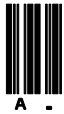


EXECUTIVE SUMMARY

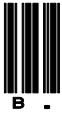
Hemson Consulting Ltd. was retained by the Township of Uxbridge to complete a Development Charges (DC) Background Study. This Background Study provides the basis and background to update Uxbridge's development charges to accurately reflect the servicing needs of new development in the Township.



STUDY CONSISTENT WITH DEVELOPMENT CHARGES LEGISLATION

- This study calculates development charges for the Township of Uxbridge in compliance with the provisions of the *Development Charges Act, 1997 (DCA)* and its associated regulation *O. Reg. 82/98*.
- The Township's current Development Charges By-Law 2009-072 expires on June 7, 2014. Council must pass a new by-law in order to continue to levy development charges.
- The Township needs to continue implementing development charges to help fund capital projects related to development throughout Uxbridge so that development continues to be serviced in a fiscally responsible manner. The calculated changes to the development charge rates are required in order to reflect the revised costs associated with the infrastructure requirements.
- The *DCA* and *O. Reg. 82/98* require that a development charges background study be prepared in which development charges are determined with reference to:
 - A forecast of the amount, type and location of residential and non-residential development anticipated in the Township;
 - The average capital service levels provided in the Township over the ten year period immediately preceding the preparation of the background study;
 - A review of future capital projects, including an analysis of gross expenditures, funding sources, and net expenditures incurred or to be incurred by the Township to provide for the expected development, including the determination of the DC eligible and non-DC-eligible components of the capital projects; and

- An examination of the long-term capital and operating costs associated with capital infrastructure required for each service to which the development charges by-laws would relate.
- This report identifies the development-related capital costs which are attributable to development that is forecast to occur in the Township. The costs are apportioned to types of development (residential, non-residential) in a manner that reflects the increase in the need for each service attributable to each type of development.



ALL SERVICES WITH DEVELOPMENT-RELATED COSTS INCLUDED IN THE ANALYSIS

- The following services have been included in the development charge analysis:
 - General Government
 - Library Services
 - Fire and Rescue
 - Animal Control
 - Parks and Recreation
 - Public Works, and
 - Township Engineering
- Development charges for all services are calculated on a Township-wide basis.



DEVELOPMENT FORECAST

- The capital infrastructure planning period for all services included in this DC Study is based on a ten-year planning horizon 2014 to 2023.
- The Township is forecast to add approximately 877 new households in the ten-year planning period. This household estimate can accommodate roughly 2,184 persons in these new dwelling units. The ten-year Census change in population growth is 1,559.
- The employment forecast for the Township is forecast to add approximately 1,173 employees in the ten-year planning period. This results in the addition of 83,700 square metres of new non-residential building space from 2014 to 2023.
- The following is a summary of the projected growth for the Township:

Development Forecast

	Existing	2014-2023	
	As At Mid-Year 2013	Forecast Change	As at 2023
Residential			
Total Dwellings	7,420	877	8,297
<i>Singles/Semis</i>		556	
<i>Rows and Other Multiples</i>		85	
<i>Apartments</i>		236	
Population			
Census	20,843	1,559	22,402
<i>Population In New Dwellings</i>		2,184	
Non-Residential			
Employment	7,752	1,173	8,925
Non-Residential Building Space (sq.m.)		83,700	



THE TOWNSHIP HAS AN EXTENSIVE DEVELOPMENT-RELATED CAPITAL PROGRAM FOR THE PROVISION OF ELIGIBLE SERVICES

- Municipal staff, in collaboration with Hemson Consulting, has assembled a development-related capital program setting out projects that are required to service anticipated development.
- The development-related capital programs are based on a ten-year planning period from 2014 to 2023 for all DC services.
- The gross cost of the Township's development-related capital program for all services amounts to \$42.79 million and provides for a wide range of infrastructure additions. Of the \$42.79 million, approximately \$9.63 million has been identified as eligible for recovery through development charges over the 2014–2023 planning period.
- In total, approximately \$10.10 million has been identified as subsidies, or other recoveries, that the Township will anticipate receiving to fund development-related projects.

