

The Corporation of the Municipality of Grey Highlands

By-law No. 2026-102

A by-law to establish Area-Specific Development Charges for the Markdale Lagoon Expansion Area

Whereas, subsection 2(1) of the Development Charges Act, 1997, S.O. 1997, c. 27, as amended (the "Act") provides that the council of a municipality may by by-law impose development charges against land to pay for increased capital costs required because of increased needs for services arising from development of the area to which the by-law applies; and

Whereas, a Development Charges Background Study for the Corporation of the Municipality of Grey Highlands ("Municipality of Grey Highlands") was prepared by Hemson Consulting Ltd. and dated July 17, 2026 (the "Study") as required by section 10 of the Act, and was presented to Council along with a draft of this by-law as proposed and has been completed within a one-year period prior to the anticipated enactment of this by-law; and

Whereas, notice of a public meeting was given pursuant to subsection 12(1) of the Act and in accordance with the regulations under the Act, on or before August 4, 2026; and

Whereas, copies of the Study and this proposed by-law were made available to the public in accordance with subsections 10(4) and 12(1) of the Act; and

Whereas, a public meeting was held on August 25, 2026, in accordance with the Act to hear comments and representations from all persons who applied to be heard (the "Public Meeting"); and

Whereas, at the Public Meeting, the Council of the Municipality of Grey Highlands had before it the Study, wherein it is indicated that the development of land within the Markdale Lagoon Expansion Area will increase the need for services as defined herein; and

Whereas, the Council of the Municipality has heard all persons who applied to be heard no matter whether in objection to, or in support of, the development charges proposal at the Public Meeting, and the public was generally afforded the opportunity to make written submissions relating to this proposed by-law and the Study;

Now Therefore the Council of the Municipality of Grey Highlands hereby enacts as follows:

1. In this by-law

(1) "Act" means the Development Charges Act, 1997, S.O. 1997, c. 27, including the Regulations passed under the Act;

(2) "Apartment Dwelling" means a building containing three or more dwelling units that share a common external access to the outside through a common vestibule and a common corridor system.

- (3) "Bedroom" means a habitable room larger than seven square metres, including a den, study, or other similar area, but does not include a living room, dining room or kitchen;
- (4) "Board of Education" means a board defined in s.s. 1(1) of the Education Act;
- (5) "Building Code Act" means the Building Code Act, R.S.O. 1990, c.B.-13, as amended;
- (6) "Capital cost" means costs incurred or proposed to be incurred by the municipality or a local board thereof directly or by others on behalf of, and as authorized by, the municipality or local board,
- (a) to acquire land or an interest in land, including a leasehold interest;
 - (b) to improve land;
 - (c) to acquire, lease, construct or improve buildings and structures;
 - (d) to acquire, lease construct or improve facilities, including,
 - (i) to acquire, lease, construct or improve facilities including, rolling stock with an estimated useful life of seven years or more,
 - (ii) furniture and equipment, other than computer equipment, and
 - (iii) materials acquired for circulation, reference or information purposes by a library board as defined in the Public Libraries Act, R.S.O. 1990, c.P.-44; and
 - (e) to undertake studies in connection with any of the matters referred to in clauses (a) to (d);
 - (f) to complete the development charge background study under Section 10 of the Act;
 - (g) interest on money borrowed to pay for costs in (a) to (d); required for provision of services designated in this by-law within or outside the municipality.
- (7) "Commercial building" means any building that is used for a purpose of non-residential use and that is not an industrial building or an institutional building;
- (8) "Council" means the Council of The Corporation of the Municipality of Grey Highlands;
- (9) "Development" means any activity or proposed activity in respect of land that requires one or more of the actions referred to in section 6 of this by-law and including the redevelopment of land or the redevelopment, expansion, extension or alteration of a use, building or structure except interior alterations to an existing building or structure which do not change or intensify the use of land;
- (10) "Development charge" means a charge imposed pursuant to this By-law;
- (11) "Dwelling unit" means a room or suite of rooms used, or designed or intended for use by, one person or persons living together, in which culinary and sanitary facilities are provided for the exclusive use of such person or persons;
- (12) "Farm building" means a building or structure actually used as part of or in connection with a bona fide farming operation and includes barns, silos, and other buildings or structures ancillary to a bona fide farming operation, but excluding a residential use. For

greater clarity, a farm building does not include a commercial building, institutional building, or industrial building on a farm that is secondary to a bona fide farm operation;

