

Town of South Bruce Peninsula Development Charges Background Study

For Public Circulation and Comment

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 Planning for growth

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1. Introduction

1.1 Purpose of this Document

This background study has been prepared pursuant to the requirements of the *Development Charges Act, 1997* (s.10), and accordingly, recommends development charges and policies for the Town of South Bruce Peninsula.

The Town retained Watson & Associates Economists Ltd. (Watson) to undertake the Development Charges (DC) Background Study process in 2014. Watson worked with senior staff of the Town in preparing this DC analysis and policy recommendations.

This DC Background Study, containing the proposed DC 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 DC Background Study, as summarized in Chapter 3. It also addresses the forecast amount, type and location of growth (Chapter 2), the increase in capital needs to accommodate the anticipated development and calculation of the charges (Chapters 4 and 5), the requirement for "rules" governing the imposition of the charges (Chapter 6) and the proposed by-law to be made available as part of the approval process (Appendix A).

In addition, the DC Background Study addresses post-adoption implementation requirements (Chapter 7) which are critical to the successful application of the new policy.

1.2 Summary of the Process

The public meeting required under Section 12 of the Development Charges Act, 1997, has been scheduled for _____, 2016. Its purpose is to present the study to the public and to solicit public input on the proposed DC By-Law. The meeting is also being held to answer any questions regarding the Study's purpose, methodology and the proposed policies for the Town's Development Charges By-Law.

In accordance with the legislation, the DC Background Study has been posted on the Town's website on _____, 2016 (i.e. no later than 60 days prior to by-law passage)

and proposed DC by-law were available for public review on _____, 2016 (two weeks prior to the statutory public meeting).

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 DC By-Law for adoption on _____, 2016.

2. Anticipated Development

2.1 Requirements of the Act

Chapter 3 provides the methodology for calculating a development charge as per the Development Charges Act, 1997. Figure 3-1 presents this methodology graphically. It is noted in the first box of the schematic that in order to determine the development charge that may be imposed, it is a requirement of Section 5 (1) of the *Development Charges Act* that “the anticipated amount, type and location of development, for which development charges can be imposed, must be estimated.”

The growth forecast contained in this Chapter provides for the anticipated development for which the Town of South Bruce Peninsula will be required to provide services over a 2016-2029 time horizon. The anticipated development is forecast for the defined Wiarton Service Area (see Map 2-1). Within the Wiarton Service Area, the anticipated development requiring an increase in need for services have been identified in two separate areas, i.e. the South Wiarton Service Area and the lands Outside of the South Wiarton Service Area. The following map identifies the Wiarton Service Area boundary and the South Wiarton Service Area.

2.2 Anticipated Development for the Wiarton Service Area

Town staff provided Watson with the available land supply for development within the defined Wiarton Service Area and sub-areas therein. This information was refined based on the “Town of South Bruce Peninsula 2015 Water, Wastewater and Stormwater Master Servicing Plan Study and Gould Street Sanitary Sewer Upgrade Class Environmental Assessment” prepared by GM BluePlan Engineering on November 6, 2015. The land will produce additional residential and non-residential development over the buildout term. This additional development will result in increased needs for services arising from net population growth and employee/customer growth.

Based on the available land supply, residential development was forecast and gross population estimates determined based on Statistics Canada occupancy data. Recognizing the decline in existing population over the forecast period, the net population growth was calculated for the forecast period to estimate the incremental increase in need for services. Similarly, the employment growth over the period was forecast by type (i.e. industrial, commercial, and institutional) based on available land supply and activity rates. Density assumptions were applied to the incremental employment growth to forecast the increase in non-residential gross floor area. Tables

2-1 and 2-2 summarize the residential and non-residential growth forecast, respectively, over the 2016-2029 period for the Wiarion Service Area, South Wiarion Service Area and the lands Outside of the South Wiarion Service Area.

Map 2-1

Town of South Bruce Peninsula – Wiarion Service Area

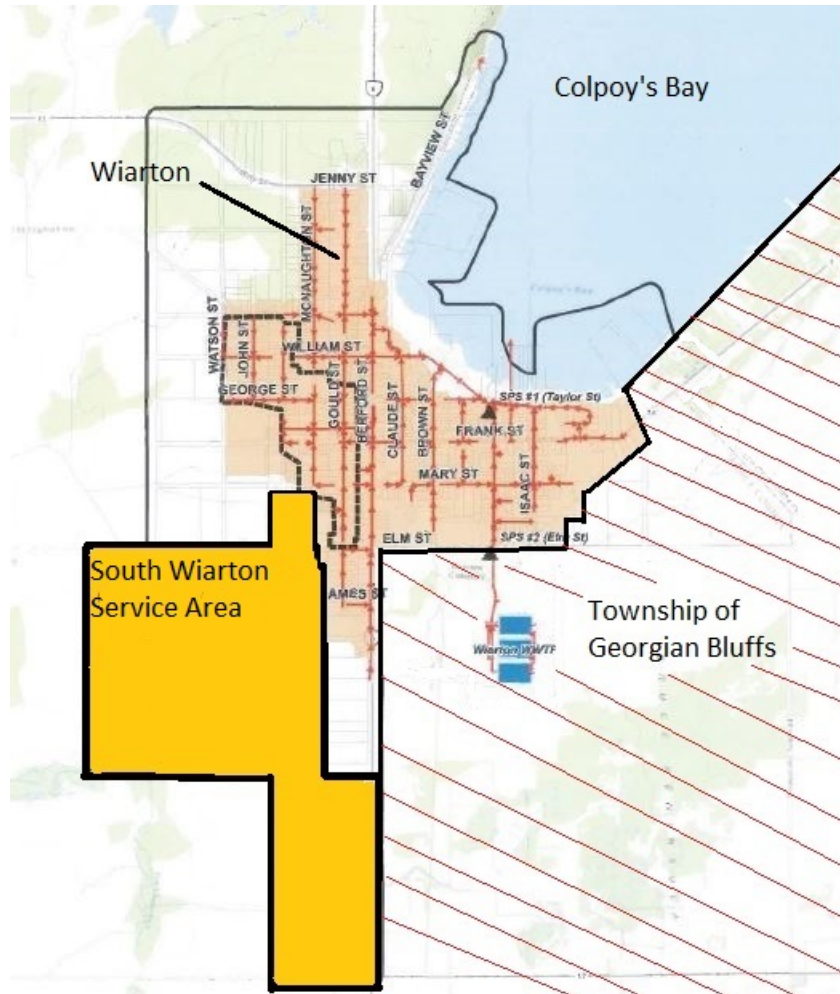


Table 2-1**2016-2029 Residential Development Forecast for the Warton Service Area**

WIARTON SERVICE AREA	Residential Dwelling Units			Total
	Singles & Semi's	Townhomes	Retirement Subdivision	
Warton Dwelling Units - 2016-2029	206	29	1,500	1,735
PPU	2.61	1.74	1.90	
Gross Population - 2016-2029	538	50	2,850	3,438
Decline				(415)
Net Population - 2016-2029				3,023

South Warton Service Area Dwelling Units - 2016-2029	28	-	1,500	1,528
PPU	2.61	1.74	1.90	
Gross Population - 2016-2029	73	-	2,850	2,923
Decline				-
Net Population - 2016-2029				2,923

Outside of South Warton Service Area Dwelling Units - 2016-2029	178	29	-	207
PPU	2.61	1.74	1.90	
Gross Population - 2016-2029	465	50	-	515
Decline				(415)
Net Population - 2016-2029				100

Table 2-2

2016-2029 Non-Residential Development Forecast for the Warton Service Area

WIARTON SERVICE AREA	Non-Residential Development				Primary / WAH	Total Employment (incl. Primary/WAH)
	Industrial	Commercial	Institutional	Total Employment		
Warton GFA (Sq.ft.) - 2016-2029	190,072	178,615	213,519	582,206		
Sq. Ft. per Employee	1,000	400	700			
Employment - 2016-2029	190	447	305	942	462	1,404
Activity Rate	0.46					
South Warton Service Area GFA (Sq.ft.) - 2016-2029	190,072	140,909	213,519	544,500		
Sq. Ft. per Employee	1,000	400	700			
Employment - 2016-2029	190	352	305	847	416	1,263
Activity Rate	0.43					
Outside of South Warton Service Area GFA (Sq.ft.) - 2016-2029	-	37,706	-	37,706		
Sq. Ft. per Employee	1,000	400	700			
Employment - 2016-2029	-	94	-	94	46	140
Activity Rate	1.40					

3. Approach to the Calculation of the Charge

3.1 Introduction

This chapter addresses the requirements of s.s.5 (1) of the DCA, 1997 with respect to the establishment of the need for service which underpins the development charge calculation. These requirements are illustrated schematically in Figure 3-1.

3.2 Services Potentially Involved

Table 3-1 lists the full range of municipal service categories which are provided within the Town. A number of these services are defined in s.s.2 (4) of the DCA, 1997 as being ineligible for inclusion in development charges. These are shown as “ineligible” on Table 3-1. In addition, two ineligible costs defined in s.s.5 (3) of the DCA are “computer equipment” and “rolling stock with an estimated useful life of (less than) seven years...” In addition, local roads are covered separately under subdivision agreements and related means (as are other local services). Services included in this DC Background Study are indicated with a “Yes”, all other potentially eligible services have been identified as “n/a”.

3.3 Local Service Policy

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

Some of the need for services generated by additional development consists of local services related to a plan of subdivision. As such, they will be required as a condition of subdivision agreements or consent conditions. Local Service Guidelines for the services included in this DC Background Study are summarized as follows:

FIGURE 3-1

THE PROCESS OF CALCULATING A DEVELOPMENT CHARGE UNDER THE ACT THAT MUST BE FOLLOWED

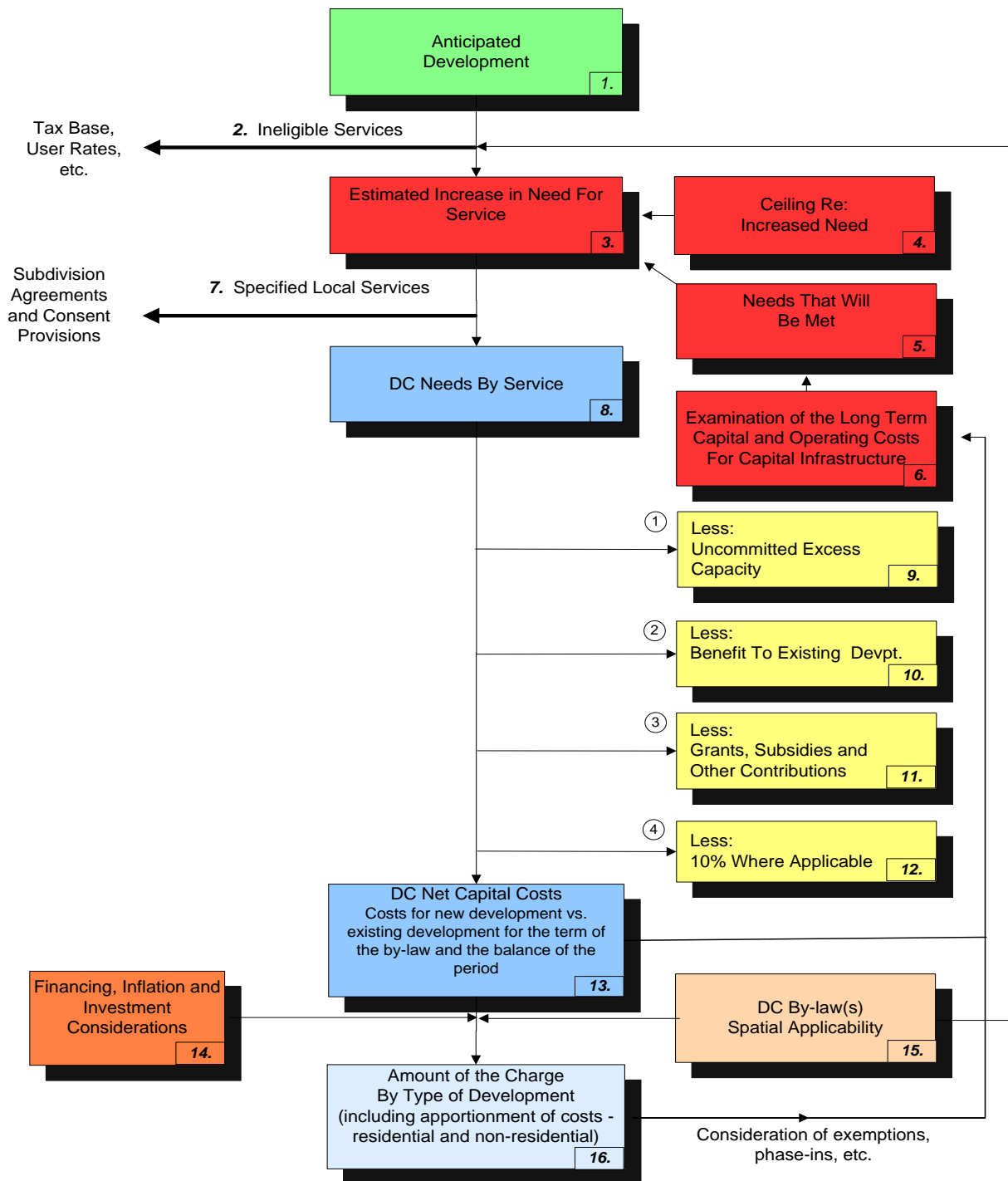


Table 3-1
Categories of Municipal Services to be Addressed as Part of the Calculation

