

REPORT FOR PUBLIC CONSULTATION

PREPARED BY HEMSON FOR MUNICIPALITY OF MEAFORD

DEVELOPMENT CHARGES BACKGROUND STUDY

July 17, 2024



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EXECUTIVE SUMMARY

The following summarizes the findings of the Municipality of Meaford's 2024 Development Charges (DC) Background Study.

A. PURPOSE OF THE 2024 DEVELOPMENT CHARGES BACKGROUND STUDY

i. Legislative Context

The Municipality of Meaford 2024 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, 2023, September 17, 2023, and June 6, 2024.

It is noted that the Government's *Cutting Red Tape to Build More Homes Act, 2024*, received Royal Assent on June 6, 2024.

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, and attribution to development types (i.e. residential and non-residential).

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 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 2024 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 Municipality’s normal annual budget process. The following summarizes the findings of the Municipality of Meaford’s 2024 Development Charges Background Study.

B. DEVELOPMENT FORECAST

The table below provides a summary of the anticipated residential and non-residential growth over the 2024-2033 planning period. The Municipal-wide development forecast is further discussed in Appendix A.

Municipal-wide Development Forecast	2023 Estimate	Planning Period	
		2024 - 2033 Growth	Total at 2033
Residential			
Total Occupied Dwellings	5,156	635	5,790
Total Population			
Census	11,691	1,099	12,790
<i>Population In New Dwellings</i>		<i>1,454</i>	
Non-Residential			
Total Employment Growth	2,701	946	3,647
Non-Residential Building Space (m ²)		64,619	
<i>Population-Related</i>		<i>30,050</i>	
<i>Employment Land</i>		<i>18,943</i>	
<i>Other Rural-Based</i>		<i>15,626</i>	

C. CALCULATED DEVELOPMENT CHARGES

The table below provides the calculated Municipal-wide charges for residential, other non-residential, and industrial development based on the aforementioned forecasts.

Service	Charge Per Capita	Charge By Unit Type ⁽¹⁾			Share of Total
		Single & Semi-Detached	Rows & Other Multiples	Nursing Home (per Bed)	
Public Library	\$451	\$1,186	\$676	\$451	3%
Fire Protection Services	\$339	\$891	\$508	\$339	2%
Parks & Recreation	\$1,653	\$4,347	\$2,479	\$1,653	10%
Services Related To A Highway: Public Works	\$48	\$126	\$72	\$48	0%
Development Related Studies	\$124	\$327	\$186	\$124	1%
Services Related To A Highway: Roads & Related	\$2,348	\$6,177	\$3,522	\$2,348	14%
Stormwater	\$1,091	\$2,869	\$1,636	\$1,091	6%
Total Municipal-Wide Charge Per Unit	\$6,053	\$15,923	\$9,079	\$6,054	35%
System-Wide Water	\$3,529	\$9,283	\$5,293	\$3,529	21%
System-Wide Sewer	\$7,560	\$19,888	\$11,340	\$7,560	44%
TOTAL MUNICIPAL-WIDE SERVICED CHARGE BY UNIT TYPE	\$17,141	\$45,094	\$25,712	\$17,143	100%
(1) Based on Persons Per Unit Of:		2.63	1.50	1.00	

Service	Other Non-Residential	Industrial	Share of Total
	Charge (\$/sq.m)	Charge (\$/sq.m)	
Public Library	\$0.00	\$0.00	0%
Fire Protection Services	\$5.61	\$3.39	2%
Parks & Recreation	\$0.00	\$0.00	0%
Services Related To A Highway: Public Works	\$0.80	\$0.48	0%
Development Related Studies	\$2.06	\$1.24	1%
Services Related To A Highway: Roads & Related	\$38.93	\$23.48	14%
Stormwater	\$18.08	\$10.91	6%
Total Municipal-Wide Charge Per Sq.M	\$65.48	\$39.50	23%
System-Wide Water	\$70.57	\$35.29	25%
System-Wide Sewer	\$151.19	\$75.60	53%
TOTAL MUNICIPAL-WIDE SERVICED CHARGE PER SQ.M	\$287.24	\$150.39	100%

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 rates and the revenue shortfall will need to be made up from other sources namely property taxes and user fees.

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 2034, for General and Engineered Services, the Municipality will need to fund an additional \$2.24 million per annum for Municipal-wide services to properly fund the full life cycle costs of the new assets supported under the 2024 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 are in Appendix E.

F. MODIFICATIONS TO THE MUNICIPALITY'S DEVELOPMENT CHARGES BACKGROUND STUDY

The Municipality is proposing to modify the current development charges by-law as part of the study process. The by-law will be made available under a separate cover.

1. MUNICIPAL-WIDE APPROACH

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

A. MUNICIPAL-WIDE DEVELOPMENT CHARGES ARE CALCULATED

The Municipality 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 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 Municipality or to other designated development areas as specified in the by-law.

i. Services Based on a Municipal-wide Approach

For the services that the Municipality provides, a range of capital facilities, land, equipment and infrastructure is available throughout the Municipality; fire stations, park facilities, 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 in existing communities. A widely accepted method for sharing the development-related capital costs for such Municipal services is to apportion them over all new development anticipated in the Municipality. As part of the Municipality's 2024 DC update, no area-specific development charges are calculated.

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

General Services:

- Public Library;
- Fire Protection Services;
- Parks & Recreation;
- Services Related to a Highway: Public Works; and
- Development Related Studies.

