

REPORT FOR PUBLIC MEETING

PREPARED BY HEMSON FOR THE COUNTY OF SIMCOE

DEVELOPMENT CHARGES BACKGROUND STUDY

September 24, 2021



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EXECUTIVE SUMMARY

The *Development Charges Act, 1997 (DCA)* and its associated *Ontario Regulation 82/98 (O. Reg. 82/98)* allow municipalities to recover development-related capital costs from new development. This 2021 County of Simcoe Development Charges Background Study is presented as part of a process to establish a development charges by-law that complies with this legislation.

A. PURPOSE OF THE 2021 DEVELOPMENT CHARGES (DC) BACKGROUND STUDY

i. Legislative Context

The County of Simcoe 2021 Development Charges Background Study is presented as part of the process to lead to the approval of a new DC by-law in compliance with the *DCA*. The study is prepared in accordance with the *DCA* and associated regulations, including amendments that came into force on January 1, 2020 and September 17, 2020 and through Bill 108, the *More Homes, More Choice Act* and Bill 197 the *COVID-19 Economic Recovery Act*.

ii. Key Steps in Determining Future Development-Related Projects

In accordance with the *DCA* and associated regulations, several key steps are required to calculate development charges. This includes preparing a development forecast, establishing historical service levels, determining the increase in need for services arising from development and appropriate shares of costs, attribution to development types (i.e. residential and non-residential) and the final adjustment to the calculated rate using a cash flow analysis.

iii. DC Eligible and Ineligible Costs

Development charges are intended to pay for the initial round of capital costs needed to service new development over an identified planning period. This is based on the overarching principle that “growth pays for growth”. However, the *DCA* and associated regulation includes several statutory adjustments and deductions that prevent these costs from fully being recovered by growth. Such adjustments include, but are not limited to: ineligible costs (e.g. computer equipment and vehicles with a replacement life of less than seven years); ineligible services, including tourism facilities, parkland acquisition, etc.;

deductions for costs that exceed historical service level caps; and statutory exemptions for specific uses (e.g. industrial expansions).

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

It is recommended that Council adopt the development-related capital program developed for the purposes of the 2021 DC Background Study. However, it is recognized that the DC Background Study is a point-in-time analysis and there may be changes to project timing, scope and costs through the County’s normal annual budget process.

B. DEVELOPMENT FORECAST

The tables below provides a summary of the anticipated residential and non-residential growth over the 2022-2031 and to 2041 planning periods. Details on the development forecast are provided in Appendix A.

Residential Development Forecast	2021 Estimate	General Services Planning Period 2022 - 2031		Roads & Related Services 2022 - 2041	
		Growth	Total at 2031	Growth	Total at 2041
Total Dwellings (incl. Seasonal)	145,457	28,000	173,457	60,473	205,930
<i>Occupied</i>	129,692	28,000	157,692	60,473	190,165
<i>Non-Permanent</i>	15,765	-	15,765	-	15,765
Total Population	379,206	73,105	452,312	144,236	523,442
<i>Census Population</i>	338,613	73,105	411,719	144,236	482,849
<i>Population in Non-Permanent Units¹</i>	40,593	-	40,593	-	40,593
Population Growth In New Dwelling Units		75,855		162,758	

Note: Population in non-permanent units derived using a factor of 2.57 Persons Per Unit

Non-Residential Development Forecast	2021 Estimate	General Services Planning Period 2022 - 2031		Roads & Related Services 2022 - 2041	
		Growth	Total at 2031	Growth	Total at 2041
Total Employment	103,487	20,975	124,462	43,693	147,180
<i>Population-Related</i>	58,051	10,617	68,667	22,456	80,507
<i>Employment Land</i>	19,044	9,069	28,112	19,041	38,085
<i>Major Office</i>	1,273	372	1,645	300	1,945
<i>Rural</i>	25,119	918	26,037	1,523	26,643
Non-Residential Building Space (sq.m.)		1,447,722		3,045,059	

C. CALCULATED DEVELOPMENT CHARGES

The table below provides the County-wide development charges for residential and non-residential development based on the aforementioned forecast.

	Residential Charge By Unit Type			Non-Residential Adjusted Charge per
	Singles & Semis	Rows & Other Multiples	Apartments	
Total Charge	\$14,444	\$11,404	\$7,745	\$47.49

D. LONG-TERM CAPITAL AND OPERATING COSTS

An overview of the long-term capital and operating costs for the capital facilities and infrastructure to be included in the DC by-law is provided in the study. This examination is required by the *DCA*. Additional details on the long-term capital and operating impact analysis are found in Appendix F. By 2031, the County’s annual net operating costs arising from the development-related infrastructure are estimated at about \$12.32 million.

About \$406.38 million of development-related project costs will need to be funded from non-development charges sources over the next 10 years. In addition, \$602.08 in interim financing may be required for projects related to general services that provide benefit post-2031 and roads and related services that provide benefit post-2041.

E. ASSET MANAGEMENT PLAN

A key purpose of the Asset Management Plan is to demonstrate that all assets proposed to be funded under the development charges by-law are financially sustainable over their full life cycle. The DC recoverable annual asset management contributions for the 2022-2031

planning period has been calculated. The year 2032 has been included to calculate the annual contribution for the 2022-2031 period as the expenditures in 2031 will not trigger asset management contributions until 2032.

By 2032, the County will need to fund an additional \$11.91 million per annum to properly fund the full life cycle costs of all assets supported under the by-law.

F. COUNTY'S DEVELOPMENT CHARGES BY-LAW TO BE RELEASED UNDER SEPARATE COVER

The Township's proposed DC by-law will be made available under separate cover a minimum of two weeks in advance of the statutory public meeting.

1. INTRODUCTION

The *Development Charges Act, 1997 (DCA)* and its associated *Ontario Regulation 82/98 (O. Reg. 82/98)* allow municipalities in Ontario to recover growth-related capital costs from new development. The County of Simcoe Development Charges Background Study is presented as part of a process to lead to the approval of a new development charge by-law in compliance with this legislation.

The anticipated residential and non-residential development in the County of Simcoe between 2022 and 2041 will increase demand on all County services. The County wishes to continue implementing DCs to fund development-related capital projects so that development continues to be serviced in a fiscally responsible manner.

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

- A forecast of the amount, type and location of development anticipated in the County;
- The average level of service provided by the County over the ten-year period immediately preceding the preparation of the background study;
- A review of capital works in progress and anticipated future capital projects, including an analysis of gross expenditures, funding sources, and net expenditures incurred or to be incurred by the County or its local boards to provide for the expected development, including the determination of the development and non-development-related components of the capital projects;
- An examination of the long-term capital and operating costs for the capital infrastructure required for each service to which the development charges by-laws would relate; and
- An asset management plan to deal with all assets whose capital costs are proposed to be funded under the DC By-law, demonstrating that all assets included in the capital program are financially sustainable over their full life cycle.

