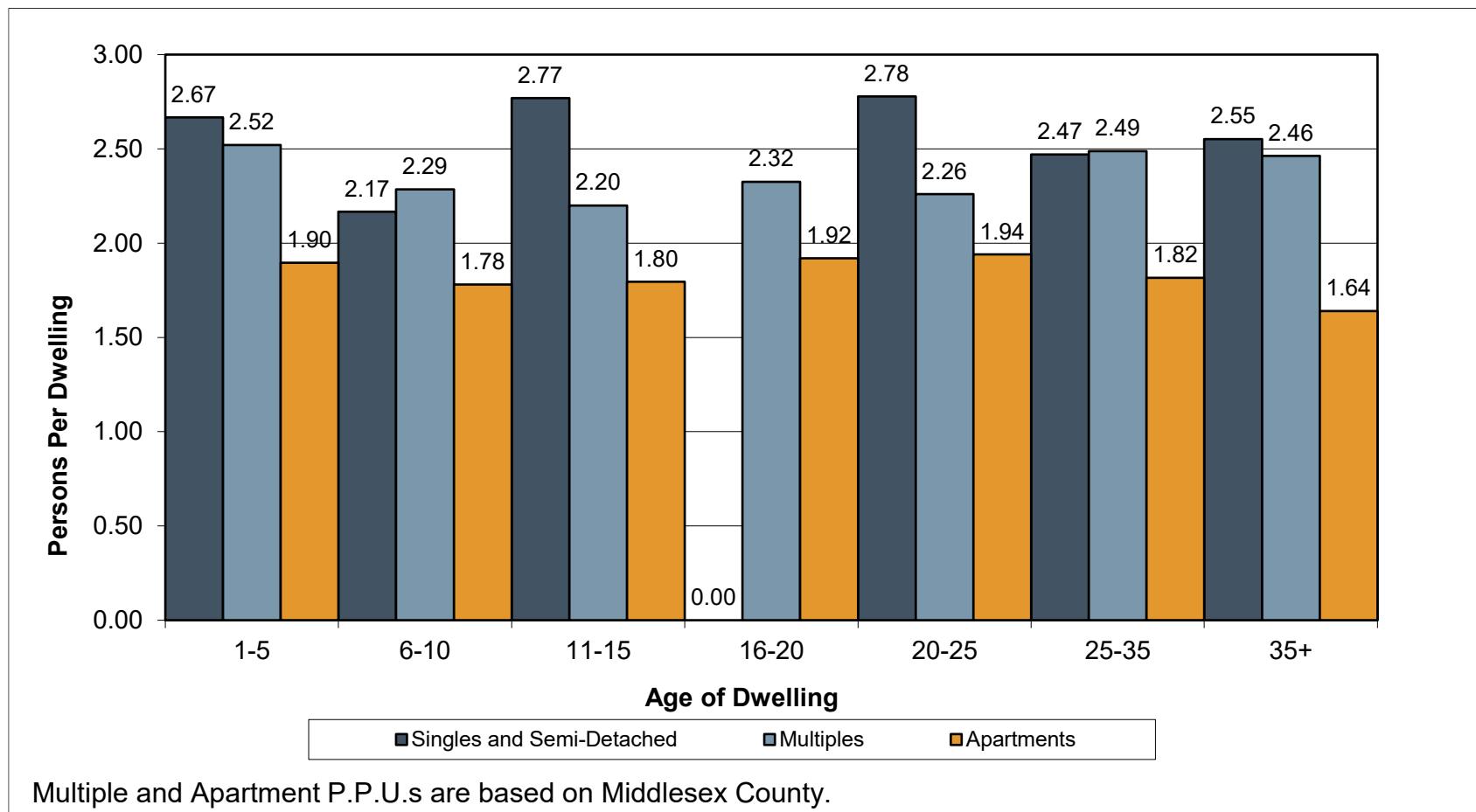
^[3] Adjusted based on historical trends.

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

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



Schedule 8
Municipality of Southwest Middlesex
Person Per Unit Structural Type and Age of Dwelling
(2021 Census)





Schedule 9a
Municipality of Southwest Middlesex
Employment Forecast, 2025 to 2045

Period	Population	Activity Rate							Employment							Employment Total (Excluding N.F.P.O.W. and Work at Home)		
		Primary	Work at Home	Industrial	Commercial/ Population Related	Institutional	Total	N.F.P.O.W. ^[1]	Total Including N.F.P.O.W.	Primary	Work at Home	Industrial	Commercial/ Population Related	Institutional	Total	N.F.P.O.W. ^[1]	Total Employment (Including N.F.P.O.W.)	
Mid 2011	5,860	0.015	0.063	0.064	0.087	0.057	0.286	0.026	0.312	85	370	377	508	335	1,675	151	1,826	1,305
Mid 2016	5,723	0.016	0.055	0.062	0.078	0.050	0.260	0.036	0.296	90	315	352	448	285	1,490	205	1,695	1,175
Mid 2025	6,038	0.016	0.061	0.066	0.096	0.066	0.305	0.032	0.337	96	369	401	578	398	1,842	193	2,035	1,473
Mid 2035	6,545	0.016	0.063	0.067	0.096	0.066	0.308	0.036	0.344	106	413	436	629	431	2,014	216	2,230	1,602
Mid 2045	7,247	0.016	0.063	0.069	0.094	0.064	0.306	0.036	0.342	113	459	500	681	466	2,220	261	2,481	1,761
Incremental Change																		
Mid 2011 - Mid 2016	-137	0.001	-0.008	-0.003	-0.008	-0.007	-0.025	0.010	-0.015	5	-55	-25	-60	-50	-185	54	-131	-130
Mid 2016 - Mid 2021	170	-0.001	0.023	-0.010	-0.020	-0.001	-0.008	-0.036	-0.044	-5	145	-47	-103	5	-5	-205	-210	-150
Mid 2016 - Mid 2025	315	0.000	0.006	0.005	0.017	0.016	0.045	-0.004	0.041	6	54	49	130	113	352	-12	340	298
Mid 2025 - Mid 2035	507	0.000	0.002	0.000	0.000	0.000	0.003	0.004	0.007	10	44	35	51	33	172	23	195	129
Mid 2025 - Mid 2045	1,209	0.000	0.002	0.003	-0.002	-0.002	0.001	0.004	0.005	17	90	99	103	68	378	68	446	288
Annual Average																		
Mid 2011 - Mid 2016	-27	0.000	-0.002	-0.001	-0.002	-0.001	-0.005	0.002	-0.003	1	-11	-5	-12	-10	-37	11	-26	-26
Mid 2016 - Mid 2025	35	0.000	0.001	0.001	0.002	0.002	0.005	0.000	0.005	1	6	5	14	13	39	-1	38	33
Mid 2025 - Mid 2035	51	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.001	1	4	4	5	3	17	2	20	13
Mid 2025 - Mid 2045	60	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1	5	5	5	3	19	3	22	14

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

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

Source: Derived from the Middlesex County Growth Analysis Update, April 2025, for the Municipality of Southwest Middlesex, by Watson & Associates Economists Ltd.



Schedule 9b
Municipality of Southwest Middlesex
Employment and Gross Floor Area (G.F.A.) Forecast, 2025 to 2045

Period	Population	Employment					Gross Floor Area in Square Feet (Estimated) ^[1]				
		Primary	Industrial	Commercial/ Population Related	Institutional	Total	Primary ^[2]	Industrial	Commercial/ Population Related	Institutional	Total
Mid 2011	5,860	85	377	508	335	1,305					
Mid 2016	5,723	90	352	448	285	1,175					
Mid 2025	6,038	96	401	578	398	1,473					
Mid 2035	6,545	106	436	629	431	1,602					
Mid 2045	7,247	113	500	681	466	1,761					
Incremental Change											
Mid 2011 - Mid 2016	-137	5	-25	-60	-50	-130					
Mid 2016 - Mid 2025	315	6	49	130	113	298					
Mid 2025 - Mid 2035	507	10	35	51	33	129	30,000	52,800	25,400	23,000	131,200
Mid 2025 - Mid 2045	1,209	17	99	103	68	288	52,200	148,200	51,700	47,700	299,800
Annual Average											
Mid 2011 - Mid 2016	-27	1	-5	-12	-10	-26					
Mid 2016 - Mid 2025	35	1	5	14	13	33					
Mid 2025 - Mid 2035	51	1	4	5	3	13	3,000	5,280	2,540	2,300	13,120
Mid 2025 - Mid 2045	60	1	5	5	3	14	2,610	7,410	2,585	2,385	14,990

^[1] Square Foot Per Employee Assumptions

Primary	3,000
Industrial	1,500
Commercial/Population-Related	500
Institutional	700

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

*Reflects Mid-2025 to Mid-2045 forecast period.

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

Source: Watson & Associates Economists Ltd.



Schedule 9c
Municipality of Southwest Middlesex
Estimate of the Anticipated Amount, Type and Location of
Non-Residential Development for Which Development Charges Can Be Imposed

Development Location	Timing	Primary G.F.A. S.F. ^{[1],[2]}	Industrial G.F.A. S.F. ^[1]	Commercial G.F.A. S.F. ^[1]	Institutional G.F.A. S.F. ^[1]	Total Non- Residential G.F.A. S.F.	Employment Increase ^[3]
Municipal Serviced Area	2025 - 2035	-	49,500	24,000	21,700	95,200	112
	2025 - 2045	-	140,700	49,200	45,600	235,500	257
Non-Municipal Serviced Area	2025 - 2035	30,000	3,000	1,500	1,400	35,900	17
	2025 - 2045	52,200	7,500	2,500	2,100	64,300	30
Municipality of Southwest Middlesex	2025 - 2035	30,000	52,800	25,400	23,000	131,200	129
	2025 - 2045	52,200	148,200	51,700	47,700	299,800	288

^[1] Square Foot Per Employee Assumptions

Primary	3,000
Industrial	1,500
Commercial/Population-Related	500
Institutional	700

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

^[3] Employment Increase does not include No Fixed Place of Work.

*Reflects Mid-2025 to Mid-2045 forecast period.

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

Source: Watson & Associates Economists Ltd.



Schedule 10
Municipality of Southwest Middlesex
Employment Categories by Major Employment Sector

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

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

Source: Watson & Associates Economists Ltd.



Appendix B

Level of Service



Appendix B: Level of Service

SUMMARY OF SERVICE STANDARDS AS PER DEVELOPMENT CHARGES ACT, 1997, AS AMENDED										
Service Category	Sub-Component	15 Year Average Service Standard				Maximum Ceiling LOS	Maximum by Service	Utilized	Remaining	
		Cost (per capita)	Quantity (per capita)		Quality (per capita)					
Service Related to a Highway	Services Related to a Highway : Roads and Related - Roads	\$19,076.27	0.0697	km of roadways	273,691	per km	23,063,210			
	Services Related to a Highway : Roads and Related - Bridges & Culverts	\$3,866.60	0.0139	Number of Bridges, & Culverts	278,173	per item	4,674,719	29,637,668	704,000	
	Services Related to a Highway : Roads and Related - Sidewalks	\$1,113.73	0.0044	km of sidewalks and active transportation	253,120	per km	1,346,500		28,933,668	
	Services Related to a Highway : Roads and Related - Streetlights	\$457.60	0.0816	No. of Traffic Signals	5,608	per signal	553,238			
	Services Related to a Highway: Public Works - Facilities	\$1,132.54	4.6311	sq.ft. of building area	245	per sq.ft.	1,369,241	2,395,912	342,500	
	Services Related to a Highway: Public Works - Vehicles & Equipment	\$849.19	0.0043	No. of vehicles and equipment	197,486	per vehicle	1,026,671		2,053,412	
Fire Protection	Fire Protection Services - Facilities	\$1,466.44	2.1900	sq.ft. of building area	670	per sq.ft.	1,772,926			
	Fire Protection Services - Vehicles & Equipment	\$825.22	0.0011	No. of vehicles	750,200	per vehicle	997,691	3,059,290	1,592,500	
	Fire Protection Services - Small Equipment and Gear	\$238.77	0.0411	No. of equipment and gear	5,809	per item	288,673		1,466,790	
Parks & Recreation	Parkland Development	\$526.67	0.0052	Acres of Parkland	101,283	per acre	267,022			
	Parkland Amenities	\$1,782.18	0.0243	No. of parkland amenities	73,341	per amenity	903,565	4,003,622	275,000	
	Recreation Facilities	\$5,464.73	7.6574	sq.ft. of building area	714	per sq.ft.	2,770,618		3,728,622	
	Parks & Recreation Vehicles and Equipment	\$123.11	0.0012	No. of vehicles and equipment	102,592	per vehicle	62,417			



Municipality of Southwest Middlesex
Service Standard Calculation Sheet

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

Description	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Bld'g Value (\$/sq.ft.)	Value/sq.ft. with site works, landscaping, etc.
Glencoe Fire Hall	-	10,906	10,906	10,906	10,906	10,906	10,906	10,906	10,906	10,906	10,906	10,906	10,906	10,906	10,906	\$600	\$693
Wardsville Fire Hall	2,421	2,421	2,421	2,421	2,421	2,421	2,421	2,421	2,421	2,421	2,421	2,421	2,421	2,421	2,421	\$500	\$578
Glencoe Fire Hall - OLD	2,700	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$500	\$578
Total	5,121	13,327															