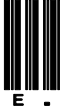
- The *DCA* requires that development-related net capital costs for general services be reduced by ten per cent when calculating the applicable development charges for these services. The ten per cent share of development-related net capital costs not included in the development charges calculations must be funded from non-development charges sources. In total, about \$1.13 million is identified as the required ten per cent reduction.
- Non-development charges funding for replacement portions of the capital program and for portions of development-related capital projects that benefit existing development have been identified. Replacement or benefit to existing shares amount to \$8.89 million.
- A share of the capital program is for portions of projects that relate to development in the post-2023 period and will be considered for recovery in future development charges studies subject to service level considerations. In total, about \$5.62 million falls within this definition.
- Available DC reserve funds, in the amount of \$7.43 million, have been identified in each capital program to fund development-related infrastructure.
- The following is a summary of the development-related capital program for all services.

Summary of Capital Forecast

Service	Gross Cost (\$000)	DC Eligible Cost For Recovery (\$000)
General Government	\$455.5	\$0.0
Library Services	\$506.0	\$0.0
Fire and Rescue	\$5,750.0	\$766.1
Animal Control	\$1,470.0	\$20.9
Parks and Recreation	\$16,925.0	\$3,367.7
Public Works	\$145.0	\$0.0
Township-Wide Engineering	\$17,543.4	\$5,476.4

Total	\$42,794.9	\$9,631.0
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- Details regarding the capital programs for each individual service are provided in Appendix B of this report.



E -

DEVELOPMENT CHARGES ARE CALCULATED WITH REFERENCE TO THE *DCA*

- Development charges rates have been established under the parameters and limitations of the *DCA*. This study provides the rationale and basis for the calculated rates.
- A Township-wide uniform cost approach is used to calculate development charges for the eligible services. Uniform residential and non-residential charges are levied throughout the Township.
- The calculated charges are the maximum charges the Township may adopt. Lower charges can be approved; however, this will require a reduction in the capital plan and reduced service levels or financing from other sources, most likely property taxes.
- The fully calculated residential charges are recommended to vary by unit type, reflecting the difference in occupancy patterns expected in various unit types and the associated differences in demand that would be placed on Township services.
- The following is a summary of the fully calculated development charges:

Calculated Residential Development Charges

SERVICE	Adjusted Charge Per Capita	Charge By Unit Type (1)				
		Single & Semi-Detached	Rows & Other Multiples	Apartments	Special Care Needs	Garden Suite
General Government	\$0	\$0	\$0	\$0	\$0	\$0
Library Services	\$0	\$0	\$0	\$0	\$0	\$0
Fire & Rescue	\$270	\$794	\$621	\$405	\$297	\$270
Animal Control	\$11	\$32	\$25	\$17	\$12	\$11
Parks & Recreation	\$1,592	\$4,680	\$3,662	\$2,388	\$1,751	\$1,592
Public Works	\$0	\$0	\$0	\$0	\$0	\$0
Township Engineering	\$1,617	\$4,754	\$3,719	\$2,426	\$1,779	\$1,617
TOTAL CHARGE PER UNIT	\$3,490	\$10,260	\$8,027	\$5,236	\$3,839	\$3,490
(1) Based on Persons Per Unit Of:		2.94	2.30	1.50	1.10	1.00

Calculated Non-Residential Development Charges

SERVICE	Adjusted Charge (\$/sq.m)
General Government	\$0.00
Library Services	\$0.00
Fire & Rescue	\$3.90
Animal Control	\$0.00
Parks & Recreation	\$0.00
Public Works	\$0.00
Township Engineering	\$23.14
TOTAL CHARGE PER SQ.M	\$27.04



NEWLY CALCULATED DC RATES ARE LOWER THAN CURRENT RATES

- The fully calculated residential charge for a single or semi-detached unit is \$10,260, which represents a 10.9 per cent decrease from the Township's current charge of \$11,512.
- The calculated non-residential charge of \$27.04 per square metre of gross floor area represents a 60.1 per cent decrease from the Township's current non-residential charge of \$67.75 per square metre.

- The considerable decrease in the non-residential development charge rate can be attributed to a few factors:

1) the Township has significant funds in DC reserves available to fund growth-related infrastructure offsetting the amount requiring funding through development charges in this period; and

2) Township Engineering services represents over 85% of the calculated non-residential development charge - which is decreasing from the current charge.



G -

DEVELOPMENT CHARGES BY-LAW PRACTICES AND COLLECTION POLICIES

- As required under the *DCA*, the Township should codify any rules regarding application of the by-laws and any exemptions within the development charges by-laws proposed for adoption.
- The proposed draft by-law sets out the rules to determine development charges applicable in any particular case. Rules for exemptions are also outlined in the proposed draft by-law.
- It is recommended that Council adopt the development-related capital program included in this background study, subject to annual review through the Township's normal capital budget process.