(13) "Grade" means the average level of finished ground adjoining a building or structure at all exterior walls;

(14) "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 and includes the floor area of a mezzanine and air-supported structure and the space occupied by interior wall partitions;

(15) "Industrial building" means a building used for or in connection with, manufacturing, producing, processing, storing or distributing something; research or development in connection with manufacturing, producing or processing something; 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; office or administrative purposes, if they are carried out with respect to manufacturing, producing, processing, storage or distributing something, and in or attached to the building or structure used for that manufacturing, producing, processing, storage, or distribution;

(16) "Local board" means a public utility commission, public library board, local board of health, or any other board, commission, committee or body or local authority established or exercising any power or authority under any general or special Act with respect to any of the affairs or purposes of the municipality or any part or parts thereof;

(17) "Local services" means those services or facilities 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, required as a condition of approval under s.51 of the Planning Act, or as a condition of approval under s.53 of the Planning Act;

(18) "Multiple dwelling" means all dwellings other than single detached dwellings, semi-detached dwellings, and apartment dwellings;

(19) "Municipality" means The Corporation of the Municipality of Grey Highlands;

(20) "Non-residential uses" means a building or structure used for other than a residential use, including structures that support the non-residential use;

(21) "Owner" means the owner of land or a person who has made application for an approval for the development of land upon which a development charge is imposed;

(22) "Planning Act" means the Planning Act, R.S.O. 1990, c.P.-13, as amended;

(23) "Regulation" means any regulation made pursuant to the Act;

(24) "Residential uses" means lands, buildings or structures or portions thereof used, or designed or intended for use as a home or residence of one or more individuals, and shall include a single detached dwelling, a semi-detached dwelling, a multiple dwelling, an apartment dwelling, and the residential portion of a mixed-use building or structure;

(25) "Semi-detached dwelling" means a building divided vertically into two dwelling units each of which has a separate entrance and access to grade;

(26) "Services" means wastewater services, including sewers and treatment services, as prescribed by section 2. (4) 2. of the Act;

(27) "Single detached dwelling" means a completely detached building containing only one dwelling unit; and

(28) "Townhouse dwelling" means a minimum of three (3) dwelling units which are attached above and below grade by either the entire length of the garage or by the entire length of the main common wall and all of which front on a public or private street.

2. CALCULATION OF DEVELOPMENT CHARGES

(1) Subject to the provisions of this By-law, development charges against land shall be imposed, calculated and collected in accordance with the rates for the services set out in Schedule "A" as applicable.

(2) The wastewater component or the applicable portion of the wastewater component of the Development Charges imposed herein shall not be charged where wastewater services are not available. The resulting development charges are also set out in Schedule "A" as applicable.

(3) The development charge with respect to the uses of any land, building or structure shall be calculated as follows:

(a) in the case of residential development or redevelopment or the residential portion of a mixed use development or redevelopment, as the sum of the product of the number of dwelling units of each type multiplied by the corresponding total amount for such dwelling unit type, as set out in Schedule "A" as applicable;

(b) in the case of non-residential development or redevelopment, or the non-residential portion of a mixed use development or redevelopment, as the sum of the product of the gross floor area multiplied by the corresponding total amount for such gross floor area as set out in Schedule "A" as applicable.

(4) Council hereby determines that the development or redevelopment of land, buildings or structures for residential and non-residential uses will require the provision, enlargement or expansion of the services referenced in Schedule "A".

3. APPLICABLE LANDS

(1) Subject to Sections 5 and 6, this by-law applies to the land contained within the Markdale Lagoon Expansion Area as outlined in Schedule "B", whether or not the land or use is exempt from taxation under Section 3 of the Assessment Act, R.S.O. 1990, c.A.- 31.

(2) This by-law shall not apply to land within the Markdale Lagoon Expansion Area that is owned by and used for the purposes of:

- (a) a board of education;
- (b) any municipality or local board thereof;
- (c) hospitals under the Public Hospitals Act;
- (d) places of worship exempt from taxation under the Assessment Act;
- (e) farm buildings.

4. RULES WITH RESPECT TO EXEMPTIONS

(1) Notwithstanding Section 3 above, no Development Charge shall be imposed with respect to the enlargement of an existing residential unit as outlined in subsection 2 (3) of the Development Charges Act.