CATEGORIES OF MUNICIPAL SERVICES	ELIGIBILITY FOR INCLUSION IN THE DC CALCULATION	SERVICE COMPONENTS	MAXIMUM POTENTIAL DC RECOVERY %
1. Services Related to a Highway	Yes	1.1 Arterial and Collector roads	100
	Local Service	1.2 Local roads	100
	Yes	1.3 Intersections and Traffic signals	100
	Yes	1.4 Sidewalks and streetlights	100
2. Other Transportation Services	n/a	2.1 Transit vehicles	100
	n/a	2.2 Other transit infrastructure	100
	n/a	2.3 Municipal parking spaces - indoor	90
	n/a	2.4 Municipal parking spaces - outdoor	90
	n/a	2.5 Works Yards	100
	n/a	2.6 Rolling stock ¹	100
	n/a	2.7 Ferries	90
	n/a	2.8 Airport facilities	90
3. Storm Water Drainage and Control Services	n/a	3.1 Main channels and drainage trunks	100
	n/a	3.2 Channel connections	100
	Local Service	3.3 Retention/detention ponds	100
4. Fire Protection Services	n/a	4.1 Fire stations	100
	n/a	4.2 Fire pumpers, aerials and rescue vehicles	100
	n/a	4.3 Small equipment and gear	100

¹with 7+ year life time

²same percentage as service component to which it pertains

computer equipment excluded throughout

CATEGORIES OF MUNICIPAL SERVICES	ELIGIBILITY FOR INCLUSION IN THE DC CALCULATION	SERVICE COMPONENTS	MAXIMUM POTENTIAL DC RECOVERY %
5. Outdoor Recreation Services (i.e. Parks and Open Space)	Ineligible	5.1 Acquisition of land for parks, woodlots and ESAs	0
	n/a	5.2 Development of area municipal parks	90
	n/a	5.3 Development of district parks	90
	n/a	5.5 Development of special purpose parks	90
	n/a	5.6 Parks rolling stock ¹ and yards	90
6. Indoor Recreation Services	n/a	6.1 Arenas, indoor pools, fitness facilities, community centres, etc. (including land)	90
	n/a	6.2 Recreation vehicles and equipment ¹	90
7. Library Services	n/a	7.1 Public library space (incl. furniture and equipment)	90
	n/a	7.2 Library materials	90
8. Electrical Power Services	Ineligible	8.1 Electrical substations	0
	Ineligible	8.2 Electrical distribution system	0
	Ineligible	8.3 Electrical system rolling stock ¹	0
9. Provision of Cultural, Entertainment and Tourism Facilities and Convention Centres	Ineligible	9.1 Cultural space (e.g. art galleries, museums and theatres)	0
	Ineligible	9.2 Tourism facilities and convention centres	0
10. Waste Water Services	Yes	10.1 Treatment plants	100
	Yes	10.2 Sewage trunks	100
	Local Service	10.3 Local systems	100
11. Water Supply Services	n/a	11.1 Treatment plants	100
	Yes	11.2 Distribution systems	100
	Local Service	11.3 Local systems	100
12. Waste Management Services	Ineligible	12.1 Collection	0
	Ineligible	12.2 Landfills and other disposal facilities	0
	n/a	12.3 Other waste diversion facilities	100

CATEGORIES OF MUNICIPAL SERVICES	ELIGIBILITY FOR INCLUSION IN THE DC CALCULATION	SERVICE COMPONENTS	MAXIMUM POTENTIAL DC RECOVERY %
13. Police Services	n/a	13.1 Police detachments	100
	n/a	13.2 Police rolling stock ¹	100
	n/a	13.3 Small equipment and gear	100
14. Homes for the Aged	n/a	14.1 Homes for the aged space	90
15. Day Care	n/a	15.1 Day care space	90
16. Health	n/a	16.1 Health department space	90
17. Social Services	n/a	17.1 Social service space	90
18. Ambulance	n/a	18.1 Ambulance station space	90
	n/a	18.2 Vehicles ¹	90
19. Hospital Provision	Ineligible	19.1 Hospital capital contributions	
20. Provision of Headquarters for the General Administration of Municipalities and Area Municipal Boards	Ineligible	20.1 Office space (all services)	0
	Ineligible	20.2 Office furniture	0
	Ineligible	20.3 Computer equipment	0
21. Other Services	Yes	21.1 Studies in connection with capital costs, Including the DC background study cost	0-100
	Yes	21.2 Interest on money borrowed to pay for growth-related capital	0-100

1. Arterial, Collector and Internal Roads
 - 1.1. Roads Internal to development - Direct developer responsibility under s.59 of the DCA (as a local service)
 - 1.2. Roads (collector and arterial) external to development - Include in DC calculation to the extent permitted under s.5(1) of the DCA (dependent on local circumstances)
2. Traffic Signals
 - 2.1. Traffic signalization within or external to development – Include in DC calculation to the extent permitted under s.5(1) of the DCA.
3. Intersection Improvements
 - 3.1. New roads (collector and arterial) and road (collector and arterial) improvements – Include as part of road costing noted in item 1, to limits of ROW.
 - 3.2. Intersections improvements within specific developments and all works necessary to connect to entrances (private and specific subdivision) to the roadway - Direct developer responsibility under s.59 of DCA (as a local service)
 - 3.3. Intersection improvements on other roads due to development growth increasing traffic – Include in DC calculation.
4. Streetlights
 - 4.1. Streetlights on external roads – Include in DC (linked to collector road funding source in item 1).
 - 4.2. Streetlights within specific developments – Direct developer responsibility under s.59 of DCA (as a local service).
5. Sidewalks
 - 5.1. Sidewalks on Municipal roads - Linked to collector road funding source in item 1.
 - 5.2. Other sidewalks external to development (which are a local service within the area to which the plan relates) - Direct developer responsibility as a local service provision (under s.59 of DCA)
6. Land Acquisition for Road Allowances
 - 6.1. Land Acquisition for arterial roads – Dedication under the Planning Act subdivision provisions (s.51) through development lands; in areas with limited or no development, include in DC (to the extent eligible).

- 6.2. Land Acquisition for collector roads – Dedication under the Planning Act subdivision provision (s.51) through development lands (up to 27 metre right-of-way); in areas with limited or no development, include in DC (to the extent eligible).
- 6.3. Land Acquisition for grade separations (beyond normal dedication requirements) – Include in the DC to the extent eligible.
7. Land Acquisition for Easements
 - 7.1. Easement costs external to subdivisions shall be included in DC calculation.
8. Water
 - 8.1. Supply, treatment, pumping stations and works associated with Zone boundaries, external to plan of subdivision, to be included within the DC.
 - 8.2. Watermains external to subdivisions included in the DC.
 - 8.3. Marginal costs of waterworks within the subdivision included in DC at 200 mm nominal diameter or above
 - 8.4. Connections to trunk mains and pumping stations to service specific areas, to be direct developer responsibility.
9. Wastewater
 - 9.1. Treatment, and pumping stations shall be included in the DC
 - 9.2. Sanitary sewers external to subdivisions included in the DC.
 - 9.3. Connections to trunk mains and pumping stations to service specific areas, to be direct developer responsibility.
 - 9.4. Marginal costs of sanitary sewer works within the subdivision included in DC at 200mm nominal diameter and above and extra depth to accommodate external lands.

3.4 Capital Forecast

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

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

The capital costs include:

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

In order for an increase in need for service to be included in the DC calculation, Council must indicate "...that it intends to ensure that such an increase in need will be met" (s.s.5 (1)3). This can be done if the increase in service forms part of a Council-approved Official Plan, capital forecast or similar expression of the intention of Council (O.Reg. 82/98 s.3).

3.5 Treatment of Credits

Section 8 para. 5 of O.Reg. 82/98 indicates that a development charge background study must set out, "The estimated value of credits that are being carried forward relating to the service." s.s.17 para. 4 of the same Regulation indicates that, "...The value of the credit cannot be recovered from future development charges," if the credit pertains to an ineligible service. This implies that a credit for eligible services can be recovered from future development charges. As a result, this provision should be made in the calculation, in order to avoid a funding shortfall with respect to future service needs.

The Town currently has no outstanding credit obligations to be included in the DC calculations.

3.6 Eligible Debt and Committed Excess Capacity

Section 66 of the DCA, 1997 states that for the purposes of developing a development charge by-law, a debt incurred with respect to an eligible service may be included as a

capital cost, subject to any limitations or reductions in the Act. Similarly, s.18 of O.Reg. 82/98 indicates that debt with respect to an ineligible service may be included as a capital cost, subject to several restrictions.

In order for such costs to be eligible, two conditions must apply. First, they must have funded excess capacity which is able to meet service needs attributable to the anticipated development. Second, the excess capacity must be “committed,” that is, either before or at the time it was created, Council must have expressed a clear intention that it would be paid for by development charges or other similar charges. For example, this may have been done as part of previous development charge processes.

3.7 Existing Reserve Funds

Section 35 of the DCA states that:

“The money in a reserve fund established for a service may be spent only for capital costs determined under paragraphs 2 to 8 of subsection 5(1).”

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

Currently the Town does not have a DC By-Law, as such not DC Reserve Funds have been established.

3.8 Deductions

The DCA, 1997 potentially requires that five deductions be made to the increase in the need for service. These relate to:

- The level of service ceiling;
- Uncommitted excess capacity;
- Benefit to existing development;
- Anticipated grants, subsidies and other contributions; and
- 10% reduction for certain services.

The requirements behind each of these reductions are addressed as follows:

3.8.1 Reduction Required by Level of Service Ceiling

This is designed to ensure that the increase in need included in 4.2 does "...not include an increase that would result in the level of service (for the additional development increment) exceeding the average level of the service provided in the Town over the 10-year period immediately preceding the preparation of the background study..." O.Reg 82.98 (s.4) goes further to indicate that "...both the quantity and quality of a service shall be taken into account in determining the level of service and the average level of service".

In many cases, this can be done by establishing a quantity measure in terms of units as floor area, land area or road length per capita and a quality measure, in terms of the average cost of providing such units based on replacement costs, engineering standards or recognized performance measurement systems, depending on circumstances. When the quantity and quality factor are multiplied together, they produce a measure of the level of service, which meets the requirements of the Act, i.e. cost per unit.

The average service level calculation sheets for each service component in the DC calculation are set out in Chapter 4.

3.8.2 Reduction for Uncommitted Excess Capacity

Paragraph 5 of s.s.5(1) requires a deduction from the increase in the need for service attributable to the anticipated development that can be met using the Town's "excess capacity," other than excess capacity which is "committed" (discussed above in 4.6).

