



**ADDENDUM NO. 1 TO TOWNSHIP
OF CENTRE WELLINGTON**

**DEVELOPMENT CHARGE
BACKGROUND STUDY UPDATE**

FOR PUBLIC CIRCULATION

SEPTEMBER 18, 2013



Plaza Three
101-2000 Argentia Rd.
Mississauga, Ontario
Canada L5N 1V9

Phone: (905) 272-3600

Fax: (905) 272-3602

e-mail: info@watson-econ.ca

www.watson-econ.ca

 **Planning for growth**

ADDENDUM REPORT

1. BACKGROUND

Commensurate with the provisions of the *Development Charges Act, 1997*, the Township has undertaken, a Background Study and is holding the statutory public meeting on September 23, 2013. Subsequently Council will pass a Development Charges By-law. The basis for the current study is to meet the requirements of the Development Charges Act.

2. DISCUSSION

2.1 Parkland Development, Public Works Rolling Stock, and Wastewater Calculations

The Township's DC study, dated August 27, 2013, reflected the growth related capital infrastructure requirements for the Township for the forecast periods. Growth related capital requirements for parkland development, public works rolling stock and wastewater services were outlined within the DC study. This addendum has provided for the recalculation of the outdoor recreation services, public works and wastewater services portion of the DC to account for changes identified following further discussion with the Township's staff, the Township's engineer (Triton Engineering) and stakeholders. The result of the updates is an overall reduction in the proposed charge from the amount calculated in the August 27, 2013 background study.

Based on the above mentioned updates, the change contained within the Background Study is as follows:

- Parkland Development – Updated to include projects that were missed during the preparation of the study (see project numbers 25, 26, 27, 28 and 29 on amended page 5-7, attached). The result is an increase of \$208 per single detached home and \$0.02 per sq.ft. for non-residential resulting in an updated outdoor recreation services DC of \$1,434 and \$0.13 respectfully.
- Public Works Rolling Stock – Added projects 6, 7, 8,9 and 10, updated the estimate for the single axle truck with dump/plow/sander/wing to \$200,000 for projects 3 and 4

based on updated tender prices received (see amended page 5-18, attached) and reduced the provision for additional vehicle/equipment needs by \$632,000. These changes result in no change to the overall charges.

- Wastewater Services – Updated the estimated cost for projects 12 and 13 and added a post period benefit amount of \$12,000,000 to the future expansion of the Fergus treatment plant (see project 22 on amended page 5-22, attached). The result is a decrease of \$2,338 per single detached home and \$1.00 per sq. ft. for non-residential resulting in an updated wastewater services DC of \$5,279 and \$2.27 respectfully.

The above changes have been incorporated into the calculations. The summary below outlines the current charges vs the charges as calculated in the 2013 DC report dated August 27, 2013 and the charges calculated in this addendum report.

Residential (Single Detached) Comparison

Service	Current	Calculated Aug. 27, 2013	Calculated Sept. 18, 2013
Municipal Wide Services:			
Roads	4,378	3,990	3,990
Public Works	637	728	728
Fire Protection Services	524	616	616
Outdoor Recreation Services	1,524	1,226	1,434
Indoor Recreation Services	2,843	2,153	2,153
Administration	382	1,155	1,155
Total Municipal Wide Services	10,288	9,868	10,076
Area Specific Services:			
Wastewater Services	6,084	7,617	5,279
Water Services	2,818	2,893	2,893
Total Area Specific Services	8,902	10,510	8,172
Grand Total - Urban Area	19,190	20,378	18,248

Non-Residential (per ft².) Comparison

Service	Current	Calculated Aug. 27, 2013	Calculated Sept. 18, 2013
Municipal Wide Services:			
Roads	2.48	1.73	1.73
Public Works	0.36	0.31	0.31
Fire Protection Services	0.28	0.33	0.33
Outdoor Recreation Services	0.11	0.11	0.13
Indoor Recreation Services	0.20	0.18	0.18
Administration	0.20	0.51	0.51
Total Municipal Wide Services	3.63	3.17	3.19
Area Specific Services:			
Wastewater Services	3.56	3.27	2.27
Water Services	1.65	1.24	1.24
Total Area Specific Services	5.21	4.51	3.51
Grand Total - Urban Area	8.84	7.68	6.70

The Proposed By-law has been amended to include the updated charges as described above (Schedule "B").

2.2 Changes to Background Report Resulting from Above

Based upon the above, the following revisions are made to the pages within the Background Study (new pages are appended to this report):

- Page (ii) – recalculation of the summary of the gross capital costs and net costs to be recovered over the life of the by-law and textual changes to reflect the updated calculated charges.
- Page (iii) – textual changes to reflect the updates in the summary of the gross capital costs and net costs to be recovered over the life of the by-law.
- Page (iv) – recalculation of Table ES-1 schedule of development charges
- Page 1-2 – Figure 1-1 updated to reflect this addendum report in the schedule of key development charge process dates.
- Page 3-7 – textual changes to reflect error correction in the fifth bullet point change to "Township of Centre Wellington".