I INTRODUCTION

This Township of Uxbridge Development Charges (DC) Background Study is presented as part of a process leading to the approval of a new development charge by-law in compliance with the *Development Charges Act, 1997 (DCA)*.

The *DCA* and *O. Reg. 82/98* require that a development charge background study be prepared in which development charges are determined with reference to:

- A forecast of the amount, type and location of development anticipated in the Township;
- The average capital service levels provided in the Township over the ten-year period immediately preceding the preparation of the background study;
- A review of future capital projects, including an analysis of gross expenditures, funding sources, and net expenditures incurred, or to be incurred, by the Township to provide for the expected development, including the determination of the eligible and ineligible components of the capital projects; and
- An examination of the long-term capital and operating costs for the capital infrastructure required for each service to which the development charges by-law relates.

This study presents the results of the review which determines the development-related net capital costs attributable to development that is forecast to occur in the Township. These development-related net capital costs are then apportioned among various types of development (residential; non-residential) in a manner that reflects the increase in the need for each service. The study arrives, therefore, at calculated development charges for both residential and non-residential development.

The *DCA* provides for a period of public review and comment regarding the calculated development charges. Following completion of this process in accordance with the *DCA* and Council's review of this study and the comments brought to its attention about the calculated charges, it is intended that Council will pass a new development charges by-law for the Township.

The remainder of this study sets out the information and analysis upon which the calculated development charges are based.

Section II designates the services for which the development charges are calculated and the areas within the Township to which the development charges will apply. It also briefly reviews the methodology that has been used in this background study.

Section III presents a summary of the residential and non-residential development that is forecast to occur within the Township over the 2014–2023 period.

Section IV summarizes the historic ten-year average service levels that have been attained in the Township, which form the basis of the development charge calculations.

In Section V, the development-related capital programs that have been developed by various Township departments are reviewed.

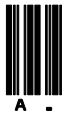
Section VI summarizes the calculation of applicable development charges and the resulting calculated charges by unit type.

Section VII provides an examination of the long term capital and operating costs for each service included in the development charge calculation.

Section VIII provides a review of development charges administrative matters.

II A TOWNSHIP-WIDE METHODOLOGY ALIGNS DEVELOPMENT-RELATED COSTS AND BENEFITS

Several key steps are required in calculating a development charge. However, specific circumstances arise in each municipality which must be reflected in the calculation. In this study, therefore, we have tailored our approach to the Township of Uxbridge's unique circumstances. The approach to the calculated development charges is focused on providing a reasonable alignment of development-related costs with the development that necessitates them. This study calculates charges on a Township-wide basis, which is consistent with the Township of Uxbridge's 2009 Development Charges Study. Despite the fact that development charges are calculated on a Township-wide basis, legislation allows a municipality to exempt or reduce rates for specific geographic areas. However, legislation prevents lost revenue, due to exemptions or reductions, from being made up through increasing charges on other areas.



TOWNSHIP-WIDE DEVELOPMENT CHARGES ARE CALCULATED

Uxbridge provides a range of services to the community it serves and has a sizeable inventory of facilities, land, infrastructure, vehicles and equipment. The *DCA* provides the Township with flexibility when defining services that will be included in the development charge by-laws, provided that the other provisions of the *Act* and *Regulations* are met. The *DCA* also permits the Township to designate, in its by-laws, the areas within which the development charges shall be imposed. The charges may apply to all lands in the Township or to other designated development areas as specified in the by-laws.

For all of the development charge eligible services, the full range of capital facilities, land, equipment and infrastructure is available throughout the Township. All residents therefore have access to all facilities. A widely accepted method for recovering the development-related capital costs for such services is to apportion them over all new development anticipated in the Township.

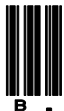
The following services are included in the Township-wide development charge calculation:

- General Government
- Library Services
- Fire and Rescue
- Animal Control
- Parks and Recreation
- Public Works, and

- Township Engineering

These services form a reasonable basis in which to plan and administer the Township-wide development charges. It is noted that the analysis of each of these services examines the individual capital facilities and equipment that make them up. For example, the Fire and Rescue category includes fire stations and associated land, vehicles, furniture and equipment.