Engineered Services:

- Services Related to a Highway: Roads & Related;
- System-wide Water;
- System-wide Sewer; and
- Stormwater

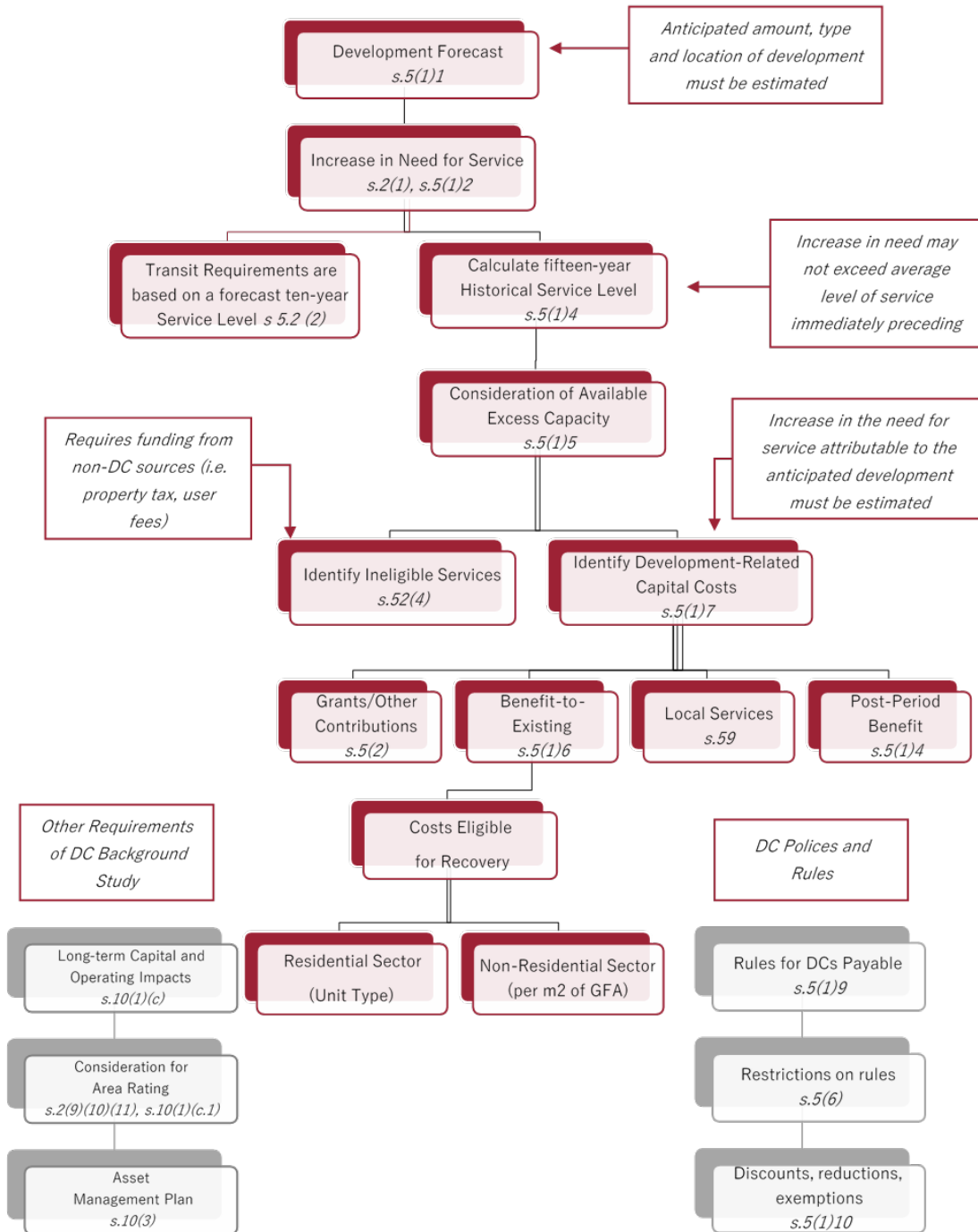
These services form a reasonable basis on which to plan and administer the development charges. The analysis of each of these services examines the individual capital facilities and equipment that make them up. For example, the Parks & Recreation Service includes various buildings and associated land,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

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

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 for the ten-year study period, 2024–2033, for general and engineered services. The forecasts of population and households are guided by discussions with Municipal Staff as well the Forecasts of households, population and employment outlined in *Population, Housing and Employment Projections to 2046 - Update* prepared by Hemson Consulting in 2021.

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 period (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 ten-year period, 2024–2033. The forecast of GFA is based on the employment forecast for the Municipality. A factor for floor space per worker by category is used to convert the employment forecast into gross floor area for the purposes of the DC Background 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 Municipality over the 15-year period immediately preceding the preparation of the background study...(s. 5. (1) 4.)

Historical fifteen-year average service levels thus form the basis for development charges. A review of Municipality'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 2009 – 2023.

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

A development-related capital program has been prepared by Municipal Staff 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 Municipality 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 fifteen-year average service levels or the service levels embodied in future plans of the Municipality. 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 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.

For some projects in the development-related capital forecast, a portion of the project may confer benefits to existing (a “BTE”) 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 Municipality from non-development charges sources. The amount of Municipality 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 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 and employment growth).

Finally, the residential component of the Municipal-wide 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 to different non-residential building types (other non-residential and industrial) based off the growth forecast.

v. Note on Rounding

Due to rounding in some tables, numbers may not add up precisely to the totals indicated and percentages may not precisely reflect the absolute figures for the same reason.

2. 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.

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 2024 to 2033. As noted in Section 2, for DC calculation purposes, the ten-year planning period is applicable to both general and engineered services, and has been utilized in the calculation of the DCs.

The Municipality's Census population is expected to increase by approximately 1,099 people over the next ten years, reaching 12,790 by 2033. About 635 additional occupied dwelling units are forecast to be built between 2024 and 2033 and the population residing in these units is expected to increase by 1,454.

B. NON-RESIDENTIAL FORECAST

DCs are levied on non-residential development as a charge per square metre of gross floor area (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 Municipality.

¹ Commonly referred to as "net population growth" in the context of development charges. Penitentiary population is excluded from the historical and forecast period.

The non-residential forecast projects an increase of 946 employees to 2033. The Municipality is anticipated to accommodate in 64,619 square metres of new non-residential building space. For the purposes of the non-residential DC calculations, it is assumed employment land space is “industrial” while population-based and other rural based space are “other non-residential”. Furthermore, it is assumed that other rural based non-residential space will not be serviced by water and wastewater. Further discussion of these items is in Appendices A and C. Table 1 also provides a summary of the non-residential development forecasts used in this analysis.