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

3.8.3 Reduction for Benefit to Existing Development

This step involves a further reduction to the need, by the extent to which such an increase in service would benefit existing development. The level of services cap is related, but is not the identical requirement. Sanitary, storm and water trunks are highly

localized to growth areas and can be more readily allocated in this regard than other services such as roads which do not have a fixed service area.

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

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

3.8.4 Reduction for Anticipated Grants, Subsidies and Other Contributions

This step involves reducing the capital costs necessary to provide the increased services by capital grants, subsidies and other contributions made or anticipated by Council and in accordance with various rules such as the attribution between the share related to new vs. existing development O.Reg 82.98 s.6. Where grant programs do not allow funds to be applied to growth-related capital needs, the proceeds can be applied to the non-growth share of the project exclusively. Moreover, Gas Tax revenues are typically used to fund non-growth-related works or the non-growth share of DC projects, given that the contribution is not being made in respect of particular growth-related capital projects.

3.8.5 The 10% Reduction

Paragraph 8 of s.s.(1) of the DCA requires that, “the capital costs must be reduced by 10 percent.” This paragraph does not apply to water supply services, waste water services, storm water drainage and control services, services related to a highway,

police and fire protection services. The primary services that the 10% reduction does apply to include services such as parks and recreation, libraries, childcare/social services, ambulance, homes for the aged, health and transit.

The 10% is to be netted from the capital costs necessary to provide the increased services, once the other deductions have been made, as per the infrastructure costs sheets in Chapter 4.

4. Development Charge Eligible Cost Analysis by Service

4.1 Introduction

This chapter outlines the basis for calculating development charge eligible costs for the development charges to be applied on an area-specific basis for the Wiarnton Service Area. In each case, the required calculation process set out in s.5(1) paragraphs 2 to 8 in the DCA, 1997, and described in Chapter 3, was followed in determining DC eligible costs.

The nature of the capital projects and timing identified in this chapter reflects Council's current intention. However, over time, municipal projects and Council priorities may change and accordingly, Council's intentions may alter, and different capital projects (and timing) may be required to meet the need for services required by new growth.

4.2 Service Levels and Capital Costs for Wiarnton Service Area DC Calculation

This section evaluates the development-related capital requirements within the Wiarnton Service Area for various services over the 2016-2029 forecast period. Moreover, the capital needs have been allocated to the broader Wiarnton Service Area and smaller benefitting areas of the South Wiarnton Service Area and Outside of the South Wiarnton Service Area. The capital needs are summarized in Table 4-1 for Water, Sanitary Sewer (including Sewage Treatment Plant), Roads and Administration Services. The following summarizes the capital needs by service and the net DC recoverable capital costs.

4.2.1 Water Services

The water program is based on the "Town of South Bruce Peninsula 2015 Water, Wastewater and Stormwater Master Servicing Plan Study and Gould Street Sanitary Sewer Upgrade Class Environmental Assessment" prepared by GM BluePlan Engineering on November 6, 2015. The Master Servicing Plan Study provides the following:

"The main servicing needs for growth consists of upgrading conveyance infrastructure (on Gould St) to support growth in the South Lands area. The remainder of the proposed infrastructure is looping of watermains to improve level of service in the

TABLE 4-1
TOWN OF SOUTH BRUCE PENINSULA
ANTICIPATED CAPITAL NEEDS BY SERVICE FOR THE WIARTON SERVICE AREA, SOUTH WIARTON SERVICE AREA AND OUTSIDE OF THE SOUTH WIARTON SERVICE AREA

Project Number	Benefitting Area	Project	Project Description & Location	Anticipated Timing	Gross Cost	Grants / Subsidies	Less:		Net DC Recoverable
							Benefit to Existing	%	
W01	South Wiarnton	Gould St. Watermain 1	1380 m - 250 mm watermain on Gould St from Division St to Ames St.	2021-26	\$ 2,095,000	\$ -	\$ -	0%	\$ 2,095,000
W02	Outside of South Wiarnton	Elm St. Watermain 2 (Looping)	270 m - 200 mm watermain on Elm St from existing 200 mm connecting to future McNaughton St Extension Watermain 3	2016-21	\$ 131,000	\$ -	\$ -	0%	\$ 131,000
W03	Outside of South Wiarnton	McNaughton St & Future Extension Watermain 3 (Looping)	333 m - 200 mm watermain on future McNaughton St Extension from Elm St - Watermain 2 to Mary St	2016-21	\$ 428,000	\$ -	\$ -	0%	\$ 428,000
W04	Outside of South Wiarnton	Mary St Extension Watermain 4 (Looping)	190 m - 200mm watermain on future Mary St Extension from McNaughton St. Watermain 3 to existing 200 mm on Dawson St	2016-21	\$ 277,000	\$ -	\$ -	0%	\$ 277,000
W05	Outside of South Wiarnton	Frank St Extension Watermain 5 (Looping)	333 m - 200 mm watermain on future Frank St Extension from Dawson St to Watson St	2016-21	\$ 330,000	\$ -	\$ -	0%	\$ 330,000
W06	South Wiarnton	Dawson St Extension Watermain 6	297 m - 150 mm watermain on Dawson St Extension from Mary St to Elm St	2016-21	\$ 388,000	\$ -	\$ -	0%	\$ 388,000
W07	South Wiarnton	Elm St Watermain 7	542 m - 200 mm watermain on Elm St from west of Gould St to west limit of South Lands development	2016-21	\$ 764,000	\$ -	\$ -	0%	\$ 764,000
SANITARY									
1.	Wiarnton	Wiarnton STP	Sewage Treatment Plant Expansion	2016	\$ 6,465,732	\$ 4,166,666	\$ -	0%	\$ 2,299,066
WW01	Outside of South Wiarnton	Gould St Diversion Sewer 1	200 m - 375 mm sanitary sewer on Gould Street, from easement to Frank Street, and on Frank Street, from Gould Street to Berford Street (Short Term Diversion).	2016-21	\$ 1,000,000	\$ 700,000	\$ 262,135	87%	\$ 37,865
WW03	Wiarnton	South Lands Pump Station #3	134 L/S Sewage Pumping Station at the corner of Elm Street and the future Dawson Street extension, servicing the future South Lands development and the existing west area - Location may vary depending on layout of development.	2021-26	\$ 3,055,000	\$ -	\$ 1,700,101	56%	\$ 1,354,899
WW04	Wiarnton	Elm St Forcemain	452 m - 400 mm sanitary forcemain on Elm Street, from SPS#3 to east of Berford Street	2021-26	\$ 676,000	\$ -	\$ -	0%	\$ 676,000
WW05	Wiarnton	Elm St Gravity Sewer to SPS #2	557 m - 375 mm sanitary sewer on Elm Street, from east of Berford Street to SPS #2 at Taylor Street.	2021-26	\$ 785,000	\$ -	\$ 436,851	56%	\$ 348,149
WW06	South Wiarnton	South Lands Elm St Sanitary Sewer to SPS #3	662 m - 375 mm sanitary sewer on Elm Street, from west limit of Phase 1 South Lands development to SPS #3 at Dawson Street.	2021-26	\$ 461,000	\$ -	\$ -	0%	\$ 461,000
WW07	Outside of South Wiarnton	Long Term Inflow & Infiltration Reduction Program	Removal of extraneous flow connections to the sanitary sewer system identified through previous surveys. Program is recommended to be implemented from 2016 to 2026 at approximately \$100,000 per year.	2016-2029	\$ 1,000,000	\$ -	\$ 556,498	56%	\$ 443,502
					\$ 13,442,732	\$ 4,866,666	\$ 2,955,584		\$ 5,620,482
ROADS									
1	South Wiarnton	Elm Street	Dawson St to Gould St	2016	\$ 524,160	\$ -	\$ 262,080	50%	\$ 262,080
2	South Wiarnton	Elm Street	West of Dawson St	2016	\$ 374,400	\$ -	\$ 187,200	50%	\$ 187,200
3	South Wiarnton	Elm Street	Berford St to Taylor St	2016	\$ 1,010,880	\$ -	\$ 505,440	50%	\$ 505,440
4	South Wiarnton	Elm Street	Gould St to Berford St	2016	\$ 262,080	\$ -	\$ 131,040	50%	\$ 131,040
5	South Wiarnton	Elm Street	Watson St to Dawson St	2018	\$ 542,880	\$ -	\$ 271,440	50%	\$ 271,440
7	South Wiarnton	Elm Street	City Limits to Watson St	2019	\$ 336,960	\$ -	\$ 168,480	50%	\$ 168,480
8	South Wiarnton	Berford Street	to 625m South Ames Survey	2019	\$ 468,000	\$ -	\$ 234,000	50%	\$ 234,000
9	South Wiarnton	Dawson Street	South of Franks St to Elm St	2020	\$ 786,240	\$ -	\$ -	0%	\$ 786,240
					\$ 4,305,600	\$ -	\$ 1,759,680		\$ 2,545,920
ADMINISTRATION									
1	Wiarnton	Master Servicing Plan		2015	\$ 100,000	\$ -	\$ 25,000	25%	\$ 75,000
2	Wiarnton	Development Charges Background Study		2016	\$ 27,778	\$ -	\$ 2,778	10%	\$ 25,000
					\$ 127,778	\$ -	\$ 27,778		\$ 100,000
TOTAL					\$ 22,284,110	\$ 4,866,666	\$ 4,743,042		\$ 13,674,402

southwest end of the distribution system. The main components that make up the Preferred Water Servicing Strategy consist of:

- New Lower Zone trunk watermain on Gould St to service South Lands and support future growth; and
- Looping of local watermains in the southwest area.”

In total, the gross capital cost estimates for water services amount to \$4.4 million. As infrastructure is being emplaced to benefit future development in the defined service area no benefit-to-existing deduction has been provided. Thus, the net DC recoverable capital costs identified for inclusion in the calculation totals \$4.4 million. The majority of the net DC recoverable costs are attributable to development in the South Warton Service Area representing \$3.2 million or 74% of the capital costs. Development Outside of the South Warton Area net DC recoverable costs total approximately \$1.2 million. These costs have been allocated to residential and non-residential development based on forecast net population growth to land based employment within the respective service areas over the forecast period.

4.2.2 Sanitary Sewer Services

The capital program for sanitary sewer services includes an expansion of the Sewage Treatment Plant and the needs identified in the “Town of South Bruce Peninsula 2015 Water, Wastewater and Stormwater Master Servicing Plan Study and Gould Street Sanitary Sewer Upgrade Class Environmental Assessment” prepared by GM BluePlan Engineering on November 6, 2015. The Master Servicing Plan Study provides the following:

“Greenfield growth within 2029 extends south of Elm St, west of Gould St. The preferred wastewater servicing strategy focuses on infrastructure improvements within this area, including a new sewage pumping station near the corner of Elm St and Dawson St, a sanitary forcemain, and a gravity sewer on Elm St. In addition, a local network of gravity sewers along future road alignments south of Elm St will be required to drain the future growth flows north to the trunk sewer.

As an interim solution to addressing the condition of the existing sanitary sewer between Gould Street and Berford Street north of Frank Street, the preferred strategy includes a sanitary sewer to re-direct flows from Gould Street north of Frank Street to Frank Street and Berford Street. This will address the restriction at the Gould Street location but maintains the transfer of flow to SPS#1. This sanitary sewer would be constructed in the short term, in advance of all other servicing components.

The components that make up the preferred wastewater servicing strategy are summarized as follows:

- New Gravity Sewer on Gould St and Frank St, as interim solution to re-direct flows from Gould Street north of Frank St to Frank Street and Berford Street, abandoning the existing sanitary sewer on the easement between Gould Street and Berford Street north of Frank Street (flow would continue be conveyed to SPS#1);
- New Gravity Sewer on Frank St and Dawson St, as long term solution to divert west area flows away from SPS#1;
- New sewage pumping station SPS#3 and forcemain to Berford Street to service the South Lands and to convey west area flows;
- New Gravity Sewers on Elm Street to convey South Lands flow to SPS#3 and to convey flows from SPS#3 to SPS#2; and
- Extraneous flow abatement through long term I&I reduction program (assuming 10 disconnections per year)."

