



MUNICIPALITY OF WEST PERTH DEVELOPMENT CHARGES BACKGROUND STUDY (2019)



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DEVELOPMENT CHARGES BACKGROUND STUDY

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B. M. ROSS AND ASSOCIATES LIMITED
Engineers and Planners
62 North Street
Goderich, ON N7A 2T4
Phone: 519-524-2641
Fax: 519-524-4403
www.bmross.net

File No. 18199

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MUNICIPALITY OF WEST PERTH 2019 DEVELOPMENT CHARGES BACKGROUND STUDY

1.0 Introduction

The Municipality of West Perth is considering establishing, by by-law, revised development charges to pay for capital costs required due to increased needs for services arising from development. The by-law may establish development charges against residential and non-residential development activities in the Municipality during the period of 2019-2024. This by-law would be passed under the statutory authority of the *Development Charges Act, 1997* (DCA) as amended and its accompanying Regulations. It will replace the existing Development Charges by-law (By-law 80-2014), passed on September 15, 2014.

Section 10 of the Act requires that a development charge background study be completed and specifies the contents of the study. *Ontario Regulation 82/98*, Section 8, as amended (O.Reg. 82/98) further defines the content of the study. This Development Charges Background Study (Background Study) has been prepared in order to provide Council with sufficient information to make a decision on the value of any development charge to adopt. This report includes the following major components:

- An outline of the framework for conducting the study;
- An overview of the local growth forecasts for residential and non-residential activities;
- A summary of growth-related projects and services;
- A synopsis of the methodology applied to establish a development charge;
- Asset management information for assets funded by the development charges;
- Presentation of the proposed development charge schedule; and
- Details on the process to implement a Development Charges By-law.

2.0 Background

The Municipality currently administers a wide variety of public services and maintains an extensive inventory of facilities, infrastructure, equipment and land. Several major infrastructure projects have been initiated in recent years or are being planned for implementation in the foreseeable future. Given the capital investment associated with the provision of these projects and other municipal activities, Council has expressed an interest in considering a new Development Charge By-law to recover applicable costs from new development activities.

B. M. Ross and Associates Limited (BMROSS) was engaged to conduct a Development Charges Background Study to consider the adoption of development charges applicable to new construction activities within the Municipality. Section 10 of the DCA specifies that the Background Study must include the following components:

- Forecasts for the anticipated amount, type and location of development for which development charges can be applied;
- An estimate of the increased level of service required to accommodate growth (for each service incorporated into the development charge);
- Forecasts of the average service levels for certain services over the 10-year period immediately preceding the preparation of the Background Study. The assessment of previous service levels must consider both the quality and quantity of service provided;
- Assessment of long-term capital and operating costs for infrastructure required for each applicable service;
- Consideration of the use of more than one development charge bylaw to reflect different service areas; and
- An evaluation of life cycle costs and financial sustainability over the lifetime of the asset.

3.0 Current Practice

Prior to amalgamation, only the Town of Mitchell had a Development Charges Bylaw, which was first passed in May 1992. At that time, the Town collected \$2,500 per new single detached residential unit. There was no charge levied against non-residential development. Following amalgamation, a new Bylaw was enacted in 1999, which set out area rated charges for Mitchell (\$2,900) and the remainder of the Municipality (\$200). This bylaw was amended in 2001 to \$4,000 for the Mitchell ward and \$200 for the remainder of the Municipality. The 2004 By-law set a DC rate of \$6,000 for single family homes, rising to \$7,000 over the following 5 years. In 2009, the development charges for Mitchell were \$5,300 for a single detached unit and \$715 in the rural wards.

In 2014, the Municipality enacted By-law 80-2014, to collect development charges on residential development within the Municipality. Currently, as set out in By-law 138 of 2012, the municipal wide charges include the following service categories: fire protection, parks and recreation, and administration. Within the Mitchell Settlement Area, which includes all lands within the former Mitchell Ward and any lands outside the Mitchell Ward that are allowed to connect to the existing Mitchell water, wastewater or stormwater systems, there are water, sanitary, transportation and storm drainage development charges. The current Development Charges (under By-law 80-2014) are set out in Table 3.1 for the Mitchell Settlement Area and Table 3.2 for the remainder of the Municipality.

Table 3.1 Development Charges set out by 2014 By-Law, Mitchell Service Area

DC Category	Single Detached Unit	Multiple Unit and Townhouses	Apartments
Sanitary	\$1,863.32	\$1,504.99	\$1,289.99
Water	\$1,239.1	\$1,000.84	\$857.86
Transportation	\$1,267.53	\$1,023.77	\$877.52
Storm Drainage	\$352.06	\$284.36	\$243.74
Fire Protection	\$19.77	\$15.97	\$13.69
Parks & Recreation	\$995.65	\$804.18	\$689.30
Administration	\$151.42	\$122.20	\$104.83
Less 10%	\$588.38	\$475.64	\$380.70
Total	\$5,300.00	\$4,280.77	\$3,669.24

Table 3.2 Development Charges set out by 2014 By-law, Rural Wards

DC Category	Single Detached Unit	Multiple Unit and Townhouses	Apartments
Sanitary	\$0	\$0	\$0
Water	\$0	\$0	\$0
Transportation	\$0	\$0	\$0
Storm Drainage	\$0	\$0	\$0
Fire Protection	\$297.37	\$240.18	\$205.87
Parks & Recreation	\$995.65	\$804.18	\$689.30
Administration	\$151.42	\$122.20	\$104.83
Less 10%	\$144.44	\$116.66	\$100.00
Total	\$1,300.00	\$1,050.00	\$900.00

In the period between 2014 and the end of 2018, a total of \$545,291.12 was collected in development charges. Table 3.3 summarizes the additions, interest earned and expenditures from the development charge accounts between 2014-2018. The expenditures made using funds from the development charge reserves included debt repayment and contributions towards the projects as described in the 2014 Background Study.

Table 3.3: Development Charges Collected and Reserve Balance (2014-2018)

Year	Collected	Expenditures	Interest	Balance
2014	\$ 74,200.00	- \$ 45,445.94		\$ 511,813.65
2015	\$ 125,684.31	- \$ 28,636.77	\$ 6,901.84	\$ 615,763.03
2016	\$ 130,003.83	- \$ 63,511.09	\$ 9,095.66	\$ 691,351.43
2017	\$ 105,579.99	- \$ 62,393.39	\$7,540.81	\$742,078.84
2018	\$ 109,822.99	- \$ 125,600.88	\$16,384.67	\$742,685.62

4.0 Approach

This report is an update of the 2014 Background Study. The purpose of this study is to conform to the requirements of the DCA and to support an amount that can be collected as a development charge. It is also an opportunity to review how the assumptions and forecasts used in the previous report performed. Additionally, the process of implementing and collecting the development charges is reviewed to determine whether changes or improvements need to be made. The approach to conducting the review is as follows:

- Review with municipal staff and Council the existing process, what projects were implemented during the life of the existing by-law and to discuss new projects;
- Review historical and future growth in the Municipality. Municipal staff provided information on buildings/development activity since the previous report was prepared;
- Municipal staff and consulting engineers to provide updated capital works forecasts and potential projects;
- BMROSS analyzed and evaluated the services collected for in the existing by-law, and the proposed works to service new development, with respect to:
 - Applicability under the Act;
 - Benefit to existing development;
 - Allocation between different types of development;
 - Level of service in the community;
 - Potential impact of long-term capital and operating costs for the proposed works; and
 - Service areas of the proposed works.

The following represent the final components of the development charges process:

- Provide Council with an interim presentation to identify proposed services that could be collected for in a development charge;
- Council determines a development charge amount they intend to collect by by-law;
- Establish, by Council resolution, a development charge schedule which the Municipality intends to collect;

- Prepare a draft Development Charges By-law prescribing the proposed development charges schedule;
- Arrange a public meeting to present details on the study process and the proposed development charges schedule. The meeting is a requirement of the DCA. A minimum 20-day notice period must be provided prior to the meeting;
- Acknowledge and attempt to address concerns raised during the statutory public meeting, and document input received through consultation;
- Finalize the implementing By-law following consideration of comments received via consultation;
- Obtain, by Council resolution, approval of the proposed Development Charges By-law; and
- Circulate the Notice of Passage for the Development Charges By-law. The By-law will immediately come into effect. The By-law may be appealed to the Local Planning Appeal Tribunal (LPAT) in the 40-day period following the passage of the By-law.

5.0 Population and Growth Forecast

5.1 General

Forecasts have been prepared to project population and household growth for the Municipality of West Perth over a 25-year planning period. The growth forecasts were established following an assessment of general growth and development trends in West Perth as identified from statistical data, building permit data and background research. The forecasts extrapolated from these analyses are considered reasonable projections of growth and development within the Municipality. The background research and analyses of population and growth is included in Appendix A.

5.2 Current Population and Household Trends

The most recent population count for the Municipality of West Perth is the 2016 Census. In 2016, the population of West Perth was 8,865 residents. This is a decrease from 2011 population, which was 8,919. Generally, the population of West Perth has fluctuated over the past 15 years. The population of West Perth from 1976 to 2001 showed a consistent increase in the number of residents; however, in the years since the population counts have varied between 8,919 (in 2011) to 8,839 (in 2006). The estimated population of the wards of Fullarton, Hibbert, Logan and Mitchell based on Census data are shown in Table 5.1.

Table 5.1: Census Population in West Perth and Wards (1976-2016)

Year	Fullarton	Hibbert	Logan	Mitchell	West Perth
1976	1,637	1,487	2,337	2,742	8,203
1981	1,561	1,375	2,210	2,777	7,923
1986	1,566	1,375	2,136	2,992	8,069
1991	1,631	1,374	2,178	3,382	8,565

Year	Fullarton	Hibbert	Logan	Mitchell	West Perth
1996	1,662	1,348	2,227	3,670	8,907
2001	1,657	1,308	2,142	4,022	9,129
2006	1,567	1,268	1,981	4,023	8,839
2011	1,491	1,200	1,920	4,308	8,919
2016	1,387	1,124	1,725	4,629	8,865
5-year change	-69	-76	-90	181	-54
10-year change	-180	-144	-256	606	26
20-year change	-275	-224	-502	959	-42

In the five years between the last Census periods (2016 to 2011), the population of West Perth has decreased by 54 people (or -0.6%). Over a 10-year period, the population has increased by 26 persons (or 0.3%). In the community of Mitchell, the largest urban area in West Perth, the most recent population count is 4,629 residents. Mitchell has experienced steady population growth over the past 40 years; including an increase of 321 persons (or 7.5%) between 2011 and 2016 and 606 residents between 2006 and 2016. The average annual growth rate for Mitchell, based on the population change over the past 10-years is 1.4%. The sustained growth in Mitchell is most likely attributed to its position as an employment centre within the Municipality, as well as desired location for families and retirees.

In the rural areas outside of Mitchell, the population has steadily decreased. The populations of Fullarton, Hibbert, and Logan based on the latest census are 1,387; 1,124; and 1,725 persons respectively. Over the past 10 years, the Logan Ward has experienced the largest population decrease, with a 12.9% reduction (or less 256 persons). The decreases in the Fullarton and Hibbert Wards over the same time period are -180 (-11.5%) and 144 (-11.4%) persons. The decline in the rural population of West Perth follows a general demographic trend in rural Ontario, as a result of an aging population, decline in the number of family farms, and migration of young adults and seniors to urban areas.

The number of total private dwellings from Census data for the wards of West Perth are summarized in Table 5.2. This information is based on counts from dissemination blocks in 2011 and 2016. Data from earlier Census is not readily available for each ward but is available for the municipality as a whole. The number of total dwelling units in West Perth between 1996 and 2016 is shown in Table 5.3.

