

DEVELOPMENT CHARGES BACKGROUND STUDY

Township of Wellesley



HEMSON Consulting Ltd.

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EXECUTIVE SUMMARY

The following summarizes the findings of the Township of Wellesley's 2014 Development Charges Background Study.

A. STUDY CONSISTENT WITH DEVELOPMENT CHARGES LEGISLATION

- This study calculates development charges for the Township of Wellesley in compliance with the provisions of the *Development Charges Act, 1997 (DCA)* and its associated regulation (*Ontario Regulation 82/98*).
- The Township needs to continue implementing development charges to fund capital projects related to development throughout Wellesley so that new development pays for its capital requirements to the extent allowed by the *DCA* and so that new services required by growth are provided in a fiscally responsible manner.
- 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 housing units and non-residential development anticipated in the Township;
 - 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 development and non-development-related 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-laws would relate.
- This report identifies the development-related net capital costs which are attributable to development that is forecast to occur in the Township. These 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.

B. ALL SERVICES WITH DEVELOPMENT-RELATED COSTS INCLUDED IN THE ANALYSIS

The following Township services have been included in the development charge analysis:

- General Government;
- Fire Protection;
- Parks and Recreation Services;
- Public Works; and
- Township Engineering

C. APPROACH USED TO CALCULATE DEVELOPMENT CHARGES

- Development charge 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 average cost approach is used to calculate development charges for all services. This approach results in uniform charges throughout the Township.
- The calculated charges are the maximum charges the Township may adopt. Lower charges may 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.

D. THE TOWNSHIP OF WELLESLEY IS ANTICIPATED TO GROW BY 448 PEOPLE AND 432 EMPLOYEES OVER 10 YEARS

A development forecast for the 10 year study period, 2014–2023, estimates that the Township’s population will grow by approximately 450 people and by about 810 persons to ultimate development (2031 for the purposes of this study).

- Population growth in new housing units is expected to add 1,100 people over the 2014–2023 period and 2,100 to ultimate development.
- The Township’s employment is forecast to grow by approximately 430 employees over the next 10 years and 730 to 2031.
- This employment growth is projected to generate about 23,760 square metres of new, non-residential building space between 2014 and 2023 and 40,200 square metres to 2031.
- The following is a summary of the projected growth for the Township:

Growth Forecast	2013 Estimate	Soft Services Planning Period 2014 - 2023		Engineered Services Planning Period 2014 - 2031	
		Growth	Total at 2023	Growth	Total at 2031
Residential					
Total Occupied Dwellings	3,195	350	3,545	670	3,865
Total Population Census	10,803	448	11,251	807	11,610
<i>Population In New Dwellings</i>		1,090		2,098	
Non-Residential					
Employment	3,443	432	3,875	731	4,174
Non-Residential Building Space (sq.m.)		23,760		40,183	

E. FUNDING ENVELOPE BASED ON “NET” GROWTH

- In accordance with the *DCA*, development charges have been calculated 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.
- The maximum permissible funding envelopes in this study are based on “net” population, employment and household growth.

F. THE DEVELOPMENT CHARGES STUDY INCLUDES A \$5.02 MILLION DEVELOPMENT-RELATED CAPITAL PROGRAM FOR GENERAL SERVICES OVER THE NEXT 10 YEARS AND A \$7.83 MILLION PROGRAM FOR TOWNSHIP ENGINEERED SERVICES TO 2031

- The 2014–2023 development-related capital programs for general services including General Government, Fire Protection, Parks and Recreation, and Public Works totals \$5.02 million.
- The engineered services capital program, which includes roads and related services, stormwater management works and development-related studies, totals an additional \$7.83 million. This amount is estimated to provide for development-related infrastructure required between 2014 and 2031.
- The *DCA* requires that development-related net capital costs for general and engineered services be reduced by grants, subsidies, and recoveries from other governments; capital replacements or other benefits provided to the existing community; existing reserve fund balances; amounts that exceed historic service levels and a statutory 10 per cent reduction for eligible soft (or general) services when calculating development charges.
- After these deductions, the costs eligible for recovery through development charges for the general services capital program are reduced to \$1.86 million, and the engineered services development-related capital program decreases to \$2.07 million. These amounts are eligible for recovery through development charges.
- The following is a summary of the general and engineered services development-related capital program:

General Services (2014-2023)		
Service	Gross Cost (\$000)	DC Eligible Cost (\$000)
General Government	\$317.5	\$99.1
Fire Protection	\$1,755.0	\$743.9
Parks and Recreation	\$2,470.0	\$913.3
Public Works	\$480.0	\$106.0
Total – 10 Year General Services	\$5,022.5	\$1,862.3

Engineered Services (2014-2031)		
Service	Gross Cost (\$000)	DC Eligible Cost (\$000)
Township-wide Engineering	\$7,826.0	\$2,073.2

- Details regarding the capital programs for general and engineered service are provided in Appendix B and C respectively.

G. CALCULATED TOWNSHIP-WIDE DEVELOPMENT CHARGES

- The following tables summarize the calculated residential and non-residential Township-wide development charges:

Calculated Residential Charges for Township-Wide Services

Service	Residential Charge By Unit Type (1)		
	Singles & Semis	Rows & Other Multiples	Apartments
General Government	\$213	\$158	\$115
Fire Protection	\$1,778	\$1,319	\$957
Parks And Recreation	\$2,923	\$2,168	\$1,572
Public Works	\$243	\$180	\$131
Township Engineering	\$2,509	\$1,861	\$1,350
TOTAL CHARGE PER UNIT	\$7,666	\$5,686	\$4,125
(1) Based on Persons Per Unit Of:	3.29	2.44	1.77

Calculated Non-Residential Charges for Township-Wide Services

Service	Non-Residential Charge per Square Metre
General Government	\$1.15
Fire Protection	\$9.52
Parks And Recreation	\$0.00
Public Works	\$1.31
Township Engineering	\$13.63
TOTAL CHARGE PER SQUARE METRE	\$25.61

- As illustrated in the next table, the calculated residential charge is 491.5 per cent (or \$6,370) higher than the present charge for single and semi-detached units.

Comparison of Single/Semi Detached Unit Residential Charges

Service	Current Residential Charge / Unit	Calculated Residential Charge / SDU	Difference in Charge	
General Government	\$220.19	\$213.00	(\$7)	-3.3%
Fire Protection	\$461.34	\$1,778.00	\$1,317	285.4%
Parks And Recreation	\$167.42	\$2,923.00	\$2,756	1645.9%
Public Works	\$165.73	\$243.00	\$77	46.6%
Township Engineering	\$281.25	\$2,509.00	\$2,228	792.1%
TOTAL CHARGE PER UNIT	\$1,295.93	\$7,666.00	\$6,370	491.5%

- The Township is not currently levying development charges on non-residential development. Therefore, the calculated charge of \$25.61 per square metre is a new charge to be considered by council.

H. A PORTION OF DEVELOPMENT-RELATED COSTS REQUIRE FUNDING FROM NON-DEVELOPMENT CHARGE SOURCES

- The *Development Charges Act, 1997* requires that the development-related net capital costs for “soft” services be reduced by 10 per cent in calculating the applicable development charge for these services. The 10 per cent share of development-related net capital costs not included in the development charge calculation must be funded from non-development charge sources.
- In total, about \$133,300 is identified to provide for the required 10 per cent reduction.
- Non-development charge funding for replacement portions of the capital forecast and other benefits to the existing community will total:
 - an additional \$919,000 for soft (general) services; and
 - an additional \$5.75 million for engineered services (to 2031)

- In summary, tax-supported funding of \$6.81 million will be required to support the development-related capital program.
- It is estimated that net operating costs will increase by about \$429,500 by the year 2023 as the facilities and infrastructure embodied in the capital forecast come on stream and are operated and maintained.

I INTRODUCTION

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

The *DCA* and *Ontario Regulation 82/98 (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 dwelling units, population and non-residential development anticipated in the Township;
- The average capital service levels provided in the Township over the 10 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 Township or its local boards to provide for the expected development, including the determination of the growth and non-development-related 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-laws would relate.

This study presents the results of the review that determines the development-related net capital costs attributable to new development that is forecast to occur in the Township of Wellesley. These development-related net capital costs are apportioned among various types of development (residential; non-residential) 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. Following completion of this process, in accordance with the *DCA* and Council's review of this study and the comments it receives regarding this study or other information brought to its attention about the proposed charges, it is intended that Council will pass new development charges for the Township.

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

Section II designates the services for which the development charges are proposed 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 forecast residential and non-residential development which is expected to occur within the Township over the 2014–2023 period and to 2031.

Section IV summarizes the historic 10 year average capital service levels that have been attained in the Township that form the basis for the development charge calculations.

Section V summarizes the development-related capital forecast that has been developed by various Township departments.

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

Section VII provides a comparison of existing development charge rates in the Township with the rates calculated in this study.

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

Section IX provides a review of development charges administrative matters such as collection method and timing of payments, exemptions, and local service definitions etc.

II THE METHODOLOGY USES A TOWNSHIP-WIDE APPROACH TO ALIGN DEVELOPMENT-RELATED COSTS AND BENEFITS

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

A. A TOWNSHIP-WIDE DEVELOPMENT CHARGE IS PROPOSED

The Township 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 that the by-laws designate the areas within which the by-laws shall be imposed. The development charges may apply to all lands in the municipality or to other designated development areas as specified in the by-laws.

1. Services Based on a Township-Wide Approach

For the majority of services that the Township provides, a range of capital facilities, land, equipment and infrastructure is available throughout the Township; arenas, community centres, fire stations, arterial roads, parks and so on. As new development occurs, new facilities will need to be added so that service levels in newly developing areas are provided at levels enjoyed in existing communities. A widely accepted method for sharing the development-related capital costs for such Township 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;
- Fire Protection;
- Parks and Recreation Services;
- Public Works; and
- Township Engineering;

These services form a reasonable basis on 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 that make them up. For example, Parks and Recreation Services includes various indoor facilities such as community centres, arenas; and associated land requirements as allowed under the *DCA*; and equipment.

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

B. 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 10 year study period, 2014–2023, for Township-wide general services and for growth to 2031 for engineered services. The forecast of the future residential and non-residential development used in this study is based on development anticipated to occur within approved Official Plan Township boundaries. The forecast reflects the Region of Waterloo Official Plan targets (to 2029), 2011 Census data and recent development activity.

For the residential portion of the forecast, the net (or Census) population growth and population growth in new units is estimated. Net population growth equals the population in new housing units reduced by the decline in the existing base anticipated over the 10 year and longer-term horizons (due to reducing household sizes as the community ages). Net population is used in the calculation of the development charges funding envelopes. In calculating the per capita development charge, however, the population growth in new housing units is used.

The non-residential portion of the forecast estimates the Gross Floor Area (GFA) of building space to be developed over the 10 year period, 2014–2023, and to 2031. The forecast of GFA is based on the employment forecast for the Township. Factors for floor space per worker are used to convert the employment forecast into gross floor areas for the purposes of the development charges study.

2. Service Categories and Historic Service Levels

The *Development Charges Act* 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 10 year average service levels thus form the basis for development charges. A review of 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 Forecast and Analysis of Net Capital Costs to be Included in the Development Charges

A development-related capital forecast has been prepared by the Township's departments as part of the present study. The forecast 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 forecast 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 10 year average service levels or the service levels embodied in future plans of the Township. The development-related capital forecast prepared for this study ensures that development charges are only imposed to help pay for projects that have been or are intended to be purchased or built in order to accommodate future anticipated development. It is not sufficient in the calculation of development charges merely to

have had the service in the past. There must also be a demonstrated commitment to continue to emplace facilities or infrastructure in the future. In this regard, *Ontario Regulation 82/98*, s. 3 states that:

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

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

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

Finally, in calculating development charges, the development-related net capital costs must be reduced by 10 per cent for all services except services related to a highway (public works), protection services (*DCA*, s. 5. (1) 8.) and engineered services. The 10 per cent discount is applied to the other services, e.g. parks and recreation, general government, and the resulting Township 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. This is done by using different apportionments for different services in accordance with the demands which the two sectors would be expected to place on the various services and the different benefits derived from those services.

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

Finally, the residential component of the Township-wide 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.

5. 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 available to finance the development-related capital costs in the capital forecast. 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 provides the basis for the development forecasts used in calculating the development charges and provides a summary of the forecast results. The Township's residential and non-residential development forecasts is based on growth that is anticipated to occur in areas that have been designated for development in the Township's Official Plan. This is consistent with Provincial regulations that require development charges forecasts to be based on areas approved for development in a municipality's Official Plan. This forecast assumes the Township of Wellesley will achieve the target 2029 population and employment projections (for the Township) outlined in the Region of Waterloo Official Plan, 2010. As the Township's Official Plan was prepared as a conformity exercise to the Regional Official Plan, the forecasts contained in this study are also consistent with the Township Official Plan.

Appendix A contains additional material related to the development forecast and the Township's demographics.

A. RESIDENTIAL FORECAST

Table 1 provides a summary of the residential forecast for two planning periods: a ten year planning period, 2014 to 2023, and an eighteen-year planning horizon of 2014 to 2031. As noted in Section II, for development charges calculation purposes, the 10 year planning period is applicable to non-engineering services. The longer term planning horizon (to 2031) has been utilized in the calculation of the engineered services component of the development charges.

The Township's Census population is expected to increase by about 450 people over the next 10 years reaching about 11,250 by 2023. The population is forecast to reach 11,610 persons in 2031.

The population figures referred to above reflect the "net" increase in population. This is the increase after taking into account the expected continuation of the decline in occupancy factors in existing housing units. The population residing in new housing units is expected to increase by 1,100 people over the 10-year planning period and 2,100 people to 2031.

About 350 dwelling units are forecast to be built between 2014 and 2023. Over the long-term to 2031, about 670 additional dwelling units are forecast to be added.

B. NON-RESIDENTIAL DEVELOPMENT FORECAST

The development charge employment forecast for the Township is consistent with the 2029 employment forecast set out in the Township and Region of Waterloo Official Plan.

The non-residential portion of the forecast estimates the amount of building space to be developed in the Township over the ten and eighteen-year planning periods. 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 430 employees, which can be accommodated in 23,760 square metres of new non-residential floor space. For the eighteen-year planning period, the Township will see a growth of approximately 730 new employees and roughly 40,200 square metres of new non-residential floor space.

Table 1 also provides a summary of the non-residential development forecasts used in this analysis. Additional forecast details are found in Appendix A.

TABLE 1

**TOWNSHIP OF WELLESLEY
SUMMARY OF RESIDENTIAL AND NON-RESIDENTIAL
DEVELOPMENT FORECAST**

Growth Forecast	2013 Estimate	Soft Services Planning Period 2014 - 2023		Engineered Services Planning Period 2014 - 2031	
		Growth	Total at 2023	Growth	Total at 2031
Residential					
Total Occupied Dwellings	3,195	350	3,545	670	3,865
Total Population					
Census	10,803	448	11,251	807	11,610
<i>Population In New Dwellings</i>		<i>1,090</i>		<i>2,098</i>	
Non-Residential					
Employment	3,443	432	3,875	731	4,174
Non-Residential Building Space (sq.m.)		23,760		40,183	

IV SUMMARY OF HISTORIC 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 service level provided in the municipality over the 10 year period immediately preceding the preparation of the background study, on a service by service basis.

For non-engineered services (fire protection, parks and recreation) the legislative requirement is met by documenting historic service levels for the preceding 10 years, in this case, for the period 2004–2013. Typically, service levels for non-engineered services are measured as a ratio of inputs per capita, per dwelling unit, 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 Township. Both the quantitative and qualitative aspects of service levels used in the present analysis are based on information provided by Township staff, and is based on historical records and their experience with costs to acquire or construct similar facilities, equipment and infrastructure as of 2013.

Table 2 summarizes service levels for all applicable services included in the development charge calculation. Appendices B and C provide detailed historical inventory data upon which the calculation of service levels is based.

TABLE 2
TOWNSHIP OF WELLESLEY
SUMMARY OF AVERAGE HISTORIC SERVICE LEVELS 2004 - 2013

Service	2004 - 2013 Service Level Indicator
1.0 FIRE PROTECTION	\$2,504.44 per dwelling unit
Buildings	\$903.47 per dwelling unit
Land	\$92.00 per dwelling unit
Equipment	\$138.63 per dwelling unit
Vehicles	\$1,370.34 per dwelling unit
2.0 PARKS AND RECREATION	\$2,263.54 per capita
Indoor Recreation	\$1,968.43 per capita
Outdoor Recreation	\$295.11 per capita
3.0 PUBLIC WORKS	\$300.34 per population & employment
Buildings - Depots And Domes	\$105.05 per population & employment
Land	\$30.08 per population & employment
Furniture & Equipment	\$36.72 per population & employment
Fleet	\$128.49 per population & employment
4.0 TOWNSHIP ENGINEERING	\$15,730.18 per population & employment
Roads	\$14,536.29 per population & employment
Bridges & Culverts	\$1,018.05 per population & employment
Streetlights	\$15.43 per population & employment
Sidewalks	\$160.41 per population & employment

V THE DEVELOPMENT-RELATED CAPITAL FORECAST

A. A DEVELOPMENT-RELATED CAPITAL FORECAST 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, *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.

Based on the development forecasts summarized in Section III and detailed in Appendix A, staff of the Township departments, in collaboration with the consultants developed a growth-related capital forecast setting out those projects that are required to service anticipated development. For all services except engineered services, the capital plan covers the 10 year period from 2014–2023. As permitted by the DCA s. 5 (1) 4., the development charge for engineered services is based on development expected in the Township to 2031.

One of the recommendations contained in this background study is for Council to adopt the development-related capital forecast 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 growth occurring in the Township. It is acknowledged that changes to the forecast presented here may occur through the Township'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.

**TOWNSHIP OF WELLESLEY
SUMMARY OF DEVELOPMENT-RELATED CAPITAL PROGRAM
FOR GENERAL SERVICES 2014 - 2023
(in \$000)**

Service	Gross Cost	Grants/ Subsidies	Municipal Cost	Total Net Capital Program									
				2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
1.0 GENERAL GOVERNMENT	\$317.5	\$0.0	\$317.5	\$60.0	\$50.0	\$50.0	\$0.0	\$82.5	\$0.0	\$0.0	\$50.0	\$0.0	\$25.0
1.1 Development-Related Studies	\$317.5	\$0.0	\$317.5	\$60.0	\$50.0	\$50.0	\$0.0	\$82.5	\$0.0	\$0.0	\$50.0	\$0.0	\$25.0
2.0 FIRE PROTECTION	\$1,755.0	\$0.0	\$1,755.0	\$0.0	\$40.0	\$1,615.0	\$100.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
2.1 Buildings, Land & Furnishings	\$1,365.0	\$0.0	\$1,365.0	\$0.0	\$0.0	\$1,365.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
2.2 Vehicles	\$290.0	\$0.0	\$290.0	\$0.0	\$40.0	\$250.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
2.3 Equipment & Other	\$100.0	\$0.0	\$100.0	\$0.0	\$0.0	\$0.0	\$100.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
3.0 PARKS AND RECREATION	\$2,470.0	\$1,335.0	\$1,135.0	\$74.0	\$54.0	\$84.0	\$714.0	\$89.0	\$64.0	\$14.0	\$14.0	\$14.0	\$14.0
3.1 Indoor Recreation Facilities	\$1,800.0	\$1,200.0	\$600.0	\$0.0	\$0.0	\$0.0	\$600.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
3.2 Parkland & Park Facilities	\$510.0	\$135.0	\$375.0	\$34.0	\$54.0	\$14.0	\$114.0	\$89.0	\$14.0	\$14.0	\$14.0	\$14.0	\$14.0
3.3 Other	\$160.0	\$0.0	\$160.0	\$40.0	\$0.0	\$70.0	\$0.0	\$0.0	\$50.0	\$0.0	\$0.0	\$0.0	\$0.0
4.0 PUBLIC WORKS	\$480.0	\$0.0	\$480.0	\$0.0	\$0.0	\$30.0	\$70.0	\$250.0	\$130.0	\$0.0	\$0.0	\$0.0	\$0.0
4.1 Fleet and Equipment	\$480.0	\$0.0	\$480.0	\$0.0	\$0.0	\$30.0	\$70.0	\$250.0	\$130.0	\$0.0	\$0.0	\$0.0	\$0.0
TOTAL - 10 YEAR GENERAL SERVICES	\$5,022.5	\$1,335.0	\$3,687.5	\$134.0	\$144.0	\$1,779.0	\$884.0	\$421.5	\$194.0	\$14.0	\$64.0	\$14.0	\$39.0

The table provides a total for all general services analysed over the 10 year period, 2014–2023. Further details on the capital plans for each individual service category are available in Appendix B.

The development-related capital forecast for general services estimates a total gross cost of \$5.02 million. Approximately, \$1.34 million in senior government grants, subsidies or other recoveries are expected to offset the cost of the program. Therefore, the net municipal cost of the capital program is \$3.69 million.

This capital forecast incorporates those projects identified to be related to development anticipated in the next 10 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 VI for the method and determination of net capital costs attributable to growth). Portions of this capital forecast 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 (e.g. Fire station repositioning/replacement) or for growth anticipated to occur beyond the 2014–2023 planning period. In addition, the amounts shown on Table 3 have not been reduced by 10 per cent for various “soft” (or general) services as mandated by s. 5 (1) 8. of the *DCA*.

Of the \$3.69 million ten-year net municipal capital costs for general services, \$1.76 million (48 per cent) is related to the provision of Fire Protection Services. The construction of a new station in St. Clements, new vehicles and equipment are included in the capital program.

