



Simpson Road (Phase 2 – from George Bolton Parkway Road to 125m North) Area-Specific Development Charges Background Study

Town of Caledon

July 22, 2025

Watson & Associates Economists Ltd.
905-272-3600
info@watsonecon.ca

Table of Contents

	Page
1. Introduction.....	1-1
1.1 Background.....	1-1
1.2 Purpose of this Document.....	1-3
1.3 Summary of the Process.....	1-4
1.4 Development Charges Act (D.C.A.) Background Study Requirements	1-5
2. Anticipated Development	2-1
2.1 Simpson Road (Phase 2) Development Area	2-1
2.2 Anticipated Growth in the Simpson Road (Phase 2) Development Area	2-1
3. Simpson Road (Phase 2) Area-Specific Development Charge	3-1
3.1 Increase in Need for Service.....	3-1
3.2 Area-Specific Development Charge Calculations	3-2
3.3 Long Term Capital, Operating Cost Examination and Asset Management Plan.....	3-4
3.3.1 Long Term Operating Cost Examination.....	3-4
3.3.2 Asset Management	3-4
4. D.C. Policy Recommendations and D.C. By-law Rules	4-1
4.1 Introduction	4-1
4.2 D.C. By-law Structure	4-1
4.3 D.C. By-law Rules.....	4-2
4.3.1 Payment in any Particular Case.....	4-2
4.3.2 Determination of the Amount of the Charge.....	4-2
4.3.3 Application to Redevelopment of Land (Demolition and Conversion).....	4-2
4.3.4 Exemptions (full or partial)	4-3
4.3.5 Phase in Provision(s)	4-3
4.3.6 Timing of Collection	4-3



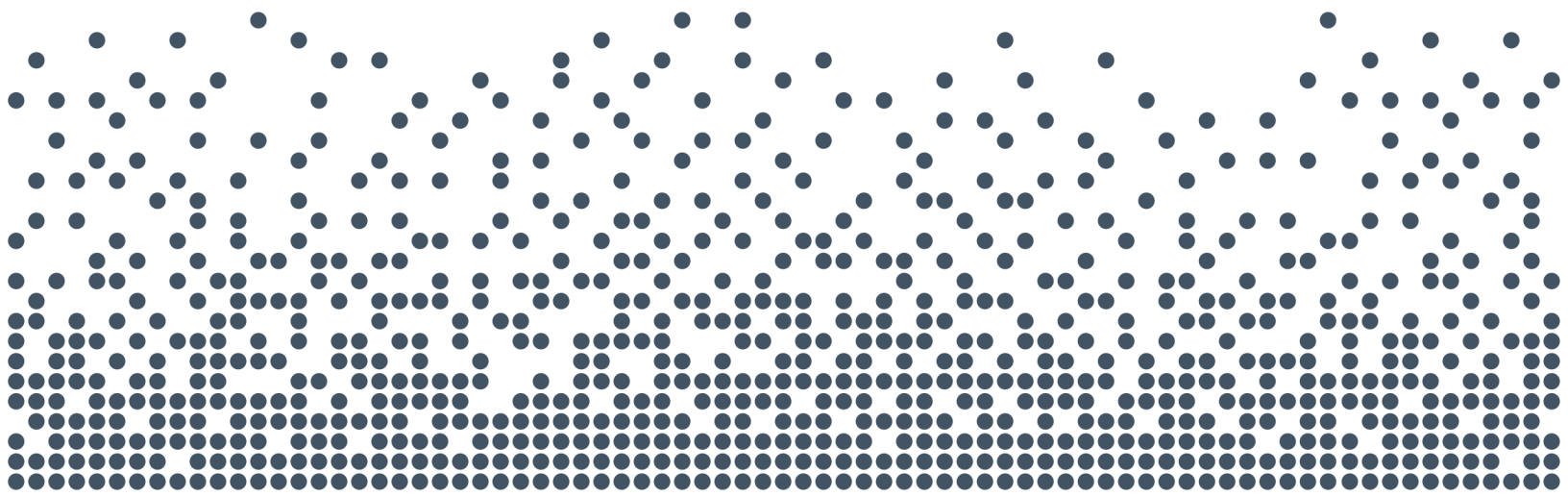
Table of Contents (Cont'd)

	Page
4.3.7 Indexing	4-4
4.4 Other D.C. By-law Provisions	4-4
4.4.1 Categories of Services for Reserve Fund and Credit Purposes	4-4
4.4.2 By-law In-force Date	4-4
4.4.3 Minimum Interest Rate Paid on Refunds and Charged for Inter-Reserve Fund Borrowing	4-4
4.5 Other Recommendations	4-4
5. By-Law Implementation	5-1
5.1 Public Consultation	5-1
5.1.1 Public Meeting of Council	5-1
5.1.2 Other Consultation Activity	5-1
5.2 Anticipated Impact of the Charge on Development	5-2
5.3 Implementation Requirements	5-3
5.3.1 Notice of Passage	5-3
5.3.2 By-law Pamphlet	5-3
5.3.3 Appeals	5-4
5.3.4 Complaints	5-4
5.3.5 Credits	5-4
5.3.6 Front-Ending Agreements	5-5
5.3.7 Severance and Subdivision Agreement Conditions	5-5
Appendix A Proposed A.S.D.C. By-Law	A-1



List of Acronyms and Abbreviations

Acronym	Full Description of Acronym
D.C.	Development charge
D.C.A.	Development Charges Act, 1997
G.F.A.	Gross floor area
O.L.T.	Local Planning Appeal Tribunal
O.M.B.	Ontario Municipal Board
O.Reg.	Ontario Regulation
P.P.U.	Persons per unit
S.D.E.	Single detached equivalent
S.D.U.	Single detached unit
S.P.	Secondary Plan
s.s.	Subsection
sq.ft.	square foot



Area-Specific Development Charges Background Study



Chapter 1

Introduction

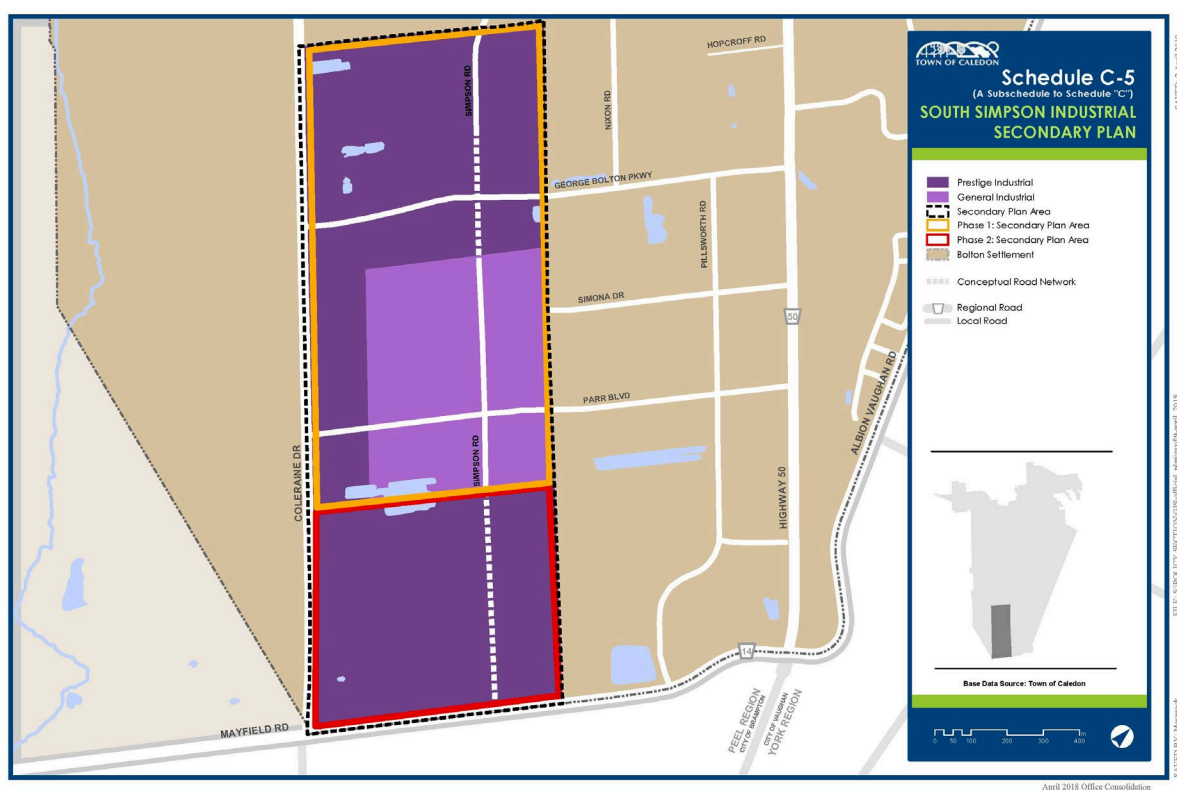


1. Introduction

1.1 Background

Section 7.9 of the Town of Caledon (Town) Official Plan provides policies with respect to the South Simpson Industrial Secondary Plan (see Figure 1-1, Schedule C-5, Secondary Plan Area). Subsection 7.9.8 Transportation of the Official Plan addresses the transportation system servicing the Secondary Plan, with conceptual road network provided in Schedule C-5. According to the plan, Simpson Rd. shall serve as a north-south collector and extended southward to intersect with Mayfield Rd.

Figure 1-1
Map of South Simpson Industrial Secondary Plan Area



The development of Simpson Road was addressed in the “Municipal Class Environmental Assessment (EA) Completion of Simpson Road in the Town of Caledon”, dated December 2012. The EA addressed the completion of Simpson Rd. from



Mayfield Rd. to approximately 125 m north of George Bolton Parkway, identifying three gaps in the existing road segments:

1. From George Bolton Parkway extending approx. 130m to the south (Phase 1);
2. From George Bolton Parkway extending approx. 125 m to the north (Phase 2);
and
3. From Mayfield Road extending approx. 620 m to the north (Phase 3)

The preferred planning alternative recommended in the EA was Alternative 3, constructing the “Complete Simpson Road”.