Table 5.2 Census Dwelling Counts (2011-2016)

Year	Fullarton	Hibbert	Logan	Mitchell	West Perth
2011	518	464	634	1,784	3,400
2016	513	456	641	1,890	3,500
5-year change	-5	-8	7	106	100

Table 5.3: West Perth Total Dwellings from Census Counts (1996-2016)

Year	West Perth – Total Dwellings
1996	3,010
2001	3,274
2006	3,341
2011	3,400
2016	3,500
10-year change	159
20-year change	490

The Census data from 2016 shows growth in the total number of dwellings in Mitchell and Logan, and the Municipality overall. The total number of units in Fullarton and Hibbert, as counted by the Census, have decreased over the last 5 years.

To gain a better understanding of residential development occurring in West Perth, building permit data for new residential dwellings was assessed. Table 5.4 summarizes the number of new building units in the wards and West Perth between 1994 and 2018.

Table 5.4 Summary of New, Residential Building Permits Issued (1994-2018)

Year	Fullarton	Hibbert	Logan	Mitchell	Total
1994	6	4	6	21	37
1995	2	1	12	14	29
1996	4	5	12	22	43
1997	2	2	5	33	42
1998	1	1	1	37	40
1999	1	2	2	28	33
2000	3	1	1	36	41
2001	2	1	1	24	28
2002	2	1	2	17	22
2003	2	2	3	14	21
2004	3	1	2	31	37
2005	1	0	9	27	37
2006	0	1	11	17	29
2007	0	2	4	8	14
2008	2	3	2	13	20
2009	4	5	2	11	22
2010	2	3	2	22	29
2011	3	2	1	22	28
2012	2	3	4	19	28
2013	3	2	1	15	24
2014	0	0	1	14	15
2015	3	0	2	27	32
2016	1	1	0	21	23

Year	Fullarton	Hibbert	Logan	Mitchell	Total
2017	3	0	3	27	33
2018	0	3	0	23	26
5-year total	7	4	6	112	129
10-year total	21	19	16	201	257
5-year average	1.4	0.8	1.2	22.5	25.7
10-year average	2.1	1.9	1.6	20.1	27

The vast majority of building permits for new residential units are issued for development within Mitchell. There have been relatively few new homes built in the rural wards of Fullarton, Logan and Hibbert. Over the past 10 years, the annual average number of building permits for new residential homes in Mitchell is 20.1. Over the past 5 years, the annual average number of building permits has increased to 22.4. In the rural wards, the 10-year annual average ranges between 1.6 and 2.1 building permits per year.

5.3 Population and Households Forecast

5.3.1 Forecast Methodology

For the purposes of this study, a population forecast for West Perth was developed. The forecast is based on the 5-year annual average number of new residential building permits and declining household densities for the rural wards. In Mitchell, an average of 25 additional units per year was used, following staff input. This approach is seen as a reasonable strategy for estimating growth within the Municipality, as there has been a recent increase in the number of building permits issued over the past 5 years. This trend reflects changes in population characteristics, such as an aging population and decreases in family size, as well as external factors including housing prices and availability outside of the Municipality.

The forecast incorporated the following methodological components:

- The 2016 population and household counts, as determined by the 2016 Census, were used as the starting points for the projections;
- From this base estimate, household growth was calculated using the 5-year annual average of residential units started (from building permit data) in the rural wards and an average of 25 new units per year in Mitchell;
- Population density in each of the wards is expected to continue to decrease over the next 20 years to the following values:
 - Fullarton: 2.7 persons per unit (2016) to 2.35 persons per unit (2044)
 - Hibbert: 2.46 persons per unit (2016) to 2.16 persons per unit (2044)
 - Logan: 2.69 persons per unit (2016) to 2.35 persons per unit (2044)
 - Mitchell: 2.45 persons per unit (2016) to 2.4 persons per unit (2044)
- It is expected that the majority of development will occur as single and semi-detached units in the short term, however in order to maintain the balance of

supply and demand and to meet the changing needs of its diverse population, increased densities and dwelling types as a composition of total residential development will continue to rise in the Mitchell Ward

5.3.2 Residential and Population Forecast

A residential and population growth forecast was developed for West Perth based upon the previously discussed methodology. Tables 5.5 and 5.6 show the household and population forecasts.

Table 5.5: Residential Household Forecast

Year	Fullarton	Hibbert	Logan	Mitchell	West Perth
2016	513	456	641	1,890	3,500
2019	517	458	645	1,965	3,585
2024	524	462	651	2,090	3,727
2029	531	466	657	2,215	3,869
2034	538	470	663	2,340	4,011
2039	545	474	669	2,465	4,153
2044	552	478	675	2,590	4,295
5-year change	7	4	6	125	142
10-year change	14	8	12	250	284
20-year change	28	16	24	500	568
25-year change	35	20	30	625	710

Table 5.6 Population Forecast

Year	Fullarton	Hibbert	Logan	Mitchell	West Perth
2016	1,387	1,124	1,725	4,629	8,865
2019	1,370	1,104	1,709	4,814	8,997
2024	1,357	1,090	1,686	5,121	9,254
2029	1,343	1,076	1,662	5,316	9,398
2034	1,329	1,062	1,638	5,616	9,645
2039	1,313	1,048	1,612	5,916	9,889
2044	1,297	1,032	1,586	6,216	10,132
5-year change	-13	-13	-23	306	257
10-year change	-27	-27	-47	502	401
20-year change	-57	-56	-97	1,102	892
25-year change	-73	-71	-123	1,246	979

5.4 Non-Residential Development Forecast

Between 2014 and 2018, there was a total of 107 building permits issued for commercial, industrial and institutional (ICI) developments. Over this period, there were 45 industrial permits and 39 commercial permits. On average, this equates to 85,796.4 square feet of ICI development on a yearly basis.

The forecast for non-residential growth in square feet over the next 40 years is presented in Table 5.7. Non-residential development is expected to continue at a similar pace to what has been experienced in recent years. It is forecasted that non-residential development will occur at an average rate of 85,796.4 square feet per year over the next 20 years. This equates to 428,982 square feet of non-residential development will occur over the next 5 years. It is anticipated that non-residential may increase in pace due to acquisition of land for the Heron Business Park by the Municipality. The Municipality has assembled 59 acres (24 Ha) of land and is undertaking planning for the servicing of these lands. It is anticipated that land prices will be set at a level which recovers the initial purchase price, and costs associated with providing services including sanitary, water and storm.

Table 5.7 Forecasted Additional Non-Residential Development, West Perth

Time Period	Additional Non-Residential Development (square feet)
5 year (2024)	42,8982
10 year (2029)	85,7964
20 year (2039)	171,5928
25 year (2044)	214,4910
40 year (2059)	343,1856

6.0 Review of Growth-Related Capital Costs

6.1 General Considerations

Projects and services that are anticipated to be required as a result of growth throughout West Perth were reviewed and evaluated. The following factors and evaluation steps were considered during this process:

- Identification of municipal services required to permit occupancy for new development (e.g., water, sanitary, stormwater management, roads, fire protection);
- A review of projects/services contained in the 2014 Background Report were used support the current Development Charges By-law;
- A review of new projects/services that were proposed to be collected for in a development charge because they will be required as a result of growth;
- Assessment of the applicability of services and projects under the DCA, taking the following factors into consideration:
 - Eligible Services: Development charges can only be applied to each of the following services to recover the growth-related capital costs for facility construction and improvement, land acquisition and improvement, equipment and furnishings:
 - Water and wastewater services;
 - Stormwater infrastructure;
 - Transportation infrastructure (e.g., sidewalks, streetlights)

- Electrical power services;
- Policing services;
- Ambulance services;
- Waste diversion services;
- Transit services; and
- Development charge background studies;
- Studies related to the above matters;
- Identification of completed projects and services which benefit future development and included allocations specifically for growth (i.e., additional capacity);
- Identification of proposed projects and services which will provide benefit to further development within the next ten years; and
- Assessment of the probable capital costs which will be incurred for those projects or services determined to be DCA-eligible.

6.2 Review of Projects/Services from the 2014 Background Report

The evaluation process included a review of growth-related projects that were included in the 2014 Development Charges. The projects were reviewed in terms of their status, cost and grant estimates, and continued applicability. The review is summarized in Table 6.1.

Table 6.1 Summary of Review of 2014 Development Charge Projects

Service Category	Project	Service Area	Summary of Review
Sanitary Sewage	Additional Capacity	Mitchell Service Area	<ul style="list-style-type: none"> • Expanded existing peak flow storage cell. Allowed for 840 additional residential equivalents and associated non-residential growth. • Continue to collect until capacity is allocated
Sanitary Sewage	New Clarifier	Mitchell Service Area	<ul style="list-style-type: none"> • Required to treat extraneous flows from existing development and to facilitate new growth. • Project has been revised to include additional works to upgrade/expand the wastewater treatment plant.

Service Category	Project	Service Area	Summary of Review
Sanitary Sewage	James St. Pumping Station	Mitchell Service Area	<ul style="list-style-type: none"> • Major upgrading/ replacement of James St. Pumping Station. Replaced existing infrastructure with facilities with greater capacity. • Continue to collect until capacity is allocated
Sanitary Sewage	Trunk Sewer	Mitchell	<ul style="list-style-type: none"> • 2 trunk sewer projects identified • Required to move sewage from new development areas to the sewage pumping and treatment facilities • Continue to collect until capacity is allocated
Water	Water Supply	Mitchell Settlement Area	<ul style="list-style-type: none"> • New well to service increased demands in the future. Constructed in 2007. 6,800 person capacity. • Continue to collect until capacity is allocated
Water	Storage	Mitchell Settlement Area	<ul style="list-style-type: none"> • New elevated tank will address fire flow issues and storage capacity for future development. • 10,000 person equivalents of capacity.
Water	Trunk Watermains	Mitchell Settlement Area	<ul style="list-style-type: none"> • 3 trunk watermain projects identified. • Required to service new development areas. • Continue to collect.
Transportation	Roads, Bridges	Mitchell Settlement Area	<ul style="list-style-type: none"> • Review list and remove completed projects or projects no longer moving forward
Stormwater Drainage	Stormwater Drainage Southwest Area	Mitchell Settlement Area	<ul style="list-style-type: none"> • Stormwater management facility constructed in 2005. Continue to collect for project.
Fire Protection	Firefighter Outfitting	All	<ul style="list-style-type: none"> • 28 Firefighters, additional firefighters required to service growth.
Fire Protection	New Tanker Truck	Rural Wards	<ul style="list-style-type: none"> • Continue to collect

Service Category	Project	Service Area	Summary of Review
Parks and Recreation	Parkland Development	All	<ul style="list-style-type: none"> • Ongoing need as population increases • Continue to collect until prescribed date set out in amended DCA and associated regulation.
Parks and Recreation	Additional Icepad	All	<ul style="list-style-type: none"> • Project is not proceeding following the findings of the Parks and Recreation Master Plan. • Reserve used for expansion project at the arena.
Administration	Capital Growth Studies	All	<ul style="list-style-type: none"> • Continue to collect for Background Studies. • Include Parks and Recreation Master Plan as separate project and continue to collect until prescribed date set out in amended DCA and associated regulation.

It should be noted that the Development Charges Act was amended in June 2019 under Bill 108 (More Homes, More Choice Act). Under Bill 108, ‘soft services’ will be no longer eligible for collection through development charges following the prescribed date set out in the amended Development Charges Act and regulation. Soft services include services related to parks and recreation and libraries. Under the amendments made through Bill 108, municipalities will be able to collect for soft services through a ‘Community Benefit Charge’. Municipalities will have until January 1, 2021 to pass a Community Benefits Bylaw to collect for soft services. Community benefit charges will be charged as a prescribed percentage of the value of the development land; however, at present the prescribing regulation outlining the formula for calculation of the charges is not available. It is noted that the Municipality may implement such a By-law to collect for soft services.