The development-related capital program for Parks and Recreation relates to expansion of the Wellesley Arena to accommodate six new dressing rooms, the development of various new park facilities as well as a new vehicle and an update to the Township’s Recreation Master Plan. The net municipal cost for this program totals to \$1.14 million and represents 31 per cent of the net municipal capital costs for general services.

The next largest development-related capital component is for Public Works at \$480,000 (13 per cent). The capital program includes for the acquisition of several new vehicles and additional radios.

General Government represents \$317,500 (9 per cent) of the capital program and provides for development-related studies, including a Fire Master Plan, regular updates to the Township's Official Plan, a South West Special Policy Study, the Wellesley Settlement Area Boundary Expansion study and future development charges studies.

In addition to the development-related capital forecast for general services, approximately \$7.83 million in net engineered service works are planned to 2031. In addition to road works, the program also provides for the development of new sidewalks, stormwater management works and development-related studies.

VI PROPOSED 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. For all Township-wide 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 then converted to a variable charge by housing unit type using various unit occupancy factors. For non-residential development, the 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 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 CHARGE CALCULATION FOR TOWNSHIP-WIDE SERVICES

A summary of the “unadjusted” residential and non-residential development charges for Township-wide services is presented in Tables 4 and 5. The totals in the table separate the general services from the Township engineered services. Further details of the calculations for each individual Township service category are available in Appendix B for general services and Appendix C for engineered services.

1. General Services

A summary of the “unadjusted” residential and non-residential development charges for the Township-wide general services is presented in Table 4.

The capital forecast for the general services 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 \$919,000 of the capital forecast relates to replacement of existing capital facilities or for shares of projects that provide benefit to the existing community. This amount mainly results from the replacement portion of the St. Clements Fire station and shares of development-related studies. These portions of capital costs will have to be funded from non-development charge revenue sources.

An additional share of \$286,300 has been identified as available development charges reserves and represents the revenue collected from previous development charges. This portion has been netted out of the chargeable capital costs. Another share of the forecast, \$486,600, is attributable to development beyond the 2023 period (and may therefore be recovered under future development charge studies).

The DCA, s. 5 (1) 8 requires that development-related net capital costs for “soft” (general) services be reduced by 10 per cent in calculating the applicable development charge. The discount does not apply to the Protection Services or services related to a highway (Public Works). The 10 per cent share of development-related net capital costs not included in the development charge calculations must be funded from non-development charge sources. In total, about \$133,300 is identified as the required 10 per cent reduction.

The total costs eligible for recovery through development for general services is \$1.86 million. This amount is allocated between the residential and non-residential sectors to derive the unadjusted development charges. Parks and Recreation Services 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. Approximately \$1.60 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 (1,090) an unadjusted charge of \$1,464.74 per capita is the result. The non-residential share of the general services capital program totals \$265,700 and when this amount is divided by the ten year forecast of non-residential space growth (23,760 square metres) an unadjusted charge of \$11.19 per square metre is the result.

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

10 Year Growth in Population in New Units	1,090
10 Year Growth in Square Metres	23,760

Service	Development-Related Capital Program (2014 - 2023)						Residential Share		Non-Residential Share	
	Net Municipal Cost (\$000)	Replacement & Benefit to Existing (\$000)	Required Service Discount (\$000)	Available DC Reserves (\$000)	Post-2023 Benefit (\$000)	Total DC Eligible Costs for Recovery (\$000)	%	(\$000)	%	(\$000)
	1.0 GENERAL GOVERNMENT	\$317.5	\$75.0	\$24.3	\$119.1	\$0.0	\$99.1	72%	\$71.4	28%
Unadjusted Development Charge Per Capita								\$65.46		\$1.17
Unadjusted Development Charge Per Sq.M										
2.0 FIRE PROTECTION	\$1,755.0	\$799.0	\$0.0	\$106.7	\$105.4	\$743.9	72%	\$535.6	28%	\$208.28
Unadjusted Development Charge Per Capita								\$491.36		\$8.77
Unadjusted Development Charge Per Sq.M										
3.0 PARKS AND RECREATION	\$1,135.0	\$45.0	\$109.0	\$17.8	\$49.8	\$913.3	100%	\$913.3	0%	\$0.00
Unadjusted Development Charge Per Capita								\$837.93		\$0.00
Unadjusted Development Charge Per Sq.M										
4.0 PUBLIC WORKS	\$480.0	\$0.0	\$0.0	\$42.6	\$331.4	\$106.0	72%	\$76.3	28%	\$29.67
Unadjusted Development Charge Per Capita								\$69.99		\$1.25
Unadjusted Development Charge Per Sq.M										
TOTAL 10 YEAR GENERAL SERVICES	\$3,687.5	\$919.0	\$133.3	\$286.3	\$486.6	\$1,862.3		\$1,596.6		\$265.7
Unadjusted Development Charge Per Capita								\$1,464.74		
Unadjusted Development Charge Per Sq.M										\$11.19

2. Township Engineered Services

Table 5 describes the calculation of the unadjusted rates for Township Engineered Services.

Not all of the net municipal costs are to be recovered from new development by way of development charges. Table 5 shows that \$5.75 million of the capital program relate 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 cost. No post period shares have been identified for any of the noted projects.

The remaining \$2.07 million is related to development in the 2014-2031 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 to 2031. On this basis, the allocation to the residential and non-residential sectors is calculated at 74 per cent and 26 per cent, respectively. The residential sector's "unadjusted" development charge is calculated at \$731.24 per capita.

The non-residential development sector's share results in an "unadjusted" development charge of \$13.41 per square metre.

3. Adjusted rates for Township-Wide 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.

Tables 6 and 7 summarize the results of the adjustments for the residential and non-residential components of the Township-wide rates respectively. As shown on Table 6, the adjusted per capita rate for all Township-wide services increases from \$2,195.98 to \$2,330 after the cash flow analysis. Residential development charges are proposed to vary by dwelling unit type to reflect different occupancy patterns and resulting demand for services. As shown in the table, the proposed residential charge ranges from \$4,125 for apartment units to \$7,666 for single detached and semi-detached units. The proposed charge for rows and other multiple units is \$5,686.

Table 7 shows that the adjusted rate for non-residential development increases slightly from \$24.60 to \$25.61 per square metre.

TOWNSHIP OF WELLESLEY
SUMMARY OF UNADJUSTED RESIDENTIAL AND NON-RESIDENTIAL DEVELOPMENT CHARGES
CAPITAL PROGRAM FOR ENGINEERED SERVICES
2014-2031

Ultimate Growth in Population in New Units	2,098
Ultimate Growth in Square Metres	40,183

Service	Development-Related Capital Program (2014 - 2031)						Residential Share		Non-Residential Share	
	Net Municipal Cost (\$000)	Replacement & Benefit to Existing (\$000)	Required Service Discount (\$000)	Available DC Reserves (\$000)	Post-2031 Benefit (\$000)	Total DC Eligible Costs for Recovery (\$000)	%	(\$000)	%	(\$000)
1.0 TOWNSHIP ENGINEERING	\$7,826.0	\$5,752.8	\$0.0	\$0.0	\$0.0	\$2,073.2	74%	\$1,534.1	26%	\$539.02
Unadjusted Development Charge Per Capita								\$731.24		
Unadjusted Development Charge Per Sq.M										\$13.41
TOTAL ENGINEERED SERVICES	\$7,826.0	\$5,752.8	\$0.0	\$0.0	\$0.0	\$2,073.2		\$1,534.1		\$539.0
Unadjusted Development Charge Per Capita								\$731.24		
Unadjusted Development Charge Per Sq.M										\$13.41

TABLE 6

**TOWNSHIP OF WELLESLEY
TOWNSHIP-WIDE DEVELOPMENT CHARGES
RESIDENTIAL DEVELOPMENT CHARGES BY UNIT TYPE**

Service	Unadjusted Charge Per Capita	Adjusted Charge Per Capita	Residential Charge By Unit Type (1)			Percentage of Charge
			Singles & Semis	Rows & Other Multiples	Apartments	
General Government	\$65.46	\$64.80	\$213	\$158	\$115	3%
Fire Protection	\$491.36	\$540.50	\$1,778	\$1,319	\$957	23%
Parks And Recreation	\$837.93	\$888.40	\$2,923	\$2,168	\$1,572	38%
Public Works	\$69.99	\$73.80	\$243	\$180	\$131	3%
Township Engineering	\$731.24	\$762.50	\$2,509	\$1,861	\$1,350	33%
TOTAL CHARGE PER UNIT	\$2,195.98	\$2,330.00	\$7,666	\$5,686	\$4,125	100.0%
(1) Based on Persons Per Unit Of:			3.29	2.44	1.77	

TABLE 7

**TOWNSHIP OF WELLESLEY
TOWNSHIP-WIDE DEVELOPMENT CHARGES
NON-RESIDENTIAL DEVELOPMENT CHARGES PER SQUARE METRE**

Service	Non-Residential Charge per Square Metre		Percentage of Charge
General Government	\$1.17	\$1.15	4.5%
Fire Protection	\$8.77	\$9.52	37.2%
Parks And Recreation	\$0.00	\$0.00	0.0%
Public Works	\$1.25	\$1.31	5.1%
Township Engineering	\$13.41	\$13.63	53.2%
TOTAL CHARGE PER SQUARE METRE	\$24.60	\$25.61	100.0%

VII COMPARISON OF CALCULATED AND CURRENT DEVELOPMENT CHARGES

Table 8 presents a comparison of total proposed Township-wide development charges for a single/semi-detached housing unit with the Township's existing charges. The Township does not currently levy DCs on non-residential development; therefore no comparison chart is shown for these calculated charges.

Table 8 shows that the calculated charge per single/semi detached unit of \$7,666 will result in an increase of \$6,370, or 491.5 per cent, over the present development charge.

TABLE 8

**TOWNSHIP OF WELLESLEY
COMPARISON OF CURRENT AND CALCULATED
RESIDENTIAL DEVELOPMENT CHARGES**

Service	Current Residential Charge / Unit	Calculated Residential Charge / SDU	Difference in Charge	
General Government	\$220.19	\$213	(\$7)	-3.3%
Fire Protection	\$461.34	\$1,778	\$1,317	285.4%
Parks And Recreation	\$167.42	\$2,923	\$2,756	1645.9%
Public Works	\$165.73	\$243	\$77	46.6%
Township Engineering	\$281.25	\$2,509	\$2,228	792.1%
TOTAL CHARGE PER UNIT	\$1,295.93	\$7,666	\$6,370	491.5%

VIII 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 *Development Charges Act, 1997*.

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

Table 9 (Page 1) summarizes the estimated increase in net operating costs that the Township will experience for additions associated with the planned capital program.

As shown in Table 9, by 2023, the Township's net operating costs for general services are estimated to increase by \$377,000. Significant increases in net operating costs will be experienced as new facilities such as the building addition to Wellesley Arena as well as the new fire station come on stream. Page 2 of the table shows Operating and maintenance costs for engineered services will also increase by \$52,500 as additions/upgrades to the Township's road and related network are made.

B. LONG-TERM CAPITAL FINANCING FROM NON-DEVELOPMENT CHARGE SOURCES FOR GENERAL SERVICES TOTALS \$1.05 MILLION

Table 9 (Page 1) also summarizes the components of the development-related capital program that will require funding from non-development charge sources as discussed in Section VI. In total \$1.05 million will need to be financed from non-development charge sources over the next ten years for General Services. This includes about \$133,300 in respect of the mandatory ten per cent discount required by the *DCA* for eligible "soft" (or general) services and about \$919,000 for shares of projects related to capital replacement and for non-growth shares of projects that provide benefit to the existing community.

In addition, \$486,600 in interim financing may be required for projects related to growth in the post-2023 period. Because the by-laws must be revisited at least every five years, it is difficult to determine the quantum of interim financing that may be required.

Appendix E provides a breakdown of the non-development charge financing requirements by service.

C. LONG-TERM CAPITAL FINANCING FROM NON-DEVELOPMENT CHARGE SOURCES FOR ENGINEERED SERVICES TOTALS \$5.75 MILLION

Page 2 of Table 9 provides a summary of non-development charges funding for engineered infrastructure. Most notably, \$5.75 million in taxation funding is required for the replacement (or benefit to existing) share of projects.

TOWNSHIP OF WELLESLEY
SUMMARY OF LONG TERM CAPITAL AND OPERATING COST IMPACTS
GENERAL SERVICES
(\$000)

Net Operating Impacts	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Net Operating Impacts (1)											
Fire Protection	\$0.0	\$0.0	\$65.0	\$65.0	\$65.0	\$65.0	\$65.0	\$65.0	\$65.0	\$65.0	n/a
Parks and Recreation	\$8.5	\$22.0	\$43.0	\$224.3	\$246.5	\$250.0	\$253.5	\$257.0	\$260.5	\$264.0	n/a
Public Works	\$0.0	\$0.0	\$3.0	\$10.0	\$35.0	\$48.0	\$48.0	\$48.0	\$48.0	\$48.0	n/a
NET OPERATING IMPACTS	\$8.5	\$22.0	\$111.0	\$299.3	\$346.5	\$363.0	\$366.5	\$370.0	\$373.5	\$377.0	
Long-term Capital Impact (1)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
General Services											
Total Net Cost	\$134.0	\$144.0	\$1,779.0	\$884.0	\$421.5	\$194.0	\$14.0	\$64.0	\$14.0	\$39.0	\$3,687.5
Net Cost From Development Charges	\$30.8	\$48.6	\$819.5	\$700.0	\$155.5	\$12.6	\$12.6	\$35.1	\$12.6	\$35.1	\$1,862.3
Available DC Reserves (2)	\$71.8	\$62.5	\$119.2	\$12.6	\$20.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$286.3
Portion for Post-2023 Development (3)	\$0.0	\$0.0	\$94.4	\$11.0	\$228.8	\$152.5	\$0.0	\$0.0	\$0.0	\$0.0	\$486.6
Net Cost From Non-DC Sources											
Discount Portion	\$11.4	\$7.9	\$10.9	\$71.4	\$17.2	\$3.9	\$1.4	\$3.9	\$1.4	\$3.9	\$133.3
Replacement/BTE	\$20.0	\$25.0	\$735.0	\$89.0	\$0.0	\$25.0	\$0.0	\$25.0	\$0.0	\$0.0	\$919.0
TOTAL LONG-TERM CAPITAL IMPACTS	\$31.4	\$32.9	\$745.9	\$160.4	\$17.2	\$28.9	\$1.4	\$28.9	\$1.4	\$3.9	\$1,052.3
TOTAL NET OPERATING & CAPITAL IMPACTS	\$39.9	\$54.9	\$856.9	\$459.7	\$363.7	\$391.9	\$367.9	\$398.9	\$374.9	\$380.9	n.a.

Notes:

(1) See Appendix E

(2) Existing development charge reserve fund balances collected from growth prior to 2014 are applied to fund initial projects in development-related capital forecast

(3) Post 2023 development-related net capital costs may be eligible for development charge funding in future DC by-laws and therefore may only be an interim financing requirement

**TOWNSHIP OF WELLESLEY
SUMMARY OF LONG TERM CAPITAL AND OPERATING COST IMPACTS
ENGINEERED SERVICES
(\$000)**

Net Operating Impacts	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Net Operating Impacts (1)											
Township Engineering	\$5.3	\$10.5	\$15.8	\$21.0	\$26.3	\$31.5	\$36.8	\$42.0	\$47.3	\$52.5	n/a
NET OPERATING IMPACTS	\$5.3	\$10.5	\$15.8	\$21.0	\$26.3	\$31.5	\$36.8	\$42.0	\$47.3	\$52.5	n.a.

Long-term Capital Impact (1)		
Engineered Services	2014-2031	
Total Net Cost	\$ 7,826.0	
Net Cost From Development Charges	\$ 2,073.2	
Available DC Reserves (2)	\$ -	
Portion for Post-2023 Development (3)	\$ -	
Net Cost From Non-DC Sources	\$ 5,752.8	
Discount Portion	\$ -	
Replacement/BTE	\$ 5,752.8	
TOTAL LONG-TERM CAPITAL IMPACTS	\$ 5,752.8	

Notes:

- (1) See Appendix E
(2) Existing development charge reserve fund balances collected from growth prior to 2014 are applied to fund initial projects in development-related capital forecast
(3) Post 2031 development-related net capital costs may be eligible for development charge funding in future DC by-laws and therefore may only be an interim financing requirement

IX DEVELOPMENT CHARGES ADMINISTRATION

A. DEVELOPMENT CHARGES ADMINISTRATION

No significant changes are recommended to the Township'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 Township 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 Township's normal capital budget process.

B. LOCAL SERVICE DEFINITIONS

The following guidelines set out in general terms the size and scope of infrastructure to be included in the Township of Wellesley's Development Charges Background Study as well as infrastructure that is deemed to be a "local service", that is to be installed or paid for by the landowner as a condition of approval under sections 51 or 53 of the Planning Act. It is noted that the guidelines are:

- general principles by which Township staff will be guided in considering development applications. However, each application will be considered on its own merits having regard to, among other factors including these guidelines: the nature, type and location of existing and proposed development; the location and type of services required for existing and proposed development; and the requirements of subsection 59(2) of the *DCA*.
- subject to review and amendment by the Township which may be independent of an amendment or update to the Township's development charge by-law.

The following provides the definition of “local service” under the DCA for a number of services provided by the Township of Wellesley. 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 developer 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 being specifically considered for the services of:

- Roads and Related Services
- Stormwater Services
- Parkland Development

1. Roads and Related Services

- Collector Roads
 - The local component of a collector road internal to a development is a direct developer responsibility under s.59 of the *DCA* as a local service. The oversized share of a collector road internal to a development is development charge recoverable.
 - Collector roads external to a development are a local service if the works are within the area to which the plan relates and, therefore, a direct developer responsibility under s.59 of the *DCA*. Otherwise, the works are included in the DC calculation to the extent permitted under s.5(1) of the *DCA*.
- Arterial Roads
 - New arterial roads and arterial road improvements are included as part of road costing funded through DCs. Only the oversizing component would be recovered through DCs and local road equivalent costs are considered to be a local service.

- Local Roads
 - Local roads, as defined by the municipalities' engineering standards, are local services and a direct developer responsibility under s.59 of the *DCA*.
- Subdivision/Site Entrances and Related
 - Entrances and all related costs (including, but not limited to: signalization, turn lanes, utilities and extensions, etc.), no matter the class of road, are a local service and a direct developer responsibility under s.59 of the *DCA*.
- Streetlights
 - Streetlights internal to a development or site are a direct developer responsibility through local service provisions (s.59 of the *DCA*).
 - Streetlights external to a development but related to the subject lands are a direct developer responsibility through local service provisions (s.59 of the *DCA*).
 - New streetlights in other areas related to development may be included in the DC calculation to the extent permitted under S. 5(1) of the *DCA*.
- Sidewalks
 - Sidewalks internal to a development or site are a direct developer responsibility through local service provisions (s.59 of the *DCA*).
 - Sidewalks external to a development but required and related to the subject lands are a direct developer responsibility through local service provisions (s.59 of the *DCA*).
 - New sidewalks in other areas related to development are included in the DC calculation to the extent permitted under s.5(1) of the *DCA*.

- Bike or Transit Lanes
 - Bike or transit lanes, where requested, internal to a development or site are a direct developer responsibility through local service provisions (s.59 of the DCA).
 - Bike or transit lanes external to a development but required and related to the subject lands are a direct developer responsibility through local service provisions (s.59 of the DCA).
 - New bike or transit lanes in other areas related to development are included in the DC calculation to the extent permitted under s.5(1) of the DCA.
- Noise Abatement Measures
 - Noise abatement measures internal to a development are a direct developer responsibility through local service provisions (s.59 of the DCA).
 - Noise abatement measures external to a development but required and related to, or mitigate impacts from, the development of the subject lands, are a direct developer responsibility through local service provisions (s.59 of the DCA).
- Street Tree Planting
 - Street tree planting, as required in the Engineering Standards, is considered a local area service and a direct responsibility of the developer.
- Land Acquisition for Road Allowances
 - Land acquisition for planned road allowances within development lands is a dedication under the *Planning Act* provisions.
 - Land acquisition for planned road allowances outside of development lands, and that is not a dedication under the *Planning Act*, is included in the DC calculation to the extent permitted under s.5(1) of the DCA.

- Additional land acquisition for bridges or grade separations (beyond normal dedication requirements) is to the extent eligible as identified and included, if applicable, in the Development Charges Background Study.

2. Stormwater Management Services

- The costs of stormwater management (SWM) facilities internal to subdivision and related to a plan of subdivision are considered to be a local service under the DCA and the associated costs are not included in the development charges calculation. Local SWM facilities would typically include:
 - Stormwater management facilities servicing local drainage areas;
 - Storm sewer oversizing associated with local drainage areas; and
 - Storm sewer works on existing roads.
- New stormwater facilities in other areas, which may or may not be associated with DC eligible road infrastructure, may be included in the development charge calculation.
- Master drainage planning studies or similar non-development specific studies may be included in the DC calculation.

3. Parkland Development

- For the purpose of parkland development, local services include the requirement for the owner to undertake preparation of the park plan, retaining necessary consultants to prepare design and grading plans for the park, prior to development. In addition, the owner is required to provide stripping and stockpiling, leveling, topsoiling, seeding and stormwater servicing including all appurtenances (consistent with the plan), fencing the property perimeter, and provide municipal water and wastewater services to the lot line. These requirements are part of the conditions of s.51 and 53 Planning Act agreements. The municipality also requires the owner to dedicate parkland or provide cash-in-lieu, consistent with the Planning Act provisions. All of these costs are deemed a direct responsibility of the developer and have not been included in the development charge calculation.
- With respect to other parkland development costs, the municipal policy is to include all other components of parkland development in the DC calculation, including parking, park furniture, signage, landscaping and walkways and

multi-purpose trails, in addition to the necessary fields, diamonds, playground equipment, lighting, irrigation and field houses.