TABLE 1

MUNICIPALITY OF MEAFORD
 SUMMARY OF RESIDENTIAL AND NON-RESIDENTIAL
 MUNICIPAL-WIDE DEVELOPMENT FORECAST

Municipal-wide Development Forecast	2023 Estimate	Planning Period	
		2024 - 2033	
		Growth	Total at 2033
Residential			
Total Occupied Dwellings	5,156	635	5,790
Total Population			
Census	11,691	1,099	12,790
<i>Population In New Dwellings</i>		<i>1,454</i>	
Non-Residential			
Total Employment Growth	2,701	946	3,647
Non-Residential Building Space (m ²)		64,619	
<i>Population-Related</i>		<i>30,050</i>	
<i>Employment Land</i>		<i>18,943</i>	
<i>Other Rural-Based</i>		<i>15,626</i>	

3. 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 fifteen-year period immediately preceding the preparation of the Background Study, on a service by service basis.

For the services of Public Library Services, Fire Protection, Parks & Recreation, and Services Related to a Highway: Public Works and Roads & Related, the legislative requirement is met by documenting historical service levels for the preceding fifteen years, in this case, for the period from 2009 to 2023. Typically, service levels for these 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 Municipality. 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 2023.

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 and C.1 provide the detailed historical inventory data upon which the calculation of service levels is based.

TABLE 2

MUNICIPALITY OF MEAFORD
SUMMARY OF AVERAGE HISTORIC SERVICE LEVELS 2009 - 2023

Service	2009 - 2023 Service Level Indicator
1.0 PUBLIC LIBRARY Buildings Land Materials Furniture And Equipment	\$596.47 per capita \$387.12 per capita \$3.18 per capita \$166.92 per capita \$39.25 per capita
2.0 FIRE PROTECTION SERVICES Buildings Land Furniture & Equipment Vehicles	\$995.87 per pop & empl \$540.65 per pop & empl \$70.44 per pop & empl \$47.72 per pop & empl \$337.06 per pop & empl
3.0 PARKS & RECREATION Indoor Recreation Parkland Development Park Facilities Park Buildings & Equipment	\$12,333.63 per capita \$8,143.11 per capita \$1,524.30 per capita \$1,203.11 per capita \$1,463.11 per capita
4.0 SERVICES RELATED TO A HIGHWAY	
4.1 PUBLIC WORKS <i>Buildings</i> <i>Furniture And Equipment</i> <i>Fleet & Related Equipment</i>	\$1,187.79 per pop & empl <i>\$203.88 per pop & empl</i> <i>\$31.68 per pop & empl</i> <i>\$952.23 per pop & empl</i>
4.2 ROADS AND RELATED <i>Roads</i> <i>Bridges & Culverts</i> <i>Traffic Signals</i> <i>Sidewalks</i>	\$22,545.85 per pop & empl <i>\$12,925.18 per pop & empl</i> <i>\$9,283.22 per pop & empl</i> <i>\$24.30 per pop & empl</i> <i>\$313.15 per pop & empl</i>

4. 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. *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, Municipal staff have created a development-related capital program setting out those projects that are required to service anticipated development. For all general and engineered services, the capital plan covers the ten-year period from 2024 to 2033.

One of the recommendations contained in this DC 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 Meaford. It is acknowledged that changes to the forecast presented may occur through the Municipality's normal capital budget process.

B. THE DEVELOPMENT-RELATED CAPITAL FORECAST FOR GENERAL SERVICES

A summary of the development-related capital forecast for general services is 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. The development-related capital forecast for general services estimates a

total gross cost of \$15.46 million. Alternative funding sources have been identified in the amount of \$22,600 and account for prior payments on the New Public Library Debenture. Therefore, the net municipal cost of the capital program is reduced to \$15.44 million.

Of the \$15.44 million ten-year net municipal capital costs for general services, \$9.83 (64%) is related to the Parks & Recreation capital program. The forecast includes various park developments and upgrades, an outdoor recreation facility, an additional splash pad, a provision for a new indoor recreation space, and vehicles.

The next largest portion of the capital forecast relates to the Public Library development-related capital program at \$1.83 million (12%). The program includes the recovery of the completed New Public Library, a recovery of the negative reserve fund balance, and e-resources.

The next largest portion of the capital forecast relates to Fire Protection Services development-related capital program at \$1.76 million (11%). The program includes a remote water site and a ladder replacement and enhancement.

The next largest portion of the capital forecast relates to the Services Related to a Highway: Public Works development-related capital program at \$1.53 million (10%). The program includes a space for future vehicles, a sidewalk cleaner, and a snow plow.

It is noted that on April 10, 2024, the Minister of Municipal Affairs and Housing introduced legislation, the *Cutting Red Tape to Build More Homes Act, 2024*, that proposed to reintroduce development-related studies as an eligible service/cost under the DCA. This change came into force on June 6, 2024.

As such, Development Related Studies includes \$503,000 in net capital costs (3% of the capital program) and includes a series of development-related studies planned over the period.

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 2024 (for which DC reserve fund balances exist), for replacement of existing capital facilities, or for development anticipated to occur beyond the 2024–2033 planning period.