The study presents the results of the review to determine the net capital costs attributable to new development that is forecast to occur in the County of Simcoe between 2022 and 2041. These development-related net capital costs are apportioned to residential and non-residential development in a manner that reflects the increase in the need for each service.

The *DCA* provides for a period of public review and comment regarding the proposed development charges. This process includes considering and responding to comments received by stakeholders and members of the public about the calculated charges and methodology used. Following completion of this process, and in accordance with the *DCA* and Council's review of the study, it is intended that Council will pass new development charges for the County.

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

2. A COUNTY-WIDE METHODOLOGY ALIGNS COSTS AND BENEFITS

Several key steps are required when calculating any development charge. However, specific circumstances arise in each municipality that must be reflected in the calculation.

Therefore, the study has been tailored specifically for the County of Simcoe. The approach to the proposed development charges is focused on providing a reasonable alignment of development-related costs with the development that necessitates them. The study uses a county-wide approach for the general and roads and related services, which is consistent with past practice, and is deemed the best approach to align development-related costs and benefits.

A. COUNTY-WIDE DEVELOPMENT CHARGES ARE CALCULATED

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

For all of the development charge eligible services that the County provides, the full range of capital facilities, land, equipment and infrastructure is available throughout the County. A widely accepted method for recovering the development-related capital costs for such services is to apportion them over all new development anticipated in Simcoe.

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

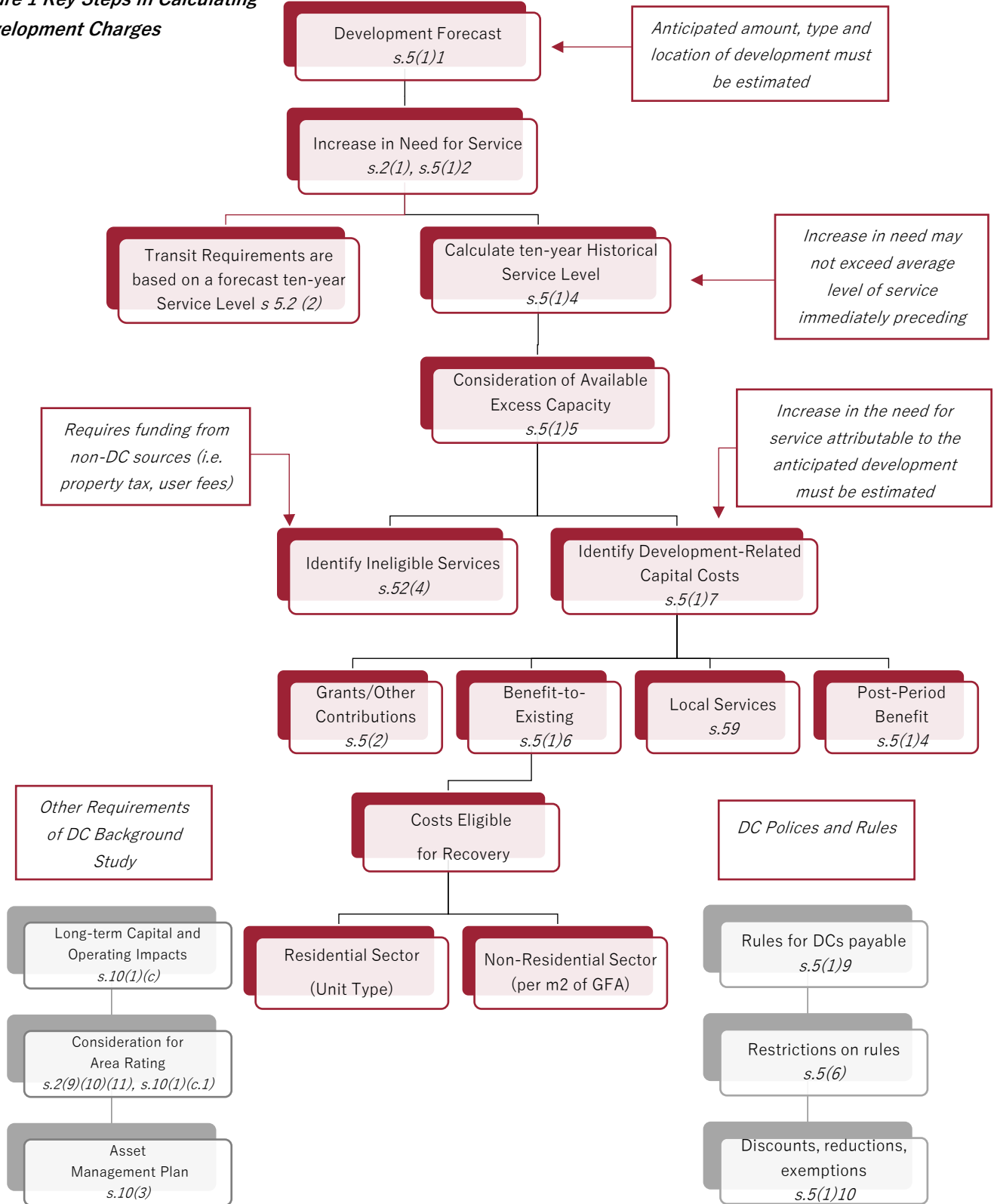
- Library Services;
- Paramedic Services;
- Long Term Care & Senior Services;
- Social Housing;
- Waste Management;
- Development Related Studies;
- Transit; and
- Services Related to a Highway of:
 - Public Works; and
 - Roads and Related.

These services form a reasonable basis upon which to plan and administer the development charges. It is noted that the analysis of each of these services examines the individual capital facilities and equipment currently in place. The resulting development charge for these services is to be imposed against all development anywhere in the County. Transit is a new service proposed to be introduced in the 2021 DC By-law as a forward looking ten year planned level of service must be used to determine a capital program cap under the *DCA* rather than the previous historical ten year level of service.

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

Several key steps are required in calculating DCs for future development-related projects. These are summarized in Figure 1 below and discussed further in the following sections.

Figure 1 Key Steps in Calculating Development Charges



i. Development Forecast

The first step in the methodology requires a development forecast to be prepared for the ten-year study period, 2022 to 2031, for general services and to 2041 for roads and related services. The forecasts of population and employment are consistent with the growth allocated to Simcoe County at 2051 in Schedule 3 of the Provincial Plan *A Place to Grow: Growth Plan for the Greater Golden Horseshoe (Growth Plan)*.

