

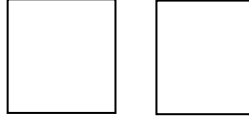
<b>TO:</b>	<b>CHAIR AND MEMBERS STRATEGIC PRIORITIES &amp; POLICY COMMITTEE APRIL 14, 2014</b>
<b>FROM:</b>	<b>MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER</b>
<b>SUBJECT:</b>	<b>2014 DEVELOPMENT CHARGES COVERING REPORT AND DRAFT DC RATE BY-LAW</b>

<b>RECOMMENDATION</b>
-----------------------

That on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, on the advice of the Director, Development Finance, the 2014 Development Charges (DC) Background Study, and the 2014 Draft DC By-law as appended to this report **BE RECEIVED** and the following recommendations **BE REFERRED** to the statutory public meeting as required under the *Development Charges Act, 1997*, on May 5, 2014:

- a) the revised Commercial growth projections, as described in Appendix H.5, **BE ADOPTED**; it being noted that the revised projections arise out of a review by Altus of the commercial space factors used in the previous forecasts;
- b) in accordance with the DC legislation, that the intention to meet the capital project needs of growth, as listed in the rate calculations contained in Appendices "B" through "M" of the 2014 DC Background Study - March, 2014 **BE CONFIRMED SUBJECT TO** ongoing reviews afforded by the annual Growth Management Implementation Strategy process, and changes through the Capital Budget approval process, and subject to collection of sufficient DC revenues;
- c) the DC Background Study dated April, 2014 **BE APPROVED**;
- d) the draft DC by-law (attached as Appendix J to this report) **BE APPROVED** effective August 4, 2014, it being noted that By-law C.P.-1473-212 (as amended), being the City's existing Development Charges By-law will expire coincidental with the coming into force of the new by-law which incorporates the new DC rates identified in Appendix D of this report;
- e) in considering this matter, it be noted that:
  - 1. Council received a report which contained, among other things:
    - i. the proposed schedule of Development Charge rates contained in the by-law (Appendix D of this report and Schedule 1 of the Draft DC rate by-law). The rates tabled for Council consideration include a Water Supply component (\$400/single detached);
    - ii. that the exemptions identified in By-law CP1473-212 (as amended), namely:
      - the 50% Institutional exemption,
      - the Industrial development exemption,
      - the Downtown Residential exemption,

are all continued in the draft DC by-law but will expire upon passage of CIP by-laws to amend and replace the same consistent with Council's resolution August 27, 2013;



2. in accordance with the direction of Council, Administration has responded to comments and concerns raised in relation to the report on Draft DC Rate Calculations at the SPPC meeting of February 20, 2014 in Appendix H;
3. the draft DC by-law (Appendix J), includes amendments to DC Policy considered and approved in the preceding two years, as well as technical amendments intended to add clarity to the by-law (amendments summarized in Appendix I);

## **RELATED REPORTS**

Strategic Priorities and Policy Committee – February 20, 2014 - Development Charges Review – Draft Rate Calculations

Strategic Priorities and Policy Committee – October 21, 2013 – 2014 Development Charges Study; Proposed Changes to Development Charges Non-Residential Building Conversion and Demolition Policies

Strategic Priorities and Policy Committee – August 27, 2013 – Strategic Change in Delivery of Development Charge Exemptions and Incentives Policies

Civic Works Committee - October 7, 2013 - Transportation Infrastructure Gap

Strategic Priorities and Policy Committee – July 29, 2013 - Development Charges Policy Review: Major Policies Covering Report

Strategic Priorities and Policy Committee – May 13, 2013 - Development Charges Policy DC Area Specific Charges

Strategic Priorities and Policy Committee, April 30, 2012 - Initiation Report 2014 Development Charges Background Study and DC By-Law Update

Committee of the Whole – March 1, 2007 - Blue Ribbon Panel Implementation Strategy  
Board of Control Report – October 18, 2006 – Blue Ribbon Panel Report tabled

## **BACKGROUND**

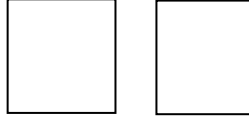
The current DC rate by-law will expire on August 3, 2014. In the absence of a new-by-law, the City's ability to recover DC costs will expire on that date. The proposed new by-law to take effect August 4, 2014 is appended to this report (Appendix J).

This covering report has been assembled to provide an overview of the 2014 Development Charge Background Study and the proposed DC by-law and to summarize key elements of the process undertaken and the proposed revisions to the City of London's development charge policy.

DC rates are calculated to provide cost recovery for the projected capital growth program that results from the projected growth forecast. Without the DC revenues that result from the rates, it will either:

- i. Be necessary to further subsidize growth with taxpayer contributions, or
- ii. Be necessary to defer the investments that facilitate the growth.

The DC legislation mandates a public meeting during which anyone who wishes to speak on the Study or the proposed Development Charges By-law may do so. That meeting is scheduled for to be held at the Strategic Priorities and Policy Committee on May 5<sup>th</sup>, 2014.



**SUMMARY**

The following represent key elements of the entire DC rate setting process that Administration believes should be actively considered during the DC rate deliberations:

**IMPORTANCE**

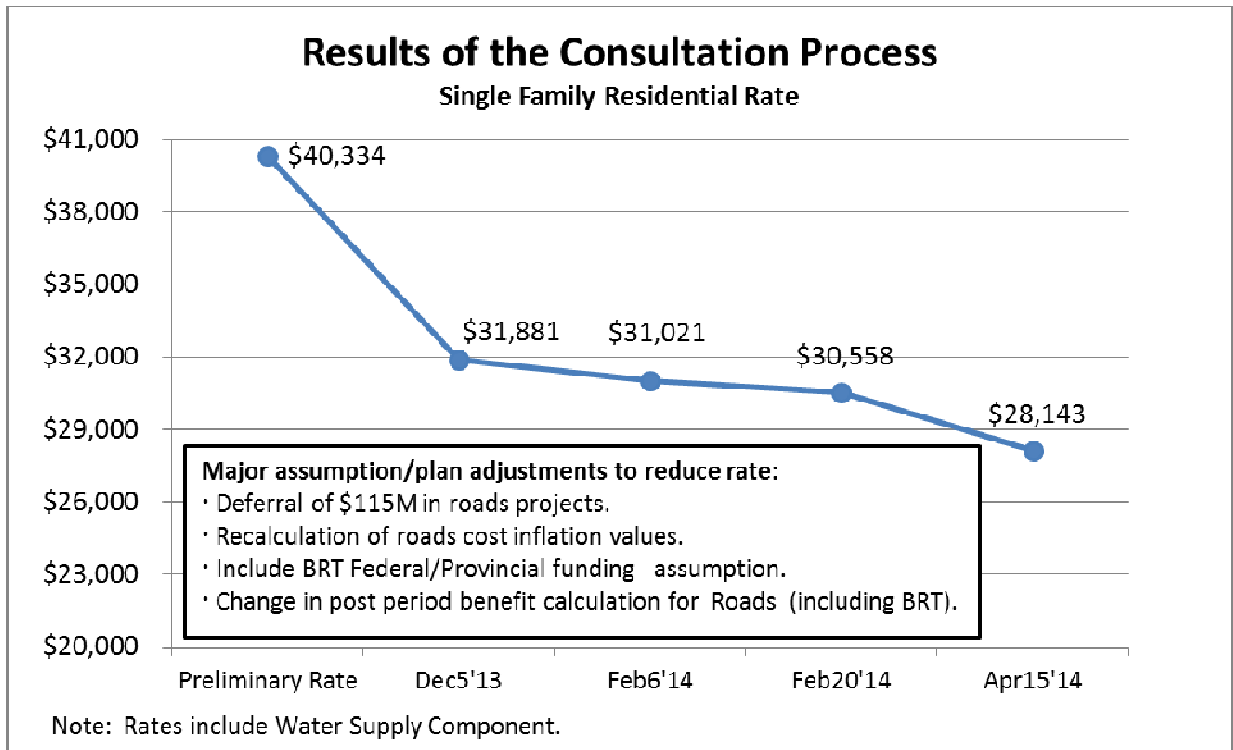
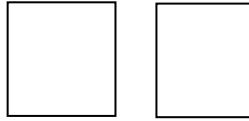
- The financing of growth represents a substantial portion of the City’s capital budgets (around 40%) and therefore the funding source of the capital plans is of critical importance.
- The DC rates recommended herein finance growth, and without recovery from DC rates would have to be funded by the taxpayer for them to proceed.
- The DC rate provides the primary means that ‘growth pays for growth’ supporting the Official Plan principles.
- The DC Background Study identifies approximately 500 projects representing \$1.9 billion in total growth related expenditures (mostly to occur over a 20 year period).
- The City’s current by-law expires on August 3, 2014. In the absence of a new by-law, the City’s ability to recover DC costs will expire on that date.

**METHODS**

- The methods employed in calculating rates are provided for in the Development Charge legislation, and have been thoroughly reviewed and scrutinized by stakeholders at the individual project level.
- Throughout the consultation process, the City has heard the concerns of the stakeholders, who :
  - Are adversely affected by DC rate increases, while at the same time
  - Benefit from having sufficient funding in place to complete projects needed for the City to grow,
- A sufficient DC rate ensures that projects proceed in a well-planned and cost effective manner.

**RESULTS**

- 2014 DC recommended rates (with comparative figures for existing rates) are summarized in Appendix D. Key factors affecting rate increases are summarized in Appendix E.
- City of London DC rates compare favourably with those of other urban municipal rates (see Appendix F), bearing in mind the following:
  - Rates in neighbouring municipalities have virtually no Road component, due to the minimal congestion in smaller communities;
  - Most municipalities do not include a Storm Water Management rate in the DC rates. Instead, these costs are financed directly by the developer before being passed to the new homeowner. London’s practice is to construct ponds that serve regional needs, and therefore this component of development costs reflect in a higher comparative DC rate.
- Effects of the Consultation Process on rate levels are reflected in the graphic below:



## DISCUSSION

The DC rate setting process follows a plan that was initiated in April, 2012 – a two year process that involved discussion of existing policy, changes to the policy, projection of growth and growth needs.

This report deals with various elements of the 2014 DC rate setting process.

### Part I – PROCESS

Provides the framework for the entire rate setting process. It deals with the study process and the extensive consultations with Stakeholders:

Appendix A:

- Development Charge Study Process – 2014 - discussion and diagram of process;
- Diagram of Resources, Roles, Reporting Relationships in 2014 DC Study

Appendix B: Summary of DC Consultation with External Stakeholders

In summary, the process undertaken for the 2014 DC rate study incorporated an unprecedented level of consultation. The 2014 DC process also led to several significant changes in policy that will make the process of financing growth, and determining costs of development exemptions more transparent in future years.

### Part II – SUMMARY OF POLICY CHANGES AND RECOMMENDED RATES

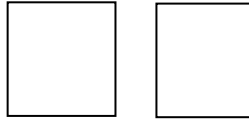
Appendix C: Highlights of changes in the London's DC Policy Approved - over the last two (2) years

Appendix D: Summary of 2014 DC Rates to recover Growth Program Costs

Appendix E: Key Factors leading to DC rate change- Perspective

Appendix F:

- Figure F.1 Summary of Growth Costs and Statutory adjustments that led to DC recoverable costs (pie diagram)
- Figure F.2 Summary of Growth Cost Allocations: Residential, Institutional, Commercial, Industrial (pie diagram)



- Figure F.3 Residential Rate Components – recommended versus existing rate (by service component) – stacked bar graph
- Figure F.4 Commercial Rate Components – recommended versus existing rate (by service component) – stacked bar graph
- Figure F.5 Comparative DC Rates - Single detached – Small Local Municipalities
- Figure F.6 Comparative DC Rates - Single detached – Large Cities
- Figure F.7 Comparative DC Rates – Commercial

Appendix G: Summary of Taxpayer Contributions to Growth Program

The revised rates are summarized in the chart below:

Type of Growth	Calculated DC Rate <sup>(3)</sup>	Existing Rate (Jan 1 2014) <sup>(3)</sup>
<b>Residential-Single family unit (sfu) rate</b>	<b>\$28,143/unit</b>	<b>\$23,716/unit</b>
<b>Commercial</b>	<b>\$265.94/sq.m</b>	<b>\$174.44/sq.m.</b>
<b>Institutional<sup>(2)</sup></b>	<b>\$138.84/sq.m</b>	<b>\$112.41/sq.m.</b>
<b>Industrial <sup>(1)</sup></b>	<b>\$173.28/sq.m</b>	-

- <sup>(1)</sup> No Industrial rates approved in 2009 DC by-law. City policy has been to exempt Industrial development. Industrial share of growth costs borne through taxpayer financing of individual growth capital projects.
- <sup>(2)</sup> In the same way as explained in (1) above, City taxpayer picked up much of the growth share of Institutional growth due to exemptions by DC statute and City policy.
- <sup>(3)</sup> Existing rates exclude Water Supply component. Calculated DC Rate does include the Water Supply component.

The rates above are reduced from Draft Rates presented to Council at the February 20, 2014 Strategic Priorities and Policy Committee.

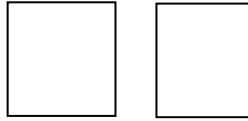
London’s DC rate is experiencing similar results to those being experienced in other large urban centres. DC rates are increasing primarily as a result of servicing new greenfield areas, infrastructure cost increases, and the inadequacy of the indices prescribed by legislation to keep pace with the cost increases.

**Part III - RESPONSES TO COUNCIL REQUESTS**

- Appendix H Responses to the questions raised - Strategic Priorities and Planning Committee discussion on ‘Draft Development Charge Rates’ - February 20, 2014:
- Appendix H.1 Responses to Questions and Concerns raised by External Stakeholders – February 20, 2014
- Appendix H.2 Cost Of Phasing In DC Rate Increase
- Appendix H.3 Cost Of Subsidizing DC Rate Increase
- Appendix H.4 Projected impact of 2014 DC Rate Increase on House Prices
- Appendix H.5 Revised Commercial Projections and Commercial Rate Analysis

**Part IV – 2014 DRAFT DC BY-LAW**

- Appendix I: Summary of changes incorporated in Draft By-law
- Appendix J: 2014 Draft Development Charge By-law



**NEXT STEPS**

All of the above is presented with anticipation that the recommendations listed above will be considered by Strategic Priorities and Policy Committee at the conclusion of the public meeting on May 5 with final provisions of a new DC by-law to be recommended by SPPC on June 23, 2014, and passed by Council on June 24, 2014.

The Development Charge Study and proposed By-law represents the culmination of a long period of planning and consultation with stakeholders that began in April, 2012. A significant amount of time and effort has been invested in the compilation of master plans and the Development Charges Background Study (tabled with this report).

**CONCLUSION**

Development charges represent cost recovery of growth capital investments and are a critical source of financing for growth related capital expenditures. This report represents a necessary step in updating our existing by-law which expires on August 3, 2014.

**ACKNOWLEDGEMENTS**

This DC Background Study and DC By-law have been prepared with input from many sources.

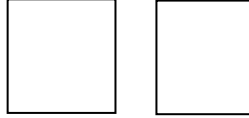
Consulting expertise was provided by Altus Group, Aecom, Delcan, CN Watson & Associates (Gary Scandlan), and Lyn Townsend, LLB.

The External Stakeholder Committee engaged in consultations on the work and is also recognized for their valuable input. The Committee consisted of stakeholders from development industry, London Development Institute – Jim Kennedy and Craig Linton, home building industry, London Home Builders Association – Lois Langdon and Toby Stolee, an independent developer, Dick Brouwer, and taxpayer representatives, Urban League of London – Sandy Levin and Gloria McGinn-McTeer. Each of these individuals volunteered their time, questions and opinions. Collectively, they made for a better rate study, and are heartily thanked for their input! The meetings with these groups contributed significantly to the City understanding their issues and to the contents of the background study, and this report.

The Internal Steering Committee, made up of senior City staff were instrumental in guiding the process at critical junctures. The Internal Steering Committee was comprised of Martin Hayward, John Braam, Edward Soldo, John Lucas, John Fleming, Gregg Barrett, George Kotsifas, Jim Barber and Peter Christiaans.

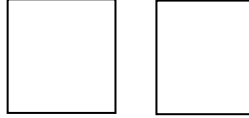
Numerous internal staff responsible for planning services and forecasting growth needs were also engaged in the process, and we thank each one for their contribution.

Finally, the entire DC rate setting process and products were coordinated and compiled by the Development Finance unit of the Finance and Corporate Services Department. Scott Mathers, Manager of Development Finance, Paul Yeoman, Manager, Development Finance; Bob Webber, Senior Technologist were diligent and persistent in their attention to detail. They compiled and analysed large amounts of data, and demonstrated a professional attitude to the work throughout the process.



<b>PREPARED BY:</b>	<b>RECOMMENDED BY:</b>
<b>PETER CHRISTIAANS, C.A.</b> <b>Director, Development Finance</b>	<b>MARTIN HAYWARD</b> <b>Managing Director, Corporate Services and</b> <b>City Treasurer, Chief Financial Officer</b>

- c.c. External Stakeholder Team Members  
 London Development Institute,  
 Urban League,  
 London Home Builders Association  
 Dick Brouwer  
 London Economic Development Corporation  
 Jim Barber, City Solicitor,  
 John Braam, Managing Director and City Engineer, CAO Regional Water Supply Environmental  
 and Engineering Services  
 John Fleming, Managing Director, Planning and City Planner  
 George Kotsifas, Managing Director, Development and Compliance Services and Chief Building  
 Official  
 John Lucas, Director - Water and Wastewater  
 Edward Soldo, Director - Roads and Transportation



## **APPENDICES**

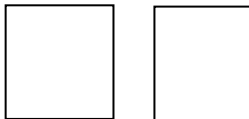
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**PART I - PROCESS**

**APPENDIX A**

**Appendix A - Development Charges Study Process – 2014**

The 2014 DC Study process was initiated via a report in April, 2012

<http://sire.london.ca/agdocs.aspx?doctype=agenda&itemid=9774>

Early stages

In the first year of the study, at the direction of Council, staff initiated a number of policy reviews. These were listed in the initiation report referred to above under the following headings:

- A. Area Rating/support for Intensification,
- B. Local servicing policy,
- C. UWRF framework for the future,
- D. Accelerated payment of DC's.

A preliminary list of other issues slated for consideration at that time were listed in the April, 2012 report as follows :

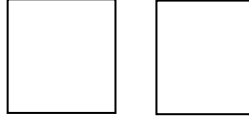
- 1. Industrial DC Exemptions - definition of industrial
- 2. Financing of DC exemptions - including accounting treatment
- 3. Small business exemption/discount
- 4. Strategies related to DC funded debt levels
- 5. Funding of Urban Design features from DC's
- 6. Alternative non-residential rate structures
- 7. Potential for recovery of staff time dedicated solely to growth projects

Outcomes

The vast majority of the above have been discussed during the DC process. A summary list of policy reviews and reports leading to policy decisions by Council, is provided in Appendix C to this report.

The 2014 DC study process was conducted through the combined efforts of :

- 1. Internal and local board staff resources responsible for the planning of services that are affected by growth. Staff in each component service of the DC rate provided information about future needs arising from growth.
- 2. External consultants who developed engineering information related to the extension and expansion of municipal infrastructure:
  - a. AECOM – Transportation, Sanitary collection, Wastewater Treatment, Water Distribution
  - b. Delcan – Storm water collection and retention
- 3. External Consultants who provided expertise with respect to :
  - a. Growth forecasts (Altus Group was enlisted in 2011 to produce growth forecasts
  - b. various DC policy development matters (CN Watson and Associates – Gary Scandlan, Jamie Cook)
  - c. mediation services related to developing a viable alternative to the Urban Works Reserve Fund (Lyn Townsend, LLB). With respect to the UWRF alternative, the process also included the development of a draft agreement for the acceleration of Municipal Services and Financing Agreement;
- 4. An External Stakeholder Committee comprised of development industry representatives (Jim Kennedy, LDI, Craig Linton, Norquay Homes, Dick Brouwer, independent developer, Josh Kaufman, Smart Centres (resigned)), home building industry representatives (Lois Langdon and Toby Stolee), the Urban League of London (an umbrella group whose members include a number of neighbourhood and ratepayer associations represented by Sandy Levin and Gloria McGinn-McTeer);
- 5. An Internal Steering Committee who guided and directed the conduct of the study and received the input of the external stakeholders throughout (see further discussion on Consultation process below). The Internal Steering Committee was comprised of Martin Hayward, (Managing Director, Corporate Services and City Treasurer, Chief Financial Officer & Chair), John Braam (Managing Director Environmental and Engineering Services and City Engineer), Ed Soldo, Director of Roads and Transportation, John Lucas, Director of Water and Wastewater, John Fleming (Managing Director, Planning and City Planner), Gregg Barrett (Manager Long Range Planning and Research), George Kotsifas, Managing Director, Development and Compliance Services and Chief Building Official, and Jim Barber, City Solicitor.

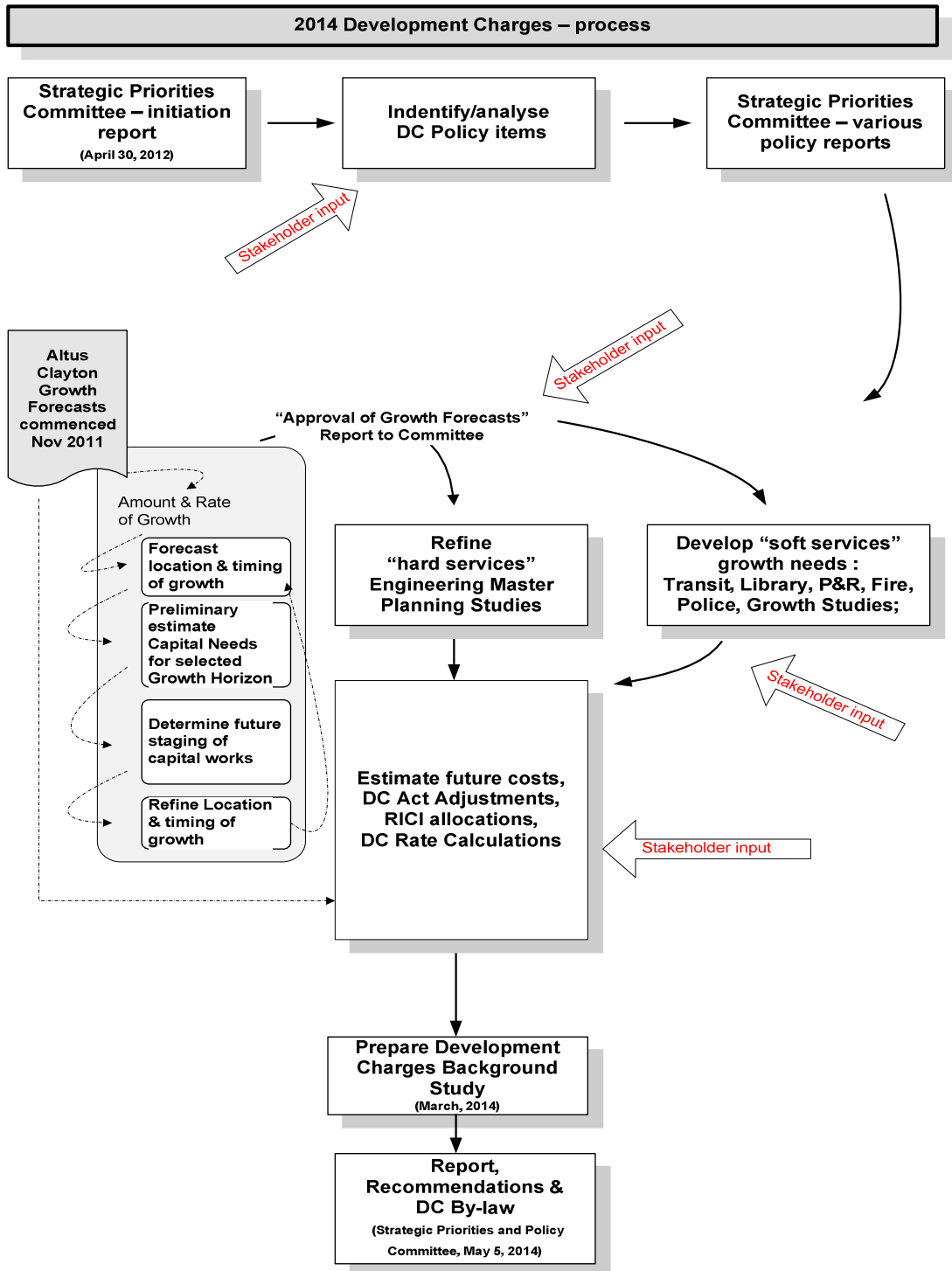


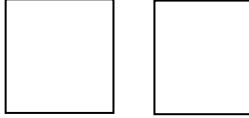
**PART I - PROCESS**

**APPENDIX A**

- The entire DC process was coordinated and the study compiled by the Development Finance unit of Finance - Scott Mathers, Manager of Development Finance, Paul Yeoman, Manager, Development Finance; Bob Webber, Senior Technologist, and Peter Christiaans, Director of Development; Finance.

A diagram of both the study process as well as the Resources, Roles and Reporting relationships follows:





**PART I - PROCESS**

**APPENDIX A**

**Development Charges Study -  
2014  
Resources, Roles and  
Reporting Relationships**

**External Stakeholder Committee  
(adapted from April, 2012 DC Initiation report):**

**Purpose :**  
 - address issues associated with DC policy matters; provide input on questions and alternative DC policies;  
 - Provide assessment, comment and suggestions on various components of the DC study process, including preferences amongst alternatives, growth forecasts, capital needs studies, DC rate calculations

**External Team members :**  
 The Urban League; London Development Institute(LDI); the development community outside of the LDI membership; the London Home Builders Association executive;

**Administration :**  
 Martin Hayward, City Treasurer (chair);  
 Various City managers Including City Planner, City Engineer, Director of Transportation, Director of Water and Wastewater, Director of Development Services, City Solicitor  
 Director of Development Finance; Managers of Development Finance;

**Internal Resource group:  
(Planning, Engineering, Library, Transit, Fire, Police, Parks & Recreation, Development Finance)**

- identify expected growth  
 - assess existing service levels & identify growth needs (service planning divisions – City and local boards)  
 - compile DC rate calculations & background report

**Consulting advice re: Growth Forecasts – Altus Group**

**Infrastructure needs and servicing Master Plans – Aecom, Delcan**

**Council**  
 Approval of DC Background Study and DC By-law adoption  
 - end of June, 2014

**Strategic Priorities and Policy Committee –statutory Public Meeting – May 5, 2014**

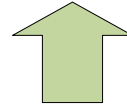
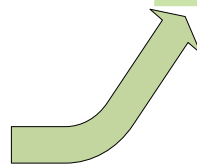
**Internal Steering Committee:**

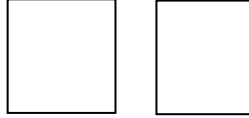
**Purpose :**  
 - Address issues associated with DC Policy matters and proposed changes to same; provide input and direction over policy impasses and provide alternative solutions;  
 - Provide comment and suggestions on various components including DC policy matters, growth forecasts, master service plans  
 - Through liaison meetings with stakeholders, and to the extent feasible, render decisions and provide direction to address stakeholder concerns and considerations (it being noted that at times, positions may be opposed from one to another);

**Members :** see Administration under External Stakeholder Committee

**expert DC policy advice as necessary**

- CN Watson and Associates;
- Lyn Townsend, LLB





**PART I- PROCESS**  
**APPENDIX B**

**Appendix B - Summary of DC Consultation with External Stakeholders**

DC Process – from Policy Setting through to completion of the DC Background Study has involved an extensive process of consultation

19 Stakeholder meetings involved :

- Presentation of information collected,
- Promoting understanding of how the figures used in the rate calculations were arrived at
- Provide opportunity for committee discussion

7 Mediation/facilitation sessions

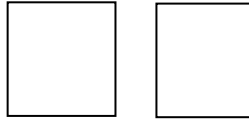
- To discuss and work to conclusion on policy options including :
  - Continuing reduction in scope of UWRF works
  - DC area specific rates – differential rates
  - Provisions to help ensure capital investment was not made prematurely (specifically SWM ponds)
  - Compilation of draft Municipal Servicing and Financing Agreement (MSFA) for potential acceleration of capital works

8 Technical committee meetings

- In depth review of detailed information produced by Master Plan consultants

Off line meetings (numerous)

- Opportunity for less structured conversation, exchange of opinions

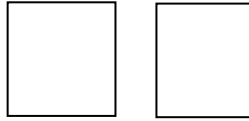


**PART II – SUMMARY OF POLICY CHANGES AND RECOMMENDED RATES**

**APPENDIX C**

**Appendix C - Highlights of changes in London’s DC Policy – Already Approved**

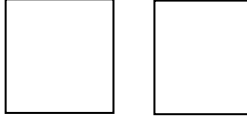
<i>Date of Council Decision</i>	<i>Report Reference (if applicable)</i>	<i>Nature of Policy Change / Impact of change</i>
<i>Local Servicing Policy</i>		
July 30, 2013	Local Servicing Policy	Defines the difference between developer financed infrastructure, and infrastructure financed through development charges. Changes endorsed : <ul style="list-style-type: none"> <li>• Watermain oversizing claimable</li> <li>• Stormwater open channel claimable</li> <li>• Sanitary oversizing cutoff – to be reconsidered during Master Plan studies</li> <li>• Broader definition of Storm Water management works : “...all works that satisfy the requirements of the Class Environmental process.”</li> </ul>
<i>Urban Works Reserve Fund Framework</i>		
July 30, 2013	Urban Works Reserve Fund Framework	Funding of UWRF works consolidated under CSRF works. Suitable transitional arrangements
July 30, 2013	Design and Construction of Storm Water Management Facilities – new process endorsed	Process for advancing development proposals in tandem with SWM facilities aimed at ensuring cost efficient, just in time, investment in SWM facilities.
July 30, 2013	Municipal Service Financing Agreements Policy enacted	Policy for accepting, assessing and administering DC funded works approved & Draft Front end agreement wording received for information
July 30, 2013	Procedures governing construction of infrastructure by developers to be further developed	Check with Scott – info in DC by-law schedules
<i>DC Exemptions</i>		
August 27, 2013	Strategic Change in delivery of Development Charge Exemptions and Incentives Policy	Certain DC Exemptions in City’s existing DC by-law maintained – ie. DC mandated exemptions and exemptions minor in scope; Administration (City Planner) directed to develop Community Improvement Plans and criteria for the following : <ul style="list-style-type: none"> <li>• Downtown/Old East residential</li> <li>• New Industrial buildings and expansion</li> <li>• Institutional development – hospitals, universities, places of worship, not for profit organizations</li> </ul> Administration (City Planner) directed to develop program following adoption of 2014 DC by-law : <ul style="list-style-type: none"> <li>• Small business/minor commercial expansion</li> </ul>
<i>GMIS</i>		
July 30, 2013	GMIS process improvements	endorsed
February 25,	GMIS strategy for 2014	Timing of works in 2014 DC study endorsed;



**PART II – SUMMARY OF POLICY CHANGES AND RECOMMENDED RATES**

**APPENDIX C**

<i>Date of Council Decision</i>	<i>Report Reference (if applicable)</i>	<i>Nature of Policy Change / Impact of change</i>
2014	Annual Review and Update	Need for close monitoring of DC reserve funds and potential changes to timing in the future noted; 2015 GMIS process initiated per previously approved process and timetable
<i>Changes to Conversion and Demolition Credit Policies</i>		
October 21, 2013	Changes to DC Conversion and Demolition Policies	Policy now provides for “full” credit according to existing building use, as opposed to “partial” credit in previous policy; policy will provide more financial incentive for the conversion and demolition/replacement of existing buildings due to more generous credit provisions which offset DC charges otherwise payable.
<i>Inclusion of DC charge for future Operations Centre in DC Rate structure</i>		
February 25, 2014	Development Charges Review – Draft Rate Calculations	Defer consideration of inclusion of new Operations Centre component to the next Development Charges review;
<i>Inclusion of DC charge for Water Supply in DC Rate structure</i>		
February 25, 2014	Development Charges Review – Draft Rate Calculations	Defer consideration for further report
<i>Secondary Units</i>		
Included in DC by-law amendments (included in provincial changes to Planning Act)	Included in DC by-law amendments (included in provincial changes to Planning Act)	Included in DC by-law amendments (included in provincial changes to Planning Act)

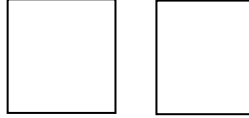


**PART II – SUMMARY OF POLICY CHANGES AND RECOMMENDED RATES**

**APPENDIX D**

**Appendix D - Summary of 2014 DC Rates to recover Growth Program Costs  
(by type of development and service component)  
(with comparative 2014 existing DC rates)**

nended (effective August 4, 2014)												
	Jan 2014	Draft 2014	Jan 2014	Draft 2014	Jan 2014	Draft 2014	Jan 2014	Draft 2014	Jan 2014	Draft 2014	Jan 2014	Draft 2014
	Single & SemiDetached (per dwelling unit)	Single & SemiDetached (per dwelling unit)	Rowhousing (per dwelling unit)	Rowhousing (per dwelling unit)	Rowhousing (per dwelling unit)	Rowhousing (per dwelling unit)	Rowhousing (per dwelling unit)	Rowhousing (per dwelling unit)	Rowhousing (per dwelling unit)	Rowhousing (per dwelling unit)	Rowhousing (per dwelling unit)	Rowhousing (per dwelling unit)
*	\$ 37.25	\$ 69.48	\$ 26.90	\$ 49.47	\$ 15.52	\$ 31.48	\$ 21.73	\$ 42.95	\$ 1.71	\$ 1.14	\$	\$
*	\$ 136.58	\$ 318.35	\$ 97.26	\$ 226.65	\$ 57.94	\$ 144.23	\$ 81.74	\$ 196.78	\$ 0.12	\$ 0.32	\$	\$
*	\$ 261.78	\$ 472.54	\$ 187.28	\$ 336.43	\$ 111.75	\$ 214.09	\$ 156.24	\$ 292.09	\$ 2.74	\$ 5.52	\$	\$
*	\$ 35.18	\$ 0.00	\$ 25.87	\$ 0.00	\$ 15.52	\$ 0.00	\$ 21.73	\$ 0.00	\$ -	\$ -	\$	\$
*	\$ 1,451.68	\$ 1,993.24	\$ 1,040.90	\$ 1,419.14	\$ 619.78	\$ 903.09	\$ 868.11	\$ 1,232.07	\$ -	\$ -	\$	\$
*	\$ 243.15	\$ 306.64	\$ 173.83	\$ 218.32	\$ 103.47	\$ 138.93	\$ 145.89	\$ 189.54	\$ 4.19	\$ 2.85	\$	\$
*	\$ 9,710.56	\$ 12,675.02	\$ 6,967.07	\$ 9,569.22	\$ 4,131.70	\$ 5,917.81	\$ 5,789.95	\$ 7,974.35	\$ 79.71	\$ 150.45	\$	\$
	\$ 3,892.52	\$ 3,370.54	\$ 2,792.64	\$ 2,544.65	\$ 1,656.54	\$ 1,573.66	\$ 2,320.82	\$ 2,120.54	\$ 16.29	\$ 16.78	\$	\$
	\$ 816.30	\$ 400.03	\$ 585.61	\$ 302.01	\$ 347.31	\$ 186.77	\$ 486.74	\$ 251.68	\$ 8.03	\$ 1.70	\$	\$
	\$ 980.89	\$ 1,096.70	\$ 703.59	\$ 827.97	\$ 416.98	\$ 512.04	\$ 584.60	\$ 689.98	\$ 4.20	\$ 7.28	\$	\$
	\$ 3,561.42	\$ 5,169.23	\$ 2,554.66	\$ 3,902.60	\$ 1,514.79	\$ 2,413.45	\$ 2,123.19	\$ 3,252.17	\$ 34.22	\$ 46.96	\$	\$
	\$ 21,127.30	\$ 25,871.78	\$ 15,155.61	\$ 19,396.47	\$ 8,991.31	\$ 12,035.55	\$ 12,600.74	\$ 16,242.13	\$ 151.21	\$ 233.01	\$	\$
	\$ 11,876.18	\$ 15,835.27	\$ 8,519.11	\$ 11,819.24	\$ 5,055.68	\$ 7,349.64	\$ 7,085.38	\$ 9,927.78	\$ 88.48	\$ 160.29	\$	\$
	Single & Semi Detached (per dwelling unit)	Draft 2014 Detached (per dwelling unit)	Rowhousing (per dwelling unit)	Rowhousing (per dwelling unit)	Rowhousing (per dwelling unit)	Rowhousing (per dwelling unit)	Rowhousing (per dwelling unit)	Rowhousing (per dwelling unit)	Rowhousing (per dwelling unit)	Rowhousing (per dwelling unit)	Rowhousing (per dwelling unit)	Rowhousing (per dwelling unit)
	\$ 1,349.06	\$ 651.10	\$ 967.53	\$ 491.56	\$ 574.65	\$ 303.99	\$ 803.93	\$ 409.63	\$ 13.16	\$ 8.88	\$	\$
	\$ 569.08	\$ 400.20	\$ 408.70	\$ 302.14	\$ 242.12	\$ 186.85	\$ 339.38	\$ 251.78	\$ 2.78	\$ 5.46	\$	\$
	\$ 439.74	\$ 312.81	\$ 315.58	\$ 236.16	\$ 187.28	\$ 146.05	\$ 261.78	\$ 196.80	\$ 4.22	\$ 4.27	\$	\$
	\$ 2,357.89	\$ 1,364.11	\$ 1,691.81	\$ 1,029.85	\$ 1,004.04	\$ 636.88	\$ 1,405.08	\$ 858.21	\$ 20.17	\$ 18.60	\$	\$
	\$ 1,047.11	\$ 906.87	\$ 751.19	\$ 684.65	\$ 445.95	\$ 423.40	\$ 623.92	\$ 570.55	\$ 11.09	\$ 14.32	\$	\$
	\$ 3,405.00	\$ 2,270.97	\$ 2,443.00	\$ 1,714.51	\$ 1,450.00	\$ 1,060.29	\$ 2,029.00	\$ 1,428.76	\$ 31.26	\$ 32.93	\$	\$