The subsequent development of Simpson Road was addressed in Council Report PW-2013-040, dated November 5, 2013. The report recommended that the Town front-end the costs of engineering design, acquire ROW lands, construct the infrastructure and recover all costs, including financing, from the benefiting landowners. The Phase 1 segment of Simpson Road was constructed by the Town and the costs of the project are being recovered directly from the benefiting landowners. The Phase 2 and 3 segments have not been included in the Town’s municipal-wide Development Charges (D.C.) By-laws, as these Minor Collector Roads are considered a local service and the direct responsibility for emplacement/funding by the developing landowners. In this respect the Town’s 2019 D.C. Background Study provided the following with respect to the local service requirements for roads:

“Minor Collector Roads Internal or External to Development, inclusive of all land and associated infrastructure, if needed to support a specific development or required to link with the area to which the plan relates – direct developer responsibility under s.59 of the D.C.A. .; otherwise, included in the D.C. calculation to the extent permitted under s.5(1) of the D.C.A. (dependent on local circumstances).”

To facilitate the completion of Phases 2 and 3 of the Simpson Road extension, and assist in cost sharing arrangements with front-ending parties, the Town retained Watson & Associates Economists Ltd. (Watson) to complete an Area-Specific D.C. Background Study and By-law. Two separate Area-Specific D.C. By-Laws were considered for each phase of these works respectively, i.e.:

- Simpson Rd. (Phase 2) - 125m north of George Bolton Parkway



- Simpson Rd. (Phase 3) - from 228m south of Parr Blvd. to Mayfield Rd.

Culminating from this process, two separate by-laws are now in effect: By-law 2020-78 (as amended by by-law 2022-068) for Phase 2 and By-law 2021-09 for Phase 3.

The Phase 2 works are now complete, the final costs are known, and furthermore the current by-law for Phase 2 will expire on October 27, 2025. As such, the purpose of this study is to implement a new by-law in advance of the expiry of the existing by-law for the recovery of the Phase 2 costs.

The following chapters summarize the anticipated development within the benefiting area, the calculation of the charges and the corresponding by-law policies for the Phase 2 works. A draft area-specific D.C. by-law is included in Appendix A to this report.

1.2 Purpose of this Document

This background study has been prepared pursuant to the requirements of the Development Charges Act (D.C.A.), 1997 (s.10), and accordingly, recommends an Area-Specific Development Charge (A.S.D.C.) and policies for the Simpson Road (Phase 2 - from George Bolton Parkway Road to 125m North) project to be imposed within a defined area the South Simpson Industrial Secondary Plan area.

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

This report has been prepared, in the first instance, to meet the statutory requirements applicable to the Town's A.S.D.C. background study, as summarized in Chapter 1. It also addresses the forecast amount, type and location of growth (Chapter 2), the requirement for "rules" governing the imposition of the charges (Chapter 4) and the proposed by-law to be made available as part of the approval process (Appendix A).

In addition, the report is designed to set out sufficient background on the legislation and the policies underlying the proposed by-law, to make the exercise understandable to interested parties. Finally, the background study addresses post-adoption D.C.



implementation requirements (Chapter 5) which are critical to the successful application of the new policy.

A full discussion of the statutory requirements for the preparation of a background study and calculation of D.C. and capital charges is provided herein.

1.3 Summary of the Process

The required Public Meeting under Section 12 of the D.C.A., 1997, is anticipated to occur on September 2, 2025. The purpose of this meeting is to present the study to the public and to solicit public input on the proposed A.S.D.C. by-law. The meeting is held to answer any questions regarding the study's purpose, methodology and the proposed by-law. Figure 1-1 outlines the proposed schedule to be followed with respect to the D.C. by-law adoption process.

In accordance with the legislation, the background study and proposed A.S.D.C. by-law will be made available by July 23, 2025, 60 days in advance of the anticipated date of by-law passage (i.e., September 23, 2025).

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

- consideration of responses received prior to, at or immediately following the public meeting; and
- finalization of the study and Council consideration of the A.S.D.C. on a date to be determined.

Process Steps	Dates
1. Data collection, staff interviews, preparation of D.C. calculations	April to May, 2025
2. Review of A.S.D.C. draft findings with Town staff	June 2025
3. Present A.S.D.C. draft findings with development community	TBD - July, 2025



Process Steps	Dates
4. Background study and proposed A.S.D.C. by-law available to public	Prior to July 23, 2025
5. Statutory notice of Public Meeting advertisement placed in newspaper(s)	20 days prior to public meeting
6. Public Meeting of Council	September 2, 2025
7. Council considers adoption of background study and passage of A.S.D.C. by-law	September 23, 2025
8. Newspaper notice given of by-law passage	By 20 days after passage
9. Last day for by-law appeal	40 days after passage
10. Town makes available A.S.D.C. pamphlet	by 60 days after in force date

1.4 Development Charges Act (D.C.A.) Background Study Requirements

The D.C.A. requires that a background study must be completed by Town Council before passing a D.C. by-law. The mandatory inclusions in such a study are set out in s.10 of the D.C.A. and in s.8 of O.Reg. 82/98, and are as follows:

- a) the estimates under paragraph 1 of subsection 5(1) of the anticipated amount, type and location of development;
- b) the calculations under paragraphs 2 to 8 of subsection 5(1) for each service to which the development charge by-law would relate;
- c) an examination, for each service to which the development charge by-law would relate, of the long-term capital and operating costs for capital infrastructure required for the service, as well as an asset management plan;



- d) the following for each service to which the development charge relates:
1. The total of the estimated capital costs relating to the service.
 2. The allocation of the costs referred to in paragraph 1 between costs that would benefit new development and costs that would benefit existing development.
 3. The total of the estimated capital costs relating to the service that will be incurred during the term of the proposed development charge by-law.
 4. The allocation of the costs referred to in paragraph 3 between costs that would benefit new development and costs that would benefit existing development.
 5. The estimated and actual value of credits that are being carried forward relating to the service.” (O.Reg. 82/98 s.8)

A summary of key requirements of the D.C.A. is set out below.

1. **Development Charge Background Study** - requirements respecting the content of a D.C. Background Study are explicitly set out in the Act. Requirements include the identification of costs and growth estimates, an examination for each by-law service of the long-term capital, operating costs and asset management plan for capital infrastructure required, identification of costs to be incurred during the term of the by-law, and various cost allocations. The study and proposed by-law must be made available to the public at least two weeks prior to the (first) public meeting and 60-days prior to by-law adoption.
2. **Services Covered** – Section 2(4) sets out the eligible services that can be included in a D.C. by-law for the recovery of capital costs. The eligible services include Services Related to a Highway, which encompass the needs being proposed for recovery through this by-law.
3. **Subdivision Agreement Conditions** - agreements may include “local services related to a plan of subdivision or within the area to which the plan relates”.
4. **Capital Costs** – the increase in the need for service attributable to the anticipated development be estimated, as well as the capital costs necessary to provide the increased service. The latter must be reduced by applicable capital grants, subsidies and other contributions. Also, “capital costs” may include authorized costs incurred or proposed to be incurred by others on behalf of a



municipality/local board, as well as those directly incurred. Capital costs which may potentially be included in the calculation include the capital component of the cost to lease an asset, the cost of related studies, interest on borrowing, and exclude computer equipment, and rolling stock with an estimated useful lifetime of six years or less.

5. **Council Intentions** - if a need for service is to be included in the calculation, Council must have indicated that it intends to ensure that such an increase in need will be met by including it in a Council-approved Official Plan, capital budget/forecast or similar expression of Council.
6. **Service Standards** – service standards are based upon the average level of service provided in the municipality over the 15-year period immediately preceding the preparation of the background study. In addition, the regulation requires that “...both the quality and quantity of a service shall be taken into account in determining the (average) level of service.” O.Reg. 206/04 specified that the determination of the quality of a service did not include any allowance for depreciation.

However, s.4(3) of O.Reg. 82/98 states that “if the average level of service determined is lower than the standard level of service required under another Act, the standard level of service required under the other Act may be deemed ... to be the average level of service.” This section applies particularly to water, wastewater and storm drainage, where Provincial Regulations often determine requirements.

With respect to transit services, the increase in need for services must be measured relative to the planned level of service over the 10-year forecast period, as opposed to the historic 15-year level of service measurement for other D.C. eligible services.

7. **Excess Capacity** - the recoverable service requirement must be reduced by the part that can be met using the municipality’s excess capacity, except for the excess capacity which Council expressed a clear intention, before or at the time the capacity was created, would be paid for by development charges or other similar charges.



8. **Front Ending Agreements** - agreements may include work done before, as well as after, the agreement is entered into. In addition, the work must be in an area subject to the D.C., non-party payments may be required at an earlier or later date than building permit issuance and may provide for “tiering” of the burden against subsequent participants, etc. Further, the Act restricts front-ending agreements to sanitary sewer, water, roads, and storm water management services.
9. **Credits** - a D.C. credit must be given where a “ ... municipality agrees to allow a person to perform work that relates to a service to which a D.C. by-law relates ...” Such credit is the reasonable cost of doing the work as agreed by the municipality and the landowner. Credit (or partial credit) may be given before the work is completed. It is a credit only in relation to the service to which the work relates and with respect to that part of the development charge that relates to the service. The credit may be transferred under defined conditions.
10. **Prescribed Index** - the regulation under the Act specifies the use of the Statistics Canada Non-residential Building Construction Price Index for Ottawa-Gatineau or for Toronto, as appropriate.
11. **Industrial Expansion Exemption** - the Act provides for a mandatory D.C. exemption for enlargements to existing industrial buildings (as defined in the regulation) equal to 50% of the floor area of the existing building prior to the enlargement.
12. **Cross Subsidization** - a cost recovery shortfall from one type of development may not be made up through higher charges on other types of development.
13. **D.C. Reserve Funds** – reserve funds may be created so as to group services into categories, which are then deemed to be a single service in relation to the use of money from reserve funds and for credits.
14. **D.C. Reserve Fund Draws** - the D.C. reserve fund money may be spent only for capital costs as determined by the legislated method for calculating development charges.