For the residential portion of the forecast, both the net (or Census) population growth, population growth in new units and adjusted population growth (which includes Census growth and population in seasonal or non-permanent dwellings) is estimated. The adjusted population growth determines the need for additional facilities and provides the foundation for the development-related capital program.

When calculating the development charge however, the development-related net capital costs are spread over the total additional population that occupy new housing units. This population in new units represents the population from which development charges will be collected.

The non-residential portion of the forecast estimates the Gross Floor Area (GFA) of building space to be developed over the ten-year period, 2022 to 2031 and over the twenty-year period, 2022 to 2041 for roads and related. The forecast of GFA is based on the employment forecast for the County. Factors for floor space per worker are used to convert the employment forecast into gross floor area for the purposes of the Development Charges Study.

ii. Service Categories and Historical Service Levels

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

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

Historical ten-year average service levels thus form the basis for development charges. A review of the County's capital service levels for buildings, land, vehicles and so on, has therefore been prepared as a reference for the calculation, so that the portion of future capital projects that may be included in the development charge can be determined. The historical service levels used in this study have been calculated based on the period 2012 to 2021.

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

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

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

In conjunction with *DCA*, s. 5. (1) 4. referenced above, these sections have the effect of requiring that the development charge be calculated on the lesser of the historical ten-year average service levels or the service levels embodied in future plans of the County. 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, *Ontario Regulation 82/98*, s. 3 states that:

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

For some projects in the development-related capital forecast, a portion of the project may confer benefits to existing 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 County from non-development charge sources. The amount of County funding for such shares is also identified as part of the preparation of the capital forecast.

There is also a requirement in the *DCA* to reduce the applicable development charge by the amount of any "uncommitted excess capacity" that is available for a service. Adjustments are made in the analysis to meet this requirement of the *Act*. This requirement has been addressed through the use of "net" population and employment in the determination of

maximum permissible funding envelopes. Furthermore, the County's capital programs, and the need for increased capacity, reflects available and useable capacity within existing infrastructure and facilities.

iv. Attribution to Types of Development

The next step in the determination of development charges is the allocation of the development-related net capital costs between the residential and non-residential sectors. This is done using apportionments for different services in accordance with the demands placed and the benefits derived.

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

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

v. Final Adjustment

The final determination of the development charge results from adjustments made to development-related net capital costs for each service and sector resulting from the application of any unallocated reserve fund balances. A cash flow analysis is 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*.

3. DEVELOPMENT FORECAST

This section provides the basis for the development forecasts used in calculating the development charges, as well as a summary of the forecast results. The forecasts of population and employment are consistent with the growth allocated to Simcoe County at 2051 in Schedule 3 of the Provincial Plan *A Place to Grow: Growth Plan for the Greater Golden Horseshoe (Growth Plan)*.

A more detailed summary of the forecasts, including tables illustrating historical trends and forecast results is provided in Appendix A.

A. RESIDENTIAL FORECAST

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

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

The housing and population forecasts in this development charges study include forecasts for both permanently occupied (Census) and total private dwellings. The difference accounts for the seasonal or non-permanent dwelling units. The permanently occupied units have bearing to what is considered to be the County's population in the Census. Population in non-permanent units has also been forecast, and has been added to the Census population to derive a total adjusted population figure.

Table 1 provides a summary of the residential forecast for two planning periods: a ten-year planning period, from 2022 to 2031, and over the longer-term from 2022 to 2041. As noted in Section 2, for development charge calculation purposes, the ten-year planning period is

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

applicable to the general services and the longer-term development forecast has been utilized in the calculation of roads and related development charges.

As shown on Table 1, the County's Census population is expected to increase by about 73,105 people over the next ten years reaching approximately 411,719 by 2031. The longer-term Census population is forecast to grow by more than 144,236 people to 482,849 in 2041.

Growth in the County's non-permanent population is estimated by applying a Persons Per Unit (PPU) assumption of 2.57 per non-permanent dwelling unit. These units (15,765) and accompanying population (40,593) are included in the base of the total population. Due to recent decline in construction of these unit types and conversions to occupied dwelling units, all units are anticipated to be occupied dwelling units and have been captured in the new dwelling unit growth.

The total adjusted population, which is used in the calculation analysis, includes both Census population and population in non-permanent units. The County's total population is expected to grow by 73,105 people by 2031. Over the long-term planning period, the total population is expected to grow by 144,236 to 523,442 people in 2041.

Over the ten-year planning period from 2022 to 2031, the total number of new residential units will increase by approximately 28,000, which includes all types of units. This translates to a population growth in new units of 75,855. The population in new units was derived using data from Statistics Canada analysing household sizes in recently constructed units. The forecast has projected growth over the longer-term planning period of 60,473 additional dwelling units. The population residing in these new units is forecast at 162,758.

B. NON-RESIDENTIAL FORECAST

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

The non-residential forecast projects an increase of 20,975 employees to 2031 and approximately 43,690 to 2041, the majority of which is anticipated to be in the population-related employment sector. These additional employees will be accommodated in almost 1.45 million square metres of new non-residential building space to 2031 and 3.04 million additional square metres to 2041.

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

TABLE 1
COUNTY OF SIMCOE
SUMMARY OF RESIDENTIAL AND NON-RESIDENTIAL
COUNTY-WIDE DEVELOPMENT FORECAST

Residential Development Forecast	2021 Estimate	General Services Planning Period 2022 - 2031		Roads & Related Services 2022 - 2041	
		Growth	Total at 2031	Growth	Total at 2041
Total Dwellings (incl. Seasonal)	145,457	28,000	173,457	60,473	205,930
<i>Occupied</i>	129,692	28,000	157,692	60,473	190,165
<i>Non-Permanent</i>	15,765	-	15,765	-	15,765
Total Population	379,206	73,105	452,312	144,236	523,442
<i>Census Population</i>	338,613	73,105	411,719	144,236	482,849
<i>Population in Non-Permanent Units¹</i>	40,593	-	40,593	-	40,593
Population Growth In New Dwelling Units		75,855		162,758	

Note: Population in non-permanent units derived using a factor of 2.57 Persons Per Unit

Non-Residential Development Forecast	2021 Estimate	General Services Planning Period 2022 - 2031		Roads & Related Services 2022 - 2041	
		Growth	Total at 2031	Growth	Total at 2041
Total Employment	103,487	20,975	124,462	43,693	147,180
<i>Population-Related</i>	58,051	10,617	68,667	22,456	80,507
<i>Employment Land</i>	19,044	9,069	28,112	19,041	38,085
<i>Major Office</i>	1,273	372	1,645	300	1,945
<i>Rural</i>	25,119	918	26,037	1,523	26,643
Non-Residential Building Space (sq.m.)		1,447,722		3,045,059	

4. SUMMARY OF HISTORICAL CAPITAL SERVICE LEVELS

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

For non-engineered services the legislative requirement is met by documenting historical service levels for the preceding ten years, in this case, for the period from 2012 to 2021. Typically, service levels for non-engineered services are measured as a ratio of inputs per capita, or per population plus employment.

