

REPORT FOR PUBLIC CONSULTATION

PREPARED BY HEMSON FOR THE TOWN OF WASAGA BEACH



DEVELOPMENT CHARGES STUDY

September 25, 2020



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EXECUTIVE SUMMARY

A. PURPOSE OF 2020 DEVELOPMENT CHARGES (DC) BACKGROUND STUDY

i. Legislative Context

The Town of Wasaga Beach 2020 Development Charges (DC) Background Study is presented as part of the process to lead to the approval of a new DC by-law in compliance with the *Development Charges Act, 1997 (DCA)*. The study is prepared in accordance with the *DCA* and associated Regulation, including the amendments that came into force on January 1, 2016, June 6, 2019, January 1, 2020 and September 17, 2020.

ii. Key Steps in Determining Future Development-Related Projects

In accordance with the *DCA* and associated regulation, several key steps are required to calculate development charges. This includes preparing a development forecast, establishing historical service levels, determining the increase in need for services arising from development and appropriate shares of costs, attribution to development types (i.e. residential and non-residential) and the final adjustment to the calculated rate of a cash flow analysis. Cash flow analysis was not completed for the Beach Area area-specific development charges.

iii. DC Eligible and Ineligible Costs

Development charges are intended to pay for the initial round of capital costs needed to service new development over an identified planning period. This is based on the overarching principle that “growth pays for growth”. However, the *DCA* and associated regulation includes several statutory adjustments and deductions that prevent these costs from fully being recovered by growth. Such adjustments include, but are not limited to: ineligible costs, including operating and maintenance costs; ineligible services; deductions for costs that exceed historical service level caps; and statutory exemptions for specific uses (i.e. industrial expansions).

iv. The Development-Related Capital Program is Subject to Change

It is recommended that Council adopt the development-related capital program developed for the purposes of the 2020 DC Background Study. However, it is recognized that the DC Background Study is a point-in-time analysis and there may be changes to project timing, scope and costs through the Town’s normal annual budget process. The following

summarizes the findings of the Town of Wasaga Beach 2020 Development Charges Background Study.

B. DEVELOPMENT FORECAST

i. Residential and Non-Residential

The table below provides a summary of the anticipated residential and non-residential growth over the 2020-2029 planning period. The town-wide development forecast is further discussed in Appendix A and the Beach Area development forecast in Appendix E.

Town-wide Development Forecast	2019 Estimate	General Services Planning Period 2020 - 2029		Long-Term Planning Period 2020 - 2031	
		Growth	Total at 2029	Growth	Total at 2031
Residential					
Total Occupied Dwellings	9,708	2,149	11,857	2,602	12,310
Population					
Census	21,718	3,871	25,589	4,724	26,442
<i>Population In New Dwellings</i>		<i>4,715</i>		<i>5,666</i>	
Non-Residential					
Total Employment	3,636	360	3,996	516	4,152
Non-Residential Building Space (sq.m.)		21,000		25,548	

C. CALCULATED DEVELOPMENT CHARGES

The table below provides the development charges levied Town-wide as well as the Beach Area area-specific charges for residential and non-residential development based on the aforementioned forecasts and as detailed in Appendix A and E, respectively.

The Town intends to recover for Wastewater related charges on an area-specific basis in the Beach Area. This charge will apply to future residential units and non-residential development to recover for wastewater costs which are anticipated to be completed in the next ten year period. The gross project cost amounts to \$5.00 million, which is entirely recovered through this area-specific charge. Details are provided in Appendix E.

Service	Single & Semi-Detached	Rows & Other Multiples	Apartments	Non-Residential Charge (\$/sq.m)
Subtotal General Services Charge	\$8,489	\$7,057	\$4,839	\$11.22
Subtotal Engineered Services Charge	\$23,246	\$19,322	\$13,242	\$197.39
TOTAL TOWN-WIDE CHARGE	\$31,735	\$26,379	\$18,081	\$208.61
Beach Area Wastewater Works	\$6,015	\$5,000	\$3,427	\$50.67

The rates calculated as part of this study are the maximum permissible rates under the current legislation. Council may implement rates lower than those calculated and the revenue shortfall will need to be made up from other sources namely property taxes, user fees and water and wastewater utility rates.

Note that the current Parking service charge under By-law 2016-111 has not been calculated as part of this 2020 DC Background Study and will continue to be in force as permitted by legislation.

D. ASSET MANAGEMENT PLAN

A key function of the Asset Management Plan is to demonstrate that all assets proposed to be funded under the DC by-law are financially sustainable over their full life cycle.

By 2030, for General Services the Town will need to fund an additional \$762,000 per annum for Town-wide services, \$5.29 million by 2032 for Town-wide engineered services and \$221,800 per annum by 2032 for Beach Area Wastewater in order to properly fund the full life cycle costs of the new assets supported under the 2020 Development Charges By-law.

E. LONG-TERM CAPITAL AND OPERATING COSTS

An overview of the long-term capital and operating costs for the capital facilities and infrastructure to be included in the DC by-law is provided in the study. This examination is required as one of the provisions of the *DCA*. Additional details on the long-term capital and operating impact analysis is found in Appendix G. By 2029 the Town's net operating costs are estimated to increase by about \$2.59 million per annum.

F. MODIFICATIONS TO THE TOWN'S DEVELOPMENT CHARGES BY-LAW ARE PROPOSED

The Town is proposing to modify the current development charges by-law as part of the study process. The proposed draft by-law will be made available, under separate cover, a minimum of two weeks in advance of the statutory public meeting.

1. INTRODUCTION

This Town of Wasaga Beach Development Charges Background Study is presented as part of a process to lead to the approval of new development charge by-law(s) in compliance with the *Development Charges Act, 1997 (DCA)*.

A. LEGISLATIVE CONTEXT

This study is prepared in accordance with the *DCA* and associated Regulations, including recent legislative amendments. During the study process, multiple legislative changes have occurred. In 2019, the province announced changes to the *DCA* and the *Planning Act* through two key pieces of legislation Bill 108: *More Homes, More Choice Act* and Bill 138: *Plan to Build Ontario Together Act, 2019*. Prior to the end of the consultation process, Canada was impacted by the COVID-19 global pandemic. In response, the province of Ontario introduced legislation to enact the state of emergency and as part of that in July 2020, Bill 197 *COVID-19 Economic Recovery Act, 2020*. Bill 197 reversed many of the initiatives put forward through Bill 108 and 138.

On September 17, 2020, the Province enacted Bill 197 including the following changes:

- Removal of the statutory 10 per cent reduction on “soft” services
- A list of eligible services as listed in subsection 2 (4) of the *DCA*
- Ability to create service classes in subsection 7 (3) of the *DCA*
- Changes related to Community Benefits Charges (not included as part of this DC Study process)
- Others.

Other changes to the *DCA* that are enforce as of January 1, 2020 are summarized below:

i. DC Freeze (Section 26.2 of the *DCA*)

- DCs are now determined (i.e. frozen) when a site plan application (section 41(4) of the *Planning Act*) or zoning amendment (section 34 of the *Planning Act*) application is received. The applicable DCs are frozen until two years from the date the site plan or zoning application is approved by the municipality. The payment of DCs remains at time of building permit issuance. The Municipality can charge interest on applications from when an application is deemed to be received, until building permit issuance (when the DCs are payable).

ii. DC Deferrals (Section 26.1 of the *DCA*)

- DCs for rental housing and institutional uses (e.g. long-term care facility, retirement home, university, college and indigenous institute, hospice, certain facilities owned by an Ontario branch of the Royal Canadian Legion) are to be paid in 6 equal annual installments beginning the earlier of the date of issuance of an occupancy permit and, the date the building is first occupied and continues on 5 anniversary dates thereafter.
- DCs for non-profit housing developments are paid in 21 equal annual installments beginning the earlier of the date of issuance of an occupancy permit and, the date the building is first occupied and continues on 20 anniversary dates thereafter.
- If no occupation permit is required for the building, the proponent shall notify the municipality within 5 business days of the building being occupied. If the proponent fails to notify the municipality, the total DCs, plus interest must be paid immediately.
- A municipality can charge interest on the deferral payments.