- Page 5-6 and 5-7 – textual changes and chart update to reflect the five additional projects added to outdoor recreation services (parkland development).
- Page 5-16 and 5-18 – textual changes and chart updates to reflect the tender price cost estimate for the purchase of rolling stock items 3 and 4 and the reduction in the provision for additional vehicle/equipment needs.
- Page 5-19 and 5-22 – textual changes and chart updates to reflect the cost estimate increase for projects 12 and 13 and addition of the post period benefit amount for project 22 for wastewater services.
- Tables 6-1, 6-2, 6-3, and 6-4 – recalculation of the charges.
- Table 6-5 – table updated to reflect costs to be incurred over the life of the by-law.
- Page 7-6 – textual changes to reflect the addendum report.
- Appendix C – Table C-1 – recalculation of operating and capital expenditure impacts from future capital expenditures to reflect the updated information for outdoor recreation services, public works and wastewater services.
- Appendix F – amended Schedule B to the By-law providing for the recalculated charge.

3. PROCESS FOR THE ADOPTION OF THE DEVELOPMENT CHARGES BY-LAW

The changes herein form the basis for the by-law being presented to Council. If Council is satisfied with the above changes to the Background Study, and based on the public submissions made at the public meeting, this addendum report #1 and the amended by-law, including the amended schedule “B” to the by-law, will be considered for approval by Council.

AMENDED PAGES

Measure	10 Year 2013-2022	14 Year 2013-2026	Urban Build Out 2013-Urban 14 Year
(Net) Population Increase	7,203	9,586	9,321
Residential Unit Increase	2,687	3,575	3,400
Non-Residential Gross Floor Area Increase (ft ²)	1,607,891	2,101,466	1,919,137

Source: Watson & Associates Economists Ltd. Forecast 2011

4. On January 18, 2010, the Township of Centre Wellington passed By-law Number 2010-002 under the *Development Charges Act, 1997*. The by-law came into effect on January 19, 2010 and imposes development charges on residential and non-residential uses. By-law Number 2010-002 will expire on January 19, 2015. The Township is undertaking a development charge public process and anticipates passing a new by-law in advance of the expiry date. The mandatory public meeting has been set for September 23, 2013 with adoption of the by-law anticipated subsequently.
5. The development charges currently in effect are \$19,190 for single detached dwelling units for full services, non-residential commercial/institutional charges are \$8.84 per square foot for full services. This report has undertaken a recalculation of the charge based on future identified needs (presented in Schedule ES-1 for Residential and Non-residential) and has been provided on a Municipal-wide basis for all services except water and wastewater services which are provided on an urban-wide basis. The corresponding single-detached unit charge is \$18,248 and the non-residential charge is \$6.70 per square foot of building area. These rates are submitted to Council for its consideration.
6. The *Development Charges Act* requires a summary to be provided of the gross capital costs and the net costs to be recovered over the life of the by-law. This calculation is provided by service and is presented in Table 6-5. A summary of these costs is provided below:

Total gross expenditures planned over the next five years	\$31,251,403
Less:	
Benefit to existing development	\$10,017,379
Post planning period benefit	\$1,452,800
Ineligible re: Level of Service	\$-
Mandatory 10% deduction for certain services	\$509,553
Grants, subsidies and other contributions	\$-
Net Costs to be recovered from development charges	\$19,271,672

Hence, \$10.53 million (or an annual amount of \$2.11 million) will need to be contributed from taxes, rates, or other funding sources. As well, \$1.45 million is growth related but outside of the forecast period.

Based on the previous table, the Township plans to spend \$31.25 million over the next five years of which \$19.27 million (62%) is recoverable from development charges. Of this net amount, \$15.89 million is recoverable from residential development and \$3.38 million from non-residential development. It is noted also that any exemptions or reductions in the charges would reduce this recovery further.

7. Considerations by Council – The background study represents the service needs arising from residential and non-residential growth over the forecast periods. Municipal-wide services which include services related to Roads, Public Works and Fire Protection Services are calculated based on a 14 year forecast. All other municipal wide services, which include Outdoor Recreation, Indoor Recreation and Administration, are calculated based on a 10 year forecast. Urban services which include Wastewater and Water are calculated based on a 14 year urban forecast. However, Council will consider the findings and recommendations provided for in the report and, in conjunction with public input, approve such policies and rates it deems appropriate. These directions will refine the draft DC by-law which is appended in Appendix F. These decisions may include:
- adopting the charges and policies recommended herein;
 - consider additional exemptions to the by-law; and
 - consider reductions in the charge by class of development (obtained by removing certain services on which the charge is based and/or by a general reduction in the charge).