TABLE 3

**MUNICIPALITY OF MEAFORD
SUMMARY OF DEVELOPMENT-RELATED CAPITAL PROGRAM
FOR GENERAL SERVICES 2024 - 2033
(in \$000)**

Service	Gross Cost	Grants/ Subsidies	Municipal Cost
1.0 PUBLIC LIBRARY	\$1,848.2	\$22.6	\$1,825.7
1.1 Recovery of Negative Reserve Fund Balance	\$54.9	\$0.0	\$54.9
1.2 Buildings, Land and Materials	\$1,793.4	\$22.6	\$1,770.8
2.0 FIRE PROTECTION SERVICES	\$1,760.0	\$0.0	\$1,760.0
2.1 Buildings, Vehicles & Equipment	\$1,760.0	\$0.0	\$1,760.0
3.0 PARKS & RECREATION	\$9,826.3	\$0.0	\$9,826.3
3.1 Park Development	\$4,726.3	\$0.0	\$4,726.3
3.2 Indoor Recreation	\$5,000.0	\$0.0	\$5,000.0
3.3 Vehicles and Equipment	\$100.0	\$0.0	\$100.0
4.0 SERVICES RELATED TO A HIGHWAY: PUBLIC WORKS	\$1,525.0	\$0.0	\$1,525.0
4.1 Buildings, Land, Equipment	\$1,000.0	\$0.0	\$1,000.0
4.2 Vehicles	\$525.0	\$0.0	\$525.0
5.0 DEVELOPMENT RELATED STUDIES	\$503.0	\$0.0	\$503.0
5.1 Recovery of Negative Reserve Fund Balance	\$3.0	\$0.0	\$3.0
5.2 Development-Related Studies	\$500.0	\$0.0	\$500.0
TOTAL - GENERAL SERVICES	\$15,462.5	\$22.6	\$15,439.9

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: Roads & Related, System-wide Water service, System-wide Sewer Services, and Stormwater. The capital program totals \$146.54 million and provides servicing for anticipated development over the planning period from 2024 to 2033. Further details on the capital plans for each individual service category are available in Appendix C. Grants, subsidies, and alternative funding sources (inclusive of developer contributions) have been identified in the amount of \$30.00 million for the capital projects. As such, the remaining net cost of \$116.54 million is the cost to be paid by the Municipality.

Of the total net capital costs, 68%, or \$79.77 million, is associated with development-related System-wide Sewer projects. The capital program includes various infrastructure sewer works (including infrastructure for Industrial Park Road, Miller Street, Nelson Street, and Pearson Street sewer mains), syphon upgrades, projects related to the new wastewater treatment plant, financing costs, the sewage pumping station upgrades, and studies.

About 14% of the total engineered net capital costs, or \$16.75 million, is associated with development-related System-wide Water projects. The capital program includes various infrastructure water works for in-ground water storage, debt recoveries, and studies.

Of the total engineered net capital costs, 12%, or \$14.45 million, is associated with development-related Roads & Related projects. The capital program includes various infrastructure road works (including construction on Legion Road, Industrial Park Road, and Ridge Road), sidewalk improvements, and studies.

Stormwater capital projects include stormwater infrastructure on Legion Road, Industrial Park Road, and Ridge Road. The net municipal cost of the program is \$5.57 million, or about 5% of all engineering services costs.

TABLE 4

MUNICIPALITY OF MEAFORD
 SUMMARY OF DEVELOPMENT-RELATED CAPITAL PROGRAM
 FOR MUNICIPAL-WIDE ENGINEERED SERVICES 2024 - 2033
 (in \$000)

Service	Gross Cost	Grants / Subsidies	Net Municipal Cost
1.0 SERVICES RELATED TO A HIGHWAY: ROADS & RELATED	\$14,449.9	\$0.0	\$14,449.9
2.0 SYSTEM-WIDE WATER	\$16,745.4	\$0.0	\$16,745.4
3.0 SYSTEM-WIDE SEWER	\$109,772.4	\$30,000.0	\$79,772.4
4.0 STORMWATER	\$5,568.3	\$0.0	\$5,568.3
TOTAL - ENGINEERED SERVICES CAPITAL PROGRAM	\$146,536.0	\$30,000.0	\$116,536.0

5. 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, there is a calculation of the charge per capita (residential) and per square metre (non-residential) charges.

For residential development, the calculated total per capita amount is converted to a variable charge by housing unit type using various unit occupancy factors. For other non-residential and industrial 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. DEVELOPMENT CHARGES CALCULATION

A summary of the calculated 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 and C.

i. General Services

A summary of the calculated residential and non-residential DCs for general services is presented in Table 5.

The net capital forecast for the ten-year services totals \$15.44 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, \$3.76 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 \$2.05 million is in available DC reserve funds and represents the revenue collected from previous DCs. This portion is netted out of the chargeable capital costs.

Also netted off are other development related shares of \$5.35 million and is largely attributable to development beyond 2033. 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 \$4.28 million. This amount is allocated between the residential and non-residential sectors to derive the calculated DCs. Public Library Services and Parks & Recreation are deemed to benefit residential development only, while the remaining services are allocated between both sectors based on shares of population and employment growth in new space. The allocation to the residential sector for these services is calculated at 61%, 32% to other non-residential space, and 8% to industrial space.

Approximately \$3.80 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 (1,454), a calculated charge of \$2,614.02 per capita results. The other non-residential share totals \$386,800 which yields a calculated charge of \$8.47 per square metre when divided by the ten-year increase in non-residential building space (45,676). The industrial share totals \$96,800 which yields a calculated charge of \$5.11 per square metre when divided by the ten-year increase in industrial building space (18,943).

TABLE 5

MUNICIPALITY OF MEAFORD
 SUMMARY OF UNADJUSTED RESIDENTIAL AND NON-RESIDENTIAL DEVELOPMENT CHARGES
 10-YEAR CAPITAL PROGRAM FOR GENERAL SERVICES

Growth in Population in New Units to 2033	1,454
Growth in Square Metre to 2033	64,619
<i>New Other Non-Residential Space (sq.m)</i>	<i>45,676</i>
<i>New Industrial Space (sq.m)</i>	<i>18,943</i>