B. PURPOSE OF STUDY

This study presents the results of the review that determines the development-related net capital costs which are attributable to new development forecast to occur in the Town of Wasaga Beach. These development-related net capital costs are then apportioned among various types of development (residential; non-residential) in a manner that reflects the increase in the need for each service attributable to each type of development. Therefore, the study arrives at proposed development charges for various types of development.

The *DCA* provides for a period of public review and comment regarding the proposed development charges. Following completion of this process, in accordance with the *DCA* and Council's review of this study and the comments it receives regarding this study or other information brought to its attention about the proposed charges, it is intended that Council will pass new development charges for the Town.

2. COMBINED TOWN-WIDE AND AREA-SPECIFIC APPROACH

Several key steps are required in calculating any development charge. However, specific circumstances arise in each Town which must be reflected in the calculation. Therefore, this study has been tailored for the Town of Wasaga Beach's unique circumstances. The approach to the proposed development charges is focussed on providing a reasonable alignment of development-related costs with the development that necessitates them.

A. BOTH TOWN-WIDE AND AREA-SPECIFIC DEVELOPMENT CHARGES ARE CALCULATED

The Town provides a wide range of services to the community it serves and has an extensive inventory of facilities, land, infrastructure, vehicles and equipment. The *DCA* provides municipalities with flexibility to define services that will be included in the development charge by-laws, provided that the other provisions of the Act and its associated regulations are met. The *DCA* also requires that the by-law designates the areas within which the by-law shall be imposed. The development charges may apply to all lands in the Town or to other designated development areas as specified in the by-law.

i. Services Based on a Town-Wide Approach

For the some of services that the Town provides, a range of capital facilities, land, equipment and infrastructure is available throughout the Town; fire stations, arterial roads and so on. As new development occurs, new facilities will need to be added so that service levels in newly developing areas are provided at levels enjoyed in existing communities. A widely accepted method for sharing the development-related capital costs for such Town services is to apportion them over all new development anticipated in the Town.

The following services are included in the Town-wide development charge calculation:

General Services

- Library Service;
- Indoor Recreation;
- Parks;
- Emergency and Fire Service;
- Transit; and
- Development Related Studies.

Engineered Services

- Services Related to a Highway:
 - Public Works; and
 - Roads and Related.
- Water Services;
- Wastewater Services; and
- Storm Drainage.

These services form a reasonable basis on which to plan and administer the development charges. The analysis of each of these services examines the individual capital facilities and equipment that make them up. For example, the Fire service includes various buildings and associated land, fire fighting vehicles and equipment.

The resulting development charge for these services would be imposed against all development in the Town.

It should be noted that the service of Parking is not included for development charges recovery in this study. Development charges are currently collected for Parking and will continue to be in force at the prevailing rates until the earlier of the prescribed date (September 17, 2022) or until the Town implements a Community Benefits Charges By-law under the *Planning Act*.

ii. Area-Specific Charges Have Been Calculated

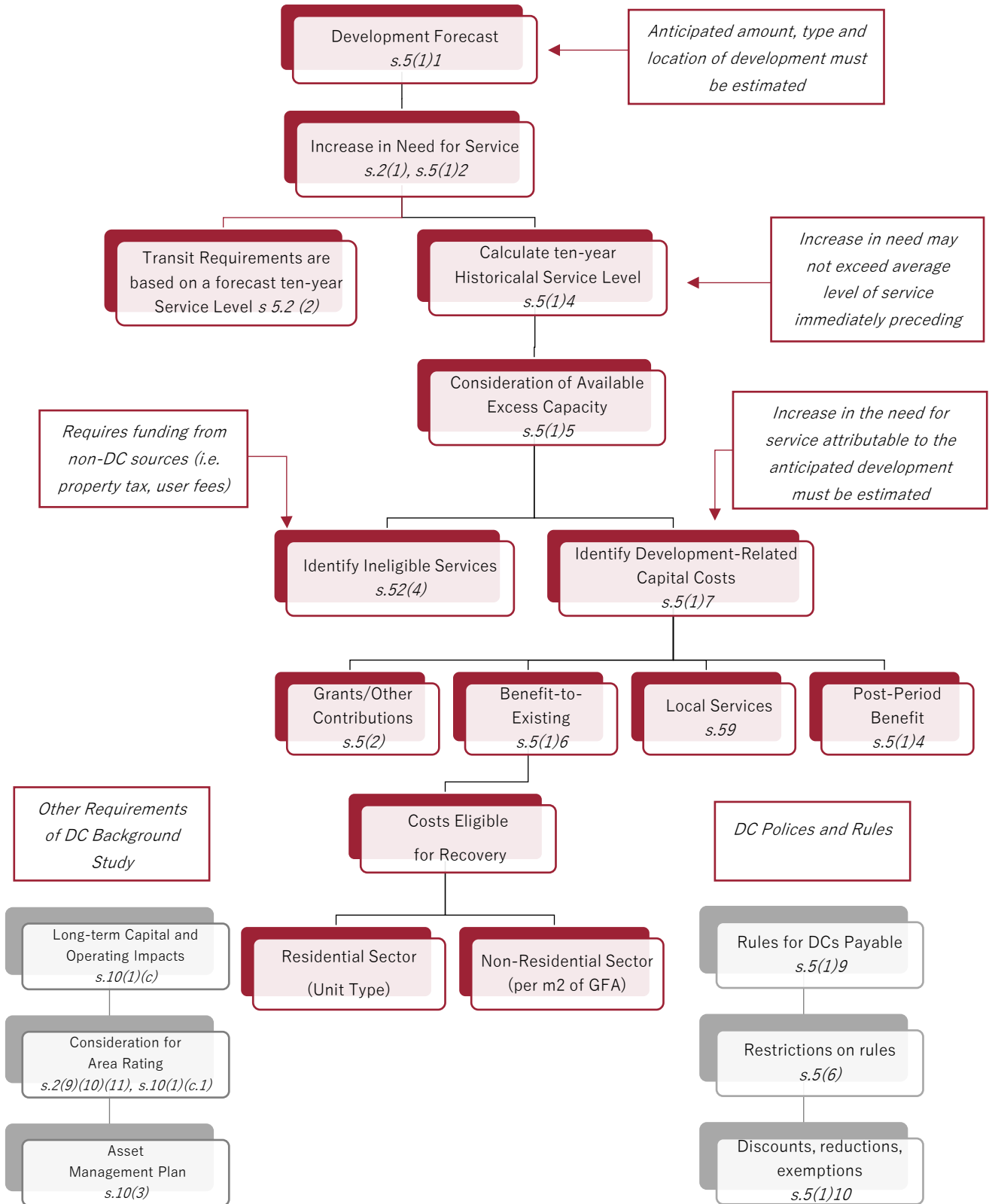
In accordance with the *DCA*, which allows a municipality to identify specific areas where development charges may be imposed, two area-specific development charges have been calculated.

An area-specific charge has been calculated to recover costs associated with wastewater capital costs which will service development in the Beach Area. Residential and non-residential charges will be levied against future development as both are anticipated to occur in this area. Full details of the area-specific development charge can be found in Appendix E, including a map of identified area relating to the charge.

B. KEY STEPS IN DETERMINING DEVELOPMENT CHARGES

Several key steps are required in calculating development charges for future development-related projects. These are summarized below and illustrated in Figure 1.

Figure 1: Statutory Requirements of Development Charge Calculation and Study Process



i. Development Forecast

The first step in the methodology requires a development forecast to be prepared for the 10-year study period, 2020–2029 for general services and to 2031 for engineered services. The forecast of the future residential and non-residential development used in this study is based on provincial targets as outlined in the *Growth Plan for the Greater Golden Horseshow*, as well as the Town's Official Plan and information provided by planning staff. Forecasts of employment by place of work were based upon the Town's Employment Lands Needs Study, which was updated by Hemson in September 2014.