**TABLE ES-1
SCHEDULE OF DEVELOPMENT CHARGES**

Service	RESIDENTIAL				NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Other Multiples	(per ft ² of Gross Floor Area)
Municipal Wide Services:					
Roads	3,990	2,487	1,684	3,200	1.73
Public Works	728	454	307	584	0.31
Fire Protection Services	616	384	260	494	0.33
Outdoor Recreation Services	1,434	894	605	1,150	0.13
Indoor Recreation Services	2,153	1,342	909	1,727	0.18
Administration	1,155	720	488	926	0.51
Total Municipal Wide Services	10,076	6,281	4,253	8,081	3.19
Urban Services					
Wastewater Services	5,279	3,291	2,228	4,233	2.27
Water Services	2,893	1,803	1,221	2,320	1.24
Total Urban Services	8,172	5,094	3,449	6,553	3.51
GRAND TOTAL RURAL AREA	10,076	6,281	4,253	8,081	3.19
GRAND TOTAL URBAN AREA	18,248	11,375	7,702	14,634	6.70

In accordance with the legislation, the background study and proposed DC by-law will be available for public review on August 27, 2013.

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

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

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

**FIGURE 1-1
SCHEDULE OF KEY DEVELOPMENT CHARGE PROCESS DATES
FOR THE TOWNSHIP OF CENTRE WELLINGTON**

1. Data collection	Early to Mid, 2013
2. Public Meeting Ad placed in newspaper(s)	August 28 & 30, 2013
3. Background study and proposed by-law available to public	August 27, 2013
4. Stakeholder Meeting	September 16, 2013
5. Addendum Report No. 1 and amended proposed by-law available to public	September 18, 2013
6. Public meeting of Council	September 23, 2013
7. Council considers adoption of background study and passage of by-law	Subsequent to Public Meeting
8. Newspaper notice given of by-law passage	By 20 days after passage
9. Last day for by-law appeal	40 days after passage
10. Township makes available pamphlet (where by-law not appealed)	By 60 days after in force date

- 2011 employment estimate¹ (place of work) for the Township of Centre Wellington is outlined in *Schedule 10a*. The 2006 employment based is comprised of the following sectors:
 - 130 primary (1%);
 - 1,660 work at home employment (18%);
 - 2,600 industrial (28%);
 - 3,295 commercial/population related (36%); and
 - 1,595 institutional (17%).
- This provides a total employment figure of 9,280 based on the 2011 Census estimate, excluding employees with no fixed place of work (NFPOW).²
- Total employment³ for Centre Wellington is anticipated to reach approximately 12,250 by Mid-2023, 13,170 by Mid-2026. This represents an employment increase of 2,520 for the 10-year period, and 3,450 for the 14-year forecast period.
- *Schedule 10b*, Appendix A summarizes the employment forecast excluding work at home employment and NFPOW employment, which is the basis for the DC employment forecast. The impact on municipal services from these employees has already been included in the population forecast. Accordingly, work at home and NFPOW employees have been removed from the DC calculation.
- Total employment for the Township of Centre Wellington (excluding work at home and NFPOW employment) is anticipated to reach approximately 10,560 by Mid 2026. This represents an employment increase of 2,550 during the 14-year forecast period.

7. Non-Residential Sq. Ft. Estimates (Gross Floor Area (GFA), Appendix A, *Schedule 10b*)

- Square footage estimates were calculated in *Schedule 10* based on the following employee density assumptions:
 - 1300 sq. ft. per employee for industrial;
 - 500 sq. ft. per employee for commercial/population related; and
 - 700 sq. ft. per employee for institutional employment.

¹ The 2011 employment estimate is based on Statistics Canada table 99-012-X2011032, the 2011 NHS Census Profile and Statistic Canada Non Residential building permits data activity.

² Statistics Canada defines "No Fixed Place of Work" (NFPOW) employees as, "persons who do not go from home to the same work place location at the beginning of each shift. Such persons include building and landscape contractors, travelling salespersons, independent truck drivers, etc.

³ Figure includes Work at home (WAH)

5.2.3 Outdoor Recreation Services

The Township currently has 219.3 acres of parkland within its jurisdiction. This parkland consists of neighbourhood, community and district parks. The Township has sustained the current level of service over the historic 10-year period (2003-2012), with an average of 7.2 acres of parkland per 1,000 population. Including parkland, parkland amenities (e.g. ball diamonds, playground equipment, soccer fields, etc.) and park trails, the level of service provided is approximately \$590 per capita. When applied over the forecast period, this average level of service translates into a DC-eligible amount of \$4,249,338.

Based on the projected growth over the 10-year forecast period, the Township has identified \$5,436,100 in future growth capital costs for parkland development. These projects include playground structures, splash pads, a skateboard area, parkland development and other amenities. A deduction of \$811,150 has been made to reflect the proportion attributable to existing development. The net growth capital cost after the mandatory 10% deduction and the allocation of reserve balance of \$447,235 is \$3,715,130.