Service	Development-Related Capital Program (2024 - 2033)						Residential and Non-Residential Share					
	Net Municipal Cost (\$000)	Grants/Subsidies/Other Recoveries (\$000)	Replacement & Benefit to Existing (\$000)	Available DC Reserves (\$000)	Other Dev. Related (\$000)	Total DC Eligible Costs for Recovery (\$000)	Residential Share		Non-Residential Share			
							%	(\$000)	%	(\$000)	%	(\$000)
1.0 PUBLIC LIBRARY	\$1,825.7	\$22.6	\$50.0	\$0.0	\$1,120.3	\$655.3	100%	\$655.3	0%	\$0.0	0%	\$0.0
Unadjusted Development Charge Per Capita								\$450.72				
Unadjusted Development Charge Per Sq.M										\$0.00		\$0.00
2.0 FIRE PROTECTION SERVICES	\$1,760.0	\$0.0	\$850.0	\$97.0	\$0.0	\$813.0	61%	\$492.4	32%	\$256.4	8%	\$64.2
Unadjusted Development Charge Per Capita								\$338.65				
Unadjusted Development Charge Per Sq.M										\$5.61		\$3.39
3.0 PARKS & RECREATION	\$9,826.3	\$0.0	\$2,153.1	\$1,038.8	\$4,231.6	\$2,402.8	100%	\$2,402.8	0%	\$0.0	0%	\$0.0
Unadjusted Development Charge Per Capita								\$1,652.53				
Unadjusted Development Charge Per Sq.M										\$0.00		\$0.00
4.0 SERVICES RELATED TO A HIGHWAY: PUBLIC WORKS	\$1,525.0	\$0.0	\$500.0	\$909.8	\$0.0	\$115.2	61%	\$69.8	32%	\$36.3	8%	\$9.1
Unadjusted Development Charge Per Capita								\$47.98				
Unadjusted Development Charge Per Sq.M										\$0.80		\$0.48
5.0 DEVELOPMENT RELATED STUDIES	\$503.0	\$0.0	\$205.0	\$0.0	\$0.0	\$298.0	61%	\$180.5	32%	\$94.0	8%	\$23.5
								\$124.14				
										\$2.06		\$1.24
TOTAL 10 YEAR GENERAL SERVICES	\$15,439.9	\$22.6	\$3,758.1	\$2,045.6	\$5,351.9	\$4,284.3		\$3,800.8		\$386.8		\$96.8
Calculated Development Charge Per Capita								\$2,614.02				
Calculate Development Charge Per Sq.M										\$8.47		\$5.11



ii. Engineered Services

Table 6 displays the calculation of the calculated DC rates for the engineered services of Services Related to a Highway: Roads & Related, System-wide Water, System-wide Sewer, and Stormwater Management. The development-related engineering infrastructure will be used to service development in Meaford between 2024 and 2033.

Of the total net municipal cost of all engineered services development-related projects, \$116.54 million, not all are to be recovered from new development by way of DCs. Table 6 shows that \$15.52 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 \$2.46 million, have also been removed from the DC calculation. Post-period shares are \$65.41 million and represent the shares of projects that will provide benefit to development beyond 2033 in the Municipality. These shares have also been removed from the DC calculation. The remaining \$33.14 million is related to development in the 2024 to 2033 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, other non-residential, and industrial 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, other non-residential, and industrial sectors are 61%, 32%, and 8% for Roads & Related and Stormwater services. For Water and Sewer services the allocations are based exclusively off serviced development. Therefore, the allocations to the residential, other non-residential, and industrial sectors are 65%, 27%, and 8%, respectively.

As a result, \$21.12 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 (1,454) results in a calculated charge of \$14,527.09 per capita.

The other non-residential share totals \$9.27 million. When this amount is divided by other non-residential ten-year growth in square metres of 45,676 for Roads & Related and Stormwater and 30,050 for Water and Sewer this results in a calculated charge of \$278.77 per square metre.

The industrial share totals \$2.75 million. When this amount is divided by industrial ten-year growth in square metres of 18,943 this results in a calculated charge of \$145.28 per square metre.

TABLE 6

MUNICIPALITY OF MEAFORD
 SUMMARY OF RESIDENTIAL AND NON-RESIDENTIAL DEVELOPMENT CHARGES
 CAPITAL PROGRAM FOR MUNICIPAL-WIDE ENGINEERED SERVICES
 2024 - 2033

	Total	Serviced
Growth in Population in New Units to 2033	1,454	1,454
Growth in Square Metre to 2033	64,619	48,993
<i>New Other Non-Residential Space (sq.m)</i>	45,676	30,050
<i>New Industrial Space (sq.m)</i>	18,943	18,943

Service	Development-Related Capital Program (2024 - 2033)						Residential and Non-Residential Share					
	Net Municipal Cost (\$000)	Grants/ Subsidies/Other Recoveries (\$000)	Replacement & Benefit to Existing (\$000)	Available DC Reserves (\$000)	Post-Period Benefit (\$000)	Total DC Eligible Costs for Recovery (\$000)	Residential Share		Non-Residential Share			
							%	(\$000)	%	(\$000)	%	(\$000)
1.0 SERVICES RELATED TO A HIGHWAY: ROADS & RELATED	\$14,449.9	\$0.0	\$3,234.8	\$655.5	\$4,922.4	\$5,637.2	60.6%	\$3,414.2	31.5%	\$1,778.2	7.9%	\$444.8
Development Charge Per Capita								\$2,348.16		\$38.93		\$23.48
Development Charge Per Sq.M												
2.0 SYSTEM-WIDE WATER	\$16,745.4	\$0.0	\$1,180.9	\$0.0	\$7,644.7	\$7,919.9	64.8%	\$5,130.7	26.8%	\$2,120.7	8.4%	\$668.5
Development Charge Per Capita								\$3,528.67		\$70.57		\$35.29
Development Charge Per Sq.M												
3.0 SYSTEM-WIDE SEWER	\$79,772.37	\$30,000.0	\$10,228.0	\$1,806.1	\$50,771.1	\$16,967.2	64.8%	\$10,991.8	26.8%	\$4,543.4	8.4%	\$1,432.1
Development Charge Per Capita								\$7,559.69		\$151.19		\$75.60
Development Charge Per Sq.M												
4.0 STORMWATER	\$5,568.3	\$0.0	\$875.4	\$0.0	\$2,074.8	\$2,618.1	60.6%	\$1,585.7	31.5%	\$825.8	7.9%	\$206.6
Development Charge Per Capita								\$1,090.57		\$18.08		\$10.91
Development Charge Per Sq.M												
TOTAL MUNICIPAL-WIDE ENGINEERED SERVICES	\$116,536.0	\$30,000.0	\$15,519.1	\$2,461.5	\$65,412.9	\$33,142.4		\$21,122.4		\$9,268.1		\$2,751.9
Development Charge Per Capita								\$14,527.09		\$278.77		\$145.28
Development Charge Per Sq.M												



iii. **Calculated Development Charges**

Table 7 provides the calculated rates by residential unit. As shown in the table, the proposed serviced residential charge is \$45,094 for a single- or semi-detached unit, \$25,712 for rows and other multiples, and \$17,143 for a nursing home bed.