For the residential portion of the forecast, the net (or Census) population growth and population growth in new units is estimated. Net population growth equals the population in new housing units reduced by the decline in the population in the existing base anticipated over the 10-year and 12-year periods (due to reducing household sizes as the community ages). Net population is used in the calculation of the development charges funding envelopes. In calculating the per capita development charge, however, population growth in new units is used.

The non-residential portion of the forecast estimates the Gross Floor Area (GFA) of building space to be developed over the 10-year period, 2020–2029 and 12-year period, 2020-2031. The forecast provides estimates for four categories: rural based, employment-land employment, population related employment and major office development. The forecast of GFA is based on the employment forecast for the Town. Factors for floor space per worker by category are used to convert the employment forecast into gross floor areas for the purposes of the development charges study.

ii. Service Categories and Historical Service Levels

The *DCA* provides that the increase in the need for service attributable to anticipated development:

... must not include an increase that would result in the level of service exceeding the average level of that service provided in the Town over the 10-year period immediately preceding the preparation of the background study...(s. 5. (1) 4.)

Historical 10-year average service levels thus form the basis for development charges. A review of Town's capital service levels for buildings, land, vehicles and so on, has therefore been prepared as a reference for the calculation, so that the portion of future capital projects that may be included in the development charge can be determined. The historical service levels used in this study have been calculated based on the period 2010–2019.

iii. **Development-Related Capital Program and Analysis of Net Capital Costs to be included in the Development Charges**

A development-related capital program has been prepared by the Town staff and boards as part of the present study. The program identifies development-related projects and their gross and net costs, after allowing for capital grants, subsidies or other contributions as required by the Act (*DCA*, s. 5. (2)). The capital program provides another cornerstone upon which development charges are based. The *DCA* requires that the increase in the need for service attributable to the anticipated development may include an increase:

... only if the council of the Town has indicated that it intends to ensure that such an increase in need will be met. (s. 5. (1) 3.)

In conjunction with *DCA*, s. 5. (1) 4. referenced above, these sections have the effect of requiring that the development charge be calculated on the lesser of the historical 10-year average service levels or the service levels embodied in future plans of the Town. The development-related capital forecast prepared for this study ensures that development charges are only imposed to help pay for projects that have been or are intended to be purchased or built in order to accommodate future anticipated development. It is not sufficient in the calculation of development charges merely to have had the service in the past. There must also be a demonstrated commitment to continue to emplace facilities or infrastructure in the future. In this regard, *Ontario Regulation 82/98*, s. 3 states that:

For the purposes of paragraph 3 of subsection 5 (1) of the *Act*, the council of a Town has indicated that it intends to ensure that an increase in the need for service will be met if the increase in service forms part of an Official Plan, capital forecast or similar expression of the intention of the council and the plan, forecast or similar expression of the intention of the council has been approved by the council.

For some projects in the development-related capital forecast, a portion of the project may confer benefits to existing residents. As required by the *DCA*, s. 5. (1) 6., these portions of projects and their associated net costs are the funding responsibility of the Town from non-development charges sources. The amount of Town funding for such non-development shares of projects is also identified as part of the preparation of the development-related capital forecast.

There is also a requirement in the *DCA* to reduce the applicable development charge by the amount of any “uncommitted excess capacity” that is available for a service. Such capacity is available to partially meet the future servicing requirements. Adjustments are made in the analysis to meet this requirement of the *Act*.

iv. Attribution to Types of Development

The next step in the determination of development charges is the allocation of the development-related net capital costs between the residential and the non-residential sectors. This is done by using different apportionments for different services in accordance with the demands which the two sectors would be expected to place on the various services and the different benefits derived from those services.

Where reasonable data exist, the apportionment is based on the expected demand for, and use of, the service by each sector (e.g. based on shares of population in new units and employment growth).

Finally, the residential component of the Town-wide and Area-Specific development charge is applied to different housing types on the basis of average occupancy factors. The non-residential component is applied on the basis of gross building space in square metres.

v. Final Adjustment

The final determination of the development charge results from adjustments made to development-related net capital costs for each service and sector resulting from the application of any unallocated reserve fund balances available to finance the development-related capital costs in the capital forecast. A cash flow analysis is also undertaken to account for the timing of projects and receipt of development charges for Town-wide services. Interest earnings or borrowing costs are therefore accounted for in the calculation as allowed under the *DCA*.

3. DEVELOPMENT FORECAST

This section provides the basis for the development forecasts used in calculating the DCs, as well as a summary of the forecast results. A more detailed summary of the forecasts, including tables illustrating historical trends and forecast results is provided in Appendix A. Beach Area ASDC development forecast details are included in Appendix E.

A. RESIDENTIAL FORECAST

DCs are levied on residential development as a charge per new unit. Therefore, for the residential forecast, a projection of both the *population growth*¹ as well as the *population in new units* is required.

- The *population growth* determines the need for additional facilities and provides the foundation for the development-related capital program.
- When calculating the DC, however, the development-related net capital costs are spread over the total additional population that occupy new housing units. This population in new units represents the population from which DCs will be collected.

Table 1 provides a summary of the residential forecast over the ten-year planning period, from 2020 to 2029 and the longer-term period, to 2031. As noted in Section 2, for DC calculation purposes, the ten-year planning period is applicable to all non-engineering services and the longer-term development forecast has been utilized in the calculation of engineered services DCs.

The Town's Census population is expected to increase by about 3,870 people over the next ten years, reaching approximately 25,589 by 2029. About 2,150 additional occupied dwelling units are forecast to be built between 2020 and 2029 and the population residing in these units is expected to increase by 4,715.

Between 2020 and 2031, the Town of Wasaga Beach is forecast to add approximately an additional 2,600 occupied dwelling units with an associated population growth of almost 5,670.

¹ Commonly referred to as "net population growth" in the context of development charges.

B. NON-RESIDENTIAL FORECAST

DCs are levied on non-residential development as a charge per square metre of GFA. As with the residential forecast, the non-residential forecast requires both a projection of *employment growth* as well as a projection of the *employment growth associated with new floorspace* in the Town.

The non-residential forecast projects an increase of 360 employees to 2029, which is anticipated to be accommodated in 21,000 square metres of new non-residential building space. Between 2020 and 2031, almost 25,550 square metres of new non-residential building space is forecast, which will accommodate approximately 516 new employees in the Town.

Table 1 also provides a summary of the non-residential development forecasts used in this analysis.

TABLE 1

**TOWN OF WASAGA BEACH
SUMMARY OF RESIDENTIAL AND NON-RESIDENTIAL
TOWN-WIDE DEVELOPMENT FORECAST**

Town-wide Development Forecast	2019 Estimate	General Services Planning Period 2020 - 2029		Long-Term Planning Period 2020 - 2031	
		Growth	Total at 2029	Growth	Total at 2031
Residential					
Total Occupied Dwellings	9,708	2,149	11,857	2,602	12,310
Population					
Census	21,718	3,871	25,589	4,724	26,442
<i>Population In New Dwellings</i>		<i>4,715</i>		<i>5,666</i>	
Non-Residential					
Total Employment	3,636	360	3,996	516	4,152
Non-Residential Building Space (sq.m.)		21,000		25,548	

4. SUMMARY OF HISTORICAL CAPITAL SERVICE LEVELS

The *DCA* and *Ontario Regulation 82/98* require that DCs be set at a level no higher than the average level of service provided in the municipality over the ten-year period immediately preceding the preparation of the Background Study, on a service by service basis.

For non-engineered services (library, indoor recreation, and parks etc.) the legislative requirement is met by documenting historical service levels for the preceding ten years, in this case, for the period from 2010 to 2019. Typically, service levels for non-engineered services are measured as a ratio of inputs per capita, or per population plus employment.