The Township presently has twenty-four (24) vehicles relating to parks vehicles and equipment which provides a level of service of \$26 per capita or a DC-eligible amount of \$189,799. The Township has identified the need for new vehicles and equipment amounting to \$394,000, with \$101,300 allocated to the post 2022 period and \$103,000 attributable to existing development. After the 10% mandatory statutory deduction of \$17,090, the net growth related costs to be included in the DC calculation for parks vehicles and equipment is \$189,700.

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

INFRASTRUCTURE COSTS COVERED IN THE DC CALCULATION

Centre Wellington
Service: Parkland Development

Prj. No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2013 \$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Subtotal	Other (e.g. 10% Statutory Deduction)	Potential DC Recoverable Cost			
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development			Total	Residential Share	Non-Residential Share	
1	Future Parkland (35.1 acres)	2013-2022	1,733,000	-	-	1,733,000	-	-	1,733,000	173,300	1,559,700	1,481,715	95%	5%
2	Miligan Park implementation	2014-2019	99,800	-	-	99,800	-	-	99,800	9,980	89,820	85,329	85.329	4.491
3	Tait Park implementation	2014-2019	51,500	-	-	51,500	-	-	51,500	5,150	46,350	44,033	44.033	2,318
4	Milburn Park implementation	2013	348,900	-	-	348,900	-	-	348,900	34,890	314,010	298,310	298.310	15,701
5	South Ridge Development Park - community play equipment	2014-2015	49,900	-	-	49,900	-	-	49,900	4,990	44,910	42,665	42.665	2,246
6	Elora Meadows Development Park - Neigh. play equipment	2016-2019	39,200	-	-	39,200	-	-	39,200	3,920	35,280	33,516	33.516	1,764
7	Revell Park play equipment	2016-2019	39,200	-	-	39,200	-	-	39,200	3,920	35,280	33,516	33.516	1,764
8	Irrigated & lit soccer fields (2 full) - Sobbarra	2014-2015	440,200	-	-	440,200	220,100	-	220,100	22,010	198,090	188,186	188.186	9,905
9	Irrigated soccer fields (5 full)	2014-2015	295,200	-	-	295,200	147,600	-	147,600	14,760	132,840	126,198	126.198	6,642
10	Irrigated & lit soccer field (1 full)	2016-2019	220,100	-	-	220,100	110,050	-	110,050	11,005	99,045	94,093	94.093	4,952
11	Irrigated soccer field (1 full)	2020-2022	72,500	-	-	72,500	36,250	-	36,250	3,625	32,625	30,994	30.994	1,631
12	Complete Lighting Rugby/Soccer field @ Vic Park, Fergus	2013	80,500	-	-	80,500	-	-	80,500	8,050	72,450	68,828	68.828	3,623
13	Multi-use courts (two)	2016-2019	73,400	-	-	73,400	-	-	73,400	7,340	66,060	62,757	62.757	3,303
14	Multi-use courts (two)	2020-2022	73,400	-	-	73,400	-	-	73,400	7,340	66,060	62,757	62.757	3,303
15	Barrier free children's play structure	2014-2015	225,500	-	-	225,500	112,750	-	112,750	11,275	101,475	96,401	96.401	5,074
16	Barrier free children's play structure	2016-2019	225,500	-	-	225,500	112,750	-	112,750	11,275	101,475	96,401	96.401	5,074
17	Major Children's Splash Pad	2014-2015	206,700	-	-	206,700	103,350	-	103,350	10,335	93,015	88,364	88.364	4,651
18	Minor Children's Splash Pad	2016-2019	141,700	-	-	141,700	-	-	141,700	14,170	127,530	121,154	121.154	6,377
19	Minor Children's Splash Pad	2020-2022	141,700	-	-	141,700	-	-	141,700	14,170	127,530	121,154	121.154	6,377
20	New Skateboard Area	2016-2019	162,100	-	-	162,100	81,050	-	81,050	8,105	72,945	69,298	69.298	3,647
21	Introductory Skateboard zones	2016-2022	26,800	-	-	26,800	-	-	26,800	2,680	24,120	22,914	22.914	1,206
22	Small scale BMX/Mountain Bike course	2016-2019	26,800	-	-	26,800	-	-	26,800	2,680	24,120	22,914	22.914	1,206
23	Dog Leash free park area	2014-2015	26,800	-	-	26,800	-	-	26,800	2,680	24,120	22,914	22.914	1,206
24	Community Allotment Gardens (two)	2016-2022	10,700	-	-	10,700	-	-	10,700	1,070	9,630	9,149	9.149	482
25	Bonnairie Park	2015	75,000	-	-	75,000	-	-	75,000	7,500	67,500	64,125	64.125	3,375
26	South Ridge Development Park - Ph 4	2018	150,000	-	-	150,000	-	-	150,000	15,000	135,000	128,250	128.250	6,750
27	Grandwood Park - play equipment and landscaping	2020	100,000	-	-	100,000	-	-	100,000	10,000	90,000	85,500	85.500	4,500
28	Westminster Highlands Park- play equipment, basketball court	2014	150,000	-	-	150,000	-	-	150,000	15,000	135,000	128,250	128.250	6,750
29	Beatty Hollow Neighbourhood Park	2014-2015	150,000	-	-	150,000	-	-	150,000	15,000	135,000	128,250	128.250	6,750
30	Reserve Adjustment			-	-	(447,325)	-	-	(447,325)		(447,325)	(424,959)	(424.959)	(22,366)
	Total		5,436,100	0	0	4,988,775	811,150	0	4,177,625	462,495	3,715,130	3,529,374		185,757