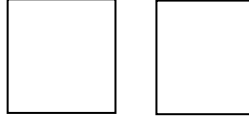
**PART II – SUMMARY OF POLICY CHANGES AND RECOMMENDED RATES**

**APPENDIX E**

**Appendix E - Key Factors leading to DC rate change- Perspective**

Reason for rate increase or decrease	Extent of impact on DC rates ↑↑↑ or ↓↓↓-significant impact; ↑ or ↓-nominal impact			
	Residential	Commercial	Institutional	Industrial
Cost escalation which exceed indexes used to annually adjust DC rates.			↑↑↑	
Increase in volume of growth related projects to serve new greenfield areas (predominantly Southwest Area Plan servicing)			↑↑↑	
Increase in portion of DC rates funded by debt, which increases financing costs included in DC rates			↑↑	
Blue Ribbon Panel – Continued shift in works from UWRF to CSRF funding	Overall DC rate increases slightly (↑) due to financing costs for previously developer financed works now included in the DC rate (previously financed by developer).  Also, with shift in funding responsibilities for works formerly identified as UWRF responsibility, the <b>CSRF DC rates increase (↑)</b> and <b>UWRF DC rates decrease(↓)</b> (Eg. Storm Water Management Facilities now 100% CSRF rate (formerly split between UWRF & CSRF)			Negligible effect
Increase in scope of Claimable Works – at the request of the development community, increase in scope of claimable works (water oversizing now eligible, smaller storm pipe size qualifies for subsidy)		↑		Minimal effect
Anticipation of grants for BRT before confirmation of eligibility			↓↓↓	
More frequent and extensive use of Post Period Benefit in rate calculations leading to higher recoveries from Growth beyond the planning horizon			↓↓	
Increase in financing costs attributable to rising DC financed debt (in part due to transition away from UWRF approach to financing)			↑↑	



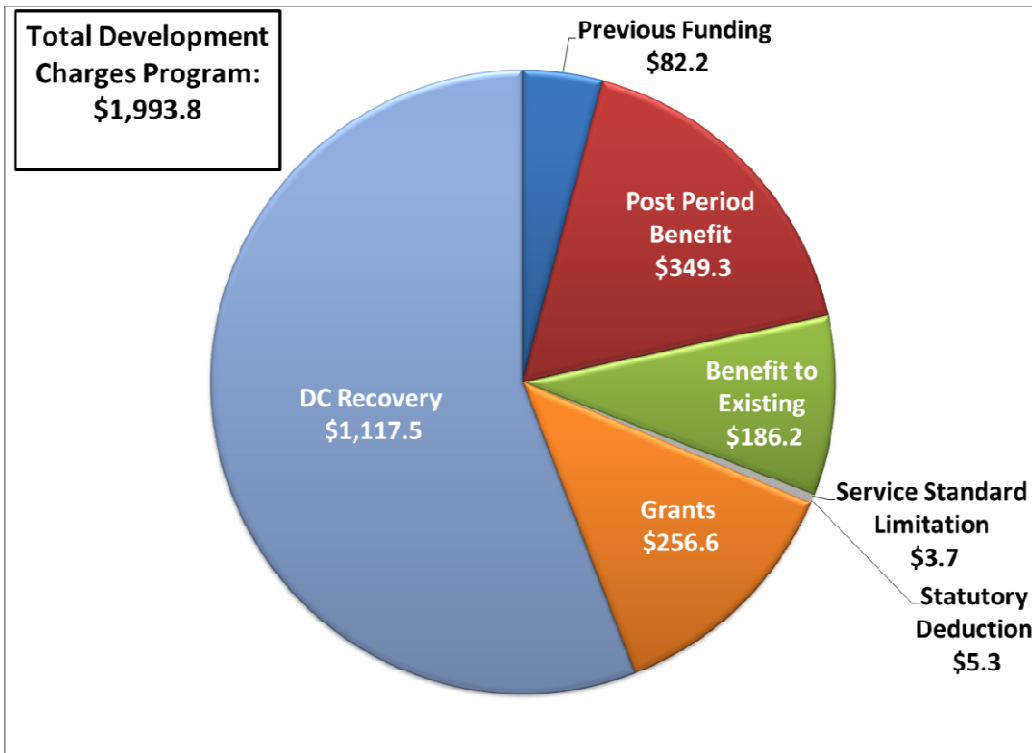


**PART II – SUMMARY OF POLICY CHANGES AND RECOMMENDED RATES**

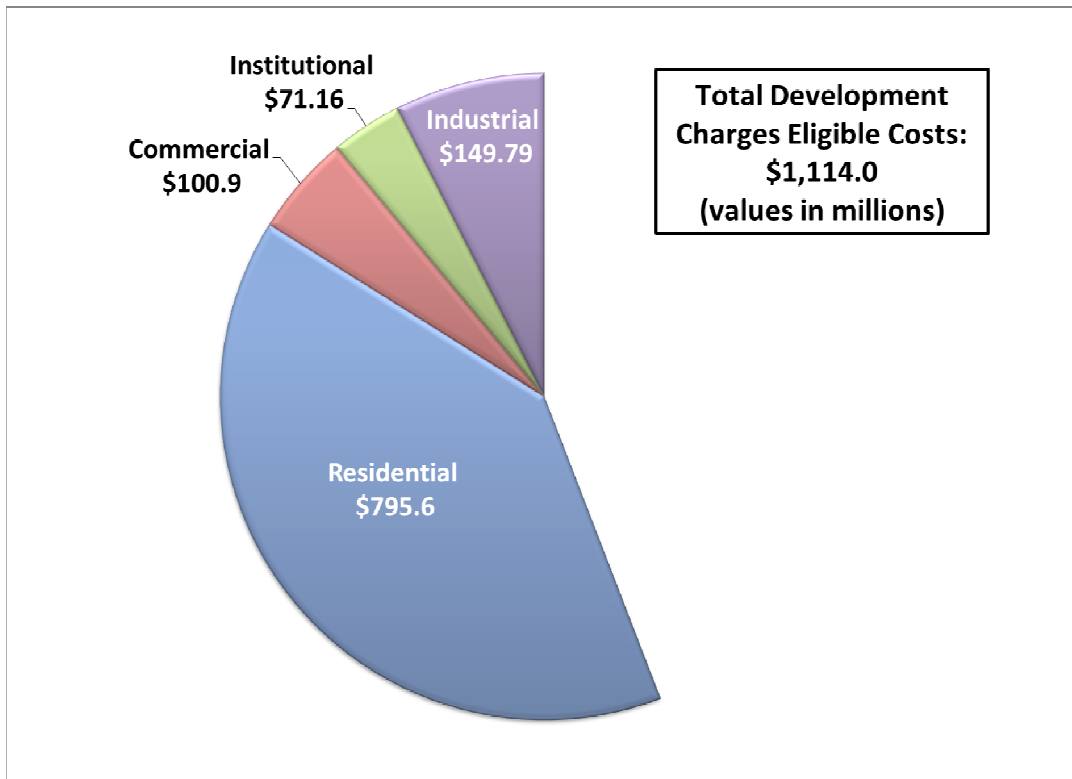
**APPENDIX F**

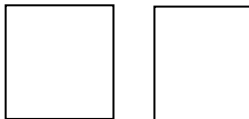
**Appendix F - Rate Comparisons**

**Figure F.1 - Summary of Growth Costs and Statutory adjustments that led to DC recoverable costs**



**Figure F.2 - Summary of Growth Cost Allocations : Residential, Institutional, Commercial, Industrial**



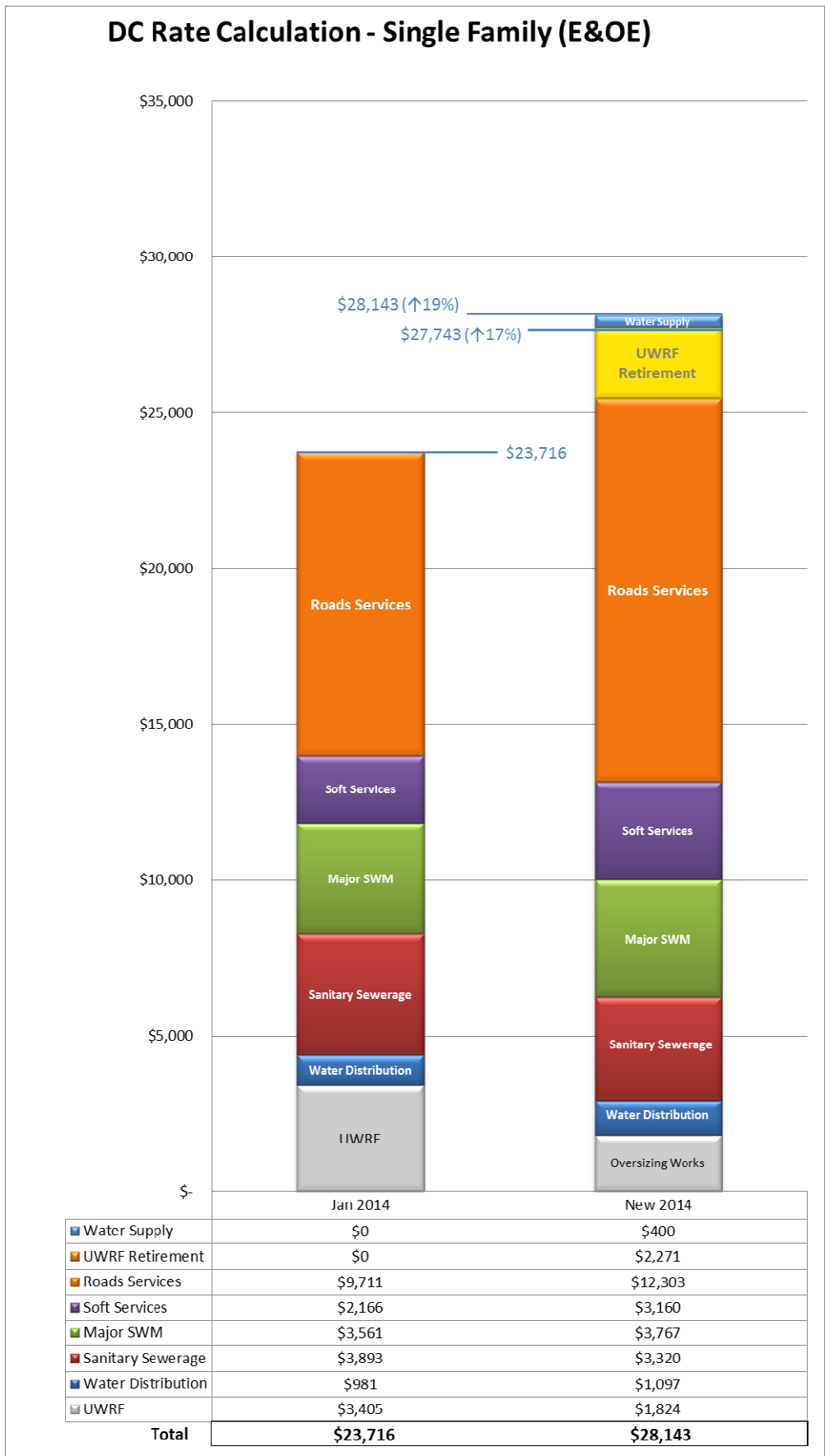


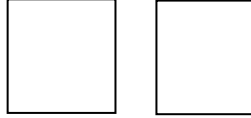
**PART II – SUMMARY OF POLICY CHANGES AND RECOMMENDED RATES**

**APPENDIX F**

Summary of Growth Cost Allocations : Residential, Institutional, Commercial, Industrial

**Figure F.3 - Residential Rate Components**

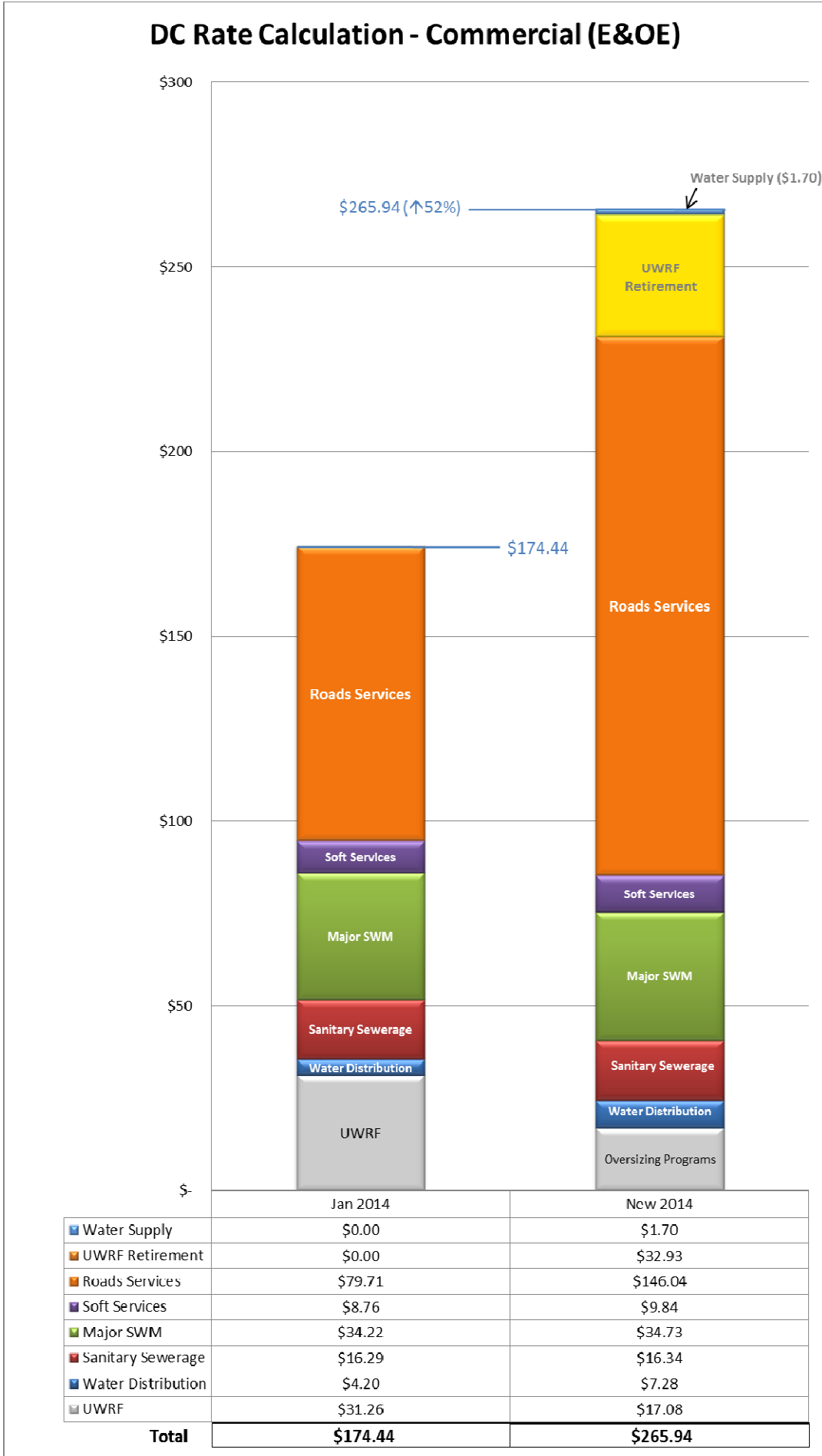


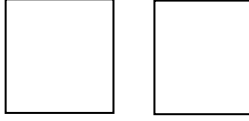


**PART II – SUMMARY OF POLICY CHANGES AND RECOMMENDED RATES**

**APPENDIX F**

**Figure F.4 - Commercial Rate Components**

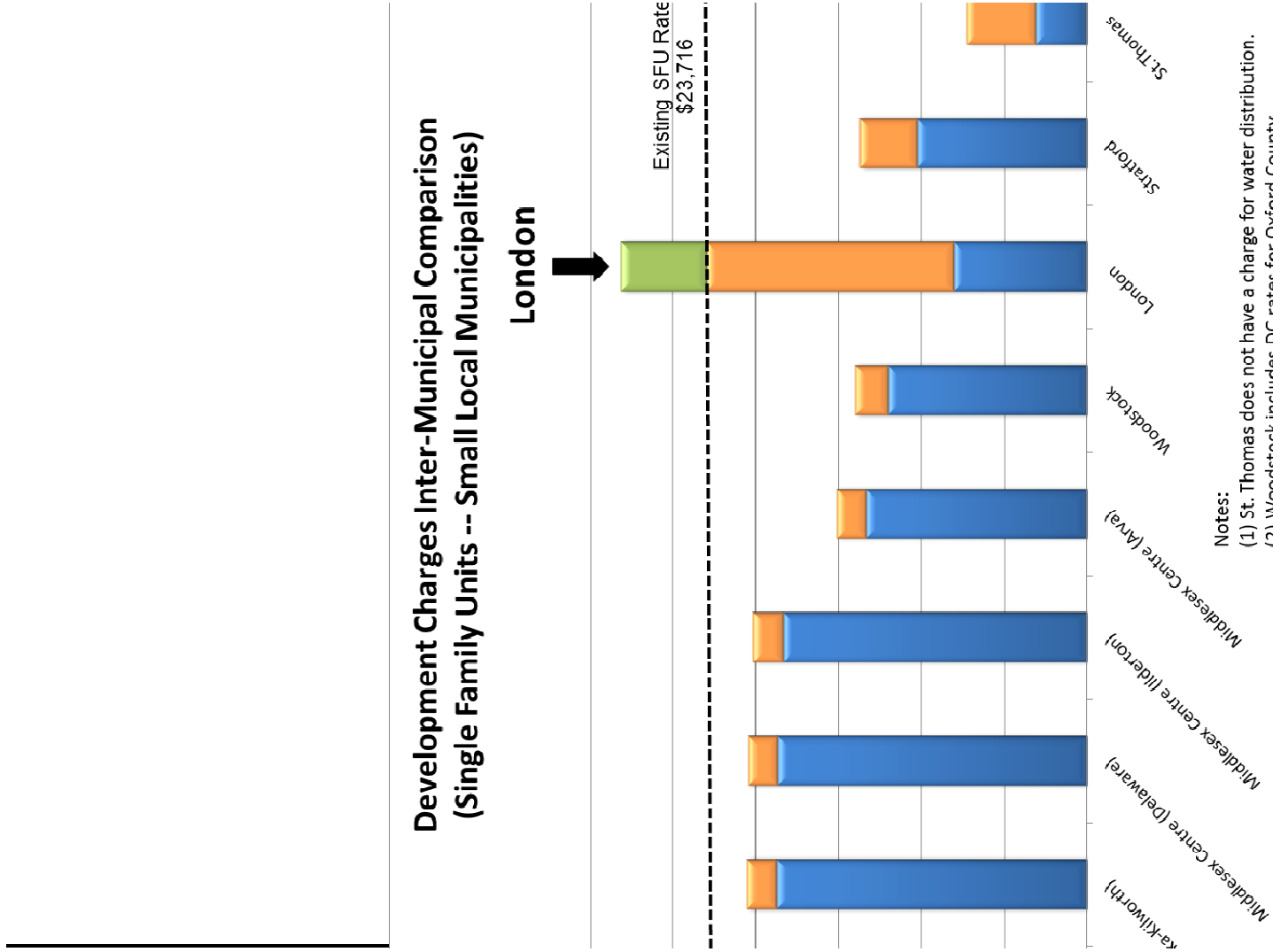


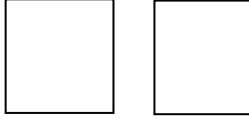


**PART II – SUMMARY OF POLICY CHANGES AND RECOMMENDED RATES**

**APPENDIX F**

**Figure F.5 - Comparative DC Rates - Single detached – Small Local Municipalities**

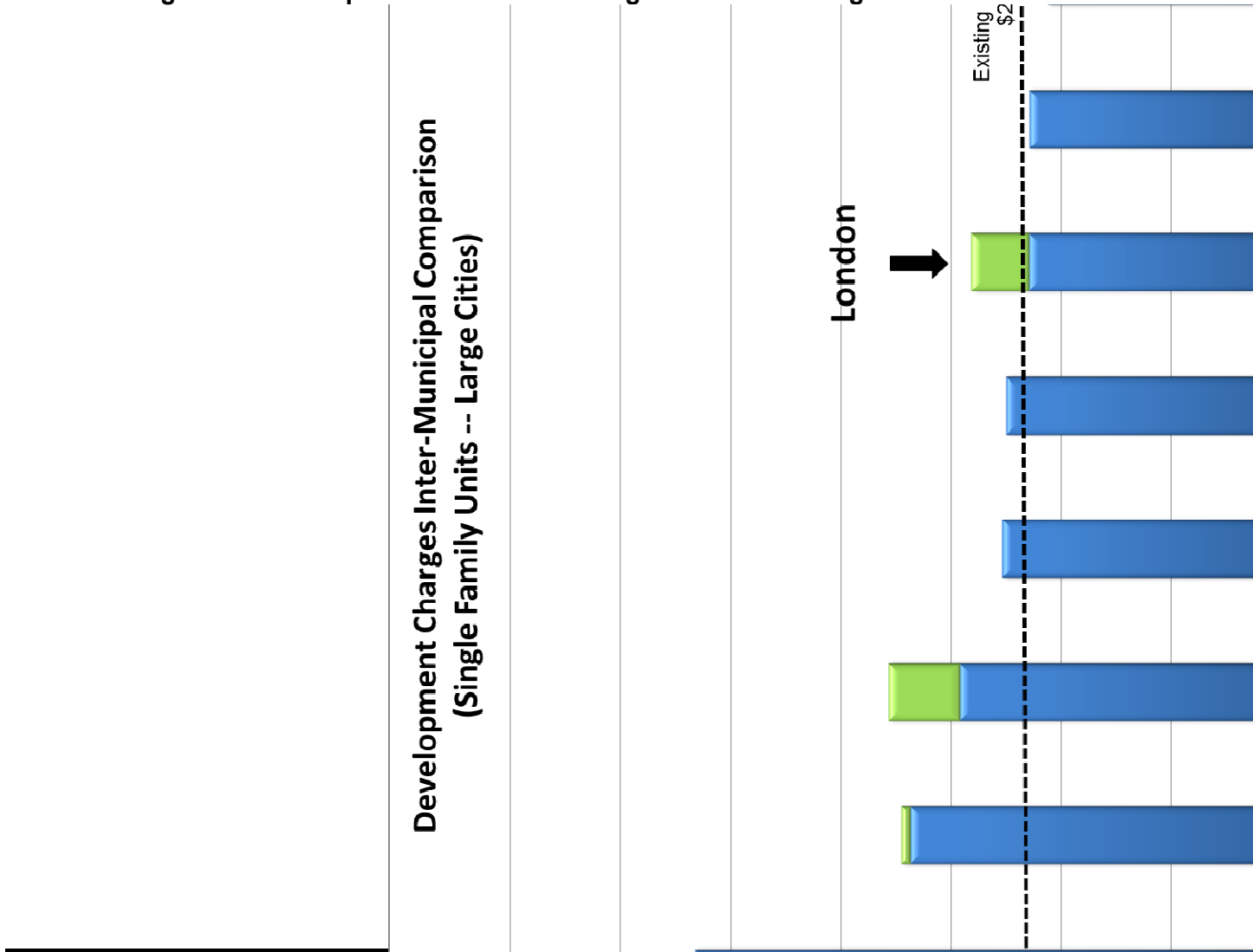


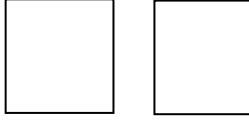


**PART II – SUMMARY OF POLICY CHANGES AND RECOMMENDED RATES**

**APPENDIX F**

**Figure F.6 - Comparative DC Rates - Single detached – Large Cities**

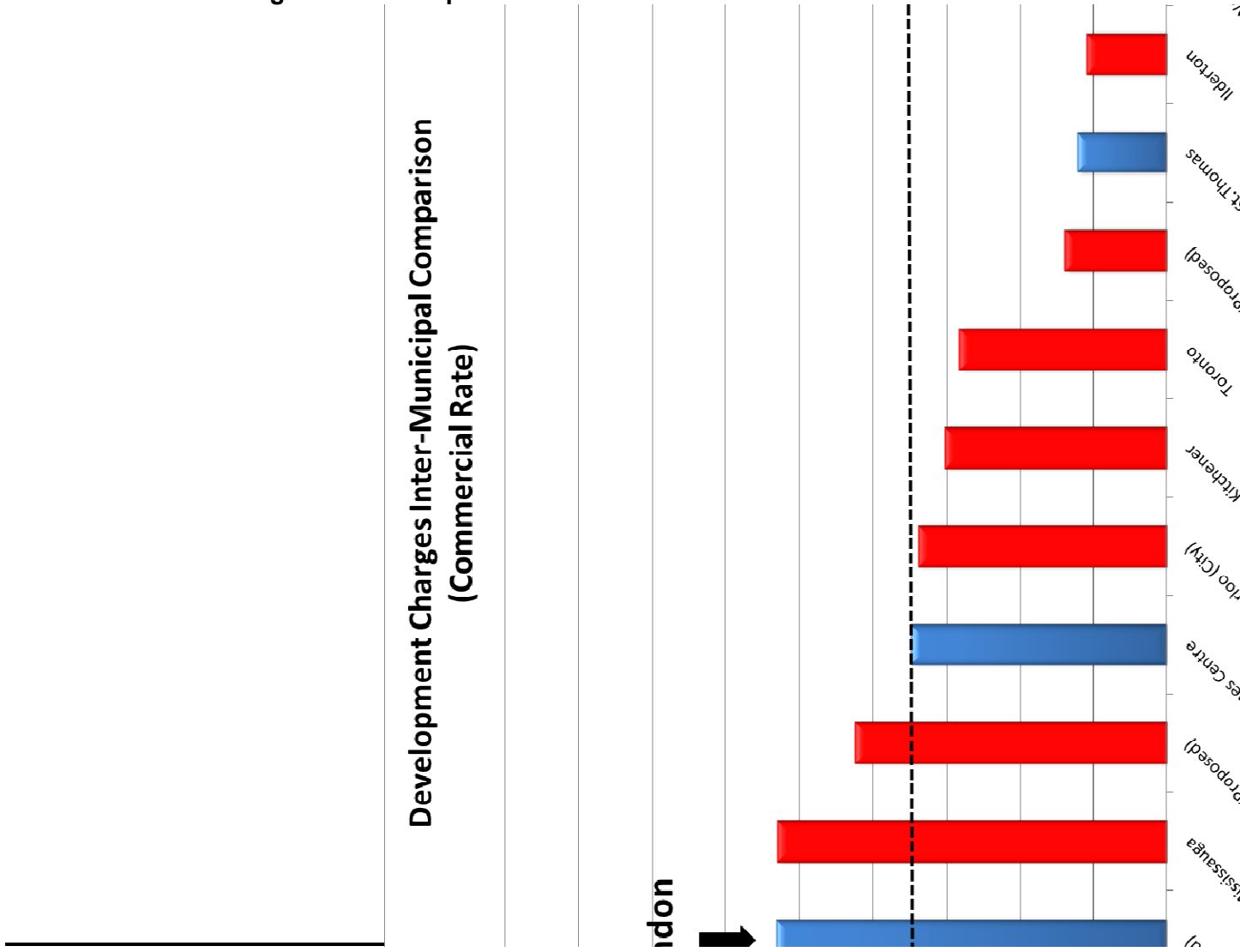


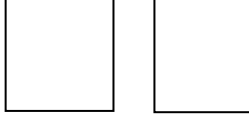


PART II – SUMMARY OF POLICY CHANGES AND RECOMMENDED RATES

APPENDIX F

Figure F.7 - Comparative DC Rates – Commercial





**PART II – SUMMARY OF POLICY CHANGES AND RECOMMENDED RATES**

**APPENDIX G**

**Appendix G - Summary of Taxpayer Contributions to Growth Program**

of DC Exemptions & Discounts <sup>(1)</sup>	footnote	Statutory Exemptions			Exe
		planning horizon (in years)	\$ cost (in millions)	avg \$cost/yr	
Services"	(2)	10	\$ 5.3	\$ 0.5	
Standard	(3)	10	\$ 3.7	\$ 0.4	
Policy					
Tools	(4)	20	\$ 41.4	\$ 2.1	
Universities, Churches, Apt, non-profit - 50%					
	(5)				20
	(6)	20	\$ 85.8	\$ 4.3	20
	(7)				5
ation of exclusion from	(8)				20
			\$ 127.2	\$ 6.4	

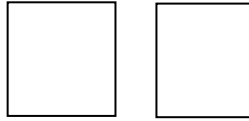
benefits of these programs in terms of jobs and growth that would not otherwise occur, cannot be objective forecasts will be achieved. Calculations also include major assumptions regarding the portion of growth assumptions).

as projections exceed the 10 year service standard

on of the portion of the DC costs attributable to schools and municipal buildings; the cost of which is borne by the portion of Institutional development which falls into this category

in most cases, exempted by statute.

forming same apartment building activity in next 5 years, as last 5 years (ie. approximately 800 units) and in other units.



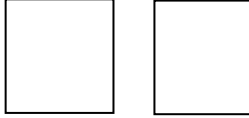
**PART III – RESPONSES TO COUNCIL REQUESTS**

**APPENDIX H**

**Appendix H - Responses to the questions raised - Strategic Priorities and Planning Committee discussion on ‘Draft Development Charge Rates’ - February 20, 2014**

<i>item</i>	<i>Council Request / Direction</i>	<i>Response Overview</i>
1	Water supply rate – inclusion in DC rate composition	<ul style="list-style-type: none"> <li>Water supply rates have been refined and are included in the DC rate calculations for Council consideration</li> <li>A separate report on the impacts of including a provision for Water Supply rates will be tabled for Council consideration at the public meeting on May 5, 2014</li> </ul>
2	Cost to taxpayers of “staging” or “phasing in” DC rate increases	<ul style="list-style-type: none"> <li>Cost in period between Aug 4/14 and December 31/14 will be measured in terms of difference between calculated DC rate, and DC rate collected. Difference will be assessed against taxpayer funded source after year end, and amount deposited to DC reserve fund.</li> <li>See sample calculation of phasing in DC rate increase(Appendix H.2), and subsidizing rate increase (Appendix H.3)</li> </ul>
3	Breakdown of Costs to taxpayers should the proposed charge be reduced to \$28,000 per SFU	<ul style="list-style-type: none"> <li>The estimated cost of subsidizing DC rates is computed, based on how much (in terms of % reduction in DC rate) the rates are reduced, and for how long. See sample calculation of phasing in DC rate increase(Appendix H.2), and subsidizing rate increase (Appendix H.3)</li> <li>In both cases (phasing in and subsidizing, the lost revenue cannot be made up by recovery from future growth. The amount of subsidy or “phase in cost” will be calculated based on building activity, at the completion of each year. The funds will be transferred from tax rate supported sources into the DC reserve funds. Annual budgets should contain a provision for the estimated cost of all exemptions, rate phase in, and discounts.</li> </ul>
4	Value of the average home, in dollars and percentage	<ul style="list-style-type: none"> <li>See chart which show entry level home price, upper end home price and percentage impact of DC rate increases (see Appendix H.4 – Projected impact of 2014 DC Rate Increase on House Prices)</li> </ul>
5	Length of time for residents to see the reduction in the DC	<ul style="list-style-type: none"> <li>This request is assumed to be related to the Council request related to impacts of Water Supply rate in reducing water operating costs. It will be addressed with the same report mentioned in item 1 above</li> </ul>
6	The possibility of incorporating an “incremental increase”	<ul style="list-style-type: none"> <li>There are basically two ways to achieve a reduction of the DC charge :                             <ul style="list-style-type: none"> <li>Identify specific issues with the rate calculations as presented in the 2014 DC Background Study (ie. cost estimates, growth/non-growth splits, RICl splits, project timing) which have the effect of reducing the charge</li> <li>Notwithstanding the calculated charge, Council may direct that a lower charge, or a “phased in” increase in rates be approved.</li> </ul> </li> <li>Unless rate calculations require specific correction, they are assumed to be an accurate estimate of future project costs and timing. The resulting DC rates recover the net growth costs over the life of the Growth capital program. In the absence of identifying specific changes in the inputs (costs, timing, g/ng splits), it is assumed that the rate calculations are an accurate reflection of the anticipated capital plan for growth.</li> <li>DC rate discounts that restrict the full collection of these costs must be made up from alternate funding sources – namely, the taxpayer. In the same way as the London taxpayer bears the development costs attributable to the industrial growth program (or any other exemptions or DC rate discounts), the taxpayer would likewise bear any cost of growth not borne by growth.</li> <li>Under the legislation, Council may approve any DC rate up the level of the calculated charge.</li> <li>Administration recommends the approval of the calculated charge for these reasons :                             <ul style="list-style-type: none"> <li>Recovers the anticipated cost of growth for the projects identified as needed to facilitate growth over the next 20</li> </ul> </li> </ul>

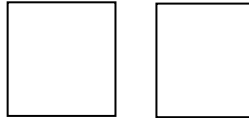




**PART III – RESPONSES TO COUNCIL REQUESTS**

**APPENDIX H**

<i>item</i>	<i>Council Request / Direction</i>	<i>Response Overview</i>
		<ul style="list-style-type: none"> <li>years;</li> <li>○ Abides by the OP principal that “growth pays for growth” and removes the burden of further exemptions from the taxpayer;</li> <li>○ Upholds the principle of “intergenerational equity” in recovery of growth costs</li> <li>• Incremental increases (or “step” increases in the DC rate towards the calculated rate) are therefore within Council’s legislative purview. However, the costs of the growth plan do not disappear, and if not borne by growth, must ultimately be borne by an alternate source – that source is the taxpayer.</li> <li>• The most accurate way of implementing an “incremental increase” or “step increase” in the rate is through a post year end calculation that aims to replenish the DC reserve funds for the foregone DC revenue. The post year end calculation would determine how much revenue was waived as a result of discounted DC rates (ie.DC rates collected vs. rates that would have been collected using calculated charge). The result would be deposited to the DC reserve funds from a taxpayer funded source.</li> </ul>
7	Questions or concerns of LDI, LIUNA 1059, LCC, LSTAR	<ul style="list-style-type: none"> <li>• See separate schedule (Appendix H.1)for responses to the questions and concerns raised by London Development Institute (LDI), Labourers’ International Union of North America (LIUNA 1059), London Chamber of Commerce (LCC), London and St. Thomas Association of Realtors (LSTAR)</li> </ul>

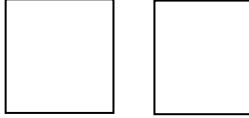


**PART III - RESPONSES TO COUNCIL REQUESTS**

**APPENDIX H**

**Appendix H.1 - Responses to Questions and Concerns raised by External Stakeholders – February 20, 2014**

<b>Issue or Concern</b>	<b>LDI</b>	<b>LHBA</b>	<b>LIUNA</b>	<b>London C of C</b>	<b>Comments</b>
Negative impacts of DC rate increase on affordability	✓	✓	✓	✓	<ul style="list-style-type: none"> <li>See further review of Economic Impacts of increase in rate – a separate report prepared by CN Watson and Associates (economists) to be tabled at public meeting of May 5, 2014</li> <li>See also analysis of rate in relation to housing prices (Appendix H.3 of this report)</li> </ul>
Water Supply rate not supported	✓	✓	✓	✓	<ul style="list-style-type: none"> <li>Further review of water supply rate impacts under separate report</li> </ul>
Operations Center rate not supported	✓	✓	✓	✓	<ul style="list-style-type: none"> <li>Council has approved deferral of consideration of this rate until the next DC rate study.</li> </ul>
Support for reduction to Transportation Capital Growth Program - \$115M	✓	✓	✓	✓	<ul style="list-style-type: none"> <li>Council approved deferral of \$115M in program needs to beyond 20 year horizon of DC study. Reduction to Transportation program has been processed and rate reduction - approximately \$1,050 to single detached unit rates - is reflected in the rate recommended in this report.</li> </ul>
<b>Further notes</b>	<b>(1)</b>	<b>(2)</b>	<b>(3 – 8)</b>	<b>(9)</b>	<ul style="list-style-type: none"> <li>See below</li> </ul>
<p>(1) LDI noted that draft increase of 31% exceeds the average increase in other municipalities of approximately 25%. Upon final review, the rate being recommended has now been reduced to an increase of approximately 19% (17% excluding Water Supply component)</p> <p>(2) LHBA also commented that ‘changes need to be thoroughly investigated, and reflect need only expenses’. To a large extent, that was the intent of the extensive stakeholder input process. However, a separate review aimed at identifying potential reductions in costs would involve a significant effort by several departments – potentially to alter existing City of London design standards or implement other cost reduction ideas.</p> <p>(3) Labourers’ International Union of North America (LIUNA) questions whether projects on which DC is based will all possibly be constructed in future. <i>Answer:</i> The projects represent projects need to facilitate the projected growth. So if the projected growth occurs, the projects identified will either be prerequisite to, or a result of, that growth occurring. If a project is for some reason deferred, or not needed at all, the funding is used for any substitute project that provides the same capacity, or simply offsets future DC rate calculations.</p> <p>(4) LIUNA suggests that “A balance between future long term infrastructure projects and affordable new homes must be taken into consideration.” <i>Answer:</i> The projects identified are based on the best way of servicing new growth – both greenfield and infill and intensification. In the absence of new, less expensive methods of servicing growth, there is no further reduction to the cost estimates that form the basis of the rate calculations. A further discussion of paths in future servicing may serve to provide a new direction.</p> <p>(5) Assuming a reduction in the DC rates below the calculated rate would have a significant positive impact on job creation, the consequence of reducing DC rates – namely taxpayer support for discounted DC rates - must also be weighed in the decision.</p> <p>(6) LIUNA suggests a 20% increase would be realistic, based on its understanding of surrounding community rate increases. The increase being recommended with the tabling of the completed Background Study is 19%, including the Water Supply component .</p> <p>(7) LIUNA commented on the draft increase in commercial rates. As indicated in the February 20, 2014 “Draft Rate Calculations” report the reasons for the draft increase in commercial rates was under review. Subsequent to the report, an adjustment of the commercial growth forecasts was found to be in order. The commercial rate increase remains high (from \$174/sq.m. to \$266/sq.m.) but significantly below the rate reported in February. An explanation of the change in the Commercial growth forecasts and resulting rate is found in Appendix H.5.</p> <p>(8) LIUNA commented that “Industrial charges should remain unchanged”. Like all other rates,</p>					

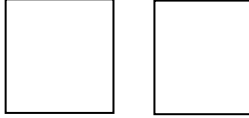


**PART III - RESPONSES TO COUNCIL REQUESTS**

**APPENDIX H**

the industrial rate is a function of a number of variables: growth costs, growth/non-growth split, portion of costs allocated to benefit that sector, total projected growth in industrial space during the forecast period, and financing costs for the capital program. The city's current policy is to exempt Industrial development from payment of the Industrial DC rates, so irrespective of the final rate, the current policy would shelter growth in this area through continuation of taxpayer support for growth costs of Industrial growth.