O. Reg. 82/98 requires that when determining historical service levels, both quantity and quality of service be taken into consideration. In most cases, the service levels are initially established in quantitative terms. For example, service levels for buildings are presented in terms of square feet per capita. The qualitative aspect is introduced by the consideration of the monetary value of the facility or service. In the case of buildings, for example, the cost would be shown in terms of dollars per square foot to replace or construct a facility of the same quality. This approach helps to ensure that the development-related capital facilities that are to be charged to new development reflect not only the quantity (number and size) but also the quality (value or replacement cost) of service provided historically by the town. Both the quantitative and qualitative aspects of service levels used in the present analysis are based on information provided by municipal staff, based on historical records and experience with costs to acquire or construct similar facilities, equipment and infrastructure as of 2019.

The service levels are expressed as a dollar value per capita (&/capita) or a dollar value per capita plus employment (\$/capita & employment) of infrastructure value. This service level expression is a construction to meet the requirement of subsection 5(1) of the *DCA* and does not directly reflect the utilization of infrastructure or the way municipalities plan for services.

Table 2 summarizes service levels for all applicable services included in the DC calculation. Appendices B, D.1 and D.2 provide the detailed historical inventory data upon which the calculation of service levels for the general services is based.

TABLE 2

TOWN OF WASAGA BEACH
SUMMARY OF AVERAGE HISTORICAL SERVICE LEVELS 2010 - 2019

Service	2010 - 2019 Service Level Indicator
1.0 LIBRARY SERVICE	\$197.64 per capita
Buildings	\$88.72 per capita
Land	\$29.22 per capita
Materials	\$68.93 per capita
Furniture And Equipment	\$10.77 per capita
2.0 INDOOR RECREATION	\$2,453.98 per capita
Buildings	\$1,551.21 per capita
Land	\$857.03 per capita
Furniture & Equipment	\$45.74 per capita
3.0 PARKS	\$627.22 per capita
Parkland Development	\$273.86 per capita
Park Facilities	\$299.57 per capita
Park Vehicles & Equipment	\$53.79 per capita
4.0 EMERGENCY AND FIRE SERVICES	\$536.64 per pop & empl
Buildings	\$230.44 per pop & empl
Land	\$69.27 per pop & empl
Fire Fighter Equipment	\$14.21 per pop & empl
Furniture & Equipment	\$17.73 per pop & empl
Vehicles	\$204.99 per pop & empl
SERVICES RELATED TO A HIGHWAY	
1.0 PUBLIC WORKS	\$757.52 per pop & empl
Buildings	\$283.97 per pop & empl
Land	\$0.12 per pop & empl
Furniture And Equipment	\$5.47 per pop & empl
Fleet & Related Equipment	\$467.96 per pop & empl
2.0 ROADS AND RELATED	\$6,436.68 per pop & empl
Roads	\$4,548.43 per pop & empl
Bridges	\$1,464.53 per pop & empl
Guard Rails	\$8.13 per pop & empl
Sidewalks	\$415.59 per pop & empl

5. THE DEVELOPMENT-RELATED CAPITAL PROGRAM

The *DCA* requires the Council of a municipality to express its intent to provide future capital facilities at the level reflected by the capital program incorporated in the DC calculation and recovered through the proposed rates. As noted in Section II, *Ontario Regulation 82/98*, s. 3 states that:

For the purposes of paragraph 3 of subsection 5 (1) of the Act, the council of a municipality has indicated that it intends to ensure that an increase in the need for service will be met if the increase in service forms part of an official plan, capital forecast or similar expression of the intention of the council and the plan, forecast or similar expression of the intention of the council has been approved by the council.

A. DEVELOPMENT-RELATED CAPITAL FORECAST IS PROVIDED FOR COUNCIL'S APPROVAL

Based on the development forecasts detailed in Appendix A and E, municipal staff have created a development-related capital program setting out those projects that are required to service anticipated development. For all general services, the capital plan covers the ten-year period from 2020 to 2029. The DCs for engineered services is based on development occurring between 2020 and 2031.

One of the recommendations contained in this Background Study is for Council to adopt the capital program created for the purposes of the DC calculation. It is assumed that future capital budgets and forecasts will continue to bring forward the development-related projects contained herein, that are consistent with the development occurring in Wasaga Beach. It is acknowledged that changes to the forecast presented herein may occur through the Town's normal capital budget process.

Details on the Beach Area capital program are contained in Appendix E.

B. THE DEVELOPMENT-RELATED CAPITAL FORECAST FOR GENERAL SERVICES

A summary of the development-related capital forecast for general services is presented in Table 3.

The table provides a total for all general services analysed over the ten-year planning period. Further details on the capital plans for each individual service category are available in Appendix B and Appendix C for Transit. The development-related capital forecast for general services estimates a total gross cost of \$73.68 million. Alternative funding sources have been identified in the amount of \$974,900 and account for contributions from upper levels of government towards transit projects. Therefore, the net municipal cost of the capital program is reduced to \$72.70 million.

Of the \$72.70 million ten-year net municipal capital costs for general services, \$44.30 million (61 per cent) is related to the Indoor Recreation capital program. The forecast includes a new multi-use recreation facility and indoor recreation vehicles.

The next largest portion of the capital forecast relates to Library Service development-related capital program. The program includes the cost of construction of new library space in the Town. Also included in the forecast are consultant fees, land acquisition, furniture, equipment and materials associated with the new space. Net costs total \$13.81 million and account for 19 per cent of the overall forecast.

The Emergency and Fire Services program includes \$5.86 million in net capital costs (8 per cent of the capital program) and incorporates the recovery of a negative reserve fund balance, expansion of Fire Hall 2 and a new Fire Hall 3 as well as an additional vehicles and growth-related communications equipment.

The Parks capital program includes \$4.66 million in net capital costs (6 per cent) of the general services ten-year capital program. The program includes park development, trails, vehicles and park facilities in existing and new parks.

The Transit services capital program represents 5 per cent (\$3.66 million) of total net capital costs and provides additional transit shelters, a new transit hub and depot and new vehicles to expand transit service delivery in the Town.

Lastly, the ten-year capital forecast for Development Related Studies totals \$426,300 and accounts for 0.6 per cent of the total program for general services. The program includes various development-related studies.

TABLE 3

TOWN OF WASAGA BEACH
 SUMMARY OF DEVELOPMENT-RELATED CAPITAL PROGRAM
 FOR GENERAL SERVICES 2020 - 2029
 (in \$000)