6.3 Review of Additional Services

Additional services that are anticipated to be required as a result of growth in the Municipality were reviewed and evaluated as part of the study. Table 6.2 provides a summary of new service categories/projects that are proposed to be included in the development charge calculation. Additional information on the projects included in Table 6.2 is also included in Appendix B.

Table 6.2 New Projects for Inclusion in Development Charges

Service Category	Project	Service Area	Description
Sanitary Sewage	Plant Upgrades	Mitchell Settlement Area	<ul style="list-style-type: none"> • Upgrades are required to the digesters, inlet works and clarifier at the Sewage Treatment Plant. This project will address existing deficiencies and provide an additional approximate 2,600 person equivalents in capacity. • Cost to future development is estimated at \$950,285.00
Sanitary Sewage	Trunk – Sewers	Mitchell Settlement Area	<ul style="list-style-type: none"> • New trunk sewage projects include: Wellington: Georgina to Frank; Frances St.: Arthur to Perth Road 162; and Henry St: St. Andrew to Arthur. • These works are required to provide service to future growth areas. • Estimated cost: \$831,201
Water	Trunk Watermain	Mitchell Settlement Area	<ul style="list-style-type: none"> • New watermain projects include: Wellington: Georgina to Frank; Frances St: Arthur to Perth 162. • These works are required to provide service to future growth areas. • Estimated cost: \$350,000
Water	Water Rate Studies	Mitchell Settlement Area	<ul style="list-style-type: none"> • Municipality undertakes water rate studies on 5-year cycle. Benefits future and existing growth by establishing rates and capital growth plans • Estimated cost: \$16,000
Transportation	Roads and Bridges	Mitchell Settlement Area	<ul style="list-style-type: none"> • New road projects include: Wellington St.: Georgina to Frank; Arthur St: Frances to Henry. • Required to service future growth areas. • Estimated total cost: \$158,063
Transportation	Road Needs Study	Entire Municipality	<ul style="list-style-type: none"> • Municipality undertakes road needs study every 5 years. Benefits existing and future growth by identifying needs and capital work forecast.

Service Category	Project	Service Area	Description
Stormwater	Storm Sewers	Mitchell Settlement Area	<ul style="list-style-type: none"> • New storm sewer projects include: Henry St: St. Andrew to Arthur; and Arthur St.: Frances to Henry • Required to service future growth areas. • Estimated total cost: \$634,403
Fire Protection	Firehall	Entire Municipality	<ul style="list-style-type: none"> • Municipality is planning to expand the firehall from 6 bays to 8. Benefits existing and future growth, based on the existing 10-year level of service. • Estimated cost is \$1,600,000.

6.4 Services Areas

Previous iterations of the Development Charge By-law identified projects that benefitted growth on a municipal-wide basis and others that benefit a defined area (the Mitchell Settlement Area). The projects in the following service categories are considered to benefit the Mitchell Settlement Area: water, sanitary services, transportation, and stormwater. The Mitchell Settlement Area includes all the lands within the former Town of Mitchell, as well as areas adjacent to Mitchell that will be serviced by municipal services. The administration category of projects, as well as development charges for the Road Needs Study are applicable to the entire Municipality.

6.5 Asset Management

Amendments to the Development Charges Act in 2015 and Ontario Regulation 82/98 require that development charge background studies include an asset management plan. This plan must include all assets with capital costs funded by development charges and demonstrate that assets are financially sustainable over their full life cycle.

The Municipality of West Perth completed an initial iteration of an Asset Management Plan (AMP) in 2013. The intent of the AMP is to serve as a strategic, tactical and financial document to allow the Municipality to follow sound asset management practices while optimizing available resources and achieving a desired level of service. The initial AMP included consideration of the following asset categories: road network, bridges and culverts, water network, sanitary sewer network and storm sewer network. The 2013 AMP includes a financial analysis for funding infrastructure needs but recognized that the completion of a condition rating analysis will provide a more accurate picture of the financial requirements.

A number of the projects funded through development charges have been either built or are expansions to existing infrastructure. These projects were evaluated as part of the 2013 AMP. These projects include:

- Sewage Treatment Plant
- James St. Sewage Pumping Station
- Trunk Sewer: St. Andrew St. (James St. to Rowland St.)
- Trunk Sewer: St. Andrew St. (Rowland to Frances St.)
- Well No. 4
- Trunk Watermain: Napier St. (Campbell St. to Park St.)
- Trunk Watermain: River Crossing (Kent St. to Quebec St.)
- Stormwater Pond

Additionally, studies such as the Development Charge Background Study or Water Rate Study, are not considered assets.

The remaining projects, which were either constructed after the 2013 AMP, or have yet to be constructed, represent new assets. It is expected that as these projects are built or bought, they will be incorporated into future updates of the AMP. Given the estimate life cycle of the assets (based on the lifetime estimates used in the 2013 AMP), the replacement cost was estimated assuming 2% annual inflation. The assets not included in the 2013 AMP have a life-cycle cost totaling: \$42,372,217.24. The life cycle of the assets range from 75 to 100 years. Assuming 3.5% annual interest, the Municipality will require an additional \$ 97,532.73 per year to fund the lifecycle costs of these additional projects. This amount does not factor in potential grants or other contributions.

The number of additional residences in West Perth is expected to continue to increase over the next 10 years. The forecasted addition of 258 units will contribute to the existing assessment base and offset the costs associated with these additional assets. Given this, and the Municipality's continued efforts towards establishing long-term funding strategies, the projects included in the development charges are considered financially sustainable over their life cycles.

7.0 CALCULATION OF THE DEVELOPMENT CHARGE

7.1 Methodology

The DCA and O. Reg. 82/98 prescribe the methodology which must be applied to calculate the growth-related capital costs for those projects and services being considered for inclusion into the development charge (i.e., DCA-recoverable capital costs). The following outlines the methodology used to calculate possible development charges for each service category:

Preliminary Capital Cost Assessment

- Establish the total estimated capital costs for those projects or services with growth related components which will be implemented within ten years (i.e., gross growth-related capital costs). Exclude costs for local services installed or paid for by land developers as a condition of approval under Section 51 of the Planning Act (subdivision of land);

- Define the benefiting area for the proposed works and estimate the total capacity of the growth-related project or service. Exclude the proportion of the service that can be met by the excess capacity of existing facilities, unless Council has indicated, at the time the excess capacity was created, that it would be paid for by new development;
- Reduce the net growth-related capital costs of the project or service by the value of any anticipated grants or subsidies.

Service Level and Benefit Adjustments

- Review the service description to determine if the proposed works exceed the average level of service (service standard) in the Municipality over the previous 10-year period. The determination of average service level must take into account the quantity of service (i.e., number or size) and the quality of service (i.e., value or cost). Reduce the net cost of the works by any anticipated increase in the service standard.
- Reduce the net capital cost by the amount the increase in service would benefit existing development;
- Allocate the net capital costs for project or service between residential and non-residential development (i.e., industrial, institutional, commercial activities), based upon anticipated benefit;

Development Charge Calculation and Cash Flow Adjustments

- Calculate the development charge for each service based upon the estimated amount of future growth it will facilitate during the applicable planning period;
- Determine the residential development charge for various types of dwellings based upon the expected occupancy characteristics. Establish area-specific charges for localized projects and services, as required;
- Establish the non-residential development charge based upon a building standard (i.e., cost per square metre of development). Establish area-specific charges for localized projects and services, as required.

7.2 Assumptions Used in the Development Charge Calculation

7.2.1 Spatial Applicability of Capital Costs

The projects included in the following service categories benefit development on a municipal-wide basis: Administration and Transportation (the Road Needs Study project). The remainder of the services and projects benefit only the Mitchell Settlement Area. The Mitchell Settlement Area includes all lands within the former Town of Mitchell and any adjacent lands that will be serviced by the Mitchell sanitary, water, stormwater and transportation systems. The Rural Service Area is all areas outside of the Mitchell Service Area.

7.2.2 Allocation of Costs Between Growth and Existing Development

Where a proposed service provides a benefit to existing development, the capital costs must be reduced by the amount of the benefit. Where applicable, for purposes of allocating project costs between future growth and existing development, design capacities have been converted to single person equivalents. This permits a cost per person value to be calculated, which applies equally to both existing development and predicted growth.

7.2.3 Allocation of Costs Between Residential and Non-Residential Development

For the purposes of this study, a series of ratios were established to calculate the relative benefit of projects and services to residential and non-residential activities. The ratios were established based upon the current assessment data. Table 7.1 shows the percentage of residential and non-residential development in West Perth.

Table 7.1 Ratio of Residential and Non-Residential Development in West Perth

Area	Residential (%)	Non-Residential (%)
Mitchell Settlement Area	87.3	12.6
West Perth	85.7	14.3

7.2.4 Occupancy Considerations

The average occupancy rate in West Perth, based on the population and number of dwellings as reported in the Census is 2.53 persons per dwelling unit. For Mitchell, the average household density is 2.45. This average includes all types of permanent residential units, from detached single dwellings to apartments. It excludes seasonal occupancy. Different types of residential development contain different numbers of occupants. On a per unit basis, the smaller the average occupancy, the less demand is generally placed on services. For purposes of this report, the occupancies defined in Table 7.2 are assumed for various housing types.

Table 7.2 Residential Occupancies for Various Dwelling Types

Residential Unit Type	Persons Per Unit	Percentage of Single Family Unit Charge
Single Family Residential, including semi-detached	2.45	100%
Multiples	2.1	86%
Apartments	1.8	74%

7.3 Calculated Development Charge

Appendix B provides information on each service category and service component, as well as the key considerations for the calculation of development charges. Based upon the calculations presented in Appendix B, development charge schedules have been prepared for residential and non-residential activities. Table 7.3 and 7.4 provides a

summary of the development charge calculations, based on the calculations outlined in Appendix B for the rural service area and the Mitchell Service Area. The summaries of the calculated development charges for residential and non-residential development are outlined in Tables 7.5 and 7.6 for the Rural and Mitchell Settlement Areas.

It is recommended that development charges schedules, selected by Council using this Report as a guide, be collected by by-law in the Municipality for the period 2019-24.