15. **D.C. Reserve Fund Borrowing** – borrowing between D.C. reserve funds is permitted, subject to repayment of interest at the prescribed minimum rate.
16. **Treasurer's Statement** - requires information to be provided as to reserve fund continuity, borrowings from the fund, interest accrued thereon, repayment of borrowings, non-D.C. reserve fund spending on projects, as well as detailed accounting for credits and the source thereof.
17. **Ontario Land Tribunal () Powers** - the (formerly the Ontario Municipal Board) is not empowered to remove or reduce the scope of an exemption, to change the phasing in provisions to make the charge payable earlier, to increase the charge in any particular case or to change the by-law expiry date as approved by Council.
18. **Regulations** - the Lieutenant-Governor may make regulations as defined in the Act.



Chapter 2

Anticipated Development



2. Anticipated Development

2.1 Simpson Road (Phase 2) Development Area

Figure 1-1 (Schedule C-5 of the Town's Official Plan) illustrates the South Simpson Industrial Secondary Plan area. This area encompasses approximately 120 hectares of land, located in the south part of the Bolton Rural Service Centre. The area is designated to develop as future prestige and general industrial land uses. The transportation policies of the secondary plan area identify Simpson Road as the north-south collector road to service developments within the area. The proposed works are designed as a minor collector road to facilitate traffic inflow and egress from the area.

The "Municipal Class Environmental Assessment Completion of Simpson Road in the Town of Caledon", dated December 2012, addressed the completion of Simpson Rd. from Mayfield Rd. to approximately 125 meters north of George Bolton Parkway, identifying three gaps in the existing road segment. Phase 2 is referred to as the section of Simpson Rd., from George Bolton Parkway extending approximately 125 meters to the north.

The geographic area that has been determined to benefit from the works is outlined on Figure 2-1. The benefiting lands include the four highlighted land parcels, denoted as parcels N-1 through N-4.

2.2 Anticipated Growth in the Simpson Road (Phase 2) Development Area

The developable land area for the benefiting area was developed through the 2020 area-specific D.C. Background Study, and considered the Town's GIS Boundary File, development activity, building permit data and employment survey. The developable land hectares considered the aerial imagery and parcel fabric data for the area, with deductions for infrastructure servicing. Table 2-1 summarizes the land parcel reference number, municipal address and developable land area in hectares. The benefiting lands comprise a total developable land area of 7.55 hectares and Town staff have confirmed there have been no changes to developable area.



Figure 2-1
Town of Caledon
Simpson Road (Phase 2) Development Area



Table 2-1
Summary of Developable Land Area
within Simpson Road (Phase 2) Development Area

Ref. Number	Municipal Address	Developable Land Area (ha.)
N-1	12485 COLERAINE DR	2.77
N-3	12465 COLERAINE DR	2.71
N-2	0 COLERAINE DR	1.03
N-4	0 COLERAINE DR	1.03
TOTAL SIMPSON RD. PHASE 2 LANDS		7.55



Chapter 3

Simpson Road (Phase 2)

Area-Specific Development Charge



3. Simpson Road (Phase 2) Area-Specific Development Charge

3.1 Increase in Need for Service

The works identified to address in the increase in need for Roads and Related Services arising from future development within the Simpson Road (Phase 2) Development Area, include the extension of Simpson Road, 125 metres north of George Bolton Parkway. For clarification and alignment with titling in the costing table, the road extension is 125 metres in length requiring overall construction limits to complete the project of 221 metres. The capital costs include road, storm sewers, sanitary sewers, watermain, project management costs, and Town costs for design, expropriation, advertisement, project management fees, legal, and studies. The costs for the Simpson Rd. Phase 2 extension are based on the final costs incurred to date.

Table 3-1 summarizes the detailed capital costs of the project by item. The total construction costs, excluding taxes, total \$1.25 million. Watermain and sanitary sewer components of the project are the jurisdictional responsibility of the Region of Peel, representing approximately \$0.31 million. As such, these Regional works can not be included in the Town's area-specific D.C. Therefore, the total construction costs included in the area-specific D.C. recoverable costs are \$0.95 million. After adding in the project management fee (\$56,762) and the Town costs (\$0.71 million), the total costs included in the calculation of the charge are \$1.71 million.



Table 3-1
Capital Cost Estimates for Simpson Road Phase 2 Extension

Description	Total Costs	Less: Region Costs	Town D.C. Eligible Capital Cost
Part A - General Items	\$ 48,608		\$ 48,608
Part B - Road Works	\$ 580,463		\$ 580,463
Part C - Storm Sewer	\$ 160,149		\$ 160,149
Part D - Sanitary Sewer	\$ 156,018	\$ 156,018	\$ -
Part E - Watermain	\$ 129,540	\$ 129,540	\$ -
Extras	\$ 177,451	\$ 20,645	\$ 156,806
Subtotal	\$ 1,252,229	\$ 306,203	\$ 946,026
Management Fee (6%, excluding HST)			\$ 56,762
Town Costs			\$ 708,891
Total Costs			\$ 1,711,678

3.2 Area-Specific Development Charge Calculations

The calculation of the area-specific D.C. for the Simpson Road (Phase 2) Area is contained in Tables 3-2 and 3-3. The calculation takes into account the following:

- The total D.C. recoverable capital costs (i.e., \$1.71 million) of the works are designed to address the buildout development of the benefiting lands, and as such, no deduction is required for post-period development capacity or uncommitted excess capacity.
- These costs incurred are in accordance with the Town's engineering guidelines, defining the level of service for local service infrastructure. Moreover, the D.C.A. requires that this increase in service be measured relative to the historic 15-year average level of service. In this regard, the Town's 2024 D.C. Background Study identified a historic level of service equal to \$17,187 per capita or employee. Applying this level of service to the forecast employment for the benefiting land area (i.e. 186 employees), this results in a maximum D.C. eligible amount of \$3.2 million. As the D.C. recoverable capital costs identified herein are within this maximum amount no reduction to the capital cost is required.
- As per the Town's local service policy, minor collector roads are the direct funding responsibility of the developer. As these works would commonly be replaced by the developers at their cost, and the area-specific D.C. is attempting



to facilitate the cost sharing of this infrastructure emplacement, no benefit to existing deductions are required in the calculation of the charge.

- The D.C.A. requires that the capital costs relating to the service be allocated between those costs that would benefit new development and costs that would benefit existing development, and the capital costs that will be incurred during the term of the proposed development charge by-law. As noted above, the capital costs will solely benefit new development and it is these costs have already been incurred.

As summarized in Table 3-2, the calculated D.C. rate is \$226,750 per hectare of developable area. Applied to each land parcel within the defined benefiting area, Table 3-3 summarizes the total A.S.D.C. that would be imposed on each property.

Table 3-2
Simpson Road (Phase 2) Area-Specific D.C. Calculation

Description	Town D.C. Eligible Capital Cost
Part A - General Items	\$ 48,608
Part B - Road Works	\$ 580,463
Part C - Storm Sewer	\$ 160,149
Part D - Sanitary Sewer	\$ -
Part E - Watermain	\$ -
Extras	\$ 156,806
Subtotal	\$ 946,026
Management Fee (6%, excluding HST)	\$ 56,762
Town Costs	\$ 708,891
Total Costs	\$ 1,711,678
Developable Land Area (ha.)	7.55
Development Charge per hectare	\$ 226,750



Table 3-3
Simpson Road (Phase 2) Area-Specific D.C. by Land Parcel

Ref. Number	Municipal Address	Developable Land Area (ha.)	D.C. per Property
N-1	12485 COLERAINE DR	2.77	628,571
N-3	12465 COLERAINE DR	2.71	615,104
N-2	0 COLERAINE DR	1.03	234,263
N-4	0 COLERAINE DR	1.03	233,740
TOTAL SIMPSON RD. PHASE 2 LANDS		7.55	1,711,678

3.3 Long Term Capital, Operating Cost Examination and Asset Management Plan

3.3.1 Long Term Operating Cost Examination

As a requirement of the D.C.A., 1997 under subsection 10(2)(c), an analysis must be undertaken to assess the long-term capital and operating cost impacts for the capital infrastructure projects identified within the D.C. With over 1,067 kilometres of existing roads to maintain (as per the Town's 2024 DC background study), the proportionately small additional road length created by the Simpson Road Phase 2 extension (125 metres) are not expected to markedly increase the overall road-related operating cost of the Town.

Long-term capital costs are examined in the asset management section below.