Service	Gross Cost	Grants/ Subsidies	Municipal Cost	Total Net Capital Program									
				2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
1.0 LIBRARY SERVICE	\$13,806.1	\$0.0	\$13,806.1	\$284.1	\$6,660.7	\$5,669.9	\$1,191.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
1.1 Buildings, Land & Materials	\$13,806.1	\$0.0	\$13,806.1	\$284.1	\$6,660.7	\$5,669.9	\$1,191.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
2.0 INDOOR RECREATION	\$44,300.4	\$0.0	\$44,300.4	\$1,172.4	\$16,919.8	\$19,062.6	\$3,290.7	\$675.0	\$0.0	\$0.0	\$2,000.0	\$400.0	\$780.0
2.1 Indoor Recreation	\$44,100.4	\$0.0	\$44,100.4	\$1,172.4	\$16,919.8	\$19,062.6	\$3,190.7	\$675.0	\$0.0	\$0.0	\$2,000.0	\$400.0	\$680.0
2.2 Indoor Recreation Vehicles	\$200.0	\$0.0	\$200.0	\$0.0	\$0.0	\$0.0	\$100.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$100.0
3.0 PARKS	\$4,655.2	\$0.0	\$4,655.2	\$23.8	\$273.8	\$463.8	\$2,190.8	\$136.3	\$436.3	\$23.8	\$298.8	\$783.8	\$23.8
3.1 Parks, Trails and Vehicles	\$1,123.2	\$0.0	\$1,123.2	\$20.8	\$20.8	\$20.8	\$235.8	\$133.3	\$183.3	\$20.8	\$45.8	\$420.8	\$20.8
3.2 Park Facilities Projects	\$3,532.0	\$0.0	\$3,532.0	\$3.0	\$253.0	\$443.0	\$1,955.0	\$3.0	\$253.0	\$3.0	\$253.0	\$363.0	\$3.0
4.0 EMERGENCY AND FIRE SERVICES	\$5,857.1	\$0.0	\$5,857.1	\$297.2	\$10.0	\$1,841.0	\$20.0	\$0.0	\$77.0	\$564.9	\$2.0	\$1,770.0	\$1,275.0
4.1 Recovery of Negative Reserve Fund Balance	\$297.2	\$0.0	\$297.2	\$297.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
4.2 Buildings, Land & Furnishings	\$2,820.9	\$0.0	\$2,820.9	\$0.0	\$0.0	\$441.0	\$0.0	\$0.0	\$75.0	\$554.9	\$0.0	\$1,750.0	\$0.0
4.3 Vehicles & Equipment	\$2,739.0	\$0.0	\$2,739.0	\$0.0	\$10.0	\$1,400.0	\$20.0	\$0.0	\$2.0	\$10.0	\$2.0	\$20.0	\$1,275.0
5.0 DEVELOPMENT RELATED STUDIES	\$426.3	\$0.0	\$426.3	\$163.8	\$7.5	\$7.5	\$7.5	\$7.5	\$202.5	\$7.5	\$7.5	\$7.5	\$7.5
5.1 Studies	\$426.3	\$0.0	\$426.3	\$163.8	\$7.5	\$7.5	\$7.5	\$7.5	\$202.5	\$7.5	\$7.5	\$7.5	\$7.5
1.0 TRANSIT	\$4,630.0	\$974.9	\$3,655.1	\$33.0	\$193.2	\$11.7	\$761.7	\$11.7	\$11.7	\$54.4	\$2,554.4	\$11.7	\$11.7
1.1 Buildings, Land and Bus Stops	\$3,450.0	\$146.6	\$3,303.4	\$0.0	\$0.0	\$6.7	\$756.7	\$6.7	\$6.7	\$6.7	\$2,506.7	\$6.7	\$6.7
1.2 Vehicles, Equipment & Studies	\$1,180.0	\$828.3	\$351.7	\$33.0	\$193.2	\$5.0	\$5.0	\$5.0	\$5.0	\$47.7	\$47.7	\$5.0	\$5.0
TOTAL - GENERAL SERVICES	\$73,675.1	\$974.9	\$72,700.2	\$1,974.4	\$24,065.1	\$27,056.4	\$7,462.1	\$830.5	\$727.5	\$650.6	\$4,862.7	\$2,973.0	\$2,098.0



The capital program incorporates those projects identified to be related to development anticipated in the next ten years. It is not implied that all of these costs are to be recovered from new development by way of DCs. Portions of this capital forecast may relate to providing servicing for development which has occurred prior to 2020 (for which DC reserve fund balances exist), for replacement of existing capital facilities or for development anticipated to occur beyond the 2020–2029 planning period.

C. THE DEVELOPMENT-RELATED CAPITAL FORECAST FOR ENGINEERED SERVICES

Table 4 provides the development-related capital recoveries for the engineered services of services related to a highway of public works and roads and related, water works, sewer works and storm drainage. The capital program totals \$186.73 million and provides servicing for anticipated development over the longer-term planning period from 2020 to 2031 (aside from public works which is on a 2020 to 2029 planning period). Further details on the capital plans for each individual service category are available in Appendix D. Grants, subsidies and alternative funding sources have been identified in the amount of \$6.00 million for the capital projects and, as such, the remaining net cost of \$180.73 million is the cost to be paid by the Town.

Of the total net capital costs, 71 per cent, or \$127.42 million is associated with development-related roads and related projects. The capital program includes various urbanization projects, illumination, widening, new road construction and five-year updates to the Town's Transportation Study. The cost also includes \$70.15 million in project costs beyond 2031.

The waterworks capital program totals \$26.38 million and represent 14 per cent of the overall forecast. Various trunk watermain projects have been included in the development-related capital program, as well as the construction and land for the West end water storage reservoir upgrade and distribution model studies.

The Storm Drainage capital program includes the recovery of a negative reserve fund balance, linear infrastructure upsizing and drainage improvement works. The program totals \$11.52 million, which accounts for 6 per cent of the total.

Public Works capital program totals \$9.66 million and represents 5 per cent of the overall engineering program. Included in the cost is a new maintenance depot and additions to the municipal fleet and equipment. The costs included in the service are related to services related to a highway category.

Wastewater projects include pipe upsizing, collection system modelling updates as well as the recovery of a negative reserve fund balance. The net cost of the program is \$5.76 million, or about 3 per cent.

TABLE 4

**TOWN OF WASAGA BEACH
SUMMARY OF DEVELOPMENT-RELATED CAPITAL PROGRAM
FOR ENGINEERED SERVICES 2020 - 2029 and 2020 - 2031
(in \$000)**

Service	Gross Cost	Grants / Subsidies	Net Municipal Cost
1.0 PUBLIC WORKS	\$9,658.0	\$0.0	\$9,658.0
1.1 New Maintenance Depot - Building, Land & Materials	\$8,504.5	\$0.0	\$8,504.5
1.2 New Municipal Fleet & Equipment	\$1,153.6	\$0.0	\$1,153.6
2.0 ROADS AND RELATED	\$133,415.7	\$6,000.0	\$127,415.7
2.1 Roads and Related Infrastructure	\$62,679.5	\$6,000.0	\$56,679.5
2.2 Studies	\$587.0	\$0.0	\$587.0
2.3 Projects Post 2031*	\$70,149.2	\$0.0	\$70,149.2
3.0 WATERWORKS	\$26,379.4	\$0.0	\$26,379.4
3.1 Mains and Pumps	\$8,048.4	\$0.0	\$8,048.4
3.2 Wells and Storage	\$18,331.0	\$0.0	\$18,331.0
4.0 WASTEWATER	\$5,758.6	\$0.0	\$5,758.6
4.1 Reserve Fund Balance	\$601.0	\$0.0	\$601.0
4.2 Mains and Pumps	\$5,037.6	\$0.0	\$5,037.6
4.3 Studies	\$120.0	\$0.0	\$120.0
5.0 STORM DRAINAGE	\$11,521.4	\$0.0	\$11,521.4
5.1 Infrastructure	\$10,821.4	\$0.0	\$10,821.4
Town-Wide Drainage Master Plan	\$700.0	\$0.0	\$700.0
TOTAL - ENGINEERED SERVICES CAPITAL PROGRAM	\$186,733.1	\$6,000.0	\$180,733.1

* Costs not included in the calculation of DCs.

6. PROPOSED CALCULATED DEVELOPMENT CHARGES

This section summarizes the calculation of DCs for each service category and the resulting total charges by sector. For all municipal services, the calculation of the “unadjusted” per capita (residential) and per square metre (non-residential) charges is reviewed.

Adjustments to these amounts resulting from a cash flow analysis that takes interest earnings and borrowing costs into account are also discussed.

For residential development, the adjusted total per capita amount is converted to a variable charge by housing unit type using various unit occupancy factors. For non-residential development, the charges are based on gross floor area of building space.

It is noted that the calculation of the municipal-wide DCs does not include any provision for exemptions required under the *DCA*, such as the exemption from the payment of DCs for industrial buildings. Such legislated exemptions, or other exemptions that Council may choose to provide, will result in loss of DC revenue for the affected types of development. However, any such revenue loss may not be made up by offsetting increases in other portions of the calculated charge.

A. UNADJUSTED DEVELOPMENT CHARGES CALCULATION

A summary of the “unadjusted” residential and non-residential DCs is presented in Tables 5 and 6 for general and engineered services, respectively. Further details of the calculations for each individual service category are available in Appendices B, C and D. Details on the Beach Area DCs are available in Appendix E.

i. General Services & Public Works

A summary of the “unadjusted” residential and non-residential DCs for general services and public works is presented in Table 5.