- (a) This by-law shall not apply to affordable and attainable residential units in accordance with, and subject to, the criteria and conditions contained in section 4.1 of the Act and the definitions in the Act.
- (b) This by-law shall not apply to non-profit housing development in accordance with, and subject to, the criteria and conditions contained in section 4.2 of the Act and the definitions in the Act;
- (c) This by-law shall not apply to affordable residential units to be included in a development or redevelopment pursuant to inclusionary zoning requirements in accordance with section 4.3 of the Act;
- (d) This by-law shall not apply to the development of any part of a building or structure intended for use as a long term care facility, as defined in subsection 2 (1) of the Fixing Long Term Care Home Act, 2021, in accordance with section 4.4 of the Act.

5. RULES WITH RESPECT TO DISCOUNTS FOR RENTAL HOUSING DEVELOPMENT

(1) In the case of rental housing development, the amount determined under subsection 2 (1) (a) above for a dwelling unit intended for use as a rented residential premises shall be reduced by the following:

- (a) dwelling unit with three or more bedrooms shall be reduced by 25 per cent;
- (b) dwelling unit with two bedrooms shall be reduced by 20 per cent;
- (c) dwelling unit with 1 bedroom shall be reduced by 15 per cent.

6. RULES WITH RESPECT TO AN "INDUSTRIAL" EXPANSION EXEMPTION

(1) Notwithstanding Section 3 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 is the following:

- (a) if the gross floor area is enlarged by 50 percent or less, the amount of the development charge in respect of the enlargement is zero; or
- (b) if the gross floor area is enlarged by more than 50 percent, development charges are payable on the amount by which the enlargement exceeds 50 percent of the gross floor area before the enlargement.

(2) For the purpose of this section, the terms "gross floor area" and "existing industrial building" shall have the same meaning as those terms have in O. Reg. 82/98 made under the Act.

(3) For the purposes of this section the gross floor area shall be the gross floor area that existed as of January 1, 2008.

7. DEVELOPMENT CHARGE IMPOSED

(1) Subject to subsection (2), development charges shall be calculated and collected in accordance with the provisions of this by-law and be imposed on land to be developed for residential and non-residential uses, where, the development requires,

- (a) the passing of a zoning by-law or an amendment thereto under Section 34 of the Planning Act;
- (b) the approval of a minor variance under Section 45 of the Planning Act;
- (c) a conveyance of land to which a by-law passed under subsection 50(7) of the Planning Act applies;
- (d) the approval of a plan of subdivision under Section 51 of the Planning Act;
- (e) a consent under Section 53 of the Planning Act;
- (f) the approval of a description under Section 50 of the Condominium Act, R.S.O. 1990, c.C.-26; or
- (g) the issuing of a permit under the Building Code Act, in relation to a building or structure.

(2) Subsection (1) shall not apply in respect to:

- (a) local services installed or paid for by the owner within a plan of subdivision or within the area to which the plan relates, as a condition of approval under Section 51 of the Planning Act;
- (b) local services installed or paid for by the owner as a condition of approval under Section 53 of the Planning Act.

8. APPLICATION OF THIS BY-LAW

(1) This By-law shall apply to the lands of the Markdale Lagoon Expansion Area as outlined in Schedule "B".

9. LOCAL SERVICE INSTALLATION

Nothing in this by-law prevents Council from requiring, as a condition of an agreement under Section 51 or 53 of the Planning Act that the owner, at his or her own expense, shall install or pay for such local services, within the Plan of Subdivision or within the area to which the plan relates, as Council may require.

10. MULTIPLE CHARGES

(1) Where two or more of the actions described in subsection 7(1) are required before land to which a development charge applies can be developed, only one development charge shall be calculated and collected in accordance with the provisions of this by-law.

(2) Notwithstanding subsection (1), if two or more of the actions described in subsection 7(1) occur at different times, and if the subsequent action has the effect of increasing the need for municipal services as set out in Schedule "A" an additional development charge on the additional residential units and additional gross floor area on non-residential properties shall be calculated and collected in accordance with the provisions of this by-law.