5.3.3 Public Works

The Township operates their Road Maintenance service out of a number of facilities. The facilities provide approximately 51,908 square feet of building area, providing for a per capita average level of service of 2.08 square feet per capita or \$322 per capita. This level of service provides the Township with a maximum DC-eligible amount for recovery over the 14 year forecast period of \$3,089,089.

The Township has identified the need for a Central Operations Facility within the forecast period. The gross cost of the project is estimated at \$3,951,000, with \$2,963,250 allocated to benefit existing development and the net allocated to growth. A reserve adjustment of \$47,375 has also been added in to the calculations resulting in a total growth capital cost of \$1,035,125 for inclusion in the development charge calculation.

The Public Works Department has a variety of vehicles and pieces heavy equipment totalling over \$7.9 million. This inventory provides for a per capita standard of \$272. Over the forecast period, the DC-eligible amount for vehicles and equipment is approximately \$2,610,460. Five specific vehicles as well as five pieces of equipment have been identified for the forecast period as well as a provision for additional vehicles & equipment needs. These projects total \$2,121,000 have been included in the DC calculation.

A 79% residential benefit and 21% non-residential benefit was applied for other public works related costs, based on a rate of population to employment over the 14 year forecast.

5.4 Service Levels and Fourteen-Year Urban Capital Costs for Centre Wellington's DC Calculation

This section evaluates the development-related capital requirements for those services with fourteen year capital costs in the urban areas of the Township. The Township's Engineer (Triton Engineering) along with staff have reviewed and updated the outstanding needs for water and wastewater to service growth over the 2013-2026 forecast period.

5.4.1 Water Services

Based on the identified needs, including the new municipal wells combined water system and a number of watermain projects, outstanding debt and credit obligations, the total gross cost of \$14,409,480 has been included in the DC listing for water service. Of this amount, \$2,392,200 is attributable to existing development. A reserve adjustment in the amount of \$229,816 has been made to reflect the Dec. 31, 2012 balance resulting in net growth related costs of \$11,787,464 for inclusion in the DC calculation.

The allocation between residential and non-residential growth is calculated based on incremental growth in population to employment, for the 14 year forecast period for the urban serviced areas resulting in a 80% residential allocation and a 20% non-residential allocation.

5.4.2 Wastewater Services

The Township, along with their Engineer (Triton Engineering) has provided capital projects for wastewater including a future expansion to the Fergus treatment plant, forcemains, sanitary sewers, and pumping station updates. Along with outstanding debt and credit obligations the total gross cost of projects is \$55,640,984. Of this amount \$28,387,693 is attributable to future development in the post 2026 period and \$1,900,500 is attributable to existing development. A reduction of \$3,849,011 to recognize the December 31, 2012 reserve fund balance has also been made. Therefore, the amount attributable to growth over the urban forecast period to be included in the DC calculation is \$21,503,780.

Similar to water, the growth related costs have been allocated between residential and non-residential development based on incremental growth in population to employment over the 14 year urban forecast period. This split results in an 80% allocation to residential and a 20% allocation to non-residential.

