

**Development Charges Background Study
(FINAL REPORT)**

Township of Horton

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**TOWNSHIP OF HORTON
DEVELOPMENT CHARGES STUDY – MAY 2018
FINAL REPORT**

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**TOWNSHIP OF HORTON
DEVELOPMENT CHARGES STUDY – MAY 2018
FINAL REPORT**

1.0 INTRODUCTION

The Township of Horton retained Jp2g Consultants Inc. to undertake a new Development Charges Study, and to prepare a new Development Charges By-law for the municipality in order to recover the growth-related net capital costs of certain services provided in the Township over the next 5 years. The Township of Horton passed a Development Charges By-law (By-law No. 2013-22, as amended) supported by a Development Charges Study. Development Charges By-law No. 2013-22 expires on June 4, 2018. The following report has been prepared in accordance with the requirements of the Development Charges Act, 1997, S.O. 1997.C.27 and its Regulations, and presents information and background data collected to provide a basis in support of the proposed new Development Charges By-law for the Township of Horton.

2.0 BACKGROUND

The Province of Ontario adopted the Development Charges Act on December 8, 1997 and subsequent Regulations to the Act, which both came into force and effect on March 1, 1998. Amendments to the Act (Bill 73) and Regulations came into effect on December 3, 2015. A development charge under the Development Charges Act, 1997, is a fee charged to pay for increased capital costs required because of increased need for services arising from development. Development charges can be collected for each new dwelling unit, new commercial building/structure or addition, or new industrial building/structure or industrial addition greater than 50% of the existing gross floor area (g.f.a.).

This study is aimed at determining a development charge rate structure which will not require existing taxpayers to contribute to the capital cost of new growth. Similarly, new taxpayers should not have to contribute more than their fair share of the net capital cost of providing the current level of municipal services for new growth. This approach is guided by provisions in the Development Charges Act, 1997, and its regulations.

The Development Charges Act includes a requirement for municipalities to undertake a supporting Background Study if they wish to pass a by-law to collect development charges. The purpose of the Study is to identify the services to which the development charges relate, the increase in the need for a service that is due to growth, the net growth-related capital costs of services for which a development charge will be collected and the capital costs of the service that will be incurred during the five year term of implementing the Development Charges By-law. The following study will determine the development charges that are to be collected in order to recover the growth-related net capital costs of certain eligible services over a ten (10) year planning period.

The recommendations put forth in this Study are in accordance with the requirements of the Development Charges Act, 1997, and Ontario Regulation 82/98, as amended by Ontario Regulation 428/15.

3.0 METHODOLOGY

The process followed in order to calculate an eligible development charge for the Township of Horton can be summarized as follows. The first step in the study was to review demographic and development trends in the Township to determine population and household counts over the past ten years. An inventory of the services provided over the past ten years within eligible service categories was undertaken and combined with the results of the population and household counts to calculate the average level of service provided over the past ten years. This exercise provides an indication of which municipal facilities and equipment will not have sufficient capacity over the next ten years to accommodate the needs of future growth at historical service levels.

Any services with excess capacity were identified, as the excess capacity must be used up prior to an additional unit of the service being purchased or constructed. One of the changes from the previous Development Charges Act is that municipalities can no longer collect a Development Charge for the excess capacity in existing capital facilities or equipment. Essentially, the new approach to excess capacity says that what is paid for is paid for, unless Council specifically identified that the excess capacity would be paid for through development charges.

This information was then used as the basis of preparing a capital expenditure forecast and population projections for the ten year period of the Study. The ten year capital expenditure forecast was prepared based on the principle of continuing to provide the average level of service from the past ten years over the next ten year period. The forecast ensures that the average level of service is not exceeded and that new development only pays its fair share of the costs.

The ten year capital expenditure forecast and the population projections were then used as the basis to calculate the eligible development charges that can be collected by the Township.

4.0 GROWTH FORECASTS AND AVERAGE LEVEL OF SERVICE

4.1 Introduction

The analysis of population trends is an essential element in determining the municipality's future services, policies and programs. The demand for services in a municipality is considered to be directly related to growth.

The general principle for establishing a development charge rate is that the existing population should not have to pay for the capital costs of growth related development through general taxation. The capital cost of growth related development should be reduced by contributions from those creating the requirement for additional municipal services. New taxpayers, however, should only have to pay their fair share of the net capital cost of providing the current level of municipal services for new growth.

A review of population trends and growth projections is very important in order to establish an appropriate growth rate so that:

1. The timing and sizing of construction for new municipal services and facilities can be scheduled.
2. The amount of residential and commercial/industrial development sharing the cost of new facilities and services can be estimated.
3. The average level of service provided in the Township over the 10-year period immediately preceding the preparation of this Study can be established.

4.2 Review of Past Population and Development Trends

In order to calculate population and development projections for the Township of Horton, it was necessary to establish what the past demographic, population and development trends in the municipality were. In this regard, a review of population, property assessment, building permit and land severance information was undertaken to establish what the annual population in the municipality was over the preceding ten year period from 2008 to 2017. Specifically, a blend of census data and building permit activity was used to estimate the total permanent and seasonal population over the past ten years. The seasonal population was included in the population count as seasonal residents use the same services as the permanent population, and because seasonal units can easily become permanent units (without the need for a building permit) simply by longer duration of occupancy. The resulting estimate of the total population for the Township of Horton from 2008 to 2017 is shown in Table A as follows:

Table A Township of Horton Permanent and Seasonal Population 2008-2017	
Year	Township of Horton
2008	3275
2009	3207
2010	3140
2011	3072
2012	3139
2013	3206
2014	3273
2015	3340
2016	3407
2017	3439

Source: Statistics Canada, Building Permit Data for 2017 and Jp2g Consultants Ltd.

4.3 Average Level of Service Over the Past Ten Years

The above population table was applied to the inventory of the equipment and buildings held by the Township in order to determine the average level of service provided over the past ten (10) years. The inventory of equipment and facilities from 2008 to 2017 was prepared based on discussions with Township staff and a review of the previous Development Charges Study for the Township of Horton. The results of these calculations are presented in Table 1A, which shows the average level of service for capital facilities and equipment in eligible service categories that were selected for inclusion in the Study. Appendix A provides a more detailed inventory of these services over the past ten years and illustrates what the average level of service was each year.