3.3.2 Asset Management

The D.C.A. (new section 10 (c.2)) requires that the background study must include an Asset Management Plan (A.M.P) related to new infrastructure. Section 10 (3) of the D.C.A. provides:

The A.M.P. shall,

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



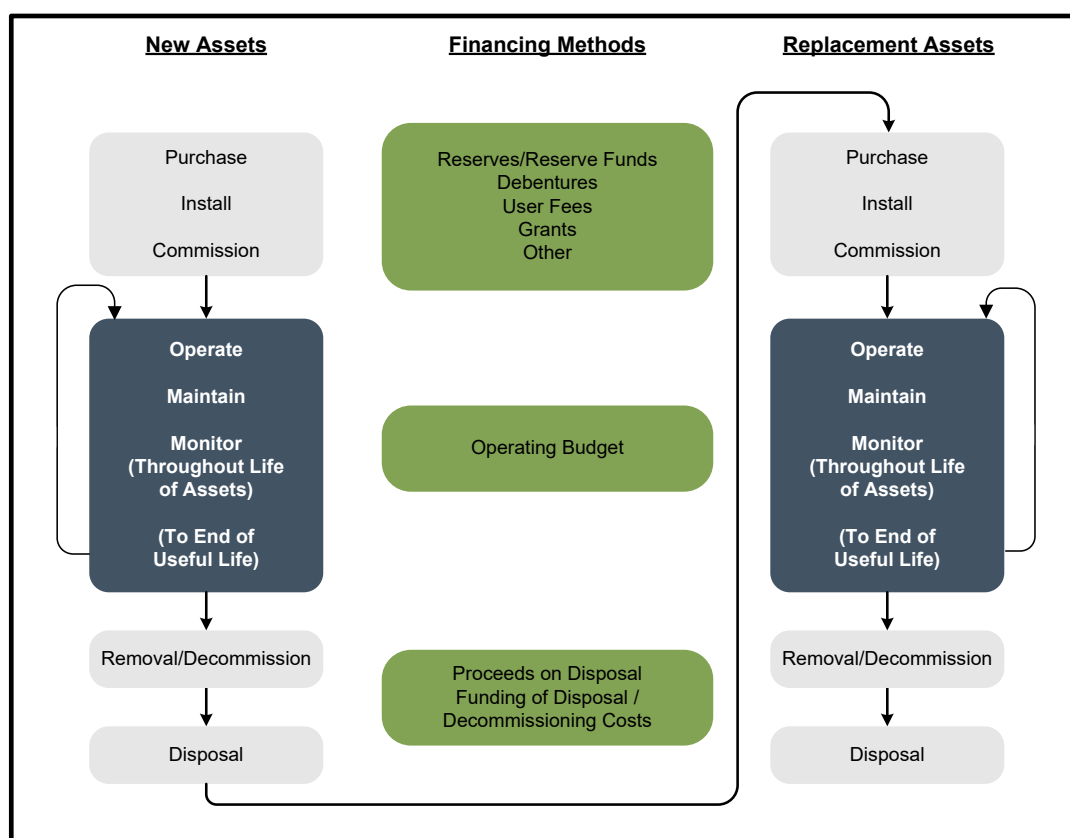
d) be prepared in the prescribed manner.

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

The Province's Infrastructure for *Jobs and Prosperity Act*, 2015 (IIPA) was proclaimed on May 1, 2016. This legislation detailed principles for evidence-based and sustainable long-term infrastructure planning. The IIPA also gave the Province the authority to guide municipal asset management planning by way of regulation. In late 2017, the Province introduced O. Reg. 588/17 under the IIPA. The intent of O. Reg. 588/17 is to establish standard content for municipal asset management plans. Specifically, the regulations require that asset management plans be developed that define the current levels of service, identify the lifecycle activities that would be undertaken to achieve these levels of service, and provide a financial strategy to support the levels of service and lifecycle activities. The requirements of O. Reg. 588/17 generally align with previous provincial AMP requirements, as follows:

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

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



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

Financing strategy: having a financial plan is critical for putting an A.M.P. into action. By having a strong financial plan, municipalities can also demonstrate that they have made a concerted effort to integrate the A.M.P. with financial planning and municipal budgeting and are making full use of all available infrastructure financing tools. It is noted that the Town has an approved infrastructure levy to fund asset management related needs.

The above provides for the general approach to be considered by Ontario municipalities. More specific requirements pertaining to municipal asset management plans were introduced by the Province in 2017 through O. Reg. 588/17. The Town has completed their 2025 asset management plan that complies with the requirements of the Infrastructure for Jobs and Prosperity Act but does not address all growth related assets. Once roads are completed and assumed by the Town, they will be added to



future AMP updates. As a result, the asset management requirement for this A.S.D.C. Background Study has been undertaken in the absence of this information.

In recognition of the schematic above, the following table has been developed to estimate annualized expenditures and revenues associated with new growth. Note that the D.C.A. does not require an analysis of the non-D.C. capital needs or their associated operating costs so these are omitted from the table below. Furthermore, the following does not represent a fiscal impact assessment (including future tax/rate increases) but provides insight into the potential affordability of the new assets:

1. The incremental capital costs attributable to the growth-related portion of the road extension project have been presented on a straight line basis. The road extension has been considered over its estimated useful life (estimated at 20-year), and the resultant annual lifecycle costs total \$85,953. As noted earlier, any additional operating costs are deemed to be minor and the estimated annual capital costs equate to a 5% annual re-investment investment rate. This calculation has been reviewed in comparison to the level of funding required for the state of good repair of transportation assets in the Town's AMP. The calculation herein identifies a greater level of investment on a per \$ of infrastructure value and therefore is deemed reasonable for the purposes of this D.C. background study.
2. Consideration was given to the potential new taxation and user fee revenues which will be generated as a result of new growth. These revenues will be available to finance the expenditures identified above. The new operating revenues are \$124,106.
3. The incremental operating revenues of \$124,106 will adequately cover the incremental growth-related expenditures of \$85,953. This coupled with existing operating revenues of \$172.6 million suggests that the capital plan included within this A.S.D.C. by-law is financially sustainable.



Table 8-1
Town of Caledon
Asset Management – Future Expenditures and Associated Revenues

	Assumption Total
Expenditures (Annualized)	
Lifecycle:	
Annual Lifecycle - Town Wide Services	
Sub-Total - Annual Lifecycle	\$85,953
Incremental Operating Costs (for D.C. Services)	-
Total Expenditures (Net of Interim Funding of Post Period Benefit)	\$85,953
Revenue (Annualized)	
Total Existing Revenue ¹	\$172,461,147
Incremental Tax and Non-Tax Revenue (User Fees, Fines, Licences, etc.)	\$124,106
Total Revenues	\$172,585,253



Chapter 4

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



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

4.1 Introduction

This chapter outlines the D.C. policy recommendations and by-law rules.

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

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

Paragraph 10 of subsection 5(1) goes on to state that the rules may provide for exemptions, phasing in and/or indexing of D.C.s.

s.s.5(6) establishes the following restrictions on the rules:

- the total of all D.C.s that would be imposed on anticipated development must not exceed the capital costs determined under 5(1) 2-8 for all services involved;
- if the rules expressly identify a type of development, they must not provide for it to pay D.C.s that exceed the capital costs that arise from the increase in the need for service for that type of development; however, this requirement does not relate to any particular development;
- if the rules provide for a type of development to have a lower D.C. than is allowed, the rules for determining D.C.s may not provide for any resulting shortfall to be made up via other development; and
- with respect to “the rules,” subsection 6 states that a D.C. by-law must expressly address the matters referred to above re s.s.5(1) para. 9 and 10, as well as how the rules apply to the redevelopment of land.

4.2 D.C. By-law Structure

It is recommended that:

- the Town maintain an area-specific D.C. calculation for the Simpson Road (Phase 2) Development Area, as defined herein.



4.3 D.C. By-law Rules

The following sets out the recommended rules governing the calculation, payment and collection of D.C.s in accordance with subsection 6 of the D.C.A., 1997.

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

4.3.1 Payment in any Particular Case

In accordance with the D.C.A., 1997, s.2(2), a D.C. be calculated, payable and collected where the development requires one or more of the following:

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

4.3.2 Determination of the Amount of the Charge

The A.S.D.C., subject to annual indexing provision, would be fully imposed for the parcel of land when one of the actions provided in s.4.3.1.

4.3.3 Application to Redevelopment of Land (Demolition and Conversion)

If a development involves the demolition and replacement of a building or structure on the same site, or the conversion from one principal use to another, the developer shall be allowed a credit equivalent to:

- the number of dwelling units demolished/converted multiplied by the applicable residential D.C. in place at the time the D.C. is payable; and/or
- the G.F.A. of the building demolished/converted multiplied by the current non-residential D.C. in place at the time the D.C. is payable.



The demolition credit is allowed only if the demolition permit related to the site was issued after November 6, 1991. The credit can, in no case, exceed the amount of D.C.s that would otherwise be payable.

4.3.4 Exemptions (full or partial)

Statutory exemptions

- Industrial building additions of up to and including 50% of the existing G.F.A. (defined in O.Reg. 82/98, s.1) of the building; for industrial building additions which exceed 50% of the existing G.F.A., only the portion of the addition in excess of 50% is subject to D.C.s (s.4(3));
- Buildings or structures owned by and used for the purposes of any municipality, local board, or board of education (s.3); and
- Residential development that results in only the enlargement of an existing dwelling unit, or that results only in the creation of up to two additional dwelling units (based on prescribed limits set out in s.2 of O.Reg. 82/98).

Non-statutory exemptions

- No non-statutory exemptions are to be provided.

4.3.5 Phase in Provision(s)

No provisions for phasing in the development charge are provided in the proposed development charge by-law.

4.3.6 Timing of Collection

Development charges shall be calculated and payable in full in money, on the earlier of:

- Prior to final approval of a plan of subdivision or a plan of condominium for the land that is to be developed;
- Prior to a certificate being issued for a consent for the land that is to be developed; or
- Prior to a building permit being issued for the construction of a building or structure on the land that is to be developed.



4.3.7 Indexing

All D.C.s will be subject to mandatory indexing annually on February 1st and August 1st in each year, commencing on 1 February 2021, in accordance with the Statistics Canada Quarterly Construction Price Statistics (catalogue number 62-007).