Population	5,861	5,860	5,816	5,795	5,779	5,762	5,723	5,758	5,795	5,810	5,850	5,893	5,919	5,936	6,006
Per Capita Standard	0.87	2.27	2.29	2.30	2.31	2.31	2.33	2.31	2.30	2.29	2.28	2.26	2.25	2.25	2.22

15 Year Average	2010 to 2024
Quantity Standard	2.19
Quality Standard	\$670
Service Standard	\$1,466

D.C. Amount (before deductions)	20 Year
Forecast Population	1,209
\$ per Capita	\$1,466
Eligible Amount	\$1,772,926



Municipality of Southwest Middlesex
Service Standard Calculation Sheet

Service:

Fire Protection Services - Vehicles & Equipment

Unit Measure:

No. of vehicles

Description	Notes	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Value (\$/Vehicle)
Glencoe Pumper/Engine	custom cab	1	1	1	1	1	1	1	1	2	2	2	2	2	2	2	\$900,000
Glencoe Tanker	1500 gallon tanker	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$600,000
Glencoe Heavy Rescue	2018 Spartan Gladiator	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$1,000,000
Wardsville Tanker		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$600,000
Wardsville Pumper/Engine	commercial chassis	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$800,000
Wardsville Rescue		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$500,000
Total		6	7														

Population		5,861	5,860	5,816	5,795	5,779	5,762	5,723	5,758	5,795	5,810	5,850	5,893	5,919	5,936	6,006
Per Capita Standard		0.0010	0.0010	0.0010	0.0010	0.0010	0.0010	0.0010	0.0010	0.0012	0.0012	0.0012	0.0012	0.0012	0.0012	0.0012

15 Year Average	2010 to 2024
Quantity Standard	0.0011
Quality Standard	\$750,200
Service Standard	\$825

D.C. Amount (before deductions)	20 Year
Forecast Population	1,209
\$ per Capita	\$825
Eligible Amount	\$997,691



Municipality of Southwest Middlesex
Service Standard Calculation Sheet

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

Description	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Value (\$/item)
Bunker Gear (PPE)	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	\$6,200
SCBA Equipment	25	25	25	25	25	25	25	25	25	25	25	25	25	24	24	\$16,000
SCBA Bottles - 30 minute	60	60	60	60	60	60	60	60	60	60	60	60	60	-	-	\$2,000
SCBA Bottles - 45 minute	-	-	-	-	-	-	-	-	-	-	-	-	-	49	49	\$3,200
Thermal Imaging Camera	1	1	1	1	1	1	1	1	1	1	1	1	1	3	3	\$8,300
Breathing Air Compressor, Cascade & Fill Station	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$62,500
Battery Operated Rescue Cutter- Wardsville Station	-	-	-	1	1	1	1	1	1	1	1	1	1	1	1	\$23,200
Battery Operated Rescue Spreaders - Wardsville Station	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$34,700
Heavy Rescue Hydraulics -Jaws of Life-Cutter-Spreader-Ram - Glencoe	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$69,500
Vehicle Rescue Stabilization Kit	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$50,000
Extrication/Rescue Airbag Lift System	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$40,000
Natural Gas Emergency Generator - Glencoe	-	-	-	-	-	-	-	-	-	1	1	1	1	1	1	\$127,300
Natural Gas Emergency Generator - Wardsville	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$81,000
Defibrillators	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	\$4,100
Pagers	60	60	60	60	60	60	60	60	60	60	60	60	60	60	60	\$900
Portable Radios	25	25	25	25	25	25	25	25	25	25	25	25	25	34	34	\$2,000
Base & Mobile Radios	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	\$3,000
Total	238	238	238	239	239	239	239	239	239	240	240	240	251	239	239	

Population	5,861	5,860	5,816	5,795	5,779	5,762	5,723	5,758	5,795	5,810	5,850	5,893	5,919	5,936	6,006
Per Capita Standard	0.0406	0.0406	0.0409	0.0412	0.0414	0.0415	0.0418	0.0415	0.0412	0.0413	0.0410	0.0407	0.0424	0.0403	0.0398

15 Year Average	2010 to 2024
Quantity Standard	0.0411
Quality Standard	\$5,809
Service Standard	\$239

D.C. Amount (before deductions)	20 Year
Forecast Population	1,209
\$ per Capita	\$239
Eligible Amount	\$288,673



Municipality of Southwest Middlesex
Service Standard Calculation Sheet

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

Description	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Value (\$/km)
Concrete Roads	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	\$1,740,000
Hot Mix	19.60	19.60	19.60	19.60	19.60	19.60	19.60	19.60	19.60	19.60	19.60	19.60	19.60	19.60	19.60	\$1,390,000
Gravel	346.00	346.00	346.00	346.00	346.00	346.00	346.00	346.00	346.00	346.00	346.00	346.00	346.00	346.00	346.00	\$90,000
Tar and Chip	39.30	39.30	39.30	39.30	39.30	39.30	39.30	39.30	39.30	39.30	39.30	39.30	39.30	39.30	39.30	\$1,270,000
Total	406.65															

Population	5,861	5,860	5,816	5,795	5,779	5,762	5,723	5,758	5,795	5,810	5,850	5,893	5,919	5,936	6,006
Per Capita Standard	0.0694	0.0694	0.0699	0.0702	0.0704	0.0706	0.0711	0.0706	0.0702	0.0700	0.0695	0.0690	0.0687	0.0685	0.0677

15 Year Average	2010 to 2024
Quantity Standard	0.0697
Quality Standard	\$273,691
Service Standard	\$19,076

C. Amount (before deduction)	20 Year
Forecast Population	1,209
\$ per Capita	\$19,076
Eligible Amount	\$23,063,210



Municipality of Southwest Middlesex
Service Standard Calculation Sheet

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

Description	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Value (\$/item)
Bridge	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	\$444,000
Culvert	68	68	68	68	68	68	68	68	68	68	68	68	68	68	68	\$247,000
Total	81															

Population	5,861	5,860	5,816	5,795	5,779	5,762	5,723	5,758	5,795	5,810	5,850	5,893	5,919	5,936	6,006
Per Capita Standard	0.0138	0.0138	0.0139	0.0140	0.0140	0.0141	0.0142	0.0141	0.0140	0.0139	0.0138	0.0137	0.0137	0.0136	0.0135

15 Year Average	2010 to 2024
Quantity Standard	0.0139
Quality Standard	\$278,173
Service Standard	\$3,867

D.C. Amount (before deductions)	20 Year
Forecast Population	1,209
\$ per Capita	\$3,867
Eligible Amount	\$4,674,719



Municipality of Southwest Middlesex
Service Standard Calculation Sheet

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

Description	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Value (\$/km)
Sidewalks	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26	250,000
Total	26	250,000														

Population	5,861	5,860	5,816	5,795	5,779	5,762	5,723	5,758	5,795	5,810	5,850	5,893	5,919	5,936	6,006
Per Capita Standard	0.0044	0.0044	0.0045	0.0045	0.0045	0.0045	0.0045	0.0045	0.0045	0.0045	0.0044	0.0044	0.0044	0.0044	0.0043

15 Year Average	2010 to 2024
Quantity Standard	0.0044
Quality Standard	\$253,120
Service Standard	\$1,114

D.C. Amount (before deductions)	20 Year
Forecast Population	1,209
\$ per Capita	\$1,114
Eligible Amount	\$1,346,500



Municipality of Southwest Middlesex
Service Standard Calculation Sheet

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

Description	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Value (\$/item)
LED Streetlights	456	456	456	456	456	456	456	456	456	456	456	456	456	456	456	\$5,400
Streetlights- 20 Concrete Custom Poles Downtown Glencoe	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	\$10,400
Total	476															

Population	5,861	5,860	5,816	5,795	5,779	5,762	5,723	5,758	5,795	5,810	5,850	5,893	5,919	5,936	6,006
Per Capita Standard	0.0812	0.0812	0.0818	0.0821	0.0824	0.0826	0.0832	0.0827	0.0821	0.0819	0.0814	0.0808	0.0804	0.0802	0.0793

15 Year Average	2010 to 2024
Quantity Standard	0.0816
Quality Standard	\$5,608
Service Standard	\$458

D.C. Amount (before deductions)	20 Year
Forecast Population	1,209
\$ per Capita	\$458
Eligible Amount	\$553,238



Municipality of Southwest Middlesex
Service Standard Calculation Sheet

Class of Service: Services Related to a Highway: Public Works - Facilities
Unit Measure: sq.ft. of building area

Description	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Bld'g Value (\$/sq.ft.)	Value/sq.ft. with site works, landscaping, etc.
Appin Sand/Salt Storage Building	6,165	6,165	6,165	6,165	6,165	6,165	6,165	6,165	6,165	6,165	6,165	6,165	6,165	6,165	6,165	\$100	\$110
Appin Garage/ Equipment Depot	3,658	3,658	3,658	3,658	3,658	3,658	3,658	3,658	3,658	3,658	3,658	3,658	3,658	3,658	3,658	\$400	\$441
Wardsville Storage Garage	613	613	613	613	613	613	613	613	613	613	613	613	613	613	613	\$100	\$110
Glencoe Salt Shed	1,521	1,521	1,521	1,521	1,521	1,521	1,521	1,521	1,521	1,521	1,521	1,521	1,521	1,521	1,521	\$100	\$110
Glencoe Sign Shed	855	855	855	855	855	855	855	855	855	855	855	855	855	855	855	\$100	\$110
Glencoe Sand Dome	5,223	5,223	5,223	5,223	5,223	5,223	5,223	5,223	5,223	5,223	5,223	5,223	5,223	5,223	5,223	\$100	\$110
Glencoe Garage/ Equipment Depot	7,745	7,745	7,745	7,745	7,745	7,745	7,745	7,745	7,745	7,745	7,745	7,745	7,745	7,745	7,745	\$400	\$441
Public Works Staff in Town Hall	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	\$250	\$276
Total	27,030																

Population	5,861	5,860	5,816	5,795	5,779	5,762	5,723	5,758	5,795	5,810	5,850	5,893	5,919	5,936	6,006	
Per Capita Standard	4.61	4.61	4.65	4.66	4.68	4.69	4.72	4.69	4.66	4.65	4.62	4.59	4.57	4.55	4.50	

15 Year Average	2010 to 2024
Quantity Standard	4.63
Quality Standard	\$245
Service Standard	\$1,133

D.C. Amount (before deductions)	20 Year
Forecast Population	1,209
\$ per Capita	\$1,133
Eligible Amount	\$1,369,241



Municipality of Southwest Middlesex
Service Standard Calculation Sheet

Class of Service:

Services Related to a Highway: Public Works - Vehicles & Equipment

Unit Measure:

No. of vehicles and equipment

Description	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Value (\$/Vehicle)
Single Axle Dump Truck	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$385,000
Tandem Dump Truck	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$350,000
Sterling LT900 Red Tandem	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$380,000
Single Axle Truck	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$300,000
International Tandem Axle	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$380,000
T9 - Single Axle Dump Truck	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$385,000
Single Axle Truck T#2	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$300,000
T10 - International Tandem Axle	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$380,000
G1 - CAT Grader	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$740,000
G2 - John Deere 870G	-	-	-	-	-	1	1	1	1	1	1	1	1	1	1	\$470,000
Wheel Loader 2004 621D Case	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$340,000
2014 JD 6150M Tractor #1	-	-	-	-	1	1	1	1	1	1	1	1	1	1	1	\$190,000
Back Hoe JD310SL	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$140,000
John Deere 7230 Tractor - 2007	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$190,000
Brush Chipper BC1000 - 2024 Vermeer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$130,000
Leveling Drag #1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$10,000
Leveling Drag #2	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$10,000
Trackless, Snow Plow - 2019	-	-	-	-	-	-	-	-	-	1	1	1	1	1	1	\$150,000
Xtremevac XV600 Lead - 2014	-	-	-	-	1	1	1	1	1	1	1	1	1	1	1	\$60,000
Mower #2 Disc cutter	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	\$45,000
Pressure Washer (Glencoe)	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$30,000
Pressure Washer (Appin)	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$30,000
Mower #1 Cutter Disc	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$45,000
T18 Internation Tandem	-	-	-	-	-	-	1	1	1	1	1	1	1	1	1	\$420,000
T11 Frieghtliner 2024	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	\$455,000
Dodge Ram P/U#1	-	-	-	-	1	1	1	1	1	1	1	1	1	1	1	\$70,000
Ford 4x4 P/U#3	-	-	-	-	-	-	1	1	1	1	1	1	1	1	1	\$90,000
Ford 4x4 P/U#4	-	-	-	-	-	-	1	1	1	1	1	1	1	1	1	\$90,000



Municipality of Southwest Middlesex
Service Standard Calculation Sheet

Class of Service: Services Related to a Highway: Public Works - Vehicles & Equipment
Unit Measure: No. of vehicles and equipment

Description	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Value (\$/Vehicle)
2 1365 Gallon Poly (Water Tank)	-	-	-	-	1	1	1	1	1	1	1	1	1	1	1	\$10,000
Ford SRW Utility F250 P/U#7	-	-	-	-	-	1	1	1	1	1	1	1	1	1	1	\$70,000
Ford 450 4x2 Regular	-	-	-	-	-	1	1	1	1	1	1	1	1	1	1	\$90,000
Chevrolet single cab 2022	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$70,000
Ford F250 (Utility, PUC) - 2015	-	-	-	-	-	1	1	1	1	1	1	1	1	1	1	\$90,000
Total	17	17	17	17	21	25	28	28	28	29	29	29	29	30	33	