The net capital forecast for the ten-year services totals \$82.36 million and incorporates those projects identified to be related to the development anticipated in the next ten years. However, not all of the capital costs are to be recovered from new development by way of DCs. As shown on Table 5, 19 per cent, or \$15.35 million relates to replacement of existing capital facilities or for shares of projects that provide benefit to the existing community.

These portions of capital costs will have to be funded from non-DC revenue sources, largely property taxes for this group of services.

An additional share of \$5.67 million has been identified as available DC reserve funds and represents the revenue collected from previous DCs. This portion has been netted out of the chargeable capital costs.

A share of \$42.19 million is attributable to development beyond 2029. This development-related share has been removed from the calculation and may therefore be recovered under future DC studies.

The total costs eligible for recovery through DCs for ten-year services is \$19.15 million. This amount is allocated between the residential and non-residential sectors to derive the unadjusted DCs. Library, Indoor Recreation and Parks Services are deemed to benefit residential development only, while the remaining services are allocated between both sectors based on shares of population in new units and employment growth in new space. The allocation to the residential sector for these services is calculated at 93 per cent and 7 per cent to the non-residential sector.

Approximately \$18.70 million of the general services DC eligible capital program is deemed to benefit residential development. When this amount is divided by the ten-year growth in population in new dwelling units (4,715), an unadjusted charge of \$3,964.71 per capita results. The non-residential share totals \$458,300 which yields an unadjusted charge of \$21.83 per square metre when divided by the ten-year increase in non-residential building space (21,000).

TABLE 5

TOWN OF WASAGA BEACH
 SUMMARY OF UNADJUSTED RESIDENTIAL AND NON-RESIDENTIAL DEVELOPMENT CHARGES
 10-YEAR CAPITAL PROGRAM FOR GENERAL SERVICES & PUBLIC WORKS

10 Year Growth in Population in New Units	4,715
10 Year Growth in Square Feet	21,000

Service	Development-Related Capital Program (2020 - 2029)					Residential Share		Non-Residential Share	
	Net Municipal Cost	Replacement & Benefit to Existing	Available DC Reserves	Post-2029 Benefit	Total DC Eligible Costs for Recovery	%	(\$000)	%	(\$000)
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)				
1.0 LIBRARY SERVICE	\$13,806.1	\$2,585.9	\$856.6	\$9,598.6	\$765.0	100%	\$765.0	0%	\$0.0
Unadjusted Development Charge Per Capita							\$162.24		
Unadjusted Development Charge Per Sq.M									\$0.00
2.0 INDOOR RECREATION	\$44,300.4	\$8,395.9	\$3,564.7	\$22,840.5	\$9,499.3	100%	\$9,499.3	0%	\$0.0
Unadjusted Development Charge Per Capita							\$2,014.54		
Unadjusted Development Charge Per Sq.M									\$0.00
3.0 PARKS	\$4,655.2	\$110.4	\$374.6	\$1,742.2	\$2,428.0	100%	\$2,428.0	0%	\$0.0
Unadjusted Development Charge Per Capita							\$514.90		
Unadjusted Development Charge Per Sq.M									\$0.00
4.0 EMERGENCY AND FIRE SERVICES	\$5,857.1	\$1,219.7	\$0.0	\$2,366.8	\$2,270.6	93%	\$2,109.5	7%	\$161.1
Unadjusted Development Charge Per Capita							\$447.37		
Unadjusted Development Charge Per Sq.M									\$7.67
5.0 DEVELOPMENT RELATED STUDIES	\$426.3	\$105.0	\$0.0	\$0.0	\$321.3	93%	\$298.5	7%	\$22.8
Unadjusted Development Charge Per Capita							\$63.31		
Unadjusted Development Charge Per Sq.M									\$1.09
1.0 PUBLIC WORKS	\$9,658.0	\$0.0	\$813.9	\$5,639.0	\$3,205.1	93%	\$2,977.7	7%	\$227.3
Unadjusted Development Charge Per Capita							\$631.49		
Unadjusted Development Charge Per Sq.M									\$10.83
1.0 TRANSIT	\$3,655.1	\$2,931.9	\$59.1	\$0.0	\$664.1	93%	\$617.0	7%	\$47.1
Unadjusted Development Charge Per Capita							\$130.86		
Unadjusted Development Charge Per Sq.M									\$2.24
TOTAL 10 YEAR SERVICES	\$82,358.3	\$15,348.9	\$5,668.8	\$42,187.1	\$19,153.4		\$18,695.1		\$458.3
Unadjusted Development Charge Per Capita							\$3,964.71		
Unadjusted Development Charge Per Sq.M									\$21.83

ii. Engineered Services

Table 6 displays the calculation of the DC rates for the engineered services of Services Related to a Highway of Roads and Related (Public Works component is included in Table 5), Waterworks, Wastewater and Storm Drainage. The development-related engineering infrastructure will be used to service development in Wasaga Beach between 2020 and 2031.

Of the total net municipal cost of all engineered services development-related projects, \$171.08 million, not all are to be recovered from new development by way of DCs. Table 6 shows that \$14.26 million of the capital program relates to replacement of existing capital works or for shares of projects that provide benefit to the existing community. This amount has been netted off the chargeable capital costs.

Available reserve funds in the amount of \$13.24 million, have also been removed from the DC calculation. Post-period shares have been calculated at \$88.10 million and represent the shares of projects that will provide benefit to development beyond 2031 in the Town. These shares have also been removed from the DC calculation. The remaining \$55.48 million is related to development in the 2020 to 2031 planning period and has been included in the DC calculation.

Like the general services, the capital program eligible for recovery through DCs is allocated to the residential and non-residential sectors based on future shares of population in new units and employment growth over the planning period. On this basis, the allocation to the residential and non-residential sectors is calculated at 92 and 8 per cent, respectively.

As a result, \$50.84 million of the engineered services capital program is deemed to benefit residential development. When this amount is divided by the long-term growth in population in new dwelling units (5,666), a charge of \$8,973.59 per capita is the result.

The non-residential share totals \$4.63 million and, when this amount is divided by the long-term forecast of non-residential space growth (25,548 square metres) a charge of \$181.40 per square metre results.

TABLE 6

TOWN OF WASAGA BEACH
SUMMARY OF RESIDENTIAL AND NON-RESIDENTIAL DEVELOPMENT CHARGES
CAPITAL PROGRAM FOR ENGINEERED SERVICES
 2020 - 2031

Ultimate Year Growth in Population in New Units	5,666
Ultimate Year Growth in Square Meters	25,548

Service	Development-Related Capital Program (2020 - 2031)					Residential and Non-Residential Share			
	Net Municipal Cost	Replacement & Benefit to Existing	Available DC Reserves	Post-Period Benefit	Total DC Eligible Costs for Recovery	Residential Share		Non-Residential Share	
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	%	(\$000)	%	(\$000)
1.0 ROADS AND RELATED	\$127,415.7	\$11,375.0	\$9,776.8	\$75,978.7	\$30,285.2	92%	\$27,755.3	8%	\$2,529.9
Development Charge Per Capita							\$4,898.76		
Development Charge Per Sq.M									\$99.03
2.0 WATERWORKS	\$26,379.4	\$0.0	\$3,461.7	\$9,324.0	\$13,593.7	92%	\$12,458.2	8%	\$1,135.5
Development Charge Per Capita							\$2,198.85		
Development Charge Per Sq.M									\$44.45
3.0 WASTEWATER	\$5,758.6	\$0.0	\$0.0	\$1,259.4	\$4,499.2	92%	\$4,123.4	8%	\$375.8
Development Charge Per Capita							\$727.77		
Development Charge Per Sq.M									\$14.71
4.0 STORM DRAINAGE	\$11,521.4	\$2,885.0	\$0.0	\$1,537.9	\$7,098.5	92%	\$6,505.5	8%	\$593.0
Development Charge Per Capita							\$1,148.21		
Development Charge Per Sq.M									\$23.21
TOTAL ENGINEERED SERVICES	\$171,075.1	\$14,260.0	\$13,238.5	\$88,100.0	\$55,476.6		\$50,842.4		\$4,634.2
Unadjusted Development Charge Per Capita							\$8,973.59		
Unadjusted Development Charge Per Sq.M									\$181.40

iii. **Adjusted Residential and Non-Residential Development Charges**

Final adjustments to the “unadjusted” DC rates are made through a cash flow analysis for all services. The analysis, details of which are included in the appendices, considers the borrowing cost and interest earnings associated with the timing of expenditures and DC receipts for each service category. Parking Service charges have been included for illustrative purposes only and have not been included as part of this 2020 DC Background Study.