4.4 Other D.C. By-law Provisions

4.4.1 Categories of Services for Reserve Fund and Credit Purposes

The development charge collections shall be allocated into a Simpson Road (Phase 2 - from George Bolton Parkway Road to 125m North) Development Area Reserve Fund for Roads and Related Services.

4.4.2 By-law In-force Date

The proposed by-law under D.C.A., 1997 will come into force on the date of by-law passage.

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

The minimum interest rate is the Bank of Canada rate on the day on which the by-law comes into force (as per s.11 of O.Reg. 82/98).

4.5 Other Recommendations

It is recommended that Council:

“Approve the capital project listing set out in Table 3-1 of the Town of Caledon Simpson Road (Phase 2 - from George Bolton Parkway Road to 125m North) Area-Specific Development Charges Background Study dated July 22, 2025, subject to further annual review during the capital budget process;”

“Approve the Town of Caledon Simpson Road (Phase 2 - from George Bolton Parkway Road to 125m North) Area-Specific Development Charges Background Study dated July 22, 2025”



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

“Approve the Area-Specific D.C. By-law as set out in Appendix A”



Chapter 5

By-Law Implementation



5. By-Law Implementation

5.1 Public Consultation

This chapter addresses the mandatory, formal public consultation process (subsection 5.1.2), as well as the optional, informal consultation process (subsection 5.1.3). The latter is designed to seek the co-operation and involvement of those involved, in order to produce the most suitable policy. Section 5.2 addresses the anticipated impact of the D.C. on development, from a generic viewpoint.

5.1.1 *Public Meeting of Council*

Section 12 of the D.C.A., 1997 indicates that before passing a D.C. by-law, Council must hold at least one public meeting, giving at least 20 clear days' notice thereof, in accordance with the Regulation. Council must also ensure that the proposed by-law and background report are made available to the public at least two weeks prior to the (first) meeting.

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

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

5.1.2 *Other Consultation Activity*

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

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



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

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

To this end, the Town will be undertaking a development community meeting to present the preliminary findings of the area-specific D.C. to the effected landowners

5.2 Anticipated Impact of the Charge on Development

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

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



5.3 Implementation Requirements

Once the Town has calculated the charge, prepared the complete background study, carried out the public process and passed a new by-law, the emphasis shifts to implementation matters.

These include notices, potential appeals and complaints, credits, front-ending agreements, subdivision agreement conditions and finally the collection of revenues and funding of projects.

The following provides an overview of the requirements in each case.

5.3.1 *Notice of Passage*

In accordance with s.13 of the D.C.A., when a D.C. by-law is passed, the municipal clerk shall give written notice of the passing and of the last day for appealing the by-law (the day that is 40 days after the day it was passed). Such notice must be given not later than 20 days after the day the by-law is passed (i.e. as of the day of newspaper publication or the mailing of the notice).

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

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

5.3.2 *By-law Pamphlet*

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

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



- the services to which the D.C.s relate; and
- a general description of the general purpose of the Treasurer's statement and where it may be received by the public.

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

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

5.3.3 Appeals

Sections 13 to 19 of the D.C.A., 1997 set out requirements relative to making and processing a D.C. by-law appeal and an O.L.T. Hearing in response to an appeal. Any person or organization may appeal a D.C. by-law to the O.L.T. by filing a notice of appeal with the municipal clerk, setting out the objection to the by-law and the reasons supporting the objection. This must be done by the last day for appealing the by-law, which is 40 days after the by-law is passed.

5.3.4 Complaints

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

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

Sections 20 to 25 of the D.C.A., 1997 set out the requirements that exist, including the fact that a complaint may not be made later than 90 days after a D.C. (or any part of it) is payable. A complainant may appeal the decision of municipal council to the O.L.T.

5.3.5 Credits

Sections 38 to 41 of the D.C.A., 1997 set out a number of credit requirements, which apply where a municipality agrees to allow a person to perform work in the future that relates to a service in the D.C. by-law.

These credits would be used to reduce the amount of D.C.s to be paid. The value of the credit is limited to the reasonable cost of the work which does not exceed the



average level of service. The credit applies only to the service to which the work relates, unless the municipality agrees to expand the credit to other services for which a D.C. is payable.

5.3.6 Front-Ending Agreements

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

Part III of the D.C.A., 1997 (Sections 44 to 58) addresses front-ending agreements and removes some of the obstacles to their use which were contained in the D.C.A., 1989. Accordingly, the Town assesses whether this mechanism is appropriate for its use, as part of funding projects prior to municipal funds being available.

5.3.7 Severance and Subdivision Agreement Conditions

Section 59 of the D.C.A., 1997 prevents a municipality from imposing directly or indirectly, a charge related to development or a requirement to construct a service related to development, by way of a condition or agreement under s.51 or s.53 of the *Planning Act*, except for:

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

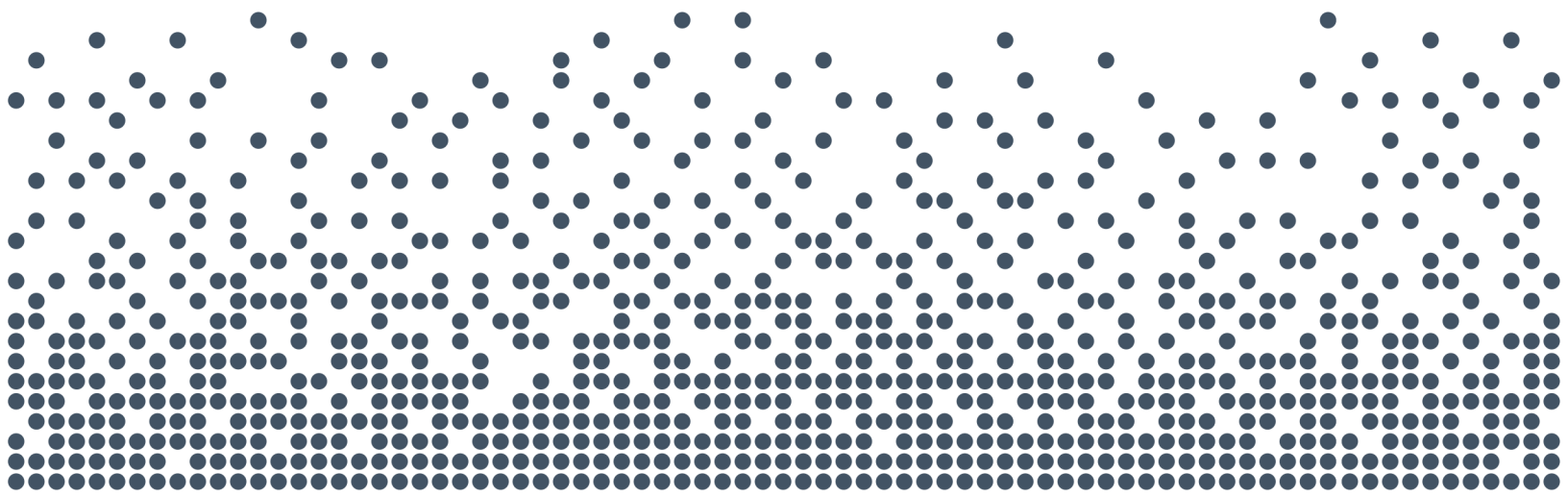
It is also noted that s.s.59(4) of the D.C.A., 1997 requires that the municipal approval authority for a draft plan of subdivision under s.s.51(31) of the *Planning Act*, use its power to impose conditions to ensure that the first purchaser of newly subdivided land is informed of all the D.C.s related to the development, at the time the land is transferred.

In this regard, if the municipality in question is a commenting agency, in order to comply with subsection 59(4) of the D.C.A., 1997 it would need to provide to the approval authority, information regarding the applicable municipal D.C.s related to the site.



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

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



Appendices



Appendix A

Proposed A.S.D.C. By-Law



CORPORATION OF THE TOWN OF CALEDON

BY-LAW 2025-__

A By-law to Impose and Provide for the Payment of Area Specific Development Charges for Roads and Related Services on Simpson Road (Phase 2- from George Bolton Parkway Road to 125m North)

WHEREAS Subsection 2(1) of the Development Charges Act, 1997 provides that the council of a municipality may by by-law impose development charges against land to pay for increased capital expenditures required because of the increased need for services arising from development in the area to which the by-law applies;

AND WHEREAS at the direction of the Council of The Corporation of the Town of Caledon, Watson & Associates Economists Ltd. has prepared a Background Study entitled “Simpson Road (Phase 2 - from George Bolton Parkway Road to 125m North) Area Specific Development Charges Background Study” dated July 22, 2205.

AND WHEREAS notice of a public meeting was given during _____ as required by Paragraph 12(1)(b) of the Development Charges Act, 1997 and in accordance with Ontario Regulation 82/98;

AND WHEREAS the Council of The Corporation of the Town of Caledon made the Background Study available to the public as of _____, 2025 as required by Paragraph 12(1)(c) of the Development Charges Act, 1997;

AND WHEREAS the Council of The Corporation of the Town of Caledon held a public meeting on _____ at which all persons in attendance were provided with an opportunity to make representations relating to the draft version of this by-law as required by Subsection 12(2) of the Development Charges Act, 1997;

AND WHEREAS by resolution passed on _____, the Council of The Corporation of the Town of Caledon:

- a) adopted the foregoing Background Study, and;
- b) determined that it was not necessary to hold any further public meetings with respect to this by-law.