APPENDIX A

DEVELOPMENT FORECAST

APPENDIX A

DEVELOPMENT FORECAST

This appendix provides details of the development forecast used to prepare the 2014 Development Charges Background Study for the Township of Wellesley. The appendix provides a review of the forecast methods as well as key inputs and assumptions. The forecast results are provided in a series of tables.

A. FORECAST APPROACH AND KEY ASSUMPTIONS

The *Development Charges Act* (DCA) requires the Township as part of its development charge background study, to estimate “the anticipated amount, type and location of development” for which development charges may be imposed. The forecast must cover both residential and non-residential development and be specific enough with regards to the quantum, type, location and timing of such development to allow the Township to prepare a reasonable development-related capital program. In this study, a ten year planning period from 2014-2023 has been used to calculate development charges for all general services provided by the Township. A longer term planning period, to 2031, has been used for the engineered municipal services.

The Township’s residential and non-residential development forecasts is based on growth that is anticipated to occur in areas that have been designated for development in the Township’s Official Plan. This is consistent with Provincial regulations that require development charges forecasts to be based on areas approved for development in a municipality’s Official Plan.

This forecast assumes the Township of Wellesley will achieve the target 2029 population and employment projections outlined in Region of Waterloo Official Plan, 2010. As the Township’s Official Plan was prepared as a conformity exercise to the Regional Official Plan, the forecasts contained in this study are also consistent with the Township Official Plan.

B. HISTORICAL DEVELOPMENT IN THE TOWNSHIP OF WELLESLEY

The Township of Wellesley has experienced steady household and employment growth over the last ten years. Historical growth and development figures presented

here are based on Statistics Canada Census data. A “Census-based” definition of population is used for the purposes of the development charges study. This definition does not include the Census net undercoverage, which is typically included in the definition of “total” population commonly used in municipal planning documents. For development charges purposes, a ten year historical period of 2004 to 2013 is used for calculating historical service levels. Since 2011 was the last year of the Census, figures for 2012 and 2013 are estimated.

Table A.1 shows that the overall population growth across the Township occurred gradually over the historical period from 2004 to 2013. The number of dwelling units in the Township increased at a higher rate than the population over the same period, growing at an average of 1.6 per cent each year. This difference is the result of a decline in the average number of persons residing in dwelling units.

Total employment numbers used in Table A.1 are based on Statistics Canada place of work data. Place of work employment figures record where people work rather than their place of residence. The employment figures shown in this table include workers with no fixed address. Table A.1 shows that the Township’s employment grew over the last decade, from about 2,900 jobs in 2004 to 3,400 jobs in 2013. The Township’s activity rate (the ratio of employment to population) has remained steady over the historical ten-year period.

Tables A.2 and A.3 provide historic housing activity data from the Canadian Mortgage and Housing Corporation between 2008 and 2013. The number of housing completions by dwelling unit type is shown in Table A.2, and the resulting percentages are shown in table A.3. These tables show that, over the previous five years, all of the completed housing units in the Township of Wellesley were either single or semi-detached units.

Table A.4 provides details on historical occupancy patterns in the Township of Wellesley. The overall average occupancy level in the Township is 3.42 persons per dwelling unit (PPU). The average PPU for single and semi-detached units built in the Township in the period 2001-2011 is 3.29. Average PPUS for recently constructed apartments are 1.33.

C. FORECAST METHOD AND RESULTS

The forecast described herein is consistent with governing legislation and represents a best estimate of the amount and type of development that is likely to occur. The forecasts are premised on the Township achieving population and employment targets outlined in the Region of Waterloo's Official Plan, 2010. Population, dwelling unit and employment forecast numbers are presented in Table A.5.

1. Residential Forecast

The residential forecast is based on a forecast of population and dwelling unit growth, as well as population in new units in the Township. The allocation of development related capital costs between the residential and non-residential sector is based on forecasts of population in new dwelling units and employment. The population in new units was estimated based Statistics Canada special run of data on occupancy patterns of household unit types by period of construction and the overall occupancy patterns (by unit type) throughout the Region of Waterloo.

As detailed in Tables A.5 and A.6, the Township's Census population is forecast to rise from approximately 10,800 in 2013 to 11,250 in 2023 and to 11,610 at 2031. This represents respective increases of about 4 per cent (or 450 persons) and 7 per cent (or 810 persons) when measured against the 2013 population. The Township's Census population estimates are slightly lower than the Official Plan targets due to Census undercoverage. This undercoverage is commonly estimated at 4%.

Over the ten year planning period from 2014-2023, the total number of occupied dwelling units is forecast to increase from 3,195 in 2013 to 3,545 in 2023 and to 3,865 at 2031. These are increases of 11 per cent (or 350 units) and 21 per cent (or 670 units) respectively. The higher rate of household growth compared to population growth reflects a decline in occupancy levels expected in existing housing units.

The population estimated to reside in the new dwelling units is approximately 1,100 persons (Table A.8) over the 10-year period and 2,100 persons over the longer period to 2031. The population growth in new dwelling units is estimated by applying the following PPU's to the dwelling unit forecast: 3.29 for single and semi-detached units; 2.44 for rows and other multiples; and 1.77 for apartments. The per capital residential development charge rates are calculated based on these estimates.

2. Non-Residential Forecast

The development charge employment forecast for the Township is consistent with the 2029 place of work employment forecast set out in the Region's 2010 Official Plan. Place of work employment figures record where people work rather than their place of

residence. The forecasts incorporate employees without fixed work place addresses who live in municipalities that surround Wellesley and work primarily within the Township.

Development charges are levied on non-residential development as a charge per unit of Gross Floor Area (GFA). As with the residential forecast, the non-residential forecast requires both a projection of employment growth, as well as a projection of the employment growth associated with new floor space in the Township. As with the residential forecast, the GFA forecast covers the ten year period from 2014 to 2023 for all general (or soft) services. The longer term forecast from 2014 to 2031 is used for engineered services.

The floor space assumptions are based on factors outlined in the most recent development charges background study prepared for the Region of Waterloo. An assumed Floor Space per Worker (FSW) is applied to the new employment forecast numbers in order to estimate growth in non-residential space across the Township of Wellesley. The FSW assumption used herein is 55 m² per employee. The employment and floor space forecasts for the Township are summarized in Table A.9.

Total employment is forecast to grow by 430 employees over the ten-year forecast period from 2014 to 2023. Between 2014 and 2031, the total number of employees will grow by approximately 731 to 4,170 employees in 2031.

The total floor space growth is forecast at 23,800 square metres over the ten-year planning period. By 2031, the non-residential building space in the Township of Wellesley is expected to increase by 40,180 square metres.

TOWNSHIP OF WELLESLEY 2014 DEVELOPMENT CHARGES STUDY
TABLE A.1
Historic Population, Dwellings & Employment

Mid-Year	Census Population	Growth	Total Occupied Dwellings	Growth	HH Size	Employment by Place of Work	Growth	Activity Rate
2001	9,365	-	2,648	-	3.54	2,894	-	30.9%
2002	9,448	83	2,685	37	3.52	2,939	45	31.1%
2003	9,532	84	2,723	38	3.50	2,984	45	31.3%
2004	9,617	85	2,761	38	3.48	3,030	46	31.5%
2005	9,703	86	2,800	39	3.47	3,077	47	31.7%
2006	9,789	86	2,839	39	3.45	3,125	48	31.9%
2007	9,967	178	2,897	58	3.44	3,171	46	31.8%
2008	10,148	181	2,957	60	3.43	3,218	47	31.7%
2009	10,333	185	3,018	61	3.42	3,265	47	31.6%
2010	10,521	188	3,080	62	3.42	3,313	48	31.5%
2011	10,713	192	3,143	63	3.41	3,361	48	31.4%
2012	10,758	45	3,170	27	3.39	3,402	41	31.6%
2013	10,803	45	3,195	25	3.38	3,443	41	31.9%

Source: Statistics Canada, Census of Canada

Note: Activity Rate represents the ratio between total employment and Census population

Note: Census population does not include an estimate of Census net-undercoverage.

TABLE A.2
Historic Housing Activity - Units

Year	Housing Completions - Units			
	Singles/Semis	Rows	Apts.	Total
2008	71	0	0	71
2009	54	0	0	54
2010	74	0	0	74
2011	16	0	0	16
2012	27	0	0	27
2013	25	0	0	25
Total	267	0	0	267
Average '08-'13	45	0	0	45

Source: Canada Mortgage and Housing Corporation (CMHC), Housing Market Information

TABLE A.3
Historic Housing Activity - Shares By Unit Type

Mid-Year	Housing Completions - Units			
	Singles/Semis	Rows	Apts.	Total
2008	100%	0%	0%	100%
2009	100%	0%	0%	100%
2010	100%	0%	0%	100%
2011	100%	0%	0%	100%
2012	100%	0%	0%	100%
2013	100%	0%	0%	100%
Total	100%	0%	0%	100%

TOWNSHIP OF WELLESLEY 2014 DEVELOPMENT CHARGES STUDY

TABLE A.4
Historic Households by Period of Construction Showing Household Size

	Period of Construction										Pre 2001	2001-2011	Total
	Pre 1946	1946-1960	1961-1970	1971-1980	1981-1985	1986-1990	1991-1995	1996-2000	2001-2005	2006-2011			
Singles & Semis													
Household Population	3,430	610	810	820	520	820	500	640	785	1055	8,150	1,840	9,990
Households	845	200	280	260	185	255	130	195	260	300	2,350	560	2,910
Household Size	4.06	3.05	2.89	3.15	2.81	3.22	3.85	3.28	3.02	3.52	3.47	3.29	3.43
Rows													
Household Population	0	0	0	0	0	0	0	0	0	0	0	0	0
Households	0	0	0	0	0	0	0	0	0	0	0	0	0
Household Size	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Apartments													
Household Population	0	0	0	0	0	0	0	0	20	0	0	20	20
Households	0	0	0	0	0	0	0	0	15	0	0	15	15
Household Size	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.33	0	0.00	1.33	1.33
All Units													
Household Population	3,430	610	810	820	520	820	500	640	805	1,055	8,150	1,860	10,010
Households	845	200	280	260	185	255	130	195	275	300	2,350	575	2,925
Household Size	4.06	3.05	2.89	3.15	2.81	3.22	3.85	3.28	2.93	3.52	3.47	3.23	3.42

Source: Statistics Canada, 2011 Census Special Run

TOWNSHIP OF WELLESLEY 2014 DEVELOPMENT CHARGES STUDY

TABLE A.5
 Population, Household & Employment Forecast Summary

Mid-Year	Census Population	Total Occupied Dwellings	Employment by POW	HH Size	Activity Rate
2011	10,713	3,143	3,361	3.41	31.4%
2012	10,758	3,170	3,402	3.39	31.6%
2013	10,803	3,195	3,443	3.38	31.9%
2014	10,848	3,230	3,481	3.36	32.1%
2015	10,892	3,265	3,571	3.34	32.8%
2016	10,937	3,300	3,609	3.31	33.0%
2017	10,982	3,335	3,647	3.29	33.2%
2018	11,027	3,370	3,685	3.27	33.4%
2019	11,072	3,405	3,723	3.25	33.6%
2020	11,117	3,440	3,761	3.23	33.8%
2021	11,161	3,475	3,799	3.21	34.0%
2022	11,206	3,510	3,837	3.19	34.2%
2023	11,251	3,545	3,875	3.17	34.4%
2024	11,296	3,585	3,913	3.15	34.6%
2025	11,341	3,625	3,951	3.13	34.8%
2026	11,386	3,665	3,989	3.11	35.0%
2027	11,430	3,705	4,026	3.09	35.2%
2028	11,475	3,745	4,063	3.06	35.4%
2029	11,520	3,785	4,100	3.04	35.6%
2030	11,565	3,825	4,137	3.02	35.8%
2031	11,610	3,865	4,174	3.00	36.0%

Source: Hemson Consulting Ltd., 2014 and Region of Waterloo Official Plan (OP) 2010

Note: Activity Rate represents the ratio between total employment and Census population

Note: Census population does not include an estimate of Census net-undercoverage.

TABLE A.6
 Forecast Population & Household Growth Summary

Mid-Year	Census Pop'n Growth	Total Occupied Dwellings Growth	Employment by POW Growth
2011	-	-	-
2012	45	27	41
2013	45	25	41
2014	45	35	38
2015	45	35	90
2016	45	35	38
2017	45	35	38
2018	45	35	38
2019	45	35	38
2020	45	35	38
2021	45	35	38
2022	45	35	38
2023	45	35	38
2024	45	40	38
2025	45	40	38
2026	45	40	38
2027	45	40	37
2028	45	40	37
2029	45	40	37
2030	45	40	37
2031	45	40	37
2014-2023	448	350	432
2014-2031	807	670	731

Source: Hemson Consulting Ltd., 2014 and Region of Waterloo OP, 2010

TOWNSHIP OF WELLESLEY 2014 DEVELOPMENT CHARGES STUDY

TABLE A.7
Growth in Households by Unit Type

Mid-Year	Singles & Semis	Rows & Other Multiples	Apartments	Total New HH
2014	29	4	2	35
2015	29	4	2	35
2016	29	4	2	35
2017	29	4	2	35
2018	29	4	2	35
2019	29	4	2	35
2020	29	4	2	35
2021	29	4	2	35
2022	29	4	2	35
2023	29	4	2	35
2024	34	4	2	40
2025	34	4	2	40
2026	34	4	2	40
2027	34	4	2	40
2028	34	4	2	40
2029	34	4	2	40
2030	34	4	2	40
2031	34	4	2	40
2014-2023	290	40	20	350
2014-2031	562	72	36	670

Source: Hemson Consulting Ltd., 2014 and Region of Waterloo Official Plan 2010

TABLE A.8
Forecast Population in New Households by Unit Type*

Mid-Year	Singles & Semis	Rows & Other Multiples	Apartments	Total Population in New HH
2014	95	10	4	109
2015	95	10	4	109
2016	95	10	4	109
2017	95	10	4	109
2018	95	10	4	109
2019	95	10	4	109
2020	95	10	4	109
2021	95	10	4	109
2022	95	10	4	109
2023	95	10	4	109
2024	112	10	4	126
2025	112	10	4	126
2026	112	10	4	126
2027	112	10	4	126
2028	112	10	4	126
2029	112	10	4	126
2030	112	10	4	126
2031	112	10	4	126
2014-2023	950	100	40	1,090
2014-2031	1,846	180	72	2,098

*Based on PPU's

3.29

2.44

1.77

TOWNSHIP OF WELLESLEY 2014 DEVELOPMENT CHARGES STUDY

TABLE A.9
Non-Residential Space Forecast

Employment Density

All employment Types

55.0 m² per employee

Mid-Year	<u>Total Employment</u>		
	Total Emp	Emp Growth	Space (m ²)
2011	3,361		
2012	3,402		
2013	3,443		
2014	3,481	38	2,090
2015	3,571	90	4,950
2016	3,609	38	2,090
2017	3,647	38	2,090
2018	3,685	38	2,090
2019	3,723	38	2,090
2020	3,761	38	2,090
2021	3,799	38	2,090
2022	3,837	38	2,090
2023	3,875	38	2,090
2024	3,913	38	2,090
2025	3,951	38	2,090
2026	3,989	38	2,090
2027	4,026	37	2,035
2028	4,063	37	2,035
2029	4,100	37	2,013
2030	4,137	37	2,035
2031	4,174	37	2,035
2014-2023		432	23,760
2014-2031		731	40,183

Source: Hemson Consulting Ltd., 2014 and Region of Waterloo Official Plan 2010

Note: 2015 employment and space growth represents the construction of the anticipated new heavy equipment manufacturer

APPENDIX B

***GENERAL SERVICES
TECHNICAL APPENDIX***

APPENDIX B

GENERAL SERVICES TECHNICAL APPENDIX

The following four appendices provide the detailed analysis undertaken to establish the development charge rates for each of the general services in the Township of Wellesley:

Appendix B.1 General Government

Appendix B.2 Fire Protection

Appendix B.3 Parks and Recreation

Appendix B.4 Public Works

Every sub-section, with the exception of General Government, contains a set of three tables. The tables provide the background data and analysis undertaken to arrive at the calculated development charge rates for that particular service. An overview of the content and purpose of each of the tables is given below.

TABLE 1 HISTORICAL SERVICE LEVELS

Table 1 presents the data used to determine the 10-year historical service level. The *DCA* and *Ontario Regulation 82/98* require that development charges be set at a level no higher than the average service level provided in the municipality over the 10-year period immediately preceding the preparation of the background study, on a service by service basis. For the purpose of this study, the historical inventory period is defined as 2004–2013.

O. Reg. 82/98 requires that, when defining and determining historical service levels, both the 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. The qualitative aspect is introduced by considering the monetary value of the facility or service. In the case of buildings, for example, the cost would be shown in terms of cost 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 funded by new growth reflect not only the quantity (number and size), but also the quality (replacement value or cost)

of service provided by the municipality in the past. Both the quantitative and qualitative aspects of service levels used in the current analysis are based on information provided by Township staff in consultation with Hemson. This information is generally based on historical records and experience with costs to acquire or construct similar facilities, equipment and infrastructure.

Table 1 also shows the calculation of the maximum allowable funding envelope, net of uncommitted excess capacity and the legislated ten per cent reduction (for all applicable services). The maximum allowable funding envelope is defined as the 10-year historical service level (expressed as \$/dwelling unit, \$/capita or \$/population and employment) multiplied by the forecast increase in net population and employment over the future planning period. The resulting figure is the value of capital infrastructure that would have to be constructed for that particular service so that the 10-year historic service level is maintained.

There is also a requirement in the *DCA* to consider “excess capacity” within the Township’s existing infrastructure that may be available to partially meet the future servicing requirements. If Council has expressed its intent, before or at the time the capacity was created, to recoup the cost of providing the capacity from new development, it is considered “committed excess capacity” under the *DCA*, and the associated capital cost is eligible for recovery. Should notional “uncommitted excess capacity” exist, and is determined to be available to service new development, appropriate adjustments are made to the calculations.

**TABLE 2 2014 – 2023 DEVELOPMENT-RELATED CAPITAL PROGRAM AND
CALCULATION OF THE “UNADJUSTED” DEVELOPMENT CHARGES**

The *DCA* requires that Council express its intent to provide future capital facilities to support future development. Based on the development forecasts presented in Appendix A, Township staff, in collaboration with consultants, have developed a development-related capital forecast which sets out the projects required to service anticipated growth for the 10-year period from 2014–2023. The development-related capital program for each service is shown as Table 2 of each sub-section.

To determine the share of the program that is eligible for recovery through development charges, the project costs are reduced by any anticipated grants, subsidies

or other recoveries, “replacement” shares and benefit to existing shares, and the legislated “10 per cent reduction” for any eligible service.

A benefit to existing share represents the portion of a capital project that will benefit the existing community. It could, for example, represent a portion of a new facility that will, at least in part, replace a facility that is demolished, redeployed or will otherwise not be available to serve its former function. The replacement share of the capital program is not deemed to be development-related and is therefore removed from the development charge calculation. The capital cost for replacement will require funding from non-development charge sources, typically property taxes or user fees.

When calculating development charges, the development-related net capital cost must be reduced by 10 per cent for all services except fire services and engineered services (*DCA s.5.(1)8.*). In addition, under the *Development Charges Act, 1997*, services related to a highway as defined in subsection 1(1) of the *Municipal Act, 2001*, need not to be reduced by the legislated 10 per cent (as with other general services). The services and capital assets of Public Works are considered to be related to a highway and therefore not reduced. The 10 per cent discount is therefore applied to all general services considered in this appendix with the exception of Fire Services and Public Works. As with replacement shares, the 10 per cent mandatory reduction must be funded from non-development charge sources.

The capital program less any replacement shares or benefit to existing shares and 10 per cent discount shares yields the development-related costs. Although deemed development-related, not all of the net development-related capital program may be recoverable from development charges in the period from 2014–2023. For some services, reserve fund balances may be available to fund a share of the program. In addition, for some services, a portion of the capital program may service growth occurring after 2023. This portion of the capital program is deemed “pre-built” service capacity and is considered as committed excess capacity to be recovered under future development charges. The capital costs associated with pre-built service capacity are also removed from the development charge calculation.

The remaining portion of the net capital program represents the development-related cost that may be included in the development charge. In all cases, as required, this amount is equal to or less than the maximum allowable capital amount as calculated

at the end of Table 1. The result is the discounted development-related net capital costs eligible for recovery against growth over the forecast period from 2014–2023.

Calculation of the Unadjusted Development Charges Rates

The section below the capital program displays the calculation of the “unadjusted” development charge rates. The term “unadjusted” development charge is used to distinguish the charge that is calculated prior to cash flow financing considerations. The cash flow analysis is shown in Table 3.

The first step in determining the unadjusted development charge rate is to allocate the development-related net capital cost between the residential and non-residential sectors. For General Government, Fire Protection and Public Works, the development-related costs have been apportioned as 72 per cent residential and 28 per cent non-residential. This apportionment is based on the anticipated shares of population in new unit and employment growth over the 10-year forecast period.

The development-related costs associated with the Parks and Recreation Services have been allocated 100 per cent to the residential sector, as the need for these services is generally driven by residential development.

The residential share of the 2014–2023 DC eligible costs are then divided by the forecast population growth in new dwelling units. This gives the unadjusted residential development charge per capita. The non-residential development-related net capital costs are divided by the forecast increase in non-residential gross floor area (GFA). This yields a charge per square metre of new non-residential development.