Population	5,861	5,860	5,816	5,795	5,779	5,762	5,723	5,758	5,795	5,810	5,850	5,893	5,919	5,936	6,006
Per Capita Standard	0.0029	0.0029	0.0029	0.0029	0.0036	0.0043	0.0049	0.0049	0.0048	0.0050	0.0050	0.0049	0.0049	0.0051	0.0055

15 Year Average	2010 to 2024
Quantity Standard	0.0043
Quality Standard	\$197,486
Service Standard	\$849

D.C. Amount (before deductions)	20 Year
Forecast Population	1,209
\$ per Capita	\$849
Eligible Amount	\$1,026,671



Municipality of Southwest Middlesex
Service Standard Calculation Sheet

Service: Parkland Development
Unit Measure: Acres of Parkland

Description	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Value (\$/Acre)
Appin Community Park	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	\$125,000
Bob Martin Playground	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$125,000
Clark Street Park	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	\$125,000
CommonWealth Dog Park	-	-	-	-	-	-	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	\$50,000
McArthur Park	3.87	3.87	3.87	3.87	3.87	3.87	3.87	3.87	3.87	3.87	3.87	3.87	3.87	3.87	3.87	\$150,000
Middlemiss Playground	-	-	-	-	-	-	-	-	-	1.00	1.00	1.00	1.00	1.00	1.00	\$125,000
Simpson Street Park	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	\$150,000
Strathburn Park	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	2.43	\$50,000
Wardsville Little Kin Park	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	\$125,000
Elk Park	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	\$125,000
Glencoe Parkette	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	\$50,000
Project 2000 : Fairgrounds	8.01	8.01	8.01	8.01	8.01	8.01	8.01	8.01	8.01	8.01	8.01	8.01	8.01	8.01	8.01	\$50,000
Total	28.18	28.18	28.18	28.18	28.18	28.18	31.18	31.18	31.18	32.18	32.18	32.18	32.18	32.18	32.18	

Population	5,861	5,860	5,816	5,795	5,779	5,762	5,723	5,758	5,795	5,810	5,850	5,893	5,919	5,936	6,006
Per Capita Standard	0.0048	0.0048	0.0048	0.0049	0.0049	0.0049	0.0054	0.0054	0.0054	0.0055	0.0055	0.0055	0.0054	0.0054	0.0054

15 Year Average		2010 to 2024
Quantity Standard		0.0052
Quality Standard		\$101,283
Service Standard		\$527

D.C. Amount (before deductions)	10 Year
Forecast Population	507
\$ per Capita	\$527
Eligible Amount	\$267,022



Municipality of Southwest Middlesex
Service Standard Calculation Sheet

Service: Parkland Amenities

Unit Measure: No. of parkland amenities

Description	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Value (\$/item)
Baseball Diamonds	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	\$500,000
Bleachers	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	\$12,000
Concession Booth/Picnic Shelter - Appin	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$40,000
Garbage Containers	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	\$3,500
Multi-use Court	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	\$100,000
Picnic Pavilion	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$200,000
Pavillion/Snack Bar/ Washrooms	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$500,000
Pavillion	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	\$40,000
Picnic Shelter	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$75,200
Playground - Small	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	\$250,000
Playground- Medium	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$300,000
Playground - Large	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$375,000
Pool and Deck	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$4,000,000
Skate Park	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$500,000
Splash Pad	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$350,000
Storage Shed Washrooms	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$200,000
Street Benches	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	\$3,500
Tennis Court - lit	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$300,000
Tennis Court - unlit	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$150,000
Washrooms/Storage/Snack Bar	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$295,200
Total	142															

Population	5,861	5,860	5,816	5,795	5,779	5,762	5,723	5,758	5,795	5,810	5,850	5,893	5,919	5,936	6,006
Per Capita Standard	0.0242	0.0242	0.0244	0.0245	0.0246	0.0246	0.0248	0.0247	0.0245	0.0244	0.0243	0.0241	0.0240	0.0239	0.0236

15 Year Average	2010 to 2024
Quantity Standard	0.0243
Quality Standard	\$73,341
Service Standard	\$1,782

D.C. Amount (before deductions)	10 Year
Forecast Population	507
\$ per Capita	\$1,782
Eligible Amount	\$903,565



Municipality of Southwest Middlesex
Service Standard Calculation Sheet

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

Description	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Bld'g Value (\$/sq.ft.)	Value/sq.ft. with site works, landscaping, etc.
Appin Community Centre	4,435	4,435	4,435	4,435	4,435	4,435	4,435	4,435	4,435	4,435	4,435	4,435	4,435	4,435	4,435	\$500	\$551
Community Room - Train Station Site	2,874	2,874	2,874	2,874	2,874	2,874	2,874	2,874	2,874	2,874	2,874	2,874	2,874	2,874	2,874	\$500	\$551
Southwest Middlesex Rescreation Centre	35,134	35,134	35,134	35,134	35,134	35,134	35,134	35,134	35,134	35,134	35,134	35,134	35,134	35,134	35,134	\$700	\$772
Masonic Hall in Wardsville	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	\$300	\$331
Total	44,693																

Population	5,861	5,860	5,816	5,795	5,779	5,762	5,723	5,758	5,795	5,810	5,850	5,893	5,919	5,936	6,006
Per Capita Standard	7.6254	7.6268	7.6845	7.7123	7.7337	7.7565	7.8094	7.7619	7.7123	7.6924	7.6398	7.5841	7.5508	7.5291	7.4414

15 Year Average	2010 to 2024
Quantity Standard	7.66
Quality Standard	\$714
Service Standard	\$5,465

D.C. Amount (before deductions)	10 Year
Forecast Population	507
\$ per Capita	\$5,465
Eligible Amount	\$2,770,618



Municipality of Southwest Middlesex
Service Standard Calculation Sheet

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

Description	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Value (\$/Vehicle)
Kubota Tractor 2015	-	-	-	-	-	1	1	1	1	1	1	1	1	1	1	\$120,000
Ford Pick up	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	\$70,000
2017 Dodge Ram	-	-	-	-	-	-	1	1	1	1	1	1	1	1	1	\$70,000
2024 Chevrolet Silverado	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	\$70,000
Mowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	\$30,000
2013 Olympia	-	-	-	-	1	1	1	1	1	1	1	1	1	1	1	\$150,000
Utility Trailer	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1	\$16,000
Contracted Vehicles	4	4	4	4	4	4	4	4	4	4	4	4	4	3	-	\$110,000
Total	5	5	5	5	6	7	8	9	8							

Population	5,861	5,860	5,816	5,795	5,779	5,762	5,723	5,758	5,795	5,810	5,850	5,893	5,919	5,936	6,006
Per Capita Standard	0.0009	0.0009	0.0009	0.0009	0.0010	0.0012	0.0014	0.0014	0.0014	0.0014	0.0014	0.0014	0.0014	0.0015	0.0013

15 Year Average	2010 to 2024
Quantity Standard	0.0012
Quality Standard	\$102,592
Service Standard	\$123

D.C. Amount (before deductions)	10 Year
Forecast Population	507
\$ per Capita	\$123
Eligible Amount	\$62,417



Appendix C

Long-Term Capital and Operating Cost Examination



Appendix C: Long-Term Capital and Operating Cost Examination

Municipality of Southwest Middlesex

Annual Capital and Operating Cost Impact

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

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



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

Asset	Lifecycle Cost Factors	
	Average Useful Life	Factor
Water and Wastewater Infrastructure	80	0.005160705
Facilities	50	0.01182321
Services Related to a Highway	50	0.01182321
Parkland Development	40	0.016555748
Vehicles	15	0.057825472
Small Equipment & Gear	10	0.091326528

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



Table C-2
Municipality of Southwest Middlesex
Operating and Capital Expenditure Impacts for Future Capital Expenditures

SERVICE/CLASS OF SERVICE	VALUE OF EXISTING INFRASTRUCTURE	GROSS COST LESS BENEFIT TO EXISTING	SHARE OF GROWTH RELATED CAPITAL TO ASSETS IN PLACE	CURRENT OPERATING EXPENDITURE	ANNUAL OPERATING EXPENDITURES	ANNUAL LIFECYCLE EXPENDITURES	TOTAL ANNUAL EXPENDITURES
1. Wastewater Services							
1.1 Treatment plants & Sewers	19,472,097	4,243,900	22%	632,590	137,872	135,098	272,970
2. Water Services							
2.1 Treatment, storage and distribution systems	63,906,910	7,215,000	11%	1,108,251	125,120	181,608	306,728
3. Services Related to a Highway							
3.1 Roads and Related	143,078,400	704,000	0%	2,875,132	14,147	22,409	36,556
3.2 Public Works	13,505,193	342,500	3%	61,077	1,549	26,679	28,228
4. Fire Protection Services							
4.1 Fire facilities, vehicles & equipment	15,778,296	4,386,200	28%	656,314	182,448	275,832	458,280
5. Parks and Recreation Services							
5.1 Park development, amenities, recreation facilities, vehicles, and equipment	45,903,945	275,000	1%	803,814	4,815	12,315	17,130
6. Growth Studies							
6.1 Growth Studies		-		-	-	-	-
Total	301,644,841	17,166,600		6,137,178	465,951	653,941	1,119,892



Appendix D

D.C. Reserve Fund Policy



Appendix D: D.C. Reserve Fund Policy

D.1 Legislative Requirements

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

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

Annually, the Treasurer of the municipality is required to provide Council with a financial statement related to the D.C. by-law and reserve funds by June 30. This statement must be made available to the public and be submitted to the Minister of Municipal Affairs and Housing by July 15.

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

- opening balance;
- closing balance;



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

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

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



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

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

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

All D.C.-eligible services are prescribed for the purposes of this section. Therefore, a municipality shall spend or allocate at least 60 percent of the monies in the reserve fund at the beginning of the year. There are generally two (2) ways in which a municipality may approach this requirement:

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

Recent regulatory changes to *Ontario Regulation 82/98* also require the following with respect to the Treasurer's Statement:

- The amount from each reserve fund that was committed to a project, but had not been spent, as of the end of the year;
- The amount of debt that had been issued for a project as of the end of the year; and
- Identify where in the D.C. background study the project's capital costs were estimated.

This would not apply in circumstances where a municipality uses a unique identifier in both the background study and treasurer's statement to identify each project.

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



D.2 D.C. Reserve Fund Application

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

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

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



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

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

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

² See Attachment 1 for details

³ See Attachment 2 for details

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



Figure D-2a
Municipality of Southwest Middlesex
Attachment 1

Annual Treasurer's Statement of Development Charge Reserve Funds
Amount Transferred to Capital (or Other) Funds – Capital Fund Transactions

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



Figure D-2b
Municipality of Southwest Middlesex
Attachment 1

Annual Treasurer's Statement of Development Charge Reserve Funds
Amount Transferred to Capital (or Other) Funds – Operating Fund Transactions

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



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

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



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

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

Projects to Which Funds Will be Allocated

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

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

Projects to Which Funds Will be Allocated

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

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

Projects to Which Funds Will be Allocated

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



Appendix E

Local Service Policy



Appendix E: Local Service Policy

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

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

All infrastructure assets constructed by Developers must be designed and conveyed in accordance with the Municipality's design standards, as revised. Any parks or open space infrastructure assets approved to be constructed by the Developer on behalf of the Municipality shall be in accordance with Municipal standards and requirements.

For the purpose of interpreting this guideline, the following definitions will be used:

Local Services include roadworks, traffic calming, sidewalks, bike lanes, multi-use pathways and trails, streetlighting, landscaping and plantings, storm sewers and appurtenances, sanitary sewers and appurtenances, small bore system sanitary system and appurtenances, watermains and appurtenances as well as stormwater management facilities and appurtenances necessary to provide services within a plan of subdivision and generally provide a local benefit.

External Service Areas are servicing limits for proposed works that extend beyond the subject development but are tributary to the subject development. External service areas may include new growth areas and/or areas of existing development.



Oversizing is the difference between the maximum size identified within this policy for a local service (storm sewer, sanitary sewer, small bore system sanitary main, watermain) and the size of service required to service areas external to the subject development.

Trunk Services are sanitary sewers, small bore system sanitary mains, storm sewers or watermains of diameters larger than the maximum sizes outlined within this policy which service more than one development area (existing or future) or are identified within an approved master servicing study as a trunk service. Trunk services are typically eligible for funding from D.C.s but will be assessed on a case-by-case basis.

Oversizing Cost Recovery

The following oversizing cost recovery guidelines represent general principles for guidance when considering development applications. Ultimately, every development application will be considered individually and site-specific factors including the nature, type, location, existing or proposed adjacent developments, policy guidelines and subsection 59 (2) of the D.C.A., as revised, will be evaluated.

Oversizing costs to be reimbursed through D.C.s are to be based upon the net increase in cost for materials and installation of the related infrastructure (i.e., sanitary sewer, sanitary small bore system main, storm sewer or watermain) in accordance with Municipal benchmark costs. Generally, compensation will not be made for deepening sanitary sewers, sanitary small bore system mains, storm sewers or watermains to accommodate external areas unless otherwise noted within this document or at the Municipality's sole discretion. Oversizing costs are limited to the material costs, as outlined herein, and do not include costs related to restoration, preliminary studies, planning costs, engineering costs or applicable taxes.