TABLE 1A
10 YEAR AVERAGE MUNICIPAL SERVICE STANDARDS
 2007-2017

May-18

	Average Service Standard Per Person
FIRE PROTECTION	
Fire Department Buildings (m2)	0.05145 of a floor area
Parking Lot (# of spaces)	0.00277 of a parking space
Fire Vehicle	0.06767 of a vehicle
Breathing Apparatus & Equipment	0.00308 of a breathing apparatus unit & equipment
Pagers & Chargers	0.00585 of a pager & charger
Hose (footage of hose equiv. to cost of 1.5")	2.40308 feet of 1.5" hose (equivalent cost)
Air Tanks	0.00616 of the cost of an air tank
Air Tanks	0.00031 of the cost of an air tank
Training Equipment (Equivalent Value to \$1000)	0.00031 of \$1000 worth of training equipment
Dry Hydrant	0.00031 of a dry hydrant

	Average Service Standard Per Person
PUBLIC WORKS - ROADS & BRIDGES	
Roads (km)	0.02868 km of HCB/LCB/Gravel Roads
Equipment Buildings/Structures (m2)	0.09159 of floor area
Vehicles/Equipment (Equivalent Value to Tandem)	0.00088 of a truck or equipment
Vehicles/Equipment (Loaders/Excavators)	0.00090 of a truck or equipment
Vehicles/Equipment (Graders)	0.00031 of a truck or equipment
Vehicles/Equipment (Equivalent to half-tonne pick-up)	0.00075 of a truck or equipment
Vehicles/Equipment (Tractor)	0.00031 of a truck or equipment
Mobile Radio Equipment	0.00216 of a mobile radio
Portable Radio Equipment	0.00062 of a portable radio

	Average Service Standard Per Person
RECREATION	
Recreation Lands (hectares)	0.00062 hectares of developed recreation land
Recreation Field/Community Facilities	0.00031 of a recreation field/community facility

4.4 Demographic and Growth Projections

A growth forecast was prepared for residential and commercial/industrial growth over a 10-year period. The growth forecast corresponds with the 10-year time period following the preparation of this study for which the growth related need for a development charge can be calculated.

The growth forecast has several purposes.

1. It establishes the level of growth the municipality will be required to provide services for over the forecast period.
2. It provides a basis for identifying the level of growth that will be sharing the cost of new capital facilities over the planning period of the Study.
3. The population projections provide a basis for determining municipal service standards and ensure that the level of service that the Development Charge is collected for does not exceed the average level of service provided for in the municipality over the ten year period immediately preceding the Study.
4. Finally the growth projections form a basis of information from which the actual development charges are determined per person, per residential unit and per square metre of non-residential building area.

Based on the analysis of demographic, development and growth trends, population and household projections by dwelling type were prepared for the Township of Horton. Table B shows population and household projections by dwelling type for the Township for the time period between 2018 and 2027. The following population and household projections are presented:

·	2017 Population	3,439	
·	2027 Population	3,878	> 10 year growth = 439

Table B
POPULATION & HOUSEHOLD PROJECTIONS
2018-2027

May-18

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
(Estimated)											
Single Detached & Attached	1,290	1,310	1,330	1,350	1,370	1,390	1,410	1,430	1,450	1,470	1,490
- annual change		20	20	20	20	20	20	20	20	20	20
- Average Household Size	2.52	2.51	2.50	2.50	2.49	2.49	2.48	2.48	2.48	2.47	2.47
- annual change	-0.04	-0.01	-0.01	-0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Calculated Population	3244	3288	3332	3375	3418	3461	3504	3546	3589	3631	3673

Apartment/Multiple Attached	20	21	21	22	22	23	23	24	24	25	25
- annual change		1	0	1	0	1	0	1	0	1	0
- Average Household Size	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
- annual change	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Calculated Population	40	42	42	44	44	46	46	48	48	50	50

Mobile Homes	103	103	103	103	103	103	103	103	103	103	103
- annual change		0	0	0	0	0	0	0	0	0	0
- Average Household Size	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
- annual change	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Calculated Population	155	155	155	155	155	155	155	155	155	155	155

Total Non Single (population)	195	197	197	199	199	201	201	203	203	205	205
Total Single (population)	3244	3288	3332	3375	3418	3461	3504	3546	3589	3631	3673

Total No. Households	1413	1434	1454	1475	1495	1516	1536	1557	1577	1598	1618
TOTAL Population	3439	3485	3528	3573	3617	3662	3704	3749	3791	3836	3878
Cumulative increase		46	89	135	178	223	265	310	352	397	439

Weighted Age. Household Size	2.43	2.43	2.43	2.42	2.42	2.42	2.41	2.41	2.40	2.40	2.40
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Residential growth rates for the Township are based on a review of development proposals, historical building permit activity and an estimate of average household size. Based on this review, the projections appear to be reasonable for the 10-year planning period of the study.

- Non Residential 2017 - 2027
- Commercial/Industrial 887 m² per year

Commercial/Industrial building growth rates are based on an extrapolation of the historical average growth rate for commercial and industrial building activity

A review of development activity in the Township revealed that most of the new lots created in the Township are created through the severance (consent) process and not by plan of subdivision. As a result, the anticipated growth over the period of the Study is expected to be distributed geographically throughout the Township and is not isolated to a specific area. It is known that Horton’s first subdivision is currently moving through the approvals process, and will contribute 28 dwellings when fully built.

4.5 Assessment Analysis

The following table calculates how the eligible development charge is allocated between various land users: residential and commercial/industrial.

**Table C
Township of Horton
Assessment Analysis - 2018**

	<u>Realty Assessment</u>	<u>Ratio</u>
Residential	\$ 350,869	0.93
Commercial/ Industrial/Institutional	\$ 26,141	0.07
TOTAL	\$ 377,010	1.00

Source: Tax (Assessment) Summary, Township of Horton, 2018.

The assessment basis is used to allocate the capital costs between residential and commercial/industrial growth and is appropriate for the development charges studies in the general eligible services category, the fire protection services category and the transportation service categories as both sectors will benefit proportionally by the services provided. In this regard, it is recommended that 93 % of the capital costs associated with the development charges studies within the general eligible service category, the fire protection services category and transportation service category, be allocated to residential growth and 7 % of the capital costs be allocated to commercial/industrial growth. However, in the case of the recreation service category, the residential sector is the sole user of the service and therefore 100% of the capital costs of this service is allocated to residential.

5.0 TEN-YEAR CAPITAL EXPENDITURE FORECAST

The ten-year capital expenditure forecast is based on a program of not exceeding the average level of service provided for the particular item over the past ten years. Appendix B illustrates the maximum potential development charge for each service category by applying the average level of service per capita over the previous 10 years to the projected population growth over the next 10 year period. The Ten-Year Capital Expenditure Forecast as presented in the Development Charges Study for the Township of Horton prepared by Jp2g Consultants Inc. and dated May 2013, was revisited to determine which projects and/or purchases were to be brought forward into this Study. Council decided to revise a number of items from the capital expenditure forecast. The funds that were collected towards any of the deleted projects were re-allocated towards the remaining projects within their respective service categories and therefore, no funds are required to be refunded.

Table D illustrates the individual items within the service categories for which a development charge will be collected and which are expected to be purchased or constructed over the next ten years to meet an increase in the need for the service as a result of growth. Table D also provides an estimate of the cost (in 2018 \$s) to acquire or build the particular item and the anticipated expenditure year. The costs included in Table D, are total project costs including any grants, subsidies, and municipal contributions. With regard to roads and recreation projects, the cost includes the portion of the project costs that would be paid for by existing residents (i.e., through taxes).