The resulting development charge for all of the above services will be imposed uniformly against all new development everywhere in the Township.



KEY STEPS IN DETERMINING DEVELOPMENT CHARGES FOR FUTURE DEVELOPMENT-RELATED PROJECTS

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

1. Development Forecast

The first step in the methodology requires a development forecast to be prepared for the ten-year study period, 2014–2023.

For the residential portion of the forecast, both the Census population growth and population growth in new units is estimated. Net population growth was used to determine the need for additional facilities and provides the foundation for the development-related capital program.

The non-residential portion of the forecast estimates the gross floor area (GFA) of building space to be developed over the ten-year period, 2014–2023. The forecast of GFA is based on the employment forecast for the Township. Factors for floor space per worker by category are used to convert the employment forecast into gross floor area for the purposes of the development charges study.

2. Service Categories and Historic Service Levels

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

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

Historic ten-year average service levels thus form the basis for development charges. A review of the Township's capital service levels for buildings, land, vehicles, and so on has therefore been prepared as a reference for the calculation so that the portion of future capital projects that

may be included in the development charge can be determined. The historic service levels used in this study have been calculated based on the period 2004–2013.

3. Development-Related Capital Program and Analysis of DC Eligible Costs to be Recovered Through Development Charges

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

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

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

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

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

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

Finally, in calculating development charges, the development-related net municipal costs must be reduced by ten per cent for all municipal services except Fire and Rescue and Engineered Services (*DCA*, s. 5. (1) 8.). The ten per cent discount is applied to the other services, e.g. parks

and recreation, library services etc., and the resulting municipal funding responsibility from non-development charge sources is identified.

4. Attribution to Types of Development

The next step in the determination of development charges is the allocation of the development-related net capital costs between the residential and the non-residential sectors. In the Township of Uxbridge, the allocation for all services is based on the consideration of projected changes in population in new units and employment over the planning periods. The exceptions are for the services of library, animal control and parks and recreation. The development-related costs for these services have been allocated 100 per cent to residential growth.

The residential component of the development charge is applied to different housing types based on average occupancy factors. The non-residential component is applied on the basis of gross building space in square metres for non-residential development.

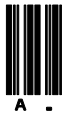
5. Final Adjustment

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

III DEVELOPMENT FORECAST

This section summarizes the growth forecasts used to calculate the development charges for the Township of Uxbridge. Appendix A contains additional material related to the growth forecast and the Township's demographics.

The growth forecasts used in this Development Charges Background Study were prepared by Hemson Consulting Ltd. in consultation with Township planning staff and are based on a range of statistical data including Statistics Canada Census and National Household Survey data, and Canada Mortgage Housing Corporation (CMHC) housing market information. Additionally, the forecast remains consistent with the 2031 growth target outlined in the Durham Regional Official Plan Amendment No. 128 (ROPA 128), which was prepared in part with the Growing Durham exercise.

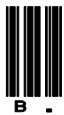


RESIDENTIAL GROWTH FORECAST

Table 1 provides a summary of the residential forecast for the ten-year planning period from 2014 to 2023. The ten-year planning period is used throughout this study for all services.

Over the planning period from 2014 to 2023, the total number of new residential units will increase by 877, which translates into a population in new units of approximately 2,184. The forecasted persons in newly constructed units are based upon the historical time series of population growth in housing in the last ten year census period (2006-2011) as released in the 2011 National Household Survey and historical trends. Overall, the Township's census population change over the ten-year planning period will grow by 1,559 persons.

A summary of the residential growth forecast can be found in Table 1.



NON-RESIDENTIAL GROWTH FORECAST

As with the population and dwellings forecast, the non-residential forecast will see a continuation of past development trends. The forecast for employment is largely based upon a moderately increasing activity rate throughout the Township for the ten-year planning period.

The non-residential portion of the forecast estimates the amount of building space to be developed in the Township over the ten planning period. The forecast is based on the projected

increase in employment levels and the anticipated amount of new building space required to accommodate them.

The ten-year forecast projects an increase of approximately 1,173 employees which can be accommodated in 83,700 square metres of new non-residential building space.

A summary of the non-residential growth forecast can be found in Table 1.

IV SUMMARY OF HISTORIC CAPITAL SERVICE LEVELS

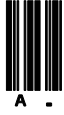
The *DCA* and *O. Reg. 82/98* require that the development charges be set at a level no higher than the average service level provided in the Township over the ten-year period immediately preceding the preparation of the background study, on a service by service basis.