AND WHEREAS Council passed By-law 2025-__ being a By-law to impose and provide for the payment of area specific development charges for a Roads and Related



Services on Simpson Road (Phase 2 - from George Bolton Parkway Road to 125m North) on the ____ day of ____ 2025;

NOW THEREFORE THE COUNCIL OF THE TOWN OF CALEDON ENACTS AS FOLLOWS:

DEFINITIONS

1. (1) In this by-law,
 - (a) “accessory”, where used to describe a building, structure or use, means a building, structure or use that is subordinate, incidental and exclusively devoted to a main building, structure or use and that is located on the same lot as such main building, structure or use;
 - (b) “Act” means the Development Charges Act, 1997, S.O. 1997, as amended, or any successor thereto
 - (c) “agricultural building or structure” means a building or structure that is used for the purposes of or in conjunction with animal husbandry, the growing of crops including grains and fruit, market gardening, horticulture or any other use that is customarily associated with a farming operation of a bona fide farmer but shall not include buildings or structures for the use in the growing, processing, production, and sale of Cannabis or a controlled substance under the *Controlled Substances Act*;
 - (d) “agricultural tourism building or structure” means a building or structure or part of a building or structure located on a working farm of a bona fide farmer for the purpose of providing enjoyment, education or active involvement in the activities of the farm where the principal activity on the property remains as a farm and where products used in the activity are produced on the property and/or are related to farming. The building or structure may be related to activities such as a hay or corn maze; farm related petting zoo; hay rides and sleigh, buggy or carriage rides; farm tours; processing demonstrations; pick-your-own produce; a farm theme playground for children; farm markets; farm produce



stands, and farmhouse dining rooms but shall not include space used for banquets or weddings;

- (e) “apartment dwelling” means a dwelling unit in a building containing more than six dwelling units where the dwelling units are connected by an interior corridor and shall include stacked townhouses;
- (f) “back-to-back townhome” means a building that has three or more dwelling units, joined by common side and rear walls above grade, and where no dwelling unit is entirely or partially above another;
- (g) “bed and breakfast establishment” means a single detached dwelling or part of a single detached dwelling in which guest rooms are provided for hire or pay, with or without meals, for the traveling or vacationing public, but does not include a hotel or motel;
- (h) “Board of Education” means a board defined in subsection 1(1) of the Education Act, R.S.O. 1990, c. E. 2 as amended, or any successor thereto;
- (i) “Building Code Act” means the Building Code Act, 1992, S.O. 1992, c. 23 as amended, or any successor thereto;
- (j) “bona fide farmer” means an individual currently actively engaged in a farm operation with a valid Farm Business Registration number in the Town of Caledon;
- (k) “benefiting area” means an area defined by a map, plan or legal description in a front-ending agreement as an area that will receive a benefit from the construction of a service;
- (l) “building or structure” means a building or structure occupying an area greater than 10 square metres consisting of a wall, roof, floor or any of them or a structural system serving the function thereof, including an air supported structure, or mezzanine.
- (m) “commercial building” means a non-residential building other than an agricultural building, an industrial building or an institutional building.



- (n) “capital cost” means costs incurred or proposed to be incurred by the municipality or a local board thereof directly or by others on behalf of, and as authorized by the municipality or local board, as set out in Section 5 of the Act;
- (o) “country inn” means premises in which temporary lodging or sleeping accommodation are provided to the public and may include accessory services such as a restaurant, meeting facilities, recreation facilities, banquet facilities and staff accommodations. The Premises shall contain a minimum of four (4) and a maximum of twenty-nine (29) guest rooms;
- (p) “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 increasing the size or usability thereof, and includes redevelopment;
- (q) “development charge” means a development charge imposed pursuant to this by-law;
- (r) “duplex dwelling unit” means a dwelling unit in a building divided horizontally into two separate dwelling units, each such dwelling unit having an independent entrance either directly from outside the building or through a common vestibule;
- (s) “dwelling unit” means a room or suite of rooms which function as a housekeeping unit used or intended to be used as a domicile by one or more persons, in which a kitchen, sanitary facilities and living quarters are provided for the exclusive use of the residents and with a private entrance from outside the building or from a common hallway or stairway;
- (t) “dwelling unit” means a room or suite of rooms used or designed or intended for use by one or more persons living together in which culinary and sanitary facilities are provided for the exclusive use of such person or persons.



- (u) “farm based home industry building ” means an accessory building to a single detached dwelling where a small-scale use is located, which is operated by a bona fide farmer, which is located on and is subordinate or incidental to a permitted farm operation; which is associated with limited retailing of products created in whole or in part in the accessory building performed by one or more residents of the farm property and may include a carpentry shop; a craft shop; a metal working shop; a repair shop; a farm equipment repair shop; a farm tractor repair shop; a plumbing shop; an electrical shop; a welding shop ; a woodworking shop; a blacksmith, a building for the indoor storage of school buses, boats, snowmobiles, or similar uses, but shall not include a motor repair shop or vehicle paint shop or space for the provision of banquet or wedding facilities;
- (v) “farm help” means full-time, all-year round employee(s) of a bona fide farmer on an agricultural property;
- (w) “farm winery” and “farm cidery” means buildings or structures used by a bona fide farmer for the processing of juice, grapes, fruit or honey in the production of wines or ciders, including the fermentation, production, bottling, aging or storage of such products as a secondary use to a farm operation. The winery or cidery may include a laboratory, administrative office, hospitality room and retail outlet related to the production of wines or ciders, as applicable, and, if required, must be licensed or authorized under the appropriate legislation;
- (x) “front-ending agreement” means an agreement made under Section 44 of the Act between the municipality and any or all owners within a benefiting area providing for the costs of services for which there will be an increased need as a result of development to be borne by one or more of the parties to the agreement and providing for persons who, in the future, develop land within the area defined in the agreement to pay an amount to reimburse some part of the some of the work;
- (y) “garden suite” means a one-storey, free standing, temporary and portable residential structure, with a single dwelling unit containing kitchen and bathroom facilities, which is designed for year round



occupancy and is accessory to a single-detached dwelling, but excludes a trailer;

- (z) “grade” means the average level of finished ground adjoining a building or structure at all of its exterior walls;
- (aa) “guest room” means temporary overnight accommodation for the traveling public;
- (bb) “gross floor area” means the total floor area, 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 all floors above the average level of finished ground adjoining the building at its exterior walls, as defined in Ontario Regulation 82/98, s. 1 (1);
- (cc) “industrial building” means a building used for or in connection with:
 - (a) manufacturing, producing, processing, storing or distributing something;
 - (b) research or development in connection with manufacturing, producing or processing something;
 - (c) 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, production or processing takes place; or,
 - (d) office or administrative purposes, if they are,
 - (i) carried out with respect to manufacturing, producing, processing, storage or distributing of something; and,
 - (ii) in or attached to the building or structure used for that manufacturing, producing, processing, storage or distribution.
 - (e) the growing, processing and production of Cannabis or other controlled substances under the *Controlled Substances Act*;
 - (f) the definition of industrial building shall not include a building where the main business of the owner is the rental or lease of



space for self-storage to one or more third parties nor a building whose primary business is to be a retail establishment;

- (dd) “institutional development” means development of a building or structure intended for use;
 - (a) As a long-term care home within the meaning of subsection 2 (1) of the *Long Term Care Homes Act*, 2007;
 - (b) As a retirement home within the meaning of subsection 2 (1) of the *Retirement Homes Act*, 2010;
 - (c) By any institution of the following post-secondary institutions for the objects of the institution:
 - (i) A university in Ontario that received direct, regulation, and ongoing operation funding from the Government of Ontario;
 - (ii) A college or university federated or affiliated with a university described in subclause (i), or
 - (iii) An Indigenous Institute prescribed for the purposes of section 6 of the *Indigenous Institute Act*, 2017;
 - (d) As a memorial home, clubhouse, or athletic grounds by an Ontario branch of the Royal Canadian Legion; or
 - (e) As a hospice to provide end of life care;
- (ee) “life lease” means a property that is a form of housing tenure in which individuals purchase the right to occupy a residential unit for a specified period of time (i.e., for their lifetime, or, a defined term);
- (ff) “Life Lease Housing” means housing owned and operated by a not-for-profit organization or charity, contained within a retirement community, that offers Life Lease interests to persons aged 65 or older;



- (gg) “local board” means a local board as defined in the Municipal Act, 2001; other than a board defined in subsection 1(1) of the Education Act;
- (hh) “local services” means those services, facilities or things which are under the jurisdiction of the municipality and are related to a plan of subdivision or within the area to which the plan relates in respect of the lands under Sections 41, 51 or 53 of the Planning Act R.S.O. 1990, c. P. 13 as amended, or any successor thereto;
- (ii) “lot” means a parcel of land that is capable of being legally conveyed in accordance with Section 50 of the Planning Act or is described in accordance with a registered plan of condominium;
- (jj) “mixed use” means land, buildings or structures used or designed or intended to be used for a combination of residential uses and non-residential uses;
- (kk) “non-residential” means used or designed or intended to be used other than for residential purposes;
- (ll) “on-farm diversified use building or structure” means a building or structure secondary to the principal agricultural use of the property by a bona fide farmer, including home occupations, farm-based home industries, and uses that involve the production and sale of value-added agricultural products and excludes uses that involve lease of commercial/industrial space and excludes the provision of banquet or wedding facilities;
- (mm) “outbuilding” means a building or structure, that is a maximum of 92.903 square meters (or 1,000 square feet), that is accessory to a primary or main non-residential building or mixed use building, that is located on the same land as such primary or main non-residential building and that is used for a storage purpose that is accessory to the primary or main use on such land, such as the storage of equipment used to maintain such land or the buildings and structures thereon or the storage of equipment that is ordinarily used for the purposes of the primary or main use on such land, but shall not include a building used



for the storage of inventory nor include a building or structure used in banquets or wedding facilities. The maximum area does not apply to golf course buildings or structures;