O. Reg. 82/98 requires that when determining historical service levels, both quantity and quality of service be taken into consideration. In most cases, the service levels are initially established in quantitative terms. For example, service levels for buildings are presented in terms of square feet per capita. The qualitative aspect is introduced by the consideration of the monetary value of the facility or service. In the case of buildings, for example, the cost would be shown in terms of dollars per square foot to replace or construct a facility of the same quality. This approach helps to ensure that the development-related capital facilities that are to be charged to new development reflect not only the quantity (number and size) but also the quality (value or replacement cost) of service provided historically by the County. Both the quantitative and qualitative aspects of service levels used in the present analysis are based on information provided by County staff, based on historical records and experience with costs to acquire or construct similar facilities, equipment and infrastructure as of 2021.

Table 2 summarizes service levels for all applicable services included in the development charge calculation. Appendix B provides the detailed historical inventory data upon which the calculation of service levels for the general services is based. Further details regarding the Services Related to a Highway: Public Works and Roads and Related inventory of capital assets can be found in Appendix D.

TABLE 2

COUNTY OF SIMCOE
SUMMARY OF AVERAGE HISTORIC SERVICE LEVELS 2012-2021

Service	2012-2021 Service Level Indicator
1.0 LIBRARY SERVICES Buildings Land Vehicles Materials Furniture And Equipment	\$5.85 per capita \$1.79 per capita \$0.21 per capita \$0.17 per capita \$3.34 per capita \$0.34 per capita
2.0 PARAMEDIC SERVICES Buildings Land Vehicles Furniture & Equipment	\$103.07 per population & employment \$61.78 per population & employment \$22.24 per population & employment \$17.85 per population & employment \$1.20 per population & employment
3.0 LONG TERM CARE & SENIORS SERVICES Buildings - Manors Land - Manors Buildings - Villages Land - Villages Vehicles Furniture & Equipment	\$774.48 per capita \$443.44 per capita \$27.62 per capita \$260.85 per capita \$19.92 per capita \$1.70 per capita \$20.94 per capita
4.0 SOCIAL HOUSING Buildings Land	\$924.35 per capita \$780.79 per capita \$143.56 per capita
5.0 SOLID WASTE MANAGEMENT Buildings Land Vehicles & Equipment Equipment	\$908.75 per population & employment \$432.15 per population & employment \$424.02 per population & employment \$51.12 per population & employment \$1.46 per population & employment
SERVICES RELATED TO A HIGHWAY: 1.0 PUBLIC WORKS Buildings Material Storage Land Fleet & Small Equipment Furniture & Equipment 2.0 ROADS & RELATED Roads Intersections Bridges And Culverts	\$157.27 per population & employment \$57.47 per population & employment \$16.31 per population & employment \$40.11 per population & employment \$38.40 per population & employment \$4.98 per population & employment \$19,188.74 per population & employment \$18,465.86 per population & employment \$36.37 per population & employment \$686.51 per population & employment

5. THE DEVELOPMENT-RELATED CAPITAL FORECAST

The *DCA* requires the Council of a municipality to express its intent to provide future capital facilities at the average historical service level incorporated in the development charges calculation. As noted in Section II, *Ontario Regulation 82/98*, s. 3 states that:

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

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

Based on the development forecasts summarized in Section III and detailed in Appendix A, County staff, in collaboration with the consultants have created a development-related capital forecast setting out those projects that are required to service anticipated development. For all general services, the capital plan covers the ten-year period from 2022 to 2031. As permitted by the *DCA*, s. 5 (1) 4., the development charges for roads and related services is based on development anticipated in the County to 2041.

One of the recommendations contained in this Background Study is for Council to adopt the capital forecast created 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 County. It is acknowledged that changes to the forecast presented here may occur through the County's normal capital budget process.

B. THE DEVELOPMENT-RELATED CAPITAL FORECAST FOR GENERAL SERVICES

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

The table provides a total for all services analysed over the ten-year planning period. Further details on the capital plans for each individual service category are available in Appendices B, C (Transit) and D.1 (Services Related to a Highway: Public Works).

The development-related capital forecast for general services estimates a total gross cost of \$570.76 million. Alternative funding sources have been identified in the amount of \$129.22 million and account largely for contributions from the separated cities of Barrie and Orillia for the shared services of Paramedic Services, Long Term Care & Seniors Services and Social Housing, as well as the ineligible portions of certain Waste Management projects related to landfill operations. Therefore, the net municipal cost of the capital program is reduced to \$441.53 million.

Of the \$441.53 million ten-year net municipal capital costs for general services, \$161.01 million (36.5 per cent) is related to the Social Housing capital program. The program provides for the construction of 263 additional housing units, which will be constructed throughout the ten-year planning period. Also included in the forecast is the recovery of a negative development charges reserve fund balance.

The Long Term Care & Seniors Services ten-year net municipal cost is \$151.94 million (34.4 per cent) of the total ten-year program. This is largely related to the Simcoe Manor/Village redevelopment and a minor share is related to the negative reserve fund balance.

The capital program associated with Waste Management amounts to \$49.76 million, or 11.3 per cent, and provides for the various new facilities and site improvements, including the construction of a Materials Management Facility and Organics Processing Facility, as well as new equipment.

The Paramedic Services development-related capital program totals \$43.62 million in net municipal costs and accounts for 9.9 per cent of the overall program. The program includes the recovery of a negative development charge reserve fund balance, land acquisition and construction costs associated with the development of new paramedic stations throughout the County, as well as additional paramedic fleet.

The capital program associated with Transit totals \$30.72 million (7.0 per cent) of the overall program. This is related to a provision for development related costs associated with facilities and additional buses.

Development Related Studies represents 0.7 per cent, or \$3.29 million of the total capital program and provides for development-related studies, various planning and development studies, and two future development charges studies.

Services Related to a Highway: Public Works represents 0.2 per cent (\$939,500) of the total capital program and provides for additional fleet acquisitions.

The remainder of the capital forecast totals \$244,000 and comprises additional library collection materials.

The capital forecast 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 the following Section 6 for the method and determination of net capital costs attributable to development). Portions of this capital forecast may relate to providing servicing for development which has occurred prior to 2022 (for which development charge reserve fund balances exist), for replacement of existing capital facilities (e.g. Simcoe Village/Manor Redevelopment) or for development anticipated to occur beyond the 2022–2031 planning period.