Table 7.3 Summary of Calculated Development Charges for Rural Service Area

Category	Residential Development Charge Per Capita	Non-Residential Development Charge (per sq. ft)
Administration	\$ 86.68	\$ 0.01
Transportation	\$ 4.39	\$ 0.0002
Fire	\$ 200.04	\$ 0.05
Parks and Recreation	\$ 192.50	\$ 0.0003
Total	\$ 483.61	\$ 0.06

Table 7.4 Summary of Calculated Development Charges for Mitchell Service Area

Category	Residential Development Charge Per Capita	Non-Residential Development Charge (per sq. ft)
Sanitary	\$ 1,365.77	\$ 0.12
Water	\$ 708.92	\$ 0.56
Transportation	\$ 676.91	\$ 0.17
Stormwater	\$ 469.33	\$ 0
Fire	\$ 124.00	\$ 0.01
Administration	\$ 86.68	\$ 0.01
Parks and Recreation	\$ 192.50	\$ 0.0003
Total	\$ 3,624.11	\$ 0.87

Table 7.5 Summary of Calculated Development Charges by Unit, Rural Service Area

Category	Residential Per Capita	Single Detached (2.45 persons per unit)	Semi Detached (2.45 persons per unit)	Townhouses and Multi-Units (2.1 persons per unit)	Apartments (1.8 persons per unit)	Non-Residential (per sq. ft)
Administration	\$ 86.68	\$ 212.37	\$ 212.37	\$ 182.03	\$ 156.03	\$ 0.01
Transportation	\$ 4.39	\$ 10.75	\$ 10.75	\$ 9.22	\$ 7.90	\$ -
Fire	\$ 200.04	\$ 490.11	\$ 490.11	\$ 420.09	\$ 360.08	\$ 0.05
Parks and Recreation	\$ 192.50	\$ 471.62	\$ 471.62	\$ 404.24	\$ 346.49	\$ 0.0003
Total	\$ 483.61	\$1,184.85	\$1,184.85	\$1,015.58	\$ 870.50	\$ 0.06

Table 7.6 Summary of Calculated Development Charges By Unit, Mitchell Settlement Area

Category	Per Capita	Single Detached (2.45 persons)	Semi Detached (2.45 persons per unit)	Townhouses and Multi-Units (2.1 persons per unit)	Apartments (1.8 persons per unit)	Non-Residential (per sq. ft)
Sanitary	\$ 1,365.77	\$ 3,346.13	\$ 3,346.13	\$ 2,868.11	\$ 2,458.38	\$ 0.12
Water	\$ 708.92	\$ 1,736.86	\$ 1,736.86	\$ 1,488.74	\$ 1,276.06	\$ 0.56
Transportation	\$ 676.91	\$ 1,658.42	\$ 1,658.42	\$ 1,421.50	\$ 1,218.43	\$ 0.17
Stormwater	\$ 469.33	\$ 1,149.86	\$ 1,149.86	\$ 985.59	\$ 844.79	\$ -
Fire	\$ 124.00	\$ 303.80	\$ 303.80	\$ 260.40	\$ 223.20	\$ 0.01
Administration	\$ 86.68	\$ 212.37	\$ 212.37	\$ 182.03	\$ 156.03	\$ 0.01
Parks and Recreation	\$192.50	\$ 471.62	\$ 471.62	\$ 404.24	\$ 346.49	\$0.00
Total	\$ 3,624.11	\$ 8,879.07	\$ 8,879.07	\$ 7,610.63	\$ 6523.40	\$ 0.87

8.0 IMPLEMENTATION

8.1 General Considerations

As discussed, a Development Charges By-law must be adopted to implement a development charges schedule and the associated collection policies. Section 5(1)(9) of the DCA prescribes that the Municipality must establish rules within the implementing by-law to set out how development charges will be applied at the local level.

This section of the report outlines certain components of the DCA which will need to be considered during the preparation of the Development Charges By-law.

8.2 Applicable Development

Section 2(2) of the DCA prescribes that development charges can be collected against development activities requiring one or more of the following:

- Issuance of a building permit;
- Condominium Act approval;
- Certain Planning Act approvals (i.e., minor variances, re-zonings, consents, severances, plans of subdivision).

Development charges cannot be applied to development activities which:

- Enlarge an existing dwelling unit;
- Create a second dwelling unit in prescribed classes of proposed new residential buildings, including structures ancillary to dwellings;
- Create additional dwelling units as prescribed (subject to prescribed restrictions); and
- Increase the gross floor area of an industrial development by less than 50%.

Section 3 of the DCA further prescribes that lands owned, and used by, municipal governments and school boards are not subject to the provisions of the by-law. However, Council is also permitted to include provisions in the by-law which exempt specific types of development from development charges. In this respect, local municipalities commonly exempt places of worship, public hospitals and farm buildings from the development charges specified in the by-law.

8.3 Charge Ceilings

Development charges to be collected against new development must not exceed the values defined in Tables 7.3 and 7.4 of this study. Council can establish Development Charges Schedules in the by-law which prescribe charges which are less than those calculated in the aforementioned tables for the entire municipality, specific areas of the municipality, or specific categories of development.

8.4 Phasing-in

Council is permitted to phase-in development charges over the five-year lifespan of the by-law. Phasing-in of development charges is occasionally implemented by local municipalities concerned with the financial burden placed upon new development, particularly in areas where these fees have not previously been applied. Any phasing in of development charges will be outlined in the Development Charge By-law.

8.5 Inflation Adjustments

The DCA permits development charges to be adjusted to inflation, on an annual basis, using an index specified in the by-law. This measure is commonly employed by local municipalities to ensure that the fees collected reflect the real cost of the projects and services.

8.6 Front-Ending Agreements

The Development Charges By-law may contain policies which permit the Municipality to enter into front-ending agreements with land developers for infrastructure activities specified in the by-law (e.g., watermain installation, road extensions). Front-ending agreements allow developers to finance all, or a portion of the capital costs of a project in order to permit the work to proceed in advance of a municipal capital works schedule. The agreement is required to stipulate, at a minimum, the nature and cost of the work, a cost-sharing program, a collection system and the specific benefiting area.

Under front-ending agreements, the Municipality typically assumes the following general responsibilities:

- Collecting development charges from subsequent development activities in the defined service area;
- Reimbursing the other parties in the agreement for a share of the development charge (corresponding to the work completed).

Front-ending agreements are subject to public review. Affected property owners may appeal the terms of an agreement to the Local Planning Appeal Tribunal.

8.7 Credits

The Development Charges By-law may contain provisions which allow the Municipality to permit works specified in the by-law to be carried out by an individual in exchange for credit towards the applicable development charge. The amount of the credit established must reflect the reasonable cost for the doing the work, as agreed upon by the involved parties. The credit provided by the Municipality can only be applied to the service category, or categories, which are directly related to the work undertaken.

9.0 SUMMARY

This report presents the results of a Development Charges Background Study for the Municipality of West Perth. Council of the Municipality of West Perth is considering a new Development Charges By-law for the Municipality and the study is required under the *Development Charges Act, 1997*.

The study incorporated the primary key activities:

- Review of historic growth in West Perth and extrapolation of growth and development forecasts for that study area;
- Review and evaluation of capital works projects that would be required to service the predicted growth;
- Calculation of a recommended Development Charge Amount for the proposed projects and services in accordance with the DCA.

It is our opinion that the Development Charge Amounts set out in Tables 7.3-7.4 and 7.5-7.6 of the report are in compliance with the provisions of the DCA and O. Reg. 82/98. However, the charge that is used in the implementing by-law will be set by Council after due consideration.

10.0 FUTURE ACTION

The following represent the final activities required to adopt a Development Charges program:

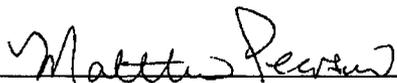
- Council reviews the Background Study. Following due consideration and any required revisions, Council accepts this draft report and by resolution, agrees that the intent of the Municipality is to implement the growth-related capital works itemized in Appendix B;
- Council considers a Development Charge Amount to establish, and specific implementation policies to be incorporated into the implementing by-law;
- A draft by-law is prepared in accordance with the recommendations of Council;
- The statutory public meeting is held with a minimum 20-day notice period. The Background Study and the draft By-law will be made available for public review during the notice period;
- Council must pass the implementing by-law within one year of the completion of Background Study. A 40-day review period must be provided after the passage of the By-law. Any individual or organization may appeal the provisions of the Development Charges By-law to the Local Planning Appeal Tribunal during the review period.

All of which is respectfully submitted.

B. M. ROSS AND ASSOCIATES LIMITED

Per  _____

Lisa J. Courtney M.Sc., RPP, MCIP
Senior Planner

Per  _____

Matt Pearson, RPP, MCIP
Senior Planner

**APPENDIX A
GROWTH AND DEVELOPMENT
FORECAST**

1.0 INTRODUCTION

1.1 General

Section 5(1) of the Development Charges Act, S.O. 1997 (DCA) stipulates that for the purposes of calculating a development charge, “the anticipated amount, type and location of development, for which development charges can be imposed, must be estimated”. The following discussion summarizes the process undertaken to develop a growth and development forecast for the Municipality of West Perth.

Development forecasts have been prepared in conjunction with the Development Charges Background Study to project a population for West Perth over 10-year (2019-2029), 20-year (2019-2039), and 25-year (2019-2044) planning periods. The growth projections were established following an assessment of general growth and development trends evident in the Municipality as identified from statistical data, recent population projections and other background research. The forecasts extrapolated from this analysis are considered to be realistic predictions of population and household growth in West Perth. An estimate of non-residential development has been prepared through an analysis of available building permit information.

The growth projections established in this study provide a basis for determining the level of service required to accommodate future development activities. In this regard, the growth forecasts provide a framework to estimate (1) the capital expenditures needed to finance additional service and (2) an appropriate development charge to recover growth related capital costs.

1.2 Background

A series of reports were received to gather background information on population growth and general development trends in the study area. The following are among the key sources of information examined during this review:

- Statistics Canada Census of Canada data for the period 1981-2016 (data is collected in 5-year intervals);
- Building permit records compiled by the Municipality of West Perth for the period 2014-2018. The records detail the type (e.g. residential, commercial, industrial) and value of development;
- The Mitchell Ward Official Plan and County of Perth Official Plan. These documents examine development patterns and define policies to guide land use activities in the Municipality. The Official Plans also designate lands in West Perth intended for future development;
- 2014 Development Charges Background Study for the Municipality of West Perth by B. M. Ross and Associates Limited; and
- An assessment of current development projects and proposals.

2.0 BACKGROUND POPULATION AND DEVELOPMENT INFORMATION

2.1 Residential Growth Trends

2.1.1 Population

The most recent population count for the Municipality of West Perth is the 2016 Census. In 2016, the population of West Perth was 8,865 residents. This is a decrease from 2011 population, which was 8,919. Generally, the population of West Perth has fluctuated over the past 15 years. The population of West Perth from 1976 to 2001 showed a consistent increase in the number of residents; however, in the years since the population counts have varied between 8,919 (in 2011) to 8,839 (in 2006). The estimated population of the wards of Fullarton, Hibbert, Logan and Mitchell based on Census data are shown in Table 2.1.

Table 2.1: Census Population in West Perth and Wards (1976-2016)

Year	Fullarton	Hibbert	Logan	Mitchell	West Perth
1976	1,637	1,487	2,337	2,742	8,203
1981	1,561	1,375	2,210	2,777	7,923
1986	1,566	1,375	2,136	2,992	8,069
1991	1,631	1,374	2,178	3,382	8,565
1996	1,662	1,348	2,227	3,670	8,907
2001	1,657	1,308	2,142	4,022	9,129
2006	1,567	1,268	1,981	4,023	8,839
2011	1,491	1,200	1,920	4,308	8,919
2016	1,387	1,124	1,725	4,629	8,865
5-year change	-69	-76	-90	181	-54
10-year change	-180	-144	-256	606	26
20-year change	-275	-224	-502	959	-42

In the five years between the last Census periods (2016 to 2011), the population of West Perth has decreased by 54 people (or -0.6%). Over a 10-year period, the population has increased by 26 persons (or 0.3%). In the community of Mitchell, the largest urban area in West Perth, the most recent population count is 4,629 residents. Mitchell has experienced steady population growth over the past 40 years; including an increase of 321 persons (or 7.5%) between 2011 and 2016 and 606 residents between 2006 and 2016. The average annual growth rate for Mitchell, based on the population change over the past 10-years is 1.4%. The sustained growth in Mitchell is most likely attributed to its position as an employment centre within the Municipality, as well as desired location for families and retirees.

Data from the National Household Survey (2016) was consulted to identify recent levels of movement within and to the Municipality. Between 2015-2016, the majority of the population of West Perth did not move (90.5%). Of the 9.5% of the population that did

move, approximately half (4.6%) moved from within the Township and the other half moved from somewhere in Ontario. In the last 5 years, 105 persons have moved to West Perth from outside of Ontario and outside of Canada.