For all Township services, the legislative requirement is met by documenting historic service levels for the preceding ten years, in this case, for the period 2004 to 2013. Typically, service levels for general services are measured as a ratio of inputs per capita (or per capita and employment).

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

Table 2 summarizes service levels for all Township-wide services included in the development charge calculation (excluding General Government). Appendix B provides detailed historical inventory data upon which the calculation of service levels is based for general and engineering services.

V THE DEVELOPMENT-RELATED CAPITAL PROGRAM



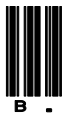
A DEVELOPMENT-RELATED CAPITAL PROGRAM IS PROVIDED FOR COUNCIL'S APPROVAL

The *DCA* requires the Council of a Municipality to express its intent to provide future capital facilities at the level incorporated in the development charges calculation. As noted above in Section II, *O. Reg. 82/98*, s. 3 states that:

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

Based on the growth forecasts summarized in Section III and detailed in Appendix A, Township staff, in collaboration with the consultants, assembled a development-related capital program setting out those projects that are required to service anticipated growth. For all services, the capital program covers the ten-year period from 2014 to 2023.

One of the recommendations contained in this background study is for Council to adopt the development-related capital program developed for the purposes of the development charges calculation. It is assumed that future capital budgets and forecasts will continue to bring forward the development-related projects contained herein that are consistent with the development occurring in the Township. It is acknowledged that changes to the capital program presented here may occur through the Township's normal capital budget process.



THE DEVELOPMENT-RELATED CAPITAL PROGRAM FOR TOWNSHIP SERVICES

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

The table provides a separate total for services analysed over the ten year period, 2014–2023. Further details on the capital programs for each individual service category are available in Appendix B.

The development-related capital program for all services estimates a total gross cost of \$42.79 million. \$10.10 million in subsidies, or other recoveries, has been identified. Therefore the net municipal cost of the capital program is \$32.69 million.

This capital program incorporates those projects identified to be related to development anticipated in the next ten years. It is not implied that all of these costs are to be recovered from new development by way of development charges (see Section VI for the method and determination of net municipal costs attributable to development). Portions of this capital program may relate to providing servicing for development which has occurred prior to 2014 (for which development charge reserve fund balances exist), for replacement of existing capital facilities, or for development anticipated to occur beyond the 2014–2023 planning period. In addition, the amounts shown in Table 3 have not been reduced by ten per cent for various general services as mandated by s.5(1)8. of the *DCA*.

Of the \$32.69 million in ten-year net municipal capital costs, \$15.04 million, or 46 per cent, is related to Township engineering. More than half of this amount is related to various culvert projects anticipated over the planning period. The remainder of the engineering capital program is comprised of paved and gravel road construction, sidewalks, and streetlight projects.

\$10.26 million, or 31 per cent of the total capital program, is related to the provision of parks and recreation services. The most significant project is a new indoor swimming pool anticipated between 2016 and 2020. The Fields of Uxbridge Changes project is also significant. The Parks and Recreation capital program also includes provisions for additional parkland and trail development, as well as a Master Plan in 2017.

The capital program associated with Fire and Rescue recovers mainly for a new fire station, including the costs of land acquisition, construction, and an associated new vehicle. The net municipal cost for this program amounts to \$5.75 million, or 18 per cent of the total.

The Animal Control service capital program recovers for the construction of a new animal shelter. Fundraising and other subsidies in the amount of \$935,000 is anticipated to help fund the project costs and as such, the net municipal cost is \$535,000.

The library capital program includes a provision for the reconfiguration of existing library space to improve service delivery, and also for the acquisition of additional library materials. The net cost of this program to the Township is \$506,000.

The portion of the Township's capital program which relates to the provision of development-related studies is referred to as general government. The capital program includes regular updates to the Official Plan, Zoning by-law and development charges studies. The net municipal cost for this program amounts to \$455,500.

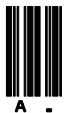
The public works capital program relates to two building expansions anticipated in 2015 and 2023. The total net municipal cost for this program totals to \$145,000.

VI DEVELOPMENT CHARGES ARE CALCULATED IN ACCORDANCE WITH THE DCA

This section summarizes the calculation of development charges for each service category and the resulting total development charge by type of development. Furthermore, the calculation of the “unadjusted” per capita (residential) and per square metre (non-residential) is presented. Adjustments are made to these amounts resulting from a cash flow analysis that considers interest earnings and borrowing costs.