In total, the gross capital cost estimates for the Sewage Treatment Plant expansion amount to \$6.5 million. The project is designed to accommodate future growth within the defined service area, as such no benefit to existing deduction has been provided. Grants estimated at approximately \$4.2 million have been deducted from the capital cost, resulting in a net DC recoverable capital cost of approximately \$2.3 million. In addition, sanitary sewer projects WW03 (South Lands Pump Station #3), WW04 (Elm St Forcemain) and WW05 (Elm St Gravity Sewer to SPS #2) will also benefit development over the entire Warton Service Area, adding approximately \$2.4 million in DC recoverable capital costs. As such the net DC recoverable capital costs identified for inclusion in the Warton Service Area calculation totals approximately \$4.7 million

The remaining sanitary sewer projects, designed to service future development within the Warton Service Area, have a total gross capital cost estimate of approximately \$2.5 million. The Master Servicing Plan provides the rationale for anticipated grants and the benefit to existing deductions related to these works. In total, \$0.7 million has been deducted for anticipated grants and \$0.8 million has been deducted as benefit to existing. The net DC recoverable costs total approximately \$1.0 million and have been attributed equally between the South Warton Service Area and to development Outside of the South Warton Service Area. The attribution of the net DC recoverable costs by

development type, i.e. residential to non-residential development, is provided on the same basis as water services.

4.2.3 Roads Services

The Town has a current inventory of 386 kilometres of roads providing have average quantitative level of service over the past 10 years of .05 km/capita, with a weighted average replacement value of approximately \$610,000 per km, including bridges/culverts. This historic level of infrastructure investment equates to a per capita level of service of approximately \$28,500. The increase in capital needs have been determined to support growth in the Wiarion Service Area. When the current per capita level of service is applied to the forecast net population growth to 2029 (i.e. 3,023 population), a maximum DC-eligible cost that could be considered to meet the future increase in needs for service totals approximately \$86.2 million.

Review of the Town's roads needs to service the Wiarion Service Area for the forecast period totaled approximately \$4.3 million in gross capital costs. These capital needs include various road reconstruction/urbanization projects on Elm Street and Berford Street, as well as an extension of Dawson Street. Approximately \$1.8 million has been deducted as a benefit to existing development through the resurfacing and replacement of existing infrastructure at the time of addressing growth needs. As a result, approximately \$2.5 million in capital needs have been included in the DC calculation. The DC recoverable costs for road services are attributable to the South Wiarion Service Area. The net growth-related costs for roads services have been allocated between future residential and non-residential development on the basis of incremental population to employment growth over the forecast period within the South Wiarion Service Area.

4.2.4 Administration Services

The DCA permits the inclusion of studies undertaken to facilitate the completion of the Town's DC capital works program. The Town has made provision for the inclusion of new studies undertaken to facilitate this DC process, namely the Development Charges Background Study and Master Servicing Plan. The net DC recoverable capital costs have been included in the calculation for the Wiarion Service Area.

The gross capital cost of these projects totals approximately \$127,800 over the 10-year forecast period. A deduction of approximately \$27,800 has been applied in recognition of the Master Servicing Plan's benefits to the existing population and the 10% statutory deduction for administration services. The net DC recoverable capital costs included in

the Warton Service Area charge total \$100,000. These costs have been allocated between residential and non-residential based on the incremental growth in population to employment, for the forecast period.

4.3 Annual Operating Costs and Asset Management Plan

The Town's Asset Management Plan is contained in Appendix B. The Asset Management Plan includes Roads, Water and Wastewater Services. The Plan recommends and increase I annual capital funding for these services over the 10-year period to address the existing infrastructure deficits:

- Roads – Annual Deficit \$1.14 million, annual funding increase to address deficit over 10-years 1.3% annually;
- Water – Annual Deficit \$0.39 million, annual funding increase to address deficit over 10-years 2.1% annually; and
- Wastewater – Annual Deficit \$0.29 million, annual funding increase to address deficit over 10-years 3.8% annually.

Table 4-2 summarizes the additional capital funding requirements for the growth-related capital needs to be funded from the DC by-law. Based on the annual lifecycle costs at full emplacement, the annual increase for water services would be approximately \$22,748, sanitary sewer services \$29,006 and roads services \$104,782. Based on the Asset Management Plan infrastructure deficit and strategy to increase annual funding, these costs would increase the required annual funding to increase by 0.1% - 0.4%. Based on this assessment, the growth-related capital lifecycle impacts are minimal and financial sustainable.

TABLE 4-2
TOWN OF SOUTH BRUCE PENINSULA
ANNUAL INCREMENTAL OPERATING COSTS ASSOCIATED WITH DC RECOVERABLE CAPITAL NEEDS

Service	Growth Related Capital Needs	Lifecycle Term	Annual Lifecycle Costs	Town's AMP Infrastructure Deficit	Town's AMP Annual % Increase
Water Services	4,408,000	80	22,748	387,500	2.2%
Sanitary Sewer Services	5,620,482	80	29,006	290,500	4.2%
Roads Services	2,545,920	20	104,782	1,135,000	1.4%
Administration Services	100,000	n/a	n/a	n/a	n/a
Total	12,674,402		156,536	1,813,000	

5. Development Charge Calculation

Tables 5-1 through 5-3 calculate the area-specific development charges for the Warton Service Area, South Warton Service Area and Outside of the South Warton Service Area respectively. The charges will be imposed for Water Services, Sanitary Sewer Services, Roads Services and Administration Services as identified in Chapter 4. The calculations for residential development is generated on a per capita basis, and is based upon four forms of housing types (single and semi-detached, retirement subdivision, townhouses and apartments). The non-residential development charge has been calculated on a per square foot of gross floor area basis for commercial, industrial and institutional development.

The DC eligible costs for each service component are provided in Chapter 4 for all municipal services, based on their proposed capital programs. For the residential calculations, the total cost is divided by the “gross” (new resident) population to determine the per capita amount. The eligible DC cost calculations are based on the net anticipated population increase (the forecast new unit population less the anticipated decline in existing units). The cost per capita is then multiplied by the average occupancy of the new units to calculate the development charge. With respect to non-residential development, the total costs (based on need for service) have been divided by the anticipated development over the planning period to calculate a cost per sq.ft. of gross floor area.

These charges have been adjusted to account for financing costs over the forecast period. This has been undertaken using a cashflow analysis, whereby the timing of capital needs are forecast relative to anticipated development ensure financing costs are included in the quantum of the charge. The cashflow analysis assumes capital cost indexing of 2% annually, debenture interest costs of 5.25% over a 20-year term, internal borrowing costs of 3% annually and interest earnings at 2.5% annually. Tables 5-4-1 and 5-4-2 summarize the cashflow analysis for residential and non-residential DC calculations for the Warton Service Area. Similarly, Tables 5-5-1 and 5-5-2 summarize the cashflow analysis for residential and non-residential DC calculations for the South Warton Service Area, and Tables 5-6-1 and 5-6-2 summarize the cashflow analysis for residential and non-residential DC calculations for Outside of the South Warton Service Area.

Table 5-7 summarizes calculated maximum development charges that could be imposed by Council by residential dwelling type and non-residential gross floor area within the respective service areas.

Table 5-1
Town of South Bruce Peninsula
Wiarion Service Area DC Calculation

Service	Net DC Recoverable Cost \$	Residential Cost Share	Non-Residential Cost Share
Water			
Sewage Treatment Plant	\$ 2,299,066	\$ 1,804,766	\$ 494,300
Sanitary Sewer	\$ 2,379,048	\$ 1,867,552	\$ 511,496
Roads			
Administration	\$ 100,000	\$ 78,500	\$ 21,500
Total Growth-Related Capital	\$ 4,778,115	\$ 3,750,818	\$ 1,027,296
Gross Population/Non-Res. GFA		3,438	582,206
DC Per Capita/Non-Res. GFA		\$ 1,090.97	\$ 1.76
<u>Residential DC per Unit</u>	<u>PPU</u>		
Singles & Semi's	2.61	\$ 2,847	
Retirement Subdivision	1.90	\$ 2,073	
Townhomes	1.74	\$ 1,896	
Apartments	1.48	\$ 1,615	

Table 5-2
Town of South Bruce Peninsula
South Wiarion Service Area DC Calculation

Service	Net DC Recoverable Cost \$	Residential Cost Share	Non-Residential Cost Share
Water	\$ 3,247,000	\$ 2,517,269	\$ 729,731
Sewage Treatment Plant			
Sanitary Sewer	\$ 461,000	\$ 357,395	\$ 103,605
Roads	\$ 2,545,920	\$ 1,973,750	\$ 572,170
Administration			
Total Growth-Related Capital	\$ 6,253,920	\$ 4,848,414	\$ 1,405,506
Gross Population/Non-Res. GFA		2,923	544,500
DC Per Capita/Non-Res. GFA		\$ 1,658.67	\$ 2.58
<u>Residential DC per Unit</u>	<u>PPU</u>		
Singles & Semi's	2.61	\$ 4,329	
Retirement Subdivision	1.90	\$ 3,151	
Townhomes	1.74	\$ 2,883	
Apartments	1.48	\$ 2,455	

Table 5-3
Town of South Bruce Peninsula
Outside of South Warton Service Area DC Calculation

Service	Net DC Recoverable Cost \$	Residential Cost Share	Non-Residential Cost Share
Water	\$ 1,161,000	\$ 981,366	\$ 179,634
Sewage Treatment Plant			
Sanitary Sewer	\$ 481,368	\$ 406,889	\$ 74,479
Roads			
Administration			
Total Growth-Related Capital	\$ 1,642,368	\$ 1,388,254	\$ 254,113
Gross Population/Non-Res. GFA		515	37,706
DC Per Capita/Non-Res. GFA		\$ 2,695.73	\$ 6.74
<u>Residential DC per Unit</u>	<u>PPU</u>		
Singles & Semi's	2.61	\$ 7,036	
Retirement Subdivision	1.90	\$ 5,122	
Townhomes	1.74	\$ 4,685	
Apartments	1.48	\$ 3,990	

Year	DC Reserve Fund Opening Balance			Dev't Related Expenditures		Debt Carrying Costs (P&I) 5.2% Interest & 10-Yr Term	SDE per Year	DC Rates w. Inflation (2%/Yr)	Anticipated Revenues	Revenues minus Expenditures	Debenture Financing Requirement	Interest Earnings (2.5%) / Costs (3%)	DC Reserve Fund Closing Balance after Financing
	DC Reserve Fund Opening Balance	Nominal	Inflated (2%/Yr)										
2016	\$ -	\$ (1,883,266)	\$ (1,883,266)	\$ -	\$ -	\$ -	94	\$ 3,128	\$ 294,052	\$ (1,589,214)	\$ 2,000,000	\$ 5,135	\$ 415,921
2017	\$ 415,921	\$ -	\$ -	\$ (262,163)	\$ (262,163)	\$ -	94	\$ 3,191	\$ 299,933	\$ 37,770	\$ -	\$ 10,870	\$ 464,561
2018	\$ 464,561	\$ -	\$ -	\$ (262,163)	\$ (262,163)	\$ -	94	\$ 3,255	\$ 305,932	\$ 43,769	\$ -	\$ 12,161	\$ 520,491
2019	\$ 520,491	\$ -	\$ -	\$ (262,163)	\$ (262,163)	\$ -	94	\$ 3,320	\$ 312,051	\$ 49,887	\$ -	\$ 13,636	\$ 584,014
2020	\$ 584,014	\$ -	\$ -	\$ (262,163)	\$ (262,163)	\$ -	94	\$ 3,386	\$ 318,292	\$ 56,128	\$ -	\$ 15,302	\$ 655,445
2021	\$ 655,445	\$ (311,259)	\$ (343,655)	\$ (262,163)	\$ (262,163)	\$ -	94	\$ 3,454	\$ 324,657	\$ (281,160)	\$ -	\$ 12,872	\$ 387,156
2022	\$ 387,156	\$ (311,259)	\$ (350,528)	\$ (262,163)	\$ (262,163)	\$ -	94	\$ 3,523	\$ 331,151	\$ (281,540)	\$ -	\$ 6,160	\$ 111,775
2023	\$ 111,775	\$ (311,259)	\$ (357,538)	\$ (262,163)	\$ (262,163)	\$ -	94	\$ 3,593	\$ 337,774	\$ (281,928)	\$ -	\$ (1,155)	\$ (171,308)
2024	\$ (171,308)	\$ (311,259)	\$ (364,689)	\$ (262,163)	\$ (262,163)	\$ -	94	\$ 3,665	\$ 344,529	\$ (282,323)	\$ -	\$ (9,374)	\$ (463,005)
2025	\$ (463,005)	\$ (311,259)	\$ (371,983)	\$ (262,163)	\$ (262,163)	\$ -	94	\$ 3,739	\$ 351,420	\$ (282,726)	\$ -	\$ (18,131)	\$ (763,863)
2026	\$ (763,863)	\$ (311,259)	\$ (379,423)	\$ (262,163)	\$ (262,163)	\$ -	94	\$ 3,813	\$ 358,448	\$ (283,138)	\$ -	\$ (27,163)	\$ (1,074,163)
2027	\$ (1,074,163)	\$ -	\$ -	\$ -	\$ -	\$ -	94	\$ 3,890	\$ 365,617	\$ 365,617	\$ -	\$ (26,741)	\$ (735,287)
2028	\$ (735,287)	\$ -	\$ -	\$ -	\$ -	\$ -	94	\$ 3,967	\$ 372,929	\$ 372,929	\$ -	\$ (16,465)	\$ (378,822)
2029	\$ (378,822)	\$ -	\$ -	\$ -	\$ -	\$ -	95	\$ 4,047	\$ 384,435	\$ 384,435	\$ -	\$ (5,612)	\$ -