Generally, oversizing costs, as outlined herein, to be reimbursed through D.C.s may include the net increase in costs related to the oversizing of infrastructure mainlines, manholes, valves and related appurtenances. Compensation will not be made for any net increase in costs related to private drain connections, including additional depth.

In cases where oversizing occurs, only the oversizing portion of the work will be included in the D.C., and the remaining portions will be the direct responsibility of the developer.



E.1 Services Related to a Highway

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

The associated infrastructure to achieve this concept shall include, but is not limited to: road pavement structure and curbs; grade separation/bridge structures (for any vehicles, railways and/or pedestrians); grading, drainage and retaining wall features; culvert structures; storm water drainage systems; utilities; traffic control systems; signage; gateway features; street furniture; active transportation facilities (e.g. sidewalks, multi-use trails which interconnect the transportation network, etc.); roadway illumination systems; boulevard and median surfaces (e.g. sod & topsoil, paving, etc.); street trees and landscaping; parking lanes & lay-bys; (excluding on-street parking in downtown areas) and driveway entrances; noise attenuation systems; railings and safety barriers.

For the purpose of interpreting this guideline the following definitions will be used:

Minor-Local and Local roads are designed to accommodate low volumes of traffic and to provide access to individual properties. Generally, minor local roads are intended to serve traffic volumes of 0 – 250 per day while local roads are intended to serve traffic volumes of 0 – 1000 per day as detailed within the Municipality of Southwest Middlesex design standards. The minimum right-of-way width is generally 20.1 meters with a minimum pavement width of 8.0 meters.

Collector roads are designed for the movement of moderate volumes of intra-community traffic or traffic within employment or commercial districts. Generally, collector roads are intended to serve traffic volumes of 1000 – 3000 per day as detailed within the Municipality of Southwest Middlesex design standards. The minimum right-of-way width is generally 26.1 meters with a minimum pavement width of 9.2 meters.



Arterial roads are intended to carry moderate to high volumes of traffic, distributing traffic to other classes of roads, acting as transit corridors and connecting to the provincial highway system. Generally, arterial roads are intended to serve traffic volumes greater than 3000, as outlined within the Municipality of Southwest Middlesex design standards. The minimum right-of-way width is generally 30.48 meters with a minimum pavement width of 9.2 meters.

All road linkages or connections, of all classifications, extending from the development area to existing municipal roads are the responsibility of the Developer and are to be constructed to full municipal standards, including all services, as appropriate.

Upgrades, improvements, or alterations to any existing external road regardless of classification that are required to provide access from the external road to the area of development are the responsibility of the Developer.

E.1.1 Minor-Local, Local and Collector Roads (including land)

- a. Collector Roads Internal to Development, or on roads adjacent to or within the immediate traffic impact area, inclusive of all land and associated infrastructure: direct developer responsibility under section 59 of the D.C.A. as a local service.
- b. Collector Roads External to Development, inclusive of all land and associated infrastructure: if needed to support a specific development or required to link with the area to which the plan relates, direct Developer responsibility under section 59 of the D.C.A. as a local service; otherwise, included in D.C. calculation to the extent permitted under subsection 5 (1) of the D.C.A. (dependent on local circumstances).
- c. All local roads are considered to be the developer's responsibility.
- d. Stream crossing and rail crossing road works, excluding underground utilities but including all other works within the lands to be dedicated to the Municipality of Southwest Middlesex or rail corridors: include in D.C. calculation to the extent permitted under subsection 5 (1) of the D.C.A. (dependent on local circumstances).

E.1.2 Arterial Roads



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

E.1.3 Subdivision/Site Entrances

- a. Subdivision/site entrances and all related costs, including but not limited to signalization, turn lanes, utilities and required infrastructure extensions, regardless of road class: direct developer responsibility under section 59 of the D.C.A. as a local service.
- b. Connections from all public and private new roadways, ramps or entrances, including roundabouts, culverts, signage, gateway treatments, noise wall alterations, sidewalks, cycling lanes, multi-use pathways, traffic islands and decorative features, to the existing road infrastructure, regardless of road class: direct developer responsibility under section 59 of the D.C.A. as a local service.

E.1.4 Traffic Control Systems, Signals and Intersection Improvements

- a. On new arterial roads and arterial road improvements unrelated to a specific development: included as part of road costing funded through D.C.s.



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

E.1.5 Streetlights

- a. Streetlights are required in accordance with Municipal standards, as revised. Street lighting along extensions and connections to existing roadways: direct developer responsibility under section 59 of the D.C.A. as a local service.
- b. Streetlights on new arterial roads and arterial road improvements: considered part of the complete street and included as part of the road costing funded through D.C.s or, in exceptional circumstances, may be direct developer responsibility under section 59 of the D.C.A. as a local service.
- c. Streetlights on non-arterial roads internal to development: considered part of the complete street and included as a direct developer responsibility under section 59 of the D.C.A. as a local service.
- d. Streetlights on non-arterial roads external to development, needed to support a specific development or required to link with the area to which the plan relates: considered part of the complete street and included as a direct developer responsibility under section 59 of the D.C.A. as a local service.

E.1.6 Sidewalks

- a. Sidewalks are required in accordance with Municipal standards, as revised. Sidewalk extensions and connections to tie into existing sidewalk, pathway, parks or adjacent road networks: direct developer responsibility under section 59 of the D.C.A. as a local service.



- b. Sidewalks internal to development: direct developer responsibility under section 59 of the D.C.A. as a local service.
- c. Sidewalks on area municipal roads – linked to collector road funding as described herein.
- d. Other sidewalks external to development which are a local service within the area to which the plan relates: direct developer responsibility under section 59 of the D.C.A. as a local service.
- e. Sidewalks on M.T.O and County roads: include in area municipal D.C. or in specific circumstances may be a local improvement or direct developer responsibility under section 59 of the D.C.A. as a local service.

E.1.7 Transportation Related Pedestrian and Cycling Facilities

- a. Sidewalks, multi-use trails, cycle tracks and bike lanes inclusive of all required infrastructure, located within Arterial roads, County roads and provincial highway corridors: considered part of the complete street and included in the D.C. calculations, or, in exceptional circumstances, may be direct developer responsibility under section 59 of the D.C.A. as a local service.
- b. Sidewalks, multi-use trails, cycle tracks and bike lanes inclusive of all required infrastructure, internal to a development: direct developer responsibility under section 59 of the D.C.A. as a local service.
- c. Sidewalks, multi-use trails, cycle tracks and bike lanes inclusive of all required infrastructure, located within or linking to non-arterial road corridors internal to development: considered part of the complete street and included in the D.C. calculations.
- d. Other sidewalks, multi-use trails, cycle tracks, and bike lanes, inclusive of all required infrastructure, located within non-arterial road corridors external to development and needed to support a specific development or required to link with the area to which the plan relates: direct developer responsibility under section 59 of the D.C.A. as a local service.
- e. Multi-use trails (not associated with a road), inclusive of all land and required infrastructure, that go beyond the function of a (parkland) recreational trail



and form part of the Municipality's active transportation network for walking: included in the D.C. calculations.

- f. Traffic calming measures may be required in accordance with Municipal standards and requirements. Traffic calming measures internal to the development area and any external measures that may be required as a result of the proposed development: direct developer responsibility under section 59 of the D.C.A. as a local service.

E.1.8 Damage and Restoration of Municipal Roadways

- a. Restoration of any utility cuts, damage created by construction activities and damage created by construction traffic, including but not limited to dust, debris, milling and paving of deteriorated asphalt, grading of gravel shoulders: direct developer responsibility under section 59 of the D.C.A. as a local service.

E.1.9 Grading

- a. Grading works such as swales and ditches required to convey overland flow routes in accordance with approved grading drawings: direct developer responsibility under section 59 of the D.C.A. as a local service.

E.1.10 Noise Abatement Measures

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

E.1.11 Retaining Walls

- a. Retaining walls, where approved by the Municipality and deemed required: direct developer responsibility under section 59 of the D.C.A. as a local service.

E.1.12 Street Tree Planting



- a. Street tree planting: direct developer responsibility under section 59 of the D.C.A. as a local service.

E.1.13 Land Acquisition for Easements

- a. Easement costs external to subdivisions shall be included in the D.C. calculations.

E.1.14 Municipal Roads

- a. All improvements to an existing Municipal road required to facilitate a development are a local service and direct developer responsibility under section 59 of the D.C.A. unless improvements meet one (1) of the criteria below:

- The improvement is required by a traffic impact study for traffic flow improvement for an area greater than the development, is driven by the Municipality, or is identified through an approved Class Environmental Assessment or Transportation Master Plan. In this case, the improvement would be included in the D.C. calculations to the extent permitted under subsection 5 (1) of the D.C.A.
- The improvement is driven by the Municipality and was identified in a capital plan or similar planning tool. In this case, the improvement would be included in the D.C. calculations to the extent permitted under subsection 5 (1) of the D.C.A.

E.2 Parkland Development

E.2.1 Recreational Trails

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



E.2.2 Parkland

a. Parkland Development for Community Parks, District Parks, neighbourhood Parks and Village Squares: direct developer responsibility under section 59 of the D.C.A. as a local service to provide at base condition, as follows:

- Clearing, grubbing, and tree removals as approved by the Public Works Manager and/or the Municipality's retained engineer.
- Topsoil Stripping, screening, and stockpiling.
- Rough grading (pre-grading) to allow for positive drainage of the Park, with minimum slopes of 2%. If necessary, this may include some minor drainage tile work and grading as per the overall subdivision grading design, complete with any required swales or catch basins. Runoff from the development property shall not drain into the park unless approved by the Public Works Manager and/or the Municipality's retained engineer.
- Spreading of topsoil to 300 mm depth (import topsoil if existing on-site is insufficient to reach required depth).
- Seeding of site with Municipality-approved seed mix. Maintenance of seed until acceptance by Municipality.
- Parks shall be free of any contaminated soil or subsoil.
- Parks shall not be mined for fill.
- Parks shall be conveyed free and clear of all encumbrances.
- 100% of 1.5 m chain link perimeter fencing to the Municipal standards to separate the development lands from the Municipal lands or lands to be dedicated to the Municipality, unless the perimeter fencing is on land that will be dedicated to the Municipality to fulfil the requirement of parkland dedication under the Planning Act, in which case the cost shall be shared 50/50. Upgraded fencing may be permitted with approval of the Public Works Manager; however, any net increase in costs is a direct developer responsibility.
- When Park parcels cannot be developed in a timely manner, they shall be graded to ensure positive drainage and seeded to minimize erosion and dust. These shall be maintained by the developer until construction commences thereon.



- The Park block shall not be used for topsoil or other construction material, equipment storage, or sales pavilions.
 - Required heritage features within the Park as set out within the Planning approval conditions.
- b. Program facilities, amenities, and furniture within parkland are included in the D.C. calculations.

E.2.3 Landscape Buffer Blocks, Features, Cul-de-sac Islands, Berms, Grade Transition Areas, Walkway Connections to Adjacent Arterial Roads, Open Space, Etc.

- a. The cost of developing all landscape buffer blocks, landscape features, cul-de-sac islands, berms, grade transition areas, walkway connections to adjacent arterial roads, open space and other remnant pieces of land conveyed to the Municipality: direct developer responsibility under section 59 of the D.C.A. as a local service. Such costs include but are not limited to:
 - Pre-grading, sodding or seeding, supply and installation of amended topsoil, (to the Municipality's required depth), landscape features, perimeter fencing, amenities and all plantings.
 - Perimeter fencing to the Municipal standard located on the public property side of the property line adjacent land uses (such as but limited to arterial roads) as directed by the Municipality.

E.3 Natural Heritage System (N.H.S.)

N.H.S. includes engineered and in situ stream corridors, natural buffers for woodlots, wetland remnants, etc., as well as subwatersheds within the boundaries of the Municipality. Direct developer responsibility under section 59 of the D.C.A. as a local service, including but not limited to the following:

- a. Riparian planting and landscaping requirements (as required by the Municipality, local Conservation Authority or other authorities having jurisdiction) as a result of, creation of, or construction within the N.H.S. and associated buffers.
- b. Perimeter fencing of the N.H.S. to the Municipal standard located on the public property side of the property line separating adjacent land uses (residential, industrial, commercial) as required by the Municipality.



- c. All works to be in conformance with the Municipality's requirements for stream corridors, natural buffers and subwatershed areas as directed by the approved studies and reports related to the area (or specific Secondary Plan, where applicable) in which development occurs.

E.3.1 Infrastructure Assets Constructed by Developers

- a. All infrastructure assets constructed by Developers must be designed in accordance with the Municipality's Design Standards Manual, as revised, unless otherwise specified.
- b. All infrastructure assets shall be conveyed in accordance with the Municipality's Design Standards Manual, as revised, unless otherwise specified.
- c. Any Parks and Open Space infrastructure assets approved to be constructed by the Developer on behalf of the Municipality shall be in accordance with the Municipality's standards, as revised, unless otherwise specified.

E.4 Underground Services, Stormwater Management, Water and Wastewater Facilities

E.4.1 Underground Services

Underground services (linear infrastructure for stormwater, water, and sanitary services) within the road allowance are not included in the cost of road infrastructure and are treated separately. The responsibility for such services, as well as stormwater management ponds, water and wastewater facilities, including pumping stations, which are undertaken as part of new developments or redevelopments, will be determined by the following principles.