TABLE 3

**COUNTY OF SIMCOE
SUMMARY OF DEVELOPMENT-RELATED CAPITAL PROGRAM
FOR SERVICES 2022 - 2031
(in \$000)**

Service	Gross Cost	Grants/ Subsidies	Municipal Cost
1.0 Library Services	\$244.0	\$0.0	\$244.0
1.1 Collection Materials	\$244.0	\$0.0	\$244.0
2.0 Paramedic Services	\$59,009.2	\$15,384.2	\$43,624.9
2.1 Recovery of Negative Reserve Fund Balance	\$8,849.0	\$0.0	\$8,849.0
2.2 New Paramedic Stations - Land	\$11,456.5	\$3,513.7	\$7,942.8
2.3 New Paramedic Stations - Building Construction	\$31,928.6	\$9,792.6	\$22,136.1
2.4 Development-Related Fleet Acquisitions	\$6,775.0	\$2,077.9	\$4,697.1
3.0 Long Term Care & Seniors Services	\$208,079.4	\$56,135.4	\$151,944.0
3.1 Development-Related Capital Projects	\$208,079.4	\$56,135.4	\$151,944.0
4.0 Social Housing	\$212,499.4	\$51,488.7	\$161,010.7
4.1 Recovery of Negative Reserve Fund Balance	\$19,153.4	\$0.0	\$19,153.4
4.2 Additional Building Construction	\$193,346.0	\$51,488.7	\$141,857.2
5.0 Waste Management	\$55,970.6	\$6,212.5	\$49,758.1
5.1 Facilities & Land	\$52,341.8	\$6,212.5	\$46,129.3
5.2 Vehicles & Equipment	\$3,628.8	\$0.0	\$3,628.8
6.0 Development Related Studies	\$3,291.0	\$0.0	\$3,291.0
6.1 All Studies	\$3,291.0	\$0.0	\$3,291.0
1.0 Transit	\$30,722.0	\$0.0	\$30,722.0
1.1 Facilities & Site Improvements	\$25,000.0	\$0.0	\$25,000.0
1.2 Vehicles & Equipment	\$5,722.0	\$0.0	\$5,722.0
Services Related to a Highway:			
1.0 Public Works	\$939.5	\$0.0	\$939.5
1.1 Fleet	\$939.5	\$0.0	\$939.5
TOTAL - 10 YEAR SERVICES	\$570,755.1	\$129,220.9	\$441,534.2

C. THE DEVELOPMENT-RELATED CAPITAL FORECAST FOR ROADS AND RELATED SERVICES

Table 4 summarizes the development-related capital recoveries for the roads and related services. The capital program totals \$1.15 billion and provides servicing for anticipated development over the longer-term planning period from 2022 to 2041. Further details on the inventory of capital assets and capital plans are available in Appendix D.1.

A share of \$3.83 million has been identified to be funded from Grey County as it is a shared asset. The majority of the program (84.6 per cent) is associated with road construction projects. This includes road widening and upgrading roads to county standards. These project costs amount to \$967.61 million.

Intersection improvements, including widening, the addition of turn lanes, and the installation of traffic signals amount to \$90.74 million, which accounts for 7.9 per cent of the net capital program. The negative reserve fund balance accounts for \$42.62 million or 3.7 per cent of the net capital program. Bridges and culvert projects will largely replace and widen existing structures and account for 2.3 per cent (\$26.05 million) of the overall forecast. The remainder of the roads and related capital program provides for active transportation projects to be located throughout the County and two future updates to the transportation master plan.

TABLE 4

**COUNTY OF SIMCOE
SUMMARY OF DEVELOPMENT-RELATED CAPITAL PROGRAM
FOR ROADS AND RELATED SERVICES 2022 - 2041
(in \$000)**

Service	Gross Cost	Grants/ Subsidies	Municipal Cost
Roads And Related	\$1,147,350.8	\$3,833.5	\$1,143,517.3
1 Recovery of Negative Funding Envelope	\$42,623.4	\$0.0	\$42,623.4
2 Roads Projects	\$971,439.6	\$3,833.5	\$967,606.1
3 Intersections	\$90,735.7	\$0.0	\$90,735.7
4 Bridges & Culverts	\$26,052.2	\$0.0	\$26,052.2
5 Active Transportation	\$16,050.0	\$0.0	\$16,050.0
6 Roads Related Studies	\$450.0	\$0.0	\$450.0
TOTAL - ROADS & RELATED SERVICES	\$1,147,350.8	\$3,833.5	\$1,143,517.3

6. PROPOSED DEVELOPMENT CHARGES

This section summarizes the calculation of development charges for each service category and the resulting total charges by sector. For all municipal services, the calculation of the “unadjusted” per capita (residential) and per square metre (non-residential) charges is reviewed. Adjustments to these amounts resulting from a cash flow analysis that takes interest earnings and borrowing costs into account are also discussed.

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

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

A. UNADJUSTED DEVELOPMENT CHARGES CALCULATION FOR GENERAL SERVICES

A summary of the “unadjusted” residential and non-residential development charges for general services is presented in Table 5. Further details of the calculation for each individual service category are available in Appendices B, C and D.1.

The net capital forecast for the general services totals \$441.53 million and 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. As shown on Table 5, 34 per cent of the gross costs, or \$195.58 million relates to replacement of existing capital facilities or for shares of projects that provide benefit to the existing community. These portions of capital costs will have to be funded from non-development charge revenue sources, largely property taxes for this group of services.

An additional share of \$2.38 million has been identified as available development charges reserve funds and represents the revenue collected from previous DCs. This portion has been netted out of the chargeable capital costs.

A share of \$96.85 million is attributable to development beyond 2031. This development-related share has been removed from the calculation and may therefore be recovered under future development charge studies.

The costs eligible for recovery through development charges for general services total \$146.72 million. This amount is allocated between the residential and non-residential sectors to derive the unadjusted development charges. Library, Long Term Care & Senior Services and Social Housing are deemed to benefit residential development only, while the remaining services are allocated between both sectors based on shares of population in new units and employment growth in new space. The allocation to the residential sector for these services is calculated at 78 per cent, and 22 per cent to the non-residential sector.

Approximately \$140.08 million of the general services development charges eligible capital program is deemed to benefit residential development. When this amount is divided by the ten-year growth in population in new dwelling units (75,855), an unadjusted charge of \$1,846.64 per capita results. The non-residential totals \$6.64 million, which yields an unadjusted charge of \$4.58 per square metre when divided by the ten-year increase in non-residential building space (1,447,722 square metres).