Year	DC Reserve Fund Opening Balance		Dev't Related Expenditures		DC Reserve Fund Opening Balance	DC Rates w. Inflation (2%/Yr)	Anticipated Revenues	Revenues minus Expenditures	Debture Financing Requirement	Interest Earnings (2.5%) / Costs (3%)	DC Reserve Fund Closing Balance after Financing
	DC Reserve Fund Opening Balance	DC Reserve Fund Opening Balance	Nominal	Inflated (2%/Yr)							
2016	\$ -	\$ (515,800)	\$ (515,800)	\$ (515,800)	\$ -	1.93	\$ 80,083	\$ (435,717)	\$ 500,000	\$ 804	\$ 65,087
2017	\$ 65,087	\$ -	\$ -	\$ (65,541)	\$ (65,541)	1.96	\$ 81,685	\$ 16,144	\$ -	\$ 1,829	\$ 83,059
2018	\$ 83,059	\$ -	\$ -	\$ (65,541)	\$ (65,541)	2.00	\$ 83,318	\$ 17,778	\$ -	\$ 2,299	\$ 103,135
2019	\$ 103,135	\$ -	\$ -	\$ (65,541)	\$ (65,541)	2.04	\$ 84,985	\$ 19,444	\$ -	\$ 2,821	\$ 125,401
2020	\$ 125,401	\$ -	\$ -	\$ (65,541)	\$ (65,541)	2.08	\$ 86,684	\$ 21,144	\$ -	\$ 3,399	\$ 149,944
2021	\$ 149,944	\$ (85,249)	\$ (85,249)	\$ (94,122)	\$ (65,541)	2.13	\$ 88,418	\$ (71,245)	\$ -	\$ 2,858	\$ 81,557
2022	\$ 81,557	\$ (85,249)	\$ (85,249)	\$ (96,005)	\$ (65,541)	2.17	\$ 90,186	\$ (71,359)	\$ -	\$ 1,147	\$ 11,345
2023	\$ 11,345	\$ (85,249)	\$ (85,249)	\$ (97,925)	\$ (65,541)	2.21	\$ 91,990	\$ (71,475)	\$ -	\$ (760)	\$ (60,891)
2024	\$ (60,891)	\$ (85,249)	\$ (85,249)	\$ (99,883)	\$ (65,541)	2.26	\$ 93,830	\$ (71,594)	\$ -	\$ (2,901)	\$ (135,386)
2025	\$ (135,386)	\$ (85,249)	\$ (85,249)	\$ (101,881)	\$ (65,541)	2.30	\$ 95,706	\$ (71,715)	\$ -	\$ (5,137)	\$ (212,238)
2026	\$ (212,238)	\$ (85,249)	\$ (85,249)	\$ (103,918)	\$ (65,541)	2.35	\$ 97,621	\$ (71,839)	\$ -	\$ (7,445)	\$ (291,521)
2027	\$ (291,521)	\$ -	\$ -	\$ -	\$ -	2.39	\$ 99,573	\$ 99,573	\$ -	\$ (7,252)	\$ (199,200)
2028	\$ (199,200)	\$ -	\$ -	\$ -	\$ -	2.44	\$ 101,564	\$ 101,564	\$ -	\$ (4,453)	\$ (102,088)
2029	\$ (102,088)	\$ -	\$ -	\$ -	\$ -	2.49	\$ 103,601	\$ 103,601	\$ -	\$ (1,512)	\$ 0

Year	DC Reserve Fund Opening Balance	Dev't Related Expenditures		Debt Carrying Costs (P&I) 5.2% Interest & 10-Yr Term	SDE per Year	DC Rates w. Inflation (2%/Yr)	Anticipated Revenues	Revenues minus Expenditures	Debtenture Financing Requirement	Interest Earnings (2.5%) / Costs (3%)	DC Reserve Fund Closing Balance after Financing
		Nominal	Inflated (2%/Yr)								
2016	\$ -	\$ (990,596)	\$ (990,596)	\$ -	80	\$ 4,514	\$ 361,116	\$ (629,480)	\$ 800,000	\$ 2,132	\$ 172,652
2017	\$ 172,652	\$ (148,850)	\$ (151,827)	\$ (104,865)	80	\$ 4,604	\$ 368,338	\$ 111,646	\$ -	\$ 5,712	\$ 290,010
2018	\$ 290,010	\$ (359,286)	\$ (373,802)	\$ (104,865)	80	\$ 4,696	\$ 375,705	\$ (102,962)	\$ -	\$ 5,963	\$ 193,011
2019	\$ 193,011	\$ (460,877)	\$ (489,086)	\$ (104,865)	80	\$ 4,790	\$ 383,219	\$ (210,732)	\$ -	\$ 2,147	\$ (15,573)
2020	\$ (15,573)	\$ (758,390)	\$ (820,906)	\$ (104,865)	80	\$ 4,886	\$ 390,884	\$ (534,888)	\$ -	\$ (8,491)	\$ (558,952)
2021	\$ (558,952)	\$ (479,111)	\$ (528,977)	\$ (104,865)	80	\$ 4,984	\$ 398,701	\$ (235,141)	\$ -	\$ (20,296)	\$ (814,388)
2022	\$ (814,388)	\$ (330,261)	\$ (371,927)	\$ (104,865)	80	\$ 5,083	\$ 406,675	\$ (70,117)	\$ -	\$ (25,483)	\$ (909,988)
2023	\$ (909,988)	\$ (330,261)	\$ (379,366)	\$ (104,865)	80	\$ 5,185	\$ 414,809	\$ (69,422)	\$ -	\$ (28,341)	\$ (1,007,751)
2024	\$ (1,007,751)	\$ (330,261)	\$ (386,953)	\$ (104,865)	80	\$ 5,289	\$ 423,105	\$ (68,713)	\$ -	\$ (31,263)	\$ (1,107,728)
2025	\$ (1,107,728)	\$ (330,261)	\$ (394,692)	\$ (104,865)	80	\$ 5,395	\$ 431,567	\$ (67,990)	\$ -	\$ (34,252)	\$ (1,209,969)
2026	\$ (1,209,969)	\$ (330,261)	\$ (402,586)	\$ (104,865)	80	\$ 5,502	\$ 440,199	\$ (67,253)	\$ -	\$ (37,308)	\$ (1,314,530)
2027	\$ (1,314,530)	\$ -	\$ -	\$ -	80	\$ 5,613	\$ 449,003	\$ 449,003	\$ -	\$ (32,701)	\$ (898,228)
2028	\$ (898,228)	\$ -	\$ -	\$ -	80	\$ 5,725	\$ 457,983	\$ 457,983	\$ -	\$ (20,077)	\$ (460,323)
2029	\$ (460,323)	\$ -	\$ -	\$ -	80	\$ 5,839	\$ 467,142	\$ 467,142	\$ -	\$ (6,820)	\$ 0

Year	South Wiarnton Service Area Non-Residential Cashflow			DC Reserve Fund Opening Balance	Debt Carrying Costs (P&I) 5.2% Interest & 10-Yr Term	Non-Res. Sq.ft. per Year	DC Rates w. Inflation (2%/Yr)	Anticipated Revenues	Revenues minus Expenditures	Debtenture Financing Requirement	Interest Earnings (2.5%) / Costs (3%)	DC Reserve Fund Closing Balance after Financing
	DC Reserve Fund Opening Balance	Dev't Related Expenditures	Inflated (2%/Yr)									
2016	\$ -	\$ (287,164)	\$ (287,164)	\$ -	38,893	\$ 2.68	\$ 104,366	\$ (182,798)	\$ 200,000	\$ 215	\$ 17,417	
2017	\$ 17,417	\$ (43,150)	\$ (44,013)	\$ (26,216)	38,893	\$ 2.74	\$ 106,453	\$ 36,224	\$ 888	\$ 54,530		
2018	\$ 54,530	\$ (104,154)	\$ (108,361)	\$ (26,216)	38,893	\$ 2.79	\$ 108,582	\$ (25,995)	\$ 1,038	\$ 29,573		
2019	\$ 29,573	\$ (133,603)	\$ (141,781)	\$ (26,216)	38,893	\$ 2.85	\$ 110,754	\$ (57,243)	\$ (45)	\$ (27,716)		
2020	\$ (27,716)	\$ (219,850)	\$ (237,972)	\$ (26,216)	38,893	\$ 2.90	\$ 112,969	\$ (151,219)	\$ (3,100)	\$ (182,035)		
2021	\$ (182,035)	\$ (138,889)	\$ (153,345)	\$ (26,216)	38,893	\$ 2.96	\$ 115,229	\$ (64,333)	\$ (6,426)	\$ (252,794)		
2022	\$ (252,794)	\$ (95,739)	\$ (107,818)	\$ (26,216)	38,893	\$ 3.02	\$ 117,533	\$ (16,501)	\$ (7,831)	\$ (277,126)		
2023	\$ (277,126)	\$ (95,739)	\$ (109,974)	\$ (26,216)	38,893	\$ 3.08	\$ 119,884	\$ (16,307)	\$ (8,558)	\$ (301,992)		
2024	\$ (301,992)	\$ (95,739)	\$ (112,174)	\$ (26,216)	38,893	\$ 3.14	\$ 122,282	\$ (16,109)	\$ (9,301)	\$ (327,402)		
2025	\$ (327,402)	\$ (95,739)	\$ (114,417)	\$ (26,216)	38,893	\$ 3.21	\$ 124,727	\$ (15,906)	\$ (10,061)	\$ (353,369)		
2026	\$ (353,369)	\$ (95,739)	\$ (116,706)	\$ (26,216)	38,893	\$ 3.27	\$ 127,222	\$ (15,700)	\$ (10,837)	\$ (379,906)		
2027	\$ (379,906)	\$ -	\$ -	\$ -	38,893	\$ 3.34	\$ 129,766	\$ 129,766	\$ (9,451)	\$ (259,590)		
2028	\$ (259,590)	\$ -	\$ -	\$ -	38,893	\$ 3.40	\$ 132,361	\$ 132,361	\$ (5,802)	\$ (133,031)		
2029	\$ (133,031)	\$ -	\$ -	\$ -	38,891	\$ 3.47	\$ 135,002	\$ 135,002	\$ (1,971)	\$ -		