TABLE 3 CASH FLOW ANALYSIS

A cash flow analysis is also undertaken to account for the timing of projects and receipt of development charges. Interest earnings or borrowing costs, therefore, are accounted for in the calculation as allowed under the *DCA*. Based on the growth forecast, the analysis calculates the development charge rate required to finance the net development-related capital spending plan, including provisions for any borrowing costs or interest earnings on the reserve funds. The cash flow analysis is designed so that the closing cash balance at the end of the planning period is as close to nil as possible.

In order to determine appropriate development charge rates reflecting borrowing and earnings necessary to support the net development-related funding requirement, assumptions are used for the inflation rate and interest rate. An inflation rate of 2 per cent is used for the funding requirements, an interest rate of 5.5 per cent is used for borrowing on the funds and an interest rate of 3.5 per cent is applied to positive balances.

Table 3 displays the results of the cash flow analysis and provides the adjusted or final per capita residential and per square metre (of GFA) non-residential development charges.

APPENDIX B.1

GENERAL GOVERNMENT

APPENDIX B.1

GENERAL GOVERNMENT

The *DCA* allows the cost of development-related studies and other general government functions to be included in the calculation of the development charges, as long as they are permitted under the legislation. Consistent with s. 5 (1) 7 of the *DCA*, the eligible development-related net capital cost for the provision of studies and permitted general government expenditures is reduced by 10 per cent in calculating the development charges.

**TABLE 1 2014 – 2023 DEVELOPMENT-RELATED CAPITAL PROGRAM AND
CALCULATION OF THE “UNADJUSTED” DEVELOPMENT CHARGES**

As shown in Table 1, the 2014-2023 development-related gross cost for general government is \$317,500. The capital program relates to the various development-related studies, including future development charges studies, updates to the Township’s Official Plan and other planning studies.

Recognizing that not all projects under this service are entirely a result of new development in the Township, “benefit to existing” shares have been calculated as 50 per cent of project costs for selected projects that cannot be fully attributed to development. These replacement shares amount to \$75,000, and will not be recovered through development charges. The legislated ten per cent discount totals \$24,250 and is also discounted from the capital costs. The remaining DC eligible share totals \$218,250.

An amount of \$119,147 is available in the General Government DC reserves, which is used to partially fund the remaining development-related costs. As a result, the remaining funds brought forward to the development charges calculation total \$99,100. This amount is apportioned 72 per cent (\$71,354) to residential development and 28 per cent (\$27,749) to non-residential development. This apportionment is based on the anticipated shares of population in new units and employment growth over the ten-year forecast period. The resulting unadjusted charges for General Government are \$65.46 per capita and \$1.17 per square metre.

TABLE 2 CASH FLOW ANALYSIS

After cash flow considerations, both the residential and non-residential development charges decrease to \$64.80 per capita and \$1.15 per square metre, respectively.

GENERAL GOVERNMENT SUMMARY					
2014 - 2023		Unadjusted		Adjusted	
Development-Related Capital Program		Development Charge		Development Charge	
Total	Net DC Recoverable	\$/capita	\$/sq.m	\$/capita	\$/sq.m
\$317,500	\$99,103	\$65.46	\$1.17	\$64.80	\$1.15

TOWNSHIP OF WELLESLEY
DEVELOPMENT-RELATED CAPITAL PROGRAM
GENERAL GOVERNMENT

Project Description	Timing	Gross Project Cost	Grants/ Subsidies/Other Recoveries	Net Municipal Cost	Ineligible Costs		Total DC Eligible Costs	DC Eligible Costs		
					Replacement & BTE Shares	10% Reduction		Available DC Reserves	2014-2023	Post 2023
1.0 GENERAL GOVERNMENT										
1.1 Development-Related Studies										
1.1.1 Development Charges Study	2014	\$ 20,000	\$ -	\$ 20,000	\$ -	\$ 2,000	\$ 18,000	\$ 18,000	\$ -	\$ -
1.1.2 South West Special Policy Study	2014	\$ 40,000	\$ -	\$ 40,000	\$ -	\$ 4,000	\$ 36,000	\$ 36,000	\$ -	\$ -
1.1.3 Fire Master Plan	2015	\$ 50,000	\$ -	\$ 50,000	\$ 25,000	\$ 2,500	\$ 22,500	\$ 22,500	\$ -	\$ -
1.1.4 Official Plan Review	2016	\$ 50,000	\$ -	\$ 50,000	\$ 25,000	\$ 2,500	\$ 22,500	\$ 22,500	\$ -	\$ -
1.1.5 Development Charges Study	2018	\$ 22,500	\$ -	\$ 22,500	\$ -	\$ 2,250	\$ 20,250	\$ 20,147	\$ 103	\$ -
1.1.6 Wellesley Settlement Area Boundary Expansion	2018	\$ 60,000	\$ -	\$ 60,000	\$ -	\$ 6,000	\$ 54,000	\$ -	\$ 54,000	\$ -
1.1.7 Official Plan Review	2021	\$ 50,000	\$ -	\$ 50,000	\$ 25,000	\$ 2,500	\$ 22,500	\$ -	\$ 22,500	\$ -
1.1.8 Development Charges Study	2023	\$ 25,000	\$ -	\$ 25,000	\$ -	\$ 2,500	\$ 22,500	\$ -	\$ 22,500	\$ -
Subtotal Development-Related Studies		\$ 317,500	\$ -	\$ 317,500	\$ 75,000	\$ 24,250	\$ 218,250	\$ 119,147	\$ 99,103	\$ -
TOTAL GENERAL GOVERNMENT		\$ 317,500	\$ -	\$ 317,500	\$ 75,000	\$ 24,250	\$ 218,250	\$ 119,147	\$ 99,103	\$ -

Residential Development Charge Calculation		
Residential Share of 2014 - 2023 DC Eligible Costs	72%	\$71,354
10-Year Growth in Population in New Units		1,090
Unadjusted Development Charge Per Capita		\$65.46
Non-Residential Development Charge Calculation		
Non-Residential Share of 2014 - 2023 DC Eligible Costs	28%	\$27,749
10-Year Growth in Square Metres		23,760
Unadjusted Development Charge Per Square Metre		\$1.17

Uncommitted Reserve Fund Balance	
Balance as at December 31, 2013	\$119,147

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**TOWNSHIP OF WELLESLEY
CASHFLOW AND DETERMINATION OF DEVELOPMENT CHARGE
GENERAL GOVERNMENT
RESIDENTIAL DEVELOPMENT CHARGE
(in \$000)**

GENERAL GOVERNMENT	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	TOTAL
OPENING CASH BALANCE	\$0.0	\$7.2	\$14.8	\$22.7	\$31.2	(\$3.2)	\$4.5	\$12.8	\$2.5	\$11.0	
2014 - 2023 RESIDENTIAL FUNDING REQUIREMENTS											
- General Government: Non Inflated	\$0.0	\$0.0	\$0.0	\$0.0	\$39.0	\$0.0	\$0.0	\$16.2	\$0.0	\$16.2	\$71.4
- General Government: Inflated	\$0.0	\$0.0	\$0.0	\$0.0	\$42.2	\$0.0	\$0.0	\$18.6	\$0.0	\$19.4	\$80.1
NEW RESIDENTIAL DEVELOPMENT											
- Population Growth in New Units	109	109	109	109	109	109	109	109	109	109	1,090
REVENUE											
- DC Receipts: Inflated	\$7.1	\$7.2	\$7.3	\$7.5	\$7.6	\$7.8	\$8.0	\$8.1	\$8.3	\$8.4	\$77.3
INTEREST											
- Interest on Opening Balance	\$0.0	\$0.3	\$0.5	\$0.8	\$1.1	(\$0.2)	\$0.2	\$0.4	\$0.1	\$0.4	\$3.6
- Interest on In-year Transactions	\$0.1	\$0.1	\$0.1	\$0.1	(\$1.0)	\$0.1	\$0.1	(\$0.3)	\$0.1	(\$0.3)	(\$0.6)
TOTAL REVENUE	\$7.2	\$7.6	\$7.9	\$8.4	\$7.7	\$7.8	\$8.3	\$8.3	\$8.5	\$8.5	\$80.2
CLOSING CASH BALANCE	\$7.2	\$14.8	\$22.7	\$31.2	(\$3.2)	\$4.5	\$12.8	\$2.5	\$11.0	\$0.1	

2014 Adjusted Charge Per Capita	\$64.80
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Allocation of Capital Program	
Residential Sector	72.0%
Non-Residential Sector	28.0%
Rates for 2014	
Inflation Rate	2.0%
Interest Rate on Positive Balances	3.5%
Interest Rate on Negative Balances	5.5%

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APPENDIX B.1
TABLE 2 - PAGE 2

**TOWNSHIP OF WELLESLEY
CASHFLOW AND DETERMINATION OF DEVELOPMENT CHARGE
GENERAL GOVERNMENT
NON-RESIDENTIAL DEVELOPMENT CHARGE
(in \$000)**

GENERAL GOVERNMENT	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	TOTAL
OPENING CASH BALANCE	\$0.00	\$2.44	\$8.43	\$11.27	\$14.31	\$0.63	\$3.40	\$6.27	\$1.93	\$4.84	
2014 - 2023 NON-RESIDENTIAL FUNDING REQUIREMENTS											
- General Government: Non Inflated	\$0.0	\$0.0	\$0.0	\$0.0	\$15.1	\$0.0	\$0.0	\$6.3	\$0.0	\$6.3	\$27.7
- General Government: Inflated	\$0.0	\$0.0	\$0.0	\$0.0	\$16.4	\$0.0	\$0.0	\$7.2	\$0.0	\$7.5	\$31.2
NEW NON-RESIDENTIAL DEVELOPMENT											
- Growth in Square Metres	2,090	4,950	2,090	2,090	2,090	2,090	2,090	2,090	2,090	2,090	23,760
REVENUE											
- DC Receipts: Inflated	\$2.4	\$5.8	\$2.5	\$2.6	\$2.6	\$2.7	\$2.7	\$2.8	\$2.8	\$2.9	\$29.8
INTEREST											
- Interest on Opening Balance	\$0.0	\$0.1	\$0.3	\$0.4	\$0.5	\$0.0	\$0.1	\$0.2	\$0.1	\$0.2	\$1.9
- Interest on In-year Transactions	\$0.0	\$0.1	\$0.0	\$0.0	(\$0.4)	\$0.0	\$0.0	(\$0.1)	\$0.0	(\$0.1)	(\$0.3)
TOTAL REVENUE	\$2.4	\$6.0	\$2.8	\$3.0	\$2.7	\$2.8	\$2.9	\$2.9	\$2.9	\$2.9	\$31.4
CLOSING CASH BALANCE	\$2.4	\$8.4	\$11.3	\$14.3	\$0.6	\$3.4	\$6.3	\$1.9	\$4.8	\$0.3	

2014 Adjusted Charge Per Square Metre	\$1.15
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Allocation of Capital Program	
Residential Sector	72.0%
Non-Residential Sector	28.0%
Rates for 2014	
Inflation Rate	2.0%
Interest Rate on Positive Balances	3.5%
Interest Rate on Negative Balances	5.5%

APPENDIX B.2

FIRE PROTECTION

APPENDIX B.2

FIRE PROTECTION

The Township of Wellesley Fire Department is a volunteer organization that provides emergency services within the Township. The department responds to approximately 260 calls per year, attending to various emergencies related to fires, vehicle accidents, hazardous spills, medical situations, and rescues.

TABLE 1 HISTORICAL SERVICE LEVELS

Table 1 displays the ten year historical inventory for buildings, land, vehicles and equipment for Fire Protection services. The Township of Wellesley Fire Department operates out of three fire stations with a total building area of 13,500 square feet. The total replacement value of the stations is \$2.83 million. The land associated with all three fire stations totals 1.10 hectares and is valued at \$274,000. The 2013 fire department fleet totals 11 vehicles with a replacement value of \$4.58 million. Equipment in all stations is valued at approximately \$446,000.

The 2013 combined replacement value of the inventory of capital assets for Fire Protection services is \$8.13 million, resulting in a ten year historical average service level of \$2,504.44 per dwelling unit. The historical service level, multiplied by the ten-year growth in new dwelling units (350), results in a ten-year maximum allowable funding envelope of \$876,600. Excess capacity in the amount of \$132,700 exists for this service and has been deducted from the calculated funding envelope. Therefore, the maximum allowable funding envelope brought forward to the development charges calculation is reduced to \$743,900.

TABLE 2 2014–2023 DEVELOPMENT-RELATED CAPITAL PROGRAM & CALCULATION OF THE “UNADJUSTED” DEVELOPMENT CHARGES

Fire Protection services capital program mainly provides for the construction of a new fire station in St. Clements, with a total project cost of \$1.37 million. The capital program also provides for two new vehicle acquisitions that amount to \$290,000, as well as equipment and dispatch upgrades valued at \$100,000.

The Township anticipates constructing a new Fire Station (Station #2: St. Clements) in 2016 at a total gross cost of \$1.37 million. No grants, subsidies, or other recoveries

are anticipated to fund any share of the above mentioned project and as such, the net cost to the municipality remains at \$1.37 million. Recognizing that the new Fire Station will result in the current space utilized at station #2 be closed, a “replacement” share equivalent to the value of the current station has been netted off the total net municipal cost. The replacement share amounts to \$630,000 and this amount will not be recovered through development charges. A portion of this project (\$66,686) will be funded through the Township’s Fire protection DC reserve balance. The remaining \$668,300 will be funded through development charges over the period 2014-2023 and has been included in the DC rate calculations.

The capital program also provides for the purchase of a utility training unit (in 2015) and Aerial truck (in 2016) for a combined cost of \$290,000. Recognizing that the new aerial truck will result in the decommissioning or replacement of a vehicle, a replacement share equal to \$80,000 has been netted off the net municipal cost. The replacement share will not be recovered through development charges. The utility training unit is anticipated to be entirely funded through the Township’s Fire protection DC reserve balance. A portion of these projects (\$94,400) is deemed to benefit development beyond 2023, and as such, this amount will be considered for recovery in subsequent development charges by-laws. The remaining \$75,556 will be funded through development charges over the period 2014-2023 and has been included in the DC rate calculations.

Lastly, the capital program provides for the purchase of new equipment and dispatch upgrades. Recognizing that a large portion of this project will result in a benefit to the existing population, the benefit to existing community component is based on shares of existing and future household growth to 2023. Therefore, only 11% of the cost of this project is related to new development. In addition, the entire DC eligible cost (\$11,000) is deemed to benefit development beyond 2023, and as such, this amount will be considered for recovery in subsequent development charges by-laws. This project will not be funded through development charges in this 10-year period.

Altogether, the ten-year capital program for Fire Protection Services amounts to \$1.76 million. Non-growth shares, relating to replacement and benefit to existing shares of the fire station, aerial truck and new equipment amount to \$799,045. A portion of this program will be funded through the Fire Protection DC reserve balance of \$106,686. Another portion, about \$105,400, is deemed to be a post-period benefit, and will be considered for recovery in subsequent development charges by-laws. Given that

protection services are exempt from the ten per cent reduction of capital costs imposed by the *DCA*, no deduction is made.

The remaining \$743,900 is related to development in the 2014–2023 planning period and is eligible for DC recovery. The development-related net capital cost is allocated 72 per cent to residential development (\$535,586) and 28 per cent to non-residential development (\$208,284). The residential share of the net development-related capital cost is divided by the 10-year growth in population in new dwelling units to derive an unadjusted charge of \$491.36 per capita. The non-residential share of the net growth related capital cost is divided by the 10-year forecast growth in floor space, resulting in an unadjusted charge of \$8.77 per square metre.

TABLE 3 CASH FLOW ANALYSIS

After cash flow consideration, the residential calculated charge increases to \$540.50 per capita and the non-residential charge increases to \$9.52 per square metre. This increase reflects the front-ended nature of the timing of anticipated capital projects.

The following table summarizes the calculation of the Fire Protection development charge:

FIRE PROTECTION SUMMARY						
10-year Hist. Service Level per dwelling unit	2014 - 2023 Development-Related Capital Program		Unadjusted Development Charge		Adjusted Development Charge	
	Total	Net DC Recoverable	\$/capita	\$/sq.m	\$/capita	\$/sq.m
\$2,504.44	\$1,755,000	\$743,870	\$491.36	\$8.77	\$540.50	\$9.52

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 APPENDIX B.2
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TOWNSHIP OF WELLESLEY
 INVENTORY OF CAPITAL ASSETS
 FIRE PROTECTION

BUILDINGS	2014										UNIT COST (\$/sq.ft.)
	# of Square Feet										
Station Name	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	
Station #1 - Linwood	2,929	2,929	2,929	2,929	2,929	2,929	4,029	4,029	4,029	4,029	\$210
Station #2 - St. Clements	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	\$210
Station #3 - Wellesley	6,468	6,468	6,468	6,468	6,468	6,468	6,468	6,468	6,468	6,468	\$210
Total (sq.ft.)	12,397	12,397	12,397	12,397	12,397	12,397	13,497	13,497	13,497	13,497	
Total (\$000)	\$2,603.4	\$2,603.4	\$2,603.4	\$2,603.4	\$2,603.4	\$2,603.4	\$2,834.4	\$2,834.4	\$2,834.4	\$2,834.4	

LAND	2014										UNIT COST (\$/ha)
	# of Hectares										
Station Name	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	
Station #1 - Linwood	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	\$250,000
Station #2 - St. Clements	0.28	0.28	0.28	0.28	0.28	0.28	0.28	0.28	0.28	0.28	\$250,000
Station #3 - Wellesley	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	\$250,000
Total (ha)	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	
Total (\$000)	\$274.0	\$274.0	\$274.0	\$274.0	\$274.0	\$274.0	\$274.0	\$274.0	\$274.0	\$274.0	

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APPENDIX B.2
TABLE 1 - PAGE 2

TOWNSHIP OF WELLESLEY
INVENTORY OF CAPITAL ASSETS
FIRE PROTECTION

VEHICLES Vehicle Type	# of Vehicles										2014 UNIT COST (\$/vehicle)
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	
Station #1 - Linwood											
1999 Pump	1	1	1	1	1	1	1	1	1	1	\$520,000
2010 Tanker	1	1	1	1	1	1	1	1	1	1	\$360,000
2007 Rescue	1	1	1	1	1	1	1	1	1	1	\$400,000
Station #2 - St. Clements											
2007 Pump	1	1	1	1	1	1	1	1	1	1	\$520,000
2000 Tanker Repalce		1	1	1	1	1	1	1	1	1	\$360,000
2006 Rescue	1	1	1	1	1	1	1	1	1	1	\$400,000
Station #3 - Wellesley											
2001 Pumper	1	1	1	1	1	1	1	1	1	1	\$520,000
2012 Tanker/pump	1	1	1	1	1	1	1	1	1	1	\$360,000
2006 Rescue	1	1	1	1	1	1	1	1	1	1	\$400,000
75"Telesquirt	-	-	-	-	-	-	1	1	1	1	\$700,000
2010 Command unit	-	-	-	-	-	-	1	1	1	1	\$40,000
Total (#)	8	9	9	9	9	9	11	11	11	11	
Total (\$000)	\$3,480.0	\$3,840.0	\$3,840.0	\$3,840.0	\$3,840.0	\$3,840.0	\$4,580.0	\$4,580.0	\$4,580.0	\$4,580.0	

EQUIPMENT Description	# of Equipment										2014 UNIT COST (\$/unit)
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	
Radios (not in vehicles)	10	10	10	10	17	17	17	17	17	17	\$4,000
Personal Protective Equipment	67	67	67	67	67	70	70	70	70	70	\$2,600
Station Furnishings	3	3	3	3	3	3	3	3	3	3	\$30,000
Small Equipment station	1	1	1	1	1	1	1	1	1	1	\$10,000
Spare Fire Hose	3	3	3	3	3	3	3	3	3	3	\$10,000
Pagers	70	70	70	70	70	70	70	70	70	70	\$600
Station Generators	-	-	-	-	-	-	-	1	1	1	\$24,000
Total (#)	154	154	154	154	161	164	164	165	165	165	
Total (\$000)	\$386.2	\$386.2	\$386.2	\$386.2	\$414.2	\$422.0	\$422.0	\$446.0	\$446.0	\$446.0	

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APPENDIX B.2
TABLE 1 - PAGE 3

TOWNSHIP OF WELLESLEY
CALCULATION OF SERVICE LEVELS
FIRE PROTECTION

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Historic Households	2,761	2,800	2,839	2,897	2,957	3,018	3,080	3,143	3,170	3,195

INVENTORY SUMMARY (\$000)

Buildings	\$2,603.4	\$2,603.4	\$2,603.4	\$2,603.4	\$2,603.4	\$2,603.4	\$2,834.4	\$2,834.4	\$2,834.4	\$2,834.4
Land	\$274.0	\$274.0	\$274.0	\$274.0	\$274.0	\$274.0	\$274.0	\$274.0	\$274.0	\$274.0
Vehicles	\$3,480.0	\$3,840.0	\$3,840.0	\$3,840.0	\$3,840.0	\$3,840.0	\$4,580.0	\$4,580.0	\$4,580.0	\$4,580.0
Equipment	\$386.2	\$386.2	\$386.2	\$386.2	\$414.2	\$422.0	\$422.0	\$446.0	\$446.0	\$446.0
Total (\$000)	\$6,743.6	\$7,103.6	\$7,103.6	\$7,103.6	\$7,131.6	\$7,139.4	\$8,110.4	\$8,134.4	\$8,134.4	\$8,134.4