In the rural areas outside of Mitchell, the population has steadily decreased. The populations of Fullarton, Hibbert, and Logan based on the latest census are 1,387; 1,124; and 1,725 persons respectively. Over the past 10 years, the Logan Ward has experienced the largest population decrease, with a 12.9% reduction (or less 256 persons). The decreases in the Fullarton and Hibbert Wards over the same time period are -180 (-11.5%) and 144 (-11.4%) persons. The decline in the rural population of West Perth follows a general demographic trend in rural Ontario, as a result of an aging population, decline in the number of family farms, and migration of young adults and seniors to urban areas.

The average age of residents in West Perth is 40.4 years old. This is slightly lower than the Ontario average (41.0). Unlike many other rural municipalities, the age distribution in West Perth is relatively even between children, adults and seniors. The largest age cohort is adults between 45-49, making up approximately 22% of the population. This is unlike many other rural municipalities which feature a strong senior cohort.

2.1.2 Residential Development

The number of total private dwellings from Census data for the wards of West Perth are summarized in Table 2.2. This information is based on counts from dissemination blocks in 2011 and 2016. Data from earlier Census is not readily available for each ward but is available for the municipality as a whole. The number of total dwelling units in West Perth between 1996 and 2016 is shown in Table 2.3.

Table 2.2 Census Dwelling Counts (2011-2016)

Year	Fullarton	Hibbert	Logan	Mitchell	West Perth
2011	518	464	634	1,784	3,400
2016	513	456	641	1,890	3,500
5-year change	-5	-8	7	106	100

Table 2.3: West Perth Total Dwellings from Census Counts (1996-2016)

Year	West Perth – Total Dwellings
1996	3,010
2001	3,274
2006	3,341
2011	3,400
2016	3,500
10-year change	159
20-year change	490

The Census data from 2016 shows growth in the total number of units in Mitchell and Logan, and the Municipality overall. The total number of units in Fullarton and Hibbert, as counted by the Census, have decreased over the last 5 years.

To gain a better understanding of residential development occurring in West Perth, building permit data for new residential dwellings was assessed. Table 2.4 summarizes the number of new building units in the wards and West Perth between 1994 and 2018.

Table 2.4 Summary of New, Residential Building Permits Issued (1994-2018)

	Fullarton	Hibbert	Logan	Mitchell	Total
1994	6	4	6	21	37
1995	2	1	12	14	29
1996	4	5	12	22	43
1997	2	2	5	33	42
1998	1	1	1	37	40
1999	1	2	2	28	33
2000	3	1	1	36	41
2001	2	1	1	24	28
2002	2	1	2	17	22
2003	2	2	3	14	21
2004	3	1	2	31	37
2005	1	0	9	27	37
2006	0	1	11	17	29
2007	0	2	4	8	14
2008	2	3	2	13	20
2009	4	5	2	11	22
2010	2	3	2	22	29
2011	3	2	1	22	28
2012	2	3	4	19	28
2013	3	2	1	15	24
2014	0	0	1	14	15
2015	3	0	2	27	32
2016	1	1	0	21	23
2017	3	0	3	27	33
2018	0	3	0	23	26
5-year total	7	4	6	112	129
10-year total	21	19	16	201	257
5-year average	1.4	0.8	1.2	22.5	25.7
10-year average	2.1	1.9	1.6	20.1	27

The vast majority of building permits for new residential units are issued for development within Mitchell. There have been relatively few new homes built in the rural wards of Fullarton, Logan and Hibbert. Over the past 10 years, the annual average

number of building permits for new residential homes in Mitchell is 20.1. Over the past 5 years, the annual average number of building permits has increased to 22.4. In the rural wards, the 10-year annual average ranges between 1.6 and 2.1 building permits per year.

The majority of existing dwelling units in West Perth, approximately 88%, are single, detached homes, based on information from the latest Census. The remaining 12% includes 65 existing semi-detached, 60 row, 20 duplex, and 255 apartment units. Given the existing housing mix, it is not surprising that the majority of new residential permits are for single, detached units; however, in recent years, there has been an increase in the number of multi-unit type dwellings constructed. These units are exclusively located in Mitchell and include triplexes, row homes, fourplexes, and semi-detached units. Between 2013 and 2018, a total of 22 units in multi-type dwellings were constructed. It is expected that the number of multi-unit type dwellings constructed will continue to increase, in line with planning objectives related to more intensive land uses; however, the majority of development will remain in the form of single detached units.

2.1.3 Occupancy

For the Municipality of West Perth, the average household density, or occupancy, is calculated from the population and number of total dwellings. It is generally expressed as the average number of persons per household. Household density, based on 2011 and 2016 Census data, is shown in Table 2.5.

Table 2.5 Household Densities (Persons Per Unit)

Year	Fullarton	Hibbert	Logan	Mitchell	West Perth
2011	2.81	2.59	2.86	2.49	2.62
2016	2.70	2.46	2.69	2.45	2.53

Similar to many other municipalities in southwestern Ontario, the average household density in West Perth and its wards is decreasing. In Mitchell, the current household density is 2.45 persons per unit, a decrease from 2.49 in 2011. Generally, the household densities remain higher in the rural wards than in Mitchell. This is most likely due to the availability of dwelling units for seniors and singles (e.g. apartments). Overall, the decline in household densities is likely the result of a combination of a smaller family sizes, increase in single-person households, and an aging population that is living longer.

2.1.4 Recent Residential Developments

The majority of development in West Perth occurs in Mitchell, on lots created by Plan of Subdivision. At the time of the 2014 Development Charges Background Study, there were 90 approved vacant lots and 26 draft approved lots. At the time, that represented an approximately 6-year supply of vacant lots. For this iteration of development charges, the current number of draft approved and approved units was reviewed. A

summary of the approved and draft approved developments is provided in Table 2.6. All of the proposed developments are within the Mitchell service area.

Table 2.6 Summary of Draft and Approved Developments

Status	Development	Number of Units
Approved	789274 Ontario Inc.	10 units (single family)
Site Plan approved	1462666 Ontario Inc.	8 units (townhouses)
Approved	Avco Holdings Inc.	38 units (2 19-unit buildings)
Approved	CA Weir Holdings Inc.	12 units (3 fourplexes)
Draft approved	Upper Thames Village	29 units (25 single family, 1 4-unit apartment)
Draft approved	2492212 Ontario Inc.	28 units (single family)
Draft approved	Blaze Properties Inc.	46 units (semi-detached)

These developments include an additional 171 units. Should development continue to occur at a 5-year average rate of 22.4 units per year, the current developments represent a 7.6-year supply.

2.2 Non-Residential Growth Trends

2.2.1 Labour Force

In West Perth, from information gathered as part of the 2016 Census, the number of persons employed is 4,920 or 70.4% of the population aged 15 years and older. The unemployment rate is 3.7%, slightly lower than the County rate (4%) and lower than the provincial rate of 5.2% (May 2019). Approximately 61% of those employed worked full time. The majority of employed residents of West Perth work in the trades (20%) followed by sales (16%), management (14%), business, finance and administration (12%) and manufacturing (10%). Many members of the workforce commute to areas outside of West Perth, the majority likely to Stratford, while approximately 39% report working within the Municipality and 18% work outside Perth County.

2.2.2 Non-Residential Development

The number and value of new industrial, commercial and institutional developments from building permit data from 2014 to 2018 is shown in Table 2.7. Table 2.8 summarizes the size of new development over the same period, in square feet. These numbers include the size and value of additional to existing non-residential developments. Between 2014 and 2018, there was a total of 107 building permits issued for commercial, industrial and institutional developments. Over this period, there were 45 industrial permits and 39 commercial permits. On average, this equates to 85,796.4 square feet of ICI development on a yearly basis.

Table 2.7 Number and Value of Building Permits Issued for Commercial, Industrial and Institutional Developments

Year	Comm. Permits	Value of Commercial Permits	Industrial Permits	Value of Industrial Permits	Institutional Permits	Value of Institutional Permits
2014	7	\$370,500.00	9	\$2,910,500.00	5	\$1,702,000.00
2015	9	\$1,078,000.00	8	\$1,981,000.00	4	\$333,000.00
2016	3	\$214,000.00	5	\$13,010,000.00	6	\$4,001,000.00
2017	7	\$707,848.00	13	\$2,803,000.00	5	\$1,376,000.00
2018	13	3,018,500.00	10	\$3,445,000.00	3	\$122,450.00

Table 2.8: Additional Commercial, Industrial and Institutional Area from Building Permits Issued

Year	Commercial Area (sq. ft)	Industrial Area (sq. ft)	Institutional Area (sq. ft)	Total Area (sq. ft)
2014	1,840.00	35,352.00	1,013.00	38,205.00
2015	21,378.00	37,462.00	20,280.00	79,120.00
2016	5,000.00	72,852.00	37,940.00	115,792.00
2017	29,782.00	44,615.00	8,395.00	82,792.00
2018	43,936.00	68,764.00	373.00	113,073.00
Total	101,936	259,045	68,001	428,982
Average per year	20,387.2	51,809	13,600.2	85,796.4

2.3 Development Patterns in the Study Area

A number of factors could influence growth trends in West Perth. Of relevance to this study are the following:

- The number of households is expected to outstrip population growth in West Perth due to the overall aging of the population (resulting from lower death and birth rates). The aging of the population is expected to increase demands for services and housing designed to accommodate the needs of seniors;
- Young people tend to leave the municipality for education and employment opportunities;
- It is expected that residents will continue to commute to other areas (specifically Stratford) for employment, but reside in West Perth;
- Increased housing prices and lack of available homes may encourage migration from nearby urban centres to West Perth;
- Growth is expected to occur in Mitchell, given its role as the commercial, service and industrial hub within the Municipality; and
- The majority of growth is expected to continue in the form of single detached units, although the number of multi-unit developments is expected to increase.

2.4 Residential and Non-Residential Allocation

The allocation between residential and non-residential development for the purposes of calculating development charges is determined from the tax assessment data. The tax assessment data is used to determine the percentage of the tax base that is residential and non-residential. The non-residential percentage includes commercial and industrial development and excludes agricultural, managed forests, and pipeline assessment data. The percentages of residential and non-residential development for Mitchell and West Perth are summarized in Table 2.9.

Table 2.9: Residential and Non-Residential Allocations

	Mitchell	West Perth
Residential	87.4%	85.7%
Non-residential	12.6%	14.3%

3.0 RESIDENTIAL GROWTH PROJECTIONS

3.1 Forecast Methodology

For the purposes of this study, a population forecast for West Perth was developed. The forecast is based on the 5-year annual average number of new residential building permits and declining household densities for the rural wards. In Mitchell, an average of 25 additional units per year was used, following staff input. This approach is seen as a reasonable strategy for estimating growth within the Municipality, as there has been a recent increase in the number of building permits issued over the past 5 years. This trend reflects changes in population characteristics, such as an aging population and decreases in family size, as well as external factors including housing prices and availability outside of the Municipality.