11. SERVICES IN LIEU

(1) Council may authorize an owner, through an agreement under Section 38 of the Act, to substitute such part of the development charge applicable to the owner's development as may be specified in the agreement, by the provision at the sole expense of the owner, of services in lieu. Such agreement shall further specify that where the owner provides services in lieu in accordance with the agreement, Council shall give to the owner a credit against the development charge in accordance with the agreement provisions and the provisions of Section 39 of the Act, equal to the reasonable cost to the owner of providing the services in lieu. In no case shall the agreement provide for a credit that exceeds the total development charge payable by an owner to the municipality in respect of the development to which the agreement relates.

(2) In any agreement under subsection (1), Council may also give a further credit to the owner equal to the reasonable cost of providing services in addition to, or of a greater size or capacity, than would be required under this by-law.

(3) The credit provided for in subsection (2) shall not be charged to any development charge reserve fund.

12. RULES WITH RESPECT TO RE-DEVELOPMENT

In the case of the demolition of all or part of a residential building or structure:

(1) a credit shall be allowed, provided that the land was improved by occupied structures (or structures capable of occupancy) within the five years prior to the issuance of the building permit, and the building permit has been issued for the development or redevelopment within five years from the date the demolition permit has been issued; and

(2) if a development or redevelopment involves the demolition of and replacement of a building or structure, a credit shall be allowed equivalent to the number of dwelling units demolished multiplied by the applicable residential development charge in place at the time the development charge is payable.

(3) in the case of an addition to a dwelling as described 4(2) and 4(3) constructed after this by-law comes into force that has the effect of increasing the number of units the additional Development Charge due on the additional units shall be paid based on Schedule "A" to this by-law.

In the case of the demolition of all or part of a non-residential building or structure:

(1) a credit shall be allowed, provided that the land was improved by occupied structures (or structures capable of occupancy) within the five years prior to the issuance of the building permit, and the building permit has been issued for the development or redevelopment within five years from the date the demolition permit has been issued; and

(2) if a development or redevelopment involves the demolition of and replacement of a building or structure, a credit shall be allowed equivalent to the floor area demolished multiplied by the applicable

non-residential development charge in place at the time the development charge is payable.

(3) in the case of an addition to a non-residential property as described S(1)(b) constructed after this by-law comes into force that has the effect of increasing the floor area the additional Development Charge due on the additional floor area shall be paid based on Schedule "A" to this by-law.

(4) A credit can, in no case, exceed the amount of the development charge that would otherwise be payable, and no credit is available if the existing land use is exempt under this by-law.

13. TIMING OF CALCULATION OF PAYMENT

(1) Development charges shall be calculated on the following dates:

(a) As of the date when an application for an approval of development in a site plan control area under subsection 41(4) of the Planning Act was made, and deemed complete, by the Municipality;

(b) if does not apply, as of the date when an application for an amendment to a by-law passed under section 34 of the Planning Act was made, and deemed complete, by the Municipality;

(c) if neither clause (a) or (b) applies, as of the date that the first building permit is issued in relation to a building or structure on the lands to which a development charge applies, in accordance with Section 6 of this by-law, or in a manner or at a time otherwise lawfully agreed upon under the Act or specified in this by-law

If a development was the subject of more than one application referred to in clause (a) or (b) above, the later application is deemed to be the applicable application for the purposes of the calculation date.

If, on the date the first building permit is issued for the development, more than 18 months (or as otherwise stipulated by the Act) has elapsed since the application referred to in clause (a) or (b) was approved, then clause (a) and (b) above do not apply, and development charges shall be calculated as outlined in clause (3) above.

Clauses (a) and (b) above do not apply to a development charge if the total amount of all charges, including any interest charged under this by-law, that are payable in accordance with either of those clauses exceeds the total amount of all charges that would be payable had clause (c) above been applied.

(2) Development charges shall be paid in lawful money of Canada or by provision of services as may be agreed upon by the Municipality, or by credit granted by the Act, on the following dates:

(a) For rental housing and institutional development:

(i) shall be paid in equal annual instalments beginning on the earlier of the date of the issuance of a permit under the Building Code Act authorizing occupation of the building and the date the building is first occupied, and continuing on the following five anniversaries of that date.

(b) For any residential use that is not rental housing:

(i) shall be paid in full on the earlier of the date of the issuance of a permit under the Building Code Act authorizing occupation of the building or the date the building is first occupied.

(c) For any non-residential use that is not institutional development:

(i) shall be paid in full upon a building permit being issued for the development.