Generally, the costs of the following items shall be direct developer responsibility under section 59 of the D.C.A. as a local service:

- a. Providing all underground services internal to the development, including storm, water and sanitary services;
- b. Providing service connections from existing underground services to the development;



- c. Providing new underground services or upgrading existing underground services external to the development if the services are required to service the development, and if the pipe sizes do not exceed the recommended diameter required to provide adequate capacity to the development, which may be determined during the plan of subdivision, for water, sanitary services, and storm services. If external services are required by two or more developments, the developer for the first development will be responsible for the cost of the external services and may enter into front-ending/cost-sharing agreements with other developers independent of the Municipality;
- d. Providing stormwater management ponds and other facilities required by the development, including all associated features such as landscaping and fencing; and
- e. Water booster pumping stations, reservoir pumping stations and/or sanitary pumping stations serving individual developments.

Generally, the costs of the following items shall be paid through D.C.s:

- a. Water treatment, storage facilities, transmission mains, chlorination/sampling stations and wells associated with municipal service areas to be included within the D.C. calculations;
- b. Wastewater treatment plants and transmission mains associated with municipal service areas shall be included in the D.C. calculations;
- c. External underground services involving trunk infrastructure and pipe sizes exceeding the recommended diameter required to provide adequate capacity to the development, which may be determined during the plan of subdivision, for water, sanitary services, and storm services; and
- d. Water, reservoir and/or sanitary pumping stations not required for the individual development.

In cases where oversizing occurs, only the oversizing portion of the work will be included in the D.C., and the remaining portions will be the direct responsibility of the developer.

E.4.2 Stormwater Management



Underground services (linear infrastructure for stormwater, including stormwater, water and sanitary services) within the road allowance are not included in the cost of road infrastructure and are treated separately. The responsibility for such services which are undertaken as part of new developments or developments will be determined as described herein.

This section should be read in conjunction with section 4.3 Storm Sewers.

- a. New or upgraded stormwater facilities for quality and/or quantity control, including downstream erosion works, inclusive of land and all associated infrastructure, such as landscaping and perimeter fencing required for a specific development: direct developer responsibility under section 59 of the D.C.A. as a local service.
- b. Oversizing of stormwater management facilities capacity, excluding land, to accommodate runoff from new, widened, extended or upgraded municipal arterial roads that are funded as a D.C. project: included as part of road costing funded through D.C.s.
- c. Oversizing of stormwater management facilities for development external to the subject site will be subject to applicable clauses identified in development agreements.
- d. Erosion works, inclusive of all restoration requirements required for a specific development: direct developer responsibility under section 59 of the D.C.A. as a local service.
- e. Monitoring works: included in the D.C. calculations consistent with the D.C.A., subsection 5 (1).
- f. Mitigation and compensation works as recommended by a supporting report such as an Environmental Impact Study directly related to the development: direct developer responsibility under section 59 of the D.C.A. as a local service.
- g. Storm sewer systems and drainage works that are required for a specific development, either internal or external to the area to which the plan relates: direct developer responsibility under section 59 of the D.C.A. as a local



service. Further information specific to storm sewers is provided under section 4.3.

E.4.3 Storm Sewers

The sizing and servicing limits of all local storm sewers are to be determined and documented by the Developer's professional engineer at the Developer's sole cost. External service areas must be identified and included within the overall design with the impacts on sizing and depth of the local services determined as part of the engineering design and approval process, at the Developer's sole cost.

In the event that a detailed area master servicing plan is required to address new growth areas, this will be undertaken by the Municipality or under the direction of the Municipality. The eligibility for funding under D.C.s will be determined at that time based upon the D.C.A., as revised.

Generally, deepening storm sewers to accommodate external areas will be at the sole cost of the developer. Consideration for compensation funded from D.C.s may apply where the depth of eligible sewers must be increased more than 2.0 m in order to accommodate external area(s) or where the additional depth will have significant construction impacts, including dewatering. This will be assessed on a case-by-case basis.

- a. Underground storm sewers and services internal to a specific development: direct developer responsibility under section 59 of the D.C.A. as a local service.
- b. Surface storm infrastructure, including ditches, swales, and overland flow routes: direct developer responsibility under section 59 of the D.C.A. as a local service.
- c. All local storm sewers up to and including the recommended diameters identified through the plan of subdivision to service the development: direct developer responsibility under section 59 of the D.C.A. as a local service.
- d. Marginal costs of storm sewers exceeding the recommended diameters identified through the plan of subdivision to service the development and internal to a specific development that benefits upstream or downstream developments noted as oversizing as identified in the Municipality's



plans/studies, identified as a trunk sewer as determined by an approved master servicing plan or as directed by the Municipality are to be included within the D.C. cost sharing funded by D.C.s may apply.

- e. External service connections from existing underground services to a specific development: direct developer responsibility under section 59 of the D.C.A. as a local service.
- f. External cost of storm sewers involving pipe sizes exceeding the recommended diameters identified through the plan of subdivision to service the development: included in the D.C. calculations.
- g. Connections to trunk storm mains to service specific areas: direct developer responsibility under section 59 of the D.C.A. as a local service.
- h. External cost of storm sewers involving pipe sizes equal to or exceeding the recommended diameters identified through the plan of subdivision to service the development, associated with overall community municipal service and multiple developments: included within the D.C. calculations.

E.4.4 Water Servicing

The sizing and servicing limits of all local watermains are to be determined and documented by the Developer's professional engineer at the Developer's sole cost. External service areas must be identified and included within the overall design, with the impact on sizing and depth of the local services determined as part of the engineering design and approval process, at the Developer's sole cost.

- a. Permanent water supply infrastructure, treatment plants, pumping stations, pressure control chambers, chlorination/sampling stations, and storage facilities associated with overall community municipal service and multiple developments: included in the D.C. calculations.
- b. Providing temporary or permanent water booster stations, reservoirs, storage facilities, and any other water facility required for a specific development: direct developer responsibility under section 59 of the D.C.A. as a local service. Oversizing costs to facilitate other developments will be negotiated as part of the primary development agreement.



- c. Underground watermains and services internal to a specific development: direct developer responsibility under section 59 of the D.C.A. as a local service.
- d. All local watermains up to and including the recommended diameters identified through the plan of subdivision to service the development: direct developer responsibility under section 59 of the D.C.A. as a local service.
- e. Marginal costs of watermains exceeding the recommended diameters identified through the plan of subdivision to service the development and internal to a specific development which benefits upstream or downstream developments noted as oversizing as identified in the Municipality's plans/studies, identified as a trunk watermain as determined by an approved master servicing plan or as directed by the Municipality are to be included within the D.C. cost sharing funded by D.C.s may apply. Local watermains exceeding the recommended diameters identified through the plan of subdivision to service the development that have been oversized to provide fire protection within a development are deemed a local service and are the developer's responsibility.
- f. External cost of watermains involving pipe sizes exceeding the recommended diameters identified through the plan of subdivision to service the development associated with overall community municipal service and multiple developments: included in the D.C. calculations.

E.4.5 Wastewater Servicing, including Conventional Sanitary Infrastructure and Small Bore System

The sizing and servicing limits of all local sanitary sewers are to be determined and documented by the Developer's professional engineer at the Developer's sole cost. External service areas must be identified and included within the overall design with the impact on sizing and depth of the local services determined as part of the engineering design and approval process, at the Developer's sole cost.

In the event that a detailed area master servicing plan is required to address new growth areas, this will be undertaken by the Municipality or under the direction of the



Municipality. The eligibility for funding under D.C.s will be determined at that time based upon the D.C.A., as revised.

Generally, deepening sanitary sewers to accommodate external areas will be at the sole cost of the developer. Consideration for compensation funded from D.C.s may apply where the depth of eligible sewers must be increased more than 2.0 m in order to accommodate external areas or where the additional depth will have significant construction impacts, including dewatering. This will be assessed on a case-by-case basis.

- a. Permanent wastewater treatment plants, pumping stations, storage facilities and forcemains associated with overall community municipal service and multiple developments: to be included in the D.C. calculations.
- b. Providing temporary or permanent storage facilities, sanitary pumping stations, forcemains, noise and odor control abatement measures and any other wastewater facility required for a specific development: direct developer responsibility under section 59 of the D.C.A. as a local service.
- c. Underground wastewater mains and services internal to a specific development: direct developer responsibility under section 59 of the D.C.A. as a local service.
- d. All local sanitary sewers, forcemains, and small bore sanitary mains up to and including the recommended diameters identified through the plan of subdivision to service the development: direct developer responsibility under section 59 of the D.C.A. as a local service.
- e. Marginal costs of sanitary sewers exceeding the recommended diameters identified through the plan of subdivision to service the development internal to a specific development that benefits upstream or downstream developments noted as oversizing as identified in the Municipality's plans/studies, identified as a trunk sewer as determined by an approved master servicing plan or as directed by the Municipality are to be included within the D.C. cost sharing funded by D.C.s may apply.
- f. Marginal costs of sanitary small bore system mains exceeding the recommended diameters identified through the plan of subdivision and



internal to a specific development which benefits upstream or downstream developments noted as oversizing as identified in the Municipality's plans/studies, identified as a trunk sewer as determined by an approved master servicing plan or as directed by the Municipality are to be included within the D.C. cost sharing funded by D.C.s may apply.

- g. External service connections from existing underground services to a specific development: direct developer responsibility under s.59 of the D.C.A. as a local service.
- h. External cost of sanitary sewers and small bore system mains involving pipe sizes equal to or exceeding the recommended diameters identified through the plan of subdivision to service the development: included in the D.C. calculations.
- i. Connections to trunk sanitary mains, forcemains and pumping stations to service specific areas: direct developer responsibility under section 59 of the D.C.A. as a local service.
- j. External cost of sanitary sewers and small bore system mains involving pipe sizes exceeding the recommended diameters identified through the plan of subdivision to service the development, associated with overall community municipal service and multiple developments: included in the D.C. calculations.
- k. Costs to continue the sanitary sewer upstream past the last manhole to property line: direct developer responsibility under section 59 of the D.C.A. as a local service.
- l. Sanitary pumping stations will be reviewed on a case-by-case basis. Generally, sanitary pumping stations and connecting infrastructure servicing a single development or part of a single development that does not provide a widespread benefit will be deemed a local service and will be the developer's responsibility. Oversizing costs to facilitate other developments will be negotiated as part of the primary development agreement. Pumping stations that are determined to have a widespread benefit to the area must be identified in an approved master servicing study, or otherwise accepted by the Municipality, with eligible costs funded from D.C.s.



Studies

The infrastructure planning studies, master plans, and major Municipality studies are included in the D.C. Studies that take the recommendations from the Municipality's studies to further develop details and design for specific developments shall be a direct developer responsibility as a local service.

Fire Protection Services

- a. The Municipality provides fire protection services through fire stations, fire vehicles, firefighting equipment, and related facilities. The following identifies the works and costs that are considered local services and, therefore, the direct responsibility of the developer under s.59 of the D.C.A.:
- b. Provision and installation of fire hydrants and associated watermains internal to a development, including all valves, fittings, and connections required to provide fire protection within the subdivision or site.
- c. Watermain oversizing or looping internal to the development required to achieve adequate fire flow for the specific development.
- d. Fire protection or emergency access routes internal to the development, including construction of secondary access roads and turning radii as required under the Ontario Building Code or Fire Code for that development.
- e. On-site fire suppression or alarm systems required under the Ontario Building Code or Fire Code for specific buildings or developments (e.g., sprinkler systems, fire pumps, alarm panels, etc.).
- f. Temporary fire protection measures or systems required during the construction phase of a development.