- (9) London Chamber of Commerce noted 'adverse supply chain impacts' in its comments. The Economic Impacts of increased DC rates are being reviewed by CN Watson and Associates. There are adverse impacts on taxpayers if costs of growth are not recovered from growth. This impact which must also be weighed in the decision to discount DC rates.



**PART III - RESPONSES TO COUNCIL REQUESTS**

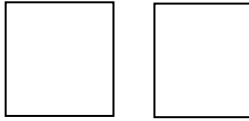
**APPENDIX H**

**Appendix H.2 - Cost Of Phasing In DC Rate Increase**

<b><u>CALCULATION OF LOST REVENUES DUE TO PHASE-IN OF DC RATE</u></b>						
<i>The results reflected below assume a period during which rates are kept at existing rates, until new rates take effect. The "Lost Revenue" is made up via</i>						
<b>RESIDENTIAL</b>						
Period of phase-in				5 months		
Estimated Lost Revenue - Residential				<b>\$3,000,000</b>		
<b>NON - RESIDENTIAL</b>						
Period of phase-in				5 months		
Estimated Lost Revenue - Non - Residential				<b>\$700,000</b>		
NOTE :calculations only account for incremental cost of phasing in the rate increases - Industrial and part Institutional costs already borne by Taxpayer via DC Exemptions and Discount policy						

**Table H.3 - Cost Of Subsidizing DC Rate Increase**

<b><u>CALCULATION OF LOST REVENUES FOR SUBSIDIZED DC RATE</u></b>						
<i>The results reflected below assume a period during which rates are subsidized by a certain percentage of the calculated DC rate. The "Lost Revenue" is made up via contributions by Taxpayer</i>						
<b>RESIDENTIAL</b>						
Period of subsidized rate				5 months		
Extent of subsidization				5% of calculated Residential DC		
Estimated cost of Subsidy - Residential				<b>\$1,000,000</b>		
<b>NON - RESIDENTIAL</b>						
Period of subsidized rate				5 months		
Extent of subsidization				5% of calculated Non-Residential DC rate		
Estimated cost of Subsidy - Non -Residential				<b>\$100,000</b>		
NOTE :calculations only account for incremental cost of subsidizing the calculated DC rates. Industrial and part Institutional costs already borne by Taxpayer via DC Exemptions and Discount policy						



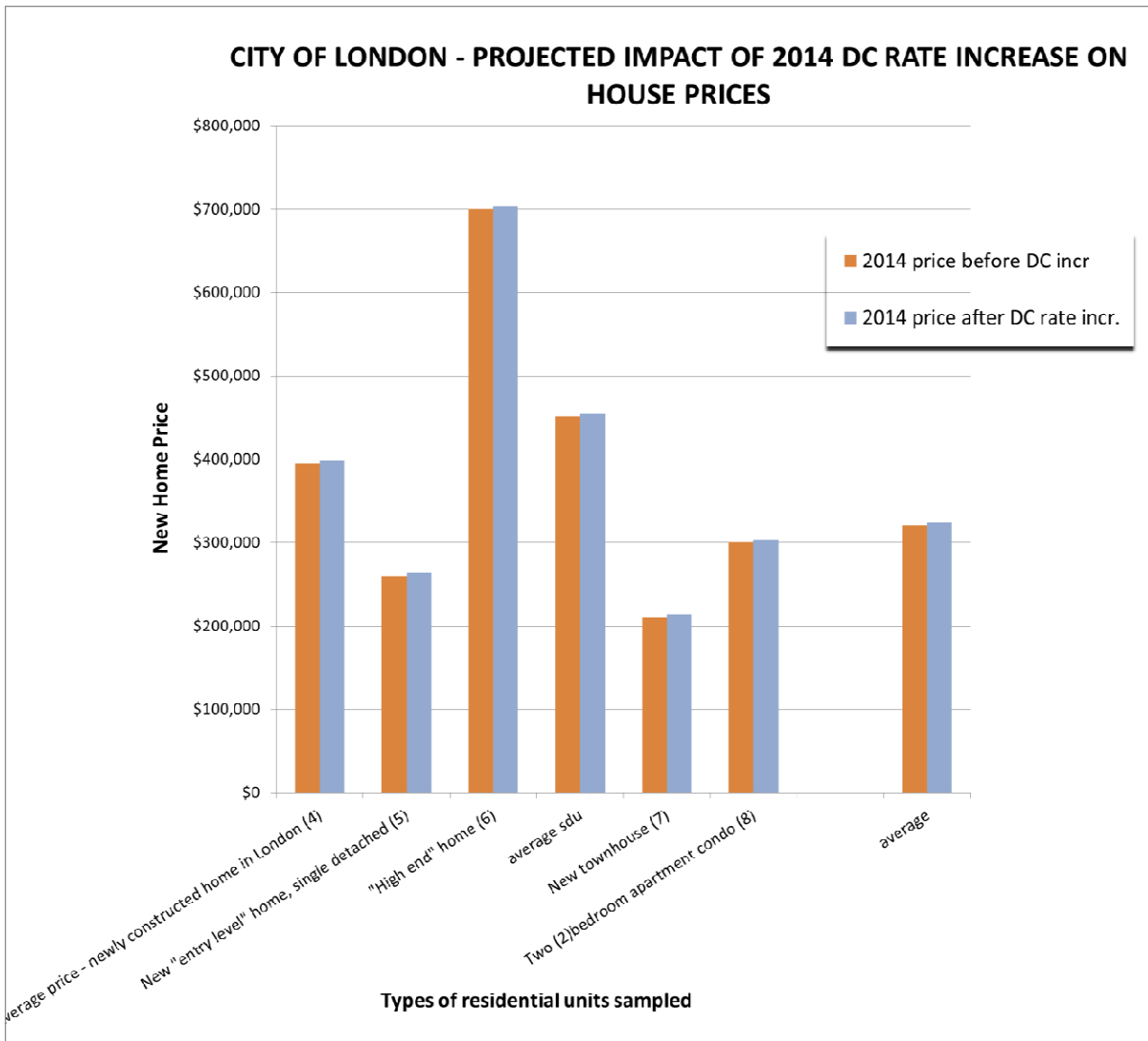
**PART III - RESPONSES TO COUNCIL REQUESTS**

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**Appendix H.4 - Projected impact of 2014 DC Rate Increase on House Prices**

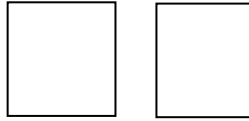
The graph below illustrates the projected change in price, by housing type, after incorporating the 2014 DC rate increase. The graph uses 2014 residential price data representative of various categories of housing. Sources of the information are listed in the Footnotes below the graph.

The data suggests that the increase on the “average price” new home attributable to an increase in the DC rate would be in the range of 1.2%.



**Footnotes:**

- (1) Prices above are representative of the category and represent neither the high or low.
- (2) Prices vary considerably according to house finishes, location, local amenities, and ....
- (3) London and St. Thomas Association of Realtors statistics package, February 2014 (2014 year to date)
- (4) CMHC Housing Now, First Quarter 2014
- (5) MLS Listing for Summerside and Cedar Hollow
- (6) MLS Listing for Richmond North (Auburn)
- (7) MLS Listing for Summerside and Cedar Hollow
- (8) MLS Listing for Richmond/Sunningdale 2 bedroom condo



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**Appendix H.5 - Revised Commercial Projections and Commercial Rate Analysis**

In 2012, Altus Group Economic Consulting prepared population, employment, housing and non-residential space projections for the City of London. These projections outlined anticipated growth for a 20+ year period to be used for planning purposes in several corporate studies, including the 2014 Development Charges Study. On October 30, 2012, Council endorsed the use of the Altus growth projections for DC Study purposes, based on a Staff recommendation.

Subsequently, the growth projections were allocated to geographic areas of the city in order to be used by consultants and City/Local Board staff to determine growth-related capital needs for both hard and soft services. Depending on the service, growth projections based on units and space (square metres) or by population and employment were used to determine residential, commercial, institutional and industrial shares associated with the cost of providing the capital works. These share costs were summed together to establish a total rate for each sector to be recovered through development charges.

In calculating the draft commercial rate late last year, Staff became aware of a significant increase in comparison to the present commercial DC rate, and began to investigate multiple factors that were potentially producing the increase.

**Revisions to Commercial Growth Projections**

One of the most significant variables in DC rate calculations is the projected growth. Not only are future growth allocations important to determining capital needs (e.g., the development of a previously undeveloped area will trigger servicing requirements), but growth projections are also used to calculate the development charge rate. Generally speaking, in determining a commercial development charge, City Staff take the total cost of growth-related infrastructure projects and divide by the projected 20 year growth:

<b>COMMERCIAL SHARE OF GROWTH INFRASTRUCTURE COSTS</b>	
<b>COMMERCIAL DC</b>	= $\frac{\text{-----}}{\text{PROJECTED COMMERCIAL CONSTRUCTION (SQUARE METRES)}}$

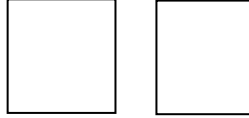
Recognizing the importance of growth projections in determining DC rates, Staff engaged Altus to review the previously submitted commercial employment and space projections. Staff had noted that the assumptions being used for determining projected space needs (square metres per employee, also known as “space factors”) were considerably lower than the previous 2009 and 2004 projections Altus had prepared (see Table 1).

**TABLE 1: AVERAGE COMMERCIAL SPACE FACTORS FROM 2004, 2006 AND 2012 PROJECTIONS**

Period	2004 Altus Projection	2006 Altus Projection	2012 Altus Projection
2014-2034	563 sqft/employee	568 sqft/employee	316 sqft/employee

Further discussions with the City’s DC consultant, Watson and Associates, supported a review regarding the decrease in the commercial space factors. From the comparative information available for communities similar to London, office space factors ranged from 250-260 sqft/employee (vs. the Altus assumed 200 sqft/employee) and 450-530 sqft/employee (vs. the Altus assumed 360 sqft/employee). These space factor ranges were also supported by a review of assumptions being used in the DC Studies of several municipalities.

As noted in the attached memo, Altus has reviewed their original projection and has provided revisions to the amount of future commercial space for DC purposes based on a review trends in



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the post-recession period. It should be noted that no revisions have been made to the commercial employment projections. The revised floor space projection is also more reflective of commercial floor space construction over a recent five year period, as indicated in Table 2.

**TABLE 2: RECENT COMMERCIAL CONSTRUCTION COMPARED TO PROJECTIONS**

2007-2011 Building Construction	2014-2019 Altus Original Projection	2014-2019 Altus Revised Projection
168,660 sqm	125,545 sqm <sup>1</sup>	152,170 sqm <sup>1</sup>

<sup>1</sup> Represents the projected space requirements before reduction for assumed underutilized space

Table 3 provides a summary of the original and revised commercial space projections and the amount of space being added to the forecast. The revised projection is based on an average commercial space factor of 399 sqft/employee.

**TABLE 3: REVISED COMMERCIAL SPACE PROJECTIONS BY DC STUDY YEARS**

Period	Original (Square Metres)	Revised (Square Metres)	Change (Square Metres)
2014-2019	54,250	86,210	+ 31,960
2019-2024	57,600	80,820	+ 23,220
2024-2029	106,280	134,330	+ 28,050
2029-2034	141,950	178,930	+36,980
Total (2014-2034)	360,080	480,290	+120,210

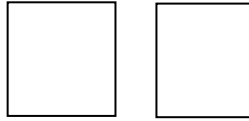
Both Staff and Watson and Associates have reviewed the revised projections and are comfortable with their use for the 2014 Development Charges Study. Increases to the space factors are more reflective of comparative municipalities and the increased amount of space included in the projection is not unreasonable based on past commercial construction.

**Other Factors Impacting Commercial Development Charge Rate**

Like the single family residential rate previously reported to Committee, Transportation is the largest component of the commercial rate. Transportation’s institutional, commercial and industrial (ICI) shares are based on a ratio of population to employment, rather than being driven by space projections. Since no changes to employment projections have been made by Altus, the revised commercial space projections do not affect the Transportation share of the commercial DC costs.

In calculating commercial DC rates for all services including Transportation, the amount of the funds available in the reserve fund opening balance as of January 1, 2014 are subtracted from commercial DC costs to derive a net amount of costs recoverable through development charges. When the 2009 commercial rate was calculated, the Transportation uncommitted balance for commercial was \$10.7 million. Since 2009, a large number of roads projects have been constructed, with funding drawn from the Transportation DC reserve fund to pay for the costs associated with those projects. As a result, the commercial portion of the reserve fund balance has decreased to \$1.1 million. This reduces the amount available to be subtracted from the commercial share of roads projects incorporated in the 2014 Development Charges Background Study and the commercial rate calculation. The significant reduction in the uncommitted balance is indicative of a situation where DC revenue collection is significantly lagging behind the pace of spending on road widening projects.

Finally, the overall scale of projects and costs for Transportation has increased significantly from the 2009 Development Charges Background Study. This increase is experienced for all rate categories, including commercial.



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**Revised Draft Commercial Development Charge Rate**

Staff has calculated a revised draft commercial rate that incorporates the deferral of \$115 million in roads projects, approved by Council on February 25, 2014. Further, revisions to unit costs producing a decrease in overall project costs have been incorporated into the proposed commercial rate.

**TABLE 4: COMPARISON OF DRAFT COMMERCIAL DC RATES**

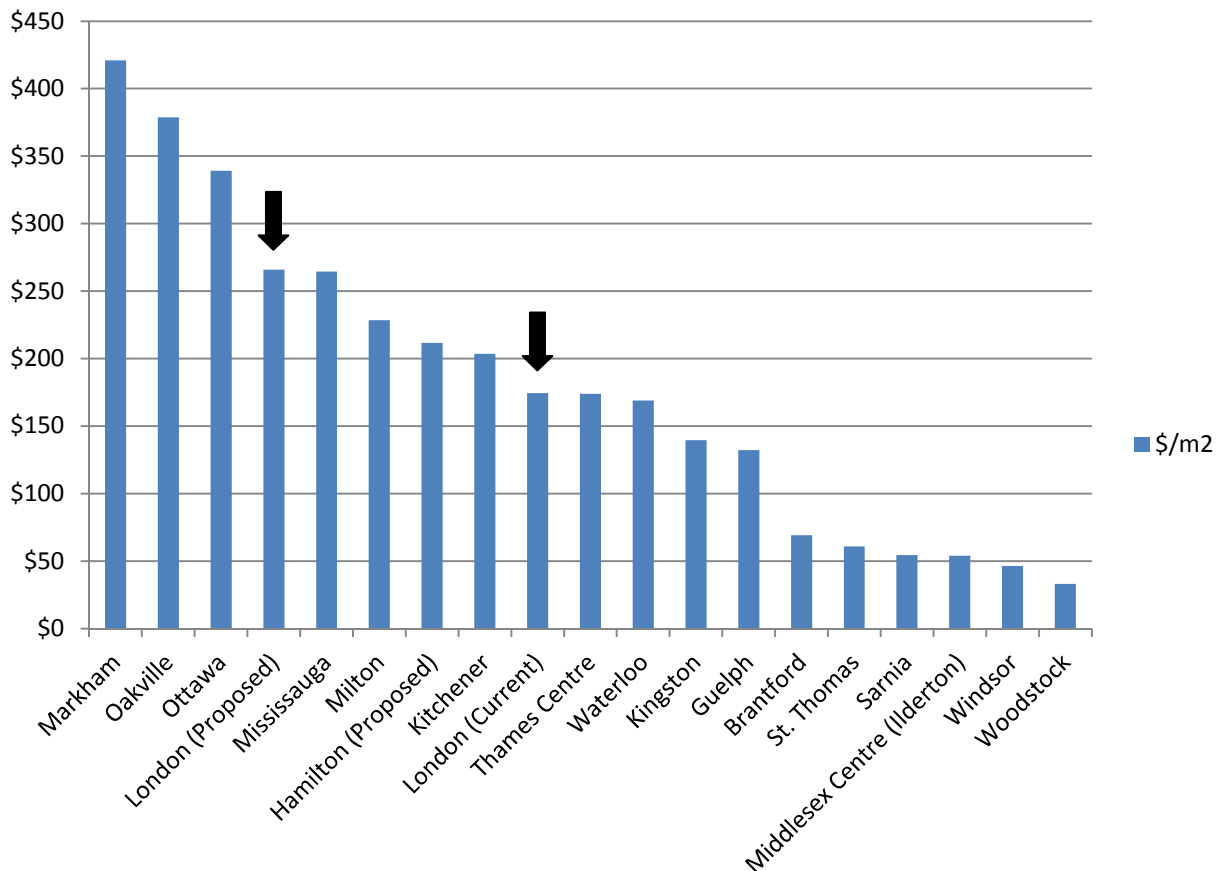
Period	Current (January 1, 2014)	Original (February 20, 2014)	Proposed (April 14, 2014)
DC Rate Per Square Metre	\$174	\$374	\$266

The proposed draft commercial rate represents a 53% increase from the present commercial DC rate.

Through the examination of the revised draft commercial rate, Staff has examined all possible impacts on the rate calculation. No errors have been identified and the appropriate inputs and assumptions have been used. As a result, Staff is of the opinion that the revised draft DC commercial rate reflects the commercial portion of the recovery of costs associated with the 20 year capital plan.

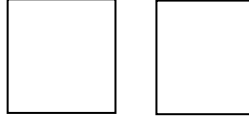
For contextual purposes, current commercial DC rates from seventeen (17) municipalities are provided in Chart 1. Both the current London commercial DC rate (based on the 2009 DC Study) and the proposed London commercial DC rate (based on the 2014 DC Study) are indicated with arrows.

**CHART 1: COMMERCIAL DEVELOPMENT CHARGES IN OTHER MUNICIPALITIES**



It should be noted that there are several caveats with the above rates:





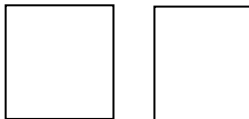
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- local municipalities such as Thames Centre, St. Thomas, Middlesex Centre and Sarnia have much smaller roads components of their commercial DC rates than London;
- most of the larger municipalities in Chart 1 calculate a “non-residential” DC rate, rather than separate commercial, institutional and industrial rates. Depending on growth projections for these sectors, combining growth costs and projected floor space for all of these sectors together to calculate a non-residential rate may result in a lower rate than a stand-alone commercial rate; and,
- several of London’s comparator municipalities (large urban centres) are undergoing DC Background Studies at present and it is anticipated that they will experience increases in their commercial DC rates as well (e.g., Ottawa, Hamilton, Mississauga).

**Conclusion**

Staff are of the opinion that the revised commercial projections provided by Altus Group Economic Consulting should be used for rate calculation purposes in the 2014 Development Charges Background Study. The revised commercial projections are more reflective of previous projections assumptions, comparative assumptions used in other municipalities, and past commercial growth. Use of these projections will result in a larger denominator, serving to reduce the commercial DC rate from what was presented at the February 20, 2014 Strategic Priorities and Policy Committee meeting.



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Independent Real Estate Intelligence



March 4, 2014

Memorandum to: Paul Yeoman, Research Analyst  
City of London - Planning Division

From: Peter Norman, Chief Economist  
Altus Group Economic Consulting

**Subject: Non-Residential Space Demand Update**  
**Our File: P-4548**

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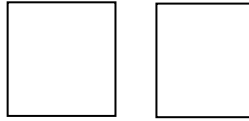
This memo presents data pertaining to two reports prepared by Altus Group for the City of London:

- *Employment, Population, Housing and Non-Residential Construction Projections, City of London, Ontario, 2011 Update, September 7, 2012 (the Report); and*
- *“Forecasts for Development Charge Cycle Years”, November 1, 2012 (the Memo).*

The Report, was an update to a report prepared for the City in 2006.

The analyses in the above-cited reports present estimates of new non-residential space requirements based in part on projected employment by type and on space factors. Space factors are based on historical statistics. In preparing the 2012 analysis, data from London over the 2006-2011 period was analysed and space factors consistent with these data were presented in Figure 49, Page 76 contained in the Report. We note that evidence that commercial space factors had declined modestly from the analysis conducted in 2006 was incorporated into the 2012 analysis.

The Report presented a baseline forecast for commercial space factors covering the forecast period. There is likely a range of reasonable commercial space factors that may be likely to emerge within the period, and so this current memo presents a “high” scenario based on trends observed since 2011, and which can be read to be more consistent with the experience in London prior to 2006 and is also based on consultation with City of London Finance and Corporate Services staff.



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This note sets out certain revised tables from the Report and Memo to reflect this higher space factor scenario, including:

- The factor for office employment in the Report was 200 sq. ft. per employee, and is 240 sq. ft. per employee in this scenario;
- The factor for retail/other commercial employment in the Report was 360 sq. ft., and is 460 sq. ft. per employee in this scenario.

This memo presents the revised tables for Figure 48, 49, 50 and 51 in the September 7, 2012 Report, and Figure 4 in the November 1, 2012 Memo.

Figure 48

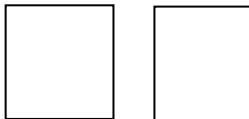
	Primary	Industrial	Commercial		Institutional	Work at Home	Total
			Office	Retail/Hosp.			
<i>Persons (annual average)</i>							
2001-2006	(10)	389	461	930	1,039	17	2,826
2006-2011 <i>e</i>	(16)	(189)	178	(792)	105	(50)	(764)
2011-2021 <i>f</i>	(1)	647	292	595	606	56	2,196
2021-2031 <i>f</i>	2	534	144	524	306	261	1,771
2031-2041 <i>f</i>	3	843	369	812	828	169	3,023

Source: Historical: Census Canada; Forecast: Altus Group Economic Consulting

Figure 49

	Industrial	Commercial		Institutional
		Office	Retail/Other	
<i>Sq. Ft. per Employee</i>				
2011-2016 <i>f</i>	900	240	460	700
2016-2021 <i>f</i>	900	240	460	700
2021-2026 <i>f</i>	910	240	460	700
2026-2031 <i>f</i>	910	240	460	700
2031-2036 <i>f</i>	910	240	460	700
2036-2041 <i>f</i>	910	240	460	700

Source: Altus Group Economic Consulting



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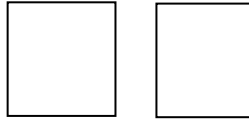


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Figure 50

<b>Non-Residential Space Demand, City of London, 2001-2041</b>						
		Industrial	Commercial		Institutional	Total
			Office	Retail/Other		
<i>Square Feet (000s) (per five year period)</i>						
<u>Total</u>						
2001-2006	a	1,749	461	1,675	3,637	7,521
2006-2011	a	(848)	178	(1,426)	369	(1,728)
2011-2016	f	3,020	470	1,660	2,870	8,020
2016-2021	f	2,800	230	1,080	1,360	5,470
2021-2026	f	2,490	100	950	830	4,370
2026-2031	f	2,970	250	1,460	1,310	5,990
2031-2036	f	3,650	420	1,650	3,150	8,870
2036-2041	f	4,030	460	2,090	2,650	9,230
<u>2011-2041</u>						
Avg. Annual		632	64	296	406	1,398
Total		18,960	1,930	8,890	12,170	41,950

Totals may not add due to rounding  
 Source: Altus Group Economic Consulting



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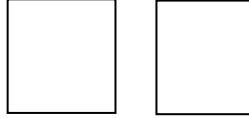
Figure 51

**Net Non-Residential Space Requirements, City of London, 2006-2041**

Total Demand	Industrial	Commercial		Institutional	Total
		Office	Retail/Other		
<i>Square Feet (000s)</i>					
2006-2011 <i>a</i>	(848)	178	(1,426)	369	(1,728)
2011-2016 <i>f</i>	3,020	470	1,660	2,870	8,020
2016-2021 <i>f</i>	2,800	230	1,080	1,360	5,470
2021-2026 <i>f</i>	2,490	100	950	830	4,370
2026-2031 <i>f</i>	2,970	250	1,460	1,310	5,990
2031-2036 <i>f</i>	3,650	420	1,650	3,150	8,870
2036-2041 <i>f</i>	4,030	460	2,090	2,650	9,230
2011-2041 <i>f</i>	18,960	1,930	8,890	12,170	41,950
<i>Alternative Supply<sup>1</sup></i>					
<i>Square Feet (000s)</i>					
2011-2016 <i>f</i>	424	-	713	-	1,137
2016-2021 <i>f</i>	424	-	713	-	1,137
2021-2026 <i>f</i>	-	-	-	-	-
2026-2031 <i>f</i>	-	-	-	-	-
2031-2036 <i>f</i>	-	-	-	-	-
2036-2041 <i>f</i>	-	-	-	-	-
2011-2041 <i>f</i>	848	-	1,426	-	2,275
<i>Required New Supply</i>					
<i>Square Feet (000s)</i>					
2011-2016 <i>f</i>	2,600	470	950	2,870	6,890
2016-2021 <i>f</i>	2,380	230	370	1,360	4,340
2021-2026 <i>f</i>	2,490	100	950	830	4,370
2026-2031 <i>f</i>	2,970	250	1,460	1,310	5,990
2031-2036 <i>f</i>	3,650	420	1,650	3,150	8,870
2036-2041 <i>f</i>	4,030	460	2,090	2,650	9,230
2011-2041 <i>f</i>	18,120	1,930	7,470	12,170	39,690

1. Assumed absorption of underutilized space; No replacement supply built in

Source: Altus Group Economic Consulting



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Figure 4

**Net Non-Residential Space Requirements by Development Charge Cycle Years  
 City of London, 2014-2039**

		Commercial			Institutional	Total
		Industrial	Office	Retail/Other		
Required New Supply		<i>Square Feet (000s)</i>				
2014-2019	<i>f</i>	2,468	326	602	1,964	5,360
2019-2024	<i>f</i>	2,446	152	718	1,042	4,358
2024-2029	<i>f</i>	2,778	190	1,256	1,118	5,342
2029-2034	<i>f</i>	3,378	352	1,574	2,414	7,718
2034-2039	<i>f</i>	3,878	444	1,914	2,850	9,086
2014-2039	<i>f</i>	14,948	1,464	6,064	9,388	31,864

Source: Altus Group Economic Consulting

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**PART IV – 2014 DRAFT DC BY-LAW**

**APPENDIX I**

**Appendix I - Summary of changes incorporated in Draft By-law**

This appendix provides a summary of revisions to the 2014 Development Charges By-law in comparison to the 2009 Development Charges By-law (bold and underlined wording represents added language; strike-through represents deleted wording). The changes cover three categories:

- Amendments based on Council-approved policy changes: Since the commencement of the 2014 Development Charges Background Study process, several DC policy areas have been reviewed and adopted by Council. In order to implement these policy changes, revisions are required to the DC By-law;
- Changes based on feedback from Building Division re: interpretation issues: Over the past 5 years, the City's Building Division has encountered issues related to a variety of by-law provisions. The by-law revisions included in this category represent clarifications to the intent of by-law clauses or more precise wording to improve interpretation.
- Technical changes: A variety of minor changes have been made to the by-law to reflect provisions that are no longer applicable, staff/committee name changes, improved wording to reflect the wording of the Development Charges Act, etc.

Although not provided in the summary, there have been minor changes associated with punctuation, section numbering and grammatical edits.

No.	Category	2014 DC By-law Revisions	Rationale for Changes
1	Amendments based on Council-approved policy changes	<b>“lawfully demolished” means a residential or non-residential building that was demolished according to the provisions of a demolition permit or due to a force majeure;</b>	Added definition to reflect meaning described in demolition conversion policies.
2	Amendments based on Council-approved policy changes	<b>“Urban Works” are growth related services, normally required as a consequence of, or prerequisite to development, which are cited in agreements under the Planning Act. The City continues to permits claims for the construction of these services by developers in accordance with agreements entered into before this by-law comes into force, and their cost is claimable from the Urban Works reserve funds identified in the rate schedules to this by-law. The eligibility for a claim from the funds is discussed in Schedule 6 and 7 of this by-law, and expanded in the 2014 Development Charges Background Study.</b>	Amendments reflect Council-approved retirement of the Urban Works Reserve Fund (UWRF).  Minor technical changes have also been made to By-law Schedules 6 and 7 to reflect the retirement of the UWRF.
3	Amendments based on Council-approved policy changes	14. Non-Residential Building Converted to Residential Use  Where, in conjunction with a change to residential use from a non-residential use, an existing building or structure is enlarged wholly or partially converted, the development charge which is payable shall be calculated using the following formula, <del>and so long as a development charge was paid in respect to the non-residential use under this or any predecessor by-law of the building or structure existed prior to April 6, 1973:</del>	Revised policies reflecting Council-approved policy change regarding conversion credits.



No.	Category	2014 DC By-law Revisions	Rationale for Changes
		<p>Where:</p> <p>A = the development charge that would be payable at the current rate in respect of the dwelling units comprising the gross floor area existing after the enlargement or conversion;</p> <p>B = the development charge that would be payable at the current rate in respect of the <b>previous</b> lawfully existing non-residential gross floor area involved in the enlargement, conversion or replacement; <b>and</b>, except where the non-residential gross floor area being converted to residential use is, prior to the conversion, an industrial building that was built between April 6, 1973 and 1979 inclusive, and a development charge was paid on construction of the building, then the rate to be used for calculating this item (item B) shall be the current Commercial rate. The applicant for the building permit for the conversion shall provide proof satisfactory to the Director of Building Controls that the industrial building was built under a building permit issued between April 6, 1973 and 1979, in order to qualify for relief afforded by this paragraph.</p> <p>C = the development charge payable in respect of the successor residential units, a negative number being converted to zero.</p> <p><b><u>Where a service is not provided (e.g., water or sanitary sewers) to a non-residential building or structure prior to its conversion, that component of the development charge shall be excluded from the rate applied in item B above.</u></b></p>	<p>Clarification that DC credits are not provided for rate components that the existing building is not serviced by.</p>
4	Amendments based on Council-approved policy changes	<p>15. Conversion from One Form of Non-Residential Use To Another Form of Non-Residential Use</p> <p>Where, in conjunction with a change from one form of lawfully existing non-residential use to another form of non-residential use, a lawfully existing building or structure is wholly or partially converted, the area for which a development charge is payable shall be calculated using the following formula, so long as a development charge was paid in respect of the lawfully existing use prior to conversion under this or any predecessor by-law of the building or structure existed prior to April 6, 1973:</p> <p style="text-align: center;">A – B = C</p>	<p>Revised policies reflecting Council-approved policy change regarding conversion credits.</p>
	Page		

No.	Category	2014 DC By-law Revisions	Rationale for Changes
		<p>Where:</p> <p>A = the development charge that, were it not for this section, would otherwise be payable at the current rate in respect of the use to which the space converted;</p> <p>B = the development charge that would be payable at the current rate in respect of the lawfully existing former space being converted, <del>except where the non-residential-gross-floor area being converted to residential use is, prior to the conversion, an industrial building that was built between April 6, 1973 and 1979 inclusive, and a development charge was paid on construction of the building, then the rate to be used for calculating this item (item B) shall be the current Commercial rate. The applicant for the building permit for the conversion shall provide proof satisfactory to the Director of Building Controls that the industrial building was built under a building permit issued between April 6, 1973 and 1979, in order to qualify for relief afforded by this paragraph;</del> and,</p> <p>C = the development charge payable in respect of the successor residential units, a negative number being converted to zero.</p> <p><b><u>Where a service is not provided (e.g., water or sanitary sewers) to a non-residential building or structure prior to its conversion, that component of the development charge shall be excluded from the rate applied in item B above.</u></b></p>	<p>Clarification that DC credits are not provided for rate components that the existing building is not serviced by.</p>
5	Amendments based on Council-approved policy changes	<p><del>15. Exemptions With Respect To Agricultural Use</del></p> <p>This bylaw shall not apply to impose upon construction, or create a credit related to demolition or removal of any building, the purpose of which is to support an agricultural use.</p>	<p>Removal of redundant by-law provision (agricultural buildings are exempt and therefore would not be subject to demolition credit).</p>
6	Amendments based on Council-approved policy changes	<p>16. Replacement of Demolished or Destroyed Non-Residential Premises or Dwelling Unit(s) with Dwelling Units</p> <p>(1) In this section and section 17, "specified period" means the period of time that is up to ten (10) years prior to the application for a building permit for a replacement building, except in the Downtown and Old East Areas identified in Schedules 2 and 3, in which case, the "specified period" means the period of time that is up to twenty (20) years prior to the application for a building permit for replacement dwelling units and except in the case of the Brownfield site located at 750 Elizabeth Street in the City of London in which case, the "specified period" means the period of time that is up to fourteen (14) years prior to the application for a building permit for a replacement dwelling</p>	<p>Revised policies reflecting Council-approved policy change regarding demolition credits.</p> <p>Special provisions removed for 750 Elizabeth Street as the subdivision has been built-out since 2009 DC By-law.</p>
	Page		

No.	Category	2014 DC By-law Revisions	Rationale for Changes
		<p>units.</p> <p>(2) Where a lawfully existing non-residential premises ("<u>former premises</u>") or dwelling unit, is destroyed by a force majeure or accidental fire, or is lawfully demolished or removed, the development charge payable in respect of a replacement dwelling unit that is to be constructed, erected or placed on the site of a former non-residential premises or dwelling unit shall be calculated using the following formula, so long as the former non-residential premises or dwelling unit was destroyed, demolished or removed during the specified period:</p> <p style="text-align: center;">A – B = C</p> <p>Where:</p> <p>A = the development charge that, were it not for this section, would otherwise be payable at the current rate in respect of the replacement dwelling unit(s);</p> <p>B = the development charge that would be payable at the current rate in respect of the non-residential premises or former dwelling unit(s) (by using the applicable rate for the particular type of units destroyed, demolished or removed) if that non-residential premises or dwelling unit(s) were currently being constructed, erected or placed for the first time, <del>where the non-residential floor area being converted to residential use is, prior to the conversion, an industrial building that was built between April 6, 1973 and 1979 inclusive, and a development charge was paid on construction of the building, then the rate to be used for calculating this item (item B) shall be the current Commercial rate. The applicant for the building permit for the conversion shall provide proof satisfactory to the Director of Building Controls that the industrial building was built under a building permit issued between April 6, 1973 and 1979, in order to qualify for relief afforded by this paragraph; and,</del></p> <p>C = the development charge payable in respect of the successor building or dwelling unit, a negative number being converted to zero.</p> <p><b><u>Where a service is not provided (e.g., water or sanitary sewers) to a non-residential premises or dwelling units prior to its demolition, that component of the development charge shall be excluded from the rate applied in item B above.</u></b></p>	<p>Clarification that DC credits are not provided for rate components that the existing building is not serviced by.</p>

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7	Amendments based on Council-approved policy changes	<p>17. Replacement of Demolished or Destroyed Non-Residential Premises or Dwelling Unit(s) with Non-Residential Premises</p> <p>Where a lawfully existing non-residential premises (“former premises”) or dwelling units are destroyed by a force majeure or accidental fire, or are lawfully demolished or removed, the development charge payable in respect of replacement non-residential premises that are constructed, erected or placed on the site of the former premises shall be calculated using the following formula so long as the former premises were destroyed, demolished or removed during the specified period:</p> <p style="text-align: center;">A – B = C</p> <p>Where:</p> <p>A = the development charge that, were it not for this section, would otherwise be payable at the current rate in respect of the gross floor area of the replacement non-residential premises;</p> <p>B = the development charge that would be payable at the current rate in respect of the former non-residential premises <b>or former dwelling units</b> (by using the applicable rate for the particular type of non-residential premises or dwelling units destroyed, demolished or removed), as the case may be, as if those premises or dwelling units were currently being constructed, erected or placed for the first time, <del>except where the non-residential floor area being replaced is, prior to the replacement, an industrial building that was built under a building permit issued between April 6, 1973 and 1979 inclusive, and a development charge was paid on construction of the building, then the rate to be used for calculating this item (item B) shall be the current Commercial rate.</del> The applicant for the building permit for the conversion shall provide proof satisfactory to the Director of Building Controls that the industrial building was built under a building permit issued between April 6, 1973 and 1979, in order to qualify for relief afforded by this paragraph; and,</p> <p>C = the development charge payable in respect of the successor premises, a negative number being converted to zero.</p> <p><b><u>Where a service is not provided (e.g., water or sanitary sewers) to a non-residential premises or dwelling units prior to its demolition, that component of the development charge shall be excluded from the rate applied in item B above.</u></b></p>	<p>Revised policies reflecting Council-approved policy change regarding demolition credits.</p>
Page	Clarification that DC credits are not provided for rate components that the existing building is not serviced by.		