SERVICE LEVEL (\$/dwelling unit)

Average Service
Level

Buildings	\$942.91	\$929.78	\$917.00	\$898.64	\$880.41	\$862.61	\$920.25	\$901.80	\$894.12	\$887.13	\$903.47
Land	\$99.24	\$97.86	\$96.51	\$94.58	\$92.66	\$90.79	\$88.96	\$87.18	\$86.44	\$85.76	\$92.00
Vehicles	\$1,260.41	\$1,371.43	\$1,352.59	\$1,325.51	\$1,298.61	\$1,272.37	\$1,487.01	\$1,457.21	\$1,444.79	\$1,433.49	\$1,370.34
Equipment	\$139.88	\$137.93	\$136.03	\$133.31	\$140.07	\$139.83	\$137.01	\$141.90	\$140.69	\$139.59	\$138.63
Total (\$/pop & emp)	\$2,442.44	\$2,536.99	\$2,502.14	\$2,452.04	\$2,411.76	\$2,365.60	\$2,633.24	\$2,588.09	\$2,566.05	\$2,545.97	\$2,504.44

TOWNSHIP OF WELLESLEY
CALCULATION OF MAXIMUM ALLOWABLE
FIRE PROTECTION

10-Year Funding Envelope Calculation	
10 Year Average Service Level 2004 - 2013	\$2,504.44
Net Household Growth 2014 - 2023	350
Maximum Allowable Funding Envelope	\$876,554
Less: Uncommitted Excess Capacity	\$132,684
Discounted Maximum Allowable Funding Envelope	\$743,870

Excess Capacity Calculation	
Total Value of Inventory in 2013	\$8,134,370
Inventory Using Average Service Level	\$8,001,686
Excess Capacity	\$132,684
Excess Capacity:	uncommitted

TOWNSHIP OF WELLESLEY
DEVELOPMENT-RELATED CAPITAL PROGRAM
FIRE PROTECTION

Project Description	Timing	Gross Project Cost	Grants/ Subsidies/Other Recoveries	Net Municipal Cost	Ineligible Costs		Total DC Eligible Costs	DC Eligible Costs		
					Replacement & BTE Shares	0% Reduction		Available DC Reserves	2014-2023	Post 2023
2.0 FIRE PROTECTION										
2.1 Buildings, Land & Furnishings										
2.1.1 New Station (6,500 sq. ft.) - St. Clements	2016	\$ 1,365,000	\$ -	\$ 1,365,000	\$ 630,000	\$ -	\$ 735,000	\$ 66,686	\$ 668,314	\$ -
Subtotal Buildings, Land & Furnishings		\$ 1,365,000	\$ -	\$ 1,365,000	\$ 630,000	\$ -	\$ 735,000	\$ 66,686	\$ 668,314	\$ -
2.2 Vehicles										
2.2.1 Utility Training Unit	2015	\$ 40,000	\$ -	\$ 40,000	\$ -	\$ -	\$ 40,000	\$ 40,000	\$ -	\$ -
2.2.2 Aerial Truck	2016	\$ 250,000	\$ -	\$ 250,000	\$ 80,000	\$ -	\$ 170,000	\$ -	\$ 75,556	\$ 94,444
Subtotal Vehicles		\$ 290,000	\$ -	\$ 290,000	\$ 80,000	\$ -	\$ 210,000	\$ 40,000	\$ 75,556	\$ 94,444
2.3 Equipment & Other										
2.3.1 Equipment and Dispatch Upgrade	2017	\$ 100,000	\$ -	\$ 100,000	\$ 89,045	\$ -	\$ 10,955	\$ -	\$ -	\$ 10,955
Subtotal Vehicles		\$ 100,000	\$ -	\$ 100,000	\$ 89,045	\$ -	\$ 10,955	\$ -	\$ -	\$ 10,955
TOTAL FIRE PROTECTION		\$ 1,755,000	\$ -	\$ 1,755,000	\$ 799,045	\$ -	\$ 955,955	\$ 106,686	\$ 743,870	\$ 105,398

Residential Development Charge Calculation		
Residential Share of 2014 - 2023 DC Eligible Costs	72%	\$535,586
10-Year Growth in Population in New Units		1,090
Unadjusted Development Charge Per Capita		\$491.36
Non-Residential Development Charge Calculation		
Non-Residential Share of 2014 - 2023 DC Eligible Costs	28%	\$208,284
10-Year Growth in Square Metres		23,760
Unadjusted Development Charge Per Square Metre		\$8.77

2014 - 2023 Net Funding Envelope	\$743,870
Uncommitted Reserve Fund Balance Balance as at December 31, 2013	\$106,686

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**TOWNSHIP OF WELLESLEY
 CASHFLOW AND DETERMINATION OF DEVELOPMENT CHARGE
 FIRE PROTECTION
 RESIDENTIAL DEVELOPMENT CHARGE
 (in \$000)**

FIRE PROTECTION	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	TOTAL
OPENING CASH BALANCE	\$0.0	\$59.9	\$123.2	(\$382.1)	(\$339.5)	(\$293.2)	(\$243.2)	(\$189.2)	(\$130.7)	(\$67.7)	
2014 - 2023 RESIDENTIAL FUNDING REQUIREMENTS											
- Fire Protection: Non Inflated	\$0.0	\$0.0	\$535.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$535.6
- Fire Protection: Inflated	\$0.0	\$0.0	\$557.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$557.2
NEW RESIDENTIAL DEVELOPMENT											
- Population Growth in New Units	109	109	109	109	109	109	109	109	109	109	1,090
REVENUE											
- DC Receipts: Inflated	\$58.9	\$60.1	\$61.3	\$62.5	\$63.8	\$65.0	\$66.3	\$67.7	\$69.0	\$70.4	\$645.0
INTEREST											
- Interest on Opening Balance	\$0.0	\$2.1	\$4.3	(\$21.0)	(\$18.7)	(\$16.1)	(\$13.4)	(\$10.4)	(\$7.2)	(\$3.7)	(\$84.1)
- Interest on In-year Transactions	\$1.0	\$1.1	(\$13.6)	\$1.1	\$1.1	\$1.1	\$1.2	\$1.2	\$1.2	\$1.2	(\$3.4)
TOTAL REVENUE	\$59.9	\$63.2	\$52.0	\$42.6	\$46.2	\$50.0	\$54.1	\$58.5	\$63.0	\$67.9	\$557.5
CLOSING CASH BALANCE	\$59.9	\$123.2	(\$382.1)	(\$339.5)	(\$293.2)	(\$243.2)	(\$189.2)	(\$130.7)	(\$67.7)	\$0.3	

2014 Adjusted Charge Per Capita	\$540.50
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Allocation of Capital Program	
Residential Sector	72.0%
Non-Residential Sector	28.0%
Rates for 2014	
Inflation Rate	2.0%
Interest Rate on Positive Balances	3.5%
Interest Rate on Negative Balances	5.5%

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APPENDIX B.2
TABLE 3 - PAGE 2

**TOWNSHIP OF WELLESLEY
CASHFLOW AND DETERMINATION OF DEVELOPMENT CHARGE
FIRE PROTECTION
NON-RESIDENTIAL DEVELOPMENT CHARGE
(in \$000)**

FIRE PROTECTION	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	TOTAL
OPENING CASH BALANCE	\$0.00	\$20.25	\$69.90	(\$129.04)	(\$114.67)	(\$99.10)	(\$82.17)	(\$63.89)	(\$44.11)	(\$22.83)	
2014 - 2023 NON-RESIDENTIAL FUNDING REQUIREMENTS											
- Fire Protection: Non Inflated	\$0.0	\$0.0	\$208.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$208.3
- Fire Protection: Inflated	\$0.0	\$0.0	\$216.7	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$216.7
NEW NON-RESIDENTIAL DEVELOPMENT											
- Growth in Square Metres	2,090	4,950	2,090	2,090	2,090	2,090	2,090	2,090	2,090	2,090	23,760
REVENUE											
- DC Receipts: Inflated	\$19.9	\$48.1	\$20.7	\$21.1	\$21.5	\$22.0	\$22.4	\$22.9	\$23.3	\$23.8	\$245.7
INTEREST											
- Interest on Opening Balance	\$0.0	\$0.7	\$2.4	(\$7.1)	(\$6.3)	(\$5.5)	(\$4.5)	(\$3.5)	(\$2.4)	(\$1.3)	(\$27.4)
- Interest on In-year Transactions	\$0.3	\$0.8	(\$5.4)	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	(\$1.5)
TOTAL REVENUE	\$20.2	\$49.7	\$17.8	\$14.4	\$15.6	\$16.9	\$18.3	\$19.8	\$21.3	\$23.0	\$216.8
CLOSING CASH BALANCE	\$20.2	\$69.9	(\$129.0)	(\$114.7)	(\$99.1)	(\$82.2)	(\$63.9)	(\$44.1)	(\$22.8)	\$0.1	

2014 Adjusted Charge Per Square Metre	\$9.52
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Allocation of Capital Program	
Residential Sector	72.0%
Non-Residential Sector	28.0%
Rates for 2014	
Inflation Rate	2.0%
Interest Rate on Positive Balances	3.5%
Interest Rate on Negative Balances	5.5%

APPENDIX B.3

PARKS AND RECREATION

APPENDIX B.3

PARKS AND RECREATION

The Township of Wellesley's Recreation Department is responsible for the provision of parks and indoor recreation services across the Township. Recreation services are delivered through a variety of indoor facilities including an arena, community centres, and a recreation complex, as well as parkland and outdoor facilities. Cultural facilities are not eligible to be recovered through development charges and are excluded from this study.

TABLE 1 HISTORICAL SERVICE LEVELS

The Township of Wellesley currently operates five indoor recreation facilities of various types. These facilities total about 97,630 square feet with a total value of \$17.80 million. The land associated with the various indoor recreation centres totals 5.85 hectares valued at \$1.46 million.

The Township owns a substantial amount of equipment used to provide recreation services. The total replacement value of all indoor recreation equipment in 2013 was \$852,000.

Wellesley provides outdoor recreation services to the local population through a sizeable inventory of developed parkland. The inventory comprises 15.31 hectares of developed land, which totals \$1.15 million.

Also included in the outdoor recreation inventory is a variety of park amenities. These facilities include baseball diamonds, basketball courts, concession stands, playground equipment, outdoor ice rinks, soccer pitches, volleyball courts, washroom buildings, picnic shelters, benches, and splash pads. In total, there were 58 park facilities, with a total value of \$2.05 million in the 2013 inventory of capital assets.

Finally, the Recreation Department maintains several other park equipment and vehicles, such as pickup trucks, ice resurfacers, and miscellaneous tools. Altogether, these items amount to \$408,200.

The combined value of capital assets for Parks and Recreation totals \$23.71 million. The ten-year historical average service level is \$2,263.54 per capita, and this,

multiplied by the ten-year net population growth, results in a ten year maximum allowable funding envelope of \$1.01 million.

Parks and Recreation is a service for which development-related capital costs must be reduced by ten per cent under the *DCA*. The resulting net maximum allowable funding envelope brought forward to the development charges calculation is reduced to \$913,300.

**TABLE 2 2014–2023 DEVELOPMENT-RELATED PROGRAM & CALCULATION
OF THE “UNADJUSTED” DEVELOPMENT CHARGES**

The 2014 - 2023 development-related capital program for Parks and Recreation totals \$2.47 million. It includes an addition to the Wellesley Arena to accommodate six new dressing rooms, various park facilities across the Township, as well as two recreation master plan updates and a new tractor vehicle.

The indoor recreation component of the capital program includes for the construction of an addition to the Wellesley Arena to accommodate six new dressing rooms in 2017 for a cost of \$1.80 million. Of the gross projects costs, two-thirds of the cost (\$1.20 million) of the building addition is anticipated through fundraising contributions or any available grant funding opportunities. An amount of \$60,000 has also been removed from the gross cost in accordance with the 10 per cent capital cost deduction under the *DCA*. The remaining \$540,000 development-related capital cost can be recovered through development charges in this period (2014-2023) and has been included in the DC rate calculations.

The outdoor recreation component of the capital program amount to \$580,000. This provides for several new outdoor recreation development projects throughout the Township. The projects include a new dog park and skateboard park, new soccer pitches with signage/fencing, a new front-end loader tractor, an additional playground and the continued development of Township trails. Of the gross projects costs, \$135,000 is to be funded through Township fundraising efforts and other alternative sources. An amount of \$44,500 has also been removed from the gross cost in accordance with the legislated 10 per cent capital cost deduction under the *DCA*. A small portion of the outdoor recreation projects (\$27,319) is deemed to benefit development beyond 2023, and as such, this amount will be considered for recovery in

subsequent development charges by-laws. The remaining \$373,200 is related to growth between 2014 and 2023 and has been included in the DC rate calculations.

The balance of the Parks and Recreation capital program relates to Studies (i.e. 2 Recreation Mater Plans) and amounts to \$90,000. However, about 50%, or \$45,000, is considered to benefit the existing community and this amount will not be recovered through development charges. All available Parks and Recreation DC reserves (\$17,842) will be used to fund most of the Recreation Master Plan in 2014, only \$158 will be funded through development charges over this period (2014-2023). The entire cost (after deductions) of the Parks and Recreation Master Plan in 2019 is considered to benefit development beyond 2023 and this amount will be considered for recovery in subsequent development charges by-laws.

Altogether, the Parks and Recreation DC capital program amounts to \$2.47 million. Approximately \$1.34 million in grants, subsidies and other recoveries are anticipated to offset the cost of the program. Replacement and benefit to existing shares of \$45,000 are identified and netted off the eligible project costs. The legislated ten per cent discount totals \$109,000 and is also removed from the calculation. Approximately, \$17,842 is available in the Parks and Recreation DC reserve fund and will be put towards project funding. Finally, \$49,800 is considered a post-period benefit.

The 2014–2023 DC costs eligible for recovery amount to \$913,300, which is allocated entirely against future residential development in the Township. This results in an unadjusted development charge of \$837.93 per capita

TABLE 3 CASH FLOW ANALYSIS

After cash flow consideration, the residential calculated charge increases to \$888.40 per capita. This increase reflects the front-ended nature of the timing of anticipated capital projects.

The following table summarizes the calculation of the Parks and Recreation development charge.

PARKS AND RECREATION SUMMARY						
10-year Hist.	2014 - 2023		Unadjusted		Adjusted	
Service Level	Development-Related Capital Program		Development Charge		Development Charge	
per capita	Total	Net DC Recoverable	\$/capita	\$/sq.m	\$/capita	\$/sq.m
\$2,263.54	\$2,470,000	\$913,338	\$837.93	\$0.00	\$888.40	\$0.00

TOWNSHIP OF WELLESLEY
 INVENTORY OF CAPITAL ASSETS
 PARKS AND RECREATION
 INDOOR RECREATION FACILITIES

BUILDINGS Facility Name	# of Square Feet										UNIT COST (\$/sq.ft.)
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	
Hawkesville Community Centre	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	\$100
Linwood Recreation Complex	12,794	12,794	12,794	12,794	12,794	12,794	12,794	12,794	12,794	12,794	\$220
St. Clements Community Centre	40,263	40,263	40,263	40,263	40,263	40,263	40,263	40,263	40,263	40,263	\$180
Wellesley Community Centre	11,593	11,593	11,593	11,593	11,593	11,593	11,593	11,593	11,593	11,593	\$180
Wellesley Arena	29,378	29,378	29,378	29,378	29,378	29,378	29,378	29,378	29,378	29,378	\$180
Total (sq.ft.)	97,628	97,628	97,628	97,628	97,628	97,628	97,628	97,628	97,628	97,628	
Total (\$000)	\$17,796.8	\$17,796.8	\$17,796.8	\$17,796.8	\$17,796.8	\$17,796.8	\$17,796.8	\$17,796.8	\$17,796.8	\$17,796.8	

LAND Facility Name	# of Hectares										UNIT COST (\$/ha)
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	
Hawkesville Community Centre	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$250,000
Linwood Recreation Complex	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	\$250,000
St. Clements Community Centre	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$250,000
Wellesley Community Centre and Arena	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85	\$250,000
Total (ha)	5.85	5.85	5.85	5.85	5.85	5.85	5.85	5.85	5.85	5.85	
Total (\$000)	\$1,462.5	\$1,462.5	\$1,462.5	\$1,462.5	\$1,462.5	\$1,462.5	\$1,462.5	\$1,462.5	\$1,462.5	\$1,462.5	

FURNITURE & EQUIPMENT Facility Name	Total Value of Furniture & Equipment (\$)									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Hawkesville Community Centre	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000
Linwood Recreation Complex	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
St. Clements Community Centre	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000
Wellesley Community Centre	\$380,000	\$380,000	\$380,000	\$380,000	\$380,000	\$380,000	\$380,000	\$380,000	\$380,000	\$380,000
Shared Recreation Equipment	\$84,000	\$84,000	\$84,000	\$84,000	\$84,000	\$84,000	\$84,000	\$84,000	\$84,000	\$84,000
Total (\$000)	\$852.0	\$852.0	\$852.0	\$852.0	\$852.0	\$852.0	\$852.0	\$852.0	\$852.0	\$852.0

TOWNSHIP OF WELLESLEY
 INVENTORY OF CAPITAL ASSETS
 PARKS AND RECREATION
 OUTDOOR RECREATION

DEVELOPED PARKLAND Park Name	# of Hectares of Developed Area										UNIT COST (\$/ha)
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	
Wellesley	3.62	3.62	3.62	3.62	3.62	3.62	3.62	3.62	3.62	3.62	\$75,000
St. Clements	7.66	7.66	7.66	7.66	7.66	7.66	7.66	7.66	7.66	7.66	\$75,000
Hawkesville	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$75,000
Linwood	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	\$75,000
Total (ha)	15.31	15.31	15.31	15.31	15.31	15.31	15.31	15.31	15.31	15.31	
Total (\$000)	\$1,148.3	\$1,148.3	\$1,148.3	\$1,148.3	\$1,148.3	\$1,148.3	\$1,148.3	\$1,148.3	\$1,148.3	\$1,148.3	

PARK AMENITIES Park Name	# of Park Amenities										UNIT COST
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	
Lit Baseball Diamonds											
Wellesley	2	2	2	2	2	2	2	2	2	2	\$100,000
St. Clements	2	2	2	2	2	2	2	2	2	2	\$100,000
Linwood	1	1	1	1	1	1	1	1	1	1	\$100,000
Unlit Baseball Diamonds											
St. Clements	1	1	1	1	1	1	1	1	1	1	\$60,000
Linwood	1	1	1	1	1	1	1	1	1	1	\$60,000
Basketball/Multi Courts											
Linwood	1	1	1	1	1	1	1	1	1	1	\$100,000
Hawkesville	-	-	-	-	-	1	1	1	1	1	\$100,000
St. Clements	-	-	-	-	-	-	-	1	1	1	\$100,000
Concessions											
Wellesley	1	1	1	1	1	1	1	1	1	1	\$20,000
St. Clements	1	1	1	1	1	1	1	1	1	1	\$30,000
Linwood	1	1	1	1	1	1	1	1	1	1	\$20,000
Playground Equipment											
Wellesley	2	2	2	2	2	2	2	2	3	3	\$50,000
St. Clements	2	2	2	2	2	2	2	2	2	2	\$50,000
Linwood	1	1	1	1	1	1	1	1	1	1	\$50,000
Hawkesville	1	1	1	1	1	1	1	1	1	1	\$50,000

TOWNSHIP OF WELLESLEY
INVENTORY OF CAPITAL ASSETS
PARKS AND RECREATION
OUTDOOR RECREATION

PARK AMENITIES Park Name	# of Park Amenities										UNIT COST (\$/unit)
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	
Outdoor Ice Rinks											
Wellesley	-	-	-	-	-	-	-	-	-	-	
St. Clements	1	1	1	1	1	1	1	1	1	1	\$10,000
Linwood	1	1	1	1	1	1	1	1	1	1	\$10,000
Hawkesville	1	1	1	1	1	1	1	1	1	1	\$10,000
Soccer Pitches											
Wellesley	1	1	1	1	1	1	1	1	1	2	\$40,000
Wellesley	-	-	-	-	-	-	-	-	-	1	\$20,000
St. Clements	2	2	2	2	2	2	2	2	2	2	\$40,000
Linwood	-	-	-	-	-	-	-	-	-	1	\$20,000
Beach Volleyball											
Hawkesville	-	-	-	-	-	1	1	1	1	1	\$3,150
Washrooms											
Wellesley	1	1	1	1	1	1	1	1	1	1	\$25,000
St. Clements	1	1	1	1	1	1	1	1	1	1	\$25,000
Linwood	1	1	1	1	1	1	1	1	1	1	\$25,000
Picnic Shelters											
Wellesley	1	1	1	1	1	1	1	1	1	1	\$35,000
St. Clements	1	1	1	1	1	1	1	1	1	1	\$75,000
Linwood	1	1	1	1	1	1	1	1	1	1	\$25,000
Park Benches											
Wellesley	12	12	12	12	12	12	12	12	12	12	\$250
St. Clements			2	2	2	2	2	2	4	4	\$1,000
Hawkesville	5	5	5	5	5	5	5	5	5	5	\$1,200
Splashpads											
Wellesley Recreation Centre	-	-	-	-	-	-	-	1	1	1	\$250,000
Total (#)	46	46	48	48	48	50	50	52	55	58	
Total (\$000)	\$1,459.0	\$1,459.0	\$1,461.0	\$1,461.0	\$1,461.0	\$1,564.2	\$1,564.2	\$1,914.2	\$1,966.2	\$2,046.2	