Appendix F

Asset Management Plan



Appendix F: Asset Management Plan

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

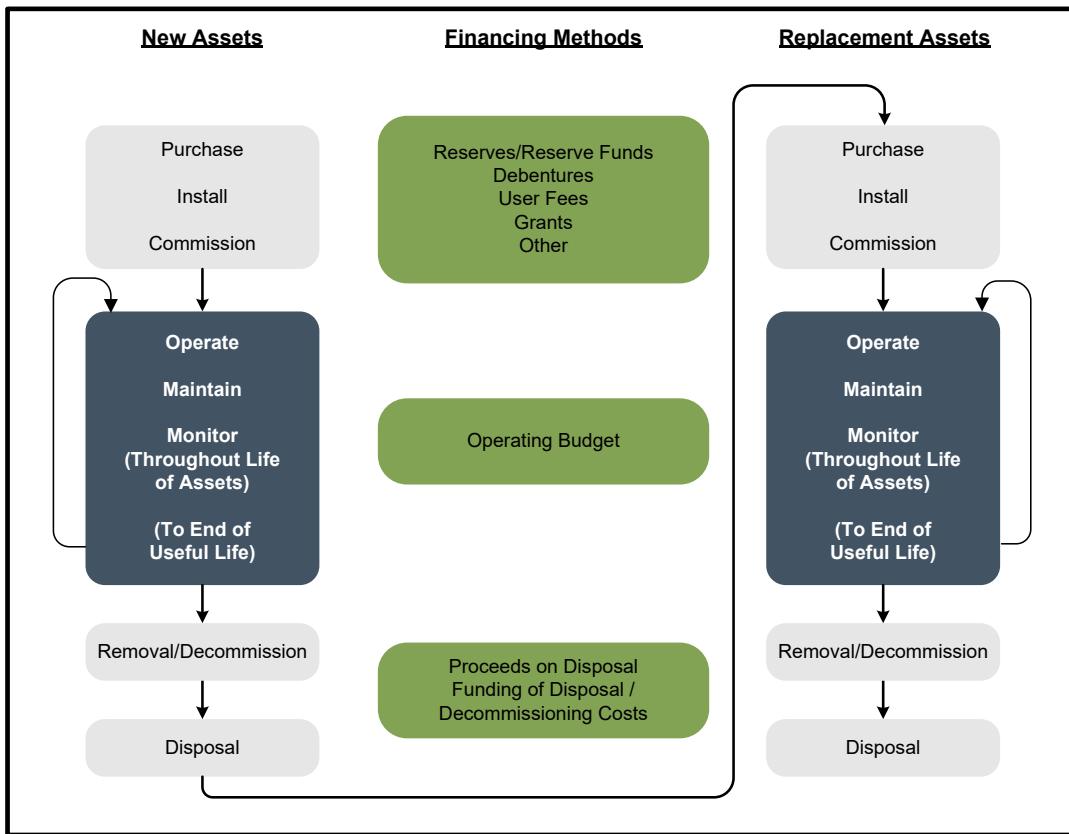
“The asset management plan shall,

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

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

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

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



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

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

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

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

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



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

Commensurate with the above, the Municipality prepared an A.M.P. in 2020 for its existing assets. Although the A.M.P. included an analysis on growth-related assets, the future annual investment needs are based on the previous D.C. background study. To reflect the updated capital project listing and to meet the requirements of the legislation, the following table (presented in 2025 \$) has been developed to provide the annualized expenditures and revenues associated with new growth. Note that the D.C.A. does not require an analysis of the non-D.C. capital needs or their associated operating costs so these are omitted from the table below. As well, as all capital costs included in the D.C.-eligible capital costs are not included in the Municipality's A.M.P., the present infrastructure gap and associated funding plan have not been considered at this time. Hence the following does not represent a fiscal impact assessment (including future tax/rate increases) but provides insight into the potential affordability of the new assets:

1. The non-D.C. recoverable portion of the projects that will require financing from municipal financial resources (i.e., taxation, rates, fees, etc.). This amount has been presented on an annual debt charge amount based on 20-year financing.
2. Lifecycle costs for the 2025 D.C. capital works have been presented based on a sinking fund basis. The assets have been considered over their estimated useful lives.
3. Incremental operating costs for the D.C. services (only) have been included.
4. The resultant total annualized expenditures are approximately \$1.84 million.
5. Consideration was given to the potential new taxation and user fee revenues which will be generated as a result of new growth. These revenues will be available to finance the expenditures above. The new operating revenues are approximately \$2.18 million. This amount, totaled with the existing operating revenues of approximately \$14.34 million, provides annual revenues of approximately \$16.52 million by the end of the period.
6. In consideration of the above, the capital plan is deemed to be financially sustainable.



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

Asset Management - Future Expenditures and Associated Revenues	2045 (Total)
Expenditures (Annualized)	
Annual Debt Payment on Non-Growth Related Capital ¹	511,570
Annual Debt Payment on Post Period Capital ²	205,565
Lifecycle:	
Annual Lifecycle - Municipal-wide Services	337,235
Annual Lifecycle - Area-specific Services ³	316,706
Sub-Total - Annual Lifecycle	\$653,941
Incremental Operating Costs (for D.C. Services)	\$465,951
Total Expenditures	1,837,027
Revenue (Annualized)	
Total Existing Revenue ⁴	\$14,336,655
Incremental Tax and Non-Tax Revenue (User Fees, Fines, Licences, etc.)	\$2,179,116
Total Revenues	\$16,515,771

¹ Non-Growth Related component of Projects

² Interim Debt Financing for Post Period Benefit

³ As per Sch. 10 of FIR



Appendix G

Capital Cost and Benefit to Existing Methodology



Appendix G: Capital Cost and Benefit to Existing Methodology

Based on the regulatory changes provided through Bill 60: *Fighting Delays, Building Faster Act, 2025*, there is a requirement to provide greater detail regarding how capital costs and non-growth-related shares (i.e., B.T.E. deduction methodology) of the costs are determined. These methodologies are provided below on a service-by-service basis:



Table G-1
Municipality of Southwest Middlesex
Methodology for Determining Capital Costs and B.T.E. Calculations

Service	B.T.E. Calculation Methodology
Fire Protection Services	<ul style="list-style-type: none">Facilities: The new fire hall included in the D.C. calculation is intended to replace an existing facility; however, the expanded size is required to accommodate growth-related service needs. A B.T.E. deduction has therefore been applied to recognize the benefit associated with replacing the existing 2,421 sq. ft. Wardsville station. With the new hall anticipated to be 7,500 sq. ft., the proportion attributable to existing development equates to approximately 32%, which has been applied as the B.T.E. deduction.Vehicles & Equipment: Several of the identified vehicles and equipment items represent new additions required to service forecast growth over the planning period, including the pumper/rescue vehicle in Glencoe (Project No. 2), the new utility vehicle (Project No. 6), and additional firefighter gear, pagers, and portable radios (Project Nos. 7 to 9). No B.T.E. deduction has been applied to these items, as they are entirely growth-related. For vehicle upgrades in Glencoe and Wardsville, a B.T.E. deduction has been applied where the upgrade provides a benefit to existing operations. Specifically, this applies to the tanker upgrades in Glencoe and Wardsville (Project Nos. 3 and 4), which increase seating capacity from three to five seats, and the pumper upgrade in Wardsville (Project No. 5), which increases seating capacity from two to five seats. The B.T.E. deduction for these projects is based on the seating capacity differential, representing the portion of the upgrade that benefits existing development.
Services Related to a Highway – Roads and Related	<ul style="list-style-type: none">No B.T.E. deduction has been applied. The identified road upgrades and associated streetlighting are new works required solely to service growth and do not replace or expand existing infrastructure for the benefit of current developments.
Public Works	<ul style="list-style-type: none">Vehicles:<ol style="list-style-type: none">Single Axle Truck: This vehicle will provide service to both existing and new development. To reflect the portion of B.T.E. road network and maintenance needs, a 50% B.T.E. deduction has been applied.Trackless Snow plow: The trackless snow plow is a new fleet addition required specifically to accommodate increased winter control demand associated with over 500 new residential units. As it does not replace any existing asset and is fully growth related, no B.T.E. has been applied.
Parks and Recreation	<ul style="list-style-type: none">Parkland Development: Parkland development included in the D.C. calculation is related to new parks and amenities. As a result, a benefit to existing deduction has not been applied, as these costs are related to providing park services to new developments across the Municipality.Vehicles: The additional pickup truck included in the D.C. calculation (Project No. 2) will be used to support parks and recreation operations serving both existing and new development. To reflect the portion of the vehicle that benefits existing development, a 50% B.T.E. deduction has been applied.
Growth Studies	<ul style="list-style-type: none">Non-growth-related shares for studies have been determined on a project-by-project basis through a review of the scope of each study. Based on this review, an allocation to account for the benefit to existing development is made. For example, although parks and recreation master plans are generally undertaken to identify the new capital projects



Service	B.T.E. Calculation Methodology
	<p>that are required to accommodate new development, there is a benefit to the existing community, wherein existing policies and practices are also reviewed through the study. As a result, a 25% allocation to account for the non-growth-related share of this project has been made.</p>
Wastewater	<ul style="list-style-type: none">• Linear Infrastructure:<ol style="list-style-type: none">a. New sanitary sewers or pumping stations that are being built to accommodate new development are considered to be fully growth related, and as such, a B.T.E. deduction is not applied to these projects.b. The growth share related to upgrades/upsizing of existing pipes and pumping stations are based on a combination of the following:<ol style="list-style-type: none">i. the share of the costs related to the incremental size of the diameter of the pipe.ii. the proportion of the capacity of the pumping stations that may be attributed to new developments vs. existing customers.iii. the proportion of useful life remaining for the existing pipe being replaced with a larger pipe. Given that, due to growth, the pipe is being replaced in advance of its typical replacement date, this share of the costs of replacing the existing pipe would be considered growth-related.
Water	<ul style="list-style-type: none">• Linear Infrastructure:<ol style="list-style-type: none">a. New watermains and booster stations that are being built to accommodate new development are considered to be fully growth related, and as such, a B.T.E. deduction is not applied to these projects.b. The growth share related to upgrades/upsizing of existing pipes and booster stations are based on a combination of the following:<ol style="list-style-type: none">i. the share of the costs related to the incremental size of the diameter of the pipe.ii. the proportion of the capacity of the booster stations that may be attributed to new developments vs. existing customers.iii. the proportion of useful life remaining for the existing pipe being replaced with a larger pipe. Given that, due to growth, the pipe is being replaced in advance of its typical replacement date, this share of the costs of replacing the existing pipe would be considered growth-related.



Appendix H

Changes to the D.C.A.



Appendix H: Changes to the D.C.A.

As this is the Municipality's first D.C. background study, it is important to note that there have been several recent amendments to the D.C.A. that affect how D.C.s may be imposed. These changes include new mandatory exemptions, discounts, and limitations. This appendix summarizes the changes.

H.1 Changes to the D.C.A.: *Bill 213 and Bill 109*

H.1.1 Bill 213: Better for People, Smarter for Business Act, 2020

On December 8, 2020, Bill 213 received Royal Assent. One of the changes of the Bill that took effect upon Royal Assent included amending the Ministry of Training, Colleges and Universities Act by introducing a new section that would exempt the payment of D.C.s for developments of land intended for use by a university that receives operating funds from the Government. As a result, this mandatory exemption will be included in the D.C. by-law.

H.1.2 Bill 109: More Homes for Everyone Act, 2022

On April 14, 2022, Bill 109 received Royal Assent. One of the changes of the Bill and Ontario Regulation (O. Reg.) 438/22 that took effect upon Royal Assent included amending the D.C.A. and O. Reg. 82/98 related to the requirements for the information which is to be included in the annual Treasurer's statement on D.C. reserve funds and the requirement for publication of the statement.

- The following additional information must be provided for each D.C. service being collected for during the year:
 - a. whether, as of the end of the year, the municipality expects to incur the amount of capital costs that were estimated, in the relevant development charge background study, to be incurred during the term of the applicable development charge by-law; and
 - b. if the answer to a) is no, the amount the municipality now expects to incur and a statement as to why this amount is expected; and



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

The changes to the D.C.A. has also been amended to now require that the annual Treasurer's statement be made available to the public on the website of the municipality or, if there is no such website, in the municipal office.

H.2 Changes to the D.C.A. – *Bill 23: More Homes Built Faster Act, 2022*

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

H.2.1 Additional Residential Unit Exemption

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

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



H.2.2 Removal of Housing as an Eligible D.C. Service

Housing is removed as an eligible service as of November 28, 2022. Municipalities with by-laws that include a charge for housing services can no longer collect for this service. It is noted that the charge for housing services is still applicable where rates have been frozen for the purposes of instalment payments under the D.C.A.

H.2.3 New Statutory Exemption for Non-Profit Housing

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

H.2.4 New Statutory Exemptions for Affordable Units, Attainable Units, and Affordable Inclusionary Zoning Units

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

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

Note: As discussed in Section H.2.13, the definitions above of an Affordable Rental Unit and Affordable Owned Unit have been modified through Bill 134.

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

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

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



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

H.2.5 Historical Level of Service Extended to 15-Year Period Instead of the Historical 10-Year Period

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

H.2.6 Revised Definition of Capital Costs

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

H.2.7 Mandatory Phase-in of a D.C.

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

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

H.2.8 D.C. By-law Expiry

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

H.2.9 Installment Payments

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



H.2.10 Rental Housing Discount

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

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

H.2.11 Maximum Interest Rate for Instalments and Determination of Charge for Eligible Site Plan and Zoning By-law Amendment Applications

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

H.2.12 Requirement to Allocate Funds Received

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

H.2.13 Bill 134: Affordable Homes and Good Jobs Act, 2023

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

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



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

This change provides the exemption based on the lesser of the two measures.

Moreover, the rules in subsection 4.1 of the D.C.A. are unchanged with respect to:

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

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

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



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



Item	Bill 23 Definition	Bill 134 Definition (Current D.C.A. Definition)
		<u>household</u> referred to in clause (a)

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

H.3 Bill 185: *Cutting Red Tape to Build More Homes Act*

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

H.3.1 Revised Definition of Capital Costs

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

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

H.3.2 Removal of the Mandatory Phase-in

As noted in Section G.2 above, Bill 23 required the phase-in of charges imposed in a D.C. by-law over a five-year term for any by-laws passed after January 1, 2022. Bill 185 removed this mandatory phase-in. This change is effective for any D.C. by-laws passed after Bill 185 came into effect.

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



H.3.3 Process for Minor Amendments to D.C. By-laws

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

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

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

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

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

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

H.3.4 Reduction of D.C. Rate Freeze Timeframe

Bill 108 provided for the requirement to freeze the D.C.s imposed on developments subject to a site plan and/or a zoning by-law amendment application. The D.C. rate for these developments is “frozen” at the rates that were in effect at the time the site plan



and/or zoning by-law amendment application was submitted (subject to applicable interest). Once the application is approved by the municipality, if the date the D.C. is payable is more than two years from the approval date, the D.C. rate freeze would no longer apply. Bill 185 reduced the two-year timeframe to 18 months.