The forecast incorporated the following methodological components:

- The 2016 population and household counts, as determined by the 2016 Census, were used as the starting points for the projections;
- From this base estimate, household growth was calculated using the 5-year annual average of residential units started (from building permit data) in the rural wards and an average of 25 new units per year in Mitchell;
- Population density in each of the wards is expected to continue to decrease over the next 20 years to the following values:
 - Fullarton: 2.7 persons per unit (2016) to 2.35 persons per unit (2044)
 - Hibbert: 2.46 persons per unit (2016) to 2.16 persons per unit (2044)
 - Logan: 2.69 persons per unit (2016) to 2.35 persons per unit (2044)
 - Mitchell: 2.45 persons per unit (2016) to 2.4 persons per unit (2044)
- It is expected that the majority of development will occur as single and semi-detached units in the short term, however in order to maintain the balance of supply and demand and to meet the changing needs of its diverse population,

increased densities and dwelling types as a composition of total residential development will continue to rise in the Mitchell Ward

Several major assumptions were also made to substantiate the use of the aforementioned methodology as the basis for a population forecast. They are as follows:

- The nature of the local economy and role of the urban area (Mitchell) are expected to remain unchanged throughout the planning period; and
- Population growth will be accommodated through the development of registered lots through Plans of Subdivisions and Site Plans.

3.2 Residential and Population Forecasts

A residential and population growth forecast was developed for West Perth based upon the previously discussed methodology. Tables 3.1 and 3.2 show the household and population forecasts.

Table 3.1: Residential Household Forecast

Year	Fullarton	Hibbert	Logan	Mitchell	West Perth
2016	513	456	641	1,890	3,500
2019	517	458	645	1,965	3,585
2024	524	462	651	2,090	3,727
2029	531	466	657	2,215	3,869
2034	538	470	663	2,340	4,011
2039	545	474	669	2,465	4,153
2044	552	478	675	2,590	4,295
5-year change	7	4	6	125	142
10-year change	14	8	12	250	284
20-year change	28	16	24	500	568
25-year change	35	20	30	625	710

Table 3.2 Population Forecast

Year	Fullarton	Hibbert	Logan	Mitchell	West Perth
2016	1,387	1,124	1,725	4,629	8,865
2019	1,370	1,104	1,709	4,814	8,997
2024	1,357	1,090	1,686	5,121	9,254
2029	1,343	1,076	1,662	5,316	9,398
2034	1,329	1,062	1,638	5,616	9,645
2039	1,313	1,048	1,612	5,916	9,889
2044	1,297	1,032	1,586	6,216	10,132
5-year change	-13	-13	-23	306	257
10-year change	-27	-27	-47	502	401
20-year change	-57	-56	-97	1,102	892
25-year change	-73	-71	-123	1,246	979

3.3 Forecast Assessment

The following represents the key findings of the population and residential development forecasts for the Municipality of West Perth:

- The number of residential units in West Perth is expected to continue to increase over the next 20 years. The majority of the development is expected to be single detached units in the Mitchell service area. The number of additional homes in the Mitchell area over the next 20 years is expected to be 568 units.
- Despite the increase in the number of households, the population in the rural wards is expected to continue to decrease. This is a function of smaller family units, aging populations, and migration to urban communities.
- The population of Mitchell is expected to increase by 1,102 persons over the next 20 years. This reflects the movement of seniors to the community as well as families and young adults from more expensive urban areas.

3.4 Conclusions

The forecasts presented in Section 3.2 appear to be reasonable and appropriate forecasts for the Municipality of West Perth, given historic growth rates and the factors previously discussed. In this regard, the forecasts defined in Tables 3.1 and 3.2 should be adopted as the basis for calculating the residential development charges for the Municipality.

4.0 NON-RESIDENTIAL GROWTH FORECAST

4.1 Forecast Methodology

For the purposes of the Development Charges Background Study, a forecast of non-residential development was undertaken. An assessment of recent building permit data, as previously discussed, indicated that non-residential development in West Perth can be variable year to year. In the last 5 years, 107 building permits have been issued for new and expansions to non-residential developments. This amounted to an annual average of 85,796.4 square feet per year. This annual average was used to calculate future non-residential growth in West Perth.

4.2 Forecasted Non-Residential Growth

The forecast for non-residential growth in square feet over the next 40 years is presented in Table 4.1. Non-residential development is expected to continue at a similar pace to what has been experienced in recent years. It is forecasted that non-residential development will occur at an average rate of 85,796.4 square feet per year over the next 20 years. This equates to 428,982 square feet of non-residential development will occur over the next 5 years. It is anticipated that non-residential may increase in pace due to acquisition of land for the Heron Business Park by the Municipality. The Municipality has assembled 59 acres (24 Ha) of land and is undertaking planning for the servicing of these lands. It is anticipated that land prices will be set at a level which

recovers the initial purchase price, and costs associated with providing services including sanitary, water and storm.

Table 4.1 Forecasted Additional Non-Residential Development, West Perth

Time Period	Additional Non-Residential Development (square feet)
5 year (2024)	42,8982
10 year (2029)	85,7964
20 year (2039)	171,5928
25 year (2044)	214,4910
40 year (2059)	343,1856

**APPENDIX B
ANALYSIS OF GROWTH-RELATED
PROJECTS**

Project Description: A study in 2008 of the reserve capacity of the Mitchell Sewage Treatment Plant indicated that there was minimal unallocated capacity remaining. To increase capacity, the Municipality expanded the existing peak flow storage cell. This expansion to the plant created capacity for an additional 840 residential lot equivalents and the associated ICI growth. This project has been constructed and will be collected for as capacity is allocated.

Analysis of Long-Term Capital and Operating Costs: The expansion will be paid for by the Town through development charges. Any additional operating costs of the facility will be recovered through user rates on connected properties.

Costs:

Total Costs	\$ 250,000
Deduct any grants or subsidies	\$ 0
Subtotal	\$ 250,000

Allocation of Costs

Capacity will be allocated as development occurs. There is no predetermined residential or non-residential share. Capacity is in residential lot equivalents, which includes all uses. For the purposes of the development charge calculations, it has been assumed that the capacity for 1 lot equates to 2.45 persons.

Benefit to Existing Development (0%)	\$ 0
Benefit to Future Development (100%)	\$ 250,000
Amount recoverable through Development Charges	\$ 250,000

Development Charge Calculations

Residential Allocation (per capita)

\$ 250,000 x 87.4% (based on residential assessment)	\$ 218,500
Divided by 840 lots x 2.45 persons per lot	\$106.17
Residential development charges (per capita)	\$106.17

Non-Residential Allocation (per square foot)

1 square foot of non-residential development = 0.000642 persons (based on 1,715,928 sqft of non-residential development and a population increase of 1,102 persons)

\$ 250,000 x 12.6% (based on non-residential assessment)	\$ 31,7500
Divided by 840 lots x 0.000642	\$ 0.02 / sqft
Non-residential development charge (per square foot)	\$ 0.02 / sqft

Project Description: Upgrades to the Wastewater Treatment Plant are required to the sludge digester, inlet works and clarifier. These works are needed to treat extraneous flows from existing development and to facilitate new growth.

Analysis of Long-Term Capital and Operating Costs: This project is currently being designed. Capital costs will come from development charges and sewage reserves collected from sewage rates. Operating costs will be incorporated in the sewage rates collected from connected properties.

Costs:

Total Costs	\$ 6,000,000
Deduct any grants or subsidies	- \$ 298,291
Subtotal	\$ 5,701,709

Allocation of Costs

This project will benefit both existing and future development. The estimated share of project attributable to future growth is \$ 950,284.83. Capacity will be allocated as development occurs. There is no predetermined residential or non-residential share. At this time, it is estimated that the works will provide additional capacity equivalent to approximately 2,600 persons.

Benefit to Existing Development	\$ 4,751,424.17
Benefit to Future Development	\$ 950,284.83
Amount recoverable through Development Charges	\$ 950,284.83

Development Charge Calculations,

Residential Allocation (per capita)

\$ 950,284.83x 87.4% (based on residential assessment)	\$ 830,548.94
Divided by future capacity (persons)	2600
Residential development charges (per capita)	\$319.44

Non-Residential Allocation (per square foot)

1 square foot of non-residential development = 0.000642 persons (based on 1,715,928 sqft of non-residential development and a population increase of 1,102 persons)

\$ 950,284.83x 12.6% (based on non-residential assessment)	\$ 119,735.89
Divided by 2,600 persons x 0.000642	\$ 0.03 / sqft
Non-residential development charge (per square foot)	\$ 0.03 / sqft

Project Description: A major upgrade/replacement of the James Street Sewage Pumping Station was undertaken in 2003-2004 at a cost of \$2,600,000. The project also included trunk sewer work. The project replaced existing infrastructure with facilities that have more capacity than the original equipment and will benefit future development.

Analysis of Long-Term Capital and Operating Costs: The station replaced an existing facility, which was undersized and lack required equipment such as a diesel generator. This facility should have a 20-year life cycle before upgrades are required. The costs to finance the facility came from sewage service rates and development charges. The costs to operate the station are recovered from sewage service rates.

Costs:

Total Costs	\$ 2,600,000
Deduct any grants or subsidies	\$ 0
Subtotal	\$ 2,600,000

Allocation of Costs

At the time the facility was constructed, it was identified the project benefits existing and future development. It was considered that the station will service the next 20 years of growth (a total of 1,102 additional persons).

Benefit to Existing Development (83%)	\$ 2,158,000
Benefit to Future Development (17%)	\$ 442,000
Amount recoverable through Development Charges	\$ 442,000

Development Charge Calculations

Residential Allocation (per capita)

\$ 442,000 x 87.4% (based on residential assessment)	\$ 386,308
Divided by 20-year forecasted population growth	1,102 persons
Residential development charge (per person)	\$ 350.55

Non-Residential Allocation (per square foot)

\$ 442,000 x 12.6% (based on non-residential assessment)	\$ 55,695.00
Divided by 20-year forecasted non-residential growth	1,715,928 sqft
Non-Residential development charge (per square foot)	\$ 0.03 / sqft

Project Description: A number of sanitary sewage projects have been identified that are required to move sewage from new development areas to pumping and treatment facilities. Table B-1 summarizes the net costs and amounts attributable to existing and future development, and residential and non-residential development. For these projects, it is considered reason to assume that sewers will provide service for the existing population and the next 20 years of growth (an additional 1,102 persons).

Analysis of Long-Term Capital and Operating Costs: Trunk sewers are sized to incorporate future growth within their service areas. They have an estimated life of 50-100 years. The operating costs of the sewers are recovered from sewage service rate charges. Operating costs are minimal, usually consisting of periodic flushing.

Costs:

Total Costs	\$ 1,601,201.50
Deduct any grants or subsidies	- \$ 180,000.00
Transfer from reserve (reallocation of previous DC charges)	- \$ 9,629.24
Subtotal	\$ 1,411,575.26

Allocation of Costs

Is as noted in Table B-1.

Development Charge Calculations

Residential Allocation (per capita)

St. Andrew (James to Rowland) = \$217,448.01 ÷ 1,102 persons	\$ 197.32
St. Andrew (Rowland to Frances) = \$76,556.01 ÷ 1,102 persons	\$ 69.47
Frances St E: Arthur to Perth Rd. 162 = \$72,592.69 ÷ 1,102 persons	\$ 65.87
Henry St: St. Andrews to Arthur = \$283,147.10 ÷ 1,102 persons	\$ 256.94
Total residential development charge (per person)	\$ 589.60

Non-Residential Allocation (per square foot)

St. Andrew (James to Rowland) = \$31,348.34 ÷ 1,715,928 sqft	\$ 0.02
St. Andrew (Rowland to Frances) = \$11,036.68 ÷ 1,715,928 sqft	\$ 0.01
Wellington (Georgina to Frank) = \$18,750 ÷ 1,715,928 sqft	\$ 0.01
Total non-residential development charge (per square foot)	\$ 0.04 / sqft

Table B-1
Municipality of West Perth Development Charges Background Study – Trunk Sewer Capital Forecast

Location	Net Cost (minus grants/subsidies)	Attributable to Existing	Attributable to Future	Attributable to Residential	Attributable to Non-Residential
St. Andrews: James to Rowland	\$ 497,592.69	\$ 248,796.35 (50%)	\$ 248,796.35 (50%)	\$ 217,448.01 (87.4%)	\$ 31,348.34 (12.6%)
St. Andrews: Rowland to Frances	\$ 87,592.69	\$ 0 (0%)	\$ 87,592.69 (100%)	\$ 76,556.01 (87.4%)	\$ 11,036.68 (12.6%)
Wellington: Georgina to Frank	\$ 187,500.00	\$ 168,750.00 (90%)	\$ 18,750.00 (10%)	\$ 0 (0%)	\$ 18,750.00 (100%)
Frances St E: Arthur to Perth Rd. 162	\$ 72,592.69	\$ 0 (0%)	\$ 72,592.69 (100%)	\$ 72,592.69 (100%)	\$ 0 (0%)
Henry St: St. Andrews to Arthur	\$ 566,294.19	\$ 283,147.10 (50%)	\$ 283,147.10 (50%)	\$ 283,147.10 (100%)	\$ 0 (0%)
	\$ 1,411,572.26	\$ 700,693.44	\$ 710,878.82	\$ 649,743.80	\$ 61,135.02

Project Description: A 1998 study on the Mitchell Water System identified the need for a new supply well to service increased demands in the future. The new well was completed in 2007, with partial funding through OSTAR.