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8	Amendments based on Council-approved policy changes	<p><b>18. Phased Building Replacement – prohibition against duplicate use of demolition credit</b></p> <p><u>For greater clarity, the calculation of re-development credits provided in sections 16 and 17 of this by-law (item B in the formulas in those sections) can only be applied once to the construction of replacement buildings on the site of a former lawfully demolished or replaced unit or non-residential premises. For the purposes of sections 16 and 17 above, when the first building that replaces a demolished building (the value B exceeds A) the excess can be referred to as “surplus redevelopment credit.” In the event of subsequent building construction the same site of a former lawfully demolished or replaced unit or non-residential premises, only the value of any surplus re-development credits may be used as item B in the formula derived from the calculation of development charges under sections 16 or 17 of this by-law. This may be repeated only until the entire value of the surplus demolition credit has been used up. This limits the total demolition credit applied to all charges to the value of the demolition credit on the original building demolished. All of the above is also subject to the restriction that any replacement buildings on the site be built within the specified period as defined in section 16.</u></p>	<p>Added by-law provision to clarify the use of demolition credits for phased development (i.e., multiple buildings constructed on the site of a demolished property).</p>
9	Amendments based on Council-approved policy changes	<p><b>19. Building Replacement Prior to Demolition</b></p> <p>Where a building or structure (“former premises”) is replaced by another building or structure on the same site prior to demolition of the former premises, the owner of the building or structure who has paid a development charge on the construction of the replacement building may submit a request to the Director of Building Controls <b>Chief Building Official</b> for a refund from the <b>development charge</b> reserve funds for all or part of the development charge paid under this by-law, or its a predecessor by-law. The refund shall be granted so long as:</p> <ul style="list-style-type: none"> <li>(a) the former premises is lawfully demolished or removed from the land within <del>twenty-four</del> <b>thirty six (36)</b> months <del>of</del> <b>from</b> the date of the interior final inspection process has been closed by the <del>Director of Building Controls</del> <b>Chief Building Official, or an occupancy permit has been issued where applicable</b> for the replacement building or structure; and,</li> <li>(b) the replacement building uses the existing municipal services which serviced the former premises.</li> </ul>	<p>Revised policies reflecting Council-approved policy change regarding demolition credits.</p> <p>Revised timeline and inclusion of an occupancy permit option based on feedback received from Building Division.</p>

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10	Amendments based on Council-approved policy changes	<p>The refund shall be calculated by determining the development charge that would be payable at the current rate in respect of the former premises (by using the applicable current rate for the particular type of non-residential premises or dwelling units demolished) as if those former premises were currently being constructed, erected or placed for the first time, <del>except where the non-residential floor area being demolished, was prior to demolition, an industrial building that was built under a building permit issued between April 6, 1973 and 1979 inclusive, and a development charge was paid on construction of the building, then the rate to be used for calculating the refund shall be the current Commercial rate. The applicant for the building permit for the conversion shall provide proof satisfactory to the Director of Building Controls that the industrial building was under a building permit issued between April 6, 1973 and 1979, in order to qualify for relief afforded by this paragraph.</del></p> <p><b><u>40. Exemptions and Discounts to be Replaced by Community Improvement Plan Programs</u></b></p> <p><b><u>(1) The exemptions and discounts provided for in this section shall apply until such time as a development charge incentive program is established for the uses described in subsections (2), (3), (4) and (5).</u></b></p> <p><b><u>(2) City Services Reserve Fund – Institutional Discount</u></b></p> <p><b><u>Development charges for rate components identified as “City Services on Schedule 1” shall be reduced by 50% with respect to the following:</u></b></p> <p><b><u>(a) a hospital as defined under the <i>Public Hospitals Act</i>,</u></b></p> <p><b><u>(b) universities and colleges established pursuant to the <i>Ministry of Training, Colleges and Universities Act</i>,</u></b></p> <p><b><u>(c) lands, buildings or structures used or to be used for a place of worship or for the purposes of a cemetery or burial ground, and</u></b></p> <p><b><u>(d) other land, buildings or structures used for not-for-profit purposes defined in, and exempt from taxation under section 3 of the <i>Assessment Act</i>.</u></b></p>	<p>“Part VI: Transitional” of the by-law contains provisions associated with the former DC exemptions that are being replaced by incentive programs provided by Community Improvement Plans (CIPs). In the event that the CIPs are not in force and effect at the time of the passage of the 2014 DC By-law, these exemptions will continue in place to avoid a situation where there is a gap between the exemption and the new incentive program. Once the CIP incentive programs are in place, these by-law provisions will no longer be applicable.</p>

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		<p><b>(3) <u>Downtown/Old East Village Areas</u></b></p> <p><u>No development charge under section 4 is payable in respect of any dwelling unit located within,</u></p> <p><b>(a) <u>The Downtown Area of the City outlined on Schedule 2 of this by-law; and,</u></b></p> <p><b>(b) <u>The Old East Village Area of the City outlined on Schedule 3 of this by-law.</u></b></p> <p><b>(4) <u>Exemption of new industrial buildings by City policy</u></b></p> <p><u>No development charge is payable under section 4 for new Industrial buildings, as defined in section 1 of this by-law.</u></p> <p><b>(5) <u>Certain Developments Exempt</u></b></p> <p><u>No development charge under section 4 is payable where the development or redevelopment;</u></p> <p><b>(a) <u>Is a commercial truck service establishment.</u></b></p>	
11	Amendments based on Council-approved policy changes	<p><b>25. Claims from the Urban Works Reserve Fund for Oversized Works</b></p> <p>Where an Owner constructs work identified in lines 2 through 6 of column 4 of Table 2 of Table 2.1 as <b><u>“Urban Works” in Schedule 1 in accordance with agreements entered into before this by-law is in effect,</u></b> reimbursement, if any, from the Urban Works Reserve Fund shall be in accordance with the provisions of Schedule 6 or Schedule 7 of this by-law, whichever applies. <b><u>Reimbursement for owner-constructed oversized works not in agreements prior to the effective date of this by-law shall be in accordance with the provisions of Schedule 8.</u></b> No payment shall be made from the Urban Works Reserve Fund or <b><u>City Services Reserve Fund</u></b> and no credit under section 38 of the <b><u>Development Charges Act, 1997</u></b> shall be given except as provided for in an agreement entered into pursuant to the <b><u>Planning Act</u></b> or the <b><u>Development Charges Act</u></b>.</p> <p>“commercial building” is a building used for:</p> <p>(a) ...; or,</p> <p>(b) Retail purposes including activities of offering foods, wares, merchandise, substances, articles or things for sale or rental directly to the public and includes offices <b><u>and</u></b></p>	<p>Amendments reflect Council-approved retirement of the Urban Works Reserve Fund.</p> <p>A new by-law schedule, Schedule 8, has been created to provide policies pertaining to claims for oversized works for agreements entered into following the adoption of the 2014 DC By-law.</p>
12 <sup>9e</sup>	Changes based on feedback from Building Division re: interpretation issues		Added to clarify that “back of house” storage associated with a commercial building is a commercial use.

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		<p><b>storage</b> within the same building, which support, are in connection with, related or ancillary to such uses or activities providing entertainment and recreation. Retail purposes shall include but not be limited to: conventional restaurants; fast food restaurants; night clubs, concert halls, theatres, cinemas, movie houses, and other entertainment related businesses; automotive fuel stations with or without service facilities; special automotive shops/auto repairs/collision services/car or truck washes; auto dealerships; regional shopping centres; community shopping centres; neighbourhood shopping centres, including more than two stores attached and under one ownership; department/discount stores; banks and similar financial institutions, including credit unions (excluding freestanding bank kiosks), money handling and cheque cashing facilities; warehouse clubs or retail warehouses; Food stores, pharmacies, clothing stores, furniture stores, department stores, sporting goods stores, appliance stores, garden centres (but not a garden centre defined as exempt under section 35 of this by-law), government owned retail facilities, private daycare, private schools, private lodging and retirement homes, private recreational facilities, sports clubs, golf courses, skiing facilities, race tracks, gambling operations, funeral homes, motels, hotels, restaurants, theatres, facilities for motion picture, audio and video production and distribution, sound recording services, Passenger stations and depots, Dry cleaning establishments, Laundries, establishments for commercial self-service uses, <b>automotive recycling/wrecking yards;</b></p>	<p>Added to clarify that automotive recycling/wrecking yards are commercial uses and not industrial uses.</p>
13	<p>Changes based on feedback from Building Division re: interpretation issues</p>	<p>“industrial building is a building used for:</p> <ul style="list-style-type: none"> <li>a) ...</li> <li>b) Storing or distributing something derived from the activities mentioned in a) above and for greater certainty, shall include the operation of a truck terminal, warehouse or depot, <b>and does not include self storage warehousing for use by the general public or retail sales associated with the goods stored or distributed, or accessory storage of a commercial building;</b></li> <li>c) ...</li> <li>d) ...</li> <li>e) ...</li> <li>f) ...</li> <li>g) ...;</li> </ul>	<p>Added to clarify that self storage warehousing are commercial uses and not industrial uses.</p> <p>Added to clarify that accessory storage of commercial buildings are commercial uses and not industrial uses.</p>
14	<p>Changes based on feedback from Building Division re: interpretation issues</p>	<p><b>“mixed use development” means a development, building or structure used, designed or intended for any combination of residential, commercial, institutional or industrial uses;</b></p>	<p>Added to clarify that different DC rates can be applied to mixed use developments.</p>



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15	Changes based on feedback from Building Division re: interpretation issues	<p><b><u>5. Mixed Use Development</u></b></p> <p>(1) <u>Where the development of land, or any building or structure thereon is a mixed use development, the Chief Building Official shall determine the total development charge payable according to the sum of the development charges payable on the individual uses.</u></p> <p>(2) <u>The development charge on an accessory use to the principal use of a building shall be determined in accordance with the charges applicable to the principal use, unless the accessory use is specifically exempted elsewhere in this by-law.</u></p>	Added to clarify that different DC rates can be applied to mixed use developments.
16	Changes based on feedback from Building Division re: interpretation issues	<p><b><u>10. City Hall Year-End Closure – deemed receipt of application</u></b></p> <p><u>Where a building permit application is submitted to the Chief Building Official after the close of business prior to the holiday break being the period generally between December 24 and December 31 each year, then the application shall be deemed to be received in the new year.</u></p>	Added to clarify the applicable DC rate for applications received during the City Hall holiday closure.
17	Technical changes	<p><b><u>“accessory use” means the part of a development that is incidental to, or supportive of, the principal use;</u></b></p>	Added for greater clarification in interpretation.
18	Technical changes	<p><b><u>“brownfield sites” means lands, vacant or improved, on which industrial, commercial, institutional or government activity took place in the past, and which activity has resulted in soil or water contamination because of chemicals or other pollutants, and are located in residential re-development locations where infrastructure, services and facilities already exist;</u></b></p>	Removed to reflect the build-out of 750 Elizabeth Street since the 2009 DC By-law (the “brownfield sites” definition was only used for this site for application of demolition credits).
19	Technical changes	<p><b><u>“Chief Building Official” means the employee of the Corporation of the City of London holding the title of Chief Building Official;</u></b></p> <p><b><u>“City Engineer means the General Manager of Environmental and Engineering Services and City Engineer employee of the Corporation of the City of London holding the title of City Engineer;</u></b></p> <p><b><u>“City Treasurer” means the employee of the Corporation of the City of London holding the title of City Treasurer.</u></b></p>	Added/amended for greater clarification in interpretation and to reflect changing titles of personnel.
20	Technical changes	<p><b><u>“commercial building” is a building used for:</u></b></p> <p>(a) ... or</p> <p>(b) ...</p>	Removed redundant by-law provision (commercial building definition listing of uses states “shall include but not be limited to”).

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21	Technical changes	<p><del>With the intent of providing some flexibility in the administration of this section, any building use not named specifically above which is considered an adventure in the nature of trade, and is neither an Institutional nor Industrial use, may be deemed to be a Commercial use at the discretion of the Director of Building Controls;</del></p> <p><del>"zoning by-law" includes a minor variance to the provisions of a zoning by-law:</del></p>	<p>Removed redundant definition (the DC By-law does not reference the Zoning By-law).</p>
22	Technical changes	<p>4. Owner to Pay Development Charge</p> <p>The owner of any land in the City of London who develops or redevelops the land or any building or structure thereon shall, at the time mentioned in section 5, pay development charges to the Corporation calculated in accordance with the applicable rate or rates in <del>section 6, 7 and 9 hereof</del> <b>Schedule 1</b>.</p>	<p>The 2014 DC By-law lists all of the DC rates in a by-law schedule, as opposed to the body of the by-law.</p> <p>Changes related to the use of a rate schedule (Schedule 1) as opposed to the rates being contained within the body of the by-law have also been made to sections 22(1), 22(2), 22(3), 23(1), 23(2), 24, 25, 35(3) and 39.</p>
23	Technical changes	<p><del>6. Time of Payment of Development Charge Calculation of Development Charge and Time of Payment</del></p> <p>A development charge under section 4 shall be calculated,</p> <p>(1) ...; and,</p> <p>(2) where no permit is required under the Building Code Act for the development or redevelopment of the land or any building or structure thereon, at the time of commencing the development or redevelopment;</p> <p>and the owner shall pay the development charge <del>at the earlier of</del> <b>at the earlier of</b> prior to the issuance of the permit or <b>at</b> the commencement of development or redevelopment.</p>	<p>Amended for greater clarification of interpretation.</p>
24	Technical changes	<p><del>7. Calculation Form</del></p> <p><del>A calculation form shall be established by the Chief Building Official in consultation with the City Treasurer, from time to time, to record details of the development charge calculation for each building permit application.</del></p>	<p>Added to permit the Chief Building Official to establish a form to calculate DCs payable for record keeping purposes.</p>
25 <sup>9e</sup>	Technical changes	<p>8. Development Charges <del>Rates</del> for City Services Commencing August 4, 2009 <del>2014</del></p> <p>a) <del>On and between August 4, 2009 and December 31, 2009 development charges for City Services shall be levied for the uses of land, buildings or structures designated in</del></p>	<p>Amended to provide a new by-law schedule (Schedule 1) containing the DC rates, as opposed to having the rates contained within the body of the by-law.</p>

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		<p>line 1 of columns 2, 3, 4, 5, 6, and 7, whichever is applicable, of Table 1 below at the rates show in line 13 of the applicable column.</p> <p style="text-align: center;">Table 1</p> <p>b) On and after January 1, 2010 development charges for City Services shall be levied for the uses of land, buildings or structures designated in line 1 of columns 2, 3, 4, 5, 6 and 7, whichever is applicable, of Table 1.1 below at the rates shown in line 13 of the applicable column.</p> <p style="text-align: center;">Table 1.1</p> <p><b>On and after August 4, 2014, development charges designated in Schedule 1 shall be levied for the uses of land, buildings or structures as defined in section 1.</b></p> <p>9. City Services <u>Development Charge Rates</u> – January 1, 2014 <b>2015</b> and beyond</p> <p>(1) On January 1, 2014 <b>2015</b> and the first day of January in each year thereafter, development charges for City Services for a subject year <b>designated in Schedule 1</b> shall be levied for the uses of land, buildings and structures <b>designated in line 1 of columns 2, 3, 4, 5 and 7, whichever is applicable, of Table 1.1 as defined in section 1</b> at the total of the rates shown in lines 2 to 12 as adjusted using the following formula:</p> $A \times \frac{C}{B} = D$ <p>Where:</p> <p>A = the rate shown in lines 2 to 12 inclusive of columns 2, 3, 4, 5 and 7 of Table 1.1 <b>Schedule 1</b>;</p> <p>B = the Statistics Canada Index (see Definitions) for the quarter ending, December, 2008 <b>2013</b>;</p> <p>C = the Statistics Canada Index for the latest month for which the Index is available (likely the index for the quarter ending in September) in the year preceding the subject year;</p>	<p>The by-law provision also now speaks to development charge rates generally, and replaces both the former sections 6 and 8 of the 2009 DC By-law.</p>
26			<p>Amended to speak to the yearly inflationary adjustments to the new by-law schedule (Schedule 1) containing the DC rates, as opposed to having them contained within the body of the by-law. The by-law provision also now speaks to development charge rates generally, and replaces both the former sections 7 and 9 of the 2009 DC By-law.</p>

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27	Technical Changes	<p>D = the rate for the subject year.</p> <p>(2) Every rate derived by adjustment under subsection (1) shall, except in the case of residential rates, be correct to the nearest dollar, fifty cents being raised to the next higher dollar, and, in the case of non-residential rates, be correct to the nearest cent.</p> <p>12. Additional Units in Existing <b>Enlarged or Converted</b> Residential Building</p> <p>Where an existing residential building is enlarged or converted for the purpose of residential use, the number of dwelling units for which a development charge is payable shall be calculated using the following formula:</p> $A - B = C$ <p>Where:</p> <p>A = the total number of dwelling units actually existing after the enlargement or conversion;</p> <p>B = the number of dwelling units lawfully existing immediately before the enlargement or conversion; and</p> <p>C = the number of dwelling units for which a development charge is payable, a negative difference being converted to zero.</p> <p><b><u>Where a service is not provided (e.g., water or sanitary sewers) to a residential building or structure prior to its enlargement or conversion, that component of the development charge shall be excluded from the rate applied in item B above.</u></b></p>	Clarification that DC credits are not provided for rate components that the existing building is not serviced by.
28	Technical changes	<p>13. Residential Building Converted to Non-Residential Use</p> <p>Where, in conjunction with a change from residential use to non-residential use, an existing building or structure is enlarged or wholly or partially converted, the development charge which is payable shall be calculated using the following formula:</p> $A - B = C$	Clarification that DC credits are not provided for rate components that the existing building is not serviced by.

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29	Technical changes	<p>Where:</p> <p>A = the development charge that would be payable for the non-residential use at the current rate in respect of the area involved in the enlargement or conversion;</p> <p>B = the development charge that would be payable at the current rate in respect of the lawfully existing dwelling units eliminated by the enlargement, conversion or replacement;</p> <p>C = the development charge payable in respect of the area involved in the enlargement or conversion, a negative difference being converted to zero.</p> <p><b><u>Where a service is not provided (e.g., water or sanitary sewers) to a residential building or structure prior to its conversion, that component of the development charge shall be excluded from the rate applied in item B above.</u></b></p> <p>22. Reserve Funds – New and Continued</p> <p>(1) <b><u>Ten</u></b> Nine reserve funds established by By-law C.P.1413-24 <b><u>1473-212</u></b>, one for each of the <b><u>City Service</u></b> service categories show in column 1 of Table 1 <b><u>Schedule 1</u></b> are hereby continued.</p> <p>(1.1) <del>A new reserve fund entitled 'Major Storm Water Management DC Reserve Fund' is hereby established, for the purpose of administering revenues collected and expended on major storm water management facilities as described in the 2009 Development Charges Background Study Appendix M. A new reserve fund entitled "Water Supply DC Reserve Fund" is hereby established, for the purpose of administering revenues collected and expended on water supply projects as described in the 2014 Development Charges Study – Appendix K.</del></p>	<p>Amended to economize wording (the "Major Storm Water Management DC Reserve Fund" was a new reserve fund established in 2009 and is continuing in the 2014 DC By-law) and to reflect DC rates being provided in a schedule to the by-law.</p> <p>A new reserve fund will be created for water supply, if approved by Council's adoption of the 2014 Development Charges Study.</p>
30	Technical changes	<p>26. <del>Downtown/Old East Village Reserve Fund</del> <b><u>Reserve Funds for the Purpose of Funding Development Charge Exemptions</u></b></p> <p>(1) The City Treasurer is authorized to <del>continue the existing</del> <b><u>establish such reserve funds as are deemed necessary</u></b> for the purpose of financing the exemption of dwelling units from development charges in the Areas mentioned in section 38 an <b><u>exemption under this by-law.</u></b></p> <p>(2) The <del>Director of Building Controls</del> <b><u>Chief Building Official</u></b> shall, in respect of every</p>	<p>The by-law changes provide the City Treasurer with a general ability to establish reserve funds to finance DC exemptions and to ensure that the DC reserve funds are not short of revenues due to exemptions.</p> <p>Moved to Part III Reserve Funds from Part VI Transitional as the by-law</p>

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		<p>building permit issued for <b>any development charge otherwise payable but for which an exemption under this by-law is permitted</b>, <del>one or more dwelling units in either Area mentioned in section 38</del>, provide such information from time to time as may be required by the City Treasurer regarding the development charges that would have been paid were it not for <del>section 38</del> <b>the exemption</b>.</p> <p>(3) ...                      (4) ...                      (5) ...                      (6) ...</p>	<p>provision speaks to reserve funds and administration by the City Treasurer. As a result, the City Treasurer is no longer administering Part VI of the by-law.</p>
31	Technical changes	<p>35. City and School Boards Exempt</p> <p>(1) <del>This by-law does not apply to land owned by and used for the purposes of</del>; <b><u>In accordance with the Development Charges Act, no land is exempt from a development charge by reason only that it is exempt from taxation under section 3 of the Assessment Act, 1997, with the following exceptions:</u></b></p> <p>a) <b><u>land owned by and used for the purposes of</u></b> The Corporation of the City of London; and,                      b) <b><u>land owned by and used for the purposes of</u></b> a board as defined in subsection 1(1) of the <i>Education Act</i>.</p> <p>(2) For the purpose of subsection (1)(a), land owned by and used for the purposes of The Corporation of the City of London shall include lands owned by the Corporation and used for the purposes of:                      (a) The London Public Library                      (b) The Covent Garden Market Corporation                      (c) The London Convention Center Corporation                      (d) The London Transit Commission                      (e) <b><u>London Police Service</u></b></p>	<p>Revised to reflect the wording of the Development Charges Act.</p> <p>Updated to include London Police Service (should not have been excluded from list in previous by-law).</p>
32	Technical changes	<p>36. Certain Developments Exempt</p> <p>No development charge under section 4 is payable where the development or redevelopment;</p>	<p>Added to permit the exemption for secondary units to apply to second units constructed in accessory buildings (e.g., a</p>

No.	Category	2014 DC By-law Revisions	Rationale for Changes
		<p>(a) ...</p> <p>(b) ...</p> <p>(c) ...</p> <p>(d) ...</p> <p>(e) <b><u>creates one dwelling unit contained within an accessory building per parcel if the gross floor area of the additional dwelling unit does not exceed the gross floor area of the primary dwelling unit located on the parcel;</u></b></p> <p>(f) ...</p> <p>(g) is a bona fide non-residential farm building <b><u>used for an agricultural use;</u></b></p> <p>(h) Is a structure that does not have <b><u>municipally provided</u></b> water and sanitary facilities and that are intended for seasonal use only;</p> <p>(i) ...</p> <p>(j) ...</p>	<p>“coach house” above a detached garage).</p> <p>Added for improved interpretation.</p>
33	Technical changes	<p>37. Industrial Use Exemptions</p> <p>(a) ...</p> <p>i. ...</p> <p>ii. ...</p> <p>For the purposes of <del>determining the portion of the expansion of this section</del>, an <b><u>existing</u></b> industrial building <del>which is exempt under this section</del>, the following definition applies <b><u>means a building used for or in connection with:</u></b></p> <p>1. ...</p> <p>2. ...</p>	<p>Amended to reflect language used in the Development Charges Act regulations.</p>

No.	Category	2014 DC By-law Revisions	Rationale for Changes
		<p>3. ...</p> <p>4. ...</p> <p>(b) ...</p> <p>(c) Exemption of all remaining enlargements <b>beyond 50%</b> of industrial buildings by City policy</p> <p>As long as subsection (b) above is in effect, an <b>The portion of an enlargement of an "existing industrial building," as defined in paragraph (a), but not exempted under paragraph (a)(ii) above shall be deemed to be exempted by City policy</b> under this part.</p> <p><del>39. Subdivisions Prior to April 6, 1973</del></p>	<p>Amended to clarify City policy regarding exemption of industrial additions over 50%.</p>
34	Technical changes	<p>(1) This section applies to that area of the City of London which comprised the City on the 31<sup>st</sup> day of December, 1992.</p> <p>(2) Subject to subsection (3), this by-law does not apply to any development but does apply to any redevelopment within a plan of subdivision;</p> <p>(a) which was registered on or between the 1<sup>st</sup> day of January, 1961 and the 5<sup>th</sup> day of April, 1973; or,</p> <p>(b) in respect of which an agreement was entered into with the Corporation or another municipality prior to the 6<sup>th</sup> day of April, 1973 under subsection 33(6) of the Planning Act, Revised Statutes of Ontario, 1970, chapter 349, or a predecessor of that subsection or validated and confirmed by subsections 4(3) of the Planning Amendment Act, 1959, Statutes of Ontario, 1959, chapter 74.</p> <p>(3) Where an amendment is made or a minor variance is allowed to the applicable zoning by-law increasing the number of dwelling units or gross floor area originally permitted in connection with the plan of subdivision, this by-law shall apply in respect of such increase in dwelling units or gross floor area.</p>	<p>This is a legacy by-law provision and is no longer required.</p>

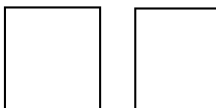


Agenda Item # Page #

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**PART IV – 2014 DRAFT DC BY-LAW  
APPENDIX J**

**Appendix J - Draft 2014 DC By-law**



Bill No.  
2014

By-law C.P.-

A by-law respecting development charges.

**WHEREAS** the *Development Charges Act, 1997* S.O. 1997, c.27, as amended authorizes by-laws of the council of a municipality for the imposition of development charges against land to pay for increased capital costs required because of increased needs for services arising from development of the area to which the by-law applies.

**THEREFORE** the MUNICIPAL COUNCIL of The Corporation of the City of London hereby enacts as follows:

## **DEVELOPMENT CHARGES BY-LAW**

### **PART I**

#### **INTERPRETATION**

##### **1. Definitions**

In this by-law, unless a contrary intention appears,

**"accessory use"** means the part of a development that is incidental to, or supportive of, the principal use;

**"apartment"** means a residential building containing two or more dwelling units each of which has an independent entrance either directly from the outside or through a common corridor, hallway or vestibule;

**"agricultural"** use means:

- a) a use where animals or birds are kept for grazing, breeding, raising, boarding, or training of livestock of all kinds including, but not limited to, cattle, swine, sheep, goats, rabbits, poultry, fish, horses, ponies, donkeys, mules, and fur bearing animals, or
- b) the tillage of soil, growing and harvesting of vegetables, fruits, field crops, mushrooms, berries, trees, flowers or landscaping materials; the erection and use of greenhouses, woodlots and forest tree uses; the packing, treating, storing, and sale of produce produced on the premises and other similar uses customarily carried on in the field of general agriculture;

**"Chief Building Official"** means the employee of the Corporation of the City of London holding the title of Chief Building Official;

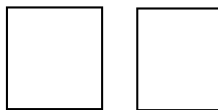
**"City Engineer"** means the employee of the Corporation of the City of London holding the title of City Engineer;

**"City Services"** are services that serve, in whole or in part, growth needs which are normally constructed or provided by the Corporation or its Boards or Commissions, including, but not limited to Roads, Sanitary Sewerage, Major Storm Water Management (SWM), Water, Fire, Police, Library, Parks and Recreation, Transit and Growth Studies.

**"City Treasurer"** means the employee of the Corporation of the City of London holding the title of City Treasurer.

**"commercial building"** is a building used for:

- (a) Office or administrative uses, including the practice of a profession, or the carrying on of a business or occupation or where most of the activities in the building provide support functions to an enterprise in the nature of trade, and for greater certainty shall include, but not be limited to, the office of a physician, lawyer, dentist, architect, engineer, accountant, real estate or insurance agency, veterinarian, surveyor, appraiser, contractor, builder, land Owner, employment agency, security broker, mortgage company, medical clinic; or
- (b) Retail purposes including activities of offering foods, wares, merchandise, substances, articles or things for sale or rental directly to the public and includes offices and storage within the same building, which support, are in connection with, related or ancillary to such uses, or activities providing entertainment and recreation. Retail purposes shall include but not be limited to: conventional restaurants; fast food restaurants; night clubs, concert halls, theatres, cinemas, movie houses, and other entertainment related businesses; automotive fuel stations with or without service facilities; special automotive shops/auto repairs/collision services/car or truck washes; auto dealerships; regional shopping centres; community shopping centres; neighbourhood shopping centres, including more than two stores attached and under one ownership; department/discount stores; banks and similar financial institutions, including credit unions (excluding freestanding bank kiosks), money handling and cheque cashing facilities; warehouse clubs or retail warehouses; Food



stores, pharmacies, clothing stores, furniture stores, department stores, sporting goods stores, appliance stores, garden centres (but not a garden centre defined as exempt under section 36 of this by-law), government owned retail facilities, private daycare, private schools, private lodging and retirement homes, private recreational facilities, sports clubs, golf courses, skiing facilities, race tracks, gambling operations, funeral homes, motels, hotels, restaurants, theatres, facilities for motion picture, audio and video production and distribution, sound recording services, Passenger stations and depots, Dry cleaning establishments, Laundries, establishments for commercial self-service uses, automotive recycling/wrecking yards;

**"Commercial Truck Service Establishment"** means a premises purpose designed for repair and servicing of freight carrying trucks, including truck tractors and truck trailers, and shall include the storage and sale of parts accessory to such vehicles;

**"Corporation"** means The Corporation of the City of London;

**"developer"** means a person who undertakes development or redevelopment;

**"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 has the effect of changing the size or usability thereof, and includes all enlargement of existing development which creates new dwelling units or additional non-residential space and includes work that requires a change of use building permit as per Section 10 of the Ontario Building Code ; and "redevelopment" has a corresponding meaning;

**"development charge"** means any development charge that may be imposed pursuant to this by-law under the *Development Charges Act, 1997*;

**"dwelling unit"** means a suite operated as a housekeeping unit, used or intended to be used as a domicile by one or more persons and usually containing cooking, eating, living, sleeping, and sanitary facilities;

**"first storey"** is defined as the storey that has its floor closest to grade and its underside of finished ceiling more than 1.8m above the average grade.

**"force majeure"** means any act of God, any act of the Queen's enemies, wars, blockades, insurrections, riots, civil disturbances, landslides, lightening, earthquakes, storms, floods, washouts, fires, or explosions;

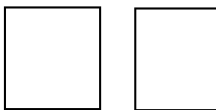
**"gross floor area"** means the total floor space, measured between the outside of exterior walls or between the outside of exterior walls and the centre line of party walls dividing the building from another building, of the first storey and all storeys or part of storeys (including mezzanines) above the first storey.

**"industrial building"** is a building used for:

- a) manufacturing, producing, fabricating, assembling, compounding or processing of raw materials, goods, component parts or ingredients where the physical condition of such materials, goods, parts or components are altered to produce a finished or semi-finished tangible product, or the packaging, crating, bottling, of semi-processed goods or materials, but not including any of these activities where they primarily serve retail purposes to the general public;
- b) storing or distributing something derived from the activities mentioned in a) above and for greater certainty, shall include the operation of a truck terminal, warehouse or depot and does not include self storage warehousing for use by the general public or retail sales associated with the goods stored or distributed, or accessory storage of a commercial building;
- c) research or development in connection with activities mentioned in (a) above;
- d) retail sales of goods produced by activities mentioned in section a) at the site where the manufacturing, producing or processing from raw materials or semi-processed goods takes place and for greater certainty, includes the sale of goods or commodities to the general public where such sales are accessory or secondary to the industrial use, and does not include the sale of goods or commodities to the general public through a warehouse club;
- e) office or administrative purposes, if they are carried out:
  - i. with respect to the activity mentioned in section a), and
  - ii. in or attached to the building or structure used for activities mentioned in section a) and
  - iii. for greater certainty, shall include an office building located on the same property as, and used solely to support, the activities mentioned in section a);
- f) a business that stores and processes data for retrieval, license or sale to end users and are on lands zoned for industrial uses; or
- g) businesses that develop computer software or hardware for license or sale to end users that are on lands zoned for industrial uses.

**"institutional building"** is a building used for or designed or intended for use by:

- (a) a government entity, not in the nature of trade,



- (b) an organized body, society or religious group promoting a public or non-profit purpose and shall include but not be limited to: public hospitals, schools, churches and other places of worship, cemetery or burial grounds, universities and colleges established pursuant to the *Ministry of Colleges and Universities Act*, other buildings used for not-for-profit purposes defined in, and exempt from taxation under, section 3 of the *Assessment Act*.

**“lawfully demolished”** means a residential or non-residential building that was demolished according to the provisions of a demolition permit or due to a force majeure.

**“lawfully existing”** with reference to a dwelling unit means a dwelling unit:

- (a) that is not prohibited by a by-law passed under section 34 of the *Planning Act* or a predecessor of that section; or
- (b) that is a legal non-conforming use; or
- (c) that is allowed by a minor variance authorized under section 45 of the *Planning Act* or a predecessor of that section.

**“non-residential”** means commercial, institutional or industrial use but excludes agricultural use.”

**“nursing home”** means a building which has been built using the long term care facility design and service standards established by the Ministry of Health and Long Term Care, in which rooms or lodging are provided for hire or pay in conjunction with the provision of meals in a designated dining area, personal care 24 hours per day, 7 days per week, nursing services and medical care and treatment, and for purposes of this by-law is deemed to be a residential use where three beds are equivalent to a two bedroom apartment unit;

**“mixed use development”** means a development, building or structure used, designed or intended for any combination of residential, commercial, institutional or industrial uses.

**“owner”** means the registered owner of the property and includes the authorized agent in lawful control of the property.

**“parking structure”** means an attached or detached building or structure or part thereof,

- (a) that is used principally for the purpose, whether or not for profit, of providing parking space to the general public for a fee; or
- (b) that provides parking space in connection with the use for residential, commercial, industrial or institutional purposes or any combination thereof of any attached or detached building or structure or part thereof;

**“reserve funds”** means the reserve funds, new and continued, under section 22 of this by-law;

**“rowhousing”** means a building divided vertically into three or more attached dwelling units by common walls;

**“semi-detached dwelling”** means a building which contains two single dwelling units which are attached vertically by a common wall;

**“sewerage”** includes any works or any part thereof for the collection, transmission, treatment, and disposal of sewage or storm water;

**“single detached dwelling”** means a residential building consisting of one dwelling unit and not attached to another building or structure;

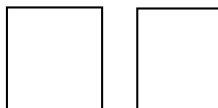
**“Statistics Canada Index”** means the Statistics Canada Quarterly Construction Price Statistics, catalogue number 62-007, Non-residential (Toronto);

**“temporary garden suite”** means a one-unit detached residential structure containing bathroom and kitchen facilities that is ancillary to an existing residential dwelling structure;

**“Urban Works”** are growth related services, normally required as a consequence of, or prerequisite to development, which are cited in agreements under the Planning Act. The City continues to permit claims for the construction of these services by Owners in accordance with agreements entered into before this by-law comes into force, and their cost is claimable or partially claimable from the Urban Works reserve funds identified in the rate schedules to this by-law. The eligibility for a claim from the funds is discussed in Schedules 6 and 7 of this by-law, and expanded in the 2014 Development Charges Background Study.