- (nn) “place of worship” means a place or building or part thereof including accessory buildings or structures that are used for the regular assembly of persons for the practice of religious worship, services or rites. It may include accessory uses such as classrooms for religious instruction, including programs of community social benefit, assembly areas, kitchens, offices of the administration of the place of worship, and a small scale day nursery, but shall not include a cemetery;
- (oo) “protracted”, in relation to a temporary building or structure, means the existence of such temporary building or structure for a continuous period of more than eight months;
- (pp) “redevelopment” means the construction, erection or placing of one or more buildings or structures on land where all or part of a building or structure on such land has been or is to be demolished, or changing the use of a building or structure from residential to mixed use or non-residential or from non-residential to residential or mixed use or from mixed use to residential or non-residential;
- (qq) “Regulation” means Ontario Regulation 82/98, as amended;
- (rr) “residential” means used or designed or intended to be used as a home or residence of one or more persons;
- (ss) “retail” means the use or intended use of land, buildings or portions thereof for the purpose of offering foods, wares, merchandise, substances, articles or things for sale directly to the public or providing services or entertainment to the public. Retail includes, but is not limited to:
 - (a) the use or intended use of land, buildings or portions thereof for the rental of wares, merchandise, substances, articles or things;
 - (b) offices and storage used or intended to be used in connection with, related to or ancillary to a retail use; or



- (c) conventional restaurants; fast food restaurants; concert halls/theatres/cinemas/movie houses/drive-in theatres; automotive fuel stations with or without service facilities; specialty automotive shops/auto repairs/collision services/care or truck washes; auto dealerships; shopping centres and plazas, including more than two attached stores under one ownership; department/discount stores; banks and similar financial institutions, including credit unions; warehouse clubs and retail warehouses;
- (tt) “Rental housing” means development of a building or structure with four or more dwelling units all of which are intended for use as rented residential premises;
- (uu) “Retirement community” means a housing project consisting of ground-related dwelling units in single family, semi-detached, or multiple dwelling and other amenities, all of which are designed, marketed, developed and constructed to provide accommodation for and to meet the needs of persons aged 65 and older;
- (vv) “secondary dwelling on an agricultural property” means a temporary and portable residential structure, containing a single dwelling unit with kitchen and bathroom facilities, designed for year-round occupancy by farm help;
- (ww) “semi-detached dwelling unit” means a dwelling unit in a building divided vertically by a common wall both above and below grade into two separate dwelling units, each such dwelling unit having an independent entrance either directly from outside the building or through a common vestibule;
- (xx) “service” means a service described in this by-law or in an agreement made under Section 44 of the Act;
- (yy) “single-detached dwelling unit” means a dwelling unit in a completely detached building containing only one dwelling unit;



- (zz) “small unit” means a dwelling unit of less than 70 square meters in size irrespective of built form;
- (aaa) “Special Care/Special Needs Unit” means, for the purpose of Schedule “A”, a unit in a special care facility;
- (bbb) “special care/special needs facility” means a residential building or portion thereof providing or intending to provide habitable units to individuals requiring special care, where such units may or may not have exclusive sanitary and/or culinary facilities, and the occupants have access to common areas and additional medical, personal and/or supervisory care. For clarity, a special care facility includes a long-term care home within the meaning of subsection 2(1) of the Fixing Long-Term Care Act, 2021, S.O. 2021, c. 39, Sched. 1, a home for special care within the meaning of the Homes for Special Care Act, R.S.O. 1990, c. H.12, or a residential hospice for end of life care;
- (ccc) “stacked townhome” means a building containing two or more dwelling units where each dwelling unit is separated horizontally from another dwelling unit by a common wall;
- (ddd) “structure” means anything constructed, the use of which requires location on or in the ground or attached to something having location on or in the ground;
- (eee) “temporary building or structure” means a building or structure that is constructed, erected or placed on land for a continuous period of not more than eight months, or an addition or alteration to a building or structure that has the effect of increasing the size or usability thereof for a continuous period of not more than eight months;
- (fff) “total floor area” means the total of the areas of the floors in a building or structure, whether at, above or below grade, measured between the exterior faces of the exterior walls of the building or structure or from the centre line of a common wall separating two uses, or from the outside edge of a floor where the outside edge of the floor does not meet an exterior or common wall, and;



- (a) includes space occupied by interior walls and partitions;
 - (b) includes, below grade, only the floor area that is used for commercial or industrial purposes;
 - (c) includes the floor area of a mezzanine;
 - (d) where a building or structure does not have any walls, the total floor area shall be the total area of the land directly beneath the roof of the building or structure and the total areas of the floors in the building or structure;
 - (e) excludes any parts of the building or structure used for mechanical equipment related to the operation or maintenance of the building or structure, stairwells, elevators, washrooms, and the parking and loading of vehicles; and
 - (f) excludes the area of any self-contained structural shelf and rack storage facility permitted by the Building Code Act.
- (ggg) “Town” means The Corporation of the Town of Caledon
- (hhh) “townhouse dwelling unit” means a dwelling unit in a building divided vertically both above and below grade into three or more dwelling units, each such dwelling unit having an independent entrance either directly from outside the building or through a common vestibule.
- (iii) All words defined in the Act or the Regulation have the same meaning in this by-law as they have in the Act or Regulation unless they are defined otherwise in this by-law.
- (jjj) All references to the provisions of any statute or regulation or to the Ontario Building Code contained in this by-law shall also refer to the same or similar provisions in the statute or regulation or code as amended, replaced, revised or consolidated from time to time.

AFFECTED LANDS

- 2.(1) Subject to Subsection 2 of this Section, this by-law applies to the land in the South Simpson Industrial Secondary Plan Area that is outlined on Schedule A attached hereto, whether or not such land is exempt from taxation under Section 3 of the Assessment Act.



- (2) This by-law shall not apply to land that is owned by and used for the purposes of:
- (a) a board as defined in Subsection 1(1) of the Education Act;
 - (b) the Town or any local board thereof;
 - (c) The Regional Municipality of Peel or any local board thereof; or,
 - (d) any other municipality or local board thereof.

IMPOSITION OF DEVELOPMENT CHARGES

- 3.(1) Subject to Subsection 2 of this Section, development charges shall be imposed against land that is to be developed if the development requires:
- (a) the passing of a zoning by-law or of an amendment to a zoning by-law under Section 34 of the Planning Act;
 - (b) the approval of a minor variance under Section 45 of the Planning Act;
 - (c) a conveyance of land to which a by-law passed under Subsection 50(7) of the Planning Act applies;
 - (d) the approval of a plan of subdivision under Section 51 of the Planning Act;
 - (e) a consent under Section 53 of the Planning Act;
 - (f) the approval of a description under Section 9 of the Condominium Act, 1998; or,
 - (g) the issuing of a building permit under the Building Code Act, 1992 in relation to a building or structure.
- (2) Only one development charge shall be imposed against land to which this by-law applies even though two or more of the actions described in Subsection 1 of this Section are required for such land to be developed.
- (3) Notwithstanding Subsection 2 of this section, if two or more of the actions described in Subsection 1 of this section occur at different times, additional development charges shall be imposed in accordance with this by-law in respect of any additional development permitted by the subsequent action.

DESCRIPTION OF SERVICES

- 4.(1) Development charges shall be imposed in accordance with this by-law in respect of Roads and Related Services on Simpson Road (Phase 2) adjacent to that part of the South Simpson Industrial Secondary Plan Area that is outlined on Schedule A attached hereto.



- (2) The development charges applicable to a development, as determined in accordance with this by-law, shall apply without regard to the services required for or to be used by such development.

CALCULATION OF DEVELOPMENT CHARGES

- 5.(1) Development charges that are to be imposed upon land in that part of the South Simpson Industrial Secondary Plan Area that is outlined on Schedule A attached hereto that is to be developed for any purpose, including, without limiting the generality of the foregoing, residential uses, non-residential uses and/or mixed uses, shall be in the amounts set out in Schedule B attached hereto and adjusted in accordance with Section 10 of this by-law.
- (2) Notwithstanding Subsection (1), where the development of land results from the approval of a Site Plan or Zoning By-law Amendment received on or after January 1, 2020, and the approval of the application occurred within the prescribed amount of time of building permit issuance, the Development Charges shall be calculated based on the rates set out in Schedule “B” on the date of the planning application, including interest. Where both planning applications apply, Development Charges shall be calculated on the rates, including interest, set out in Schedule “B” on the date of the later planning application

RESIDENTIAL INTENSIFICATION

- 6.(1) This by-law shall not apply with respect to any of the actions described in Subsection 1 of Section 3 of this by-law if the only effect of such action is to:
- (a) permit the enlargement of an existing dwelling unit;
 - (b) a second residential dwelling unit in an existing or new single detached dwelling, semi-detached dwelling, or row-townhouse dwelling on a parcel of land on which residential use, other than ancillary residential use, is permitted, if all buildings and structures ancillary to the existing or new single detached dwelling, semi-detached dwelling, or row-townhouse dwelling cumulatively contain no more than one residential dwelling unit;
 - (c) a third residential dwelling unit in an existing or new single detached dwelling, semi-detached dwelling, or row-townhouse dwelling on a parcel of land on which residential use, other than ancillary residential use, is permitted, if no building or structure ancillary to the existing or new single



- detached dwelling, semi-detached dwelling, or row-townhouse dwelling contains any residential dwelling units;
- (d) one residential dwelling unit in a building or structure ancillary to an existing or new single detached dwelling, semi-detached dwelling, or row-townhouse dwelling on a parcel of land, if the existing or new single detached dwelling, semi-detached dwelling, or row-townhouse dwelling contains no more than two residential dwelling units and no other building or structure ancillary to the existing or new single detached dwelling, semi-detached dwelling, or row-townhouse dwelling contains any residential dwelling units;
 - (e) in an existing rental residential building, which contains four or more residential dwelling units, the creation of the greater of one residential dwelling unit or one per cent of the existing residential dwelling units.
- (2) Notwithstanding any other provision of this by-law, for the purpose of Subsection 1 of this section, the terms “single-detached dwelling”, “semi-detached dwelling”, “row dwelling” and “gross floor area” shall have the same meanings provided for them in the Regulation.