H.3.5 Modernizing Public Notice Requirements

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

H.4 Bill 17: Protect Ontario by Building Faster and Smarter Act, 2025

On May 12, 2025, the Province released *Bill 17: Protect Ontario by Building Faster and Smarter Act, 2025*. The Bill received Royal Assent on June 5, 2025. This Bill introduces some additional exemptions, changes to the timing of payment for residential D.C.s, and provides regulatory authority to make future changes. The following subsections provide a summary of the changes:

H.4.1 Deferral of Residential D.C. Payments to Occupancy

Changes to section 26.1 of the D.C.A. provide that a D.C. payable for residential development (other than rental housing developments, which are subject to payment in instalments) are payable upon the earlier of the issuance of an occupancy permit, or the day the building is first occupied. Only under circumstances prescribed in the regulations may the municipality require a financial security. As such, the prescribed circumstances may allow for securities when no occupancy permit is required.

Municipalities shall not impose interest on the deferral of D.C. payment to occupancy.



H.4.2 Removal of Interest for Legislated Instalments

Changes to section 26.1 of the Act remove the ability to charge interest on instalments for rental housing and institutional development. This also applies to future instalments for existing deferrals.

H.4.3 Early Payment for Residential/Institutional

Changes provide that a person required to pay a D.C. for residential or institutional development (i.e. instalments or at occupancy), can pay earlier without the requirement to enter into an early payment agreement.

H.4.4 Exemption for Long-term Care Homes

Before this change, long-term care homes were subject to the installment payment provisions of the D.C.A. As of June 5, 2025, Long-term care homes are exempt from D.C.s, as well as all future installment payments, where applicable.

H.4.5 Revised Definition of Capital Costs

Section 5(3) of the D.C.A. provides for a definition of capital costs that are eligible for inclusion in the D.C. calculations. The changes introduced by Bill 17 added the following wording to the beginning of the section: “Subject to the regulations”. As such, the Province may make changes to limit the definition of capital costs via changes to the D.C. regulations.

H.4.6 Expanded Simplified D.C. By-law Amendment Process

In addition to the reason for the simplified process set out in Section H.3.3, a D.C. by-law may now also be amended through the simplified amendment process to repeal the indexing provision or decrease the D.C. for one or more types of development.

H.4.7 Lower Charge – Current vs. Rate Freeze

This change provides that the municipality must charge the lower of the D.C. calculated with the rate freeze (including interest) and the D.C. at current rates at the time the D.C. is payable. This change assists where municipalities reduce their D.C. and therefore can impose the reduced D.C. in cases where the rate freeze applies.



H.4.8 Grouping of Services for the Purposes of Using Credits

This change provides the Province with the ability to make changes through the regulations to group D.C. services together for the purposes of applying D.C. credits.

H.4 Bill 60: Fighting Delays, Building Faster Act, 2025

The Provincial government introduced Bill 60, Fighting Delays, Building Faster Act, 2025 and Regulatory Proposals MMAH2018 and 25MMAH030 on October 23, 2025. The Bill received Royal Assent on November 27, 2025. The following subsections provide a summary of the changes:

H.4.1 Addition of Class of Service for Land Acquisition

The legislative change provides for land acquisition as a separate class of service¹. Anticipated land acquisition capital needs are to be grouped together for the purposes of the D.C. calculations. Land acquisition capital needs are also to be excluded from the historical Level of Service calculations.

The anticipated capital costs for land are restricted to 10 years for all services except the following:

- Water;
- Wastewater;
- Stormwater;
- Service related to a Highway;
- Electrical;
- Transit;
- Police; and
- Fire.

As land acquisition is considered a class of service, municipalities are required to establish a separate reserve fund for these capital costs. As such, funds are to be segregated for this purpose only and used solely for land costs. Similar to other reserve funds, monies in this reserve fund can be borrowed and repaid, with interest. With

¹ Section 7 of the D.C.A. states that a class of service may be established for the purposes of a D.C. by-law that is a combination of D.C. eligible services or a subset of a D.C. eligible service.



respect to credits, municipalities need to ensure appropriate accounting of credits for land separately from credits for other applicable services.

Section 35 of the D.C.A. is amended to add an exception to the use of monies in established reserve funds. This section states that monies in a reserve fund can be used for land acquisition, however, they cannot be used for land acquisition if those costs are to be paid for with the reserve fund established for land acquisition.

H.4.2 Required Timelines for the Annual Treasurer's Statement

Section 43(1) of the Act has been amended to require the Treasurer's statements to be completed by June 30 of each year (previously based on a date determined by Council). Further, Section 43(3) of the Act is amended to require a copy of the Treasurer's statement to be submitted to the Minister by July 15 of each year.

H.4.3 Addition of Requirements for Local Service Policies

Subsections 59(2.2) through 59(2.11) of the Act generally set out the following:

- A Local Service Policy is required for all D.C. eligible services to which a D.C. by-law imposes a charge and where some part of the service will be provided as a local service;
- A Local Service Policy is required to impose a condition of local services on development and only to the extent it has been identified in the Local Service Policy. That is, a municipality could not require a work or classes of work to be provided as a local service if it is not identified as such in the Local Service Policy;
 - a. This does not apply where a municipality does not impose a D.C. for that service;
 - b. This applies the day a municipality establishes the Local Services Policy or 18 months after Bill 60 received Royal Assent;
- Required content for a Local Service Policy:
 - a. Works or classes of works related to development that are intended to be required as a Local Service
- Optional content for a Local Service Policy:
 - a. Works or classes of works that are not intended to be required as a Local Service;
 - b. Works or classes of works that are partially required as a Local Service;



- The municipality shall give a copy of the Local Service Policy to the Minister of Municipal Affairs and Housing upon request, by the date requested; and
- The Local Service Policy must be reviewed, requiring a resolution of Council declaring if a revision is needed. The Resolution shall be passed at the time of passing any D.C. by-law or when a revision to the policy is required.

H.4.4 Requirement to Provide Documents to the Minister

Changes to Section 10 and Section 13 of the D.C.A. require municipalities to provide copies of documents to the Minister upon request, by the date requested.

In addition, section 59(2.8) of the Act requires a copy of the Local Service Policy to be provided to the Minister upon request, by the date requested.

H.4.5 Regulatory Changes

Bill 60 also provided for regulatory changes to *Ontario Regulation 82/98*. These changes are with respect to the following matters:

Merging of Credits

This change merges water supply services and wastewater services for the purposes of credits. As provided in subsection 2 (4) of the D.C.A., the D.C.-eligible services of water supply and wastewater include distribution and treatment, and sewers and treatment, respectively.

Transparency of B.T.E. Calculations

Regulatory changes require municipalities to provide greater details with respect to how capital costs are determined and how the growth-related and non-growth-related shares of the costs are determined. This appears to be required for each service, rather than on a project-by-project basis.

Details of Land Acquisition

Section 8 of Ontario Regulation 82/98 has been amended to require land acquisition costs to be included in the D.C. background presentation of:

- The total of the estimated capital costs relating to the service;



- The allocation of the total of the estimated costs between costs that would benefit new development and costs that would benefit existing development;
- The total of the estimated capital costs relating to the service that will be incurred during the term of the proposed development charge by-law;
- The allocation of the costs incurred during the term of the proposed by-law between costs that would benefit new development and costs that would benefit existing development; and
- The estimated and actual value of credits that are being carried forward relating to the service.

Information Accessibility

The changes increase reporting requirements for the Annual Treasurer's Statements to include:

- The amount from each reserve fund that was committed to a project, but had not been spent, as of the end of the year;
- The amount of debt that had been issued for a project as of the end of the year; and
- Identify where in the D.C. background study the project's capital costs were estimated.

This does not apply in circumstances where a municipality uses a unique identifier in both background studies and treasurer's statements to identify each project.



Appendix I

Draft D.C. By-law



Appendix I: Draft D.C. By-law

**THE CORPORATION OF THE MUNICIPALITY OF SOUTHWEST
MIDDLESEX**
BY-LAW NUMBER 2026-xxx
BEING A BY-LAW FOR THE IMPOSITION OF

WHEREAS the Municipality of Southwest Middlesex will experience growth through development and re-development;

AND WHEREAS the Development Charges Act, 1997, S.O. 1997, c.27, as amended (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 charge background study has been completed in accordance with the Act;

AND WHEREAS the Council of The Corporation of the Municipality of Southwest Middlesex has given notice of and held a public meetings on the XXth day of Month, 2026 in accordance with the Act and the regulations thereto;

**NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE
MUNICIPALITY OF SOUTHWEST MIDDLESEX ENACTS AS FOLLOWS:**



1. INTERPRETATION

1.1. 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, as amended, or any successor thereof;

"ancillary residential building" means a residential building that would be ancillary to a detached dwelling, semi-detached dwelling, or row dwelling;

"affordable residential unit" means a residential unit that meets the criteria set out in subsection 4.1(2) or 4.1(3) of the Act;

"agricultural use" means lands or Buildings, excluding any portion thereof used as a Dwelling Unit, used or designed or intended for use for the purpose of a bona fide farming operation operated by a Bona Fide Farmer, including, but not limited to, animal husbandry, dairying, livestock, fallow, field crops, removal of sod, forestry, fruit farming, horticulture, market gardening, pasturage, poultry keeping, equestrian facilities and any other activities customarily carried on in agriculture, but does not include a Building, Structure or greenhouse or part thereof solely designed, used or intended to be used for the growing, cultivation, harvesting, drying, processing, testing, trimming, storage, or sale of Cannabis;

"apartment unit" means any residential unit within a building containing three or more dwelling units where access to each residential unit is obtained through a common entrance or entrances from the street level and the residential units are connected by an interior corridor, and includes stacked townhouses;

"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;

"board of education" has the same meaning as set out in the Education Act, R.S.O. 1990, c.E.2, as amended, or any successor thereof (the "Education Act");

"Building Code Act" means the Building Code Act, 1992, S.O. 1992, c.23 as amended, or any successor thereof (the "Building Code Act");

"cannabis" means:

- a) a cannabis plant;
- b) any part of a cannabis plant, including the phytocannabinoids produced by, or found in, such a plant regardless of whether that part has been processed or not;
- c) any substance or mixture of substances that contains or has on it any part of such a plant; and
- d) any substance that is identical to any phytocannabinoid produced by, or found in, such a plant, regardless of how the substance was obtained.

"cannabis plant" means a plant that belongs to the genus Cannabis.

"Cannabis Production Facilities" means a building, or part thereof, designed, used, or intended to be used for one or more of the following: production, processing, harvesting, testing, alteration, destruction, storage, packaging, shipment, or distribution of cannabis where a licence, permit or authorization has been issued under applicable federal law and does include, but is not limited to such buildings as a greenhouse and agricultural building associated with the use. It does not include a building or part thereof solely designed, used, or intended to be used for retail sales of cannabis.

"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 Municipality 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, construct or improve facilities including,
 - (i) furniture and equipment other than computer equipment, and
 - (ii) material acquired for circulation, reference or information purposes by a library board as defined in the Public Libraries Act, R.S.O. 1990, Chap. P.44, as amended, or any successor thereof; and
 - (iii) rolling stock with an estimated useful life of seven years or more.
- e) to undertake studies in connection with any matter under the Act and any of the matters in clauses (a) to (d) above, including the development charge background study required for the provision of services designated in this By-law within or outside the Municipality , including interest on borrowing for those expenditures under clauses (a) to (e) above that are growth-related;

“charitable dwelling” means a residential building, a part of a residential building or the residential portion of a mixed-use building maintained and operated by a corporation approved under the Charitable Institutions Act, R.S.O. 1990, c. C.9, for persons requiring residential, specialized or group care and charitable dwelling includes a children’s residence under the Child and Family Services Act, R.S.O. 1990, c. C.11, a home, or a joint home under the Homes for the Aged and Rest Homes Act, R.S.O. 1990, c. H.13, an institution under the Mental Hospitals Act, R.S.O. 1990, c. M.8, a nursing home under the Nursing Homes Act, R.S.O., 1990, c. N.7, and a home for special care under the Homes for Special Care Act, R.S.O. 1990, c. H.12.

“class” means a grouping of services combined to create a single service for the purposes of this by-law and as provided in section 6 of the Development Charges Act. Also referred to as class of service or classes of services;



"commercial" means any use of land, structures, or buildings for the purposes of buying or selling commodities and services, but does not include industrial or agricultural uses, but does include hotels, motels, motor inns and boarding, lodging and rooming houses;

"Council" means the Council of the Municipality ;

"detached dwelling unit" has the same meaning as a single detached dwelling unit" for the purposes of this by-law.