## 2. Purpose of By-law

The purpose of this by-law is to impose development charges within the City of London as it exists from time to time based on the recommendations, policies and standards contained in the City of London Development Charge Background Study dated April, 2014 and supplements to that study in accordance with the Development Charges Act, 1997.



**3. Administration of By-law**

- (1) The administration of this by-law, except as otherwise provided in this section, is assigned to the Chief Building Official.
- (2) The administration of Part III is assigned to the City Treasurer.

**PART II**

**RATES AND CALCULATIONS**

**4. Owner to Pay Development Charge**

The owner of any land in the City of London who develops or redevelops the land or any building or structure thereon shall, at the time mentioned in section 6, pay development charges to the Corporation calculated in accordance with the applicable rate or rates in Schedule 1.

**5. Mixed Use development**

- (1) Where the development of land, or any building or structure thereon is a mixed use development, the Chief Building Official shall determine the total development charge payable according to the sum of the development charges payable on the individual uses.
- (2) The development charge on an accessory use to the principal use of a building shall be determined in accordance with the charges applicable to the principal use, unless the accessory use is specifically exempted elsewhere in this by-law.

**6. Calculation of Development Charge and Time of Payment**

A development charge under section 4 shall be calculated,

- (1) where a permit is required under the Building Code Act in relation to a building or structure, at the time of application for the permit; and
  - (2) where no permit is required under that Act for the development or redevelopment of the land or any building or structure thereon, at the time of commencing the development or redevelopment;
- and the owner shall pay the development charge at the earlier of the issuance of the permit or at the commencement of development or redevelopment.

**7. Calculation Form**

A calculation form shall be as established by the Chief Building Official in consultation with the City Treasurer, from time to time, to record details of the development charge calculation for each building permit application.

**8. Development Charge Rates Commencing August 4, 2014**

On and after August 4, 2014, development charges designated in Schedule 1 shall be levied for the uses of land, buildings or structures as defined in section 1.

**9. Development Charge Rates – January 1, 2015 and beyond**

- (1) On January 1, 2015 and the first day of January in each year thereafter, development charges designated in Schedule 1 shall be levied for the uses of land, buildings or structures as defined in section 1 at the total of the rates shown as adjusted using the following formula:

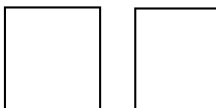
$$A \times \frac{C}{B} = D$$

Where:

- A = the rate shown in Schedule 1;
  - B = the Statistics Canada Index (see Definitions) for the quarter ending, December, 2013;
  - C = the Statistics Canada Index for the latest month for which the Index is available (likely the index for the quarter ending in September) in the year preceding the subject year;
  - D = the rate for the subject year.
- (2) Every rate derived by adjustment under subsection (1) shall, in the case of residential rates, be correct to the nearest dollar, fifty cents being raised to the next higher dollar, and, in the case of non-residential rates, be correct to the nearest cent.

**10. City Hall Year-end Closure – deemed receipt of application**

Where a building permit application is submitted to the Chief Building Official after the close of business prior to the holiday break being the period generally between December 24 and December 31 each year, then the application shall be deemed to be received in the new year.



**11. Allocation of Charge To Reserve Funds**

- (1) Each development charge for City Services received by the Corporation shall be paid into a reserve fund for each component identified in Schedule 1 and shall be apportioned according to the proportion that each service component of the rate is of the total rate. Each development charge for Urban Works shall similarly be paid into the Urban Works Reserve Fund continued in accordance with section 22 hereof and shall be apportioned according to its respective proportion of the total rate.
- (2) The City Treasurer is hereby authorized to transfer the balances and commitments of the City Services Reserve Fund and the Urban Works Reserve Funds existing on termination of the predecessor development charge by-law, as amended, to the respective funds continued under this By-law.

**12. Additional Units In Enlarged or Converted Residential Building**

Where an existing residential building is enlarged or converted for the purpose of residential use, the number of dwelling units for which a development charge is payable shall be calculated using the following formula:

$$A - B = C$$

Where:

- A = the total number of dwelling units actually existing after the enlargement or conversion;
- B = the number of dwelling units lawfully existing immediately before the enlargement or conversion; and
- C = the number of dwelling units for which a development charge is payable, a negative difference being converted to zero.

Where a service is not provided (e.g., water or sanitary sewers) to a residential building or structure prior to its enlargement or conversion, that component of the development charge shall be excluded from the rate applied in item B above.

**13. Residential Building Converted To Non-Residential Use**

Where, in conjunction with a change from residential use to non-residential use, an existing building or structure is enlarged or wholly or partially converted, the development charge which is payable shall be calculated using the following formula:

$$A - B = C$$

Where:

- A = the development charge that would be payable for the non-residential use at the current rate in respect of the area involved in the enlargement or conversion;
- B = the development charge that would be payable at the current rate in respect of the lawfully existing dwelling units eliminated by the enlargement, conversion or replacement;
- C = the development charge payable in respect of the area involved in the enlargement or conversion, a negative difference being converted to zero.

Where a service is not provided (e.g., water or sanitary sewers) to a residential building or structure prior to its conversion, that component of the development charge shall be excluded from the rate applied in item B above.

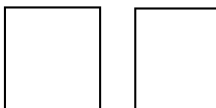
**14. Non-Residential Building Converted To Residential Use**

Where, in conjunction with a change to residential use from a non-residential use, an existing building or structure is enlarged or wholly or partially converted, the development charge which is payable shall be calculated using the following formula:

$$A - B = C$$

Where:

- A = the development charge that would be payable at the current rate in respect of the dwelling units comprising the gross floor area existing after the enlargement or conversion;
- B = the development charge that would be payable at the current rate in respect of the previous lawfully existing non-residential gross floor area involved in the enlargement, conversion or replacement; and,
- C = the development charge payable in respect of the successor residential units, a negative number being converted to zero.



Where a service is not provided (e.g., water or sanitary sewers) to a non-residential building or structure prior to its conversion, that component of the development charge shall be excluded from the rate applied in item B above.

**15. Conversion From One Form Of Non-residential Use To Another Form Of Non Residential Use**

Where, in conjunction with a change from one form of lawfully existing non-residential use to another form of non-residential use, a lawfully existing building or structure is wholly or partially converted, the area for which a development charge is payable shall be calculated using the following formula:

$$A - B = C$$

Where:

- A = the development charge that, were it not for this section, would otherwise be payable at the current rate in respect of the use to which the space converted;
- B = the development charge that would be payable at the current rate in respect of the lawfully existing former space being converted; and
- C = the development charge payable in respect of the converted space, a negative being converted to zero.

Where a service is not provided (e.g., water or sanitary sewers) to a non-residential building or structure prior to its conversion, that component of the development charge shall be excluded from the rate applied in item B above.

**16. Replacement Of Demolished Or Destroyed Non-Residential Premises or Dwelling Unit(s) with Dwelling Units**

- (1) In this section and section 17, "specified period" means the period of time that is up to ten (10) years prior to the application for a building permit for a replacement building, except in the Downtown and Old East Areas identified in Schedules 2 and 3, in which case, the "specified period" means the period of time that is up to twenty (20) years prior to the application for a building permit for replacement dwelling units.
- (2) Where a lawfully existing non-residential premises ("former premises") or dwelling unit, is destroyed by a force majeure or accidental fire, or is lawfully demolished or removed, the development charge payable in respect of a replacement dwelling unit that is to be constructed, erected or placed on the site of the former non-residential premises or dwelling unit shall be calculated using the following formula, so long as the former non-residential premises or dwelling unit was destroyed, demolished or removed during the specified period:

$$A - B = C$$

Where:

- A = the development charge that, were it not for this section, would otherwise be payable at the current rate in respect of the replacement dwelling unit(s);
- B = the development charge that would be payable at the current rate in respect of the non-residential premises or former dwelling unit(s) (by using the applicable rate for the particular type of unit destroyed, demolished or removed) if that non-residential premises or dwelling unit(s) were currently being constructed, erected or placed for the first time; and,
- C = the development charge payable in respect of the successor building or dwelling unit, a negative number being converted to zero.

Where a service is not provided (e.g., water or sanitary sewers) to a non-residential premises or dwelling units prior to its demolition, that component of the development charge shall be excluded from the rate applied in item B above.

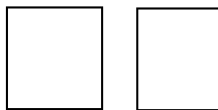
**17. Replacement Of Demolished or Destroyed Non-Residential Premises or Dwelling Unit(s) with Non- Residential Premises**

Where non-residential premises ("former premises") or dwelling units are destroyed by a force majeure or accidental fire, or are lawfully demolished or removed, the development charge payable in respect of replacement non-residential premises that are constructed, erected or placed on the site of the former premises shall be calculated using the following formula so long as the former premises were destroyed, demolished or removed during the specified period:

$$A - B = C$$

Where:

- A = the development charge that, were it not for this section, would otherwise be payable at the current rate in respect of the gross floor area of the replacement non-residential premises;



- B = the development charge that would be payable at the current rate in respect of the former non-residential premises or former dwelling units (by using the applicable rate for the particular type of non-residential premises or dwelling units destroyed, demolished or removed), as the case may be, as if those premises or dwelling units were currently being constructed, erected or placed for the first time; and
- C = the development charge payable in respect of the successor premises, a negative number being converted to zero.

Where a service is not provided (e.g., water or sanitary sewers) to a non-residential premises or dwelling units prior to its demolition, that component of the development charge shall be excluded from the rate applied in item B above.

#### **18. Phased Building Replacement – prohibition against duplicate use of demolition credit**

For greater clarity, the calculation of re-development credits provided in sections 16 and 17 of this by-law (item B in the formulas in those sections) can only be applied once to the construction of replacement buildings on the site of a former lawfully demolished or replaced unit or non-residential premises. For the purposes of sections 16 and 17 above, when the first building that replaces a demolished building (the value B exceeds A) the excess can be referred to as “surplus redevelopment credit.” In the event of subsequent building construction on the same site of a former lawfully demolished or replaced unit or non-residential premises, only the value of any surplus re-development credits may be used as item B in the formula derived from the calculation of development charges under sections 16 or 17 of this by-law. This may be repeated only until the entire value of the surplus demolition credit has been used up. This provision limits the total demolition credit applied to all charges to the value of the demolition credit on the original building demolished. All of the above is also subject to the restriction that any replacement buildings on the site be built within the specified period as defined in section 16.

#### **19. Building Replacement Prior to Demolition**

Where a building or structure (“former premises”) is replaced by another building or structure on the same site prior to demolition of the former premises, the owner of the building or structure who has paid a development charge on the construction of the replacement building may submit a request to the Chief Building Official for a refund from the development charge reserve funds for all or part of the development charge paid under this by-law, or a predecessor by-law. The refund shall be granted so long as:

- (a) the former premises is lawfully demolished or removed from the land within thirty six (36) months from the date the interior final inspection process has been closed by the Chief Building Official or an occupancy permit has been issued where applicable for the replacement building or structure; and
- (b) the replacement building uses the existing municipal services which serviced the former premises.

The refund shall be calculated by determining the development charge that would be payable at the current rate in respect of the former premises (by using the applicable current rate for the particular type of non-residential premises or dwelling units demolished) as if those former premises were currently being constructed, erected or placed for the first time.

#### **20. Demolition or Removal of Temporary Buildings**

Where a building or structure is demolished or removed in its entirety from the land on which it is located within twenty-four months (24) from the date of issuance of the building permit for the construction, erection or placing of the building or structure at such location, the owner of the building or structure may submit a request to the Chief Building Official for refund from the reserve funds, of the amount paid at the issuance of the building permit toward all or part of the development charge paid under section 4 of this by-law or a predecessor of that section.

#### **21. Revocation or Cancellation of Building Permit**

Where, upon the application for a building permit or the issuance of a building permit, an amount is paid toward all or part of the development charge payable under section 4 of this by-law or a predecessor of that section, that amount is to be refunded in the event that the application for the building permit is abandoned or the building permit is revoked or surrendered.

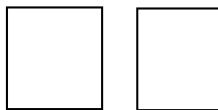
### **PART III**

#### **RESERVE FUNDS**

#### **22. Reserve Funds – New and Continued**

- (1) Ten reserve funds established by By-law C.P. 1473-212, one for each of the City Service categories shown in Schedule 1 are hereby continued.
  - (1.1) A new reserve fund entitled “Water Supply DC Reserve Fund” is hereby established, for the purpose of administering revenues collected and expended on water supply projects as described in the 2014 Development Charges Study – Appendix K.





- (2) The reserve fund known as the Urban Works Reserve Fund heretofore established by By-law C.P. 1473-212 for the service components identified as "Urban Works" in Schedule 1 is hereby continued;
- (3) The City Treasurer is hereby authorized to maintain a separate reserve fund for collection of "Minor SWM" service components identified in Schedule 1, and a separate reserve fund for the "Minor Roadworks," "Minor Sanitary Sewers," and "Minor Storm Sewers" service components identified in Schedule 1.

### **23. Composition of Reserve Funds**

- (1) Money deposited into the ten reserve funds referred to in sections 22(1) and 22(1.1) may include,
  - (a) the portion relating to each service component of a development charge for City Services paid to the Corporation mentioned in Schedule 1 of this by-law; and
  - (b) interest earnings derived through the investment of the money deposited in the Fund as part of the Corporation's cash management program.
- (2) Money deposited into the reserve funds referred to in section 22(3) the Urban Works Reserve Fund may include,
  - (a) the portion relating to each service component of each development charge for Urban Works paid to the Corporation mentioned in Schedule 1 of this by-law; and
  - (b) interest earnings derived through the investment of moneys deposited in the Urban Works Fund as part of the Corporation's cash management program;
  - (c) grants or refundable deposits of the Corporation.
- (3) The Corporation may make grants or deposits to the Urban Works Reserve Fund on such terms and conditions as to repayment and otherwise as the Corporation may consider expedient for any purpose that, in the opinion of the Corporation, is in the interest of the Fund or the corporation.
- (4) The use of the clauses set out in Schedule 5 to this by-law in agreements entered into by or for the benefit of the Corporation, including agreements under sections 41 and 51 of the *Planning Act*, is hereby approved, and deviations from the form of the clause not affecting its substance or calculated to mislead do not invalidate it or the approval for its use.

### **24. Purpose of the Reserve Funds**

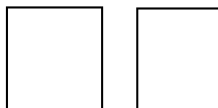
The money in the reserve funds shall be used by the Corporation toward the growth-related portion of capital costs incurred in providing the services listed in Schedule 1.

### **25. Claims for Oversized Works**

Where an Owner constructs works identified as "Urban Works" in Schedule 1 in accordance with agreements entered into before this by-law is in effect, reimbursement, if any, from the Urban Works Reserve Fund shall be in accordance with the provisions of Schedule 6 or Schedule 7 to this by-law, whichever applies. Re-imbursement for owner-constructed oversized works not in agreements prior to the effective date of this by-law shall be in accordance with the provisions of Schedule 8. No payment shall be made from the Urban Works Reserve Fund or City Services Reserve Fund and no credit under section 38 of the *Development Charges Act, 1997* shall be given except as provided for in an agreement entered into pursuant to the *Planning Act* or the *Development Charges Act, 1997*.

### **26. Reserve Funds for the Purpose of Funding Development Charge Exemptions**

- (1) The City Treasurer is authorized to establish such reserve funds as are deemed necessary for the purpose of financing an exemption under this by-law.
- (2) The Chief Building Official shall, in respect of every building permit issued for any development charge otherwise payable but for which an exemption is permitted under this by-law, provide such information from time to time as may be required by the City Treasurer regarding the development charges that would have been paid were it not for the exemption.
- (3) The City Treasurer is authorized to transfer from time to time from the reserve funds mentioned in subsection (1) to the reserve funds established and continued under section 22 an amount in respect of the development charges mentioned in subsection (2) and, in so doing, the City Treasurer shall have regard to the amounts and proportions referred to in section 11 of this by-law.
- (4) The City Treasurer shall provide in the annual estimates of the Corporation such sums as may be considered necessary to make the transfers mentioned in subsection (3), noting that the contributions for any single development shall be financed over a period of not more than ten years.
- (5) Money deposited in the reserve fund or funds mentioned in subsection (1) may include,
  - (a) the amount provided in the annual estimates mentioned in subsection (4); and



- (b) interest earnings derived through the investment of the money deposited in the fund or funds as part of the Corporation's cash management program.
- (6) The money withdrawn from the reserve funds mentioned in subsection (1) shall be used only for the purpose of transfers to the reserve funds, under subsection (3).

**PART IV**

**COMPLAINTS**

**27. Corporate Services Committee to Hear Complaints**

The Corporate Services Committee is hereby appointed pursuant to section 23.1 of the *Municipal Act, 2001* to act in the place and stead of Council to deal with complaints under section 20 of the *Development Charges Act*.

**28. Grounds of Complaint**

An owner may complain in writing to the Corporate Services Committee (with a copy provided to the Chief Building Official) upon such grounds as are established by and in accordance with the *Development Charges Act* in respect of the development charge imposed by the Corporation

- (a) that the amount of the development charge was incorrectly determined;
- (b) whether a credit is available to be used against the development charge, or the amount of the credit or the service with respect to which the credit was given, was incorrectly determined; or,
- (c) that there was an error in the application of this by-law.

**29. When Complaint to be Made**

A complaint may not be made under section 27 later than ninety (90) days after the day the development charge, or any part of it, is payable.

**30. Particulars of Complaint**

The complaint must be in writing, must state the complainant's name, the address where notices can be given to the complainant and the reasons for the complaint, which reasons shall be consistent with section 28.

**31. Hearing**

The Corporate Services Committee shall hold a hearing into the complaint and shall give the complainant an opportunity to make representations at the hearing.

**32. Notice of Hearing**

The Clerk of the municipality shall mail a notice of the hearing to the complainant at least fourteen (14) days before the hearing.

**33. Determination by Council**

After hearing the evidence and submissions of the complainant, the Corporate Services Committee shall as soon as practicable make a recommendation to Council on the merits of the complaint and Council may,

- (a) dismiss the complaint; or
- (b) rectify any incorrect determination or error that was the subject of the complaint.

**34. Notice of Decision**

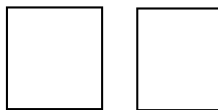
The Clerk of the municipality shall mail to the complainant a notice of the Council's decision, and of the last day for appealing the decision, which shall be the day that is forty (40) days after the day the decision is made. The notice required under this section must be mailed not later than twenty (20) days after the day the Council's decision is made.

**PART V**

**EXEMPTIONS AND EXCEPTIONS**

**35. City And School Boards Exempt**

- (1) In accordance with the *Development Charges Act*, no land is exempt from a development charge by reason only that it is exempt from taxation under section 3 of the *Assessment Act, 1997*, with the following exceptions:
  - a) land owned by and used for the purposes of The Corporation of the City of London, and



- b) land owned by and used for the purposes of a board as defined in subsection 1 (1) of the Education Act.
- (2) For the purpose of subsection (1) (a), land owned by and used for the purposes of The Corporation of the City of London' shall include lands owned by the Corporation and used for the purposes of:
- (a) The London Public Library Board
  - (b) The Covent Garden Market Corporation
  - (c) The London Convention Center Corporation
  - (d) The London Transit Commission
  - (e) London Police Service
- (3) The exemption provided in subsection 1(a) above shall not extend to the payment by the City (and its Boards and Commissions) of charges listed as "Urban Works" in Schedule 1, as applicable. Similarly, the City and its Boards and Commissions will not be disqualified from making claims to the Urban Works Reserve Fund for qualifying works with respect to agreements entered into prior to the date this by-law comes into force.

### 36. Certain Developments Exempt

No development charge under section 4 is payable where the development or redevelopment;

- (a) is an enlargement of an existing dwelling unit;
- (b) creates one or two additional dwelling units in an existing single detached dwelling if the total gross floor area of the additional dwelling unit or units does not exceed the gross floor area of the dwelling unit already in the building;
- (c) creates one additional dwelling unit in a semi-detached or row dwelling if the gross floor area of the additional dwelling unit does not exceed the gross floor area of the dwelling unit already in the building;
- (d) creates one additional dwelling unit in any existing residential building other than a single detached dwelling, a semi-detached dwelling or a row dwelling if the gross floor area of the additional dwelling unit does not exceed the gross floor area of the smallest dwelling unit already in the building;
- (e) creates one dwelling unit contained within an accessory building per parcel if the gross floor area of the additional dwelling unit does not exceed the gross floor area of the primary dwelling unit located on the parcel;
- (f) is a parking building or structure
- (g) is a bona fide non-residential farm building used for an agricultural use
- (h) is a structure that does not have municipally provided water and sanitary facilities and that is intended for seasonal use only;
- (i) is a 'temporary garden suite' installed in accordance with the provisions of the *Planning Act*, as amended.
- (j) is an air supported structure or arch framed structure clad with fabric-type material , temporary in nature, the purpose of which is to provide indoor facilities for recreational and sports activities owned and operated by a non-profit organization and available for public use.

### 37. Industrial Use Exemptions

- (a) In accordance with the *Development Charges Act*, and except as exempted under part (b) below, if a development includes the enlargement of the gross floor area of an existing industrial building, the amount of the development charge that is payable in respect of the enlargement is determined in accordance with this section.

i. Enlargement 50 per cent or less

If the gross floor area is enlarged by 50 per cent or less, the amount of the development charge in respect of the enlargement is zero.

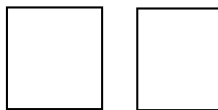
ii. Enlargement more than 50 per cent

If the gross floor area is enlarged by more than 50 per cent the amount of the development charge 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 per cent of the gross floor area before the enlargement.
2. Divide the amount determined under paragraph 1 by the amount of the enlargement.

For the purposes of this section, an existing industrial building means a building used for or in connection with:

1. manufacturing, producing, processing, storing or distributing something;
2. research or development in connection with manufacturing, producing or processing something;



3. retail sales by a manufacturer, producer, or processor of something they manufactured, produced, or processed, if the retail sales are at the site where the manufacturing, producing or processing takes place;
4. office or administrative purposes, if they are:
  - a. carried out with respect to manufacturing, producing, processing, storage or distribution of something, and
  - b. in or attached to the building or structure used for that manufacturing, producing, processing, storage or distribution.

(b) Exemption of enlargements beyond 50% of industrial buildings by City policy

The portion of an enlargement of an “existing industrial building” as defined in paragraph (a), but not exempted under paragraph (a)(ii) above shall be deemed to be exempted by City policy under this part.

**38. Water Service Charges, Sewer Rates – provision for avoiding duplication of DC charges**

If a development charge under section 4 is payable in respect of a development or redevelopment, no charge for water or sewerage service, calculated on frontage, area or number of dwelling units, and no sewer rent under section 5 of the *City of London Act, 1982*, either or both of which would otherwise be imposed were it not for this section, is payable in respect of the development or redevelopment, if such charge is in respect of the same works for which the development charge was imposed.

**39. Development Outside Urban Growth Area**

Where a development occurs outside the Urban Growth Area as shown in Schedule 4 to this by-law, the development charge payable under section 4 with respect to rates in section 8 shall exclude the following rate service components identified in Schedule 1: Sanitary Sewerage, Water Supply, Water Distribution, Major SWM, Minor Roadworks, Minor Sanitary Sewers, Minor Storm Sewers, and Minor SWM.

**PART VI**

**TRANSITIONAL**

**40. Exemptions and Discounts to be Replaced by Community Improvement Plan Programs**

(1) The exemptions and discounts provided for in this section shall apply until such time as a development charge incentive program is established for the uses described in subsections (2), (3), (4) and (5).

(2) City Services Reserve Fund – Institutional discount

Development charges for rate components identified as “City Services” on Schedule 1 shall be reduced by 50% with respect to the following:

- (a) a hospital as defined under the *Public Hospitals Act*,
- (b) universities and colleges established pursuant to the *Ministry of Colleges and Universities Act*,
- (c) lands, buildings or structures used or to be used for a place of worship or for the purposes of a cemetery or burial ground, and
- (d) other land, buildings or structures used for not-for-profit purposes defined in, and exempt from taxation under, section 3 of the *Assessment Act*.

(3) Downtown/Old East Village Areas

No development charge under section 4 is payable in respect of any dwelling unit located within,

- (a) The Downtown Area of the City outlined on Schedule 2 to this by-law; and,
- (b) The Old East Village Area of the City outlined on Schedule 3 to this by-law.

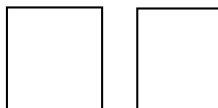
(4) Exemption of new Industrial buildings by City policy

No development charge is payable under section 4 for new Industrial buildings, as defined in section 1 of this by-law.

(5) Certain Developments Exempt

No development charge under section 4 is payable where the development or redevelopment;

- (a) is a commercial truck service establishment.



**PART VII**

**MISCELLANEOUS**

**41. Former By-laws Repealed**

By-law C.P. - 1473-212 of the Corporation of the City of London, respecting development charges and respecting contributions towards the cost of providing such services as boundary roads and outlet sewers, as it existed on the date this by-law is passed, is hereby repealed effective August 4, 2014.

**42. Commencement**

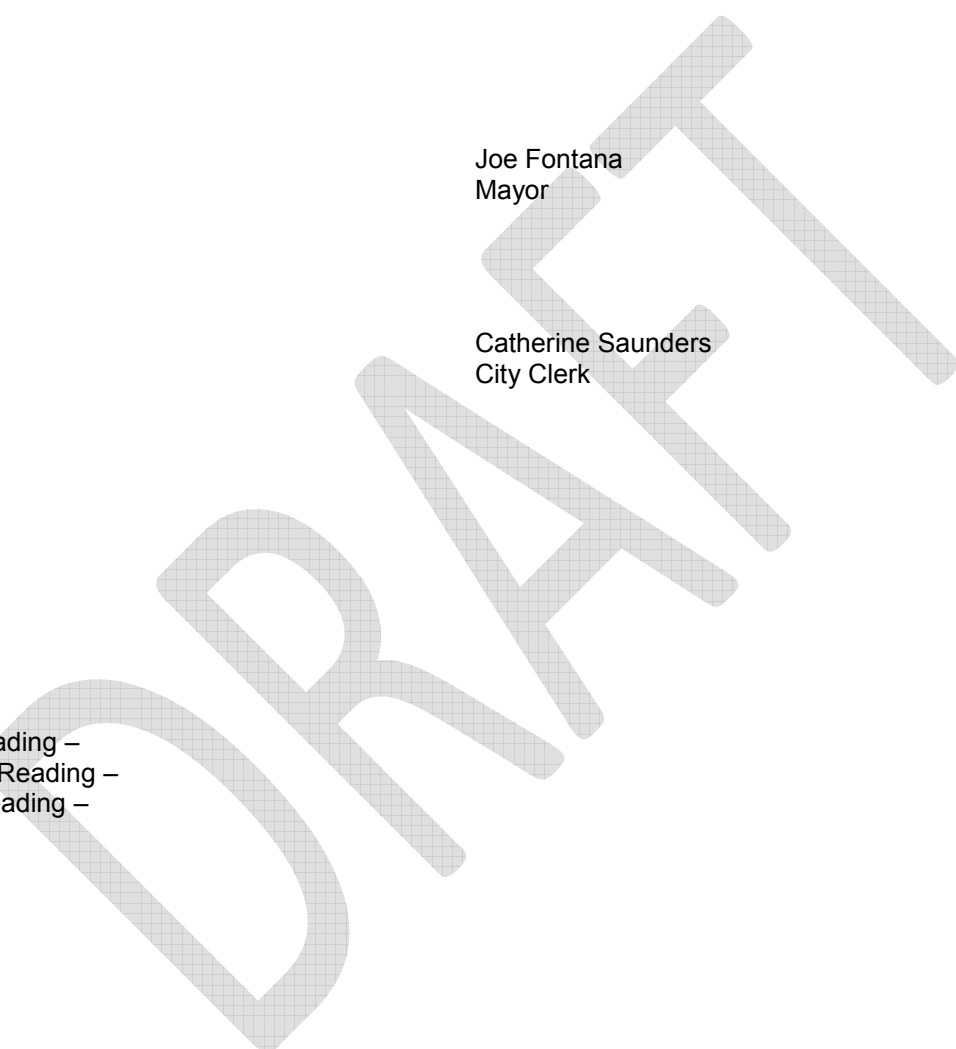
This by-law comes into force on August 4, 2014 or, in the event of an appeal pursuant to the *Development Charges Act, 1997*, in accordance with that Act.

PASSED in Open Council on \_\_\_\_\_, 2014.

Joe Fontana  
Mayor

Catherine Saunders  
City Clerk

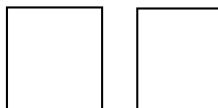
First Reading –  
Second Reading –  
Third Reading –



**SCHEDULE 1  
to By-law C.P.-**

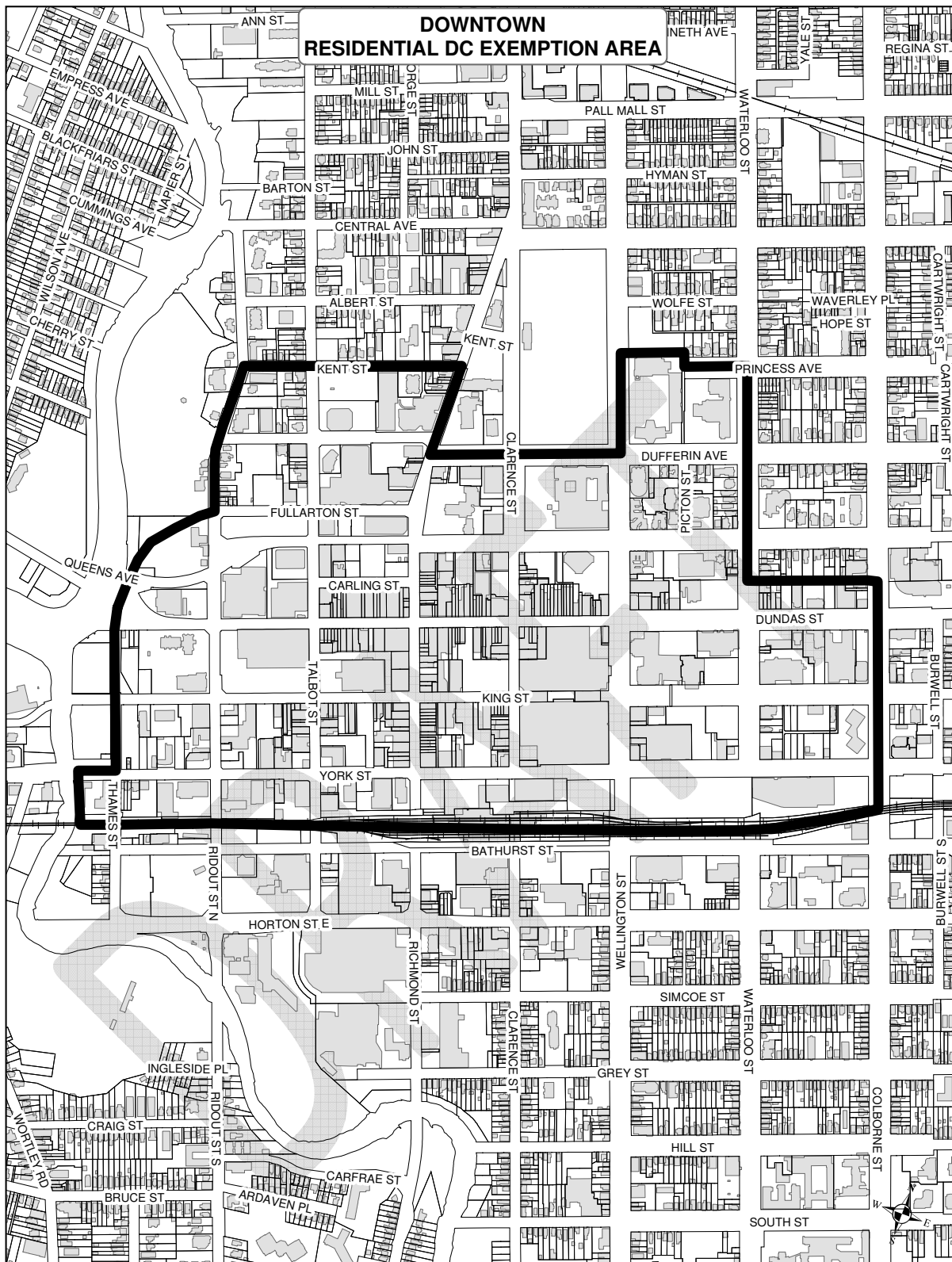
**Development Charge Rates Commencing August 4, 2014  
Section 8 & 39**

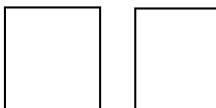
	<b>Service Component:</b>						
	Single & Semi Detached (per dwelling unit)	Rowhousing (per dwelling unit)	Apartments with < 2 bedrooms (per dwelling unit)	Apartments with > = 2 bedrooms (per dwelling unit)	Commercial (per sq. m. of gross floor area)	Institutional (per sq. m. of gross floor area)	Industrial (per sq. m. of gross floor area)
City Services							
Fire Services	\$ 69.48	\$ 49.47	\$ 31.48	\$ 42.95	\$ 1.14	\$ 0.40	\$ 0.06
Police Services	\$ 318.35	\$ 226.65	\$ 144.23	\$ 196.78	\$ 0.32	\$ 0.10	\$ 0.01
Growth Studies	\$ 472.54	\$ 336.43	\$ 214.09	\$ 292.09	\$ 5.52	\$ 3.06	\$ 2.13
Library Services	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ -	\$ -	\$ -
Parks & Recreation	\$ 1,993.24	\$ 1,419.14	\$ 903.09	\$ 1,232.07	\$ -	\$ -	\$ -
Transit Services	\$ 306.64	\$ 218.32	\$ 138.93	\$ 189.54	\$ 2.85	\$ 2.43	\$ 2.20
Roads Services	\$ 12,675.02	\$ 9,569.22	\$ 5,917.81	\$ 7,974.35	\$ 150.45	\$ 87.13	\$ 69.46
Sanitary Sewerage	\$ 3,370.54	\$ 2,544.65	\$ 1,573.66	\$ 2,120.54	\$ 16.78	\$ 6.98	\$ 26.74
Water Supply	\$ 400.03	\$ 302.01	\$ 186.77	\$ 251.68	\$ 1.70	\$ 2.48	\$ 6.36
Water Distribution	\$ 1,096.70	\$ 827.97	\$ 512.04	\$ 689.98	\$ 7.28	\$ 2.31	\$ 27.69
Major SWM	\$ 5,169.23	\$ 3,902.60	\$ 2,413.45	\$ 3,252.17	\$ 46.96	\$ 25.47	\$ 35.03
Minor Roadworks	\$ 651.10	\$ 491.56	\$ 303.99	\$ 409.63	\$ 8.88	\$ 2.22	\$ 1.71
Minor Sanitary Sewers	\$ 400.20	\$ 302.14	\$ 186.85	\$ 251.78	\$ 5.46	\$ 1.36	\$ 1.05
Minor Storm Sewers	\$ 312.81	\$ 236.16	\$ 146.05	\$ 196.80	\$ 4.27	\$ 1.06	\$ 0.82
Minor SWM	\$ 906.87	\$ 684.65	\$ 423.40	\$ 570.55	\$ 14.32	\$ 3.84	\$ -
<b>TOTAL RATE - City Services and Urban Works (applied within the Urban Growth Area)</b>	<b>\$ 28,142.75</b>	<b>\$ 21,110.98</b>	<b>\$ 13,095.84</b>	<b>\$ 17,670.89</b>	<b>\$ 265.94</b>	<b>\$ 138.84</b>	<b>\$ 173.28</b>
<b>TOTAL RATE - City Services (Rural Rate) (applied outside of the Urban Growth Area)</b>	<b>\$ 15,835.27</b>	<b>\$ 11,819.24</b>	<b>\$ 7,349.64</b>	<b>\$ 9,927.78</b>	<b>\$ 160.29</b>	<b>\$ 93.12</b>	<b>\$ 73.87</b>
Urban Works							
Total Rates							