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

It is noted that the calculation of the Township-wide development charges does not include any provision for exemptions required under the *DCA* such as the exemption for enlargements of up to 50 per cent on existing industrial buildings. Such legislated exemptions, or other exemptions or reductions which Council may choose to provide, will result in loss of development charge revenue for the affected types of development. Any such revenue loss may not be made up, however, by offsetting increases in other portions of the calculated charge.



UNADJUSTED DEVELOPMENT CHARGE CALCULATION

A summary of the “unadjusted” residential and non-residential development charges is presented in Table 4. Further details of the calculation for each individual Township service category are available in Appendix B.

The capital program incorporates those projects identified to be related to development anticipated in the next ten years. However, not all of the capital costs are to be recovered from new development by way of development charges. Table 4 shows that \$8.89 million of the capital program relates to replacement of existing capital facilities or to shares of projects that provide benefit to the existing community. These portions of capital costs will likely be funded from property taxes, user fees or other non-development charge revenue sources.

The *DCA*, s.5(1)8 requires that development-related net municipal costs for general services be reduced by ten per cent in calculating the applicable development charge. The discount does not apply to fire and rescue or Township-wide engineering services. The ten per cent share of development-related net municipal costs not included in the development charge calculations must be funded from non-development charge sources. In total, \$1.13 million is identified as the required ten per cent reduction.

An additional share of \$7.43 million has been identified as DC reserve fund monies are available to fund growth-related projects. These funds have been utilized to fund the first shares of the capital program. This portion has been netted out of the chargeable capital costs. Another share of the forecast, \$5.62 million, is attributable to development beyond the 2023 period (which will be considered for recovery in future development charges studies, subject to service level considerations).

The total costs eligible for recovery through development charges is \$9.63 million. This amount is allocated between the residential and non-residential sectors to derive the unadjusted development charges. Library service, animal control and parks and recreation are all deemed to benefit residential development only, while the other services are allocated between both sectors based on shares of population in new units and employment growth.

Approximately \$7.45 million of the development charges recoverable amount is deemed to benefit residential development. When this amount is divided by the ten-year population growth in new units (2,184), an unadjusted charge of \$3,409.19 per capita is derived.

The non-residential share of the capital program totals \$2.18 million. This amount is divided by the ten-year growth in new employment space (83,700 square metres), resulting in an unadjusted charge of \$26.10 per square metre.



ADJUSTED RESIDENTIAL AND NON-RESIDENTIAL DEVELOPMENT CHARGES

Final adjustments to the “unadjusted” development charge rates summarized above are made through a cash flow analysis. The analysis, details of which are included in the Appendices, considers the borrowing cost and interest earnings associated with the timing of expenditures and development charge receipts for each service.

Table 5 summarize the results of the adjustment for the residential development charge rates. The adjusted per capita rate increases from \$3,409 to \$3,490 after the cash flow analysis. Residential Township-wide development charges are proposed to vary by dwelling unit type to reflect their different occupancy factors and resulting demand for services.

As shown in Table 5, the calculated residential charge ranges from \$3,490 for a garden suite unit to \$10,260 for single and semi-detached units. The calculated charge for rows and multiple dwelling units is \$8,027, \$5,236 for apartments, and a special care needs unit is \$3,839.

The calculated non-residential development charges rates are presented in Tables 6. The calculated adjusted rate for new non-residential development is \$27.04 per square metre, which is an increase of \$0.94 from the unadjusted rate of \$26.10 per square metre.



COMPARISON OF 2014 NEWLY CALCULATED DEVELOPMENT CHARGES WITH CHARGES CURRENTLY IN FORCE IN UXBRIDGE

Tables 7 and 8 present a comparison of the newly calculated residential and non-residential development charges with those currently imposed in Uxbridge. Table 7 demonstrates that the residential development charge rate for a single- or semi-detached unit decreases by \$1,252 per unit, or 10.9 per cent from the Township's currently imposed charge.

The current development charges rate for non-residential development decreases by \$40.71 per square metre, or 60.1 per cent. The considerable decrease in the non-residential development charge rate can be attributed to a few factors:

- 1) The Township has significant funds in DC reserves available to fund growth-related infrastructure offsetting the amount requiring funding through development charges in this period; and
- 2) Township Engineering services represents over 85% of the calculated non-residential development charge - which is decreasing from the current charge.