With regard to the roads projects listed under the Transportation service category in the Ten-Year Capital Expenditure Forecast, should it be necessary for Council to substitute a similar road project for one that is listed in this Study, Council may do so without amendment to the Development Charges By-law, subject to certain conditions being met. These conditions are as follows: Council must pass a resolution to adopt an amended Ten-Year Capital Expenditure Forecast related to Development Charges; the portion of road to be funded through development charges is of equal length; the nature of the works are the same; and the same portion of costs are attributable to growth.

Table D
Township of Horton
Ten Year Capital Expenditure Forecast
(2018 - 2027)

FIRE PROTECTION

Service Category	No. of Items /m² / km	Year of Expenditure	Total Estimated Cost (2018 \$'s)
1. Fire Hall Expansion/Improvements (m2)	1 Bay	2022	125,000.00
2. Parking Lot Expansion	1.07 Spaces	2022	4,600.00
3. Fire Vehicle	1 vehicle	2018	411,500.00
Total			\$541,100.00

**Township of Horton
Ten Year Capital Expenditure Forecast
(2018 - 2027)**

ROADS DEPARTMENT / TRANSPORTATION

Service Category		No. of Items /m² / km	Year of Expenditure	Total Estimated Cost (2018 \$'s)
1.	New Storage Garage	1 Bay	2024	\$200,000.00
2.	Bennet Lafont	11%	2021	\$58,305.00
3.	Bingham Road	11%	2019	\$40,365.00
4.	Cotieville	11%	2019	\$103,000.00
5.	Eady M - Castleford to Mullins	11%	2023	\$133,000.00
6.	Elliot	11%	2019	\$34,400.00
7.	Ferguson Road	11%	2024	\$94,185.00
8.	Garden of Eden Road North	11%	2018	\$50,000.00
9.	Garden of Eden Road North	11%	2027	\$100,000.00
10.	Goshen Road South	11%	2024	\$319,000.00
11.	Goshen Road North	11%	2021	\$53,130.00
12.	Grantham Road	11%	2026	\$18,000.00
13.	Humphries Road	11%	2018	\$16,800.00
14.	Humphries Road	11%	2020	\$206,000.00
15.	Jamieson Road	11%	2021	\$111,000.00
16.	Jim Barr	11%	2019	\$74,000.00
17.	Johnston Road South	11%	2018	\$1,096,000.00
18.	Johnston Road North	11%	2026	\$144,072.00
19.	Lime Kiln	11%	2022	\$120,000.00
20.	Lime Kiln	11%	2018	\$50,000.00
21.	McBride Road South	11%	2019	\$93,500.00
22.	McInnes Road	11%	2025	\$28,000.00
23.	Mullins Road - Middle	11%	2026	\$50,000.00
24.	Orin Road East	11%	2023	\$88,000.00
25.	Pallen Road	11%	2025	\$8,970.00
26.	Pinnacle Road South and East	11%	2027	\$455,000.00
27.	Pinnacle Road Middle	11%	2022	\$653,000.00
28.	Pucker Street	11%	2020	\$258,000.00
29.	Ruttan	11%	2025	\$26,910.00
30.	Whitton South	11%	2020	\$55,000.00
31.	Whitton South and North	11%	2025	\$311,820.00
Total				\$5,049,457.00

**Township of Horton
Ten Year Capital Expenditure Forecast
(2018 - 2027)**

RECREATION

Service Category	No. of Items /m² / km	Year of Expenditure	Total Estimated Cost (2018 \$'s)
1. Recreation Buildings			see detail below
Parking Lot Lights (Community Hall)	11%	2019	20,000.00
Parking Lot Drainage (Community Hall)	11%	2022	100,000.00
Flooring (Upgrade to industrial tiles - Community Hall)	11%	2023	50,000.00
Washroom Upstairs (Community Hall)	11%	2019	10,000.00
Bar Reno (Community Hall)	11%	2018	30,000.00
Fencing against Eady property (Community Hall)	11%	2022	7,500.00
2. Recreation Equipment			see detail below
Upgrade stove/fryer/Range hood (Community Hall)	11%	2018	27,217.00
Additional Tables/Chairs (Community Hall)	11%	2019	14,000.00
Playground (Comm. Hall)	11%	2022	40,000.00
3. Recreation Lands	-		see detail below
Land Purchase	5 acres	2022	50,000.00
Land Purchase	5 acres	2024	50,000.00
4. Recreation Study	1 study	2019	20,000.00
Total			\$418,717.00

**Township of Horton
Ten Year Capital Expenditure Forecast
(2018 - 2027)**

GENERAL ELIGIBLE SERVICES

Service Category	No. of Items /m² / km	Year of Expenditure	Total Estimated Cost (2018 \$'s)
1. Development Charges Study (to be completed every 5 years)	2 Studies	2018 & 2023	27,500.00
2 Comprehensive Zoning By-law	2 By-laws	2020 & 2025	45,000.00
Total			\$72,500.00

**Township of Horton
Ten Year Capital Expenditure Forecast
(2013 - 2022)**

SUMMARY

Service Category	No. of Items /m² / km	Year of Expenditure	Total Estimated Cost (2018 \$'s)
1. Fire Protection			\$541,100.00
2. Roads Department			\$5,049,457.00
3. Recreation			\$418,717.00
5. General Services			\$72,500.00
Total			\$6,081,774.00

- Note: * The total estimated project costs are the total purchase price or project cost. Funding for the projects will be from development charges and in some cases a portion of the costs will have to come from other municipal funding sources. For the portion of the project costs which are eligible to be collected from development charges reference should be made to Table 2A in the Study.
- ** For more detail regarding the nature of the roads projects, reference should be made to Section 6.0 of the Study.

6.0 GROWTH-RELATED CAPITAL COSTS

The ten year capital expenditure forecast and the existing Development Charges By-law for lands in the Township of Horton were used as a basis for calculating the eligible development charge. The 2018 costs of growth-related capital expenditures, are listed in Table 2A “Future Municipal Expenditures... That Qualify as Growth-Related under the Development Charges Act”. Table 2A also shows the number of facilities/equipment, the net cost per unit or the project cost, the incremental share of the cost of purchasing equipment or building a capital facility which can be attributed to population growth over the ten year projection period included in the Study and the eligible development charge. Table 2B shows how the eligible development charge is divided between residential commercial/industrial developments.

The following subsections provide a discussion on how the eligible costs were determined.

6.1 Funds Collected Under Previous Development Charges By-laws

The Township of Horton “Statement of Development Charges” for the year ending December 31, 2017 indicates that a balance of \$152,975.48 in unallocated development charges had been collected through Development Charges By-law No. 2013-22 as well as former Development Charges By-laws. These funds have since been allocated to specific capital growth items in each service category. Therefore, it is not necessary to discount eligible capital growth items in this study for each service category by the amount of funds remaining in the reserve fund.