TOWNSHIP OF WELLESLEY
 INVENTORY OF CAPITAL ASSETS
 PARKS AND RECREATION
 OUTDOOR RECREATION

VEHICLES AND EQUIPMENT Type	# of Vehicles and Equipment										UNIT COST (\$/unit)
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	
Pickup 4X4	1	1	1	1	1	1	1	1	1	1	\$33,070
2003 Kabota Mower	1	1	1	1	1	1	1	1			\$12,500
2006 JD Utility Tractor	-	-	1	1	1	1	1	1	1	1	\$16,000
Flatbed Trailer	1	1	1	1	1	1	1	1	1	1	\$2,000
JD Zero Turn Mower	-	-	-	-	1	1	1	1	1	1	\$7,700
Chev Silverado Pickup	-	-	-	-	-	-	-	1	1	1	\$32,000
JD 1600 Wide Area Mower	-	-	-	-	-	-	-	-	1	1	\$43,400
Ford Tractor	1	1	1	1	1	1	1	1	1	1	\$15,800
Massey Ferguson Tractor	1	1	1	1	1	1	1	1	1	1	\$17,000
Scissor Lift	-	-	-	-	-	-	-	-	1	1	\$11,250
Ice Resurfacer (St. Clements)	-	-	-	-	1	1	1	1	1	1	\$80,000
Ice Resurfacer (Wellesley)	-	-	-	-	-	-	-	1	1	1	\$100,000
Other Equipment and Tools	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	
Total (#)	5	5	6	6	8	8	8	10	11	11	
Total (\$000)	\$130.4	\$130.4	\$146.4	\$146.4	\$234.1	\$234.1	\$234.1	\$366.1	\$408.2	\$408.2	

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APPENDIX B.3
TABLE 1 - PAGE 5

TOWNSHIP OF WELLESLEY
CALCULATION OF SERVICE LEVELS
PARKS AND RECREATION
RECREATION COMBINED

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Historic Population	9,617	9,703	9,789	9,967	10,148	10,333	10,521	10,713	10,758	10,803

INVENTORY SUMMARY (\$000)

Indoor Recreation	\$20,111.3	\$20,111.3	\$20,111.3	\$20,111.3	\$20,111.3	\$20,111.3	\$20,111.3	\$20,111.3	\$20,111.3	\$20,111.3
Outdoor Recreation	\$2,737.6	\$2,737.6	\$2,755.6	\$2,755.6	\$2,843.3	\$2,946.5	\$2,946.5	\$3,428.5	\$3,522.6	\$3,602.6
Total (\$000)	\$22,848.9	\$22,848.9	\$22,866.9	\$22,866.9	\$22,954.6	\$23,057.8	\$23,057.8	\$23,539.8	\$23,633.9	\$23,713.9

SERVICE LEVEL (\$/capita)

Average Service
Level

Indoor Recreation	\$2,091.22	\$2,072.69	\$2,054.48	\$2,017.79	\$1,981.80	\$1,946.32	\$1,911.54	\$1,877.28	\$1,869.46	\$1,861.70	\$1,968.43
Outdoor Recreation	\$284.66	\$282.14	\$281.50	\$276.47	\$280.19	\$285.15	\$280.06	\$320.03	\$327.45	\$333.49	\$295.11
Total (\$/capita)	\$2,375.89	\$2,354.83	\$2,335.98	\$2,294.26	\$2,261.98	\$2,231.47	\$2,191.59	\$2,197.31	\$2,196.90	\$2,195.19	\$2,263.54

TOWNSHIP OF WELLESLEY
CALCULATION OF MAXIMUM ALLOWABLE
PARKS AND RECREATION

10-Year Funding Envelope Calculation	
10 Year Average Service Level 2004 - 2013	\$2,263.54
Net Population Growth 2014 - 2023	448
Maximum Allowable Funding Envelope	\$1,014,820
Less: Uncommitted Excess Capacity	\$0
Less: 10% Legislated Reduction	\$101,482
Discounted Maximum Allowable Funding Envelope	\$913,338

Excess Capacity Calculation	
Total Value of Inventory in 2013	\$23,713,920
Inventory Using Average Service Level	\$24,452,268
Excess Capacity	\$0
Excess Capacity:	unommitted

TOWNSHIP OF WELLESLEY
DEVELOPMENT-RELATED CAPITAL PROGRAM
PARKS AND RECREATION

Project Description	Timing	Gross Project Cost	Grants/ Subsidies/Other Recoveries	Net Municipal Cost	Ineligible Costs		Total DC Eligible Costs	DC Eligible Costs		
					Replacement & BTE Shares	10% Reduction		Available DC Reserves	2014-2023	Post 2023
3.0 PARKS AND RECREATION										
3.1 Indoor Recreation Facilities										
3.1.1 Wellesley Arena - 6 New Dressing Rooms (Building addition)	2017	\$ 1,800,000	\$ 1,200,000	\$ 600,000	\$ -	\$ 60,000	\$ 540,000	\$ -	\$ 540,000	\$ -
Subtotal Indoor Recreation Facilities		\$ 1,800,000	\$ 1,200,000	\$ 600,000	\$ -	\$ 60,000	\$ 540,000	\$ -	\$ 540,000	\$ -
3.2 Outdoor Recreation										
3.2.1 Dog Park	2014	\$ 40,000	\$ 20,000	\$ 20,000	\$ -	\$ 2,000	\$ 18,000	\$ -	\$ 18,000	\$ -
3.2.2 Skateboard Park	2015	\$ 80,000	\$ 40,000	\$ 40,000	\$ -	\$ 4,000	\$ 36,000	\$ -	\$ 36,000	\$ -
3.2.3 Tractor - Front-end Loader	2016	\$ 70,000	\$ -	\$ 70,000	\$ -	\$ 7,000	\$ 63,000	\$ -	\$ 63,000	\$ -
3.2.4 New Soccer Pitches	2017	\$ 80,000	\$ -	\$ 80,000	\$ -	\$ 8,000	\$ 72,000	\$ -	\$ 72,000	\$ -
3.2.5 Fencing/Signage	2017	\$ 20,000	\$ -	\$ 20,000	\$ -	\$ 2,000	\$ 18,000	\$ -	\$ 18,000	\$ -
3.2.6 Additional Playground	2018	\$ 150,000	\$ 75,000	\$ 75,000	\$ -	\$ 7,500	\$ 67,500	\$ -	\$ 40,181	\$ 27,319
3.2.7 Development of Township Trails	Various	\$ 140,000	\$ -	\$ 140,000	\$ -	\$ 14,000	\$ 126,000	\$ -	\$ 126,000	\$ -
Subtotal Outdoor Recreation		\$ 580,000	\$ 135,000	\$ 445,000	\$ -	\$ 44,500	\$ 400,500	\$ -	\$ 373,181	\$ 27,319
3.3 Studies										
3.3.1 Recreation Master Plan	2014	\$ 40,000	\$ -	\$ 40,000	\$ 20,000	\$ 2,000	\$ 18,000	\$ 17,842	\$ 158	\$ -
3.3.2 Recreation Master Plan	2019	\$ 50,000	\$ -	\$ 50,000	\$ 25,000	\$ 2,500	\$ 22,500	\$ -	\$ -	\$ 22,500
Subtotal Studies		\$ 90,000	\$ -	\$ 90,000	\$ 45,000	\$ 4,500	\$ 40,500	\$ 17,842	\$ 158	\$ 22,500
TOTAL PARKS AND RECREATION		\$ 2,470,000	\$ 1,335,000	\$ 1,135,000	\$ 45,000	\$ 109,000	\$ 981,000	\$ 17,842	\$ 913,338	\$ 49,819

Residential Development Charge Calculation		
Residential Share of 2014 - 2023 DC Eligible Costs	100%	\$913,338
10-Year Growth in Population in New Units		1,090
Unadjusted Development Charge Per Capita		\$837.93
Non-Residential Development Charge Calculation		
Non-Residential Share of 2014 - 2023 DC Eligible Costs	0%	\$0
10-Year Growth in Square Metres		23,760
Unadjusted Development Charge Per Square Metre		\$0.00

2014 - 2023 Net Funding Envelope	\$913,338
Uncommitted Reserve Fund Balance Balance as at December 31, 2013	\$17,842

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APPENDIX B.3
TABLE 3

**TOWNSHIP OF WELLESLEY
CASHFLOW AND DETERMINATION OF DEVELOPMENT CHARGE
PARKS AND RECREATION
RESIDENTIAL DEVELOPMENT CHARGE
(in \$000)**

PARKS AND RECREATION	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	TOTAL
OPENING CASH BALANCE	\$0.0	\$67.2	\$119.6	\$146.3	(\$443.7)	(\$419.6)	(\$348.0)	(\$270.6)	(\$187.1)	(\$96.9)	
2014 - 2023 RESIDENTIAL FUNDING REQUIREMENTS											
- Parks And Recreation: Non Inflated	\$30.8	\$48.6	\$75.6	\$642.6	\$52.8	\$12.6	\$12.6	\$12.6	\$12.6	\$12.6	\$913.3
- Parks And Recreation: Inflated	\$30.8	\$49.6	\$78.7	\$681.9	\$57.1	\$13.9	\$14.2	\$14.5	\$14.8	\$15.1	\$970.4
NEW RESIDENTIAL DEVELOPMENT											
- Population Growth in New Units	109	109	109	109	109	109	109	109	109	109	1,090
REVENUE											
- DC Receipts: Inflated	\$96.8	\$98.8	\$100.7	\$102.8	\$104.8	\$106.9	\$109.1	\$111.2	\$113.5	\$115.7	\$1,060.3
INTEREST											
- Interest on Opening Balance	\$0.0	\$2.4	\$4.2	\$5.1	(\$24.4)	(\$23.1)	(\$19.1)	(\$14.9)	(\$10.3)	(\$5.3)	(\$85.5)
- Interest on In-year Transactions	\$1.2	\$0.9	\$0.4	(\$15.9)	\$0.8	\$1.6	\$1.7	\$1.7	\$1.7	\$1.8	(\$4.2)
TOTAL REVENUE	\$98.0	\$102.0	\$105.3	\$92.0	\$81.2	\$85.5	\$91.6	\$98.0	\$104.9	\$112.1	\$970.6
CLOSING CASH BALANCE	\$67.2	\$119.6	\$146.3	(\$443.7)	(\$419.6)	(\$348.0)	(\$270.6)	(\$187.1)	(\$96.9)	\$0.2	

2014 Adjusted Charge Per Capita	\$888.40
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Allocation of Capital Program	
Residential Sector	100.0%
Non-Residential Sector	0.0%
Rates for 2014	
Inflation Rate	2.0%
Interest Rate on Positive Balances	3.5%
Interest Rate on Negative Balances	5.5%

APPENDIX B.4

PUBLIC WORKS

APPENDIX B.4

PUBLIC WORKS

This appendix covers the yards and fleet components of the Township's operations. The Public Works and Services Division provides repair and maintenance services for roads, sidewalks, streetlights and other infrastructure, as well as culvert and storm sewer information. Information regarding Township-wide engineering can be found in Appendix C. Only road and related public works yards, engineering related equipment and fleet are included in this service.

TABLE 1 HISTORICAL SERVICE LEVELS

The Public Works Department primarily operates out of one location at 4639 Lobsinger Line. Also included in the buildings inventory is a sand dome. The current inventory of capital assets for the 22,250 square feet of Public Works building space has a total replacement value of \$1.68 million. The 1.62 hectares of land associated with the Public Works office is valued at \$404,700. Furniture and equipment, excluding computers totals \$493,900. The 12 vehicles in the Public Works fleet add an additional \$1.86 million to the value of capital assets.

The total value of the Public Works capital inventory is \$4.44 million. The ten-year historic average service level is \$300.34 per population and employment, and this, multiplied by the ten-year growth in population and employment, results in a maximum allowable funding envelope of \$264,400. Under the *Development Charges Act, 1997*, services related to a highway as defined in subsection 1(1) of the *Municipal Act, 2001*, need not to be reduced by the legislated 10 per cent (as with other general services). The services and capital assets of Public Works are considered to be related to a highway, and as such, the maximum allowable of \$264,400 is not required to be reduced by ten per cent. Uncommitted excess capacity in the amount of \$158,400 is identified for this service and discounted from the funding envelope. Therefore, the remaining \$105,950 is brought forward to the development charges calculation.

TABLE 2 2014 – 2023 DEVELOPMENT-RELATED CAPITAL PROGRAM & CALCULATION OF THE “UNADJUSTED” DEVELOPMENT CHARGES

The ten-year development-related capital program for Public Works totals \$480,000. This provides for additional radios, three new trucks as well as an agricultural tractor.

No grants, subsidies or replacement shares are anticipated to offset the cost of the program. However, the Township has \$42,617 in available reserve funds to help offset the cost of the program. Of the remaining eligible costs, \$331,400, is the amount by which the project costs exceed the maximum allowable funding envelope. This share is deemed to benefit development beyond 2023, and will be considered for funding under subsequent development charges.

The remaining \$105,950 is related to development in the 2014 to 2023 planning period and is eligible for DC recovery in this period. This development related cost is allocated 72 per cent, or \$76,286 against new residential development, and 28 per cent, or \$29,667 against new non-residential development. This yields an unadjusted residential development charge of \$69.99 per capita and \$1.25 per square metre of new non-residential development.

TABLE 3 CASH FLOW ANALYSIS

After cash flow consideration, both the residential and non-residential calculated charges increase to \$73.80 per capita and \$1.31 per square metre, respectively.

The following table summarizes the calculation of the Public Works development charge.

PUBLIC WORKS SUMMARY						
10-year Hist.	2014 - 2023		Unadjusted		Adjusted	
Service Level per pop & emp	Development-Related Capital Program		Development Charge		Development Charge	
	Total	Net DC Recoverable	\$/capita	\$/sq.m	\$/capita	\$/sq.m
\$300.34	\$480,000	\$105,952	\$69.99	\$1.25	\$73.80	\$1.31

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TOWNSHIP OF WELLESLEY
INVENTORY OF CAPITAL ASSETS
PUBLIC WORKS

BUILDINGS - DEPOTS AND DOMES	# of Square Feet										2014
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	UNIT COST (\$/sq.ft.)
Facility Name											
Sand Dome	7,850	7,850	7,850	7,850	7,850	7,850	7,850	7,850	7,850	7,850	\$30
Public Works Buildings (4639 Lobsing Line)	7,344	7,344	7,344	10,544	14,400	14,400	14,400	14,400	14,400	14,400	\$100
Total (sq.ft.)	15,194	15,194	15,194	18,394	22,250	22,250	22,250	22,250	22,250	22,250	
Total (\$000)	\$969.9	\$969.9	\$969.9	\$1,289.9	\$1,675.5	\$1,675.5	\$1,675.5	\$1,675.5	\$1,675.5	\$1,675.5	

LAND	# of Hectares										2013
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	UNIT COST (\$/ha)
Facility Name											
4639 Lobsinger Line	1.62	1.62	1.62	1.62	1.62	1.62	1.62	1.62	1.62	1.62	\$250,000
Total (ha)	1.62	1.62	1.62	1.62	1.62	1.62	1.62	1.62	1.62	1.62	
Total (\$000)	\$404.7	\$404.7	\$404.7	\$404.7	\$404.7	\$404.7	\$404.7	\$404.7	\$404.7	\$404.7	

FURNITURE & EQUIPMENT	Total Value of Furniture & Equipment (\$)									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Facility Name										
Public Works Furniture	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Public Works Equipment	\$383,925	\$383,925	\$383,925	\$383,925	\$383,925	\$383,925	\$383,925	\$383,925	\$383,925	\$383,925
Fuel Depot/Station	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Total (\$000)	\$493.9	\$493.9	\$493.9	\$493.9	\$493.9	\$493.9	\$493.9	\$493.9	\$493.9	\$493.9

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TOWNSHIP OF WELLESLEY
 INVENTORY OF CAPITAL ASSETS
 PUBLIC WORKS

FLEET Description	# of Fleet										2014 UNIT COST (\$/unit)	
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013		
Graders	2	2	2	2	2	2	2	2	2	2	2	\$325,000
Tandem Trucks	3	3	3	3	3	3	3	3	3	3	3	\$250,000
Loader with Blade	1	1	1	1	1	1	1	1	1	1	1	\$100,000
Agriculture Tractor with Blade	-	-	-	-	-	1	1	1	1	1	1	\$73,000
Pick-up Trucks with Blade	-	1	1	1	2	2	3	3	3	3	3	\$45,000
Backhoe	1	1	1	1	1	1	1	1	1	1	1	\$105,000
Street Sweeper	-	-	-	-	-	-	-	-	-	-	1	\$50,000
Total (#)	7	8	8	8	9	10	11	11	11	11	12	
Total (\$000)	\$1,605.0	\$1,650.0	\$1,650.0	\$1,650.0	\$1,695.0	\$1,768.0	\$1,813.0	\$1,813.0	\$1,813.0	\$1,813.0	\$1,863.0	

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TABLE 1 - PAGE 3

TOWNSHIP OF WELLESLEY
CALCULATION OF SERVICE LEVELS
PUBLIC WORKS

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Historic Population	9,617	9,703	9,789	9,967	10,148	10,333	10,521	10,713	10,758	10,803
Historic Employment	<u>3,030</u>	<u>3,077</u>	<u>3,125</u>	<u>3,171</u>	<u>3,218</u>	<u>3,265</u>	<u>3,313</u>	<u>3,361</u>	<u>3,402</u>	<u>3,443</u>
Total Historic Population & Employment	12,647	12,780	12,914	13,138	13,366	13,598	13,834	14,074	14,160	14,246

INVENTORY SUMMARY (\$000)

Buildings - Depots And Domes	\$969.9	\$969.9	\$969.9	\$1,289.9	\$1,675.5	\$1,675.5	\$1,675.5	\$1,675.5	\$1,675.5	\$1,675.5
Land	\$404.7	\$404.7	\$404.7	\$404.7	\$404.7	\$404.7	\$404.7	\$404.7	\$404.7	\$404.7
Furniture & Equipment	\$493.9	\$493.9	\$493.9	\$493.9	\$493.9	\$493.9	\$493.9	\$493.9	\$493.9	\$493.9
Fleet	\$1,605.0	\$1,650.0	\$1,650.0	\$1,650.0	\$1,695.0	\$1,768.0	\$1,813.0	\$1,813.0	\$1,813.0	\$1,863.0
Total (\$000)	\$3,473.5	\$3,518.5	\$3,518.5	\$3,838.5	\$4,269.1	\$4,342.1	\$4,387.1	\$4,387.1	\$4,387.1	\$4,437.1

SERVICE LEVEL (\$/pop & emp)

											Average Level
Buildings - Depots And Domes	\$76.69	\$75.89	\$75.10	\$98.18	\$125.36	\$123.22	\$121.11	\$119.05	\$118.32	\$117.61	\$105.05
Land	\$32.00	\$31.67	\$31.34	\$30.80	\$30.28	\$29.76	\$29.25	\$28.75	\$28.58	\$28.41	\$30.08
Furniture & Equipment	\$39.05	\$38.65	\$38.25	\$37.60	\$36.95	\$36.32	\$35.70	\$35.09	\$34.88	\$34.67	\$36.72
Fleet	\$126.91	\$129.11	\$127.77	\$125.59	\$126.81	\$130.02	\$131.05	\$128.82	\$128.03	\$130.77	\$128.49
Total (\$/pop & emp)	\$274.65	\$275.31	\$272.46	\$292.17	\$319.40	\$319.32	\$317.13	\$311.71	\$309.82	\$311.46	\$300.34

TOWNSHIP OF WELLESLEY
CALCULATION OF MAXIMUM ALLOWABLE
PUBLIC WORKS

10-Year Funding Envelope Calculation	
10 Year Average Service Level 2004 - 2013	\$300.34
Net Population & Employment Growth 2014 - 2023	880
Maximum Allowable Funding Envelope	\$264,399
Less: Uncommitted Excess Capacity	\$158,447
Discounted Maximum Allowable Funding Envelope	\$105,952

Excess Capacity Calculation	
Total Value of Inventory in 2013	\$4,437,110
Inventory Using Average Service Level	\$4,278,663
Excess Capacity	\$158,447
Excess Capacity:	Uncommitted

TOWNSHIP OF WELLESLEY
DEVELOPMENT-RELATED CAPITAL PROGRAM
PUBLIC WORKS

Project Description	Timing	Gross Project Cost	Grants/ Subsidies/Other Recoveries	Net Municipal Cost	Ineligible Costs		Total DC Eligible Costs	DC Eligible Costs		
					Replacement & BTE Shares	0% Reduction		Available DC Reserves	2014-2023	Post 2023
4.0 PUBLIC WORKS										
4.1 Fleet and Equipment										
4.1.1 Additional Radios	2016	\$ 30,000	\$ -	\$ 30,000	\$ -	\$ -	\$ 30,000	\$ 30,000	\$ -	\$ -
4.1.2 2 Tonne Truck with Dump Box	2017	\$ 70,000	\$ -	\$ 70,000	\$ -	\$ -	\$ 70,000	\$ 12,617	\$ 57,383	\$ -
4.1.3 Tandem Truck	2018	\$ 250,000	\$ -	\$ 250,000	\$ -	\$ -	\$ 250,000	\$ -	\$ 48,569	\$ 201,431
4.1.4 Agricultural Tractor with Blade	2019	\$ 90,000	\$ -	\$ 90,000	\$ -	\$ -	\$ 90,000	\$ -	\$ -	\$ 90,000
4.1.5 Pickup	2019	\$ 40,000	\$ -	\$ 40,000	\$ -	\$ -	\$ 40,000	\$ -	\$ -	\$ 40,000
Subtotal Fleet and Equipment		\$ 480,000	\$ -	\$ 480,000	\$ -	\$ -	\$ 480,000	\$ 42,617	\$ 105,952	\$ 331,431
TOTAL PUBLIC WORKS		\$ 480,000	\$ -	\$ 480,000	\$ -	\$ -	\$ 480,000	\$ 42,617	\$ 105,952	\$ 331,431