INDUSTRIAL EXPANSION

- 7.(1) Notwithstanding any other provision of this by-law, if a development includes the enlargement of the gross floor area of an existing industrial building, the amount of the development charge applicable to such development shall be determined as follows:
- (a) if the gross floor area is enlarged by fifty percent or less, cumulatively from the original building floor area, the amount of the development charge in respect of the enlargement shall be zero; or,
 - (b) if the gross floor area is enlarged by more than fifty percent cumulatively from the original building gross floor area, the amount of the development charge in respect of the enlargement shall be calculated on the amount by which the proposed enlargement exceeds fifty percent of the gross floor area of the industrial building prior to any enlargements.
- (2) Notwithstanding any other provision of this by-law, for the purpose of Subsection 1 and 5 of this Section, the terms “existing industrial building” and “gross floor area” shall have the same meanings provided for them in the Regulation.



- (3) For the purpose of interpreting the definition of “existing industrial building” in the Regulation, regard shall be had for the classification of the land on which the existing industrial building is located under the Assessment Act and in particular:
 - (a) whether the land is within a tax class such that taxes on the land are payable at the industrial tax rate; and,
 - (b) whether more than fifty percent of the gross floor area of the existing industrial building has an industrial property code for assessment purposes.
- (4) For the purpose of applying Subsection 1 of this Section, the gross floor area of an existing industrial building shall be calculated as it was prior to the first enlargement of such existing industrial building for which an exemption under Subsection 1 of this Section applies.
- (5) Notwithstanding any other provision of this by-law, development charges shall not be imposed with respect to the construction or erection of a building that is accessory to and not more than fifty percent of the gross floor area of an existing industrial building or the construction or erection of the gross floor area of an existing industrial building, provided that, prior to a building permit or building permits being issued for such building or buildings, the owner or owners of the land on which such building or buildings are to be constructed or erected enter into a written agreement with the Town which has the effect of counting the floor area of such building or buildings against the exemption provided for in subsection 1 of this section.

REDEVELOPMENT

8. Subject to section 7 of this by-law, where, in conjunction with the redevelopment of land, a building or structure on such land was demolished in whole or in part on or after November 6, 1991, or is to be demolished in whole or in part or converted from a residential use to a non-residential use or vice-versa, the development charge to be imposed with respect to such redevelopment shall be reduced by the following amounts:
 - (1) in the case of a residential building or the residential portion of a mixed use building or structure, an amount calculated by multiplying the development charge that would have been applicable under section 5 of this by-law by the number of dwelling units that have completed culinary



and sanitary facilities, according to the type thereof, that have been or are to be demolished or converted to another use; or,

- (2) in the case of a non-residential building or the non-residential portion of a mixed use building or structure, an amount calculated by multiplying the applicable development charge under section 5 of this by-law by the total floor area, according to the type thereof, that has been or is to be demolished or converted to another use;

provided that evidence satisfactory to the Town is provided by the property owner as to the total floor area or type and number of dwelling units that have been demolished, that such amounts shall not exceed in total the amount of the development charges to otherwise be imposed with respect to the redevelopment.

TEMPORARY BUILDINGS OR STRUCTURES

- 9.(1) Notwithstanding any other provision of this by-law, development charges shall not be imposed under this by-law in respect of the construction or erection of a temporary building or structure so long as its status as a temporary building or structure is maintained in accordance with the provisions of this by-law.
- (2) Upon application being made for the issuance of a building permit for the construction or erection of a temporary building or structure to which, but for Subsection 1 of this Section, development charges apply, the Town may require the owner or owners of the land on which such temporary building or structure is to be constructed or erected to either:
 - (a) pay for development charges on the proposed temporary building for which the owner or owners may apply for a refund no later than one month following the time period defined in this by-law for temporary buildings or structures; or
 - (b) enter into an agreement with the Town pursuant to section 27 of the Act and submit security, satisfactory to the Town, to be realized upon in the event that the temporary building or structure becomes protracted and development charges thereby become payable.
- (3) In the event that a temporary building or structure becomes protracted, it shall be deemed not to be, nor ever to have been a temporary building or structure and,



subject to any agreement made pursuant to section 27 of the Act, development charges under this by-law shall become payable forthwith.

INDEXING

10. The development charges described in Schedule B to this by-law shall be adjusted without amendment to this by-law on February 1st and August 1st in each year, commencing on 1 February 2026, in accordance with the Statistics Canada Quarterly Construction Price Statistics (catalogue number 62-007) with the base index value being that in effect on 1 August 2025.

PAYMENT OF DEVELOPMENT CHARGES

- 11.(1) Development charges set out in Schedule B and adjusted in accordance with Section 10 of this by-law to the date of payment, shall be payable:
 - (a) in regard to development charges imposed under section 5 of this by-law, with respect to a dwelling unit in a building or structure for which a building permit is issued, on the date that the building permit is issued; and,
 - (b) in regard to development charges being imposed under section 5 of this by-law, with respect to a building or structure for which a building permit is issued, on the date that the building permit is issued.
 - (c) prior to final approval of a plan of subdivision or a plan of condominium for the land that is to be developed;
 - (d) prior to a certificate being issued for a consent for the land that is to be developed; or,
 - (e) prior to a building permit being issued for the construction of a building or structure on the land that is to be developed;whichever occurs earlier.
- (2) Development charges for rental housing and institutional developments are due and payable in 6 installments commencing with the first installment payable on the date of occupancy, and each subsequent installment, including interest, payable on the anniversary date each year thereafter.
- (3) In the alternative to payment by the means provided in subsection 1 of this section, the Town may, by an agreement made under section 38 of the Act with the owner or owners of land that is to be developed, accept the provision of



services in full or partial satisfaction of development charges otherwise payable by such owner or owners, provided that:

- (a) If the Town and such owner or owners cannot agree as to the reasonable cost of providing the services, the dispute shall be referred to the Council of the Town and its decision shall be final and binding; and,
 - (b) if the reasonable cost of providing the services exceeds the amount of the development charge for the service to which the work relates:
 - (i) the excess amount shall not be credited against the development charge for any other service, unless the Town has so agreed in an agreement made under section 39 of the Act; and.
 - (ii) in no event shall the Town be required to make a cash payment to such owner or owners.
- (4) Nothing in this by-law shall prevent the Council of the Town from requiring, as a condition of any approval under the Planning Act, that the owner or owners of land install such local services as the Council of the Town may require in accordance with the policies of the Town with respect to local services.
- (5) The Town may require the owner or owners of land that is to be developed to enter into an agreement, including the provision of security for the obligations of such owner or owners under the agreement pursuant to section 27 of the Act providing for all or part of a development charge to be paid before or after it otherwise would be payable, and the terms of such agreement shall prevail over the provisions of this by-law.
12. The Development Charge payable for Rental Housing developments will be reduced based on the number of bedrooms in each unit as follows:
- (a) Three or more bedrooms – 25% reduction;
 - (b) Two bedrooms – 20% reduction
 - (c) Less than two bedrooms – 15% reduction

FRONT-ENDNIG AGREEMENTS

- 13.(1) Where a development charge by-law is in force, Council may enter into a front-ending agreement with any or all owners within the benefiting area,



providing for the payment by the owner or owners of a front-end payment or for the installation of services by the owners or any combination of front-end payments and installation of services. The cost of the work that will benefit a defined benefiting area is to be borne by one or more of the parties to the agreement who will be reimbursed some part of the costs by persons who, in the future, develop land within the benefiting area.

- (2) A person is entitled to be given a credit towards a development charge for the amount of their non-reimbursable share of the costs of work under a front-ending agreement.
- (3) No credit given pursuant to subsection (2) shall exceed the total development charge payable by the owner for that service, or the level of service underlying Schedule "B".
- (4) The front-end payment required to be made by the benefiting owner under the front-ending agreement may be adjusted annually, without amendment to this by-law, each October, while this by-law is in force, in accordance with the average Bank of Canada rate applied annually.

EFFECTIVE DATE

- 14. This by-law shall come into force and effect on _____, 2025.

EXPIRY DATE

- 15. This by-law shall expire ten years from the date that it comes into force and effect, unless it is repealed at an earlier date by a subsequent by-law.

REGISTRATION

- 16. A certified copy of this by-law may be registered in the by-law register in the Peel Land Registry Office and/or against the title to any land to which this by-law applies.

SEVERABILITY

- 17. In the event that any provision of this by-law is found by a court or tribunal of competent jurisdiction to be invalid, such provision shall be deemed to be



severed, and the remaining provisions of this by-law shall remain in full force and effect.

HEADINGS

18. The headings inserted in this by-law are for convenience of reference only and shall not affect the interpretation of this by-law.

SCHEDULE

19. Schedules A and B attached to this by-law shall be deemed to be a part of this by-law.

SHORT TITLE

20. This by-law may be referred to as the Simpson Road (Phase 2 - from George Bolton Parkway Road to 125m North) Area Specific Development Charges By-law.

Mayor

Clerk

**READ THREE TIMES AND FINALLY
PASSED IN OPEN COUNCIL
THIS ____ DAY OF _____, 2025.**



SCHEDULE "A"
TO BY-LAW NO. 2025-___





**SCHEDULE “B”
TO BY-LAW NO. 2025-__**

Ref. Number	Municipal Address	Developable Land Area (ha.)	D.C. per Property
N-1	12485 COLERAINE DR	2.77	628,571
N-3	12465 COLERAINE DR	2.71	615,104
N-2	0 COLERAINE DR	1.03	234,263
N-4	0 COLERAINE DR	1.03	233,740
TOTAL SIMPSON RD. PHASE 2 LANDS		7.55	1,711,678