6.2 General Eligible Services

The growth-related capital costs associated with the General Eligible Services category were determined to include the capital costs for the following:

- A Development Charges Study to be completed every five years, with the next studies scheduled for 2018 and 2023 respectively; and
- A Comprehensive Zoning By-law to be completed every five years, with the next studies scheduled for 2020 and 2025.

The net growth-related capital costs shown on Table 2A were calculated on the basis of 10% of the growth-related capital cost being provided by a municipal contribution drawn from a source other than development charge revenues as is required under the Development Charges Act, 1997. It was also assumed that no other grants or subsidies would be available for any of the items in the service category. Table 2B illustrates the allocation of costs between the residential and the commercial/industrial sector.

Council also intends to recover through future development charges, the costs of the eligible excess capacity in any of the capital items or projects that were identified in Ten-Year Capital Forecast in this Development Charges Study for the Township of Horton.

6.3 Fire Protection

The growth-related capital costs associated with the Fire Protection category were determined to include the capital costs for the following :

- 19.91 square metres of fire department building floor area, at a cost of \$1,682 per square metre in 2022;
- 1.07 of a parking lot (per space), at a cost of \$4,600 per space in 2022;
- 26% of the cost to purchase a fire vehicle in 2018 at a cost of \$411,500;

It was assumed that no grants or subsidies would be available for any of the items. The purchase or construction costs shown in Table 2A were estimated based on 2018 dollars. Table 2B illustrates the allocation of costs between the residential and the commercial/industrial sector.

Council also intends to recover through future development charges, the costs of the eligible excess capacity in any of the capital items or projects that were identified in Ten-Year Capital Forecast in this Development Charges Study for the Township of Horton.

6.4 Transportation

The growth-related capital costs associated with the Transportation category were determined to include the capital costs for the following:

- It was determined that 11.1% of the cost of the following road projects could be attributable to growth:
 - Add pit run and gravel to Bennett Lafont Road in 2021;
 - Add gravel to Bingham Road in 2019;
 - Improve the surface of Cotieville Road in 2019;
 - Add gravel to Eady Road from Castleford Road to Mullins Road in 2023;
 - Improve the surface of Elliot Road in 2019;
 - Add gravel to Ferguson Road in 2024;
 - Add gravel to Garden of Eden Road North in 2018 and 2027;
 - Improve the surface of Goshen Road South in 2024;
 - Add gravel to Goshen Road North in 2021;
 - Improve surface of Grantham Road in 2026;
 - Add gravel to Humphries Road (east-west) in 2018 and 2020;
 - Improve the surface of Jamieson Road in 2021;
 - Add gravel to Jim Barr Road (north) in 2019;
 - Improve the surface of Johnston Road (south) in 2018;
 - Add gravel to Johnston Road (north) in 2026;
 - Add gravel to Lime Kiln Road in 2018 and 2022;
 - Improve surface of McBride Road South in 2019;
 - Add gravel to McInnes Road in 2025;
 - Pave the surface of Mullins Road (middle) in 2026;
 - Add gravel to Orin Road (East) in 2023;
 - Add gravel to Pallen Road in 2025;
 - Improve the surface of Pinnacle Road (east, middle and south) in 2027, 2022 and 2027 respectively;
 - Improve the surface of Pucker Street in 2020;
 - Add gravel to Ruttan Road in 2025;
 - Add gravel and improve the surface of Whitton Road (South and north) in 2020 and 2025;
- 35.43 square metres of a new storage facility (garage) in 2024.

It was assumed that no grants or subsidies would be available for any of the items. The purchase or construction costs shown in Table 2A were estimated based on 2018 dollars. Table 2B illustrates the allocation of costs between the residential and the commercial/industrial sector.

Council also intends to recover through future development charges, the costs of the eligible excess capacity in any of the capital items or projects that were identified in Ten-Year Capital Forecast in this Development Charges Study for the Township of Horton.

6.5 Recreation

The growth-related capital costs associated with the Recreation service category were subdivided into categories of buildings, equipment, land, and sports fields. A recreation study

was also included in this service category. The eligible development charge for capital items in the Recreation category includes the following:

- 11% of capital costs related to Recreation Building improvements between 2018 and 2027, including the following items:
 - Upgrade Docking Pad (Boat Launch)
 - Parking Lot Lights (Community Hall)
 - Parking Lot / Drainage (Community Hall)
 - Flooring (Upgrade to industrial tiles - Community Hall)
 - Washroom Upstairs (Community Hall)
 - Bar Reno (Community Hall)
 - Fencing against Eady property (Community Hall)
- 11% of capital costs related to Recreation Equipment improvements between 2018 and 2027, including the following items;
 - Upgrade stove/fryer/Range hood (Community. Hall)
 - Additional Tables/Chairs (Community. Hall)
 - Playground (Community. Hall)
- 11% of capital costs related to two land purchases (Community Hall)
- 11% of the cost of completing a recreation study in 2019

TABLE 2A
 FUTURE MUNICIPAL EXPENDITURES AND EXPENDITURES WHERE EXCESS CAPACITY
 TO CONTINUE TO BE COLLECTED THROUGH DEVELOPMENT CHARGES
 That Qualify as Growth-Related Under the Development Charges Act
 (2018 \$000's)

May-18

	Expenditure Year	Gross cost per unit/project	Net growth-related cost per unit/project	Attributed to growth ('18-'27)	Amount of Funds Already Collected	Eligible Development Charge
GENERAL ELIGIBLE SERVICES						
Development Charges Study Every 5 Years	2018	\$12.5	\$11.3	1.00	\$0.0	\$11.3
Development Charges Study Every 5 Years	2023	\$15.0	\$13.5	1.00	\$0.0	\$13.5
Comprehensive Zoning By-law	2020	\$20.0	\$18.0	0.50	\$0.0	\$9.0
Comprehensive Zoning By-law	2025	\$25.0	\$22.5	0.50	\$0.0	\$11.3
Subtotal						\$45.0

	Expenditure Year	Gross cost per unit/project	Net growth-related cost per unit/project	Attributed to growth ('18-'27)	Amount of Funds Already Collected	Eligible Development Charge
FIRE PROTECTION						
Fire Department Buildings (m2)	2022	\$1.68	\$1.68	20.22	\$0.0	\$34.0
Parking Lot (per space)	2022	\$4.6	\$4.6	1.09	\$0.0	\$5.0
Fire Vehicle	2018	\$411.5	\$102.9	0.27	\$0.0	\$27.4
Subtotal					\$0.0	\$66.4