Residential Development Charge Calculation		
Residential Share of 2014 - 2023 DC Eligible Costs	72%	\$76,286
10-Year Growth in Population in New Units		1,090
Unadjusted Development Charge Per Capita		\$69.99
Non-Residential Development Charge Calculation		
Non-Residential Share of 2014 - 2023 DC Eligible Costs	28%	\$29,667
10-Year Growth in Square Metres		23,760
Unadjusted Development Charge Per Square Metre		\$1.25

2014 - 2023 Net Funding Envelope	\$105,952
Uncommitted Reserve Fund Balance Balance as at December 31, 2013	\$42,617

TOWNSHIP OF WELLESLEY
 CASHFLOW AND DETERMINATION OF DEVELOPMENT CHARGE
 PUBLIC WORKS
 RESIDENTIAL DEVELOPMENT CHARGE
 (in \$000)

PUBLIC WORKS	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	TOTAL
OPENING CASH BALANCE	\$0.00	\$8.14	\$16.77	\$25.90	(\$9.51)	(\$39.98)	(\$33.13)	(\$25.69)	(\$17.74)	(\$9.15)	
2014 - 2023 RESIDENTIAL FUNDING REQUIREMENTS											
- Public Works: Non Inflated	\$0.0	\$0.0	\$0.0	\$41.3	\$35.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$76.3
- Public Works: Inflated	\$0.0	\$0.0	\$0.0	\$43.8	\$37.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$81.7
NEW RESIDENTIAL DEVELOPMENT											
- Population Growth in New Units	109	109	109	109	109	109	109	109	109	109	1,090
REVENUE											
- DC Receipts: Inflated	\$8.0	\$8.2	\$8.4	\$8.5	\$8.7	\$8.9	\$9.1	\$9.2	\$9.4	\$9.6	\$88.0
INTEREST											
- Interest on Opening Balance	\$0.0	\$0.3	\$0.6	\$0.9	(\$0.5)	(\$2.2)	(\$1.8)	(\$1.4)	(\$1.0)	(\$0.5)	(\$5.7)
- Interest on In-year Transactions	\$0.1	\$0.1	\$0.1	(\$1.0)	(\$0.8)	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	(\$0.5)
TOTAL REVENUE	\$8.1	\$8.6	\$9.1	\$8.4	\$7.4	\$6.9	\$7.4	\$7.9	\$8.6	\$9.3	\$81.8
CLOSING CASH BALANCE	\$8.1	\$16.8	\$25.9	(\$9.5)	(\$40.0)	(\$33.1)	(\$25.7)	(\$17.7)	(\$9.2)	\$0.1	

2014 Adjusted Charge Per Capita	\$73.80
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Allocation of Capital Program	
Residential Sector	72.0%
Non-Residential Sector	28.0%
Rates for 2014	
Inflation Rate:	2.0%
Interest Rate on Positive Balances	3.5%
Interest Rate on Negative Balances	5.5%

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**TOWNSHIP OF WELLESLEY
CASHFLOW AND DETERMINATION OF DEVELOPMENT CHARGE
PUBLIC WORKS
NON-RESIDENTIAL DEVELOPMENT CHARGE
(in \$000)**

PUBLIC WORKS	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	TOTAL
OPENING CASH BALANCE	\$0.00	\$2.75	\$9.56	\$12.74	(\$1.35)	(\$13.47)	(\$11.16)	(\$8.62)	(\$5.94)	(\$3.01)	
2014 - 2023 NON-RESIDENTIAL FUNDING REQUIREMENTS											
- Public Works: Non Inflated	\$0.0	\$0.0	\$0.0	\$16.1	\$13.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$29.7
- Public Works: Inflated	\$0.0	\$0.0	\$0.0	\$17.1	\$14.7	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$31.8
NON-RESIDENTIAL SPACE GROWTH											
- Growth in Square Metres	2,090	4,950	2,090	2,090	2,090	2,090	2,090	2,090	2,090	2,090	23,760
REVENUE											
- DC Receipts: Inflated	\$2.7	\$6.6	\$2.8	\$2.9	\$3.0	\$3.0	\$3.1	\$3.1	\$3.2	\$3.3	\$33.7
INTEREST											
- Interest on Opening Balance	\$0.0	\$0.1	\$0.3	\$0.4	(\$0.1)	(\$0.7)	(\$0.6)	(\$0.5)	(\$0.3)	(\$0.2)	(\$1.5)
- Interest on In-year Transactions	\$0.0	\$0.1	\$0.0	(\$0.4)	(\$0.3)	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	(\$0.2)
TOTAL REVENUE	\$2.7	\$6.8	\$3.2	\$3.0	\$2.6	\$2.3	\$2.5	\$2.7	\$2.9	\$3.2	\$32.0
CLOSING CASH BALANCE	\$2.7	\$9.6	\$12.7	(\$1.4)	(\$13.5)	(\$11.2)	(\$8.6)	(\$5.9)	(\$3.0)	\$0.2	

2014 Adjusted Charge Per Square Metre	\$1.31
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Allocation of Capital Program	
Residential Sector	72.0%
Non-Residential Sector	28.0%
Rates for 2014	
Inflation Rate	2.0%
Interest Rate on Positive Balances	3.5%
Interest Rate on Negative Balances	5.5%

APPENDIX C

TOWNSHIP-WIDE ENGINEERING

TECHNICAL APPENDIX

APPENDIX C

TOWNSHIP-WIDE ENGINEERING SERVICES TECHNICAL APPENDIX

This appendix provides the detailed analysis undertaken to establish the development charge rates for the municipal-wide engineered services of roads, sidewalks and stormwater management for the Township of Wellesley.

The following tables set out the 2014 to 2031 development-related capital forecast and the calculation of the development charges for Township-wide engineering services. The basis of the development-related capital program is the Township's capital budget and detailed discussions with Township staff. The projects identified in the capital program are required to service the demands of new development between 2014 and 2031, subject to annual capital budget reviews. Consistent with s.5.(1)7. of the Development Charges Act (DCA), there is no legislated percentage reduction in the eligible development-related capital cost for the provision of transportation infrastructure.

Tables 1 – 3 provide details of the projects included in the Township-wide engineering infrastructure development charges calculation. The content of the tables is as follows:

Table 1	Roads and Related Historic Service Level, 2004-2013
Table 2	Township-wide Engineering Development-Related Capital Program: 2014 - 2031
Table 3	Residential and Non-Residential Cash Flow Analysis

TABLE 1 2014-2013 HISTORICAL SERVICE LEVELS

The roads and related inventory of capital assets includes various facilities and infrastructure, including the roads themselves, bridges, culverts, sidewalks, and streetlights.

The Township's current infrastructure inventory totals 135 kilometres of gravel roads and 85 kilometres of asphalt roads. Together, these roads total \$199.75 million. The 27 bridges and 51 culverts have a combined value of \$13.69 million. The 519

streetlights throughout the Township are valued at \$207,600 and finally, the 17.9 kilometres of sidewalk totals \$2.43 million.

Altogether, the total inventory of capital assets for roads and related infrastructure totals \$216.08 million. The resulting ten-year average service level for the provision of roads is calculated at \$15,730.18 per population and employment. Based on this average service level, the maximum allowable funding envelope is \$24.19 million (\$15,730.18 per population and employment x 1,538 net population and employment growth from 2014 to 2031).

No uncommitted excess capacity has been identified for this service, nor is this service required to be reduced by ten per cent. As such, the fully calculated maximum allowable funding envelope brought forward to the development charges calculation remains at \$24.19 million.

TABLE 2 2014 – 2031 DEVELOPMENT-RELATED CAPITAL PROGRAM AND CALCULATION OF THE “UNADJUSTED” DEVELOPMENT CHARGES

The cost, quantum and timing of the projects included in the Township-wide engineering capital program have been developed by Township staff. The total cost of the capital program is \$7.83 million and provides for the undertaking of various road works (gravel to asphalt), new sidewalk development, stormwater management projects and development-related studies. As shown in the table below, the roadworks accounts for the majority (92% or \$7.20 million) of the total gross cost of the program.

Township-wide Engineering Program	Gross Project Cost (\$000)	DC Eligible Costs 2014-2031 (\$000)
Roadwork – Gravel to Asphalt	\$7,200.0	\$1,509.9
Sidewalk Development	\$460.0	\$460.0
Stormwater Management	\$100.0	\$100.0
Studies	\$66.0	\$3.3
Total	\$7,826.0	\$2,073.2

The entire \$7.83 million development-related capital program is not to be fully recovered from future development charges; approximately \$5.75 million of the program has been identified as a non-growth or benefit to existing share. These shares are largely attributed to roadwork and road management study updates. The benefit to existing shares for all road projects is based on shares of existing and future household growth to 2031. Under this approach, about 20% of the road work capital costs are eligible for development charge funding. Council is made aware that this share will need to be funded using non-development charges revenue sources.

The remaining \$2.07 million is considered eligible for development charge funding in the 2014-2031 planning period. The growth-related cost has been allocated 74 per cent (\$1.53 million) to new residential development and 26 per cent (\$539,021) to new non-residential development. This apportionment is based on shares of anticipated growth in population in new units and employment over the longer-term planning period, to 2031. This yields unadjusted development charge rates of \$731.24 per capita and \$13.41 per square metre respectively.

TABLE 3 CASH FLOW ANALYSIS

The long-term cash flow analysis in Table 3 takes into consideration expenditure timing and revenue projections. After cash flow consideration, the residential charge increases to \$762.50 per capita and the non-residential charge slightly increased to \$13.63 per square metre.

The following is a summary of the Township-wide engineering services calculated unadjusted and cash flow adjusted development charge rates:

TOWNSHIP ENGINEERING SUMMARY					
2014 - 2031		Unadjusted		Adjusted	
Development-Related Capital Program		Development Charge		Development Charge	
Total	Net DC Recoverable	\$/capita	\$/sq.m	\$/capita	\$/sq.m
\$7,826,000	\$2,073,159	\$731.24	\$13.41	\$762.50	\$13.63

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TOWNSHIP OF WELLESLEY
INVENTORY OF CAPITAL ASSETS
TOWNSHIP ENGINEERING

ROADS Type of Road	2013 # of Kilometres										UNIT COST (\$/km)
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	
Gravel Roads	154.0	154.0	154.0	154.0	153.0	146.0	138.0	137.0	137.0	135.0	\$850,000
Asphalt Roads	61.0	61.0	61.0	63.0	65.0	72.0	81.0	82.0	83.0	85.0	\$1,000,000
Total (km)	215.0	215.0	215.0	217.0	218.0	218.0	219.0	219.0	220.0	220.0	
Total (\$000)	\$191,900.0	\$191,900.0	\$191,900.0	\$193,900.0	\$195,050.0	\$196,100.0	\$198,300.0	\$198,450.0	\$199,450.0	\$199,750.0	

BRIDGES & CULVERTS Description	2013 # of Bridges & Culverts										UNIT COST (\$/unit)
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	
Bridges	27	27	27	27	27	27	27	27	27	27	\$290,000
Culverts	51	51	51	51	51	51	51	51	51	51	\$115,000
Total (#)	78	78	78	78	78	78	78	78	78	78	
Total (\$000)	\$13,695.0	\$13,695.0	\$13,695.0	\$13,695.0	\$13,695.0	\$13,695.0	\$13,695.0	\$13,695.0	\$13,695.0	\$13,695.0	

STREETLIGHTS Description	2013 # of Streetlights										UNIT COST (\$/unit)
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	
Streetlights	519	519	519	519	519	519	519	519	519	519	\$400
Total (#)	519	519	519	519	519	519	519	519	519	519	
Total (\$000)	\$207.6	\$207.6	\$207.6	\$207.6	\$207.6	\$207.6	\$207.6	\$207.6	\$207.6	\$207.6	

SIDEWALKS Description	2013 # of Kilometres										UNIT COST (\$/km)
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	
Sidewalk	13.0	14.0	15.0	16.0	16.0	16.7	16.7	16.9	17.2	17.9	\$135,900
Total (km)	13.0	14.0	15.0	16.0	16.0	16.7	16.7	16.9	17.2	17.9	
Total (\$000)	\$1,766.7	\$1,902.6	\$2,038.5	\$2,174.4	\$2,174.4	\$2,275.4	\$2,275.4	\$2,290.3	\$2,331.1	\$2,426.2	

APPENDIX C
TABLE 1 - PAGE 2

TOWNSHIP OF WELLESLEY
CALCULATION OF SERVICE LEVELS
TOWNSHIP ENGINEERING

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Historic Population	9,617	9,703	9,789	9,967	10,148	10,333	10,521	10,713	10,758	10,803
Historic Employment	<u>3,030</u>	<u>3,077</u>	<u>3,125</u>	<u>3,171</u>	<u>3,218</u>	<u>3,265</u>	<u>3,313</u>	<u>3,361</u>	<u>3,402</u>	<u>3,443</u>
Total Historic Population & Employment	12,647	12,780	12,914	13,138	13,366	13,598	13,834	14,074	14,160	14,246

INVENTORY SUMMARY (\$000)

Roads	\$191,900.0	\$191,900.0	\$191,900.0	\$193,900.0	\$195,050.0	\$196,100.0	\$198,300.0	\$198,450.0	\$199,450.0	\$199,750.0
Bridges & Culverts	\$13,695.0	\$13,695.0	\$13,695.0	\$13,695.0	\$13,695.0	\$13,695.0	\$13,695.0	\$13,695.0	\$13,695.0	\$13,695.0
Streetlights	\$207.6	\$207.6	\$207.6	\$207.6	\$207.6	\$207.6	\$207.6	\$207.6	\$207.6	\$207.6
Sidewalks	\$1,766.7	\$1,902.6	\$2,038.5	\$2,174.4	\$2,174.4	\$2,275.4	\$2,275.4	\$2,290.3	\$2,331.1	\$2,426.2
Total (\$000)	\$207,569.3	\$207,705.2	\$207,841.1	\$209,977.0	\$211,127.0	\$212,278.0	\$214,478.0	\$214,642.9	\$215,683.7	\$216,078.8

SERVICE LEVEL (\$/pop & emp)

Average Service Level

Roads	\$15,173.56	\$15,015.65	\$14,859.81	\$14,758.72	\$14,593.00	\$14,421.24	\$14,334.25	\$14,100.07	\$14,085.22	\$14,021.42	\$14,536.29
Bridges & Culverts	\$1,082.87	\$1,071.60	\$1,060.47	\$1,042.40	\$1,024.61	\$1,007.13	\$989.95	\$973.04	\$967.15	\$961.32	\$1,018.05
Streetlights	\$16.41	\$16.24	\$16.08	\$15.80	\$15.53	\$15.27	\$15.01	\$14.75	\$14.66	\$14.57	\$15.43
Sidewalks	\$139.69	\$148.87	\$157.85	\$165.50	\$162.68	\$167.33	\$164.48	\$162.73	\$164.62	\$170.31	\$160.41
Total (\$/pop & emp)	\$16,412.53	\$16,252.36	\$16,094.21	\$15,982.42	\$15,795.83	\$15,610.97	\$15,503.68	\$15,250.59	\$15,231.65	\$15,167.62	\$15,730.18

TOWNSHIP OF WELLESLEY
CALCULATION OF MAXIMUM ALLOWABLE
TOWNSHIP ENGINEERING

20-Year Funding Envelope Calculation	
10 Year Average Service Level 2004 - 2013	\$15,730.18
Net Population & Employment Growth 2014 - 2031	1,538
Maximum Allowable Funding Envelope	\$24,192,009
Less: Uncommitted Excess Capacity	\$0
Discounted Maximum Allowable Funding Envelope	\$24,192,009

Excess Capacity Calculation	
Total Value of Inventory in 2013	\$216,078,823
Inventory Using Average Service Level	\$224,093,153
Excess Capacity	\$0
Excess Capacity:	Uncommitted

TOWNSHIP OF WELLESLEY
DEVELOPMENT-RELATED CAPITAL PROGRAM
TOWNSHIP ENGINEERING

Project Description	Timing	Gross Project Cost	Grants/ Subsidies/Other Recoveries	Net Municipal Cost	Ineligible Costs		Total DC Eligible Costs	DC Eligible Costs		
					Replacement & BTE Shares	0% Reduction		Available DC Reserves	2014-2031	Post 2031
1.0 TOWNSHIP ENGINEERING										
1.1 Roadwork - Gravel to Asphalt										
1.1.1 Manser Road - William Hastings Line to Perth Line - Block 1	2016	\$ 500,000	\$ -	\$ 500,000	\$ 395,149	\$ -	\$ 104,851	\$ -	\$ 104,851	\$ -
1.1.2 Manser Road - William Hastings Line to Perth Line - Block 2	2020	\$ 750,000	\$ -	\$ 750,000	\$ 592,723	\$ -	\$ 157,277	\$ -	\$ 157,277	\$ -
1.1.3 Manser Road - William Hastings Line to Perth Line - Block 3	2023	\$ 750,000	\$ -	\$ 750,000	\$ 592,723	\$ -	\$ 157,277	\$ -	\$ 157,277	\$ -
1.1.4 Moser Young Road - Lobsinger Line to Ament Line	2018	\$ 1,500,000	\$ -	\$ 1,500,000	\$ 1,185,446	\$ -	\$ 314,554	\$ -	\$ 314,554	\$ -
1.1.5 Streicher Line - Hutchison Road to Road 116 - 4 Blocks	2023 - 2031	\$ 3,000,000	\$ -	\$ 3,000,000	\$ 2,370,892	\$ -	\$ 629,108	\$ -	\$ 629,108	\$ -
1.1.6 Lavery Road - Ament Line to Line 86	2023 - 2031	\$ 700,000	\$ -	\$ 700,000	\$ 553,208	\$ -	\$ 146,792	\$ -	\$ 146,792	\$ -
Subtotal Roadwork - Gravel to Asphalt		\$ 7,200,000	\$ -	\$ 7,200,000	\$ 5,690,141	\$ -	\$ 1,509,859	\$ -	\$ 1,509,859	\$ -
1.2 New Sidewalk Development										
1.2.1 Village to Greenwood Hill	2014 - 2018	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ -	\$ 100,000	\$ -	\$ 100,000	\$ -
1.2.2 Queens Bush to Parkview Drive	2014 - 2018	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ -	\$ 100,000	\$ -	\$ 100,000	\$ -
1.2.3 Queens Bush to Farris/Schweitzer Cres	2014 - 2018	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ -	\$ 100,000	\$ -	\$ 100,000	\$ -
1.2.4 Parkview to Nafziger	2019 - 2023	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ -	\$ 100,000	\$ -	\$ 100,000	\$ -
1.2.5 Nafziger to Gerber Road	2019 - 2023	\$ 60,000	\$ -	\$ 60,000	\$ -	\$ -	\$ 60,000	\$ -	\$ 60,000	\$ -
Subtotal New Sidewalk Development		\$ 460,000	\$ -	\$ 460,000	\$ -	\$ -	\$ 460,000	\$ -	\$ 460,000	\$ -
1.3 Stormwater Management										
1.3.1 Stormdrain Blvds - Wellesley Village - near Gerber Road	2014-2018	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ -	\$ 100,000	\$ -	\$ 100,000	\$ -
Subtotal Stormwater Management		\$ 100,000	\$ -	\$ 100,000	\$ -	\$ -	\$ 100,000	\$ -	\$ 100,000	\$ -
1.4 Studies										
1.4.1 Road Management Study - Full Update	2015	\$ 15,000	\$ -	\$ 15,000	\$ 14,250	\$ -	\$ 750	\$ -	\$ 750	\$ -
1.4.2 Road Management Study - Full Update	2025	\$ 15,000	\$ -	\$ 15,000	\$ 14,250	\$ -	\$ 750	\$ -	\$ 750	\$ -
1.4.3 Road Management Study - Annual Updates	Various	\$ 36,000	\$ -	\$ 36,000	\$ 34,200	\$ -	\$ 1,800	\$ -	\$ 1,800	\$ -
Subtotal Studies		\$ 66,000	\$ -	\$ 66,000	\$ 62,700	\$ -	\$ 3,300	\$ -	\$ 3,300	\$ -
TOTAL TOWNSHIP ENGINEERING		\$ 7,826,000	\$ -	\$ 7,826,000	\$ 5,752,841	\$ -	\$ 2,073,159	\$ -	\$ 2,073,159	\$ -

Residential Development Charge Calculation		
Residential Share of 2014 - 2031 DC Eligible Costs	74%	\$1,534,138
Ultimate Growth in Population in New Units		2,098
Unadjusted Development Charge Per Capita		\$731.24
Non-Residential Development Charge Calculation		
Non-Residential Share of 2014 - 2031 DC Eligible Costs	26%	\$539,021
Ultimate Growth in Square Metres		40,183
Unadjusted Development Charge Per Square Metre		\$13.41

2014 - 2031 Net Funding Envelope	\$24,192,009
Uncommitted Reserve Fund Balance Balance as at December 31, 2013	\$0

TOWNSHIP OF WELLESLEY
CASHFLOW AND DETERMINATION OF DEVELOPMENT CHARGE
TOWNSHIP ENGINEERING
RESIDENTIAL DEVELOPMENT CHARGE
(in \$000)