**SCHEDULE 2  
to By-law C.P.-**

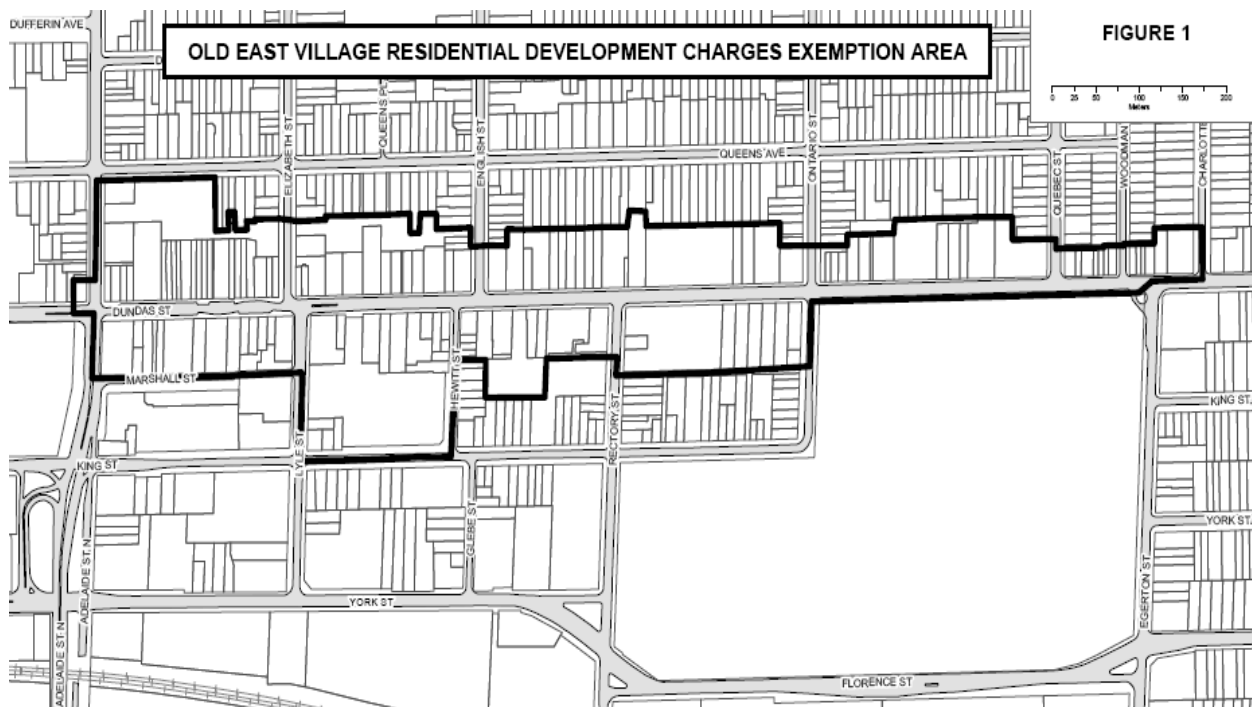
**DOWNTOWN AREA BOUNDARY – s. 40**





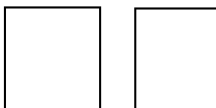
**SCHEDULE 3  
to By-law C.P.-**

**OLD EAST VILLAGE RESIDENTIAL DEVELOPMENT CHARGE EXEMPTION AREA – S.40**



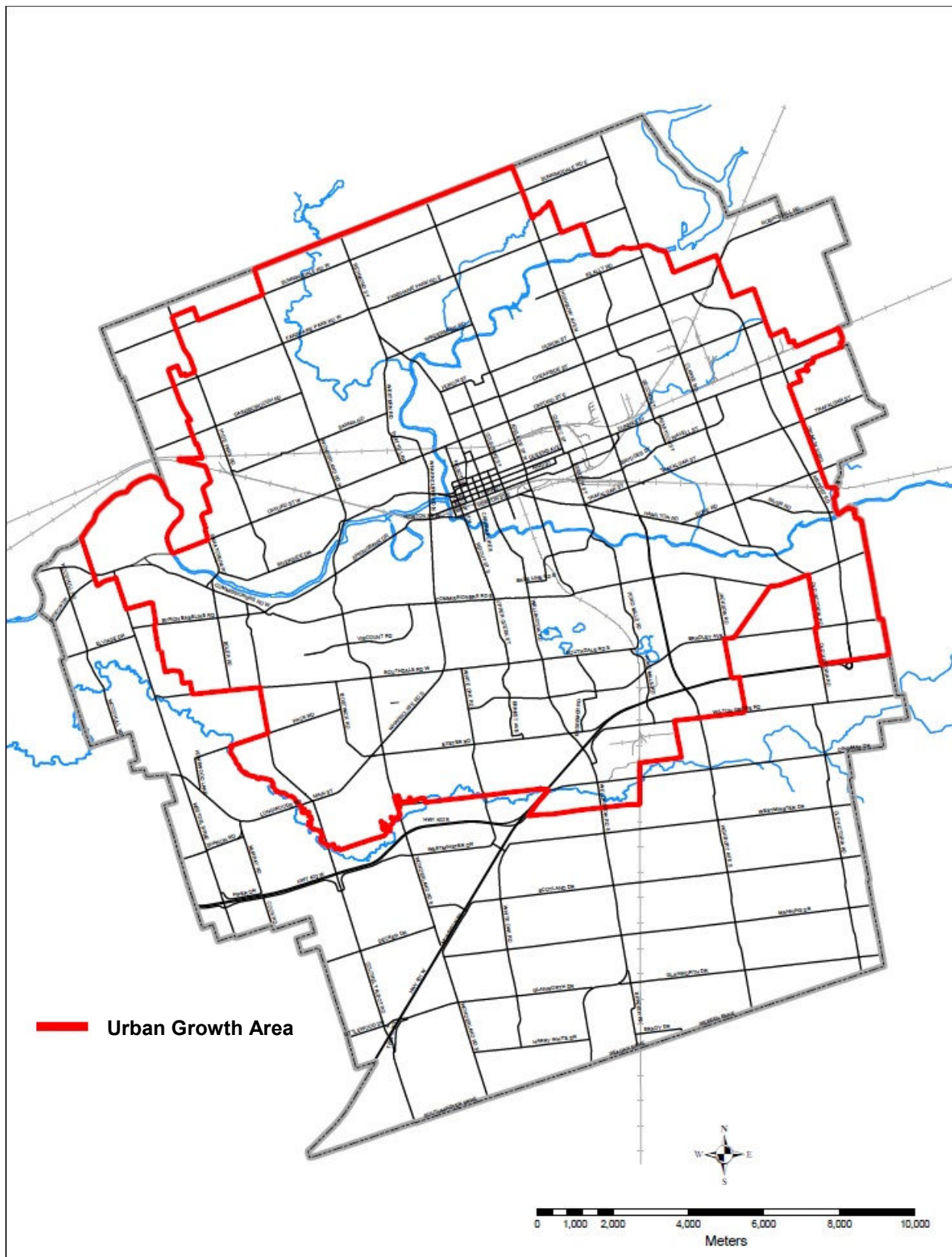
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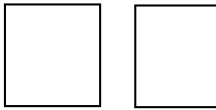




**SCHEDULE 4  
to By-law C.P.-  
Section 39**

**URBAN GROWTH AREA**





**SCHEDULE 5  
to By-law No.  
Section 23(4)**

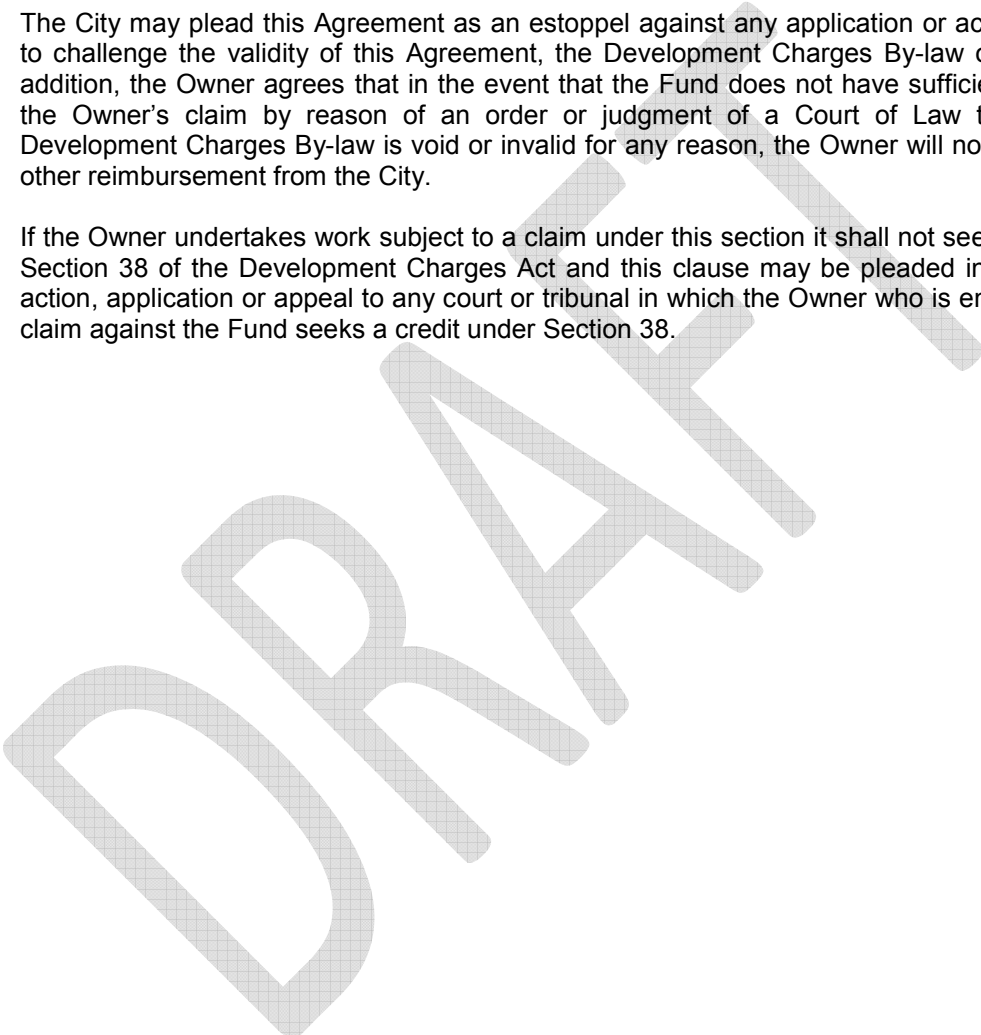
**Clause for Inclusion in Development and Subdivision Agreements**

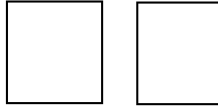
If the Owner alleges an entitlement to any reimbursement or payment from the Urban Works Reserve Fund (the "Fund") either as a result of the terms hereof or pursuant to the requirements of City of London By-law C.P.- as amended (the "Development Charges By-law"), the Owner may, upon receipt of a Certificate of Conditional Approval pursuant to Clause 9 of the general provisions hereof, make application to the said Fund for payment of the sum alleged to be owing, and as confirmed by the City Engineer and the payment will be made pursuant to the by-law and any policy established by Council to govern the administration of the said Fund.

It is further understood by the Owner that no words or phrases used in this Agreement relating to the calculation of any credits due the Owner or entitlements from the Fund or elsewhere shall be interpreted as an obligation or promise on the part of the City to pay from the said Fund except in conformity with the By-law and policies governing the administration thereof as provided in this clause above and no payment shall be made except from the said Fund and only after appropriate application is made as herein set out.

The City may plead this Agreement as an estoppel against any application or action whatsoever to challenge the validity of this Agreement, the Development Charges By-law or the Fund. In addition, the Owner agrees that in the event that the Fund does not have sufficient funds to pay the Owner's claim by reason of an order or judgment of a Court of Law that or that the Development Charges By-law is void or invalid for any reason, the Owner will not seek further or other reimbursement from the City.

If the Owner undertakes work subject to a claim under this section it shall not seek a credit under Section 38 of the Development Charges Act and this clause may be pleaded in any complaint, action, application or appeal to any court or tribunal in which the Owner who is entitled to make a claim against the Fund seeks a credit under Section 38.





**SCHEDULE 6  
To By-law No. C.P.-  
Section 25**

**URBAN WORKS RESERVE FUND - CLAIMS POLICY ("Pre 2009 rules" – applicable prior to August 4, 2009)**

**1 SCOPE**

For development projects identified in Appendix 'I' of the Development Charges Background Study as "Schedule 6" works and developments where the owner and the City have executed a development agreement on or before the commencement date of By-law 1473-212, the following policy and rules (for convenience, called the "Pre 2009 rules") will apply.

**2 INTRODUCTORY MATTERS**

INTERPRETATION

2.1 In this Policy,

"Area 1" means essentially the Urban Growth Area except for the pre-1993 City Area, as highlighted on the map shown in Appendix 6-A to this Schedule;

"Area 2" principally the area of the Pre-1993 City Area as highlighted on the map shown in Appendix 6-A to this Schedule;

"development agreement" means an agreement between the City and an Owner required as a condition of an approval under Sections 41, 51 or 53 of the Planning Act and Section 9 of the Condominium Act.

"Fund" means the Urban Works Reserve Fund;

"Pre-1993 City Area" means that area of the City of London which comprised the City of London on the 31<sup>st</sup> day of December, 1992;

"Urban Growth Area (UGB)" means the Urban Growth Area existing from time to time as identified in the City's Official Plan as approved;

2.2 The effective date of this Policy was August 4, 2009.

OBJECTIVES

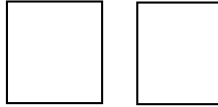
*Within Urban Growth Area Including Pre-1993 City Area*

2.3 To determine the need for and adequacy of such services as major road and sewerage works required for development, the following policy objectives will be considered:

- (a) The provision or extension of a required service where no such service exists to serve the proposed development;
- (b) The provision of additional capacity to an existing service which has insufficient or no spare capacity to serve the proposed development;
- (c) The raising of an existing service of adequate capacity, but of low standard, to an adopted higher level of improvement compatible with the abutting lands being developed;
- (d) The provision of sufficient additional capacity, in an existing service to be improved or a new service to be provided as determined above, to serve future development in the surrounding contributory area as anticipated for some time ahead; and
- (e) That at all times, the works be designed to ensure efficient & economical servicing of the City's growth areas, and ensure that the services be designed and constructed in a least cost to the Fund(s) manner. If the City Treasurer (or designate) deems that costs are above the least cost alternative then the claims shall be capped to the lower amount

**3 URBAN WORKS FUND CLAIMS**

3.1 All claimable works which are subject to this policy are to be undertaken at the risk of the owner, and claims are paid, in whole or in part, only when there is sufficient money in the fund to honour claims. In all cases, the owner bears the cost of financing the works. The City will have access to the fund where it completes claimable works, but only when the first development that would have triggered the works is approved.



**Schedule 6**

- 3.2 Where works that are subject to this policy include a non-growth component, funding of that portion of the works must wait until the City has approved sufficient funds in its budgets, to pay for that portion of the works.
- 3.3 An owner is ineligible to claim :
  - a) for any portion of the costs of any type of required works constructed or financed in connection with a development that is exempt in respect of paying urban works charges; and
  - b) for any engineering costs above 15% of the cost of the works.
- 3.4 With respect to a development agreement entered into on or before the effective date of this Policy, the maximum amount payable to an owner over a twelve-month period from the Fund for works to service development within Area 2 is \$1,250,000 in respect of the total of all costs eligible for payment from the Fund for required minor road works, sanitary sewer pipe works, storm sewer pipe works and storm water management works, provided a sufficient balance exists in this segment of the Fund.
- 3.5 With respect to a development agreement entered into on or before the effective date of this Policy, the maximum amounts payable over a twelve-month period from the Fund for works to service development within Area 1 to an owner are,
  - (a) \$1,000,000 in respect of the total of all costs eligible for payment from the Fund for required minor road works, sanitary sewer pipe works, and storm sewer pipe works, provided a sufficient balance exists in this segment of the Fund: and,
  - (b) \$250,000 in respect of the total costs eligible for payment from the Fund for required storm water management works provided a sufficient balance exists in the storm water management works segment of the Fund.

**4 MINOR ROAD WORKS**

*Within Urban Growth Area Including Pre-1993 City Area*

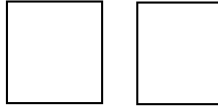
- 4.1 Minor road works consist of the construction or expansion of road works that are primarily intended to satisfy the needs of particular developments to ensure safe, efficient traffic flows and pedestrian movement. These 'minor road works' are triggered by development applications and would include street lighting, channelization (such as left and right turn lanes), median work, intersection improvements (including traffic signals), curb and gutter, bike paths, bike lanes and sidewalks that are on arterial or primary collector roads.
- 4.2 The owner finances and constructs the required works, as follows:
  - (a) The owner must receive approval from the City prior to tendering the work through an executed agreement
  - (b) The owner bears the cost of financing.
  - (c) The owner may claim the full cost of the works from the Fund, subject to eligibility rules. The owner of industrial lands may claim 50 per cent from the UWRF and the balance from the Industrial Oversizing Reserve Fund

**5 SANITARY SEWER PIPE WORKS**

- 5.1 The City constructs and finances the cost of sewage treatment plants, major pumping stations and major trunk sewers in accordance with its five-year Capital Works Budget, and works identified for at least partial funding from development charges collected under the Development Charges Act, 1997 or any successor thereto according to the background studies, from time to time.

*Within Area 1*

- 5.2 Sanitary sewer pipe works that may be eligible for claim from the Urban Works Reserve Fund consist of sewers, other than major trunk sewers, and pumping stations other than major pumping stations, identified in the DC Background Study, as updated from time to time.
- 5.3 The owner finances and constructs the required works as follows:
  - (a) The owner must receive approval from the City prior to tendering the work and the work must be identified in an executed agreement;
  - (b) For the portion of the works which services less than 30 hectares, the owner bears the full cost of the works; and



**Schedule 6**

- (c) For the portion of the works which services 30 hectares or more, the owner may claim the full cost of the works from the Fund, for the portion attributable to servicing non-industrial lands and from the Industrial Oversizing Reserve Fund for any portion attributable to servicing industrial lands.

*Within Area 2*

- 5.4 Sanitary sewer pipe works that may be eligible for claim from the Urban Works Reserve Fund consist of sewers, other than major trunk sewers and pumping stations other than major pumping stations, identified in the DC Background study as updated from time to time.
- 5.5 If the required works are not included in years 1 to 3 of the City's five-year Capital Works Budget, the owner finances and constructs the works and bears the portion of the full cost that is in the same ratio to the full cost as the development's design flow bears to the required works' total design flow. The balance is claimable by the owner from the Fund, for the portion attributable to servicing non-industrial lands and from the Industrial Oversizing Reserve Fund, for any portion attributable to servicing industrial lands. Development approval may be withheld until the priority of works is adopted in the Capital Works Budget.

**6 STORM WATER SEWERAGE WORKS**

*Within Area 1*

- 6.1 Storm water pipe works consist of those works, generally permanent trunks and sub-trunk works, identified through community planning studies.
- 6.2 The owner finances and constructs the required pipe works as follows:
  - a) For the portion of the works which services less than 20 hectares, the owner bears the full cost of the works; and
  - b) For the portion of the works which services 20 hectares or more, the owner may claim the full cost of the pipe works from the Fund, for the portion attributable to servicing non-industrial lands and from the Industrial Oversizing Reserve Fund, for any portion attributable to servicing industrial lands.

*Within Area 2*

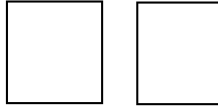
- 6.3 Storm water sewerage works consist of any works not necessarily identified through community planning studies, but, will generally be permanent pipe works and storm water management works, as approved by the City Engineer. Only a single project shall be eligible to claim under Grand fathered Area 2 covered by schedule 6 of this by-law. The others will be paid under schedule 7 which does not differentiate between area 1 and area 2.
- 6.4 If the required works are not included in years 1 to 3 of the City's five-year Capital Works Budget, the owner finances and constructs the works and bears the portion of the full cost that is in the same ratio to the full cost as the development's design flow bears to the required works' total design flow. The balance is claimable by the owner from the Fund, for the portion attributable to servicing non-industrial lands and from the Industrial Oversizing Reserve Fund, for any portion attributable to servicing industrial lands. Development approval may be withheld until the priority of works is adopted in the Capital Works Budget.

**7 STORM WATER MANAGEMENT WORKS**

*Within Area 1*

- 7.1 Claimable Storm water management works serving Area 1 consist of permanent storm water management facilities, including but not restricted to major detention facilities, and local drainage works identified in the Development Charges Background Study (through the master plan process).
- 7.2 With respect to a development agreement entered into on or before the effective date of this Policy, The owner finances and constructs the required works, regardless of their inclusion or not in the City's five-year Capital Works Budget, as follows:
  - 1. In all cases, the owner bears the cost of financing.
  - 2. (a) With respect to land acquisition for stormwater management facilities in Area 1 the value of the land shall be subject to review every five years and is established as follows:

**Floodplain** - private lands that are within the 1:250 Regulatory Storm Event Line and that are subject to regulation (ESA & buffer limit and/or stable slope line).  
**\$ 5,500/Acre (\$13,590/ha)**



**Schedule 6**

**Park Land** - lands set aside as a dedication for parks and not designated for development: **\$ nil**

**Table Land** - Lands designated in the Official Plan for development: **\$\$125,000/acre (\$308,880/hectare)**

**Flood Fringe** is defined for payment purposes only as the land that is not an Environmentally Sensitive Area, not park land, not Flood Plain, and not Table Land. Flood Fringe lands are claimable at **\$50,000/Acre (\$123,550/ha)**

For Multipurpose lands that may be defined by more than one of the above definitions. Claims shall be paid using the lowest lower cost allocation:

Where there is a shared use of a stormwater or sanitary work such as a maintenance road/ pathway, the use and maintenance of the road/pathway shall be viewed as functioning solely for the sanitary or stormwater service use not the park use. Claims and use shall been determined and allocated to the servicing need with no allocation of costs to the Parks.

- (b) If the subdivider chooses to relocate an existing internal watercourse outside of the subdivision, then no claim for easement acquisition may be made for the open channel.
- (c) Land costs relating to existing watercourse improvements are not claimable.
- (d) In Area 1, where a portion of the storm water management facilities are on line with the watercourse, the land beyond the pre-development 100 year floodline and within the post-development 100 year floodline is claimable at the Floodplain Land rate.

7.3 The owner may claim the full cost of the storm water management works servicing Area 1 from the storm water management segment of the Fund for the portion attributable to servicing non-industrial lands and from the Industrial Oversizing Reserve Fund for any portion attributable to servicing industrial lands.

7.4 Landscaping of SWM pond facilities, Conveyance Channels and other Claimable works

The following shall apply to the landscaping and other amenity costs that may be claimable from the UWRF for SWM ponds:

- (a) For ponds of 5 ha in foot print and less, amounts paid will be dependant on the ponds classification and foot print area. (footprint is the physical size of the block for the pond not drainage area).

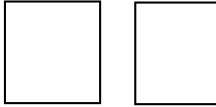
Type A – are ponds that do not border a park or ESA

These ponds require basic landscape/vegetation treatment to function and be ecologically stable (water plants). It is proposed that this type of pond be limited to \$25,000/ha for landscaping and all other amenities.

Type B – are ponds which border ESA's

These ponds require landscape/vegetation treatment to function and to provide an aesthetical continuity with adjacent land features. It is proposed that this type of pond be limited to \$50,000/ha for landscaping and all other amenities.

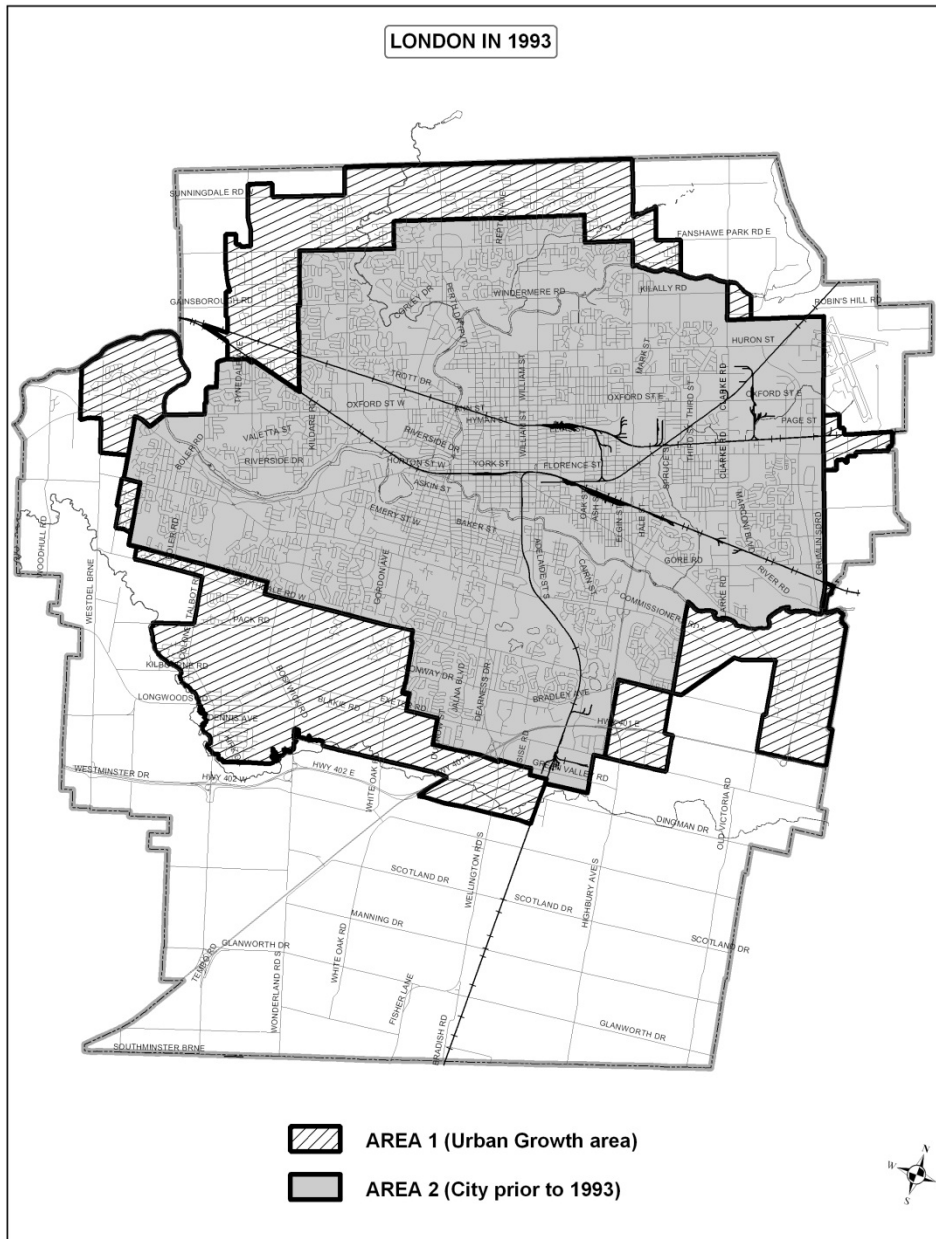
- (b) For ponds with a foot print larger than 5 ha, claims shall be reviewed on an individual basis by the City Treasurer (or designate) in consultation with the City Engineer.
- (c) If the Owner wishes to build SWM works larger than the design criteria dictates, then the difference in cost shall be borne by the Owner.
- (d) Where a pedestrian foot bridge / gazebo/decorative retaining wall is required or desired, the Owner is responsible for the cost

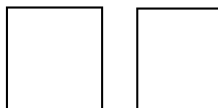


SCHEDULE 6

APPENDIX 6-A Schedule 6

Map of Area 1 – Urban Growth Area except for the pre-1993 City Area  
Map of Area 2 – area of the Pre-1993 City Area as highlighted on the map





**SCHEDULE 7  
To By-law No. C.P.-  
Section 25**

**URBAN WORKS RESERVE FUND - CLAIMS POLICY (“2009 rules” - applicable post to August 3, 2009)**

**1. GENERAL**

**1.1. Scope**

For development projects identified in Appendix ‘I’ of the Development Charges Background Study as “Schedule 7” works or where final approval of a development agreement was obtained after the commencement date of By-law 1473-212 and prior to the date of commencement of this by-law for which there is a development agreement, the following policy and rules (for convenience, called the “2009 rules”) will apply to the eligibility for and payment of claims under this By-law:

**1.2. Introduction**

1.2.1. In this Policy,

"development agreement" means an agreement between the City and an Owner required as a condition of an approval under Sections 41, 51 or 53 of the Planning Act and Section 9 of the Condominium Act entered into prior to the date this by-law comes into effect.

"Fund" means the Urban Works Reserve Fund;

"Growth Management Implementation Strategy" (GMIS) is the strategy adopted by Council in June, 2008 that provides a framework for the timing and locating of future infrastructure works required to serve growth.

"Sanitary Sewer Servicing Study" (SSSS) is any study, which from time to time, reviews and reports on the optimal approach to serving growth areas of the City with sanitary sewer conveyance and treatment;

"Urban Growth Area (UGB)" means the Urban Growth Area existing from time to time as identified in the City's Official Plan as approved;

1.2.2. The effective date of this Policy is August 4, 2014

1.2.3. This policy establishes the guidelines, procedures and requirements relating to the submission and processing of a claim to the Urban Works Reserve Fund (“UWRF”).

1.2.4. All claims considered to be complete shall be registered and processed in chronological order as they are received. Payments are made as fund balance allows. If the aggregate amount eligible to be paid exceeds these amounts, subsequent installments are eligible to be entered as a claim 12 months following the immediately preceding installment. .

**1.3. Claimable works**

In order to be claimable any work must be defined as a permanent piece of municipal infrastructure undertaken to facilitate the servicing of development and be identified as a claimable work in an executed development agreement. Temporary infrastructure is ineligible for any claim. Cost of claimable works to be administered under this Schedule have been estimated through a master planning study process (on a service by service basis) and are summarized in Appendix 7-A.

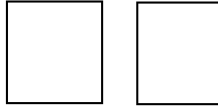
**1.4. Interim works**

Interim works are claimable if included in the Development Charges Background Study. Works that are alternative to those identified in master plans and compatible with the ultimate servicing plans may also be incorporated into development agreements as claimable works. Where claimable works are provided for in a “contingency provision” of the DC rate calculations, the determination as to their claimability is at the discretion of the City Treasurer (or designate) in consultation with the City Engineer.

**1.5. Phasing**

Partial construction (phasing) of infrastructure can increase the over all total costs of works. Prior to Phasing of any works the Owner must obtain written approval from the City Engineer to construct the infrastructure in phases and to also make claim for the incremental cost of phasing the works. Permission to construct works in phases may not automatically permit partial claims.





## Schedule 7

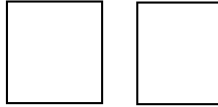
The City Engineer may consider a request for internal construction phasing of a subdivision and could determine that it should be staged in a manner that will balance all of a geographical area's needs. The construction of entire systems may be linked, at the discretion of the City Treasurer (or designate) in consultation with the City Engineer, to a claim's eligibility for payment from the UWRF.

Additionally, if property easements are required to service adjacent developments and are not provided by an owner then any payment of UWRF claim associated with that development may be withheld until the easement is provided.

### 1.6. Completeness of Claims

Prior to acceptance of a claim, the following requirements shall be satisfied:

- a) The claim must conform to an agreement that has been approved by City Council, or a delegated authority or officer, signed and registered on title to the affected property. The works for which the claim is made shall be 100% complete with certain exceptions allowed by the City Treasurer (or designate) for seasonal condition preventing completion. Where the City undertakes claimable works, the project must be approved by Council with explicit funding sources;
- b) The claims for the works are to be submitted by a Registered Professional Engineer or Architect retained by the Owner. The City Treasurer (or designate) reserves the right to accept only claims stamped by the same consulting engineering company who designed, inspected and certified as complete the works for which the claim is being made;
- c) No consideration will be given to claims for works which have previously been claimed and authorized, Works omitted from a previous claim will be considered for payment upon submission;
- d) No claims to the Fund will be accepted for works that form part of an agreement for which the warranty period has expired. No new claims shall be authorized for payment, after all the securities have been released;
- e) The following documentation shall be included with the claim for it to be considered complete:
  - i) A covering letter from the consulting engineer or architect stating that a claim is being made to the UWRF on behalf of the Owner as shown on the Agreement(or where the City under takes the work via Council resolution). The location and nature of the works shall be described and the costs representing the amount being claimed from the UWRF should be stated. The mailing address as well as the GST Registration Number of the Owner shall be provided;
  - ii) The "Certificate of Completion of Work" pertaining to the works being claimed in the format specified in the Agreement with an added statement certifying the quantities and final costs relating to the claim;
  - iii) Any specific documentation that may be required by the development agreement such as an inspection report, condition report, or survey. Such documentation shall be satisfactory to the City Treasurer (or designate);
  - iv) Summary sheets detailing the sharing of costs, engineering and GST calculations;
  - v) The consulting engineer or architect's calculations of all quantities and final costs relating to the claim;
  - vi) (this clause intentionally left blank);
  - vii) (this clause intentionally left blank);
  - viii) Servicing drawings for the related claimable works;
  - ix) (this clause intentionally left blank);
  - x) When Stormwater Management facilities are being claimed, they shall be separated from claims for Storm Collection Conveyance in accordance with the definitions;
  - xi) Copy of summary of unit prices and/or a copy of all tenders for the entire project;
  - xii) Copy of final payment certificate and a summary of engineering costs and paid invoices for claimable engineering fees;
  - xiii) Copy of the advertisement for tender, where a public tender is required;
  - xiv) All backup information relevant to the claim including invoices, change orders, fees etc;



**Schedule 7**

- xv) Copy of the Certificate of Publication of Substantial Performance, including the date of publication. This publication is generally carried in the Daily Commercial News and should include both the name of the Owner and the City of London. Similarly both should be mentioned under “Office to which claim for lien must be given to preserve lien”; and
  - xvi) Completed “Summary of Claimable Works” with current information for the subdivision or development.
- f) All claims shall be directed to the Finance and Corporate Services, Development Finance Division.

**1.7. Tendering**

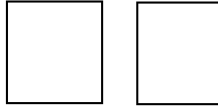
The following rules shall apply to the tendering of works under this Schedule:

- a) Projects undertaken by agreement between the City and an Owner with an estimated claimable amount in excess of \$250,000 are to be undertaken by public tender;
- b) Projects undertaken by agreement between the City and an Owner with an estimated claimable amount less than \$250,000 may be undertaken by a public tender, or by invitation with a minimum of 3 invited tenders;
- c) Works requiring an Owner to perform horizontal drilling may be undertaken by invitation with a minimum of 3 invited tenders;
- d) Sole sourcing of a construction project is permissible when all three of the following conditions are met:
  - i) work is an extension of existing work and is a result of a change in scope during the project;
  - ii) there is no increase in individual tender item prices; and
  - iii) the Owner has obtained written approval from the City Treasurer or his/her designate before sole sourcing;
- e) Works no portion of which are eligible for claims and which are to be assumed by the City may be undertaken by the Owner at his discretion without the necessity of a public tender procedure;
- f) Cost estimates shall use the Average Unit Prices listed in the City of London Unit Price Spreadsheet unless the owner specifically notes a reason for varying from these costs. Following the tender award, all claimable external works shall be identified as separate tender schedules listing items, quantities, plan locations of quantities (chainage from station to station), and unit costs within larger construction contracts. ;
- g) Tender documents for the works which are eligible for claims must be standard City of London Contract Documents. They must be in a unit price format and follow a formal tender opening procedure to the specifications of the City Treasurer (or designate). The City Treasurer (or designate) must be notified in advance of when and where the tenders are to be opened;
- h) Any works which have not been tendered, including change orders, will be subject to review by the City Treasurer (or designate) for approval of unit prices and eligibility either prior to construction or at the submission of the claim;
- i) Calculation of eligible items in the claim will be based on the successful lowest bidder’s tendered unit prices regardless of which contractor ultimately performs the work; and
- j) Tender results and unit price summaries shall be provided to the City of London for review upon the closing of tenders and prior to awarding the contract, if requested by the City Treasurer (or designate).

**1.8. Miscellaneous**

- a) Miscellaneous items in the contract that apply partially to the cost shareable works such as Bonding, Field Office Trailer , Traffic Control, and Permits can be claimed as a percentage of the total tendered contract amount using the following formula;

Claimable costs excluding bonding, trailer etc.	X	Costs of bonding, trailer etc.	=	Claimable Amount
Total tendered contract excluding bonding, trailer etc.				



## Schedule 7

### 1.9. Engineering Fees

The UWRF shall reimburse Owners for the services provided by their consulting engineer including the design, resident supervision, drawing preparation, certification of works and preparation of claims. The invoiced engineering fees will be processed for payment at the actual invoiced cost up to a maximum 15% of the value of construction upon completion of the works after receipt of confirmation of final costs and invoices. In special circumstances engineering fees exceeding 15% of the cost of the tendered works may be permitted at the discretion of the City Treasurer (or designate) only if prior written permission from the City Treasurer (or designate) is obtained.

If alternate designs are pursued by the owner after the City's acceptance of the preferred alternative, the costs associated with the engineering over and above the original concept shall be borne 100% by the owner.

Engineering fees may not be applied to the claimable works for land acquisition costs, works performed and invoiced by utility companies and Ministry of the Environment application fees.

The design of Stormwater Management Best Management Practices and Private systems are not eligible for claims

Monitoring of SWM Facilities is considered not eligible for claim from the U.W.R.F but must be claimed for with the total engineering required for the project and can only be claimed at the completion of the works under the same yearly cap as the works.