TABLE 5

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

10 Year Growth in Population in New Units	75,855
10 Year Growth in Square Feet	1,447,722

Service	Development-Related Capital Program (2022 - 2031)					Residential Share		Non-Residential Share	
	Net Municipal Cost	Replacement & Benefit to Existing	Available DC Reserves	Other Dev. Related*	Total DC Eligible Costs for Recovery	%	(\$000)	%	(\$000)
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)				
1.0 LIBRARY SERVICES	\$244.0	\$0.0	\$0.0	\$244.0	\$0.0	100%	\$0.0	0%	\$0.00
Unadjusted Development Charge Per Capita							\$0.00		
Unadjusted Development Charge Per Sq.M									\$0.00
2.0 PARAMEDIC SERVICES	\$43,624.9	\$10,090.2	\$0.0	\$23,838.8	\$9,695.9	78%	\$7,562.8	22%	\$2,133.10
Unadjusted Development Charge Per Capita							\$99.70		
Unadjusted Development Charge Per Sq.M									\$1.47
3.0 LONG TERM CARE & SENIORS SERVICES	\$151,944.0	\$102,983.2	\$0.0	\$0.0	\$48,960.8	100%	\$48,960.8	0%	\$0.00
Unadjusted Development Charge Per Capita							\$645.45		
Unadjusted Development Charge Per Sq.M									\$0.00
4.0 SOCIAL HOUSING	\$161,010.7	\$26,664.6	\$0.0	\$66,771.9	\$67,574.2	100%	\$67,574.2	0%	\$0.00
Unadjusted Development Charge Per Capita							\$890.83		
Unadjusted Development Charge Per Sq.M									\$0.00
6.0 WASTE MANAGEMENT	\$49,758.1	\$34,322.3	\$1,697.8	\$2,268.6	\$11,469.4	78%	\$8,946.1	22%	\$2,523.27
Unadjusted Development Charge Per Capita							\$117.94		
Unadjusted Development Charge Per Sq.M									\$1.74
7.0 DEVELOPMENT RELATED STUDIES	\$3,291.0	\$1,119.7	\$420.1	\$0.0	\$1,751.2	78%	\$1,366.0	22%	\$385.27
Unadjusted Development Charge Per Capita							\$18.01		
Unadjusted Development Charge Per Sq.M									\$0.27
8.0 Transit	\$30,722.0	\$20,403.9	\$0.0	\$3,724.0	\$6,594.2	78%	\$5,143.5	22%	\$1,450.72
Unadjusted Development Charge Per Capita							\$67.81		
Unadjusted Development Charge Per Sq.M									\$1.00
9.0 PUBLIC WORKS	\$939.5	\$0.0	\$268.1	\$0.0	\$671.5	78%	\$523.8	22%	\$147.73
Unadjusted Development Charge Per Capita							\$6.90		
Unadjusted Development Charge Per Sq.M									\$0.10
TOTAL 10 YEAR GENERAL SERVICES	\$441,534.2	\$195,583.8	\$2,385.9	\$96,847.3	\$146,717.2		\$140,077.1		\$6,640.1
Unadjusted Development Charge Per Capita							\$1,846.64		
Unadjusted Development Charge Per Sq.M									\$4.58

*Development related costs to be considered for funding from other tools and/or future DC Studies.

B. UNADJUSTED DEVELOPMENT CHARGES CALCULATION FOR ROADS AND RELATED SERVICES

Table 6 displays the calculation of the unadjusted rates for roads and related services. The growth-related infrastructure will be used to service development in the County between 2022 and 2041.

Of the total roads and related capital program (\$1.15 billion), not all costs are to be recovered from new development by way of DCs. Of the total project cost, \$3.83 million is related to a share to be funded from other recoveries. Table 6 shows that \$210.79 million (18 per cent) of the capital program relates to replacement of existing capital works or for shares of projects that provide benefit to the existing community. This amount has been netted off the chargeable capital costs. The replacement shares that are included in the Roads and Related capital program are allocated for a share of every project and the methodology remains unchanged from the previous DC Study.

Post-period shares in the amount of \$505.23 million have also been netted out. These shares are the most significant portion of the capital program as a result of the long-term nature of the capital program and the number of projects that are anticipated to benefit development beyond 2041.

The remaining \$427.50 million is related to development in the 2022-2031 planning period and has been included in the development charge calculation.

Like the general services, the capital program eligible for recovery through development charges is allocated to the residential and non-residential sectors based on future shares of population in new units and employment growth over the planning period. On this basis, the allocation to the residential and non-residential sectors is calculated at 79 and 21 per cent, respectively.

As a result, \$337.72 million of the roads and related services capital program is deemed to benefit residential development. When this amount is divided by the long-term growth in population in new dwelling units (162,758) an unadjusted charge of \$2,074.99 per capita results.

The non-residential share totals \$89.77 million and, when this amount is divided by the long-term forecast of building space growth (3,045,059 square metres) an unadjusted charge of \$29.48 per square metre results.

TABLE 6

**COUNTY OF SIMCOE
SUMMARY OF UNADJUSTED RESIDENTIAL AND NON-RESIDENTIAL DEVELOPMENT CHARGES
ROADS AND RELATED SERVICES
2022 - 2041**

Ultimate Year Growth in Population in New Units	162,758
Ultimate Growth in Square Meters	3,045,059

	Development-Related Capital Program (2022 - 2041)						Residential Share		Non-Residential Share		
	Total Project Cost (\$000)	Grants/ Other Recoveries (\$000)	Replacement & Benefit to Existing (\$000)	Prior Growth (\$000)	Other Dev. Related* (\$000)	Total DC Eligible Costs for Recovery (\$000)	%	(\$000)	%	(\$000)	
ROADS AND RELATED											
Recovery of Negative Funding Envelope	\$42,623.4	\$0.0	\$0.0	\$0.0	\$0.0	\$42,623.4	79%	\$33,672.5	21%	\$8,950.9	
Roads Projects	\$971,439.6	\$3,833.5	\$189,636.2	\$0.0	\$484,373.9	\$293,596.0	79%	\$231,940.8	21%	\$61,655.2	
Intersections	\$90,735.7	\$0.0	\$8,129.0	\$0.0	\$14,002.4	\$68,604.3	79%	\$54,197.4	21%	\$14,406.9	
Bridges & Culverts	\$26,052.2	\$0.0	\$13,026.1	\$0.0	\$6,853.2	\$6,172.9	79%	\$4,876.6	21%	\$1,296.3	
Active Transportation	\$16,050.0	\$0.0	\$0.0	\$0.0	\$0.0	\$16,050.0	79%	\$12,679.5	21%	\$3,370.5	
Roads Related Studies	\$450.0	\$0.0	\$0.0	\$0.0	\$0.0	\$450.0	79%	\$355.5	21%	\$94.5	
TOTAL ROADS AND RELATED	\$1,147,350.8	\$3,833.5	\$210,791.3	\$0.0	\$505,229.4	\$427,496.6		\$337,722.3		\$89,774.3	
Unadjusted Development Charge Per Capita								\$2,074.99			
Unadjusted Development Charge Per Square Metre											\$29.48

C. ADJUSTED RESIDENTIAL AND NON-RESIDENTIAL DEVELOPMENT CHARGES

Final adjustments to the “unadjusted” development charge rates 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 category.