	Expenditure Year	Gross cost per unit/project	Net growth-related cost per unit/project	Attributed to growth ('18-'27)	Amount of Funds Already Collected	Eligible Development Charge
PUBLIC WORKS: ROADS						
New Storage Facility (Garage)	2024	\$1.7	\$1.7	36.00	\$0.00	\$60.5
Bennett Lafont Road	2021	\$58.3	\$58.3	0.11	\$0.00	\$6.6
Bingham Road	2019	\$40.4	\$40.4	0.11	\$0.00	\$4.6
Cotieville	2019	\$103.0	\$103.0	0.11	\$0.00	\$11.6
Eady M - Castleford to Mullins	2023	\$133.0	\$133.0	0.11	\$0.00	\$15.0
Elliot	2019	\$34.4	\$34.4	0.11	\$0.00	\$3.9
Ferguson Road	2024	\$94.2	\$94.2	0.11	\$0.00	\$10.6
Garden of Eden Road North	2018	\$50.0	\$50.0	0.11	\$0.00	\$5.6
Garden of Eden Road North	2027	\$100.0	\$100.0	0.11	\$0.00	\$11.3
Goshen Road South	2024	\$319.0	\$319.0	0.11	\$0.00	\$36.0
Goshen Road North	2021	\$53.1	\$53.1	0.11	\$0.00	\$6.0
Grantham Road	2026	\$18.0	\$18.0	0.11	\$0.00	\$2.0
Humphries Road	2018	\$16.8	\$16.8	0.11	\$0.00	\$1.9
Humphries Road	2020	\$206.0	\$206.0	0.11	\$0.00	\$23.2
Jamieson Road	2021	\$111.0	\$111.0	0.11	\$0.00	\$12.5
Jim Barr	2019	\$74.0	\$74.0	0.11	\$0.00	\$8.3
Johnston Road South	2018	\$1,096.0	\$1,096.0	0.11	\$0.00	\$123.6
Johnston Road North	2026	\$144.1	\$144.1	0.11	\$0.00	\$16.2
Lime Kiln	2022	\$120.0	\$120.0	0.11	\$0.00	\$13.5
Lime Kiln	2018	\$50.0	\$50.0	0.11	\$0.00	\$5.6
McBride Road South	2019	\$93.5	\$93.5	0.11	\$0.00	\$10.5
McInnes Road	2025	\$28.0	\$28.0	0.11	\$0.00	\$3.2
Mullins Road - Middle	2026	\$50.0	\$50.0	0.11	\$0.00	\$5.6
Orin Road East	2023	\$88.0	\$88.0	0.11	\$0.00	\$9.9
Pallen Road	2025	\$9.0	\$9.0	0.11	\$0.00	\$1.0
Pinnacle Road South and East	2027	\$455.0	\$455.0	0.11	\$0.00	\$51.3
Pinnacle Road Middle	2022	\$653.0	\$653.0	0.11	\$0.00	\$73.6
Pucker Street	2020	\$258.0	\$258.0	0.11	\$0.00	\$29.1
Ruttan	2025	\$26.9	\$26.9	0.11	\$0.00	\$3.0
Whitton South	2020	\$55.0	\$55.0	0.11	\$0.00	\$6.2
Whitton South and North	2025	\$311.8	\$311.8	0.11	\$0.00	\$35.2
Subtotal					\$0.0	\$607.5

	Expenditure Year	Gross cost per unit/project	Net growth-related cost per unit/project	Attributed to growth ('18-'27)	Amount of Funds Already Collected	Eligible Development Charge
RECREATION						
Recreation Buildings: Parking Lot Lights	2019	\$20.0	\$18.0	0.12	\$0.00	\$2.1
Recreation Buildings: Parking Lot/Drainage	2022	\$100.0	\$90.0	0.12	\$0.00	\$10.4
Recreation Buildings: Flooring Upgrade	2023	\$50.0	\$45.0	0.12	\$0.00	\$5.2
Recreation Building: Washroom Upstairs	2019	\$10.0	\$9.0	0.12	\$0.00	\$1.0
Recreation Building: Bar Reno	2018	\$30.0	\$27.0	0.12	\$0.00	\$3.1
Recreation Building: Fencing	2022	\$7.5	\$6.8	0.12	\$0.00	\$0.8
Recreation Building: Upgrade Stove/Fryer/Hood	2018	\$27.2	\$24.5	0.12	\$0.00	\$2.8
Recreation Building: Additional Tables and Chairs	2019	\$14.0	\$12.6	0.12	\$0.00	\$1.5
Recreation Lands: Playground	2022	\$40.0	\$36.0	0.11	\$0.00	\$4.1
Recreation Lands: Land Purchase	2022	\$50.0	\$45.0	0.11	\$0.00	\$5.1
Recreation Lands: Land Purchase	2024	\$50.0	\$45.0	0.11	\$0.00	\$5.1
Recreation Study	2019	\$20.0	\$18.0	0.11	\$0.00	\$2.0
Subtotal			\$376.8			\$43.1

Note 1: Growth related share of road projects based on Township Department Head estimates.

TABLE 2B
FUTURE ACQUISITIONS AND ELIGIBLE COSTS OF EXCESS CAPACITY

May-18

Allocation of Growth-Related Cost to Land Use Type
(2018 \$000's)

	Eligible Development Charge	Expend. Year	Residential Share 93%	Com/Ind Share 7%
GENERAL ELIGIBLE SERVICES				
Development Charges Study Every 5 Years	\$11.3	2018	\$10.46	\$0.79
Development Charges Study Every 5 Years	\$13.5	2023	\$12.55	\$0.95
Comprehensive Zoning By-law	\$9.0	2020	\$8.37	\$0.63
Comprehensive Zoning By-law	\$11.3	2025	\$10.46	\$0.79
Subtotal	\$45.0		\$41.8	\$3.2

	Eligible Development Charge	Expenditure Year	Residential Share 93%	Com/Ind Share 7%
FIRE PROTECTION				
Fire Department Buildings (m2)	\$34.0	2022	\$31.63	\$2.38
Parking Lot (per space)	\$5.0	2022	\$4.66	\$0.35
Fire Vehicle	\$27.4	2018	\$25.44	\$1.92
Subtotal	\$66.4		\$61.7	\$4.6