Where applicable the over sizing subsidy for storm pipes and sanitary pipes already includes an allowance for engineering and no additional monies outside of the subsidy per meter shall be paid

### 1.10. Payment

The following rules shall apply to payments under this schedule:

- a) Valid claims will be paid to the Owner as identified in the applicable Agreement. The Owner may provide the City with a properly executed "Assignment and Direction", in a format acceptable by the City, to transfer the payment(s) of claims to another party;
- b) If money is available in the fund, the payment of claims from the Urban Works Reserve Fund is made each 15th of the month for all claims authorized in the immediate preceding month. All claims considered to be complete shall be registered and processed in chronological order as they are received. Partial payments will be made as the fund balance permits.

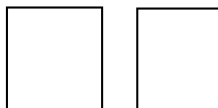
Each partial payment shall be paid in chronological order with all other claims in the order they are approved without any prejudice or preference. Payments may be significantly delayed due to the lack of availability of money in the fund and bumping of pre-existing unpaid balance of claims by newer claims may occur resulting in longer waiting periods for all claims;

#### c) Holdback under the Construction Lien Act:

- i) 10% holdback is retained on a claim until the entire contract has been substantially performed and the 45 days statutory period from the day of publication in a Daily Commercial News of the substantial performance has expired, and all clearances have been obtained; and
- ii) If there is no certificate of publication included with the claim, the holdback will not be released until the certificate is provided and 45 days has elapsed from the date of publication and all clearances have been obtained;

#### d) Unless otherwise specifically mentioned in the Subdivision or Development Agreement the maximum payment from the UWRF general fund shall be \$1,000,000 (including GST) for any one installment. If the aggregate amount eligible to be paid exceeds these amounts, subsequent installments are eligible to be entered as a claim 12 months following the immediately preceding installment. At that time, the claim will be entered in order of receipt in relation to every other claim which is eligible for payment from the Fund;

#### e) Works relating to Stormwater Management facilities listed for a subsidy from the UWRF will be separated and paid from a separate UWRF account. That account is comprised of money specifically for storm water management facilities and payments made for these items will be paid from this account subject to the availability of funds. The maximum payment from this account is \$250,000 (including GST) for any one installment. If the aggregate amount eligible to be paid exceeds this amount, subsequent installments are eligible to be entered as a claim 12 months following the immediately preceding installment. At that time, the claim will be entered in order of receipt in relation to every other claim which is eligible for payment from the account. This amount is separate from and does not form part of the \$1,000,000 maximum of the UWRF general fund referred to in d) above. Consequently, Stormwater Facilities claims can be made concurrently with claims in d) above; and



**Schedule 7**

f) Order of Payment

Any agreement can provide for a claim up to \$1,000,000 for eligible general works plus \$250,000 for stormwater management works per year unless these have specifically been restricted to a lower number in the agreement.

Multiple agreements can occur for large draft plans. Each agreement is subject to the cap claim mentioned above;

**1.11. Claims by Non-Contributing Entities(City of London)**

When the City acts as an owner it shall be eligible to make claims when undertaking growth related projects containing works that would be claimable irrespective of whether they have made a contribution to the fund. This is consistent with the Development Charges Act, which provides exemption to municipalities for payment of development charges.

The City shall be paid claims for these works in the same manner as other claims in the system through the application of all the pertinent policy including but not limited to eligibility of works, engineering costs, caps, waiting periods.

**1.12. Dispute Resolution**

Exceptions to the procedures mentioned herein may occur. The preferred methodology to resolve any dispute would be to seek interpretation and clarification through the City Treasurer (or designate), in consultation with the City Engineer, or their designate. Should the Owner still feel aggrieved by a given policy interpretation then their avenue to seek remedy/ relief is the Corporate Services Committee in accordance with Part IV of the by-law.

**1.13. Financing of Infrastructure not listed as UWRF claimable**

Significant infrastructure projects would usually be paid and managed though the CSRF, as identified in the Development Charges Background Study. Acceleration of works provided for in the City's budget may occur, subject to execution of a separate Municipal Servicing and Financing Agreement (MSFA).

**1.14. Municipal Land Requirements – Lands Owned by the Owner**

As noted in section 18 of the City of London Official Plan all municipal property requirements including easements (except SWM ponds and combined SWM/Sanitary corridors specifically mentioned in section 1.19) identified in a consent or development agreement shall be provided at no cost to the City of London and/or Development Charge Fund. In the review of a plan of subdivision application or consent, the approval or consent authority may impose conditions relating to the dedication of lands for Road widenings, sewers, paths, commuter parking lots, transit stations and related infrastructure for the use of the general public.

Any land or easements that are owned by the Owner and which are transferred permanently to the City as a condition of a development approval are not eligible for claim with the exception of storm water management facilities. Temporary easements are not eligible for claim.

If the Owner chooses to relocate an existing internal watercourse or conveyance channel outside of the subdivision, when the water course or channel could have been located inside the plan, then no claim for easement acquisition may be made for the open channel.

Costs relating to existing watercourse improvements are not claimable unless specifically mentioned as projects in the DC Background Study

**1.15. External Land Acquired from a Third Party**

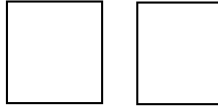
a) The cost sharing amount payable for property acquisitions or easements from third parties is the value as determined by the City's Realty Services Division plus acceptable legal fees. Any amount over and above the value assessed by the Realty Services Division will be at the sole cost of the Owner. No GST is to be paid on land claims.

The cost of any work undertaken to restore or enhance a third Party's property due to the acquisition of lands or the construction of infrastructure beyond the estimate set by the City's Realty Services Division shall be at the sole cost of the Owner

Claims for land in easements will not be allowed for lands that are reasonably expected to develop within 10 years.

If the Owner is not satisfied with the value assessed by the City, an appeal can be made to the Corporate Services Committee;

b) Unless otherwise approved by the City Treasurer (or designate), no claim can be submitted until all the properties required for the project have been acquired;



**Schedule 7**

- c) Claims related to the cost sharing for property acquisition or easements from third parties may be advanced by the Owner, and may be claimed prior to any construction work being undertaken, if a subdivision, consent, or development agreement or site plan has been executed and all other relevant conditions have been complied with; and
- d) If a non-growth share of the cost of acquisition is assessed and the cost of the easement is established acceptable to the Property Division, then the UWRF share is determined proportionally as mentioned in the DC Background Study. The prime driver for the need for the easement shall dictate the proportionate non-growth share.

**1.16. Stormwater Management Facilities General Land Policies**

With respect to land acquisition for storm water management facilities the value of the land shall be subject to review every five years and is established as follows:

**Flood Plain** – private lands that are below the 1:100 Storm Event Line and above the existing open water and/or the 2 year flood elevation (defined by the Upper Thames Conservation Authority and the Official Plan):  
**\$5,500/Acre (\$13,590/ha)**

Lands under existing open water are not claimable as defined by the 2 year design high water elevation (2yr storm elevation)

**Park Land** – lands set aside as a dedication for parks and not designated for development: \$ Nil

**Table Land** – developable land inside the Urban Growth Boundary (UGB) designated in the Official Plan for development: **\$125,000/acre (\$308,880/hectare)**

**Flood Fringe** is defined for payment purposes only as the land that is not an Environmentally Sensitive Area, not park land, not Flood Plain, and not Table Land. Flood Fringe lands are claimable at **\$50,000/Acre (\$123,550/ha).**

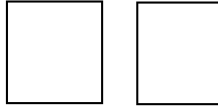
For Multipurpose lands that may be defined by more than one of the above definitions. Claims shall be paid using the lowest cost allocation:

Where there is a shared use of a stormwater or sanitary work such as a maintenance road/ pathway, the use and maintenance of the road/pathway shall be viewed as functioning solely for the sanitary or stormwater service use not the park use. Claims and use shall be determined and allocated to the servicing need with no allocation of costs to the Parks

**1.17. Landscaping of SWM pond facilities, Conveyance Channels and other Claimable works**

The following shall apply to the landscaping and other amenity costs that may be claimable from the UWRF for SWM ponds:

- (a) For ponds of 5 ha in foot print and less, amounts paid will be dependant on the ponds classification and foot print area. (foot print is the physical size of the block for the pond not drainage area).
  - Type A – are ponds that do not border a park or ESA  
 These ponds require basic landscape/vegetation treatment to function and be ecologically stable (water plants). It is proposed that this type of pond be limited to \$25,000/ha for landscaping and all other amenities.
  - Type B – are ponds which border ESA's  
 These ponds require landscape/vegetation treatment to function and to provide an aesthetical continuity with adjacent land features. It is proposed that this type of pond be limited to \$50,000/ha for landscaping and all other amenities.
- (b) For ponds with a foot print larger than 5 ha, claims shall be reviewed on an individual basis by the City Treasurer (or designate) in consultation with the City Engineer.
- (c) If the Owner wishes to build SWM works larger than the design criteria dictates, then the difference in cost shall be borne by the Owner.
- (d) Where a pedestrian foot bridge / gazebo/decorative retaining wall is required or desired, the Owner is responsible for the cost



**1.18. Infrastructure Located Outside the Urban Growth Boundary(UGB)**

Storm water management facilities located outside the UGB which service lands inside the UGB are claimable proportionally to the total lands they will ultimately serve inside the UGB .Unless specifically sized and phased as mentioned in the DC Background Study. These claims are set up to the maximum as the same rates as facilities located inside the UGB.

Claims shall not be made for works that provide capacity that is above and beyond growth needs within the UGB.

**1.19. Land requirements in combined Storm water and Sanitary corridors**

In the case of two combined storm/sanitary corridors, namely:

ST4 Stoney Creek 4 Project ES5239 shown on Table EX 4 of the supporting documentation and  
 MD2A Foxhollow, Budget ES 5236 shown on Table EX 4 of the AECOM supporting documentation, the CSRF shall pay for the land associated with the additional width of the corridor at the land rates defined in Stormwater Management Facilities General Land Policies above

**2. ROADWORKS**

**2.1. General**

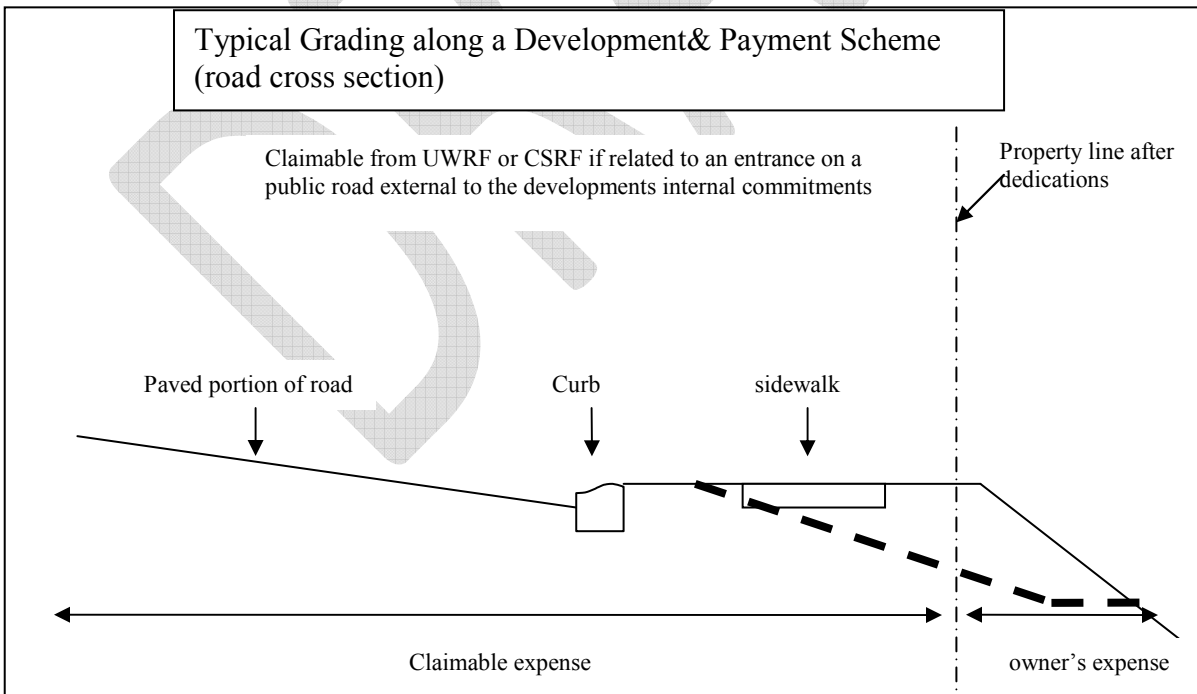
Where a development abuts, faces, flanks or backs onto, or is divided by an existing arterial or primary collector road, and the City requires the Owner to construct minor works beyond their access work, such road works are claimable to the UWRF.

**2.2. Works on Lower order streets**

The City may identify roadworks along lower order streets (local and collector) that require improvements due to localized growth in an area that is not specifically attributable to one single development. These infill or brown field developments will be specifically mentioned in the DC background Study and will be incorporated into DC rate calculations under road works listed as fundable from CSRF.

**2.2.1.imits of payment due to Property Extent and grade**

Payment for claimable works is restricted to that portion of the works that is situated upon public or future public lands. As illustrated below there shall be no payment for spillage of fill or grading on privately owned lands.

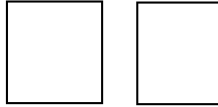


**2.3. Eligibility of Claims for Road Works**

Cost sharing of growth related roadworks can be broken into five categories

- 1) Local costs borne by the Owner
- 2) Minor roadwork costs subsidized by UWRF
- 3) Major roadwork costs paid for by CSRF
- 4) Roadworks serving growth in industrial areas funded from Industrial Oversizing Reserve Fund
- 5) Non-growth works that benefit the existing population

The following sections describe these 5 categories.



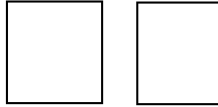
## Schedule 7

### 2.3.1. Local Costs Borne by Owner

- i. Connections of all public and private new streets, roads, ramps or entrances including features and design details such as : round-about, culverts, signage, gateway treatments, noise wall alterations , sidewalks, bike lanes, bike pathways, paths, directional traffic islands, decorative features
- ii. Re-grading, cutting and placing fill on lands beyond the road allowance along their frontage in accordance with City of London standards. In addition, all grading and restoration of road allowance along the development frontage if no claimable roadworks are required;
- iii. Topsoil and sod to the back of any existing sidewalk fronting the development;
- iv. Planting of new trees fronting the development;
- v. Any upgrade or reinforcement from a standard 100mm thickness sidewalk across the development's new access;
- vi. Retaining walls along the development frontage, where approved;
- vii. 100% of the cost of temporary asphalt sidewalks, roads, paths, swales along the frontage abutting arterial or primary collectors where installation in ultimate location is deemed premature;
- viii. Traffic signal installations at all private entrances and at public entrances which do not meet MTO warrants;
- ix. Any other services, removals, relocations, etc., required even if the road widening had not been constructed for a private entrance or access road including but not limited to, utility relocation, side walk alterations, and curb cuts ;
- x. Restoration of any utility cuts, and or damage created by construction activities & /or construction traffic in and out of the development. including but not limited to daily removal of mud tracking, daily dust suppression, milling and paving of deteriorated asphalt caused by construction traffic, grading of gravel shoulders to remove rutting caused by construction traffic.
- xi. Privately maintained noise walls, all noise berms, window streets and fences;
- xii. Grading elements such as: swales, ditches, best management practices, (BMPs) and any other feature to address over land flow routes needs created by the development's grading;
- xiii. Pedestrian paths, walkways, bridges, tunnels, (including the related lighting and signage );
- xiv. The costs related to the upgrading of any utility plant, or the relocation of the same, unless necessitated by the roadwork;
- xv. The relocation and/or replacement costs of any encroachment on the City's road allowance or easement including but not limited to hedges, sprinklers systems and fences;
- xvi. Existing catch basins and culverts that cross roads, bridges, and leads are considered to be part of surface roadworks rather than sewers. Including and storm quality devices such as storm sceptors or oil/grit separators;
- xvii. Traffic signals and street lighting on Arterial and Primary Collector roads that control or illuminate Public( Non-private) access points, where required by the development agreement; and
- xviii. Utility relocations necessitated by the claimable roadworks can be claimed upon providing a copy of the invoices from the utility and proof of payment in full. The City shall issue a letter to the utility company stating that this work is required by the City under the Highway Act and will pay for 50% of cost of labor and trucking. This 50% share is claimable from the UWRF; the other 50% is the utility's share and is not claimable. Should the utility refuse to pay then these cost shall be the responsibility of the proponent owner. Engineering fees associated with these relocations are not claimable.

### 2.3.2. Minor Roadwork Costs Subsidized by UWRF

- i. Works listed as eligible in the Development Charges Background Study, or with the approval of the City Treasurer (or designate) in consultation with the City Engineer, drawn from a contingency and/or substituted a work listed in the Background Study may be claimable
- ii. Where a new arterial or primary collector road is to be constructed in whole or in part through a subdivision, the Owner is responsible for the cost of constructing a standard secondary collector road 10m (32ft.) wide curb to curb. If the required road is wider or at a higher standard, the Owner is responsible for the cost of a standard road, including sidewalks, street lights, etc., and may make a claim to the Urban Works Reserve Fund for the difference in cost between a



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standard road and the road actually constructed. The construction responsibilities shall be defined by the conditions of an agreement between the City and the Owner. If the Owner wishes to construct the road at an enhanced standard beyond that acceptable to the City Engineer, then the Owner shall pay for the additional costs of enhancement with no eligibility for a claim from any fund

- iii. When trees are planted as part of external roadworks to replace removed trees, other than those removed to facilitate an access, the cost of the removal and replacement is claimable.

**2.3.3. Major Roadwork Costs Paid for by CSRF**

- i. Works listed as eligible in the Development Charges Background Study, or with the approval of the City Engineer, in consultation with the Director, Development Finance, drawn from a contingency and/or an alternative to a work listed in the Background Study may be funded from the CSRF. The claimability of such a work would be subject to inclusion in the development agreement (for works less than \$50,000 subject to approved funding in the Capital Budget) or subject to execution of a Municipal Servicing and Financing agreement prior to commencement of the work. The works funded from the CSRF under this paragraph would be subject to rules similar to those described for UWRF eligible works contained in this section with respect to eligibility, tender and claim completeness and submission.
- ii. Transportation projects that have been listed in the DC Background Study as programs or studies are funded from the City Services Reserve Fund – Transportation component, and are subject to prior execution of a Municipal Servicing and Financing Agreement.

**2.3.4. Roadworks Serving Growth in Industrial Areas Funded from Industrial Oversizing Reserve Fund**

Certain Works which benefit industrial areas are similar to UWRF works. However, so long as industrial development is exempted from the charges, the City must make provision for claim of these works from a separate fund. This fund is the Industrial Oversizing Reserve Fund (IORF) and certain works are eligible for claim from this fund in accordance with the policies of the IORF.

**2.3.5. Non-Growth Works that Benefit the Existing Population**

Where works funded from the UWRF are subject to this policy and include a non-growth component, funding of that portion of the works must wait until the City has approved sufficient funds in its budgets, to pay for that portion of the works. The non-growth portion of the funding shall be identified in the City's Capital Works Budget and approved by Council.

**3. SANITARY SEWERAGE WORKS**

**3.1. Claimable Sanitary Sewerage Works**

All new permanent sanitary sewerage works that are required to service undeveloped & developed lands that meet certain size and design criteria are partially claimable. These works are described in the sanitary sewerage section (UWRF works) of the Development Charge Background Study.

In order to be claimable, Sanitary Sewer works must be contained in, or alternative to, works contained in the Development Charges Background Study and must be incorporated into an executed development agreement.

In general the cost sharing of Sanitary works can be broken into five categories:

- 1) Local costs borne by the Owner
- 2) Oversized minor Sanitary work costs subsidized by UWRF
- 3) Major trunk/ system improvements & plant work costs paid for by CSRF
- 4) Oversized works serving industrial areas funded from Industrial Oversizing Reserve Fund
- 5) Non-growth works that benefit the existing population

The following sections describe these categories:

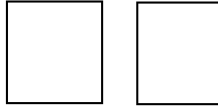
**3.1.1. Local Costs Borne by the Owner**

Any pipe or portion of a larger pipe that is less than or equal to 300mm in diameter are referred to as local works, and undertaken at the Owner's expense. The 300mm threshold which defines a "local pipe" is the approximate size needed to serve a 20 ha development. Typically, this results in flows of 36-50L/sec, for average pipe slopes of 0.2%-0.3% (based on pipe capacity and minimum velocity)

Additionally, any costs associated with installing private drain connections are not claimable

Any temporary works are not claimable





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**3.1.2.Oversizing Minor Sanitary Work Costs Subsidized by the UWRF**

This classification is applicable to the portion of a pipe defined in the GMIS, SSSS, and DC Background Study as UWRF claimable

The claimable portion of an oversized sewerage works constructed by an Owner in order to provide service to areas beyond their development is eligible for a subsidy from the UWRF and is payable based on an average oversizing cost basis in the form of a \$/m of pipe constructed as per the rates of the table in “Appendix 7-B”

The oversizing subsidy is a calculated average cost listed in Appendix 7-B and was derived by subtracting the estimated cost of a 300mm sanitary pipe from the estimated standard cost of oversized pipe of various sizes. The table in Appendix 7B lists the maximum claimable subsidy. If the actual cost of the works exceeds those used to calculate the table, then such additional costs shall be borne by the Owner. This subsidy covers all related costs of manholes, dewatering, restoration, back fill, engineering, utility relocates and labor. No payment above the noted \$/m unit price shall be paid.

If the Owner is constructing pipes through or by, lands which are currently non-developed, the claimable subsidy of such pipes shall be determined in accordance with the preceding paragraphs.

The rates in Appendix 7-B will be monitored and adjustments will be recommended to Council if deemed necessary.

**3.1.3.Major Trunk/System Improvements & Plant Work Costs Paid for by CSRF**

This category refers to pipes defined in the DC Background Study as CSRF claimable. The construction of these sewers shall be undertaken by the City and approved through the annual budget process.

On occasion, a portion of major works the cost of which is not expected to exceed \$10,000 may, with the consent of the City Treasurer (or designate) and subject to the availability of approved funding in the capital budget, and subject to availability of approved funding in the capital budget, be undertaken so long as the works appear in a development agreement.

Except as mentioned above, CSRF funded works may be undertaken by an owner upon execution of a Municipal Servicing and Financing Agreement.

**3.1.4.Oversized Works Serving Industrial Areas Funded from Industrial Oversizing Reserve Fund**

Certain Works which benefit industrial areas are similar to UWRF works. However, so long as industrial development is exempted from the charges, the City must make provision for claim of these works from a separate fund. This fund is the Industrial Oversizing Reserve Fund (IORF) and certain works are eligible for claim from this fund in accordance with the DC background study and policies of the IORF.

**3.1.5.Non-growth Works that Benefit the Existing Population**

Any component of sanitary sewerage works which serves existing developed areas, as identified in the Development Charges Background Study as well as remediation or repair of deficient services and are to be funded by the City budget.

If works are undertaken to increase capacity of an existing sanitary system, or to redirect flows to another system in order to provide capacity for growth in another area, then those costs shall be 100% attributed to growth. Rehabilitation, repair and installation of backflow preventing devices required due to increased or redirected flows shall also be 100% attributed to growth.

Where sanitary sewerage works include a non-growth component, funding of that portion of the works must wait until the City has approved sufficient funds in its budgets, to pay for that portion of the works. The non-growth portion of the funding shall be identified in the City’s Capital Works Budget and is subject to annual approval by Council.

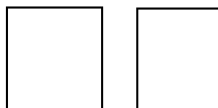
Any owner who proceeds with a work that contains a non-growth component prior to execution of an agreement that provides the details of the work and financing for the same shall do so entirely at their risk and expense.

**4.STORMWATER MANAGEMENT WORKS (SWM)**

**4.1. Claimable Storm Water Management Works**

In order to be claimable, Stormwater management works must be a permanent facility and be contained in, or alternative to, works contained in the Development Charges Background Study and must be incorporated into an executed development agreement.

In general the cost sharing of SWM works is broken into five categories



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- 1) Local costs borne by the Owner
- 2) Minor SWM ponds paid for by UWRF
- 3) Major SWM ponds & stream restoration paid for by CSRF
- 4) Storm works and ponds serving industrial areas funded from the Industrial Oversizing Reserve Fund
- 5) Non-growth portion of SWM works that benefit the existing population

The following sections describe these categories:

**4.1.1. Local costs borne by the Owner**

Any temporary works or works not included in the master servicing plan are at the sole expense of the Owner including operation, maintenance and decommissioning. Approval of temporary works is at the discretion of the City Engineer.

Any best management practices or Private drainage systems that benefit the single parcel of land for which they are constructed, and serve less than 15ha are not claimable.

The construction of ditches, swales, and overland flow routes are not eligible for claim unless specifically noted in the DC Background Study.

**4.1.2. Minor SWM Ponds Paid for by UWRF**

Works listed as eligible in the Development Charges Background Study as being UWRF works, or with the approval of the City Treasurer (or designate) in consultation with the City Engineer, either, drawn from a “contingency” in the DC rate calculations or is alternative to a work listed in the DC Background Study may be claimable.

In accordance with the basis of the costing of the works in the master servicing plan (which works are reflected in the Development Charges Background Study), 100% of the cost of 100m of inlet and 100m of outlet sewer are claimable.

**4.1.3. Major SWM Ponds & Stream Restoration Paid for by CSRF**

Works listed as eligible in the Development Charges Background Study as being CSRF works include major SWM ponds and stream restoration. These works may be eligible for acceleration of timing or construction by the Owner. The claimability of such works shall be subject to execution of a Municipal Servicing and Financing Agreement prior to commencement of any work by the Owner.

**4.1.4. Storm works and ponds serving industrial areas funded from the Industrial Oversizing Reserve Fund**

Certain SWM Works which benefit industrial areas are similar to UWRF works. However, so long as industrial development is exempted from payment of development charges, the City must make provision for claiming these works from a separate fund. This fund is the Industrial Oversizing Reserve Fund (IORF) and certain works are eligible for claim from this fund in accordance with the Development Charges study, and the policies of the IORF

**4.1.5. Non-Growth Portion of SWM Works that Benefit The Existing Population**

The component of storm water management works which services existing developed areas as defined in the Development Charge Background Study (which is based on the Master Plan) as well as remediation of deficient services or redirection of flows to improve optimal use of the system are to be funded by the City budget. Non-growth portions of eligible sewage systems are listed in the Development Charges Background Study report.

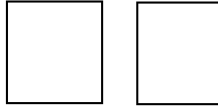
Where works that are subject to this policy include a non-growth component, funding of that portion of the works must wait until the City has approved sufficient funds in its budgets, to pay for that portion of the works. The non-growth portion of the funding shall be identified in the City’s Capital Works Budget and approved by Council

Any owner who proceed with a work that contains a non-growth component prior to execution of an agreement that provides the details of the work and financing for the same shall do so entirely at their risk and expense

**5. STORM SEWER WORKS**

**5.1. Claimable Storm Water Works**

All new permanent storm sewerage works that are required to service undeveloped & developed lands that meet certain size and design criteria are partially claimable. These works are described in the storm sewerage section of the Development Charge Background Study. The construction of ditches, swales,



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and overland flow routes are not eligible for claim unless specifically noted in the DC Background Study. Works used for detention will be considered as retention facilities rather than conveyance devices and will be paid as SWM facilities as discussed in the previous section. & claims may be payable providing there is provision for such claims in the Development Charges Background Study (which is based on the Engineering Master Plans for each service).

In order to be claimable, Stormwater Sewer works must be contained in, or alternative to, works contained in the Development Charges Background Study and must be incorporated into an executed development agreement.

In general the cost sharing of Stormwater works is broken into six categories

- 1) Local costs borne by the Owner
- 2) Oversizing of Storm pipes paid for by UWRF
- 3) Inlet & outlets to Minor SWM ponds & stream restoration paid for by UWRF
- 4) Inlet & outlets to Major SWM ponds & stream restoration paid for by CSRF
- 5) Industrial Growth works (currently subsidized by IORF)
- 6) Non-growth works that benefit the existing population

The following sections describe these categories:

### 5.1.1. Local Costs (Pipes) Borne by Owner

Costs of all storm sewage systems that are temporary, not identified in the Storm Master Plan, or not defined in the DC Background Charge Study shall be borne by the Owner.

The cost of theoretical works required by the Owner as if there were no external upstream flows shall be borne by the Owner. For storm sewers these are defined by policy to be the pipes greater than 1050mm in diameter.

Additionally, any costs associated with installing private drain connections or private systems are not claimable.

### 5.1.2. Oversizing of Storm Pipes Paid for by UWRF

The claimable portion of an oversized storm pipe constructed by an Owner in order to provide service to areas beyond their development is eligible for a subsidy from the UWRF and is payable based on an average oversizing cost basis in the form of a \$/m of pipe constructed as per the rates in the Table in Appendix 7-C. If the Owner is building through or by, lands which are currently non-developed, the claimable subsidy of such pipes shall likewise be determined in accordance with the Table in Appendix 7-C.

This subsidy is a calculated average cost listed in Appendix 7-C that is derived by subtracting the cost of a 1050mm storm sewer pipe from the estimated standard cost of oversized pipe of various sizes. The table lists the maximum claimable subsidy. If the actual cost of the works exceeds those used to calculate the table then such additional costs shall be borne by the Owner.

The rates in Appendix 7-C will be monitored and adjustments will be recommended to Council if deemed necessary. The cost per metre identified in the Appendix covers all associated engineering, manholes, restoration etc.

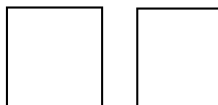
### 5.1.3. Inlet & Outlets to Minor SWM Ponds & Stream Restoration Paid For by UWRF SWM Fund

The UWRF will fund the cost of Stormwater Management works listed as eligible in the DC Background Study. These costs include limits for claims on land costs, landscaping, engineering & utilities as specified in other parts of this document. Additionally 100% of the cost of 100m of inlet and 100m of outlet sewer are payable from this fund. The non-growth portion of the funding (if any) shall be identified in the City's Capital Works Budget and approved by Council. The non-growth portion of any work under this paragraph may only be paid upon Council approval of the budget for the works in question.

### 5.1.4. Inlet & Outlets To Major SWM Ponds & Stream Restoration Paid for by CSRF SWM Fund

The CSRF will pay 100% of the cost of Stormwater Management works listed as eligible in the DC Background Study. These costs include limits for claims on land costs, landscaping, engineering, & utilities as specified in other parts of this document. Additionally 100% of the cost of 100m of inlet and 100m of outlet sewer are payable from this fund. The non-growth portion of the funding (if any) shall be identified in the City's Capital Works Budget and only be paid upon Council approval of the budget for the works in question.

The acceleration of these works contained in the City's Capital budget, and funded from the CSRF may be possible through execution of a Municipal Servicing and Financing Agreement.



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**5.1.5.Industrial Growth Works( currently subsidized by IORF)**

Certain storm sewer pipes and inlets serve ponds which benefit industrial areas. As long as the City policy exempts industrial development from development charges, the City must make provision for claiming these works from a separate fund. This fund is the Industrial Oversizing Reserve Fund and certain works are eligible for claim from this fund in accordance with the Development charges study and the policies of the Industrial Oversizing Reserve Fund (IORF),

**5.1.6.Non-Growth Works that Benefit the Existing Population**

The portion of works which services existing developed areas as identified in the Development Charges Background shall be paid from a non-DC source at such time as the City has provided for the same in its capital budgets. Non-growth portions of eligible storm sewage systems are listed in the DC Background Study report.

Any owner who proceeds with a work that contains a non-growth component prior to execution of an agreement that provides the details of the work and financing for the same shall do so entirely at their risk and expense.

**SCHEDULE 7**

**Appendix 7-A**

**Reference of UWRF Eligible Items to Payment items in Master Plan Studies that are defined by “2009 Rules”**

- |  |                |
|--|----------------|
| 1 Sanitary Sewer (Going FWD)                       | SSMP Table 5.1 |
| 2 Minor Roadworks (Going FWD)                      | MRMP Table 4.4 |
| 3 Industrial Minor-Traffic Signals                 | MRMP Table 4.3 |
| 4 Storm Sewers UWRF Going FWD (Table 4.5.2)        | STMP 4.5.2     |
| 5 SWM Total Grandfathered in UWRF Linked Systems   | ST MP 4.1      |
| 6 SWM Total Grandfathered in UWRF in GMIS Boundary | ST MP 4.1      |
| 7 SWM Total Going FWD in UWRF in GMIS Boundary     | ST MP 4.1      |

**SCHEDULE 7**

**Appendix 7-B**

**Table EX2.3 Sanitary Pipe size subsidy (as per AECOM Sanitary Master Plan Table EX2, April 2009, Amount Table (15)**

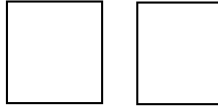
Pipe Diameter	Credit Amount (\$/m)
300 mm	
375 mm	\$54.00
450 mm	\$94.50
525mm	\$168.75
600mm	\$256.50
675mm	\$378.00
750 mm	\$499.50
825mm	\$641.25
900mm	\$715.50
975mm	\$823.50
1050 mm	\$945.00

**SCHEDULE 7**

**Appendix 7-C**

**Table EX3.3 Storm Pipe size subsidy (as per AECOM STORM DRAINAGE/SWM SERVICING DC UPDATE 2008 ReportEX3, April 2009, Amount Table (15)**

Pipe Diameter	Credit Amount (\$/m)
1050 mm	
1200 mm	\$202.00
1350 mm	\$425.25
1500 mm	\$681.75
1650 mm	\$958.50
1800 mm	\$1,302.75
1950 mm	\$1,620.00
2100 mm	\$1,991.25



**SCHEDULE 8  
To By-law No. C.P.-  
Section 25**

**CITY SERVICES RESERVE FUND - CLAIMS POLICY  
("2014 Rules" – applicable to agreements approved post August 3, 2014)**

**1. GENERAL**

**1.1. Scope**

For all development projects involving claimable works for which final approval of a development agreement was obtained after the commencement date of this by-law the following policy and rules (for convenience, called the "2014 rules") will apply to the eligibility for and payment of claims under this By-law.

**1.2. Introduction**

1.2.1. In this Policy,

"City Services Reserve Fund" (CSRF) means any one of several reserve funds used as a depository for collection of development charges (DC) and as a funding source for growth works and administered in accordance with the *Development Charges Act*.

"claim" may represent an Owner request for reimbursement from a DC reserve fund or a draw made on the City Services Reserve Fund all in accordance with the provisions made for such work in the Development Charges Background Study and the provisions of this by-law.

"committed financing" is the total cumulative estimated claims in a particular category of claimable works (as identified in the Development Charges Background Study), which have been approved by Council through approved Source of Financing reports.

"development agreement" means an agreement between the City and an Owner required as a condition of an approval under Sections 41, 51 or 53 of the Planning Act and Section 9 of the Condominium Act entered into prior to the date this by-law comes into effect.

"Fund" means the City Services Reserve Fund any one of several reserve funds used as a depository for collection of development charges and as a funding source for growth works.

"Growth Management Implementation Strategy" (GMIS) is the strategy adopted by Council in June, 2008 that provides a framework for the timing and locating of future infrastructure works required to serve growth.

"Sanitary Sewer Servicing Study" (SSSS) is any study, which from time to time, reviews and reports on the optimal approach to serving growth areas of the City with sanitary sewer conveyance and treatment.

"Source of Financing" means a schedule (or report) issued by the City's Finance Division outlining the source of funding attached to the Committee report and related to the financing of a capital work triggered by development, and may include conditions of such financing. The Source of Financing report shall contain information about the amount of previously committed financing for that category of works as well as the approved budget.

"Urban Growth Area (UGA)" means the Urban Growth Area existing from time to time as identified in the City's Official Plan as approved.

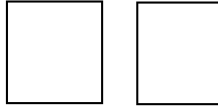
"Work Plan" is a document prepared by an engineering consultant that outlines the various tasks related to an engineering design. The document will outline the associated cost for each task and will serve as an upset cost limit for the engineering design assignment.

1.2.2. This policy establishes the guidelines, procedures and requirements relating to the submission and processing of a claim to the City Services Reserve Fund ("CSRF").

1.2.3. All claims considered to be complete shall be processed as per the Council approved "Source of Financing" and consistent with provisions of this Schedule.

**1.3. Claimability**

Any item listed as claimable, subsidizable, or eligible for funding from a development charge reserve fund must also be provided for in the approved DC rate calculations as reflected in the 2014 Development Charges Background Study. To the extent that specific cost sharable works and



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projects cannot be identified as to location or timing, there should be a contingency provided for in the estimates that is incorporated into the rates.

The ultimate ability to claim for reimbursement, the cost of any work constructed by an Owner shall be subject to authorization to construct the work in the development agreement or subject to execution of a servicing agreement prior to commencement of the work, and to other provisions of this Schedule. Coincident with the inclusion of a provision to construct a claimable work in a development agreement, Administration shall generate a Source of Financing Report demonstrating the availability of financing for the work in relation to the approved capital budget for the particular category of works. Where the approved budget is not sufficient to absorb the new funding commitment for the work, the capital budget approval may be deferred until the following year's budget cycle. The developer shall proceed at their own risk of refusal of the claim, should they proceed with works authorized in the development agreement until a commitment approving the funding of such works from an approved project budget has been obtained.