For the non-residential development charges, the other non-residential rate is \$287.24 per square metre for full serviced development as shown in Table 8. The calculated industrial charge is \$150.39 per square metre for fully serviced development.

TABLE 7
MUNICIPALITY OF MEAFORD
MUNICIPAL-WIDE DEVELOPMENT CHARGES
RESIDENTIAL DEVELOPMENT CHARGES

Service	Charge Per Capita	Charge By Unit Type ⁽¹⁾			Share of Total
		Single & Semi-Detached	Rows & Other Multiples	Nursing Home (per Bed)	
Public Library	\$451	\$1,186	\$676	\$451	3%
Fire Protection Services	\$339	\$891	\$508	\$339	2%
Parks & Recreation	\$1,653	\$4,347	\$2,479	\$1,653	10%
Services Related To A Highway: Public Works	\$48	\$126	\$72	\$48	0%
Development Related Studies	\$124	\$327	\$186	\$124	1%
Services Related To A Highway: Roads & Related	\$2,348	\$6,177	\$3,522	\$2,348	14%
Stormwater	\$1,091	\$2,869	\$1,636	\$1,091	6%
Total Municipal-Wide Charge Per Unit	\$6,053	\$15,923	\$9,079	\$6,054	35%
System-Wide Water	\$3,529	\$9,283	\$5,293	\$3,529	21%
System-Wide Sewer	\$7,560	\$19,888	\$11,340	\$7,560	44%
TOTAL MUNICIPAL-WIDE SERVICED CHARGE BY UNIT TYPE	\$17,141	\$45,094	\$25,712	\$17,143	100%
(1) Based on Persons Per Unit Of:		2.63	1.50	1.00	

TABLE 8
MUNICIPALITY OF MEAFORD
MUNICIPAL-WIDE DEVELOPMENT CHARGES
NON-RESIDENTIAL DEVELOPMENT CHARGES

Service	Other Non-Residential	Industrial	Share of Total
	Charge (\$/sq.m)	Charge (\$/sq.m)	
Public Library	\$0.00	\$0.00	0%
Fire Protection Services	\$5.61	\$3.39	2%
Parks & Recreation	\$0.00	\$0.00	0%
Services Related To A Highway: Public Works	\$0.80	\$0.48	0%
Development Related Studies	\$2.06	\$1.24	1%
Services Related To A Highway: Roads & Related	\$38.93	\$23.48	14%
Stormwater	\$18.08	\$10.91	6%
Total Municipal-Wide Charge Per Sq.M	\$65.48	\$39.50	23%
System-Wide Water	\$70.57	\$35.29	25%
System-Wide Sewer	\$151.19	\$75.60	53%
TOTAL MUNICIPAL-WIDE SERVICED CHARGE PER SQ.M	\$287.24	\$150.39	100%

6. COMPARISON OF CALCULATED AND CURRENT DEVELOPMENT CHARGES

Table 9 presents a comparison of the newly calculated residential DCs with the Municipality's current charges and indexed charges from the 2015 DC Study for Public Library, Parks & Recreation, and Development Related Studies. The calculated residential DC for a single- or semi-detached unit is \$22,462, or 99%, greater than the Municipality's current residential charge of \$22,632.

Tables 10 and 11 outline the comparison of current vs calculated non-industrial and industrial development charges in the Municipality. As per Table 10, the calculated other non-residential rate of \$287.24 is \$134.83 (or 88%) higher than the Municipality's current charge of \$152.40 per square metre. The calculated industrial DC of \$150.39 in Table 11 is \$68.83 (or 84%) higher than the current charge of \$81.56 per square metre.

TABLE 9
MUNICIPALITY OF MEAFORD
COMPARISON OF CURRENT AND CALCULATED
RESIDENTIAL DEVELOPMENT CHARGES BY SERVICE AREA

Service	Current	Calculated	Difference in Charge	
	Residential Charge / SDU	Residential Charge / SDU		
Public Library	\$798	\$1,186	\$388	49%
Fire Protection Services	\$1,067	\$891	(\$176)	-16%
Parks & Recreation	\$2,864	\$4,347	\$1,483	52%
Services Related To A Highway: Public Works	\$689	\$126	(\$563)	-82%
Development Related Studies	\$535	\$327	(\$208)	-39%
Services Related To A Highway: Roads & Related	\$1,373	\$6,177	\$4,804	350%
Stormwater	\$0	\$2,869	\$2,869	N/A
Total Municipal-Wide Charge	\$7,327	\$15,923	\$8,596	117%
System-Wide Water ⁽²⁾	\$3,011	\$9,283	\$6,272	208%
System-Wide Sewer ⁽²⁾	\$12,294	\$19,888	\$7,594	62%
TOTAL MUNICIPAL-WIDE SERVICED CHARGE	\$22,632	\$45,094	\$22,462	99%

Notes:

- (1) Charges for Library, Parks & Recreation, and Development Related Studies are indexed rates from the 2015 DC Study
- (2) Current charge includes Service Area 3
- (3) Services Area 2 per SDU charges are \$1,529 for water and \$2,159 for sewer

TABLE 10
MUNICIPALITY OF MEAFORD
COMPARISON OF CURRENT AND CALCULATED
NON-RESIDENTIAL DEVELOPMENT CHARGES BY SERVICE AREA