Year	DC Reserve Fund Opening Balance		Dev't Related Expenditures		Debt Carrying Costs (P&I) 5.2% Interest & 10-Yr Term		SDE per Year	DC Rates w. Inflation (2%/Yr)	Anticipated Revenues	Revenues minus Expenditures	Debtenture Financing Requirement	Interest Earnings (2.5%) / Costs (3%)	DC Reserve Fund Closing Balance after Financing
	DC Reserve Fund Opening Balance	DC Reserve Fund Opening Balance	Nominal	Inflated (2%/Yr)	Debt Carrying Costs (P&I) 5.2% Interest & 10-Yr Term	Debt Carrying Costs (P&I) 5.2% Interest & 10-Yr Term							
2016	\$ -	\$ (95,577)	\$ (195,673)	\$ (195,673)	\$ -	\$ -	14	\$ 7,251	\$ 101,508	\$ (94,164)	\$ -	\$ (1,412)	\$ (95,577)
2017	\$ (95,577)	\$ (195,932)	\$ (195,673)	\$ (199,586)	\$ -	\$ -	14	\$ 7,396	\$ 103,539	\$ (96,048)	\$ -	\$ (4,308)	\$ (195,932)
2018	\$ (195,932)	\$ (301,248)	\$ (195,673)	\$ (203,578)	\$ -	\$ -	14	\$ 7,544	\$ 105,609	\$ (97,969)	\$ -	\$ (7,347)	\$ (301,248)
2019	\$ (301,248)	\$ (411,713)	\$ (195,673)	\$ (207,649)	\$ -	\$ -	14	\$ 7,694	\$ 107,721	\$ (99,928)	\$ -	\$ (10,536)	\$ (411,713)
2020	\$ (411,713)	\$ (527,519)	\$ (195,673)	\$ (211,802)	\$ -	\$ -	14	\$ 7,848	\$ 109,876	\$ (101,926)	\$ -	\$ (13,880)	\$ (527,519)
2021	\$ (527,519)	\$ (648,869)	\$ (195,673)	\$ (216,038)	\$ -	\$ -	14	\$ 8,005	\$ 112,073	\$ (103,965)	\$ -	\$ (17,385)	\$ (648,869)
2022	\$ (648,869)	\$ (582,914)	\$ (26,777)	\$ (30,156)	\$ -	\$ -	14	\$ 8,165	\$ 114,315	\$ 84,159	\$ -	\$ (18,204)	\$ (582,914)
2023	\$ (582,914)	\$ (513,271)	\$ (26,777)	\$ (30,759)	\$ -	\$ -	14	\$ 8,329	\$ 116,601	\$ 85,843	\$ -	\$ (16,200)	\$ (513,271)
2024	\$ (513,271)	\$ (439,796)	\$ (26,777)	\$ (31,374)	\$ -	\$ -	14	\$ 8,495	\$ 118,933	\$ 87,559	\$ -	\$ (14,085)	\$ (439,796)
2025	\$ (439,796)	\$ (362,340)	\$ (26,777)	\$ (32,001)	\$ -	\$ -	14	\$ 8,665	\$ 121,312	\$ 89,311	\$ -	\$ (11,854)	\$ (362,340)
2026	\$ (362,340)	\$ (280,747)	\$ (26,777)	\$ (32,641)	\$ -	\$ -	14	\$ 8,838	\$ 123,738	\$ 91,097	\$ -	\$ (9,504)	\$ (280,747)
2027	\$ (280,747)	\$ (194,857)	\$ (26,777)	\$ (33,294)	\$ -	\$ -	14	\$ 9,015	\$ 126,213	\$ 92,919	\$ -	\$ (7,029)	\$ (194,857)
2028	\$ (194,857)	\$ (104,504)	\$ (26,777)	\$ (33,960)	\$ -	\$ -	14	\$ 9,196	\$ 128,737	\$ 94,777	\$ -	\$ (4,424)	\$ (104,504)
2029	\$ (104,504)	\$ -	\$ (26,777)	\$ (34,639)	\$ -	\$ -	15	\$ 9,379	\$ 140,691	\$ 106,052	\$ -	\$ (1,548)	\$ -

Table 5-6-2 - Outside of South Wiaton Service Area Non-Residential Cashflow

Year	DC Reserve Fund Opening Balance	Dev't Related Expenditures		Debt Carrying Costs (P&I) 5.2% Interest & 10-Yr Term	Non-Res. Sq.ft. per Year	DC Rates w. Inflation (2%/Yr)	Anticipated Revenues	Revenues minus Expenditures	Debenture Financing Requirement	Interest Earnings (2.5%) / Costs (3%)	DC Reserve Fund Closing Balance after Financing
		Nominal	Inflated (2%/Yr)								
2016	\$ -	\$ (35,817)	\$ (35,817)	\$ -	2,693	\$ 6.93	\$ 18,668	\$ (17,149)		\$ (257)	\$ (17,407)
2017	\$ (17,407)	\$ (35,817)	\$ (36,533)	\$ -	2,693	\$ 7.07	\$ 19,041	\$ (17,492)		\$ (785)	\$ (35,683)
2018	\$ (35,683)	\$ (35,817)	\$ (37,264)	\$ -	2,693	\$ 7.21	\$ 19,422	\$ (17,842)		\$ (1,338)	\$ (54,864)
2019	\$ (54,864)	\$ (35,817)	\$ (38,009)	\$ -	2,693	\$ 7.36	\$ 19,810	\$ (18,199)		\$ (1,919)	\$ (74,981)
2020	\$ (74,981)	\$ (35,817)	\$ (38,769)	\$ -	2,693	\$ 7.50	\$ 20,206	\$ (18,563)		\$ (2,528)	\$ (96,072)
2021	\$ (96,072)	\$ (35,817)	\$ (39,545)	\$ -	2,693	\$ 7.65	\$ 20,611	\$ (18,934)		\$ (3,166)	\$ (118,173)
2022	\$ (118,173)	\$ (4,901)	\$ (5,520)	\$ -	2,693	\$ 7.81	\$ 21,023	\$ 15,503		\$ (3,313)	\$ (105,982)
2023	\$ (105,982)	\$ (4,901)	\$ (5,630)	\$ -	2,693	\$ 7.96	\$ 21,443	\$ 15,813		\$ (2,942)	\$ (93,112)
2024	\$ (93,112)	\$ (4,901)	\$ (5,743)	\$ -	2,693	\$ 8.12	\$ 21,872	\$ 16,129		\$ (2,551)	\$ (79,534)
2025	\$ (79,534)	\$ (4,901)	\$ (5,858)	\$ -	2,693	\$ 8.28	\$ 22,310	\$ 16,452		\$ (2,139)	\$ (65,221)
2026	\$ (65,221)	\$ (4,901)	\$ (5,975)	\$ -	2,693	\$ 8.45	\$ 22,756	\$ 16,781		\$ (1,705)	\$ (50,145)
2027	\$ (50,145)	\$ (4,901)	\$ (6,094)	\$ -	2,693	\$ 8.62	\$ 23,211	\$ 17,117		\$ (1,248)	\$ (34,276)
2028	\$ (34,276)	\$ (4,901)	\$ (6,216)	\$ -	2,693	\$ 8.79	\$ 23,675	\$ 17,459		\$ (766)	\$ (17,583)
2029	\$ (17,583)	\$ (4,901)	\$ (6,341)	\$ -	2,697	\$ 8.97	\$ 24,184	\$ 17,844		\$ (260)	\$ -

Table 5-7
Town of South Bruce Peninsula
Schedule of Development Charges - Cashflow Approach

Service	\$/Dwelling Unit				\$/Sq.Ft. of GFA
	Singles & Semi's	Retirement Subdivision	Townhomes	Apartments	Non-Residential
<u>South Wiarton Service Area</u>					
Water	\$ 2,344	\$ 1,706	\$ 1,561	\$ 1,329	\$ 1.39
Sewage Treatment Plant	\$ 1,505	\$ 1,096	\$ 1,002	\$ 854	\$ 0.93
Sanitary Sewer	\$ 1,890	\$ 1,376	\$ 1,259	\$ 1,072	\$ 1.16
Roads	\$ 1,838	\$ 1,338	\$ 1,224	\$ 1,042	\$ 1.09
Administration	\$ 65	\$ 48	\$ 44	\$ 37	\$ 0.04
Sub-Total	\$ 7,642	\$ 5,563	\$ 5,089	\$ 4,333	\$ 4.61

Service	\$/Dwelling Unit				\$/Sq.Ft. of GFA
	Singles & Semi's	Retirement Subdivision	Townhomes	Apartments	Non-Residential
<u>Outside of South Wiarton Service Area</u>					
Water	\$ 5,125	\$ 3,731	\$ 3,413	\$ 2,906	\$ 4.90
Sewage Treatment Plant	\$ 1,505	\$ 1,096	\$ 1,002	\$ 854	\$ 0.93
Sanitary Sewer	\$ 3,683	\$ 2,681	\$ 2,452	\$ 2,088	\$ 2.99
Roads	\$ -	\$ -	\$ -	\$ -	\$ -
Administration	\$ 65	\$ 48	\$ 44	\$ 37	\$ 0.04
Sub-Total	\$ 10,379	\$ 7,555	\$ 6,911	\$ 5,885	\$ 8.86

6. Development Charge Policy Recommendations and Development Charge By-Law Rules

6.1 Introduction

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 the section goes on to state that the rules may provide for exemptions, phasing in and/or indexing of development charges.

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

- the total of all development charges 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 development charges 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 development charge than is allowed, the rules for determining development charges may not provide for any resulting shortfall to be made up via other development.

With respect to “the rules,” Section 6 states that a DC 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.

The rules provided are based on the Town’s existing policies however, there are items under consideration at this time and these may be refined prior to adoption of the by-law.

6.2 By-Law Structure

It is recommended that:

- the Town impose an area-specific development charge for the South Warton Service Area and Outside of the South Warton Services for Water Services, Sanitary Sewer Services, Roads Services and Administration Services; and
- one municipal development charge by-law be used for the imposition of all development charges.

6.3 Development Charge By-Law Rules

The following subsections set out the recommended rules governing the calculation, payment and collection of development charges in accordance with Section 6 of the Development Charges Act, 1997.

It is recommended that the following sections provide the basis for the development charges:

6.3.1 Payment in a Particular Case

In accordance with the Development Charges Act, 1997, s.2(2), a development charge 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.

6.3.2 Determination of the Amount of the Charge

The following conventions be adopted:

- 1) Costs allocated to residential uses will be assigned to different types of residential units based on the average occupancy for each housing type constructed during the previous decade. Costs allocated to non-residential uses will be assigned to industrial, commercial and institutional uses based on the gross floor area constructed.
- 2) Costs allocated to residential and non-residential uses are based upon a number of conventions, as may be suited to each municipal circumstance. These are summarized in Chapter 4 herein.

6.3.3 Application to Redevelopment of Land (Demolition and Conversion)

If a development involves the demolition of 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:

- 1) the number of dwelling units demolished/converted multiplied by the applicable residential development charge in place at the time the development charge is payable; and/or
- 2) the gross floor area of the building demolished/converted multiplied by the current non-residential development charge in place at the time the development charge is payable.

The demolition credit is allowed only if the land was improved by occupied structures, and if the demolition permit related to the site was issued, less than 60 months prior to the issuance of a building permit. The credit can, in no case, exceed the amount of development charges that would otherwise be payable.

6.3.4 Exemptions (full or partial)

- a) Statutory exemptions
 - industrial building additions of up to and including 50% of the existing gross floor area (defined in O.Reg. 82/98, s.1) of the building; for industrial building additions which exceed 50% of the existing gross floor area, only the portion of the addition in excess of 50% is subject to development charges (s.4(3));

- buildings or structures owned by and used for the purposes of any Town, local board or Board of Education (s.3);
- 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).

b) Non-statutory exemptions

- 50% reduction in the development charges for industrial, institutional and office development; and
- Hospitals.

6.3.5 Phasing in

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

6.3.6 Timing of Collection

The development charges for all services are payable upon issuance of a building permit for each dwelling unit, building or structure, subject to early or late payment agreements entered into by the Town and an owner under s.27 of the DCA, 1997.