Table 7 summarizes the results of the cash flow adjustments for the residential development charges rates. The adjusted per capita rate increases by \$829.55 from \$3,921.64 per capita to \$4,751.19 per capita after the cash flow analysis.

TABLE 7

COUNTY OF SIMCOE
 COUNTY-WIDE DEVELOPMENT CHARGES
 RESIDENTIAL DEVELOPMENT CHARGES BY UNIT TYPE

Service	Unadjusted Charge Per Capita	Adjusted Charge Per Capita	Residential Charge By Unit Type (1)		
			Singles & Semis	Rows & Other Multiples	Apartments
Library Services	\$0.00	\$0.00	\$0	\$0	\$0
Long Term Care & Seniors Services	\$645.45	\$646.24	\$1,965	\$1,551	\$1,053
Social Housing	\$890.83	\$1,037.14	\$3,153	\$2,489	\$1,691
Paramedic Services	\$99.70	\$116.58	\$354	\$280	\$190
Waste Management	\$117.94	\$124.39	\$378	\$299	\$203
Development Related Studies	\$18.01	\$17.72	\$54	\$43	\$29
Transit	\$67.81	\$70.33	\$214	\$169	\$115
Services Related to a Highway					
Public Works	\$6.90	\$7.67	\$23	\$18	\$12
Roads And Related	\$2,074.99	\$2,731.12	\$8,303	\$6,555	\$4,452
TOTAL CHARGE PER UNIT	\$3,921.64	\$4,751.19	\$14,444	\$11,404	\$7,745
(1) Based on Persons Per Unit Of:			3.04	2.40	1.63

Residential county-wide development charges are proposed to vary by dwelling unit type to reflect their different occupancy factors and resulting demand for services. As shown on Table 7, the calculated charge for a single or semi-detached unit is \$14,444 per unit, \$11,404 for a row or other type of multiple unit and \$7,745 per apartment unit.

The non-residential development charge experiences an increase after cash flow considerations. The adjusted rate of \$47.49 per square meter of new building space is an increase of \$13.43 over the unadjusted non-residential charge of \$34.06 per square metre. These charges are displayed on Table 8.

TABLE 8

COUNTY OF SIMCOE
 COUNTY-WIDE DEVELOPMENT CHARGES
 NON-RESIDENTIAL DEVELOPMENT CHARGES PER SQUARE METRE

Service	Non-Residential Unadjusted Charge per Square Metre	Non-Residential Adjusted Charge per Square Metre
Library Services	\$0.00	\$0.00
Long Term Care & Seniors Services	\$0.00	\$0.00
Social Housing	\$0.00	\$0.00
Paramedic Services	\$1.47	\$1.71
Waste Management	\$1.74	\$1.83
Development Related Studies	\$0.27	\$0.26
Transit	\$1.00	\$1.03
Services Related to a Highway		
Public Works	\$0.10	\$0.11
Roads And Related	\$29.48	\$42.55
TOTAL CHARGE PER SQUARE METRE	\$34.06	\$47.49

7. COMPARISON OF CALCULATED AND CURRENT DCs

Tables 9 and 10 present a comparison of the newly calculated residential and non-residential development charges with the County's current charges (as at January 1, 2021).

Table 9 shows that the calculated residential development charge for a single or semi-detached unit increases by \$4,460 per unit, or 45 per cent from \$9,987 to \$14,444 per unit.

The calculated development charge rate for non-residential development is \$47.49 per square meter, which is \$9.69, or 26 per cent more than the current charge of \$37.80. These rates are shown on Table 10.

It should be noted that library, is not proposed to be included in the 2021 rate structure. Historical maximum allowable funding envelope restrictions have prevented the calculation of a DC for library services. Conversely, Transit is proposed to be introduced to the County's DC regime following recent amendments to the *DCA* enabling the inclusion of the service based on a forward looking planned level of service.

TABLE 9

COUNTY OF SIMCOE
 COMPARISON OF CURRENT AND CALCULATED
 RESIDENTIAL DEVELOPMENT CHARGES

Service	Current	Calculated	Difference in Charge	
	Residential Charge / SDU	Residential Charge / SDU		
Library Services	\$0	\$0	\$0	n/a
Long Term Care & Seniors Services	\$758	\$1,965	\$1,207	159%
Social Housing	\$1,458	\$3,153	\$1,695	116%
Paramedic Services	\$203	\$354	\$151	74%
Waste Management	\$234	\$378	\$144	62%
Development Related Studies	\$56	\$54	(\$2)	-4%
Transit	\$0	\$214	\$214	n/a
Services Related to a Highway				
Public Works	\$92	\$23	(\$69)	-75%
Roads And Related	\$7,183	\$8,303	\$1,120	16%
TOTAL CHARGE PER UNIT	\$9,984	\$14,444	\$4,460	45%

TABLE 10

COUNTY OF SIMCOE
 COMPARISON OF CURRENT AND CALCULATED
 NON-RESIDENTIAL DEVELOPMENT CHARGES

Service	Current	Calculated	Difference in Charge	
	Non-Residential Charge	Non-Residential Charge		
Library Services	\$0.00	\$0.00	\$0.00	n/a
Long Term Care & Seniors Services	\$0.00	\$0.00	\$0.00	n/a
Social Housing	\$0.00	\$0.00	\$0.00	n/a
Paramedic Services	\$1.02	\$1.71	\$0.69	68%
Waste Management	\$1.17	\$1.83	\$0.66	56%
Development Related Studies	\$0.27	\$0.26	(\$0.01)	-4%
Transit	\$0.00	\$1.03	\$1.03	n/a
Services Related to a Highway				
Public Works	\$0.46	\$0.11	(\$0.35)	-76%
Roads And Related	\$34.88	\$42.55	\$7.67	22%
TOTAL CHARGE PER SQUARE METRE	\$37.80	\$47.49	\$9.69	26%

8. COST OF GROWTH ANALYSIS

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

A. ASSET MANAGEMENT PLAN

Table 11 summarizes the annual capital provisions required to replace the capital infrastructure proposed to be funded under the development charges by-law. This estimate is based on information obtained through discussions with County staff regarding useful life assumptions and the capital cost of acquiring and/or emplacing each asset.