Analysis of Long-Term Capital and Operating Costs: This project was required to meet expected demands and to serve as a backup supply in the event of a loss of supply at another well. The expected increase in operating costs of the new well will borne through water service rates.

Costs:

Total Costs	\$ 1,857,895.00
Deduct any grants or subsidies	\$ 1,238,597.00
Subtotal	\$ 619,298.00

Allocation of Costs

The project will benefit both existing and future development equally on a per capita basis. The capacity is an estimated 6,800 person equivalents.

Benefit to Existing Development (70.29%)	\$ 435,330.06
Benefit to Future Development (29.71%)	\$ 183,967.94
Amount recoverable through Development Charges	\$ 183,967.94

Development Charge Calculations

Residential Allocation (per capita)

\$ 183,967.94 x 87.4% (based on residential assessment)	\$ 160,787.98
Divided by remaining capacity (6800 – 4780)	2020 persons
Residential development charge (per person)	\$ 79.60

Non-Residential Allocation (per square foot)

1 square foot of non-residential development = 0.000642 persons (based on 1,715,928 sqft of non-residential development and a population increase of 1,102 persons)

\$ 183,967.94 x 12.6% (based on non-residential assessment)	\$ 23,179.96
Divided by 6,800 persons x 0.000642	\$ 0.06 / sqft
Non-residential development charge (per square foot)	\$ 0.06 / sqft

Project Description: A 2014 study of the Mitchell Water System identified deficiencies with fire flow and future storage requirements. The study recommended construction of an elevated water storage tank to address existing fire flow issues and storage capacity for future development. The additional capacity is expected to be allocated over 40 years. The elevated water storage tank has been constructed.

Analysis of Long-Term Capital and Operating Costs: This project is required to address existing deficiencies and storage requirements for future growth. The expected increase in operating costs of the elevated tower will be borne through water service rates.

Costs:

Total Costs	\$ 2,356,050.00
Deduct any grants or subsidies	\$ 0
Subtotal	\$ 2,356,050.00

Allocation of Costs

The project will benefit both existing and future development equally on a per capita basis. The capacity is an estimated 10,000 person equivalents.

Benefit to Existing Development (47.80%)	\$ 1,126,191.90
Benefit to Future Development (52.20%)	\$ 1,229,858.10
Amount recoverable through Development Charges	\$ 1,229,858.10

Development Charge Calculations

Residential Allocation (per capita)

\$ 1,229,858.10 x 87.4% (based on residential assessment)	\$ 1,074,895.98
Divided by remaining capacity (10,000 – 4780)	5220 persons
Residential development charge (per person)	\$ 205.92

Non-Residential Allocation (per square foot)

1 square foot of non-residential development = 0.000642 persons (based on 1,715,928 sqft of non-residential development and a population increase of 1,102 persons)

\$ 1,229,858.10 x 12.6% (based on non-residential assessment)	\$ 154,962.12
Divided by 10,000 persons x 0.000642	\$ 0.49 / sqft
Non-residential development charge (per square foot)	\$ 0.49 / sqft

Project Description: A number of water projects have been identified that are required to provide adequate water services to new development areas. Table B-2 summarizes the net costs and amounts attributable to existing and future development, and residential and non-residential development. For these projects, it is considered reasonable to assume that watermains will provide service for the existing population and the next 20 years of growth (an additional 1,102 persons).

Analysis of Long-Term Capital and Operating Costs: Trunk watermains are sized to incorporate future growth within their service areas. Portions of the cost of the watermain projects have been allocated to existing development depending on the type of project and proximity to growth areas. The cost for this portion will be paid through the tax base of the municipality. The expected additional growth will add to the tax base, which will fund long-term maintenance and operations.

Costs:

Total Costs	\$ 751,000
Deduct any grants or subsidies	- \$ 0
Subtotal	\$ 751,000

Allocation of Costs

Is as noted in Table B-2.

Development Charge Calculations

Residential Allocation (per capita)

Campbell: Nelson to Pond = \$ 156,000 ÷ 1,102 persons	\$ 141.56
Napier: Campbell to Park = \$ 170,000 ÷ 1,102 persons	\$ 154.26
River Crossing: Kent to Quebec = \$ 37,500 ÷ 1,102 persons	\$ 34.03
Frances St: Arthur to Perth Rd. 162 = \$100,000 ÷ 1,102 persons	\$ 90.74
Total residential development charge (per capita)	\$ 420.60

Non-Residential Allocation (per square foot)

Wellington (Georgina to Frank) = \$25,000 ÷ 1,715,928 sqft	\$ 0.01
Total non-residential development charge (per sqft)	\$ 0.01

Table B-2
Municipality of West Perth Development Charges Background Study – Trunk Watermain Capital Forecast

Location	Net Cost (minus grants/subsidies)	Attributable to Existing	Attributable to Future	Attributable to Residential	Attributable to Non-Residential
Campbell: Nelson to Pond	\$ 156,000.00	\$ 0 (0%)	\$ 156,000 (100%)	\$ 156,000 (100%)	\$ 0 (0%)
Napier: Campbell to Park	\$ 170,000.00	\$ 0 (0%)	\$ 170,000 (100%)	\$ 170,000 (100%)	\$ 0 (0%)
River Crossing: Kent to Quebec	\$ 75,000.00	\$ 37,500 (50%)	\$ 37,500 (50%)	\$ 37,500 (100%)	\$ 0 (0%)
Wellington: Georgina to Frank	\$ 250,000.00	\$ 225,000 (90%)	\$ 25,000 (10%)	\$ 0 (0%)	\$ 25,000 (10%)
Frances St E: Arthur to Perth Rd. 162	\$ 100,000.00	\$ 0 (0%)	\$ 100,000 (100%)	\$ 100,000 (100%)	\$ 0 (0%)
	\$ 751,000	\$ 262,500	\$ 488,500	\$ 463,500	\$ 25,000

Project Description: Municipalities are required to update their Financial Plans for their water supply systems on a regular basis. These Plans establish rate structures based on operational costs and capital expenditures, and rates based on full cost recovery. Over the next 10-year capital forecast period, two iterations of the Financial/Water Rate study will be completed.

Analysis of Long-Term Capital and Operating Costs: Not applicable.

Costs:

Total Costs	\$ 16,000
Deduct any grants or subsidies	\$ 0
Subtotal	\$ 16,000

Allocation of Costs

The project will benefit both existing and future development over the next 10 years (the existing population and an additional 502 persons).

Benefit to Existing Development (91.33%)	\$ 14,612.15
Benefit to Future Development (8.67%)	\$ 1,387.85
Amount recoverable through Development Charges	\$ 1,387.85

Development Charge Calculations

Residential Allocation (per capita)

\$ 1,410.15 x 87.4% (based on residential assessment)	\$ 1,212.98
Divided by 10-year population growth	502 persons
Residential development charge (per person)	\$ 2.42

Non-Residential Allocation (per square foot)

\$ 1,387.85 x 12.6% (based on non-residential assessment)	\$174.87
Divided by 10-year forecasted non-residential growth	857,964 sqft.
Non-Residential development charge (per square foot)	\$ 0.0002 / sqft

Project Description: The Municipality of West Perth plans to undertake Road Needs Studies on a 5-year basis. These studies identify road and bridge needs based on growth and conditions. These studies are used to identify future capital work plans.

Analysis of Long-Term Capital and Operating Costs: Not applicable.

Costs:

Total Costs	\$ 25,000
Deduct any grants or subsidies	\$ 0
Subtotal	\$ 25,000

Allocation of Costs

The project will benefit both existing and future development over the next 10 years (the existing population and an additional 502 persons).

Benefit to Existing Development (91.33%)	\$ 22,831.49
Benefit to Future Development (8.67%)	\$ 2,168.51
Amount recoverable through Development Charges	\$ 2,168.51

Development Charge Calculations

Residential Allocation (per capita)

\$ 4,406.71 x 87.4% (based on residential assessment)	\$ 1,895.28
Divided by 10-year population growth	502 persons
Residential development charge (per person)	\$ 3.78

Non-Residential Allocation (per square foot)

\$ 2,168.51 x 12.6% (based on non-residential assessment)	\$ 1,895.28
Divided by 10-year forecasted non-residential growth	857,964 sqft.
Non-Residential development charge (per square foot)	\$ 0.0002 / sqft

Project Description: The capital road projects expected to be completed during the next 10 years are set out in the accompanying table (B-3). The projects have been revised from the previous report to reflect the work that has been completed and future projects. Table B-3 summarizes the net costs and amounts attributable to existing and future development, and residential and non-residential development. For the road projects, it is considered reasonable to assume that roads will provide service for the existing population and the next 20 years of growth (an additional 1,102 persons). The Henry Street Bridge project will service the existing population and the next 40 years of growth.

Analysis of Long-Term Capital and Operating Costs: Portions of the cost of the road projects have been allocated to existing development depending on the type of project and proximity to growth areas. The cost for these portions will be paid through the tax base of the Municipality. The expected additional growth will add to the tax base, which will fund long-term maintenance and operations.

Costs:

Total Costs	\$ 3,820,681.49
Deduct any grants or subsidies	- \$ 0
Subtotal	\$ 3,820,681.49

Allocation of Costs

Is as noted in Table B-3.

Development Charge Calculations

Residential Allocation (per capita)

Frances: Napier to Wimpole = \$ 125,000 ÷ 1,102 persons	\$ 113.43
Henry St. Bridge = \$1,284,231.75 ÷ 2,336 persons	\$ 549.76
Arthur St: Frances to Henry = \$10,281.75 ÷ 1,102 persons	\$ 9.33
Total residential development charge (per capita)	\$ 672.52

Non-Residential Allocation (per square foot)

Wellington (Georgina to Frank) = \$13,750 ÷ 1,715,928 sqft	\$ 0.01
Henry St. Bridge = \$428,077.25 ÷ 3,431,856 sqft	\$0.12
Frank Street Land Purchase = \$56,500 ÷ 1,715,928 sqft	\$ 0.03
Total non-residential development charge (per square foot)	\$ 0.17 / sqft

Table B-3
Municipality of West Perth Development Charges Background Study – Road and Bridge Capital Forecast

Location	Net Cost (minus grants/subsidies)	Attributable to Existing	Attributable to Future	Attributable to Residential	Attributable to Non-Residential
Wellington St. South	\$ 137,500.00	\$ 123,750 (90%)	\$ 13,750 (10%)	\$ 0 (0%)	\$ 13,750 (100%)
Frances – Napier to Wimpole	\$ 125,000.00	\$ 0 (0%)	\$ 125,000 (100%)	\$125,000 (100%)	\$ 0 (0%)
Henry St. Bridge	\$ 3,424,618.00	\$ 1,712,309 (50%)	\$ 1,712,309 (50%)	\$ 1,284,231.75 (75%)	\$ 428,077.25 (25%)
Arthur St.- Frances to Henry	\$ 20,563.49	\$ 10,281.75 (50%)	\$10,281.75 (50%)	\$ 10,281.75 (100%)	\$ 0 (0%)
Frank St. Land Purchase	\$ 113,000.00	\$ 56,500 (50%)	\$ 56,500 (50%)	\$ 0 (0%)	\$ 56,500 (0%)
	\$ 3,820,681.49	\$ 1,902,840.75	\$ 1,917,840.75	\$ 1,419,513.50	\$ 498,327.25

Project Description: The southwest area of the Mitchell Ward will be developed by a series of small subdivisions. Each subdivision will be responsible for internal servicing and other local costs to connect to the municipal infrastructure. A municipal, communal storm water pond was constructed in 2005.