It is important that the City continue to monitor between DC Background Studies, the accuracy of the estimates and assumptions used to establish the rates. To the extent that substantial variations are identified, Council should be advised and will need to consider whether to increase or decrease the rates in accordance with the monitoring observations.

### 1.4. Non-Growth Works that Benefit the Existing Population

Where works funded in part from the CSRF are subject to this policy and also include a non-growth component in the DC Background Study, funding of that portion of the works must wait until the City has approved sufficient funds in its Council approved capital budgets, or Council makes provision for a Reserve Fund designated for use in funding the non-growth share of DC funded works, to pay for that non-growth portion of the works. The non-growth portion of the funding shall be identified in the City's Capital Works Budget and be subject to approval by Council.

### 1.5. Use of Contingencies

Works listed as eligible in the Development Charges Background Study, or with the approval of the City Engineer, in consultation with the Director, Development Finance, drawn from a contingency and/or an alternative to a work listed in the Background Study may be funded from the CSRF.

### 1.6. Exceptions

The Development Charge By-law allows for exceptions to projects listed in the DC Background Study for works listed as eligible in the Development Charges Background Study, or with the approval of the City Engineer, in consultation with the Director, Development Finance, drawn from a contingency and/or substituted for a work listed in the Background Study may be claimable.

### 1.7. Phasing

Prior to Phasing of any works the Owner must obtain written approval from the City Engineer to construct the infrastructure in phases and to also make claim for the incremental cost of phasing the works. Permission to construct works in phases shall not automatically permit partial claims.

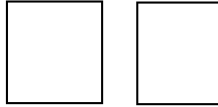
The City Engineer may consider a request for internal construction phasing of a subdivision and could determine that it should be staged in a manner that will balance all of a geographical area's needs. The construction of entire systems may be linked, at the discretion of the City Engineer (or designate), to a claim's eligibility for payment from the CSRF.

Additionally, if property easements are required to service adjacent developments and are not provided by an owner then any payment of CSRF claim associated with that development may be withheld until the easement is provided.

### 1.8. Completeness of Claims

Prior to acceptance of a claim, the following requirements shall be satisfied:

- a) The claim must conform to an Agreement that has been approved by City Council, or a delegated authority or officer, signed and registered on title to the affected property. The works for which the claim is made shall be 100% complete with certain exceptions allowed by the City Treasurer (or designate) for seasonal condition preventing completion;
- b) The claims for the works are to be submitted by a Registered Professional Engineer retained by the Owner. The City Treasurer (or designate) reserves the right to accept only claims stamped by the same consulting engineering company who designed, inspected and certified as complete the works for which the claim is being made;
- c) No consideration will be given to claims for works which have previously been claimed and authorized. Works omitted from a previous claim will be considered for payment upon submission;

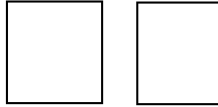
**Schedule 8**

- d) No claims to the Fund will be accepted for works that form part of an agreement for which the warranty period has expired. No new claims shall be authorized for payment, after all the securities have been released;
- e) The following documentation shall be included with the claim for it to be considered complete:
- i. A covering letter from the consulting engineer stating that a claim is being made to the CSRF on behalf of the Owner with reference to the specific Agreement and clauses. The location and nature of the works shall be described and the costs representing the amount being claimed from the CSRF should be stated inclusive of applicable sales tax. The mailing address as well as the HST Registration Number of the Owner shall be provided;
  - ii. The "Certificate of Completion of Work" pertaining to the works being claimed in the format specified in the Agreement with an added statement certifying the quantities and final costs relating to the claim;
  - iii. Any specific documentation that may be required by the Agreement such as an inspection report, condition report, or survey. Such documentation shall be satisfactory to the City Treasurer (or designate);
  - iv. Summary sheets detailing the sharing of costs, engineering and HST calculations;
  - v. The consulting engineer's calculations of all quantities and final costs relating to the claim;
  - vi. Servicing drawings for the related claimable works;
  - vii. Copy of summary of unit prices and/or a copy of all tenders for the entire project;
  - viii. Copy of the final payment certificates;
  - ix. All paid invoices for claimable engineering fees;
  - x. An affidavit with reference to the claim signed by both the consulting engineer and the Owner certifying that all invoices included in the claim package have been paid;
  - xi. Copy of the advertisement for tender, where a public tender is required;
  - xii. A summary of all bids, where a public tender is not required (see "Tendering" below);
  - xiii. All backup information relevant to the claim including invoices, change orders, fees etc;
  - xiv. Copy of the Certificate of Publication of Substantial Performance, including the date of publication. This publication is generally carried in the Daily Commercial News and should include both the name of the Owner and the City of London. Similarly both should be mentioned under "Office to which claim for lien must be given to preserve lien"; and
  - xv. Completed "Summary of Claimable Works" with current information for the subdivision or development.
- f) All claims shall be submitted to the Finance and Corporate Services, Development Finance Division.

**1.9. Tendering**

The following rules shall apply to the tendering of works under this Schedule. Works paid as per the fixed subsidy (storm, watermain and sanitary sewer oversizing) are not subject to these tendering requirements;

- a) Projects undertaken by agreement between the City and an Owner with an estimated claimable amount in excess of \$250,000 are to be undertaken by public tender;
- b) Projects undertaken by agreement between the City and an Owner with an estimated claimable amount less than \$250,000 may be undertaken by a public tender, or by invitation with a minimum of 3 invited tenders;
- c) Works requiring an Owner to perform horizontal drilling may be undertaken by invitation with a minimum of 3 invited tenders;
- d) Sole sourcing of a construction project is permissible when :



**Schedule 8**

- i. Work is an extension of existing work and is a result of a change in scope during the project; there is no increase in individual tender item prices; and the Owner has obtained written approval from the City Treasurer or his/her designate before sole sourcing, or
  - ii. Works where no portion of which are eligible for claims;
- e) The Owner’s Consulting Engineer will provide a cost estimate prior to issuing any tender;
  - f) All claimable external works shall be identified as a separate tender schedule listing items, quantities, plan locations of quantities (chainage from station to station), and unit costs within larger construction contracts;
  - g) Tender documents for the works which are eligible for claims must be standard City of London Contract Documents. They must be in a unit price format and follow a formal tender opening procedure to the specifications of the City Treasurer (or designate) ;
  - h) Calculation of eligible items in the claim will be based on the successful lowest bidder’s tendered unit prices regardless of which contractor ultimately performs the work;
  - i) Advance notification to the City of the time and location of the tender opening shall be provided to the City’s Development Finance Division; and
  - j) Tender results and unit price summaries shall be provided to the City’s Development Finance Division for review upon the closing of tenders and prior to awarding the contract.

**1.10. Miscellaneous**

Miscellaneous items in the contract that apply partially to the cost shareable works such as Bonding, Field Office Trailer , Traffic Control, and Permits can be claimed as a percentage of the total tendered contract amount using the following formula;

Claimable costs excluding bonding, trailer etc.	X	Costs of bonding, trailer etc.	=	Claimable Amount
Total tendered contract excluding bonding, trailer etc.				

**1.11. Engineering Fees**

1.11.1. Initiation of Engineering Design for Claimable Works

Prior to initiating the engineering design for a claimable work the Owner’s Consulting Engineer shall submit a Work Plan outlining the anticipated engineering tasks and associated costs related to design and construction administration related to the claimable works. The Work Plan will be reviewed and approved by both the City Engineer (or designate) and City Treasurer (or designate). Any engineering fees incurred prior to the acceptance of the Work Plan cannot be submitted as part of the claim. Engineering fee invoices submitted as part of claimable works should breakout separately fees related to the claimable tasks outlined in the accepted Work Plan. The invoiced engineering fees will be processed for payment at the actual invoiced costs.

No claim in excess of the value included in the accepted Work Plan shall be considered. One addendum to the Work Plan may be submitted subject to the acceptance by the City Engineer (or designate) and City Treasurer (or designate) and is to be submitted prior to any overage of the project value included in the Work Plan. In the event that costs have been incurred following an overage in the Work Plan upset limit and prior to the acceptance of a Work Plan addendum the fees incurred over said time period will not be claimable.

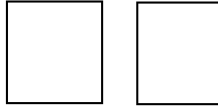
The Engineering fees related to the following activities are not claimable:

- a) Land acquisition costs,
- b) Works performed and invoiced by utility companies,
- c) Ministry of the Environment application fees,
- d) The design of Stormwater Management Best Management Practices and Private systems, and
- e) Sewers and watermains claimed under the oversizing provisions of this by-law,
- f) Permits, fees, incidental expenses necessary for completion of the works.

**1.12. Payment**

The following rules shall apply to payments under this schedule:





## Schedule 8

- a) Valid claims will be eligible for payment to the Owner in accordance with the terms of the applicable Agreement and the approvals discussed in this section.

Claims approval will only be possible where budget approval for the particular claim in question has been sought and granted. Budget approval shall be sought at the time of tabling for approval, a final development agreement which contains reference to claimable works. Where Council has delegated authority for approval of the agreement in question, budget approval shall be deemed to have been provided upon approval of the development agreement that contains reference to the construction and claim of claimable works. The Director of Development and Compliance Services (or designate) shall be responsible for advising the City Treasurer (or designate) prior to the approval of “delegated approval agreements” referred to above. Where budget approval cannot be granted due to budget restrictions in relation to previous approved claims, a subsequent approval will be sought in the next following budget year.

Upon the approval in the previous paragraph being granted, the claim will be considered to have achieved “committed financing”.

- b) The Owner may provide the City with a properly executed “Assignment and Direction”, in a format acceptable by the City Solicitor, to transfer the payment(s) of claims to another party;
- c) The payment of claims from the Fund will be processed following the receipt of a complete claim. Timing of payment of the claim is subject to timing outlined in the Source of Financing approved by Council to come forward with the related development agreement. Draws from the CSRF (including payment of claims) will be limited to the extent of the committed financing previously approved by Council through the annual budget approval process and as discussed in section a) above. Claims which exceed the level of funding previously committed may be deferred for approval to the next year’s budget process. This payment policy ensures that claims are paid only in accordance with approved commitments, and that the annual commitments are generally consistent with the average annual provision made in the DC rate calculations.
- d) Holdback under the Construction Lien Act:
- i. 10% holdback is retained on a claim until the entire contract has been substantially performed and the 45 days statutory period from the day of publication in a Daily Commercial News of the substantial performance has expired, and all clearances have been obtained; and
  - ii. If there is no certificate of publication included with the claim, the holdback will not be released until the certificate is provided and 45 days has elapsed from the date of publication and all clearances have been obtained.

### 1.13. Claims by Non-Contributing Entities (City of London)

When the City acts as or in place of an Owner it shall be eligible to make claims from the Fund.

### 1.14. Dispute Resolution

Exceptions to the procedures mentioned herein may occur. The preferred methodology to resolve any dispute would be to seek interpretation and clarification through the City Treasurer (or designate), who shall consult with the City Engineer (or designate) as necessary. Should the Owner still feel aggrieved by a given policy interpretation then their avenue to seek remedy/ relief is the Corporate Services Committee in accordance with the “Complaints” provisions outlined in the by-law.

### 1.15. Construction of Major Infrastructure

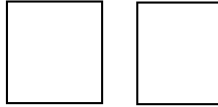
Significant infrastructure projects would usually be paid and managed by the City though the CSRF, as identified in the Development Charges Background Study. The City Engineer shall determine which works may be constructed in conjunction with a development or subdivision agreement.

### 1.16. Acceleration of Timing of Construction

Acceleration of works provided for in the City’s future capital budget may occur, subject to execution of a separate Municipal Servicing and Financing Agreement (MSFA) and subject to a separate policy adopted with respect to MSFAs as contained in the Development Charges Background Study.

### 1.17. Municipal Land Requirements – Lands Owned by the Owner

Provisions of a development agreement or consent authority under the Planning Act may include conditions relating to the dedication of lands at no cost to the City or Road widenings, sewers, paths, commuter parking lots, transit stations and related infrastructure for the use of the general public. As noted in the City of London Official Plan all municipal property requirements including easements (with the exception of lands required for regional Stormwater Management Facility lands as identified in the DC Background Study) identified in a consent or development agreement shall be provided at no cost to the City of London and/or any Development Charge Fund.



**Schedule 8**

Any land or easements that are owned by the Owner and which are transferred permanently to the City as a condition of a development approval are not eligible for claim with the exception of storm water management facilities. Temporary easements are not eligible for claim.

If the Owner chooses to relocate an existing internal watercourse or conveyance channel outside of the subdivision, when the water course or channel could have been located inside the plan, then no claim for easement acquisition may be made for the open channel.

Costs relating to existing watercourse improvements are not claimable unless specifically mentioned as projects in the DC Background Study

**2. ROADWORKS**

**2.1. General**

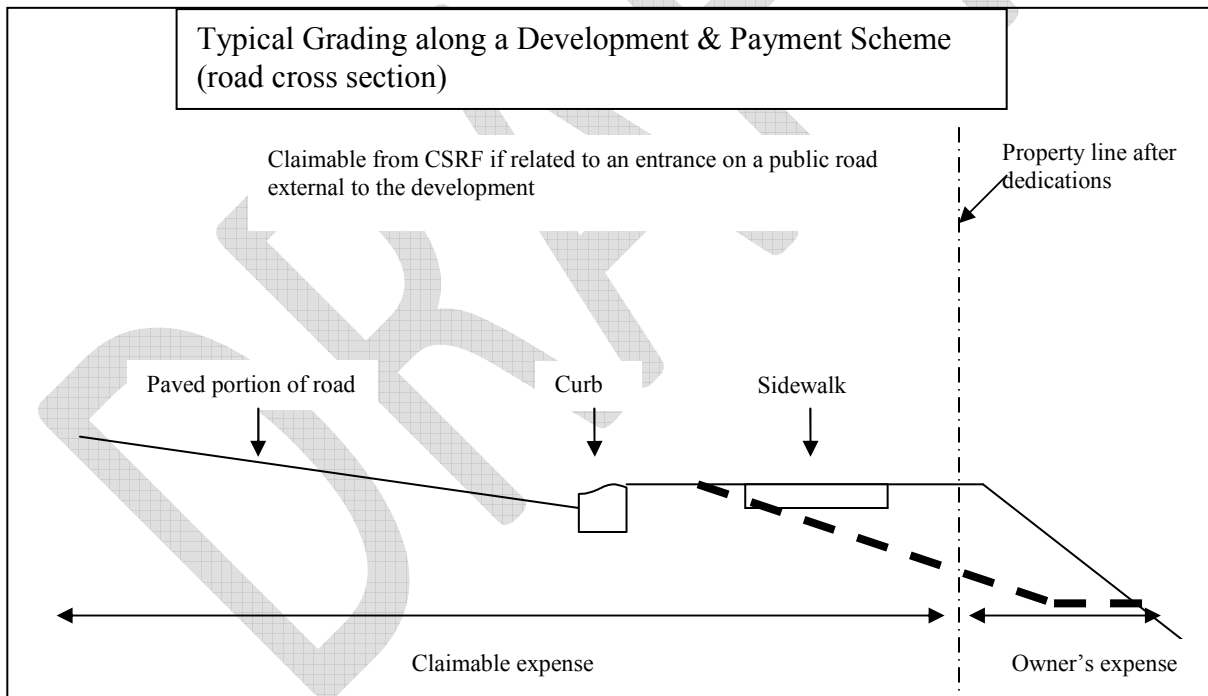
Where a development abuts, faces, flanks or backs onto, or is divided by an existing arterial or primary collector road, and the City requires the Owner to construct minor works beyond their immediate access work, such road works may be claimable to the CSRF.

**2.2. Works on lower order streets**

The City may identify roadworks along lower order streets (local and collector) that require improvements due to localized growth in an area that is not specifically attributable to one single development.

**2.3. Limits of payment due to property extent and grade**

Payment for claimable works is restricted to that portion of the works that is situated upon public or future public lands. As illustrated below there shall be no payment for spillage of fill or grading on privately owned lands.

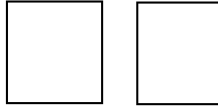


**2.4. Major Roadworks (CSRF - Roads Services)**

Major Transportation road works typically consist of large-scale arterial road widening projects or two lane road upgrades triggered by increased traffic volumes associated with growth across the City. All Major Transportation Roadworks are constructed by the City and the growth related cost is eligible for a claim from the CSRF - Roads Services.

The costs of the following items are incorporated into road projects and are required as a result of growth:

- a) Structures to be widened or replaced
- b) Noise barrier wall where required
- c) Land acquisition (raw land cost, appraisals, surveying, legal, etc.) but only where lands cannot be acquired through dedications under the Planning Act on a timely basis.



### 2.5. Minor Roadworks (CSRF - Roads Services)

Minor Road Works that would be constructed as part of the major road project are eligible to be claimed from the CSRF - Roads Services. These works include: new traffic signals, channelization, sidewalks, and streetlights. In some cases, these works are done in advance of the road capacity expansion project as a means of addressing a network wide benefit to growth, without completing the entire road expansion.

### 2.6. Arterial Road Extensions (CSRF - Roads Services)

When a development precedes the construction of a new arterial road that is either adjacent to or runs through the developable lands, the Owner is responsible for the construction of a primary collector road along the ultimate road right-of-way. A partial claim for this work may be made as per the primary road oversizing provisions for Minor Works - CSRF.

### 2.7. Minor Road Works - Road Oversizing (CSRF – Minor Roadworks)

Where a new arterial or primary collector road is to be constructed in whole or in part through or adjacent to a development, the Owner is responsible for the cost of constructing a secondary collector road as defined in the City of London's Design Specifications & Requirements Manual. If the required road is wider or at a higher standard, the Owner is responsible for the cost of a standard road, including sidewalks, street lights, etc., and is eligible for a claim to the CSRF – Minor Roadworks for the difference in cost between a standard road and the road actually constructed. The construction responsibilities shall be defined by the conditions of an agreement between the City and the Owner. If the Owner wishes to construct the road at an enhanced standard beyond that acceptable to the City Engineer, then the Owner shall pay for the additional costs of enhancement with no eligibility for a claim from any fund.

### 2.8. Channelization (CSRF – Minor Roadworks)

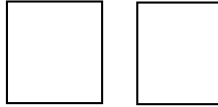
Channelization on a primary or arterial road into a new public street is eligible for a claim from the CSRF – Minor Roadworks. The following subsections list the various additional components of the channelization which are considered claimable:

- a) Tree Plantings  
When replacement trees are planted as part of external roadworks to compensate for removed trees, other than those removed to facilitate an access, the cost of the removal and replacement is claimable. All other tree plantings are not claimable.
- b) Ditching  
When ditching and/or the installation of catchbasins is required to facilitate claimable external road work the drainage works may be incorporated in the minor roadworks claim to the CSRF.
- c) Utility Relocations  
Utility relocations necessitated by the claimable roadworks can be claimed upon providing a copy of the invoices from the utility and proof of payment in full. The City shall issue a letter to the utility company stating that this work is required by the City under the Highway Act and will pay for 50% of cost of labor and trucking. This 50% share is claimable from the CSRF; the other 50% is the utility's share and is not claimable. Should the utility refuse to pay these costs, the 50% "utility share" shall be the responsibility of the proponent Owner. Engineering fees associated with these relocations are not claimable.

### 2.9. Local Service Costs (Owner Cost)

The following subsections list the various road components which are considered a local service cost and are therefore constructed at the expense of the Owner:

- a) Connections  
Connections of all public and private new streets, roads, ramps or entrances (including features and design details such as: roundabouts, culverts, signage, gateway treatments, noise wall alterations, sidewalks, bike lanes, bike pathways, paths, directional traffic islands, decorative features) to the existing road infrastructure;
- b) Placing Fill  
Re-grading, cutting and placing fill on lands beyond the road allowance along their frontage in accordance with City of London standards. In addition, all grading and restoration of road allowance along the development frontage if no claimable roadworks are required;
- c) Topsoil and Sod  
Topsoil and sod to the edge of any existing sidewalk fronting the development;
- d) Tree Planting  
Planting of new trees fronting the development, except as provided in the Minor Road Works - Road Oversizing or Channelization policies.



**Schedule 8**

- e) Sidewalk Reinforcement  
Any upgrade or reinforcement from a standard 100mm thickness sidewalk across the development's new access;
- f) Retaining Walls  
Retaining walls along the development frontage, where acceptable to the City Engineer;
- g) Temporary Works  
100% of the cost of temporary asphalt sidewalks, roads, paths, swales along the frontage abutting arterial or primary collectors where installation in ultimate location is deemed premature;
- h) Traffic Signals at Private Streets  
Traffic signal installations at all private entrances and at public entrances which do not meet MTO warrants;
- i) Other Works  
Any other services, removals, relocations, etc., required including but not limited to, utility relocation, sidewalk alterations, and curb cuts;
- j) Restoration and Damage  
Restoration of any utility cuts, and or damage created by construction activities and /or construction traffic in and out of the development. including but not limited to daily removal of mud tracking, daily dust suppression, milling and paving of deteriorated asphalt caused by construction traffic, grading of gravel shoulders to remove rutting caused by construction traffic;
- k) Noise Attenuation Measures  
All noise berms, window streets, fences and privately maintained noise walls;
- l) Grading and BMPs  
Grading elements such as: swales, ditches, best management practices, (BMPs) and any other feature to address over land flow routes needs created by the development's grading;
- m) Paths and Walkways  
Pedestrian paths, walkways, bridges, tunnels, including the related lighting and signage (Note: Parkways are constructed by the City and are specifically provided in the Development Charges Background Study);
- n) Utility Upgrades  
The costs related to the upgrading of any utility plant, or the relocation of the same, unless necessitated by the roadwork;
- o) Relocation and Replacement Costs  
The relocation and/or replacement costs of any encroachment on the City's road allowance or easement including but not limited to hedges, sprinklers systems and fences;
- p) Street Lighting  
Street lighting at intersections with existing roads where required by the development agreement.

**3. SANITARY SEWERAGE WORKS**

**3.1. Regional Trunk Sewers (CSRF- Sanitary Sewerage)**

All sewers required to service future development with a diameter greater than 450mm are considered to satisfy a regional benefit to growth and are to be identified as separate projects in the DC Background Study and are eligible for a claim from the CSRF- Sanitary Sewerage.

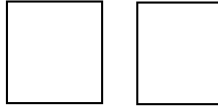
All sewers of any diameter required to service future development and that are identified as a strategic need by the City Engineer are considered to satisfy a regional benefit to growth and are to be identified as separate projects in the DC Background Study and are eligible for a claim from the CSRF- Sanitary Sewerage.

In order to be eligible for a claim as a Regional Trunk Sewer, the sewer must have no Private Drain Connections to individual residential units otherwise the "Sewer Oversizing" policy applies.

**3.2. Sewer Oversizing (CSRF - Minor Sanitary Sewers)**

Sanitary Sewers, which are not Regional Trunk Sewers, with all of the following attributes are eligible for a subsidy from the CSRF - Minor Sanitary Sewers:

- a) The sewer services external developable areas, and
- b) The sewer is greater than 250mm in diameter.
- c) The oversized portion (>250mm) is eligible for a subsidy payable based on an average oversizing cost and is stated in terms of a \$/m of pipe constructed. The oversizing subsidy amounts are reflected in Appendix 8-A. The oversizing subsidy amounts cover the cost per metre of all associated eligible costs including engineering, manholes, restoration, etc.



### 3.3. Pumping Stations (CSRF- Sanitary Sewerage)

The upgrading or construction of new regional pumping stations are to be identified as separate projects in the DC Background Study and are eligible for a claim from the CSRF- Sanitary Sewerage. These projects must also be identified in the Development Charges Background Study. A figure showing the location of all of these pumping stations is provided in the Sanitary Servicing Development Charge Background Study (March 2014).

### 3.4. Temporary Pumping Stations (Owner Cost)

The cost of any temporary pumping stations or forcemains is borne by the Owner. Approval of temporary works is at the discretion of the City Engineer. Where a temporary facility precedes the construction of a permanent facility, the Owner that requires the temporary facility will be required to also assist in making provision for the permanent facility (e.g. provide land for permanent facility) as a condition of approval for the temporary facility. In order for a temporary work to proceed there must first be provisions for the permanent work within the current Development Charge Background Study.

### 3.5. Wastewater Treatment Upgrades (CSRF- Sanitary Sewerage)

All wastewater treatment upgrades considered to satisfy a regional benefit to growth and are to be identified as separate projects in the DC Background Study and are eligible for a claim from the CSRF- Sanitary Sewerage.

### 3.6. Temporary Sanitary Sewerage Systems (Owner Cost)

Costs of all sanitary sewage systems that are temporary or are not defined in the DC Background Charge Study shall be borne by the Owner. Approval of temporary works is at the discretion of the City Engineer. Where a temporary facility precedes the construction of a permanent facility, the Owner that requires the temporary facility will be required to also assist in making provision for the permanent facility (e.g. secure land for permanent facility) as a condition of approval for the temporary facility. In order for a temporary work to proceed there must first be provisions for the permanent work within the current Development Charge Background Study.

### 3.7. Local Service Costs (Owner Cost)

Any pipe or portion of a larger pipe that is less than or equal to 250mm in diameter are referred to as local works, and undertaken at the Owner's expense.

## 4. STORMWATER WORKS

### 4.1. Claimable Storm Water Works

In order to be claimable, Stormwater management works must be a permanent facility and be contained in, or alternative to, works contained in the Development Charges Background Study and must be incorporated into an executed development agreement.

### 4.2. Regional Trunk Sewers (CSRF- Major SWM Works)

All sewers to be constructed within existing City owned lands that service multiple new development areas are considered to satisfy a regional benefit to growth and are to be identified as separate projects in the DC Background Study and are eligible for a claim from the CSRF- Major SWM Works.

### 4.3. Regional Open Channels (CSRF- Major SWM Works)

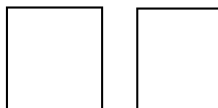
Any open channel works identified through the Environmental Assessment process that are considered to satisfy a regional benefit to growth are to be identified as separate projects in the DC Background Study and are eligible for a claim from the CSRF- Major SWM Works.

### 4.4. Storm Sewer Oversizing (CSRF- Minor Storm Works)

Storm Sewers with all of the following attributes are eligible for a subsidy from the CSRF - Minor Storm Works:

- a) The sewer services external developable areas, and
- b) The sewer is greater than 1050mm in diameter.

The oversized portion (>1050mm) is eligible for a subsidy payable based on an average oversizing cost and is stated in terms of a \$/m of pipe constructed. The oversizing subsidy amounts are reflected in Appendix 8-B. The oversizing subsidy amounts cover the cost per metre of all associated eligible costs including engineering, manholes, restoration, etc.



**4.5. Open Channel Oversizing (CSRF- Minor Storm Works)**

Open Channels with all of the following attributes are eligible for a subsidy from the CSRF - Minor Storm Works:

- a) An open channel design is required for the reason of inherent site drainage constraints and the design has been accepted by the City Engineer,
- b) The open channel services external developable areas, and
- c) The open channel has a 2-year storm design flow cross-sectional area greater than a 1050mm sewer using the City's minimum design standards.

The oversized portion represents the cross-sectional area required in excess of a 1050mm sewer for a 2-year storm design. The oversizing subsidy will be calculated based on the additional cost of oversizing beyond an area equivalent to a 1050mm pipe size using the City's minimum design standards for a 2-year storm design flow. The oversizing subsidy is payable based on an average oversizing cost in the form of a \$/m of channel constructed as calculated by the Owner's consulting engineer and as accepted by the City Engineer (or designate). An allowance of 15% will be added to the calculated oversizing amount to cover applicable engineering costs.

**4.6. Stormwater Management Works (CSRF- Major SWM Works)**

4.6.1.Environmental Assessment Complete

Any municipally owned or operated stormwater management works designed to provide capacity to facilitate growth that are identified through the Environmental Assessment process and are considered to satisfy a regional benefit to growth are to be identified as separate projects in the DC Background Study and are eligible for a claim from the CSRF- Major SWM Works.

4.6.2.Environmental Assessment Not Complete

Stormwater Management Works for which an Environmental Assessment has not been completed that are anticipated to satisfy a regional benefit to growth are to be identified as separate area specific contingencies in the DC Background Study and are eligible for a claim from the CSRF- Major SWM Works.

Upon completion of the applicable Environmental Assessment (i.e. no outstanding Part 2 orders), a review of the related area specific contingency and the development charge rate will be undertaken and, if required, a revision to the development charge by-law will be made.

**4.7. Stormwater Management Facility Land Policies (CSRF- Major SWM Works)**

With respect to land acquisition for storm water management facilities the value of the land shall be subject to review every five years and is established as follows:

4.7.1.Non-Developable lands

Non-Developable lands may include designated flood plains, hazard lands, and natural heritage areas as defined in the City's Official Plan or any area located outside the limit of development as determined through the development studies and/or draft plan or site plan process: **\$5,500/acre (\$13,590/hectare)**

Lands under existing open water are not claimable as defined by the London 2 year design storm high water elevation.

4.7.2.Park Land

Lands set aside as a dedication for parks and not designated for development: **\$ Nil**

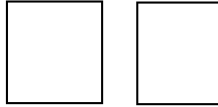
Where there is a shared use of a stormwater or sanitary work such as a maintenance road/pathway, the use and maintenance of the road/pathway shall be viewed as functioning solely for the sanitary or stormwater service use not the park use. The costs associated with the maintenance access path shall be borne by the related service's City Services Reserve Fund.

4.7.3.Developable Lands

Developable lands are inside the urban growth boundary and included inside of the limit of development as established by the draft plan or site plan approval process: **\$125,000/acre (\$308,880/hectare)**

4.7.4.Lands Required Outside the Urban Growth Boundary

Where lands are required outside the Urban Growth Boundary for the purposes of stormwater management the value of the required lands will be determined via a property appraisal completed by the City to the satisfaction of the City Treasurer.



4.7.5. Legal Fees

Legal fees directly related to the land transfer may be claimable subject to the review and acceptance of the City Solicitor.

**4.8. Major SWM Facility Inlet and Outlet Sewers within the SWM Block (CSRF- Major SWM Works)**

Any storm sewers within a Major SWM Facility block that are either upstream or downstream of a facility are considered to satisfy a regional benefit to growth and are eligible for a claim from the CSRF- Major SWM Works.

**4.9. Major SWM Facility Outlet Sewers outside the SWM Block (CSRF- Major SWM Works or CSRF- Minor Storm Works)**

Any major SWM facility outlet sewer that extends outside the SWM block facility is considered to satisfy a regional benefit to growth and is eligible for a claim from the CSRF- Major SWM Works if the outlet sewer is not also used to provide drainage to a development adjacent to the outlet sewer.

In the event that all or a portion of the outlet sewer outside the SWM block is used to provide drainage to a development adjacent to the outlet sewer then the portion of the outlet sewer downstream from the adjacent development is eligible for "Storm Sewer Oversizing" as described above.

**4.10. Local Service Costs (Owner Cost)**

Any pipe or portion of a larger pipe that is less than or equal to 1050 mm in diameter are referred to as local works, and undertaken at the Owner's expense.

**4.11. Temporary Storm Sewers (Owner Cost)**

Costs of all storm sewer systems that are temporary or not defined in the DC Background Charge Study shall be borne by the Owner. In order for a temporary work to proceed there must first be provisions for the permanent work within the current Development Charge Background Study.

**4.12. Temporary Stormwater Management Works (Owner Cost)**

Any temporary works or works not included in the approved Development Charges Background Study are at the sole expense of the Owner including operation, maintenance and decommissioning. Approval of temporary works is at the discretion of the City Engineer. Where a temporary facility precedes the construction of a permanent facility, the Owner that requires the temporary facility will be required to also assist in making provision for the permanent facility (e.g. secure land for permanent facility) as a condition of approval for the temporary facility. In order for a temporary work to proceed there must first be provisions for the permanent work within the current Development Charge Background Study.

Best management practices or private drainage systems are not claimable unless identified through the Environmental Assessment process as being required to meet a regional benefit to growth.

The construction of road side ditches, swales, and overland flow routes are not eligible for claim from the City Services Reserve Fund - Stormwater Management.

**5. WATER DISTRIBUTION**

**5.1. Major Watermains (CSRF-Water Distribution)**

All watermains required to service future development greater than or equal to 400mm in diameter are considered to satisfy a network wide benefit to growth and are to be identified separately as projects in the Development Charges Background Study and are eligible for a claim from the CSRF- Water Distribution.

**5.2. Watermain Oversizing (CSRF-Water Distribution)**

Watermains with the all of the following attributes are eligible for a subsidy from the CSRF-Water Distribution:

- a) The watermain services external developable areas, and
- b) The watermain is greater than 250mm in diameter and less than 400mm in diameter.

The oversized portion (>250mm) is eligible for a subsidy payable based on an average oversizing cost and is stated in terms of a \$/m of pipe constructed. The oversizing subsidy amounts are identified in Appendix 8-C and are to be payable from the City Services Reserve Fund. Payment of claims from the City Services Reserve fund is subject to budget approval.

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**Schedule 8**

**5.3. Water Facilities (CSRF-Water Distribution)**

Where the upgrading or construction of new public water booster pumping stations and reservoir projects are designed to increase capacity or improve service to acceptable standards and as a result of growth, these works are eligible for a claim from the CSRF-Water Distribution. These projects must also be identified in the Development Charges Background Study.

**5.4. Temporary Facilities (Owner Cost)**

Where a temporary facility precedes the construction of a permanent facility, the Owner that requires the temporary facility will be required to also assist in making provision for the permanent facility (e.g. secure land for permanent facility) as a condition of approval for the temporary facility. Approval of temporary works is at the discretion of the City Engineer. In order for a temporary work to proceed there must first be provisions for the permanent work within the current Development Charge Background Study.

**5.5. Local Service Costs (Owner Cost)**

Any watermain or portion of a larger watermain that is less than or equal to 250mm in diameter is referred to as “local works”, and undertaken at the Owner’s expense.

**6. Construction of Major CSRF Works by Owner**

At the discretion of the City Engineer construction of Major CSRF works may be undertaken by the Owner where acknowledged by the City Engineer (or designate) in writing. The following activities must take place to ensure claimability of the works:

- a) The City Engineer shall acknowledge the commencement of the work by the Owner or their agent, in writing, with any conditions associated with costs to be incurred. Any costs incurred prior to the City Engineer’s acknowledgement will be undertaken strictly at the risk of the Owner or their agent.
- b) Engineering fees will be payable as outlined in Section 1.11 “Engineering Fees” of this schedule.
- c) The Owner shall provide the draft tender documents to the City Engineer (or designate) and City Treasurer (or designate) for acceptance. The City will ensure that the Owner has made an appropriate distinction of costs between claimable costs to be funded from City administered funding sources, and local costs which are the responsibility of the Owner to bear.
- d) Costs ultimately eligible for reimbursement must comply with Section 1.3 “Claimability” and Section 1.12 “Payment” of this schedule and be provided for in an approved capital budget.
- e) Payment of the claim will be subject to the submission of claim documentation as outlined in Section 1.8 “Completeness of Claim”.
- f) Elements of the City’s Purchasing Policy as it relates to Public Tenders, Requests for Proposal and Sole Sourcing must be met.
- g) Submitted invoices shall include a description of the work completed with reference to the applicable Work Plan task, the cost and duration of the work, and indicate the date the work was completed.
- h) No claim shall be paid on reimbursable work unless it is completed. Whether a work is completed shall be determined by the City Engineer.

**SCHEDULE 8  
Appendix 8-A**

Based on Table 3-6: Oversizing Cost Schedule, AECOM Sanitary Servicing Development Charge Background Study (March 2014).

Pipe Diameter	Credit Amount (\$/m)
250 mm	0
300 mm	25
375 mm	55
450 mm	95
525 mm	160
600 mm	240
675 mm	350
750 mm	460
825 mm	585
900 mm	655
975 mm	780



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**Schedule 8**

**SCHEDULE 8  
Appendix 8-B**

Based on Table 3.1: Oversizing Compensation, Delcan 2014 Stormwater and Drainage Development Charges Update Study (March 2014).

Pipe Diameter or Closest Circular Equivalent	Circular Pipes(\$/m)	Elliptical Pipe(\$/m)	Box Culvert Pipe(\$/m)
1050 mm	0	0	0
1200 mm	250	400	250
1350 mm	520	670	520
1500 mm	831	1031	831
1650 mm	1168	1368	1718
1800 mm	1593	1843	2143
1950 mm	1978	2278	2528
2100 mm	2430	2730	2980
2250 mm	2851	3201	3401
2400 mm	3272	3722	4122
2550 mm	3693	4143	4543
2700 mm	4113	4563	4963
2850 mm	4534	4984	5384
3000 mm	4955	5405	5805

**SCHEDULE 8  
Appendix 8-C**

Based on Table 4-2 Oversizing Subsidy for Watermains, AECOM 2014 Water Servicing Development Charge Background Study (March 2014).

Pipe Diameter	Credit Amount (\$/m)
250 mm	0
300 mm	60
400 mm	155
450 mm	245
500 mm	420
600 mm	700
750 mm	1125
900 mm	1455