	Eligible Development Charge	Expenditure Year	Residential Share 93%	Com/Ind Share 7%
PUBLIC WORKS: ROADS				
New Storage Facility (Garage)	\$60.5	2024	\$56.31	\$4.24
Bennett Lafont Road	\$6.6	2021	\$6.12	\$0.46
Bingham Road	\$4.6	2019	\$4.23	\$0.32
Cotleville	\$11.6	2019	\$10.80	\$0.81
Eady M - Castleford to Mullins	\$15.0	2023	\$13.95	\$1.05
Elliot	\$3.9	2019	\$3.61	\$0.27
Ferguson Road	\$10.6	2024	\$9.88	\$0.74
Garden of Eden Road North	\$5.6	2018	\$5.24	\$0.39
Garden of Eden Road North	\$11.3	2027	\$10.49	\$0.79
Goshen Road South	\$36.0	2024	\$33.46	\$2.52
Goshen Road North	\$6.0	2021	\$5.57	\$0.42
Grantham Road	\$2.0	2026	\$1.89	\$0.14
Humphries Road	\$1.9	2018	\$1.76	\$0.13
Humphries Road	\$23.2	2020	\$21.61	\$1.63
Jamieson Road	\$12.5	2021	\$11.64	\$0.88
Jim Barr	\$8.3	2019	\$7.76	\$0.58
Johnston Road South	\$123.6	2018	\$114.96	\$8.65
Johnston Road North	\$16.2	2026	\$15.11	\$1.14
Lime Kiln	\$13.5	2022	\$12.59	\$0.95
Lime Kiln	\$5.6	2018	\$5.24	\$0.39
McBride Road South	\$10.5	2019	\$9.81	\$0.74
McInnes Road	\$3.2	2025	\$2.94	\$0.22
Mullins Road - Middle	\$5.6	2026	\$5.24	\$0.39
Orin Road East	\$9.9	2023	\$9.23	\$0.69
Pallen Road	\$1.0	2025	\$0.94	\$0.07
Pinnacle Road South and East	\$51.3	2027	\$47.73	\$3.59
Pinnacle Road Middle	\$73.6	2022	\$68.49	\$5.16
Pucker Street	\$29.1	2020	\$27.06	\$2.04
Ruttan	\$3.0	2025	\$2.82	\$0.21
Whitton South	\$6.2	2020	\$5.77	\$0.43
Whitton South and North	\$35.2	2025	\$32.71	\$2.46
Subtotal	\$607.5		\$565.0	\$42.5

	Eligible Development Charge	Expenditure Year	Residential Share 100%	Com/Ind Share 0%
RECREATION				
Recreaton Buildings: Parking Lot Lights	\$2.1	2019	\$2.1	\$0.0
Recreaton Buildings: Parking Lot/Drainage	\$10.4	2022	\$10.4	\$0.0
Recreaton Buildings: Flooring Upgrade	\$5.2	2023	\$5.2	\$0.0
Recreation Building: Washroom Upstairs	\$1.0	2019	\$1.0	\$0.0
Recreation Building: Bar Reno	\$3.1	2018	\$3.1	\$0.0
Recreation Building: Fencing	\$0.8	2022	\$0.8	\$0.0
Recreation Building: Upgrade Stove/Fryer/Hood	\$2.8	2018	\$2.8	\$0.0
Recreation Building: Additional Tables and Chairs	\$1.5	2019	\$1.5	\$0.0
Recreation Lands: Playground	\$4.1	2022	\$4.1	\$0.0
Recreation Lands: Land Purchase	\$5.1	2022	\$5.1	\$0.0
Recreation Lands: Land Purchase	\$5.1	2024	\$5.1	\$0.0
Recreation Study	\$2.0	2019	\$2.0	\$0.0
Subtotal	\$43.1		\$43.1	\$0.0

7.0 FUND ADMINISTRATION

A separate development charge reserve fund should be created into which all development charge revenues are deposited. Interest earned on the fund balance accrue to the fund and is an integral part of the development charge structure. Withdrawals from the fund are made only to pay for the growth-related net capital cost of service types listed in this report or to refund overpayment to owners, with interest, if appropriate.

A sub-account for each of the following service types should be maintained and the indicated proportionate share of development charge revenues and interest accumulated and appropriate expenditures deducted (Tables 3A and 3B).

The following Table E summarizes how the development charges that are collected are to be allocated between reserve fund sub-accounts.

Table E
Township of Horton
Allocation of Development Charges Among Service Categories

<u>Service Category</u>	<u>Proportional Share</u>	
	<u>Residential</u>	<u>Commercial/ Industrial</u>
General Services	5.9 %	6.3 %
Fire Services	9.1 %	9.7 %
Transportation	78.9 %	84 %
Recreation	6.1 %	0.0 %
Total	100.0%	100.0%

The reasons for the sub-accounts, rather than different reserve funds is simplicity of accounting and control and the ability to “borrow” funds from one service type to another without creating an overdraft in a reserve fund.

Responsibility for the reserve fund and sub-account operations should be with the Treasurer who is ultimately responsible for the fiscal viability of the reserve fund and its future commitments.

An annual report relating to the development charges by-law and reserve funds must be prepared by the Clerk-Treasurer and submitted to Council in accordance with the requirements of the Development Charges Act. The annual report is to include statements of the opening and closing balances of the reserve fund for the preceding year and the transactions relating to the reserve funds, and it must be submitted to the Minister of Municipal Affairs and Housing within 60 days after it is presented to Council. The annual report from the Clerk-Treasurer must also include the following information:

For each reserve fund:

- A description of the service for which the fund was established (list of services in the service category).
- For any credits in relation to the service or service category for which the fund was established, the amount outstanding at the beginning of the previous year, the amount given in the year, the amount used in the year and the amount outstanding at the end of the year. These amounts must then be broken down further by individual credit holder.
- The amount of any money borrowed from the fund by the Township during the previous year and the purpose for which it was borrowed.
- The amount of interest accrued during the previous year on the money borrowed from the fund by the Township.
- The amount and source of any money used by the municipality in the previous year to repay money borrowed from the fund or interest on such money.
- A schedule that identifies credits recognized under Section 17 of the development Charges Act and, for each credit recognized, the service against which the credit is applied and the source of funds used to finance the credit.

For each project that is financed in whole or in part through development charges:

- The amount of money from each reserve fund that is spent on the project.
- The amount and source of any other money that is spent on the project.

Table 3A
 SCHEDULE OF FUTURE ACQUISITIONS BY YEAR
 That Qualify as Growth-Related
 (2018 \$000's)

May-18

RESIDENTIAL

	Ratio	NPV	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
General Eligible Services	5.9%	36.5	10.5	0.0	8.4	0.0	0.0	12.6	0.0	10.5	0.0	0.0
Fire Protection	9.1%	56.5	25.4	0.0	0.0	0.0	36.3	0.0	0.0	0.0	0.0	0.0
Public Works: Roads	78.8%	487.3	127.2	36.2	54.4	23.3	81.1	23.2	99.6	39.4	22.2	58.2
Recreation	6.1%	37.9	5.9	6.6	0.0	0.0	20.3	5.2	5.1	0.0	0.0	0.0
TOTAL	100%	618.2	169.1	42.8	62.8	23.3	137.7	40.9	104.7	49.9	22.2	58.2

Table 3B
 SCHEDULE OF FUTURE AQUISITIONS BY YEAR
 That Qualify as Growth-Related
 (2018 \$000's)

COMMERCIAL / INDUSTRIAL

	Ratio	NPV	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
General Eligible Services	6.3%	2.8	0.8	0.0	0.6	0.0	0.0	0.95	0.0	0.8	0.0	0.0
Fire Protection	9.7%	4.3	1.92	0.00	0.00	0.00	2.73	0.00	0.00	0.00	0.00	0.00
Public Works: Roads	84.0%	36.7	9.58	2.7	4.1	1.8	6.10	1.7	7.5	3.0	1.7	4.4
Recreation	0.0%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	100%	43.7	12.3	2.7	4.7	1.8	8.8	2.7	7.5	3.8	1.7	4.4

8.0 IMPLEMENTATION

8.1 Application of Development Charge

A uniform development charge rate is recommended across the entire Township for the following reasons:

- a) Most capital expenditures in the Township are designed to service the entire population, and therefore, a Township-wide approach is an equitable approach for allocating these costs.
- b) Most capital projects represent large irregular expenditures that preclude an even rate of expansion or implementation. The construction or acquisition program must be based on priority of need rather than attempting to balance construction by the financial returns of differing areas.
- c) It is simple to administer.