VII LONG-TERM CAPITAL AND OPERATING COSTS

This section provides a brief examination of the long-term capital and operating costs for the capital facilities and infrastructure to be included in the development charges by-law. This examination is required as one of the features of the *DCA*.



A -

NET OPERATING COSTS FOR THE TOWNSHIP'S SERVICES ESTIMATED TO INCREASE OVER THE FORECAST PERIOD

Table 9 summarizes the estimated increase in net operating costs that the Township will experience for additions associated with the planned capital program. These estimates are based on historical average costs. (additional details are included in Appendix D).

As shown in Table 9, by 2023, the Township's net operating costs for tax-supported services are estimated to increase by \$784,300. A significant portion of this increase relates to the construction of the fire station. Township-wide engineering culvert projects are also projected to impact on the annual operating budget.

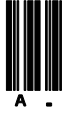


B -

LONG-TERM CAPITAL FINANCING FROM NON-DEVELOPMENT CHARGE SOURCES TOTALS \$10.02 MILLION

Table 9 also summarizes the components of the development-related capital program that will require funding from non-development charges sources. Of the \$32.69 million net capital program, about \$10.02 million will need to be financed from non-development charges sources over the next ten years. This includes about \$1.13 million with respects to the ten per cent discount required by the *DCA* for general services and about \$8.89 million for shares of projects related to capital replacement and for non-growth shares of projects that provide benefit to the existing community. In addition, \$5.62 million in interim financing may be required for projects related to growth in the post-2023 period. It is likely that most of these monies could be recovered from future development charges as the by-laws are revisited at least every five years.

VIII DEVELOPMENT CHARGES ADMINISTRATION



DEVELOPMENT CHARGE ADMINISTRATION

Many of the administrative requirements of the *DCA* will be similar to those presently followed by the Township in terms of collection practices. In this regard:

- As required under the *DCA*, the Township should codify any rules regarding the application of the by-laws and any exemptions within the development charges by-law proposed for adoption;
- The proposed draft by-law sets out the rules to determine development charges applicable in any particular case. Rules for exemptions, potential reductions, and redevelopment of land are also outlined in the proposed draft by-law;
- It is recommended that limited exemptions, other than those required in the *DCA* be formally adopted in the by-laws; and
- It is recommended that Council adopt the development-related capital program included in this background study, subject to annual review through the Township's normal capital budget process.



LOCAL SERVICE DEFINITIONS

The following provides the definition of “local service” under the *DCA* for a number of services provided by the Township. The purpose of establishing these definitions is to determine the eligible capital costs for inclusion in the development charges (DC) calculation for the Township. The functions or services deemed to be local in nature are not to be included in the determination of the development charges rates. The provision of local services is considered to be a direct responsibility under s. 59 of the *DCA* and will (or may) be recovered under other agreement(s) with the landowner or developer. The issue of “local services” is specifically considered for the services of:

- Roads and Related Services
- Stormwater Services
- Parkland Development and Tree Planting

1. Roads:

- local roads and the local share of roads are not included in the DC calculation;
- Where a local road is oversized to accommodate needs external to the subject lands, the oversized share is to be included in the DC (such oversizing usually relates to collector roads but could conceivably represent a share of an arterial road).
- Alternatively, a road could be defined as a "local service" if it has a road allowance of 20 m or less and a pavement width of 10 m or less. It may have sidewalks and/or streetlights on one or both sides. Its primary function is to serve local traffic, to provide access to properties that front on it and to provide connections to major collector or arterial roads.

2. Stormwater Management:

The costs of stormwater management facilities internal to and/or related to a plan of subdivision are considered to be a local service and the associated costs are not included in the development charges calculation. SWM would typically include:

- SWM facilities servicing local drainage areas and storm sewer oversizing associated therewith;
- Storm sewer works on existing roads.

3. Parkland Development:

Local Services include:

- park plan, including design and grading plans;
- stripping, stockpiling, levelling, top soiling, seeding and storm water servicing, plus services to the lot line;
- parkland dedication or cash-in-lieu;
- all other components are in the DC calculation, including parking, park furniture, signage, landscaping, walkways/trails, plus necessary fields, diamonds, playground equipment, lighting, irrigation and field houses.

4. Street Tree Planting:

- Street tree planting is a local service and direct developer responsibility.