6.3.7 Indexing

All development charges will be subject to mandatory indexing annually on the anniversary date of the by-law, in accordance with provisions under the Development Charges Act.

6.4 Other Development Charge By-law Provisions

It is recommended that:

6.4.1 Categories of Services for Reserve Fund and Credit Purposes

It is recommended that the Town's development charge collections be contributed into 7 separate reserve funds, including: Water Services; Sanitary Sewer Services; Roads Services and Administration Services.

6.4.2 By-Law Inforce Date

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

6.4.3 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).

6.5 Other Development Charge By-law Provisions

It is recommended that Council:

“Approve the capital project listing set out in Chapter 4 of the Development Charges Background Study dated May 19, 2016, subject to further annual review during the capital budget process”;

“Approve the Development Charges Background Study dated May 19, 2016”;

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

“Approve the Development Charge By-law as set out in Appendix A.”

7. By-Law Implementation

7.1 Public Consultation

7.1.1 Introduction

This chapter addresses the mandatory, formal public consultation process (Section 7.1.2), as well as the optional, informal consultation process (Section 7.1.3). The latter is designed to seek the co-operation and involvement of those involved, in order to produce the most suitable policy. Section 7.1.4 addresses the anticipated impact of the development charge on development, from a generic viewpoint.

7.1.2 Public Meeting of Council

Section 12 of the DCA, 1997 indicates that before passing a development charge by-law, the background study must be made available on the municipality's website 60-days prior to the passage of the by-law. Also, 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 (i.e. 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 OMB).

7.1.3 Other Consultation Activity

There are three broad groupings of the public who are generally the most concerned with municipal development charge policy:

1. The residential development community, consisting of land developers and builders, who are typically responsible for generating the majority of the development charge revenues. Others, such as realtors, are directly impacted by development charge policy. They are therefore potentially interested in all

aspects of the charge, particularly the quantum by unit type, projects to be funded by the DC and the timing thereof, and municipal policy with respect to development agreements, DC 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 development charge policy. Their primary concern is frequently with the quantum of the charge, gross floor area exclusions such as basement, mechanical or indoor parking areas, or exemptions and phase-in or capping provisions in order to moderate the impact.

7.2 Anticipated Impact of the Charge on Development

The establishment of sound development charge policy often requires the achievement of an acceptable balance between two competing realities. The first is that high non-residential development charges 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 development charges 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, development charges or other municipal capital funding sources need to be obtained in order to help ensure that the necessary infrastructure and amenities are installed. The timely installation of such works is a key initiative in providing adequate service levels and in facilitating strong economic growth, investment and wealth generation.

7.3 Implementation Requirements

7.3.1 Introduction

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

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

The following sections overview requirements in each case.

7.3.2 Notice of Passage

In accordance with s.13 of the DCA, when a DC 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;
- s.s.10 (5) lists the eight items which the notice must cover.

7.3.3 By-Law Pamphlet

In addition to the "notice" information, the municipality must prepare a "pamphlet" explaining each development charge by-law in force, setting out:

- a description of the general purpose of the development charges;
- 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 development charges 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 OMB, the pamphlet must be readied within 60 days after the by-law comes into force. Later dates apply to appealed by-laws.

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

7.3.4 Appeals

Sections 13-19 of the DCA, 1997 set out requirements relative to making and processing of a DC by-law appeal and OMB Hearing in response to an appeal. Any person or organization may appeal a DC by-law to the OMB by filing with the municipal clerk a notice of appeal, 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.

7.3.5 Complaints

A person required to pay a development charge, 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 development charge was incorrectly determined; or
- there was an error in the application of the development charge.

Sections 20-25 of the DCA, 1997 set out the requirements that exist, including the fact that a complaint may not be made later than 90 days after a DC (or any part of it) is payable. A complainant may appeal the decision of Municipal Council to the OMB.

7.3.6 Credits

Sections 38-41 of the DCA, 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 DC by-law.

These credits would be used to reduce the amount of development charges 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 development charge is payable.

7.3.7 Front-Ending Agreements

The municipality 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 municipality to which the DC 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 DCA, 1997 (Sections 44-58) addresses front-ending agreements and removes some of the obstacles to their use which were contained in the DCA, 1989. Accordingly, the municipality assesses whether this mechanism is appropriate for its use, as part of funding projects prior to Municipal funds being available.

7.3.8 Severance and Subdivision Agreement Conditions

Section 59 of the DCA, 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 DCA, 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 development charges 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 Development Charges Act, 1997 it would need to provide to

the approval authority, information regarding the applicable municipal development charges 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 development charge.

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.

Appendix A – Proposed Development Charge By-Law

THE CORPORATION OF THE TOWN OF SOUTH BRUCE PENINSULA

BY-LAW NUMBER 2016-____

A BY-LAW TO ESTABLISH DEVELOPMENT CHARGES

FOR THE CORPORATION OF THE TOWN OF SOUTH BRUCE PENINSULA

WHEREAS subsection 2(1) of the Development Charges Act, 1997 c. 27 (hereinafter called “the Act”) provides that the council of a municipality may pass By-laws for the imposition of development charges against land for increased capital costs required because of the need for services arising from development in the area to which the by-law applies;

AND WHEREAS the Council of The Corporation of the Town of South Bruce Peninsula (“Town”) has given Notice on _____, 2016 according to section 12 of the Development Charges Act, 1997, of its intention to pass a by-law under Section 2 of the said Act;

AND WHEREAS the Council of the Town has heard all persons who applied to be heard no matter whether in objection to, or in support of, the development charge proposal at a public meeting held on _____, 2016;

AND WHEREAS the Council of the Town had before it a report entitled Development Charge Background Study dated May 19, 2016 prepared by Watson & Associates Economists Ltd., wherein it is indicated that the development of any land within Warton Service Area of the Town will increase the need for services as defined herein;

AND WHEREAS the Council of the Town on _____ approved the applicable Development Charge Background Study, as amended, inclusive of the capital forecast therein, in which certain recommendations were made relating to the establishment of a development charge policy for the Town pursuant to the Development Charges Act, 1997;

AND WHEREAS the Council of the Town on _____ determined that no additional public meeting was required to be held as part of the approval process.

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE TOWN OF SOUTH BRUCE PENINSULA ENACTS AS FOLLOWS:

DEFINITIONS

In this by-law,

1. “Act” means the Development Charges Act, 1997, c. 27;
2. “accessory use” means where used to describe a use, building, or structure that the use, building or structure is naturally and normally incidental, subordinate in purpose of floor area or both, and exclusively devoted to a principal use, building or structure;
3. “apartment unit” means any residential unit within a building containing three or more dwelling units where access to each residential unit is obtained through a common entrance or entrances from the street level and the residential units are connected by an interior corridor;
4. “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;
5. “board of education” means a board defined in s.s. 1(1) of the Education Act;
6. “Building Code Act” means the Building Code Act, 1992, S.O. 1992, c.23, as amended;
7. “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,
 - e. rolling stock with an estimated useful life of seven years or more,
 - i. furniture and equipment, other than computer equipment, and
 - ii. materials acquired for circulation, reference or information purposes by a library board as defined in the Public Libraries Act, R.. O. 1990, c. 57, and

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.

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

9. “Council” means the Council of the Town of South Bruce Peninsula;

10. “development” means the construction, erection or placing of one or more buildings or structures on land or the making of an addition or alteration to a building or structure that the effect of increasing the size of usability thereof, and includes redevelopment;

11. “development charge” means a charge imposed pursuant to this By-law;

12. “dwelling unit” means any part of a building or structure used, designed or intended to be used as a domestic establishment in which one or more persons may sleep and are provided with culinary and sanitary facilities for their exclusive use;

13. “existing” means the number, use and size that existed as of the date this by-law was passed;

14. “Grade” means the average level of finished ground adjoining a building or structure at all exterior walls;

15. “gross floor area” means

a. in the case of a residential building or structure, the total area of all floors above grade of a dwelling unit measured between the outside surfaces of exterior walls or between the outside surfaces of exterior walls and the centre line of party walls dividing the dwelling unit from any other dwelling unit or other portion of a building; and

- b. in the case of a non-residential building or structure, or in the case of a mixed-use building or structure in respect of the non-residential portion thereof, the total area of all building floors above or below grade measured between the outside surfaces of the exterior walls, or between the outside surfaces of exterior walls and the centre line of party walls dividing a non-residential use and a residential use, except for:
 - i. a room or enclosed area within the building or structure above or below that is used exclusively for the accommodation of heating, cooling, ventilating, electrical, mechanical or telecommunications equipment that service the building;
 - ii. loading facilities above or below grade; and
 - iii. a part of the building or structure below grade that is used for the parking of motor vehicles or for storage or other accessory use;
16. “industrial” means lands, buildings or structures used or designed or intended for use for manufacturing, processing, fabricating or assembly of raw goods, warehousing or bulk storage of goods, and includes office uses and the sale of commodities to the general public where such uses are accessory to an industrial use, but does not include the sale of commodities to the general public through a warehouse club;
17. “institutional” means land, buildings, structures or any part thereof used by any organization, group or association for promotion of charitable, educational or benevolent objectives and not for profit or gain;
18. “Local Board” means a school board, public utility, commission, transportation commission, public library board, board of park management, local board of health, board of commissioners of police, planning board, or any other board, commission, committee, 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, including school purposes, of the municipality or any part or parts thereof;
19. “local services” means those services, facilities or things which are under the jurisdiction of the Town of South Bruce Peninsula and are related to a plan of subdivision or within the area to which the plan relates in respect of the lands under Sections 41, 51 or 53 of the Planning Act, R.S.O. 1990, Chap. P.13, as amended, or any successor thereof;

20. "Municipality" means The Corporation of the Town of South Bruce Peninsula;
21. "non-residential use" means a building or structure of any kind whatsoever used, designed or intended to be used for other than a residential use;
22. "Official Plan" means the Official Plan adopted for the municipality, as amended and approved;
23. "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;
24. "Planning Act" means the Planning Act, 1990, R.S.O. 1990, c.P.13, as amended;
25. "rate" means the interest rate established weekly by the Bank of Canada based on Treasury Bills having a term of 91 days;
26. "regulation" means any regulation made pursuant to the Act;
27. "residential dwelling" means a building, occupied or capable of being occupied as a home, residence or sleeping place by one or more persons, containing one or more dwelling units but not including motels, hotels, tents, truck campers, tourist trailers, mobile camper trailers or boarding, lodging or rooming houses;
28. "residential use" means the use of a building or structure or portion thereof for one or more dwelling units. This also includes a dwelling unit on land that is used for an agricultural use;
29. "row dwelling" means a building containing three or more attached dwelling units in a single row, each of which dwelling units has an independent entrance from the outside and is vertically separated from any abutting dwelling unit;
30. "semi-detached dwelling" means a dwelling unit in a residential building consisting of two dwelling units having one vertical wall or one horizontal wall, but not other parts, attached or another dwelling unit where the residential unit are not connected by an interior corridor;
31. "service" means a service designed in Schedule "A" to this By-law, and "services" shall have a corresponding meaning;
32. "service area" means an area defined by map, plan or legal description in a front-ending agreement as an area that will receive a benefit from the construction of a service;

33. “servicing agreement” means an agreement between a landowner and the Municipality relative to the provision of municipal services to specified land within the Municipality;
34. “Single detached dwelling” means a completely detached building containing only one dwelling unit.
35. “townhouse dwellings” means all dwellings other than single-detached, semi-detached and apartment unit dwellings;
36. “Zoning By-Law” means the Zoning By-Law of the Municipality or any successor thereof passed pursuant to Section 34 of the Planning Act, S.O. 1998.

DESIGNATION OF SERVICES

- 2.1 The categories of services for which development charges are imposed under this By-law are as follows:
- a. Water Services;
 - b. Sanitary Sewer Services;
 - c. Roads Services; and
 - d. Administration Services.

APPLICATION OF BY-LAW RULES

- 3.1 Development charges shall be payable in the amounts set out in this By-law where:
- a. the lands are located in the area described in section 3.2; and
 - b. the development of the lands requires any of the approvals set out in subsection 3.4(a).