The Development Charges By-law expires five years after the day it comes into force unless Council identifies an earlier expiry date or repeals it sooner.

8.2 Adjustments for Inflation

The development charge in the Township is based on a combination of projects to be built in the future discounted to 2018 dollars. It is therefore recommended that an annual inflation factor be applied to the development charge fee to adjust for inflationary pressures. The regulation to the Development Charges Act (Ontario Regulation 82/98) identifies the Statistics Canada Quarterly, *Construction Price Statistics*, catalogue number 62.007 as the prescribed index.

8.3 Development Charge Implementation and Collection

The development charges by-law should be implemented in full on the date of passage of the By-law and should apply to all new building permit applications. The Development Charges Act identifies the building permit stage as the time when development charges are payable. As services are required at or near the date that a building is occupied, it is appropriate to collect the development charge at the building permit stage.

8.4 Pamphlet

The Development Charges Act requires that a pamphlet be prepared which describes the general purpose of the development charges that are being imposed, the rules for determining if a development charge is payable and the amount, a list of the services to which the development charges relate and a description of the general purpose of the Clerk-Treasurer's annual report (statement of the Treasurer) and where it may be reviewed by the public. One copy of the pamphlet is to be distributed free of charge to any one requesting it.

8.5 Conditions to be Imposed on Subdivision Approvals

The Development Charges Act requires that one of the conditions in giving approval to a draft plan of subdivision, must ensure that the persons who first purchase the subdivided land after the final approval of the draft plan of subdivision are informed at the time the land is transferred, of all of the development charges related to the development.

9.0 **DEVELOPMENT CHARGES**

9.1 Summary of New Development Charges

Table F provides a summary of the new residential and commercial development charges for the Township of Horton.

The maximum eligible development charge for residential uses is shown on Table 4A.

The maximum eligible commercial/industrial development charge as shown in Table 4B is \$6.07 per square metre of gross floor area.

Table F
Township of Horton
Development Charges Summary

Development Charges		
Use	Category	New Charge
Residential (charge per dwelling unit)	Single Detached and Single Attached	\$3,824
	Apartment	\$3,097
	Mobile Home	\$2,323
Commercial/ Industrial/ (charge per m ² of G.F.A.)	All Categories (Except Industrial Expansions of less than 50% of the G.F.A.)	\$6.07/m ²
Institutional	Charge determined based on nature of use, i.e. residential components charged according to class of use and other components charged based on Commercial/ Industrial rate.	

9.2 Development Charges in Surrounding Municipalities

The following Table G provides a summary of the current development charges in surrounding municipalities. This information is provided to assist Council in determining a development charge that achieves the Township's capital investment goals, while being aware of development charges in surrounding municipalities with similar development contexts.

**Table G: The Township of Horton
Development Charges in Area Municipalities**

Municipality	Residential Development Charges (Single-Detached dwelling)	Commercial/Industrial Development Charges	By-law Implementation/ Expiry Date
McNab/Braeside	\$3,763	\$5.04 m ²	June 17, 2014/ June 17, 2019
Township of Greater Madawaska	\$3,846	\$2.62 m ²	April 10, 2017 / April 10, 2022
Town of Renfrew	Municipal wide services: \$1,798 to \$3,171 Urban services (sewer and water): \$2,903 to \$5,127	<u>0-5,000 ft²</u> Municipal wide services: \$0.75 Urban services (sewer and water): \$1.50 <u>Above 5,000 ft²:</u> Municipal wide services: \$0.87 to \$1.22 Urban services (sewer and water): \$1.74 to \$2.44	January 1, 2017 / December 31, 2021

9.3 Credits for Lot Levies Previously Collected

If the Township previously charged a lot levy for the creation of new lots, the Township must continue the practice of deducting the amount of the lot levy already paid for a vacant lot from the development charge that would be payable under the new development charges by-law, at the time a building permit is obtained for the lot.

TABLE 4A
DEVELOPMENT CHARGES CALCULATION
Net Growth-Related Capital Cost
(2018 \$000's)

May-18

RESIDENTIAL

			2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Population Forecast By Year	npv		3,439	3,485	3,528	3,573	3,617	3,662	3,704	3,749	3,791	3,836	3,878
Per year growth	439	356		46	44	45	43	45	43	45	42	44	42
Persons per Household			2.434	2.430	2.426	2.423	2.419	2.415	2.412	2.408	2.404	2.400	2.397
Decrease in Persons per Household	0.030			0.004	0.003	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004
Household Forecast By Year			1,413	1,434	1,454	1,475	1,495	1,516	1,536	1,557	1,577	1,598	1,618
Annual Increase	205	166		21	20	21	20	21	20	21	20	21	20

Net Present Value	4%
Net Capital Cost	618.2
Adjusted Population Growth	399
Net Capital Cost Per Capita	\$1,548

DWELLING UNIT TYPE	PERSONS PER UNIT			PV of Cost / Capita
	Current	Decrease Factor	Adjusted	
Average Household	2.430	0.030	2.400	\$1,548
Single Detached & Attached	2.510	0.040	2.470	\$1,548
Apartment	2.000	0.000	2.000	\$1,548
Mobile Home	1.500	0.000	1.500	\$1,548

Mobile Homes at 1.5 Persons Per Household

DEVELOPMENT CHARGE
TABLE

DWELLING UNIT TYPE	Gross	Tax Credit	Net
Avg. Household	\$3,716	\$0.00	\$3,716
Single Detached & Attached	\$3,824	\$0.00	\$3,824
Apartment	\$3,097	\$0.00	\$3,097
Mobile Home	\$2,323	\$0.00	\$2,323

TABLE 4B
 DEVELOPMENT CHARGES CALCULATION
 Net Growth-Related Capital Cost
 (2018 \$000's)

May-18

COMMERCIAL / INDUSTRIAL

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Commercial/ Industrial Square Metres (sq. metres of building space)										
Annual Growth	887	887	887	887	887	887	887	887	887	887

Net Present Value	4%
Net Capital Cost	43.7
Net Growth In Space	7194
Cost Per sq. m.	6.07
Tax Credit	0
Development Charge Per Sq. m. of Building Space	\$6.07

10.0 LONG TERM CAPITAL AND OPERATING COSTS

This section provides a brief examination of the long-term capital and operating costs for the capital facilities and infrastructure to be included in the Development Charges Study. This examination is required as one of the features of the Development Charges Act, 1997.