INFRASTRUCTURE COSTS COVERED IN THE DC CALCULATION

Centre Wellington
Service: Wastewater Services

Prj.No	Increased Service Needs Attributable to Anticipated Development 2013-2026	Timing (year)	Gross Capital Cost Estimate	Post Period Benefit	Other Deductions	Net Capital Cost	Benefit to Existing Development	Less: Grants, Subsidies and Other Contributions Attributable to New Development	Total		
									Total	Residential Share 80%	Non-Residential Share 20%
1	ELORA David St. SPS Upgrade	2018-2026	872,600	-		872,600	-		872,600	696,183	176,417
2	Colborne Street - Phase III - John to Wilson	2013-2017	130,000	-		130,000	-		130,000	103,717	26,283
3	Mill Street - Irvine to Chalmers	2013-2017	320,600	-		320,600	-		320,600	255,783	64,817
4	Sanitary forcemain: David St. SPS to Cty. Rd. 7 Bridge	2018-2026	215,000	-		215,000	139,800		75,200	59,997	15,203
5	First Line SPS & Forcemain to existing system (Waterloo St. or Park Rd.)	2018-2026	946,200	-		946,200	-		946,200	754,903	191,297
6	Colborne St. Trunk Sanitary Sewer Extension from Graham St. to Gerrie Road	2013-2017	94,500	-		94,500	-		94,500	75,395	19,105
7	Colborne St. Gerrie Rd Easterly	2018-2026	94,600	-		94,600	-		94,600	75,474	19,126
9	FERGUS Expand pump capacity and stand-by power for Tower St. SPS	2013-2017	351,200	-		351,200	-		351,200	280,196	71,004
10	Second Line - Highway 6 to Jones Baseline (Scotland St.)	2018-2026	810,600	-		810,600	-		810,600	646,718	163,882
11	Union St. Forcemain: Union St. SPS - WPCP	2018-2026	284,600	-		284,600	-		284,600	227,061	57,539
12	Grand River Crossing of Beauty Line Trunk Sanitary Sewer to Union St. SPS	2018-2026	3,500,000	-		3,500,000	-		3,500,000	2,792,391	707,609
13	Union St. SPS Upgrade	2018-2026	2,500,000	-		2,500,000	-		2,500,000	1,994,565	505,435
14	Garrafraxa St. Sanitary Sewer Extension from Maiden Lane to Beauty Line	2013-2017	285,000	-		285,000	-		285,000	227,380	57,620
15	Sanitary Sewer Hwy 6. S.R. 19 to S.R. 18	2013-2017	356,000	-		356,000	35,600		320,400	255,623	64,777
16	Southwest Trunk - Union Street to Hwy. 6	2018-2026	2,029,000	-		2,029,000	-		2,029,000	1,618,789	410,211
17	McQueen Blvd. - Milburn to McTavish	2018-2026	42,100	-		42,100	-		42,100	33,588	8,512
18	St. Andrew St. E. - Garishore to Tom St.	2013-2017	980,000	588,000		392,000	-		392,000	312,748	79,252
19	Trunk Sanitary Sewer on Tom from St. Andrew St to Garrafraxa St	2013-2017	1,001,600	711,100		290,500	190,300		100,200	79,942	20,258
20	SDRD 18 - West End at Beauty Line	2013-2017	160,700	-		160,700	16,100		144,600	115,366	29,234
21	SDRD 18 - East End at Hwy 6	2013-2017	186,900	-		186,900	18,700		168,200	134,194	34,006
22	Future Expansion of Fergus WPCP	2018-2026	15,000,000	12,000,000		3,000,000	1,500,000		1,500,000	1,196,739	303,261
23	Extra depth of Sanitary Sewer through Bonaire Highlands to Service land to north	2013-2017	153,700	153,700		-	-		-	-	-
24	Extension of Beauty Line Sanitary Sewer from Garrafraxa Street to Colborne Street	2018-2026	178,700	-		178,700	-		178,700	142,571	36,129
25	Outstanding Debt & Credits Elora WWTP & Clyde St. Pump Station & BioSolids Debt - Principal	2013-2034	18,780,423	11,323,275		7,457,148	-		7,457,148	5,949,506	1,507,642
26	Elora WWTP & Clyde St. Pump Station & BioSolids Debt - Interest (Discounted)	2013-2034	5,990,115	3,611,618		2,378,497	-		2,378,497	1,897,626	480,870
27	Wellington Terrace Agreement Credits	2013-2015	196,117	-		196,117	-		196,117	156,467	39,650
28	Upper Grand District School Board Agreement Credits	2013	7,625	-		7,625	-		7,625	6,083	1,542
29	Developer Credits A2805A	2013-2022	130,289	-		130,289	-		130,289	103,948	26,341
30	Developer Credits A2807A	2013-2017	42,816	-		42,816	-		42,816	34,159	8,656
31	Reserve Adjustment					(3,849,011)			(3,849,011)		(778,170)
	Total		55,640,984	28,387,693	0	23,404,280	1,900,500	0	21,503,780	17,156,273	4,347,507

TABLE 6-1
CENTRE WELLINGTON
DEVELOPMENT CHARGE CALCULATION
Municipal-wide Services
2013-Urban 14 Year

SERVICE	2013 \$ DC Eligible Cost		2013 \$ DC Eligible Cost	
	Residential	Non-Residential	SDU	per ft ²
	\$	\$	\$	\$
1 <u>Wastewater Services</u>				
1.1 Treatment plants and Sanitary Sewers	17,156,273	4,347,507	5,279	2.27
	17,156,273	4,347,507	5,279	2.27
2. <u>Water Services</u>				
2.1 Treatment plants, storage and distribution systems	9,404,344	2,383,120	2,893	1.24
	9,404,344	2,383,120	2,893	1.24
TOTAL	\$26,560,617	\$6,730,627	\$8,172	3.51
DC ELIGIBLE CAPITAL COST	\$26,560,617	\$6,730,627		
14 Year Urban Gross Population / GFA Growth (ft ² .)	10,011	1,919,137		
Cost Per Capita / Non-Residential GFA (ft ² .)	\$2,653.14	\$3.51		
<u>By Residential Unit Type</u>	<u>p.p.u</u>			
Single and Semi-Detached Dwelling	3.08	\$8,172		
Apartments - 2 Bedrooms +	1.92	\$5,094		
Apartments - Bachelor and 1 Bedroom	1.30	\$3,449		
Other Multiples	2.47	\$6,553		