Area to Which By-law Applies

- 3.2 Subject to section 3.3, this By-law applies to all lands within the defined areas of the Warton Service Area, South Warton Service Area and Outside of the South Warton Service Area, as defined in Schedules “C”, in the Town of South Bruce Peninsula whether or not the land or use thereof is exempt from taxation under s. 13 or the Assessment Act.

3.3. Notwithstanding clause 3.2 above, this by-law shall not apply to lands that are owned by and used for the purposes of:

- a. the County of Bruce;
- b. the Town of South Bruce Peninsula or a local board thereof; or
- c. a board of education;

Approvals for Development

3.4 a. Development charges shall be imposed on all lands, buildings or structures that are developed for residential or non-residential uses if the development requires:

- i. the passing of a zoning by-law or of an amendment to a zoning by-law under section 34 of the Planning Act;
 - ii. the approval of a minor variance under section 45 of the Planning Act;
 - iii. a conveyance of land to which a by-law passed under subsection 50(7) of the Planning Act applies;
 - iv. the approval of a plan of subdivision under section 51 of the Planning Act;
 - v. a consent under section 53 of the Planning Act;
 - vi. the approval of a description under section 50 of the Condominium Act, R.S.O. 1990, Chap. C.26, as amended, or any successor thereof; or
 - vii. the issuing of a permit under the Building Code Act in relation to a building or structure.
- b. No more than one development charge for each service designated in subsection 2.1 shall be imposed upon any lands, buildings or structures to which this By-law applies even though two or more of the actions described in subsection 3.4(a) are required before the lands, buildings or structures can be developed.
- c. Despite subsection 3.4b, if two or more of the actions described in subsection 3.4a occur at different times, additional development charges shall be imposed if the subsequent action has the effect of increasing the need for services.

Exemptions

- 3.5 Notwithstanding the provisions of this By-law, development charges shall not be imposed with respect to:
- a. an enlargement to an existing dwelling unit;
 - b. one or two additional dwelling units in an existing single detached dwelling; or
 - c. one additional dwelling unit in any other existing residential building;
- 3.6 Notwithstanding section 3.5(b), development charges shall be imposed if the total gross floor area of the additional one or two units exceeds the gross floor area of the existing dwelling unit.
- 3.7 Notwithstanding section 3.5, development charges shall be imposed if the additional unit has a gross floor area greater than:
- i. in the case of a semi-detached or row dwelling, the gross floor area of the existing dwelling unit; and
 - ii. in the case of any other residential building, the gross floor area of the smallest dwelling unit contained in the residential building.
- 3.8 Exemption for Industrial Development:
- 3.8.1 Notwithstanding any other provision of this by-law, no development charge is payable with respect to an enlargement of the gross floor area of an existing industrial building where the gross floor area is enlarged by 50 percent or less.
- 3.8.2 If the gross floor area of an existing industrial building is enlarged by greater than 50 percent, the amount of the development charge payable in respect of the enlargement is the amount of the development charge that would otherwise be payable multiplied by the fraction determined as follows:
1. determine the amount by which the enlargement exceeds 50 percent of the gross floor area before the enlargement;
 2. divide the amount determined under subsection 1 by the amount of the enlargement
- 3.9 For the purpose of section 3.8 herein, “existing industrial building” is used as defined in the Regulation made pursuant to the Act.

3.10 Other Exemptions:

- a. 50% reduction in the development charges for industrial, institutional and office development; and
- b. Hospitals.

Amount of Charges

Residential

3.11 The development charges set out in Schedule B for the lands set out in Schedule C shall be imposed on residential uses of lands, buildings or structures, including a dwelling unit accessory to a non-residential use and, in the case of a mixed use building or structure, on the residential uses in the mixed use building or structure, according to the type of residential unit, and calculated with respect to each of the services according to the type of residential use.

Non-Residential

3.12 The development charges set out in Schedule B for the lands set out in Schedule C shall be imposed on non-residential uses of lands, buildings or structures, and, in the case of a mixed use building or structure, on the non-residential uses in the mixed use building or structure, and calculated with respect to each of the services according to the total floor area of the non-residential use.

Reduction of Development Charges for Redevelopment

3.13 Despite any other provisions of this By-law, where, as a result of the redevelopment of land, a building or structure existing on the same land within 60 months prior to the date of payment of development charges in regard to such redevelopment was, or is to be demolished, in whole or in part, or converted from one principal use to another principal use on the same land, in order to facilitate the redevelopment, the development charges otherwise payable with respect to such redevelopment shall be reduced by the following amounts:

- a. in the case of a residential building or structure, or in the case of a mixed-use building or structure, the residential uses in the mixed-use building or structure, an amount calculated by multiplying the applicable development charge under subsection 3.11 by the number, according to type, of dwelling units that have been or will be demolished or converted to another principal use; and

- b. in the case of a non-residential building or structure or, in the case of mixed-use building or structure, the non-residential uses in the mixed-use building or structure, an amount calculated by multiplying the greater of the applicable development charges under subsection 3.12 or the calculated rate within the City of Sault Ste. Marie Development Charges Background Study, February 2014, by the gross floor area that has been or will be demolished or converted to another principal use;

provided that such amounts shall not exceed, in total, the amount of the development charges otherwise payable with respect to the redevelopment.

Time of Payment of Development Charges

- 3.14 Development charges imposed under this By-law are calculated, payable, and collected upon issuance of a building permit for the development.
- 3.15 Despite section 3.14, Council from time to time, and at any time, may enter into agreements providing for all or any part of a development charge to be paid before or after it would otherwise be payable, in accordance with section 27 of the Act.

PAYMENT BY SERVICES

- 4.1 Despite the payment required under subsections 3.11 and 3.12, Council may, by agreement, give a credit towards a development charge in exchange for work that relates to a service to which a development charge relates under this By-law.

INDEXING

- 5.1 Development charges imposed pursuant to this By-law shall be adjusted annually, without amendment to this By-law, on the anniversary date of this by-law, in accordance with the prescribed index in the Act.

SCHEDULES

- 6.1 The following schedules shall form part of this By-law:

Schedule A - Components of Services Designated in section 2.1

Schedule B - Residential and Non-Residential Development Charges

Schedule C - Wiarton Service Area

CONFLICTS

- 7.1 Where the Town of South Bruce Peninsula and an owner or former owner have entered into an agreement with respect to land within the area to which this By-law applies, and a conflict exists between the provisions of this By-law and such agreement, the provisions of the agreement shall prevail to the extent that there is a conflict.
- 7.2 Notwithstanding section 7.1, where a development which is the subject of an agreement to which section 7.1 applies, is subsequently the subject of one or more of the actions described in subsection 3.4(a), an additional development charge in respect of the development permitted by the action shall be calculated, payable and collected in accordance with the provisions of this By-law if the development has the effect of increasing the need for services, unless such agreement provides otherwise.

SEVERABILITY

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

DATE BY-LAW IN FORCE

- 9.1 This By-law shall come into effect at 12:01 AM on _____, 2016.

DATE BY-LAW EXPIRES

- 10.1 This By-law will expire at 12:01 AM on _____, 2021 unless it is repealed by Council at an earlier date.

PASSED THIS __ day of _____, 2016.

Mayor

City Clerk

SCHEDULE "A" TO BY-LAW

COMPONENTS OF SERVICES DESIGNATED IN SUBSECTION 2.1

South Warton Service Area and Outside of the South Warton Service Area (Schedule C)

Water Services

Sanitary Sewer Services

Roads Services

Administration Services

SCHEDULE "B" TO BY-LAW

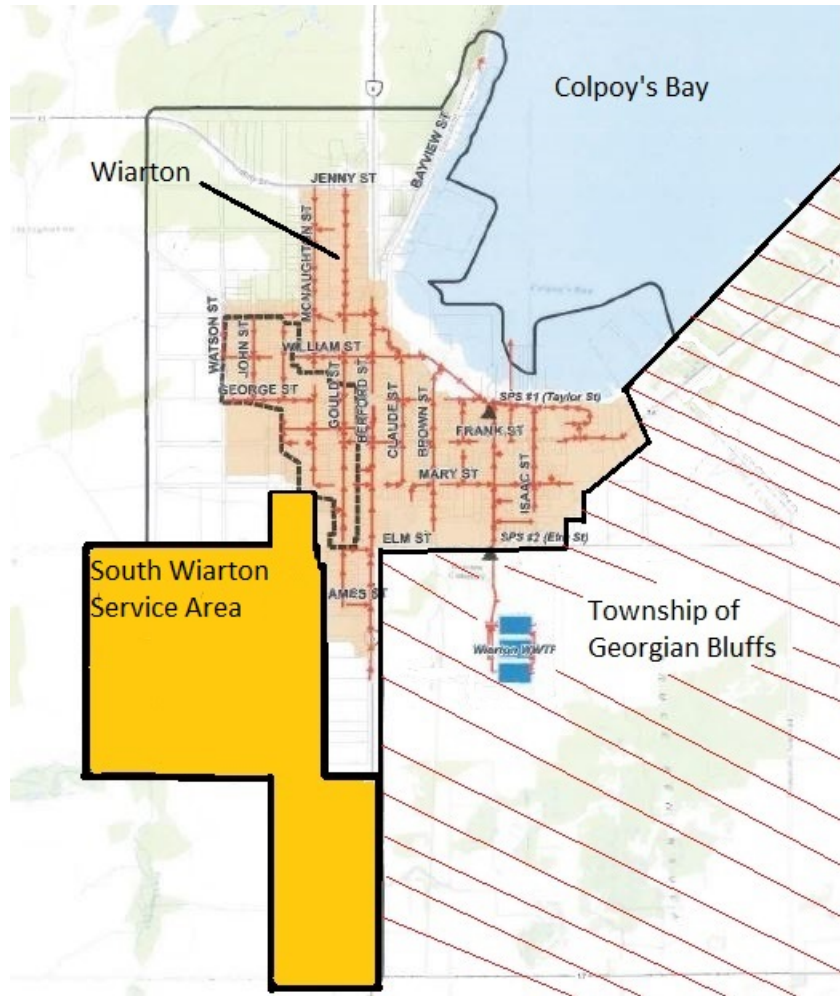
SCHEDULE OF DEVELOPMENT CHARGES

Service	\$/Dwelling Unit				\$/Sq.Ft. of GFA
	Singles & Semi's	Retirement Subdivision	Townhomes	Apartments	Non-Residential
<u>South Warton Service Area</u>					
Water	\$ 2,344	\$ 1,706	\$ 1,561	\$ 1,329	\$ 1.39
Sewage Treatment Plant	\$ 1,505	\$ 1,096	\$ 1,002	\$ 854	\$ 0.93
Sanitary Sewer	\$ 1,890	\$ 1,376	\$ 1,259	\$ 1,072	\$ 1.16
Roads	\$ 1,838	\$ 1,338	\$ 1,224	\$ 1,042	\$ 1.09
Administration	\$ 65	\$ 48	\$ 44	\$ 37	\$ 0.04
Sub-Total	\$ 7,642	\$ 5,563	\$ 5,089	\$ 4,333	\$ 4.61

Service	\$/Dwelling Unit				\$/Sq.Ft. of GFA
	Singles & Semi's	Retirement Subdivision	Townhomes	Apartments	Non-Residential
<u>Outside of South Warton Service Area</u>					
Water	\$ 5,125	\$ 3,731	\$ 3,413	\$ 2,906	\$ 4.90
Sewage Treatment Plant	\$ 1,505	\$ 1,096	\$ 1,002	\$ 854	\$ 0.93
Sanitary Sewer	\$ 3,683	\$ 2,681	\$ 2,452	\$ 2,088	\$ 2.99
Roads	\$ -	\$ -	\$ -	\$ -	\$ -
Administration	\$ 65	\$ 48	\$ 44	\$ 37	\$ 0.04
Sub-Total	\$ 10,379	\$ 7,555	\$ 6,911	\$ 5,885	\$ 8.86

SCHEDULE "C" TO BY-LAW

WIARTON SERVICE AREA



Appendix B – Asset Management Plan