10.1 Net operating costs over the forecast period

The Municipality's net operating costs are not expected to increase by any significant amount as a result of the capital infrastructure program included in this Development Charge Study.

10.2. Long-term capital financing from non-development charge sources

Table 5A summarizes the components of the development-related capital program that will require funding from non-development charge sources. In total \$4,998,200 will need to be financed from non-development charge sources over the next ten years. This includes about \$49,120 in respect of the mandatory ten per cent discount required by the DCA for eligible general and recreational services and about \$4,949,080 for shares of projects related to capital replacement and for non-growth related shares of projects that provide benefit to the existing community.

Table 5A
SUMMARY OF LONG TERM
CAPITAL IMPACT
(2018 \$000's)

May-18

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
Gross Cost	\$1,694.0	\$409.3	\$539.0	\$222.4	\$976.8	\$286.0	\$464.9	\$400.7	\$212.1	\$555.0	\$5,760.1
Eligible Development Charge	\$181.3	\$45.5	\$67.5	\$25.1	\$146.5	\$43.6	\$112.2	\$53.6	\$23.9	\$62.6	\$762.0
TOTAL	\$1,512.7	\$363.7	\$471.5	\$197.3	\$830.3	\$242.4	\$352.6	\$347.1	\$188.2	\$492.4	\$4,998.2

11.0 ASSET MANAGEMENT

The Development Charges Act was amended in late 2015 and, effective January 1st 2016, municipalities are required to complete an Asset Management Plan before the passing of a development charges by-law. A key function of the Asset Management Plan is to demonstrate that all assets proposed to be funded under the development charges by-law are financially sustainable over their full life cycle.

11.1 Annual Capital Provisions

The annual capital provisions required to replace the capital infrastructure proposed to be funded under the development charges by-law is based on useful life assumptions and the capital cost of acquiring each asset.

As shown in Table 5A, by 2027 the Municipality will need to fund an additional \$4,998,200 over 10 years in order to properly fund the full life-cycle costs of the new assets supported under this Development Charges By-Law.

The calculated annual funding provision should be considered within the context of the Municipality's projected growth over the next ten years. This growth will have the effect of increasing the overall assessment base to offset the capital asset provisions required to replace the infrastructure proposed to be funded under the development charges bylaw.

The calculated annual provisions identified are considered to be financially sustainable as it is expected that the increased capital asset management requirements can be absorbed by the tax base over the long-term.

REFERENCES

Bill 98 - The Development Charges Act, 1997 and Ontario Regulation 82/98, as amended by Regulation 428/15.

Census Canada 2006, 2011 and 2016 Statistics.

Jp2g Consultants Inc. Development Charges Backgrounds Study. Township of Horton, May, 2013.

Ontario Ministry of Finance/MPAC, Assessment Statistics, 2017

APPENDIX A

**INVENTORY OF EXISTING MUNICIPAL FACILITIES
AND SERVICE STANDARDS**

APPENDIX B

ESTIMATED YEAR OF PURCHASE BASED ON AVERAGE LEVEL OF SERVICE

APPENDIX B - ESTIMATED YEAR OF PURCHASE BASED ON AVERAGE LEVEL OF SERVICE
2018 to 2028

	Existing no./length / g.f.a. (m ²)	Cumulative Total Service Standard										due to growth
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
FIRE PROTECTION												
Fire Department Buildings (m2)	167	179.28	181.52	183.85	186.07	188.39	190.59	192.88	195.06	197.34	199.50	20.22
Parking Lot (# of spaces)	9	9.66	9.78	9.91	10.03	10.15	10.27	10.39	10.51	10.64	10.75	1.09
Fire Vehicle	3	2.36	2.39	2.42	2.45	2.48	2.51	2.54	2.57	2.60	2.62	0.27
Breathing Apparatus & Equipment	10	10.74	10.87	11.01	11.14	11.28	11.41	11.55	11.68	11.82	11.95	1.21
Pagers & Chargers	19	20.40	20.65	20.92	21.17	21.43	21.68	21.94	22.19	22.45	22.70	2.30
Hose (footage of hose equiv. to cost of 1.5")	7800	8373.67	8478.26	8587.20	8690.89	8798.94	8901.74	9008.90	9110.81	9217.08	9318.11	944.44
Air Tanks	20	21.47	21.74	22.02	22.28	22.56	22.82	23.10	23.36	23.63	23.89	2.42
Extrication Equipment (Equivalent Value to \$1000)	1	1.07	1.09	1.10	1.11	1.13	1.14	1.15	1.17	1.18	1.19	0.12
Training Equipment (Equivalent Value to \$1000)	1	1.07	1.09	1.10	1.11	1.13	1.14	1.15	1.17	1.18	1.19	0.12
Dry Hydrant	1	1.07	1.09	1.10	1.11	1.13	1.14	1.15	1.17	1.18	1.19	0.12

	Existing no./km/ g.f.a. (m ²)	Cumulative Total Service Standard										due to growth	growth ratio
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027		
PUBLIC WORKS - ROADS & BRIDGES													
Roads (km)	93.10	99.95	101.20	102.50	103.73	105.02	106.25	107.53	108.75	110.01	111.22	11.27	0.113
Equipment Buildings/Structures (m2)	297	319.14	323.13	327.28	331.23	335.35	339.27	343.35	347.24	351.29	355.14	36.00	0.11
Vehicles/Equipment (Equivalent Value to Tandem)	2.5	3.07	3.10	3.14	3.18	3.22	3.26	3.30	3.34	3.38	3.41	0.35	0.11
Vehicles/Equipment (Loaders/Excavators)	2.0	3.12	3.16	3.20	3.24	3.28	3.32	3.36	3.39	3.43	3.47	0.35	0.11
Vehicles/Equipment (Graders)	1.0	1.07	1.09	1.10	1.11	1.13	1.14	1.15	1.17	1.18	1.19	0.12	0.11
Vehicles/Equipment (Equivalent to half-tonne pick-up)	1.5	2.60	2.63	2.67	2.70	2.73	2.76	2.80	2.83	2.86	2.89	0.29	0.11
Vehicles/Equipment (Tractor)	1.0	1.07	1.09	1.10	1.11	1.13	1.14	1.15	1.17	1.18	1.19	0.12	0.11
Mobile Radio Equipment	7.0	7.51	7.61	7.71	7.80	7.90	7.99	8.08	8.18	8.27	8.36	0.85	0.11
Portable Radio Equipment	2.0	2.15	2.17	2.20	2.23	2.26	2.28	2.31	2.34	2.36	2.39	0.24	0.11

	Existing no./ha g.f.a.(m ²)											due to growth	growth ratio
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027		
RECREATION													
Recreation Lands (hectares)	2.02	2.17	2.20	2.22	2.25	2.28	2.31	2.33	2.36	2.39	2.41	0.24	0.11
Recreation Field/Community Facilities	1	1.06	1.07	1.09	1.10	1.11	1.13	1.14	1.15	1.17	1.18	0.12	0.12