TABLE 6-2
CENTRE WELLINGTON
DEVELOPMENT CHARGE CALCULATION
Municipal-wide Services
2013-2026

SERVICE	2013 \$ DC Eligible Cost		2013 \$ DC Eligible Cost	
	Residential	Non-Residential	SDU	per ft ²
	\$	\$	\$	\$
3. <u>Roads</u>				
3.1 Roads	13,664,862	3,640,732	3,990	1.73
4. <u>Public Works</u>				
4.1 Depots and Domes	817,357	217,768	239	0.10
4.2 PW Rolling Stock	1,674,786	446,214	489	0.21
	2,492,143	663,982	728	0.31
5. <u>Fire Protection Services</u>				
5.1 Fire facilities	972,512	314,603	284	0.15
5.2 Fire vehicles	1,013,981	328,019	296	0.16
5.3 Small equipment and gear	122,554	39,646	36	0.02
	2,109,048	682,268	616	0.33
TOTAL	\$18,266,053	\$4,986,982	\$5,334	\$2.37
DC ELIGIBLE CAPITAL COST	\$18,266,053	\$4,986,982		
14 Year Gross Population / GFA Growth (ft ² .)	10,549	2,101,466		
Cost Per Capita / Non-Residential GFA (ft ² .)	\$1,731.54	\$2.37		
<u>By Residential Unit Type</u>	<u>p.p.u</u>			
Single and Semi-Detached Dwelling	3.08	\$5,334		
Apartments - 2 Bedrooms +	1.92	\$3,325		
Apartments - Bachelor and 1 Bedroom	1.30	\$2,251		
Other Multiples	2.47	\$4,277		

TABLE 6-3
CENTRE WELLINGTON
DEVELOPMENT CHARGE CALCULATION
Municipal-wide Services
2013-2022

SERVICE	2013 \$ DC Eligible Cost		2013 \$ DC Eligible Cost	
	Residential	Non-Residential	SDU	per ft ²
	\$	\$	\$	\$
6. <u>Outdoor Recreation Services</u>				
6.1 Parkland development, amenities & trails	3,529,374	185,757	1,371	0.12
6.2 Parks vehicles and equipment	162,194	8,537	63	0.01
	3,691,567	194,293	1,434	0.13
7. <u>Indoor Recreation Services</u>				
7.1 Recreation facilities	5,542,545	291,713	2,153	0.18
	5,542,545	291,713	2,153	0.18
8. <u>Administration</u>				
8.1 Studies	2,974,002	816,684	1,155	0.51
TOTAL	\$12,208,114	\$1,302,690	\$4,742	\$0.82
DC ELIGIBLE CAPITAL COST	\$12,208,114	\$1,302,690		
10 Year Gross Population / GFA Growth (ft ² .)	7,928	1,607,891		
Cost Per Capita / Non-Residential GFA (ft ² .)	\$1,539.87	\$0.82		
<u>By Residential Unit Type</u>	<u>p.p.u</u>			
Single and Semi-Detached Dwelling	3.08	\$4,742		
Apartments - 2 Bedrooms +	1.92	\$2,957		
Apartments - Bachelor and 1 Bedroom	1.30	\$2,002		
Other Multiples	2.47	\$3,803		

TABLE 6-4
CENTRE WELLINGTON
DEVELOPMENT CHARGE CALCULATION
TOTAL ALL SERVICES

	2013 \$ DC Eligible Cost		2013 \$ DC Eligible Cost	
	Residential	Non-Residential	SDU	per ft ²
	\$	\$	\$	\$
Urban-wide Services 14 Year	\$26,560,617	\$6,730,627	\$8,172	\$3.51
Municipal-wide Services 14 Year	18,266,053	4,986,982	5,334	2.37
Municipal-wide Services 10 Year	12,208,114	1,302,690	4,742	0.82
TOTAL	\$57,034,784	\$13,020,299	\$18,248	\$6.70

Table 6-5
CENTRE WELLINGTON
GROSS EXPENDITURE AND SOURCES OF REVENUE SUMMARY
FOR COSTS TO BE INCURRED OVER THE LIFE OF THE BY-LAW