Table 7 summarizes the results of the cash flow adjustments for the town-wide residential DC rates. The adjusted per capita rate increases by \$44.93 from \$12,938.30 per capita to \$13,383.24 per capita after the cash flow analysis for the residential DC.

Table 7 also provides the calculated rates by residential unit. As shown in the table, the proposed residential charge ranges from \$31,735 for a single- or semi-detached unit to \$18,081 for apartments. The proposed charge for rows and other multiples is \$26,379 per unit.

The non-residential DC experiences an increase after cash flow considerations of \$5.39, from \$203.22 to \$208.61 per square meter. This charge is displayed on Table 8.

The Beach Area unadjusted per capita Area-Specific Development Charge (ASDC) is \$2,538.16 which results in a single- or semi-detached unit rate of \$6,015, rows and other multiples of \$5,000 and apartments of \$3,427. The calculated non-residential rate is \$50.67 per square metre.

TABLE 7

TOWN OF WASAGA BEACH
RESIDENTIAL DEVELOPMENT CHARGES

Service	Unadjusted Charge Per Capita	Adjusted Charge After Cashflow Per Capita	Charge By Unit Type ⁽¹⁾		
			Single & Semi-Detached	Rows & Other Multiples	Apartments
Library Service	\$162.24	\$183.23	\$434	\$361	\$247
Indoor Recreation	\$2,014.54	\$2,171.04	\$5,145	\$4,277	\$2,931
Parks	\$514.90	\$536.90	\$1,272	\$1,058	\$725
Parking *	N/A	N/A	\$19	\$15	\$13
Emergency And Fire Services	\$447.37	\$485.43	\$1,150	\$956	\$655
Development Related Studies	\$63.31	\$65.59	\$155	\$129	\$89
Transit	\$130.86	\$132.42	\$314	\$261	\$179
Subtotal General Services Charge	\$3,333.22	\$3,574.60	\$8,489	\$7,057	\$4,839
Services Related to a Highway					
Public Works	\$631.49	\$656.98	\$1,557	\$1,294	\$887
Roads And Related	\$4,898.76	\$4,896.18	\$11,604	\$9,645	\$6,610
Water Works	\$2,198.85	\$2,224.44	\$5,272	\$4,382	\$3,003
Wastewater	\$727.77	\$693.79	\$1,644	\$1,367	\$937
Storm Drainage	\$1,148.21	\$1,337.25	\$3,169	\$2,634	\$1,805
Subtotal Engineered Services Charge	\$9,605.08	\$9,808.63	\$23,246	\$19,322	\$13,242
TOTAL CHARGE	\$12,938.30	\$13,383.24	\$31,735	\$26,379	\$18,081
(1) Based on Persons Per Unit Of:			2.37	1.97	1.35

* Parking DC charge is not calculated as part of the 2020 DC Study

TOWN OF WASAGA BEACH
AREA-SPECIFIC DEVELOPMENT CHARGES
BEACH AREA WASTEWATER WORKS

Service	Unadjusted Charge Per Capita	Adjusted Charge After Cashflow Per Capita	Charge By Unit Type ⁽¹⁾		
			Single & Semi-Detached	Rows & Other Multiples	Apartments
Beach Area Wastewater Works	\$2,538.16	\$2,538.16	\$6,015	\$5,000	\$3,427
(1) Based on Persons Per Unit Of:			2.37	1.97	1.35



TABLE 8

TOWN OF WASAGA BEACH
NON-RESIDENTIAL DEVELOPMENT CHARGES

Service	Non-Residential	
	Unadjusted Charge (\$/sq.m)	Adjusted Charge (\$/sq.m)
Library Service	\$0.00	\$0.00
Indoor Recreation	\$0.00	\$0.00
Parks	\$0.00	\$0.00
Parking *	N/A	\$0.07
Emergency And Fire Services	\$7.67	\$7.76
Development Related Studies	\$1.09	\$1.15
Transit	\$2.24	\$2.24
Subtotal General Services Charge	\$11.00	\$11.22
Services Related to a Highway		
Public Works	\$10.83	\$11.59
Roads And Related	\$99.03	\$99.39
Water Works	\$44.45	\$45.16
Wastewater	\$14.71	\$14.06
Storm Drainage	\$23.21	\$27.19
Subtotal Engineered Services Charge	\$192.22	\$197.39
TOTAL CHARGE	\$203.22	\$208.61

* Parking DC charge is not calculated as part of the 2020 DC Study

TOWN OF WASAGA BEACH
AREA-SPECIFIC DEVELOPMENT CHARGES
BEACH AREA WASTEWATER WORKS

Service	Non-Residential Charge (\$/sq.m)
Beach Area Wastewater Works	\$50.67

7. COMPARISON OF CALCULATED AND CURRENT DEVELOPMENT CHARGES

Tables 9 and 10 present a comparison of the newly calculated residential and non-residential DCs with the Town's current charges (as of December 17, 2019).

Table 9 shows that the calculated residential DC for a single- or semi-detached unit is \$31,735, or 45 per cent greater than the Town's residential charge currently in force of \$21,944.

The comparison of calculated non-residential DCs with current rates is shown on Table 10. The calculated non-residential charge of \$208.61 per square metre is \$145.09, or 228 per cent more than the current charge of \$63.52. The fully calculated non-residential rates of \$157.60 from the 2015 DC Background Study are not in force. The increase from the 2015 calculated charge to the current calculated charge is \$51.01 or 32 per cent.

No comparison is completed for the Beach Area as there is no current ASDC rate in place.

TABLE 9

TOWN OF WASAGA BEACH
 COMPARISON OF CURRENT AND CALCULATED
 RESIDENTIAL DEVELOPMENT CHARGES

Service	Current Residential Charge / SDU	Calculated Residential Charge / SDU	Difference in Charge	
Library Service	\$360	\$434	\$74	21%
Indoor Recreation	\$1,617	\$5,145	\$3,528	218%
Parks	\$594	\$1,272	\$678	114%
Parking *	\$19	\$19	\$0	0%
Emergency And Fire Services	\$1,044	\$1,150	\$106	10%
Development Related Studies	\$69	\$155	\$86	125%
Transit	\$100	\$314	\$214	214%
Subtotal General Services Charge	\$3,803	\$8,489	\$4,686	123%
Services Related to a Highway				
Public Works	\$1,425	\$1,557	\$132	9%
Roads And Related	\$8,496	\$11,604	\$3,108	37%
Water Works	\$4,129	\$5,272	\$1,143	28%
Wastewater	\$999	\$1,644	\$645	65%
Storm Drainage	\$3,092	\$3,169	\$77	2%
Subtotal Engineered Services Charge	\$18,141	\$23,246	\$5,105	28%
TOTAL CHARGE	\$21,944	\$31,735	\$9,791	45%