Service	Current	Calculated	Difference in Charge	
	Non-Residential Charge / SQ.M	Non-Residential Charge / SQ.M		
Public Library	\$0.00	\$0.00	\$0.00	N/A
Fire Protection Services	\$8.29	\$5.61	(\$2.68)	-32%
Parks & Recreation	\$0.00	\$0.00	\$0.00	N/A
Services Related To A Highway: Public Works	\$5.46	\$0.80	(\$4.66)	-85%
Development Related Studies	\$3.25	\$2.06	(\$1.19)	-37%
Services Related To A Highway: Roads & Related	\$11.78	\$38.93	\$27.15	231%
Stormwater	\$0.00	\$18.08	\$18.08	N/A
Total Municipal-Wide Charge	\$28.78	\$65.48	\$36.70	128%
System-Wide Water ⁽²⁾	\$26.00	\$70.57	\$44.57	171%
System-Wide Sewer ⁽²⁾	\$97.62	\$151.19	\$53.57	55%
TOTAL MUNICIPAL-WIDE SERVICED CHARGE	\$152.40	\$287.24	\$134.83	88%

Notes:

- (1) Charges for Library, Parks & Recreation, and Development Related Studies are indexed rates from the 2015 DC Study
- (2) Current charge includes Service Area 3
- (3) Services Area 2 charges are \$13.49 for water and \$19.06 for sewer per square metre

TABLE 11

MUNICIPALITY OF MEAFORD
 COMPARISON OF CURRENT AND CALCULATED
 INDUSTRIAL DEVELOPMENT CHARGES BY SERVICE AREA

Service	Current	Calculated	Difference in Charge	
	Industrial Charge / SQ.M	Industrial Charge / SQ.M		
Public Library	\$0.00	\$0.00	\$0.00	N/A
Fire Protection Services	\$4.87	\$3.39	(\$1.49)	-31%
Parks & Recreation	\$0.00	\$0.00	\$0.00	N/A
Services Related To A Highway: Public Works	\$3.02	\$0.48	(\$2.54)	-84%
Development Related Studies	\$1.80	\$1.24	(\$0.56)	-31%
Services Related To A Highway: Roads & Related	\$6.26	\$23.48	\$17.22	275%
Stormwater	\$0.00	\$10.91	\$10.91	N/A
Total Municipal-Wide Charge	\$15.96	\$39.50	\$23.54	148%
System-Wide Water ⁽²⁾	\$13.67	\$35.29	\$21.62	158%
System-Wide Sewer ⁽²⁾	\$51.93	\$75.60	\$23.67	46%
TOTAL MUNICIPAL-WIDE SERVICED CHARGE	\$81.56	\$150.39	\$68.83	84%

Notes:

- (1) Charges for Library, Parks & Recreation, and Development Related Studies are indexed rates from the 2015 DC Study
- (2) Current charge includes Service Area 3
- (3) Services Area 2 charges are \$7.21 for water and \$10.14 for sewer per square metre

7. 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. 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 E.

A. ASSET MANAGEMENT PLAN

Tables 12 and 13 provide the calculated annual asset management contribution for the gross capital expenditures by 2034 and the share related to the 2024-2033 DC recoverable portion. The year 2034 has been included to calculate the annual contribution for the 2024-2033 period as the expenditures in 2033 will not trigger asset management contributions until 2034. As shown in Tables 12 and 13, by 2034, the Municipality should fund an additional \$393,700 for general services and \$1.84 million for engineered services per annum to fund the full life cycle costs of the new assets related to the Municipal-wide ten-year Services supported under the development charges by-law.

TABLE 12

MUNICIPALITY OF MEAFORD
ANNUAL ASSET MANAGEMENT PROVISION BY 2034

Service	2024 - 2033 Capital Program		Calculated AMP Annual Provision by 2034	
	DC Related	Non-DC Related*	DC Related	Non-DC Related*
Public Library	\$600,491	\$1,192,892	\$4,421	\$2,211
Fire Protection Services	\$910,000	\$850,000	\$89,576	\$44,016
Parks & Recreation	\$2,441,568	\$5,384,703	\$240,567	\$149,671
Services Related To A Highway: Public Works	\$1,025,000	\$500,000	\$59,116	\$10,534
TOTAL	\$4,977,058	\$7,927,595	\$393,680	\$206,431

* Includes costs that will be recovered under future development charges studies (i.e. other development-related) and ineligible shares.

TABLE 13

MUNICIPALITY OF MEAFORD
ANNUAL ASSET MANAGEMENT PROVISION BY 2034

Service	2024 - 2033 Capital Program		Calculated AMP Annual Provision by 2034	
	DC Related	Non-DC Related*	DC Related	Non-DC Related*
Services Related To A Highway: Roads & Related	\$6,292,683	\$8,157,255	\$256,285	\$132,216
System-Wide Water	\$7,919,873	\$8,825,561	\$258,386	\$127,956
System-Wide Sewer	\$17,777,772	\$90,125,803	\$1,212,272	\$972,984
Stormwater	\$2,618,136	\$2,950,164	\$116,715	\$62,003
TOTAL	\$34,608,464	\$110,058,783	\$1,843,658	\$1,295,159

* Includes costs that will be recovered under future development charges studies (i.e. other development-related) and ineligible shares.

B. LONG-TERM CAPITAL AND OPERATING COSTS

By 2033, the Municipality's net operating costs are estimated to increase by \$860,500. It is noted that operating costs associated with major facilities will be reviewed and updated through future studies and plans. Details of the net operating costs are in Appendix E.

Table 14 summarizes the components of the development related capital program that will require funding from non-development charge sources. Of the \$131.98 million in the 2024-2033 net capital program cost, about \$19.28 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 (BTE) 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.

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 E demonstrates that the Municipality can afford to invest and operate the identified general and engineered services infrastructure over the ten-year planning period.