Table 11 illustrates that, by 2032, the County will need to fund an additional \$11.91 million per annum in order to properly fund the full life-cycle costs of the new assets supported under this Development Charges By-Law. The calculated annual funding provision should be considered within the context of the County’s projected growth; over the next ten years (to 2031) the County is projecting an increase of 28,000 total private dwellings units, which represents a 19% increase over the existing base as well as approximately 21,000 new employees. This growth will have the effect of increasing the overall assessment base and additional user fee and charges revenues to offset the capital asset provisions required to replace the infrastructure proposed to be funded under the development charges by-law.

Service	2022-2031 Capital Program		Calculated AMP Annual Provision by 2032	
	DC Recoverable	Non-DC Funded	DC Related	Non-DC Related
Library Services	\$ -	\$ 244,000	\$ -	\$ 24,000
Paramedic Services	\$ 9,696,000	\$ 49,313,000	\$ -	\$ 1,425,000
Long Term Care & Seniors Services	\$ 48,961,000	\$ 159,119,000	\$ 880,000	\$ 3,159,000
Social Housing	\$ 67,574,000	\$ 144,925,000	\$ 964,000	\$ 2,987,000
Waste Management	\$ 13,167,000	\$ 42,803,000	\$ 404,000	\$ 304,000
Development Related Studies	\$ 2,171,000	\$ 1,120,000	\$ -	\$ -
Transit	\$ 6,594,000	\$ 24,128,000	\$ 276,000	\$ 624,000
Public Works	\$ 940,000	\$ -	\$ 96,000	\$ -
Roads And Related	\$ 427,497,000	\$ 719,854,000	\$ 9,290,000	\$ 10,606,000
TOTAL			\$ 11,910,000	\$ 19,129,000

B. LONG-TERM CAPITAL AND OPERATING COSTS

Appendix F summarizes the estimated increase in net operating costs that the County will experience for additions associated with the planned capital forecast. Table 12 summarizes the estimated increase in net operating costs that the County will experience for additions associated with the planned capital program.

By 2031, the County's net operating costs are estimated to increase by \$12.32 million.

Appendix F also summarizes the components of the development related capital program that will require funding from non development charge sources. Of the \$1.58 billion in the net capital programs of all services, about \$406.38 million will need to be financed from non-development charge sources over the next ten to twenty years. This is entirely related to shares of projects related to capital replacement and for non-development shares of projects that provide benefit to the existing community.

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

C. THE PROGRAM IS DEEMED TO BE FINANCIALLY SUSTAINABLE

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

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

TABLE 12

COUNTY OF SIMCOE
SUMMARY OF LONG TERM CAPITAL AND
OPERATING COST IMPACTS
(in thousands of constant dollars)

	2031
Net Operating Impacts (1)	
Library Services	\$0.0
Paramedic Services	\$840.0
Long Term Care & Seniors Services	\$238.0
Social Housing	\$3,336.1
Waste Management	\$1,680.0
Development Related Studies	\$0.0
Transit	\$255.4
Public Works	\$94.0
Roads And Related	\$5,880.0
NET OPERATING IMPACTS	\$12,323.5

	Total
Long-term Capital Impact (1)	
Total Net Cost	\$1,585,051.5
Net Cost From Development Charges	\$574,213.8
Prior Growth Share from DC Reserve Balances (2)	\$2,385.9
Other Development Related Costs(3)	\$602,076.7
Funding From Non-DC Sources	
Replacement	\$406,375.2
FUNDING FROM NON-DC SOURCES	\$406,375.2

Notes:

(1) See Appendix F.

(2) Existing development charge reserve fund balances collected from growth prior to 2021 are applied to fund initial projects in development-related capital forecast

(3) Development related costs to be considered for funding from other tools and/or future DC Studies.

9. OTHER ISSUES AND CONSIDERATIONS

A. DEVELOPMENT CHARGES ADMINISTRATION

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

- It is recommended that practices regarding collection of development charges and by-law administration continue to the extent possible.
- As required under the *DCA*, the County should codify any rules regarding application of the by-laws and exemptions within the development charges by-laws proposed for adoption.
- It is recommended that Council adopt the development-related capital forecast included in this background study, subject to annual review through the County's normal capital budget process.
- It is recommended that limited exemptions, other than those required in the *DCA*, be formally adopted in the by-laws.

B. CONSIDERATION FOR AREA RATING

In accordance with the *DCA*, Council must give consideration to the use of area rating, also known as area-specific development charges, as part of the DC Background Study. As part of the County's 2021 DC update none of the services considered are appropriate to recover on an area-specific basis and as such only County-wide services are included in this DC Background Study.

C. LOCAL SERVICE POLICY

The following guidelines set put in general terms the size and nature of engineered infrastructure that is included in the County of Simcoe Development Charge Study, as a project to be eligible to be funded in part by development charges the following will apply:

- i. The project will be required to be listed in the most current County of Simcoe Development Charges Study.

- ii. If any infrastructure does not add any additional capacity over and above the capacity requirement for that development, these projects are assumed to be the sole responsibility of the developer.
- iii. Infrastructure that provides servicing or capacity for more than one development is not necessarily fully or partially funded from development charges. If a project is considered fully or partially local in nature, the County will require the benefiting land owners to fund the works directly.

The following policy guidelines are general principles by which staff will be guided in considering development applications. However, each application will be considered on its own merits having regard to, among other factors, the nature, type and location of the development in any existing development and proposed development in its surrounding area these policy guidelines, the location and type of services required and their relationship to the proposed development and to existing and proposed development in the area, and subsection 59(2) of the *Development Charges Act, 1997*.

These local service policy guidelines are subject to review and amendment by the County which may be independent of an amendment or update to the County's development charge by-laws.

The detailed engineering requirements for all work and/or development are governed by the County of Simcoe Transportation Master Plan.

The definition of a "local service" with respect to County roads is as follows:

County Roads

- All improvements to a County road to facilitate development are considered local services to be paid by the developer unless they fall into one of the following categories:
 - The improvement is designated as required for traffic flow improvement for a greater area than the development, is defined as a road improvement required by the County, and is identified through the Class Environmental Assessment process or the County Transportation Master Plan. Such an improvement would be listed in the development charges study;
 - The improvement is designated as required by County of Simcoe staff to serve a greater area than the development and is identified in the capital works forecast or similar County financial documents, and is listed in the development charges study.