* Parking DC charge is not calculated as part of the 2020 DC Study

TABLE 10

TOWN OF WASAGA BEACH
 COMPARISON OF CURRENT AND CALCULATED
 NON-RESIDENTIAL DEVELOPMENT CHARGES

Service	Current	Calculated	Difference in Charge	
	Non-Residential Charge / SQ.M	Non-Residential Charge / SQ.M		
Library Service	\$0.00	\$0.00	\$0.00	N/A
Indoor Recreation	\$0.00	\$0.00	\$0.00	N/A
Parks	\$0.00	\$0.00	\$0.00	N/A
Parking *	\$0.07	\$0.07	\$0.00	0%
Emergency And Fire Services	\$3.06	\$7.76	\$4.70	154%
Development Related Studies	\$0.22	\$1.15	\$0.93	423%
Transit	\$0.33	\$2.24	\$1.91	579%
Subtotal General Services Charge	\$3.68	\$11.22	\$7.54	205%
Services Related to a Highway				
Public Works	\$4.74	\$11.59	\$6.85	145%
Roads And Related	\$28.01	\$99.39	\$71.38	255%
Water Works	\$13.61	\$45.16	\$31.55	232%
Wastewater	\$3.29	\$14.06	\$10.77	327%
Storm Drainage	\$10.19	\$27.19	\$17.00	167%
Subtotal Engineered Services Charge	\$59.84	\$197.39	\$137.55	230%
TOTAL CHARGE	\$63.52	\$208.61	\$145.09	228%
Calculated 2015 Rate (Indexed)	\$157.60	\$208.61	\$51.01	32%

* Parking DC charge is not calculated as part of the 2020 DC Study

8. COST OF GROWTH ANALYSIS

This section provides a brief examination of the long-term capital and operating costs as well as the asset management-related annual provisions for the capital facilities and infrastructure to be included in the DC By-law(s). This examination is required as one of the provisions of the *DCA*. Additional details on the cost of growth analysis, including asset management analysis is included in Appendix G.

A. ASSET MANAGEMENT PLAN

Tables 11, 12 and 13 provide the calculated annual asset management contribution for the gross capital expenditures and the share related to the 2020-2029 and 2020-2031 DC recoverable portions. The year 2030 has been included to calculate the annual contribution for the 2020-2029 period as the expenditures in 2029 will not trigger asset management contributions until 2030. As shown in Table 11, by 2030, the Town should fund an additional \$762,000 per annum in to fund the full life cycle costs of the new assets related to the Town-wide 10-year Services supported under the development charges by-law.

The year 2032 has been included to calculate the annual contribution for the 2020-2031 period as the expenditures in 2021 will not trigger asset management contributions until 2032. As shown in Table 12, by 2032, the Town should fund an additional \$5.29 million per annum in to fund the full life cycle costs of the new assets related to the Town-wide Engineered Services supported under the development charges by-law.

Table 13 provides a separate analysis of the annual provision required for the Beach Area Wastewater Service capital program. As shown in Table 13, the annual provision in 2032 amounts to \$221,800.

Table 11 Calculated Annual Provision by 2030 for General Services				
General Services	2020-2029 Capital Program		Calculated AMP Annual Provision by 2030	
	DC Recoverable	Non-DC Funded	DC Related	Non-DC Related
LIBRARY SERVICE	\$3,243,000	\$24,369,000	\$44,000	\$335,000
INDOOR RECREATION	\$26,128,000	\$62,473,000	\$354,000	\$886,000
PARKS	\$5,605,000	\$3,705,000	\$85,000	\$57,000
EMERGENCY AND FIRE SERVICES	\$4,541,000	\$7,173,000	\$69,000	\$236,000
TRANSIT	\$1,446,000	\$7,814,000	\$28,000	\$175,000
PUBLIC WORKS	\$8,038,000	\$11,278,000	\$182,000	\$65,000
Total	\$49,001,000	\$116,812,000	\$762,000	\$1,754,000

Table 12 Calculated Annual Provision by 2032 for Engineered Services				
Engineered Services	2020-2031 Capital Program		Calculated AMP Annual Provision by 2032	
	DC Recoverable	Non-DC Funded	DC Related	Non-DC Related
ROADS AND RELATED	\$40,062,000	\$93,354,000	\$2,414,000	\$1,386,000
WATER WORKS	\$17,055,000	\$9,324,000	\$762,000	\$130,000
WASTEWATER	\$4,499,000	\$1,259,000	\$856,000	\$285,000
STORM DRAINAGE	\$7,098,000	\$4,423,000	\$1,255,000	\$381,000
Total	\$68,714,000	\$108,360,000	\$5,287,000	\$2,182,000

Table 13 Calculated Annual Provision by 2032 for Beach Area Sewer Works				
Beach Area	2020- Build-Out Capital Program		Calculated AMP Annual Provision by 2032	
	DC Recoverable	Non-DC Funded	DC Related	Non-DC Related
BEACH AREA WASTEWATER WORKS	\$5,000,000	\$0	\$221,800	\$0
Total	\$5,000,000	\$0	\$221,800	\$0

B. LONG-TERM CAPITAL AND OPERATING COSTS

Appendix G summarizes the estimated increase in net operating costs that the Town will experience for additions associated with the planned capital forecast. Table 14 summarizes the estimated increase in net operating costs that the Town will experience for additions associated with the planned capital program.

By 2029, the Town's net operating costs are estimated to increase by \$2.59 million.

Appendix G also summarizes the components of the development related capital program that will require funding from non development charge sources. Of the \$40.75 million in the 2020-2029 net capital programs, about \$4.47 million will need to be financed from non-development charge sources over the next ten years. This is entirely related to shares of projects related to capital replacement and for non-development shares of projects that provide benefit to the existing community.

Council is made aware of these factors so that they understand the financial implications of the quantum and timing of the projects included in the development related capital forecast in this study.

TABLE 14

TOWN OF WASAGA BEACH
SUMMARY OF LONG TERM CAPITAL AND
OPERATING COST IMPACTS FOR TAX SUPPORTED SERVICES
(in thousands of constant dollars)

	2029
Net Operating Impacts (1)	
Library Service	\$540.0
Indoor Recreation	\$302.3
Parks	\$186.8
Emergency And Fire Services	\$454.5
Development Related Studies	\$0.0
Transit	\$557.5
Services Related to a Highway	
Public Works	\$310.0
Roads And Related	\$241.1
NET OPERATING IMPACTS	\$2,592.2

	Total
Long-term Capital Impact (1)	
Total Net Cost	\$258,433.3
Net Cost From Development Charges	\$79,630.0
Prior Growth Share from DC Reserve Balances (2)	\$18,907.3
Portion for Post-Period Development (3)	\$130,287.2
FUNDING FROM NON-DC SOURCES	\$29,608.8

Notes:

- (1) See Appendix G
- (2) Existing development charge reserve fund balances collected from growth prior to 2019 are applied to fund initial projects in development-related capital forecast.
- (3) Post period development-related net capital costs may be eligible for development charge funding in future DC by-laws.

C. THE PROGRAM IS DEEMED TO BE FINANCIALLY SUSTAINABLE

In summary, the asset management plan and long-term capital and operating analysis contained in Appendix G demonstrates that the Town can afford to invest and operate the identified general and engineered services infrastructure over the ten-year and longer-term planning period.

Importantly, the Town's annual budget review allows staff to continue to monitor and implement mitigating measures should the program become less sustainable.

9. OTHER ISSUES AND CONSIDERATIONS

A. BY-LAW ADMINISTRATION

No significant changes are recommended to the Town's current policies and practices regarding development charge administration. In this regard:

- It is recommended that the present practices regarding collection of development charges and by-law administration continue to the extent possible;
- As required under the *DCA*, the Town should codify any rules regarding application of the by-laws and any exemptions within the development charges by-laws proposed for adoption;
- It is recommended that the Town continue to report policies consistent with the requirements of the *DCA*; and
- It is recommended that Council adopt the development-related capital forecast included in this background study, subject to annual review through the Town's normal capital budget process.

A copy of the by-law will be made two weeks prior to the statutory public meeting as required by the legislation.

B. CONSIDERATION FOR AREA RATING

In accordance with the *DCA*, Council must give consideration to the use of area rating, also known as area-specific development charges, as part of the DC Background Study. As part of the Town's 2020 DC update, the area-specific development charges are calculated for the Beach Area to properly reflect the infrastructure requirements to service development in those areas.

C. LOCAL SERVICE DEFINITIONS

As permitted under section 59 of the *DCA* municipalities may, by condition of approval under section 51 of the *Planning Act*, require that local services related to a plan of subdivision be paid for by the owner. These conditions will be reviewed by the Town and may be required as part of a condition of subdivision or condition of consent.