"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;

"dwelling 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;

"existing industrial building" means a building or buildings existing on a site in the Municipality of Southwest Middlesex on October 16th, 2006 or the buildings or structures constructed and occupied on a vacant site pursuant to site plan approval under section 41 of the Planning Act, R.S.O. 1990, c. P.13 (the "Planning Act") subsequent to October 16, 2006 for which full development charges were paid, and is used for or in connection with,

- a) the production, compounding, processing, packaging, crating, bottling, packaging, or assembling of raw or semi-processed goods or materials ("manufacturing") in not less than seventy-five per cent of the total gross floor area of the building or buildings on a site ("manufacturing") or warehousing related to the manufacturing use carried on in the building or buildings,



- b) research or development in connection with manufacturing in not less than seventy-five per cent of the total gross floor area of the building or buildings on a site,
- c) retail sales by a manufacturer, if the retail sales are at the site where the manufacturing is carried out, such retail sales are restricted to goods manufactured at the site, and the building or part of a building where such retail sales are carried out does not constitute greater than twenty-five per cent of the total gross floor area of the building or buildings on the site, or
- d) office or administrative purposes, if they are,
 - 1. carried out with respect to the manufacturing or warehousing; and,
 - 2. in or attached to the building or structure used for such manufacturing or warehousing;

"farm building" means that part of a bona fide farming operation encompassing barns, silos, and other ancillary development to an agricultural use, but excluding a residential use, commercial use, and industrial use;

"gross floor area" means:

- a) in the case of a residential building or structure, 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 any other dwelling unit or other portion of a building; and
- b) 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) loading facilities above or below grade;
 - (ii) 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; and
 - (iii) wind turbines, which are defined in (c).
- c) in the case of a non-residential wind turbine, the total area of the concrete base of the structure;

"industrial" means lands, buildings or structures used or designed intended for use for production, compounding, processing, packaging, crating, bottling, or assembly ("manufacturing") of raw goods or semi-processed goods or materials, research and development relating thereto, warehousing or bulk storage of goods, and includes office uses and the sale of commodities to the general public where such uses are accessory to an industrial use, and includes cannabis production facilities, but does not include the sale of commodities to the general public through a warehouse club and does not include self-storage or mini-self storage facilities;

"Institutional development means development of a building or structure intended for use,

- a) as a long-term care home within the meaning of subsection 2 (1) of the *Fixing Long-Term Care Act, 2021*;
- b) as a retirement home within the meaning of subsection 2 (1) of the *Retirement Homes Act, 2010*;
- c) by any of the following post-secondary institutions for the objects of the institution:
 - (i) a university in Ontario that receives direct, regular and ongoing operating funding from the Government of Ontario,
 - (ii) a college or university federated or affiliated with a university described in subclause (i), or



- (iii) an Indigenous Institute prescribed for the purposes of section 6 of the *Indigenous Institutes Act, 2017*;
- d) as a memorial home, clubhouse or athletic grounds by an Ontario branch of the Royal Canadian Legion; or
- e) as a hospice to provide end of life care.

"interest rate" means the annual rate of interest as set out in section 26.3 of the Act

"live/work unit" means a unit which contains separate residential and non-residential areas intended for both residential and non-residential uses concurrently, and shares a common wall or floor with direct access between the residential and non-residential areas;

"Local Board" means a local board as defined in section 1 of the Municipal Affairs Act other than a board as defined in subsection 1(1) of the Education Act;

"local services" means those services, facilities or things 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 in respect of the lands under Sections 41, 51 or 53 of the Planning Act, R.S.O. 1990, Chap. P.13, as amended, or any successor thereof;

"long-term care home" means development as defined in subsection 2(1) of the Fixing Long-Term Care Home Act.

"Municipality" means the Corporation of the Municipality of Southwest Middlesex;

"multiple dwellings" means all dwellings other than single-detached, semi-detached and apartment unit dwellings and includes but is not limited to back-to-back townhouses, and the residential portion of a live/work unit;



"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 and includes wind turbines;

"non-profit housing development" means development of a building or structure that meets the criteria set out in subsection 4.2 of the Act,

"nursing home" means a residential building or the residential portion of a mixed-use building licensed as a nursing home by the Province of Ontario.

"Official Plan" means the Official Plan adopted for the Municipality, as amended, and approved;

"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'

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

"rental housing" means development of a building or structure with four or more dwelling units all of which are intended for use as rented residential premises.

"residential dwelling" means a building, occupied or capable of being occupied as a home, residence or sleeping place by one or more persons, containing one or more dwelling units but not including motels, hotels, tents, truck campers, tourist trailers, mobile camper trailers or boarding, lodging or rooming houses;

"residential use" means the use of a building or structure or portion thereof for one or more dwelling units. This also includes a dwelling unit on land that is used for an agricultural use;

"retirement home or lodge" means a residential building or the residential portion of a mixed-use building which provides accommodation primarily for retired persons or couples where each private bedroom or living accommodation has a separate private bathroom and separate entrance from a common hall but where common facilities for the preparation and consumption of food are provided, and common lounges, recreation rooms and medical care facilities may also be provided.



"row dwelling" means a building containing three or more attached dwelling units in a single row, each of which dwelling units has an independent entrance from the outside and is vertically separated from any abutting dwelling unit;

"semi-detached dwelling" means a dwelling unit in a residential building consisting of two dwelling units having one vertical wall or one horizontal wall, but not other parts, attached to another dwelling unit where the residential unit are not connected by an interior corridor;

"service" means a service designed in Schedule "A" to this By-law, and "services" shall have a corresponding meaning;

"servicing agreement" means an agreement between a landowner and the Municipality relative to the provision of municipal services to specified land within the Municipality;

"single detached dwelling unit" means a residential building consisting of one dwelling unit and not attached to another structure;

"site" means a parcel of land which can be legally conveyed pursuant to section 50 of the Planning Act and includes a development having two or more lots consolidated under one identical ownership;

"stacked townhouse dwelling" means a building containing two or more dwelling units where each dwelling unit is separated horizontally and/or vertically from another dwelling unit by a common wall or floor; and

"Zoning By-Law" means the Zoning By-Law of the Municipality of Southwest Middlesex or any successor thereof passed pursuant to Section 34 of the Planning Act, S.O. 1998.

2. DESIGNATION OF SERVICES/CLASS OF SERVICES

2.1 The categories of services and classes 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 and Recreation Services;
 - (d) Growth Studies;
 - (e) Wastewater Services; and
 - (f) Water Services.
- 2.2 The components of the 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 Southwest Middlesex whether or not the land or use thereof is exempt from taxation under s. 13 or the Assessment Act.
- 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 or a local board thereof;
 - (b) a board of education; or
 - (c) the Corporation of the Southwest Middlesex or a local board thereof;

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.

Exemptions:



Rules with Respect to Exemptions for Intensification of Existing Housing or New Housing

3.5 Notwithstanding the provisions of this By-law, development charges shall not be imposed with respect to developments or portions of developments as follows:

- (a) the enlargement to an existing residential dwelling unit;
- (b) the creation of additional dwelling units equal to the greater of one or 1% of the existing dwelling units in an existing residential rental building containing four or more dwelling units or prescribed ancillary structure to the existing residential building;

3.5.1 Notwithstanding the provisions of this By-law, development charges shall not be imposed with respect to the creation of any of the following in existing or new dwellings:

- a) A second residential unit in an existing or new detached dwelling, semi-detached dwelling or row dwelling 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 or new detached dwelling, semi-detached dwelling or row dwelling cumulatively contain no more than one residential unit.
- b) A third residential unit in an existing or new detached dwelling, semi-detached dwelling or row dwelling 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 or new detached dwelling, semi-detached dwelling or row dwelling contains any residential units.
- c) One residential unit in a building or structure ancillary to an existing or new detached dwelling, semi-detached dwelling or row dwelling on a parcel of urban residential land, if the existing or new detached dwelling, semi-detached dwelling or row dwelling contains no more than two residential units and no other building or structure ancillary to the existing or



new detached dwelling, semi-detached dwelling or row dwelling contains any residential units.

Exemption for Industrial Development:

- 3.6 Notwithstanding any other provision of this by-law, there shall be an exemption from the payment of development charges for one or more enlargements of an existing industrial building on its site, up to a maximum of fifty per cent of the gross floor area before the first enlargement for which an exemption from the payment of development charges was granted pursuant to the Development Charges Act or this section. Development charges shall be imposed in accordance with this by-law with respect to the amount of the floor area of an enlargement that results in the gross floor area of the industrial building being increased by greater than fifty per cent of the gross floor area of the existing industrial building. The enlargement must not be attached to the existing industrial building by means only of a tunnel, bridge, passageway, canopy, shared below grade connection, or parking facility.
- 3.7 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:
 - 1) determine the amount by which the enlargement exceeds 50 percent of the gross floor area before the enlargement;
 - 2) divide the amount determined under subsection 1) by the amount of the enlargement

Other Exemptions and Reductions:

- 3.8 Notwithstanding the provision of this by-law, development charges shall not be imposed with respect to:
 - a) 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 Development Charges Act, 1997 if the development in respect of which



- development charges would otherwise be payable is intended to be occupied and used by the university;
- b) non-profit housing development;
 - c) affordable residential units;
 - d) attainable residential units;
 - e) long-term care homes;
 - f) The D.C. payable for rental housing developments, where the residential units are intended to be used as a rented residential premises will be reduced based on the number of bedrooms in each unit as follows:
 - i) Three or more bedrooms – 25% reduction
 - ii) Two bedrooms – 20% reduction; and
 - iii) All other bedroom quantities – 15% reduction.
 - g) Non-residential farm buildings; and
 - h) Industrial development shall be reduced by fifty per cent (50%).

Amount of Charges

Residential

- 3.9 The development charges set out in Schedule B 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.

Non-Residential



- 3.10 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 total floor area of the non-residential use.

Reduction of Development Charges for Redevelopment

- 3.11 Despite any other provisions 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 3.9 by the number, according to type, of dwelling units that have been or will be demolished or converted to another principal use; and
 - (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 greater of the applicable development charges under subsection 3.10 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.

Time of Calculation and Payment of Development Charges



- 3.12 Subject to subsections 3.13 through 3.16, development charges imposed under this By-law are calculated, payable, and collected upon issuance of the first building permit for the development.
- 3.13 Notwithstanding subsections 3.12, development charges for rental housing and institutional developments are due and payable in 6 installments commencing with the first installment payable on the date of occupancy, and each subsequent installment.
- 3.14 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 building permit issuance occurs after the approval of the application and within the timeframe set out in section 26.2(5) of the Act, the development charges under subsections 3.9 and 3.10 shall be calculated on the lower of:
 - a) the rates set out in Schedule "B" on the date of the planning application, including interest. Where both planning applications apply, development charges under subsections 3.9 and 3.10 shall be calculated on the rates in effect on the date of the later planning application, including interest.
 - b) the rates set out in Schedule "B" on the day the development charge is payable.
- 3.15 In accordance with Section 26.1 of the Act, a development charge in respect of residential development, other than rental housing or institutional development, shall be paid in full on the earlier of:
 - a) The day a permit is issued under the Building Code Act, 1992 authorizing occupation of the building; and
 - b) The day the building is first occupied.

3.15.1 The Municipality may require the person required to pay the development charge to provide an instrument to be used to secure the payment of the development charge, subject to any prescribed limitations.

3.15.2 Should the person required to pay the development charge waive the requirement to pay the Development charge as per section 3.15, the D.C.



may be paid in accordance with Section 3.12 of this by-law, without entering into an agreement made under Section 27 of the D.C.A.

- 3.16 Despite subsections 3.12 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 3.9 and 3.10, 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, on January 1st of each year, 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 section 2.1

Schedule B Residential and Non-Residential Development Charges

7. Conflicts

- 7.1 Where the Municipality 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 section 7.1, where a development which is the subject of an agreement to which section 7.1 applies, is subsequently the subject of one or more of the actions described in subsection 3.4(a), an additional development



charge in respect of the development permitted by the action shall be calculated, payable and collected in accordance with the provisions of this By-law if the development has the effect of increasing the need for services, unless such agreement provides otherwise.

8. Severability

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

9. Date By-law in Force

9.1 This By-law shall come into effect at 12:01 AM on XX, 2026.

10. Date By-law Expires

10.1 This By-law will expire at 12:01 AM on XX, 2036 unless it is repealed by Council at an earlier date.

11. Existing By-law Repealed

11.1 By-law Number XXXX-XX is hereby repealed.

READ A FIRST AND SECOND TIME this XXth day of XX, 2026.

READ A THIRD TIME AND FINALLY PASSED this XXth day of XX, 2026.

Mayor

Clerk



SCHEDULE "A" TO BY-LAW 2026-xxx
COMPONENTS OF SERVICES/CLASS OF SERVICES DESIGNATED IN
SUBSECTION 2.1

D.C.-Eligible Services

- Services Related to a Highway
 - Roads
 - Bridges & Culverts
 - Sidewalks
 - Streetlights
 - Facilities
 - Vehicles & Equipment
- Fire Protection Services
 - Facilities
 - Vehicles & Equipment
- Parks and Recreation Services
 - Parkland Development
 - Parkland Amenities
 - Recreation Facilities
 - Vehicles & Equipment
- Wastewater Services
 - Treatment & Collection
- Water Services
 - Treatment & Distribution

D.C.-Eligible Classes

- Growth Studies



Schedule B
By-law 2026-XX
Schedule of Development Charges

Service/Class of Service	RESIDENTIAL				NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	(per sq.ft. of Gross Floor Area)
Municipal Wide Services/Class of Service:					
Services Related to a Highway	1,401	1,301	1,229	783	0.68
Fire Protection Services	2,132	1,980	1,870	1,191	1.00
Parks and Recreation Services	1,005	933	882	561	0.11
Growth Studies	1,379	1,281	1,210	770	0.59
Total Municipal Wide Services/Class of Services	5,917	5,495	5,191	3,305	2.38
Infrastructure Services:					
Wastewater Services	4,520	4,198	3,965	2,525	2.16
Water Services	11,560	10,737	10,141	6,457	5.51
Total Infrastructure Services	16,080	14,935	14,106	8,982	7.67
GRAND TOTAL NON-MUNICIPAL SERVICED AREA	5,917	5,495	5,191	3,305	2.38
GRAND TOTAL MUNICIPAL SERVICED AREA	21,997	20,430	19,297	12,287	10.05