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

TABLE 14

**MUNICIPALITY OF MEAFORD
SUMMARY OF DEVELOPMENT-RELATED CAPITAL PROGRAM
FOR MUNICIPAL-WIDE SERVICES 2024 - 2033
(in \$000)**

Service	Development-Related Capital Program (2024 - 2033)					
	Net Municipal Cost (\$000)	Grants/ Subsidies/Other Recoveries (\$000)	Replacement & Benefit to Existing (\$000)	Available DC Reserves (\$000)	Other Dev. Related & Post-Period Benefit (\$000)	Total DC Eligible Costs for Recovery (\$000)
1.0 Public Library	\$1,825.7	\$22.6	\$50.0	\$0.0	\$1,120.3	\$655.3
2.0 Fire Protection Services	\$1,760.0	\$0.0	\$850.0	\$97.0	\$0.0	\$813.0
3.0 Parks & Recreation	\$9,826.3	\$0.0	\$2,153.1	\$1,038.8	\$4,231.6	\$2,402.8
4.0 Services Related To A Highway: Public Works	\$1,525.0	\$0.0	\$500.0	\$909.8	\$0.0	\$115.2
5.0 Development Related Studies	\$503.0	\$0.0	\$205.0	\$0.0	\$0.0	\$298.0
6.0 Services Related To A Highway: Roads & Related	\$14,449.9	\$0.0	\$3,234.8	\$655.5	\$4,922.4	\$5,637.2
7.0 System-Wide Water	\$16,745.4	\$0.0	\$1,180.9	\$0.0	\$7,644.7	\$7,919.9
8.0 System-Wide Sewer	\$79,772.4	\$30,000.0	\$10,228.0	\$1,806.1	\$50,771.1	\$16,967.2
9.0 Stormwater	\$5,568.3	\$0.0	\$875.4	\$0.0	\$2,074.8	\$2,618.1
TOTAL - CAPITAL PROGRAM	\$131,976.0	\$30,022.6	\$19,277.3	\$4,507.1	\$70,764.8	\$37,426.8

8. OTHER ISSUES AND CONSIDERATIONS

This section sets out other considerations and legislative requirements relating to the *DCA* including administration and collection, recent legislative changes, and consideration for area rating.

A. DEVELOPMENT CHARGES ADMINISTRATION AND COLLECTION

The DCA requirements in respect of the collection of DCs, certification and remittance, as well as reserve fund management are outlined in this section.

i. Development Charges Amount Payable and Date of Payment

The total amount of a DC is the amount of the DC that would be determined under the by-law on the day of an application for site plan approval or the day of an application for rezoning or, if neither of these apply, the day of building permit issuance. Full details on determining the DCs payable in any particular case are provided in s.26 and s.26.2 of the DCA.

The default date of payment of a DC is the date of building permit issuance. However, under s.27 of the DCA the Municipality may enter into an agreement with a developer to alter the timing of payment.

For two specific types of development, DCs must be paid according to the following plan:

- Six equal annual installments beginning at building occupancy (permit or actual occupancy) and for the following five anniversaries of that date for rental housing and institutional development.

For required instalments, the Municipality may charge interest from the date the DC would have been payable to the date the instalment is paid. Interest may accrue on each installment until the final payment has been made. Any skipped or late payments can be added to the tax roll (including interest). Full details on the prescribed payment plans are provided in s.26.1 of the DCA. In accordance with s.26.3 of the DCA the maximum interest rate a municipality can charge is prime plus 1%.

ii. Reserve Funds

Under the DCA, a municipality that has passed a development charge by-law must establish a separate reserve fund for each service to which the development charge relates and pay each development charge it collects into the respective reserve fund. While the DCA does permit municipalities to borrow from the reserve fund, the amount borrowed is to be repaid with interest at a rate not less than the prescribed minimum interest rate. Additionally, money in the reserve fund is to be spent only on development-related capital costs.

Annual financial statements are to be provided to Council and must include the following:

- Opening and closing balances and in-year transactions
- A description of service or category of service
- Details on credits paid by individual credit holders
- Amounts borrowed and purpose of borrowing
- Interest accrued on borrowing
- Amount and source of money used to repay borrowing
- Projects funded from DCs including amount and source of DC and non-DC funding

B. DEVELOPMENT CHARGES ADMINISTRATION

Many of the administrative requirements of the DCA will be similar to those presently followed by the Municipality in terms of collection practices. However, changes will likely be required in the use of and reporting on the new development charges. In this regard:

- It is recommended that the current practices regarding collection of development charges and by-law administration continue to the extent possible;
- As required under the DCA, the Municipality 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 Municipality develop reporting policies consistent with the requirements of the DCA;
- It is recommended that the by-laws permit the payment of a development charge in cash or through services-in-lieu agreements. The municipality is not obligated to enter into services-in-lieu agreements;

- The proposed draft by-law sets out the rules to determine development charges applicable in any particular case. Rules for exemptions are also outlined in the proposed draft by-law;
- It is recommended that Council adopt the development-related capital forecast included in this background study, subject to annual review through the Municipality's normal capital budget process.

C. 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, the appropriateness of implementing area-specific development charges for the various Municipal services was examined.

The *DCA* permits the Municipality to designate in its DC by-law, the areas where development charges shall be imposed. The charges may apply to all lands in the Municipality or to other designated development areas as specified in the DC by-law.

The following was considered with respect to area-specific development charges:

- Is the use of area-specific charges appropriate for some or all services?
- Are there any data limitations with calculating an area-specific development charge?

Area-specific development charges are typically considered when there is clear benefit to a particular area (including the population or population and employment), and have been implemented mostly in stand alone green field developments.

Based on discussions with staff, and the analysis of the delivery of services, it is proposed that the Municipality calculate and collect DCs on a uniform, Municipal-wide basis. The rationale for maintaining a uniform Municipal-wide approach is based primarily on the fact that 10-year historical service levels can be calculated on a Municipal-wide basis to ensure the emplacement of a service or infrastructure in one particular area of the Municipality does not exceed the service level of that specific community. As well, Municipal-wide DCs ensure a consistent approach to financing the cost of development-related projects, from both a DC and non-DC revenue source perspective. Finally, an attempt to impose area-specific DCs to a DC regime which has imposed municipal-wide DCs for a long length of time would cause equity issues during transitions.

D. LOCAL SERVICE POLICY

The Municipality's local service policy is outlined in Appendix F. In accordance with the Act, this policy document is attached to this 2024 DC Background study.