(d) Notwithstanding subsections (a), (b), and (c) above, in cases where a building permit is not required under the Building Code Act, the development charge shall be paid at the action or approval described in section 2(1) of this by-law

A person required to pay a development charge referred to in subsection (a) or (b) above shall, unless the occupation of the building in respect of which the development charge is required is authorized by a permit under the Building Code Act, notify the Municipal Treasurer within the prescribed time of the building first being occupied as outlined in the Act.

A person required to pay a development charge referred to in subsection (a) or (b) above may pay the charge before it is otherwise payable even in the absence of an agreement under section 27, provided the building permit has been issued.

14. RESERVE FUNDS

(1) Monies received from payment of development charges under this by-law shall be maintained in the Wastewater Services Markdale Lagoon Expansion Area reserve fund.

(2) Monies received for the payment of development charges shall be used only in accordance with the provisions of Section 35 of the Act.

(3) Where any development charge, or part thereof, remains unpaid after the due date, the amount unpaid shall be added to the tax roll and shall be collected as taxes.

(4) Where any unpaid development charges are collected as taxes under subsection (3), the monies so collected shall be credited to the development charge reserve funds referred to in subsection (1).

(5) The Treasurer of the Municipality shall, in each year furnish to Council a statement in respect of the reserve funds established hereunder for the prior year, containing the information set out in Section 12 of O. Reg. 82/98.

15. INTEREST ON DEFERRALS AND FREEZE

(1) The Municipality may charge interest on installments required by Section 26.1 (3) of the Act from the date the development charge would have been payable in accordance with Section 26 of the Act to the date the installment is paid.

(2) Where Section 26.2 (1) (a) or (b) of the Act applies, the Municipality may charge interest on the development charge from the date of the application referred to in the applicable clause to the date the development charge is payable under Section 26.2 (3) of the Act.

(3) Interest will be determined at the maximum interest rate allowed under the Act, per Section 26.3.

16. BY-LAW AMENDMENT OR APPEAL

(1) Where this by-law or any development charge prescribed thereunder is amended or repealed either by order of the Ontario

Land Tribunal or by resolution of the Municipal Council, the Municipal Treasurer shall calculate forthwith the amount of any overpayment to be refunded as a result of said amendment or repeal.

(2) Refunds that are required to be paid under subsection (1) shall be paid with interest to be calculated as follows:

- (a) Interest shall be calculated from the date on which the overpayment was collected to the date on which the refund is paid;
- (b) The Bank of Canada interest rate in effect on the date of enactment of this by-law shall be used.

17. BY-LAW INDEXING

The development charges set out in Schedule "A" to this by-law shall be adjusted annually as of February 15 of each year, beginning in 2028, without amendment to this by-law, in accordance with the most recent twelve-month change in the Statistics Canada Quarterly, "Construction Price Statistics for non-residential construction".

18. SEVERABILITY

In the event any provision, or part thereof, of this by-law is found by a court of competent jurisdiction to be ultra vires, such provision, or part thereof, shall be deemed to be severed, and the remaining portion of such provision and all other provisions of this by-law shall remain in full force and effect.

19. HEADINGS FOR REFERENCE ONLY

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

20. BY-LAW REGISTRATION

A certified copy of this by-law may be registered on title to any land to which this by-law applies.

21. BY-LAW ADMINISTRATION

This by-law shall be administered by the Municipal Treasurer.

22. SCHEDULES TO THE BY-LAW

The following Schedules to this by-law form an integral part of this by-law:

- Schedule "A" Area-Specific Residential and Non-Residential Development Charges
- Schedule "B" Map of the Markdale Lagoon Expansion Area

23. SHORT TITLE

This by-law may be cited as the "Municipality of Grey Highlands Markdale Area-Specific Development Charges By-law".

24. EFFECTIVE DATE

This by-law will come into full force and effect on January 1, 2027.

Read a first, second and third time, and finally passed on September 16 2026.

The Corporation of the
Municipality of Grey Highlands

Original Signed By

Paul McQueen, Mayor

Original Signed By

Amanda Fines-VanAlstine, Clerk

Status: Passed

Schedule A – Proposed Area-Specific Development Charges

	Residential Development Charges Per Unit			Non-Residential Development Charges Per Square Metre
	Single/Semi	Row & Other Multiple	Apartment	
Mardale Lagoon Expansion Area	\$ 8,472	\$ 6,593	\$ 4,615	\$ 37.57

SCHEDULE B – Map of the Markdale Lagoon Expansion Area