Analysis of Long-Term Capital and Operating Costs: The increased tax base from new development will offset expected operating costs of the storm water management facility.

Costs:

Total Costs	\$ 200,000
Deduct any grants or subsidies	\$ 0
Subtotal	\$ 200,000

Allocation of Costs

The project will benefit only new development. It is expected it will benefit future growth over the next 20 years (or an additional 1,102 persons). This project also only benefits residential development.

Benefit to Existing Development (0 %)	\$ 0
Benefit to Future Development (8.81%)	\$ 200,000
Amount recoverable through Development Charges	\$ 200,000

Development Charge Calculations

Residential Allocation (per capita)

\$ 200,000 x 100% (based on residential assessment)	\$ 200,000
Divided by 20-year population growth	1,102 persons
Residential development charge (per person)	\$ 181.49

Project Description: The capital storm sewer projects expected to be completed during the next 10 years are set out in the accompanying table (B-4). Table B-4 summarizes the net costs and amounts attributable to existing and future development, and residential and non-residential development. For the storm sewer projects, it is considered reasonable to assume that the infrastructure will provide service for the existing population and the next 20 years of growth (an additional 1,102 persons).

Analysis of Long-Term Capital and Operating Costs: Portions of the cost of the road projects (including storm sewer) have been allocated to existing development depending on the type of project and proximity to growth areas. The cost for these portions will be paid through the tax base of the Municipality. The expected additional growth will add to the tax base, which will fund long-term maintenance and operations.

Costs:

Total Costs	\$ 634,403.73
Deduct any grants or subsidies	- \$ 0
Subtotal	\$ 634,403.73

Allocation of Costs

Is as noted in Table B-4. Note, the storm sewer projects only benefit residential development.

Development Charge Calculations

Residential Allocation (per capita)

Henry St – St. Andrew to Arthur = \$281,8876.53 ÷ 1,102 persons	\$ 255.79
Arthur St.- Frances to Henry = \$35,325.34 ÷ 1,102 persons	\$ 32.06
Total residential development charge (per capita)	\$ 287.84

Table B-4
Municipality of West Perth Development Charges Background Study – Storm Sewer Capital Forecast

Location	Net Cost (minus grants/subsidies)	Attributable to Existing	Attributable to Future	Attributable to Residential	Attributable to Non-Residential
Henry St – St. Andrew to Arthur	\$ 563,753.06	\$ 281,876.53 (50%)	\$ 281,876.53 (50%)	\$ 281,876.53 (100%)	\$ 0 (0%)
Arthur St.- Frances to Henry	\$ 70,650.67	\$ 35,325.34 (50%)	\$ 35,325.34 (50%)	\$ 281,876.53 (100%)	\$ 0 (0%)
	\$ 634,403.73	\$ 317,201.87	\$ 317,201.87	\$ 317,201.87	\$ 0

Project Description: The Municipality has 28 firefighters. Additional firefighters will be hired in response to growth. The cost to outfit a firefighter is \$3,000. The past 10-year level of service equates to 1 firefighter for every 316.9 persons. Over the next 10 years, the population is expected to increase by 402 persons, which equates to an additional 1.27 firefighters.

Analysis of Long-Term Capital and Operating Costs: Not applicable.

Costs:

Total Costs	\$ 3,805.27
Deduct any grants or subsidies	\$ 0
Subtotal	\$ 3,805.27

Allocation of Costs

The project will benefit future development only over the next 10 years (an additional 402 persons).

Benefit to Existing Development (0%)	\$ 0
Benefit to Future Development (100%)	\$ 3,805.27
Amount recoverable through Development Charges	\$ 3,805.27

Development Charge Calculations

Residential Allocation (per capita)

\$ 3,805.27.86 x 85.7 % (based on residential assessment)	\$ 3,261.12
Divided by 10-year population growth	401 persons
Residential development charge (per person)	\$ 8.11

Non-Residential Allocation (per square foot)

\$ 3,805.27 x 14.3% (based on non-residential assessment)	\$ 544.15
Divided by 10-year forecasted non-residential growth	857,964 sqft.
Non-Residential development charge (per square foot)	\$ 0.004 / sqft

Project Description: The Municipality is planning an expansion of the Mitchell Firehall. The Firehall currently has 6 bays and the expansion will add an additional 2 bays. The 10-year level of service equates to 6 bays for 8874 persons or 0.000676 bays per person. The estimated cost of the expansion is \$1,600,000 and this project will benefit the entire Municipality.

Analysis of Long-Term Capital and Operating Costs: An expanded firehall will have additional operating costs. Operating costs will be funded out of the general tax base. Increased tax base resulting from new development should be sufficient to pay for ongoing operation and maintenance.

Costs:

Total Costs	\$ 1,600,000.00
Deduct any grants or subsidies	\$ 0
Subtotal	\$ 1,600,000.00

Allocation of Costs

Costs are being determined based on providing the equivalent level of service, based on the 10-year service levels.

Development Charge Calculations

Residential Allocation (per capita)

\$ 1,600,000 x 85.7 % (based on residential assessment)	\$ 1,371,200.00
\$1,371,200.00 ÷ 8 bays x 0.000676 bays/person	\$ 115.89
Residential development charge (per person)	\$ 115.89

Non-Residential Allocation (per square foot)

\$ 1,600,000 x 14.3% (based on non-residential assessment)	\$ 228,800.00
\$ 228,800.00 ÷ 8 bays x (0.000676 bays/person x 0.00467 persons/sqft)	\$ 0.01.
Non-Residential development charge (per square foot)	\$ 0.01/ sqft

Project Description: The Municipality has 1 tanker truck which is used to fight fires outside of the Mitchell Settlement Area, where there is no municipal water system with fire protection facilities (hydrants). The Fire Chief has estimated the cost of a new tanker at \$400,000. The need is to meet Fire Marshall Public Fire Safety Guidelines.

The current level of service for this tanker truck is the average past 10-year population of the former Township wards (4,508 persons). The costs for the additional tanker can be allocated against the next 4,508 persons.

Analysis of Long-Term Capital and Operating Costs: The additional tanker truck will add operating costs to the overall fire fighting budget. It is expected that these costs will be offset by increased tax revenue resulting from growth.

Costs:

Total Costs	\$ 400,000
Deduct any grants or subsidies	\$ 0
Subtotal	\$ 400,000

Allocation of Costs

Costs are being determined on providing the equivalent level of service based on the 10-year average level of service.

Development Charge Calculations

Residential Allocation (per capita)

\$ 400,000 x 85.7 % (based on residential assessment)	\$ 342,800.00
Divided by level of service population (4,508)	\$ 76.04
Residential development charge (per person)	\$ 76.04

Non-Residential Allocation (per square foot)

\$ 400,000 x 14.3% (based on non-residential assessment)	\$ 57,200.00
Divided by non-residential growth associated with 4, 508 persons	1,504,935 sqft.
Non-Residential development charge (per square foot)	\$ 0.04 / sqft

Project Description: There are 93.86 acres of parkland in West Perth. This equates to a standard of 0.0109 acres per person, based on the past 10-year average population. The Municipality anticipates equipping new parkland that is obtained through the development process. The cost to develop new parkland is approximately \$35,000 per acre. Over the next 10 years, it is anticipated the Municipality will obtain approximately 2.4 acres of parkland (based on 5% of land developed at 6 lots/acre).

Analysis of Long-Term Capital and Operating Costs: Operating costs of a new park would be funded out of the general tax base. The increased tax base of new development should be sufficient to pay for ongoing maintenance.

Costs:

Total Costs	\$ 84,000
Deduct any grants or subsidies	\$ 0
Subtotal	\$ 84,000

Allocation of Costs

Costs are being determined based on servicing new parklands as per the planning process.

Development Charge Calculations

Residential Allocation (per capita)

\$ 84,000 x 100 % allocation to residential growth	\$ 84,000
\$ 84,000 ÷ 401 persons (10-year population growth)	\$ 209.48
Mandatory 10% reduction	- \$ 20.94
Residential development charge (per person)	\$ 188.53

Non-Residential Allocation (per square foot):

Not applicable.

Project Description: The Municipality has undertaken a Parks and Recreation Master Plan. The cost of the Master Plan was \$48,340.00. This project benefits the entire Municipality.

Analysis of Long-Term Capital and Operating Costs: Not applicable.

Costs:

Total Costs	\$ 48,340.00
Deduct any grants or subsidies	\$ 0
Subtotal	\$ 48,340.00

Allocation of Costs

The Master Plan will benefit existing residents and future development over the next 10 years. The benefit to the existing development is equates to 95.73% of the project costs (based on a current population of 8,997, and a projected 10-year population of 9,398).

Benefit to Existing Development (95.73%)	\$ 46,277.40
Benefit to Future Development (4.27%)	\$ 2,062.60
Amount recoverable through Development Charges	\$,062.60

Development Charge Calculations

Residential Allocation (per capita)

\$ 2,062.60 x 85.7 % (based on residential assessment)	\$ 1,767.65
Divided by 10-year population growth	401 persons
Mandatory 10% reduction	\$ 0.44
Residential development charge (per person)	\$ 3.97

Non-Residential Allocation (per square foot)

\$ 2,062.60 x 14.3% (based on non-residential assessment)	\$ 294.95
Divided by 10-year forecasted non-residential growth	857,964 sqft.
Non-Residential development charge (per square foot)	\$ 0.0003 / sqft

Project Description: Under the Development Charges Act, municipalities may collect development charges against the cost of completing Development Charge Background Studies. Over the next 10-year capital forecast period, 2 iterations of development charge studies will be undertaken.

Analysis of Long-Term Capital and Operating Costs: Not applicable.

Costs:

Total Costs	\$ 41,560
Deduct any grants or subsidies	\$ 0
Subtotal	\$ 41,560

Allocation of Costs

The project will benefit future development only over the next 10 years (an additional 502 persons).

Benefit to Existing Development (0%)	\$ 0
Benefit to Future Development (100%)	\$ 40,560
Amount recoverable through Development Charges	\$ 40,560

Development Charge Calculations

Residential Allocation (per capita)

\$ 40,560 x 85.7 % (based on residential assessment)	\$ 34,759.92
Divided by 10-year population growth	402 persons
Residential development charge (per person)	\$ 86.47

Non-Residential Allocation (per square foot)

\$ 40,560 x 14.3% (based on non-residential assessment)	\$ 5,800.08
Divided by 10-year forecasted non-residential growth	857,964 sqft.
Non-Residential development charge (per square foot)	\$ 0.007 / sqft