SERVICE	TOTAL GROSS COST	SOURCES OF FINANCING							DC RESERVE FUND	
		TAX BASE OR OTHER NON-DC SOURCE		LEGISLATED REDUCTION	POST DC PERIOD BENEFIT	RESIDENTIAL	NON-RESIDENTIAL	OTHER DEDUCTIONS	BENEFIT TO EXISTING	OTHER FUNDING
		OTHER DEDUCTIONS	BENEFIT TO EXISTING							
1. Wastewater Services 1.1 Treatment plants and Sanitary Sewers	4,020,200	0	260,700	0	0	1,452,800	0	0	1,840,345	466,355
2. Water Services 2.1 Treatment plants, storage and distribution systems	2,256,200	0	664,800	0	0	0	0	0	1,269,660	321,740
3. Roads 3.1 Roads	11,523,000	0	5,228,154	0	0	0	0	0	4,970,543	1,324,303
4. Public Works 4.1 Depots and Domes 4.2 PW Rolling Stock	3,951,000 1,143,000	0 0	2,963,250 0	0 0	0 0	0 0	0 0	0 0	779,948 902,537	207,802 240,463
5. Fire Protection Services 5.1 Fire facilities 5.2 Fire vehicles 5.3 Small equipment and gear	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0
6. Outdoor Recreation Services 6.1 Parkland development, amenities & trails 6.2 Parks vehicles and equipment	3,394,503 229,000	0 0	679,350 87,500	0 0	271,515 14,150	0 0	0 0	0 0	2,321,456 120,983	122,182 6,368
7. Indoor Recreation Services 7.1 Recreation facilities	1,710,000	0	0	0	171,000	0	0	0	1,462,050	76,950
8. Administration 8.1 Studies	3,024,500	0	133,625	0	52,888	0	0	0	2,226,557	611,430
TOTAL EXPENDITURES & REVENUES	\$31,251,403	\$0	\$10,017,379	\$0	\$509,553	\$1,452,800	\$0	\$0	\$15,894,080	\$3,377,592

7.4 Other Development Charge By-law Provisions

It is recommended that:

7.4.1 Categories of Services for Reserve Fund and Credit Purposes

The Township's development charge collections are currently reserved in eight separate reserve funds: Water, Wastewater, Roads, Public Works, Fire, Indoor Recreation, Outdoor Recreation, and Administration. It is recommended that the Township continue with this breakdown of the DC reserve funds under the new 2013 by-law. Appendix F outlines the reserve fund policies that the Township is required to follow as per the DC Act.

7.4.2 By-law In-force Date

A by-law under DCA, 1997 comes into force on the day after which the by-law is passed by Council.

7.4.3 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)

7.5 Other Recommendations

It is recommended that Council:

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

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

“Approve the capital project listing set out in Chapter 5 of the Development Charges Background Study dated August 27, 2013, (as amended September 18, 2013), subject to further annual review during the capital budget process”;

“Approve the Development Charges Background Study dated August 27, 2013, as amended.

Table C-1
CENTRE WELLINGTON
OPERATING AND CAPITAL EXPENDITURE IMPACTS
FOR FUTURE CAPITAL EXPENDITURES

SERVICE	NET GROWTH RELATED EXPENDITURES	ANNUAL LIFECYCLE EXPENDITURES	ANNUAL OPERATING EXPENDITURES	TOTAL ANNUAL EXPENDITURES
1 Wastewater Services				
1.1 Treatment plants and Sanitary Sewers	21,503,780	111,000	953,229	1,064,229
2. Water Services				
2.1 Treatment plants, storage and distribution systems	11,787,464	60,800	964,306	1,025,106
3. Roads				
3.1 Roads	17,305,594	712,200	2,588,286	3,300,486
4. Public Works				
4.1 Depots and Domes	2,963,250	49,100	443,194	492,294
4.2 PW Rolling Stock	2,121,000	193,700	317,224	510,924
5. Fire Protection Services				
5.1 Fire facilities	1,287,115	21,300	243,886	265,186
5.2 Fire vehicles	1,342,000	77,600	254,285	331,885
5.3 Small equipment and gear	162,200	18,900	30,734	49,634
6. Outdoor Recreation Services				
6.1 Parkland development, amenities & trails	3,715,130	91,600	145,575	237,175
6.2 Parks vehicles and equipment	170,730	15,600	6,690	22,290
7. Indoor Recreation Services				
7.1 Recreation facilities	5,834,258	96,600	957,548	1,054,148
8. Administration				
8.1 Studies	3,790,686	0	0	0

SCHEDULE "B"

BY-LAW NO. 2013 - _____

SCHEDULE OF DEVELOPMENT CHARGES

Service	RESIDENTIAL			NON-RESIDENTIAL (per ft ² of Gross Floor Area)
	Single and Semi-Detached Dwelling	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	
Municipal Wide Services:				
Roads	3,990	2,487	1,684	3,200
Public Works	728	454	307	584
Fire Protection Services	616	384	260	494
Outdoor Recreation Services	1,434	894	605	1,150
Indoor Recreation Services	2,153	1,342	909	1,727
Administration	1,155	720	488	926
Total Municipal Wide Services	10,076	6,281	4,253	8,081
Urban Services				
Wastewater Services	5,279	3,291	2,228	4,233
Water Services	2,893	1,803	1,221	2,320
Total Urban Services	8,172	5,094	3,449	6,553
GRAND TOTAL RURAL AREA	10,076	6,281	4,253	8,081
GRAND TOTAL URBAN AREA	18,248	11,375	7,702	14,634