TOWNSHIP ENGINEERING	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
OPENING CASH BALANCE	\$0.00	\$24.24	\$49.28	(\$6.42)	\$18.96	(\$212.71)	(\$157.69)	(\$232.34)	(\$175.72)	(\$114.59)
2014 - 2023 RESIDENTIAL FUNDING REQUIREMENTS										
- Township Engineering: Non Inflated	\$59.3	\$59.8	\$136.9	\$59.3	\$292.0	\$23.8	\$140.1	\$23.8	\$23.8	\$203.9
- Township Engineering: Inflated	\$59.3	\$61.0	\$142.4	\$62.9	\$316.1	\$26.2	\$157.8	\$27.3	\$27.8	\$243.7
NEW RESIDENTIAL DEVELOPMENT										
- Population Growth in New Units	109	109	109	109	109	109	109	109	109	109
REVENUE										
- DC Receipts: Inflated	\$83.1	\$84.8	\$86.5	\$88.2	\$90.0	\$91.8	\$93.6	\$95.5	\$97.4	\$99.3
INTEREST										
- Interest on Opening Balance	\$0.0	\$0.8	\$1.7	(\$0.4)	\$0.7	(\$11.7)	(\$8.7)	(\$12.8)	(\$9.7)	(\$6.3)
- Interest on In-year Transactions	\$0.4	\$0.4	(\$1.5)	\$0.4	(\$6.2)	\$1.1	(\$1.8)	\$1.2	\$1.2	(\$4.0)
TOTAL REVENUE	\$83.5	\$86.1	\$86.7	\$88.3	\$84.4	\$81.2	\$83.2	\$83.9	\$89.0	\$89.0
CLOSING CASH BALANCE	\$24.2	\$49.3	(\$6.4)	\$19.0	(\$212.7)	(\$157.7)	(\$232.3)	(\$175.7)	(\$114.6)	(\$269.3)

TOWNSHIP ENGINEERING	2024	2025	2026	2027	2028	2029	2030	2031	TOTAL
OPENING CASH BALANCE	(\$269.29)	(\$244.17)	(\$217.52)	(\$187.97)	(\$155.90)	(\$121.21)	(\$83.77)	(\$43.39)	
2014 - 2023 RESIDENTIAL FUNDING REQUIREMENTS									
- Township Engineering: Non Inflated	\$63.87	\$64.4	\$63.9	\$63.9	\$63.9	\$63.9	\$63.9	\$63.9	\$1,534.1
- Township Engineering: Inflated	\$77.86	\$80.1	\$81.0	\$82.6	\$84.3	\$86.0	\$87.7	\$89.4	\$1,124.6
NEW RESIDENTIAL DEVELOPMENT									
- Population Growth in New Units	\$126.00	126	126	126	126	126	126	126	2,098
REVENUE									
- DC Receipts: Inflated	\$117.10	\$119.5	\$121.8	\$124.3	\$126.8	\$129.3	\$131.9	\$134.5	\$910.2
INTEREST									
- Interest on Opening Balance	(\$14.81)	(\$13.4)	(\$12.0)	(\$10.3)	(\$8.6)	(\$6.7)	(\$4.6)	(\$2.4)	(\$46.2)
- Interest on In-year Transactions	\$0.69	\$0.7	\$0.7	\$0.7	\$0.7	\$0.8	\$0.8	\$0.8	(\$8.7)
TOTAL REVENUE	\$102.98	\$106.8	\$110.6	\$114.7	\$119.0	\$123.4	\$128.1	\$132.9	\$855.3
CLOSING CASH BALANCE	(\$244.17)	(\$217.5)	(\$188.0)	(\$155.9)	(\$121.2)	(\$83.8)	(\$43.4)	\$0.1	

2014 Adjusted Charge Per Capita	\$762.50
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Allocation of Capital Program	
Residential Sector	74.0%
Non-Residential Sector	26.0%
Rates for 2014	
Inflation Rate:	2.0%
Interest Rate on Positive Balances	3.5%
Interest Rate on Negative Balances	5.5%

TOWNSHIP OF WELLESLEY
 CASHFLOW AND DETERMINATION OF DEVELOPMENT CHARGE
 TOWNSHIP ENGINEERING
 RESIDENTIAL DEVELOPMENT CHARGE
 (in \$000)

TOWNSHIP ENGINEERING	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
OPENING CASH BALANCE	\$0.00	\$7.81	\$56.27	\$37.25	\$46.79	(\$34.05)	(\$13.24)	(\$37.96)	(\$16.54)	\$6.59
2014 - 2023 RESIDENTIAL FUNDING REQUIREMENTS										
- Township Engineering: Non Inflated	\$20.8	\$21.0	\$48.1	\$20.8	\$102.6	\$8.3	\$49.2	\$8.3	\$8.3	\$71.7
- Township Engineering: Inflated	\$20.8	\$21.4	\$50.0	\$22.1	\$111.1	\$9.2	\$55.5	\$9.6	\$9.8	\$85.6
NEW RESIDENTIAL DEVELOPMENT										
- Population Growth in New Units	2,090	4,950	2,090	2,090	2,090	2,090	2,090	2,090	2,090	2,090
REVENUE										
- DC Receipts: Inflated	\$28.5	\$68.8	\$29.6	\$30.2	\$30.8	\$31.5	\$32.1	\$32.7	\$33.4	\$34.0
INTEREST										
- Interest on Opening Balance	\$0.0	\$0.3	\$2.0	\$1.3	\$1.6	(\$1.9)	(\$0.7)	(\$2.1)	(\$0.9)	\$0.2
- Interest on In-year Transactions	\$0.1	\$0.8	(\$0.6)	\$0.1	(\$2.2)	\$0.4	(\$0.6)	\$0.4	\$0.4	(\$1.4)
TOTAL REVENUE	\$28.6	\$69.9	\$31.0	\$31.6	\$30.2	\$30.0	\$30.7	\$31.0	\$32.9	\$32.8
CLOSING CASH BALANCE	\$7.8	\$56.3	\$37.2	\$46.8	(\$34.0)	(\$13.2)	(\$38.0)	(\$16.5)	\$6.6	(\$46.2)

TOWNSHIP ENGINEERING	2024	2025	2026	2027	2028	2029	2030	2031	TOTAL
OPENING CASH BALANCE	(\$46.23)	(\$41.30)	(\$36.19)	(\$30.41)	(\$25.09)	(\$19.36)	(\$13.61)	(\$6.93)	
2014 - 2023 RESIDENTIAL FUNDING REQUIREMENTS									
- Township Engineering: Non Inflated	\$22.4	\$22.6	\$22.4	\$22.4	\$22.4	\$22.4	\$22.4	\$22.4	\$539.0
- Township Engineering: Inflated	\$27.4	\$28.1	\$28.5	\$29.0	\$29.6	\$30.2	\$30.8	\$31.4	\$395.1
NEW RESIDENTIAL DEVELOPMENT									
- Population Growth in New Units	2,090	2,090	2,090	2,035	2,035	2,013	2,035	2,035	40,183
REVENUE									
- DC Receipts: Inflated	\$34.7	\$35.4	\$36.1	\$35.9	\$36.6	\$36.9	\$38.1	\$38.8	\$351.6
INTEREST									
- Interest on Opening Balance	(\$2.5)	(\$2.3)	(\$2.0)	(\$1.7)	(\$1.4)	(\$1.1)	(\$0.7)	(\$0.4)	(\$0.2)
- Interest on In-year Transactions	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	(\$2.5)
TOTAL REVENUE	\$32.3	\$33.3	\$34.2	\$34.3	\$35.3	\$36.0	\$37.5	\$38.5	\$348.9
CLOSING CASH BALANCE	(\$41.3)	(\$36.2)	(\$30.4)	(\$25.1)	(\$19.4)	(\$13.6)	(\$6.9)	\$0.2	

2014 Adjusted Charge Per Capita	\$13.63
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Allocation of Capital Program	
Residential Sector	74.0%
Non-Residential Sector	26.0%
Rates for 2014	
Inflation Rate:	2.0%
Interest Rate on Positive Balances	3.5%
Interest Rate on Negative Balances	5.5%

APPENDIX D

RESERVE FUNDS

APPENDIX D**DEVELOPMENT CHARGES RESERVE FUNDS**

The *Development Charges Act* requires that a reserve fund be established for each service for which development charges are collected. Table 1 presents the uncommitted reserve fund balances, as at December 31, 2013, that are available to help fund the development-related net capital costs identified in this study.

As shown in Table 1, the December 31, 2013 total reserve fund balance was \$286,292.29. These funds are assigned to projects in the initial years of the capital program for each service. This has the effect of reducing and deferring capital costs brought forward to the development charge calculation and the cash flow analysis.

**APPENDIX D
TABLE 1**

**TOWNSHIP OF WELLESLEY
DEVELOPMENT CHARGE RESERVE FUND BALANCE BY ACCOUNT
YEAR ENDING DECEMBER 31, 2013**

Service	Reserve Fund Balance as at Dec. 31, 2013
General Government	\$119,146.91
Fire Protection	\$106,686.35
Parks And Recreation	\$17,842.46
Transportation (Public Works and Roads) ⁽¹⁾	\$42,616.57
Total Development Charge Reserves	\$286,292.29

Note 1: For the purposes of this study, the transportation reserve is applied toward the Public Works service. Please see appendix B.4 for additional details.

APPENDIX E

LONG-TERM CAPITAL AND OPERATING IMPACTS

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APPENDIX E
TABLE 1

**TOWNSHIP OF WELLESLEY
ESTIMATED NET OPERATING COST OF THE PROPOSED
DEVELOPMENT-RELATED CAPITAL PROGRAM
(in constant 2014 dollars)**

	Net Cost (in 2014\$)		Estimated Operating Costs (\$000)									
			2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
FIRE PROTECTION			\$0.0	\$0.0	\$65.0	\$65.0	\$65.0	\$65.0	\$65.0	\$65.0	\$65.0	\$65.0
- New Station (6,500 sq.ft)	\$10	per sq.ft. added	\$0.0	\$0.0	\$65.0	\$65.0	\$65.0	\$65.0	\$65.0	\$65.0	\$65.0	\$65.0
PARKS AND RECREATION			\$8.5	\$22.0	\$43.0	\$224.3	\$246.5	\$250.0	\$253.5	\$257.0	\$260.5	\$264.0
- Wellesley Arena addition	\$15	per sq.ft. added	\$0.0	\$0.0	\$0.0	\$152.8	\$152.8	\$152.8	\$152.8	\$152.8	\$152.8	\$152.8
- Parkland and Park Facilities Development	\$0.25	per \$1.00 of new infrastructure	\$8.5	\$22.0	\$43.0	\$71.5	\$93.8	\$97.3	\$100.8	\$104.3	\$107.8	\$111.3
PUBLIC WORKS			\$0.0	\$0.0	\$3.0	\$10.0	\$35.0	\$48.0	\$48.0	\$48.0	\$48.0	\$48.0
- Buildings, Land and Fleet	\$0.10	per \$1.00 of new infrastructure	\$0.0	\$0.0	\$3.0	\$10.0	\$35.0	\$48.0	\$48.0	\$48.0	\$48.0	\$48.0
TOWNSHIP ENGINEERING			\$5.3	\$10.5	\$15.8	\$21.0	\$26.3	\$31.5	\$36.8	\$42.0	\$47.3	\$52.5
- Development-Related Roads Infrastructure	\$150	per household	\$5.3	\$10.5	\$15.8	\$21.0	\$26.3	\$31.5	\$36.8	\$42.0	\$47.3	\$52.5
TOTAL ESTIMATED OPERATING COSTS			\$13.8	\$32.5	\$126.8	\$320.3	\$372.8	\$394.5	\$403.3	\$412.0	\$420.8	\$429.5

APPENDIX E
TABLE 2 - PAGE 1

TOWNSHIP OF WELLESLEY
SUMMARY OF TAX SUPPORTED FUNDING REQUIREMENTS

Net Capital Cost of Development-Related Projects	2014 (\$000)	2015 (\$000)	2016 (\$000)	2017 (\$000)	2018 (\$000)	2019 (\$000)	2020 (\$000)	2021 (\$000)	2022 (\$000)	2023 (\$000)	TOTAL (\$000)
GENERAL GOVERNMENT											
Total Net Cost (1)	60.0	50.0	50.0	0.0	82.5	0.0	0.0	50.0	0.0	25.0	317.5
Net Cost From Development Charges (2)	0.0	0.0	0.0	0.0	54.1	0.0	0.0	22.5	0.0	22.5	99.1
Net Cost From Non-DC Sources	60.0	50.0	50.0	0.0	28.4	0.0	0.0	27.5	0.0	2.5	218.4
- Discount Portion (3)	6.0	2.5	2.5	0.0	8.3	0.0	0.0	2.5	0.0	2.5	24.3
- Available DC Reserves (4)	54.0	22.5	22.5	0.0	20.1	0.0	0.0	0.0	0.0	0.0	119.1
- Replacement & Benefit to Existing	0.0	25.0	25.0	0.0	0.0	0.0	0.0	25.0	0.0	0.0	75.0
- For Post 2023 Development (5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FIRE PROTECTION											
Total Net Cost (1)	0.0	40.0	1,615.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	1,755.0
Net Cost From Development Charges (2)	0.0	0.0	743.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	743.9
Net Cost From Non-DC Sources	0.0	40.0	871.1	100.0	0.0	0.0	0.0	0.0	0.0	0.0	1,011.1
- Discount Portion (3)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Available DC Reserves (4)	0.0	40.0	66.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	106.7
- Replacement & Benefit to Existing	0.0	0.0	710.0	89.0	0.0	0.0	0.0	0.0	0.0	0.0	799.0
- For Post 2023 Development (5)	0.0	0.0	94.4	11.0	0.0	0.0	0.0	0.0	0.0	0.0	105.4
PARKS AND RECREATION											
Total Net Cost (1)	74.0	54.0	84.0	714.0	89.0	64.0	14.0	14.0	14.0	14.0	1,135.0
Net Cost From Development Charges (2)	30.8	48.6	75.6	642.6	52.8	12.6	12.6	12.6	12.6	12.6	913.3
Net Cost From Non-DC Sources	43.2	5.4	8.4	71.4	36.2	51.4	1.4	1.4	1.4	1.4	221.7
- Discount Portion (3)	5.4	5.4	8.4	71.4	8.9	3.9	1.4	1.4	1.4	1.4	109.0
- Available DC Reserves (4)	17.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	17.8
- Replacement & Benefit to Existing	20.0	0.0	0.0	0.0	0.0	25.0	0.0	0.0	0.0	0.0	45.0
- For Post 2023 Development (5)	0.0	0.0	0.0	0.0	27.3	22.5	0.0	0.0	0.0	0.0	49.8

Notes: (1) For total development-related capital program see Appendix B.

(2) Share of capital program to be funded from development charges if calculated rates are fully implemented

(3) Mandatory 10% reduction for applicable services

(4) Portion of development-related capital program identified as available DC reserves (to be funded from present Development Charge reserve fund balances).

(5) Post 2023 development-related net capital costs may be eligible for development charges in future DC by-laws, but interim financing of this share may be required

APPENDIX E
TABLE 2 - PAGE 2

TOWNSHIP OF WELLESLEY
SUMMARY OF TAX SUPPORTED FUNDING REQUIREMENTS

Net Capital Cost of Development-Related Projects	2014 (\$000)	2015 (\$000)	2016 (\$000)	2017 (\$000)	2018 (\$000)	2019 (\$000)	2020 (\$000)	2021 (\$000)	2022 (\$000)	2023 (\$000)	TOTAL (\$000)
PUBLIC WORKS											
Total Net Cost (1)	0.0	0.0	30.0	70.0	250.0	130.0	0.0	0.0	0.0	0.0	480.0
Net Cost From Development Charges (2)	0.0	0.0	0.0	57.4	48.6	0.0	0.0	0.0	0.0	0.0	106.0
Net Cost From Non-DC Sources	0.0	0.0	30.0	12.6	201.4	130.0	0.0	0.0	0.0	0.0	374.0
- Discount Portion (3)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Available DC Reserves (4)	0.0	0.0	30.0	12.6	0.0	0.0	0.0	0.0	0.0	0.0	42.6
- Replacement & Benefit to Existing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- For Post 2023 Development (5)	0.0	0.0	0.0	0.0	201.4	130.0	0.0	0.0	0.0	0.0	331.4
TOTAL GENERAL SERVICES											
Total Net Cost (1)	134.0	144.0	1,779.0	884.0	421.5	194.0	14.0	64.0	14.0	39.0	3,687.5
Net Cost From Development Charges (2)	30.8	48.6	819.5	700.0	155.5	12.6	12.6	35.1	12.6	35.1	1,862.3
Net Cost From Non-DC Sources	103.2	95.4	959.5	184.0	266.0	181.4	1.4	28.9	1.4	3.9	1,825.2
- Discount Portion (3)	11.4	7.9	10.9	71.4	17.2	3.9	1.4	3.9	1.4	3.9	133.3
- Available DC Reserves (4)	71.8	62.5	119.2	12.6	20.1	0.0	0.0	0.0	0.0	0.0	286.3
- Replacement & Benefit to Existing	20.0	25.0	735.0	89.0	0.0	25.0	0.0	25.0	0.0	0.0	919.0
- For Post 2023 Development (5)	0.0	0.0	94.4	11.0	228.8	152.5	0.0	0.0	0.0	0.0	486.6

TOWNSHIP ENGINEERING (6)	2014-2031
Total Net Cost (1)	7,826.0
Net Cost From Development Charges (2)	2,073.2
Net Cost From Non-DC Sources	5,752.8
- Discount Portion (3)	0.0
- Available DC Reserves (4)	0.0
- Replacement & Benefit to Existing	5,752.8
- For Post 2031 Development	0.0

Notes: (1) For total development-related capital program see Appendices B and C.

(2) Share of capital program to be funded from development charges if calculated rates are fully implemented

(3) Mandatory 10% reduction for applicable services

(4) Portion of development-related capital program identified as available DC reserves (to be funded from present Development Charge reserve fund balances).

(5) Post 2023 development-related net capital costs may be eligible for development charges in future DC by-laws, but interim financing of this share may be required

APPENDIX F

DRAFT 2014 DEVELOPMENT CHARGES BY-LAW

BY-LAW NO. xx-2014

OF THE

CORPORATION OF THE TOWNSHIP OF WELLESLEY

Being a by-law to impose Development Charges
in the Corporation of the Township of Wellesley
pursuant to the Development Charges Act, S.O., 1997,c.98.

WHEREAS the Development Charges Act, S.O., 1997 c.98 authorizes municipalities to pass by-laws for the imposition of development charges against land if the development of land would increase the need for services;

AND WHEREAS Council wishes to ensure that the capital cost of meeting growth related demands for services is met but does not place a financial burden upon the Township's existing taxpayers, and also that new taxpayers bear no more than the net capital cost attributable to providing the current level of services;

AND WHEREAS section 2(1) of the Development Charges Act, 1997, S.O., 1997, c.27 (the "Development Charges Act") enables the Council to pass by-laws for the imposition of development charges against land to pay for increased capital costs required because of increased needs for services arising from the development or redevelopment of land;

AND WHEREAS the Township of Wellesley has undertaken a Development Charges Background Study, pursuant to s.10 of the Development Charges Act to investigate the increased need for services that will result from such development;

AND WHEREAS the Township has, pursuant to s.12 of the Development Charges Act, has given notice of a public meeting in the manner and to the persons and organizations prescribed by Ontario Regulation 82/98;

AND WHEREAS such public meeting was held on October 6, 2014 in the Council Chambers of the Township of Wellesley;

AND WHEREAS the Township ensured that the proposed by-law and the background study were made available to the public at least two weeks prior to the public meeting;

AND WHEREAS any person who attended the meeting was allowed to make representations in respect of the proposed development charges;

AND WHEREAS Council, having reviewed the study and the proposed by-law and having considered all to the representations made at the public meeting, directed that this by-law be enacted;

NOW THEREFORE THE MUNICIPAL COUNCIL OF THE TOWNSHIP OF WELLESLEY ENACTS AS FOLLOWS:

1. DEFINITIONS

In this by-law:

- a) "Act" means the Development Charges Act, 1997, S.O., 1997, c.27;
- b) "accessory use" means a use, including a building or structure, that is naturally and normally incidental, subordinate in purpose or floor area or both, and exclusively devoted to a principal use, building or structure situate on the same lot;
- c) "agricultural use" means the use of land and buildings for apiaries, fish farming, animal husbandry or the cultivation of trees, shrubs, flowers, grains, sod, fruits, vegetables and other crops or ornamental plants;
- d) "apartment" means any dwelling unit within a building containing more than four dwelling units where the units are connected by an interior corridor;
- e) "bedroom" means a habitable room larger than seven square metres, including a den, study or other similar area, but does not include a living room, dining room or kitchen;
- f) "benefitting area" means an area defined by a map, plan or legal description in a front-ending agreement as an area that will receive a benefit from the construction of a service;
- g) "capital cost" means costs incurred or proposed to be incurred by the Township or a local board thereof, directly or under an agreement:
 - (i) to acquire land or an interest therein, including the capital component of costs to acquire a leasehold interest;
 - (ii) to improve land;
 - (iii) to acquire, construct or improve, and the capital component cost to lease, buildings and structures;
 - (iv) to acquire, construct or improve, and the capital component cost to lease, facilities including:
 - 1. rolling stock with an estimated useful life of seven years or more,

2. furniture and equipment, other than computer equipment, and
 3. material acquired for circulation, reference or information purposes by a library board as defined in the Public Libraries Act;
- (v) to undertake studies in connection with and to pay interest on money borrowed to pay for costs of any of the matters referred to in clauses (i) to (iv);
- (vi) to undertake the development charges background study as required under s.10 of the Act;
- h) "Council" means the Council of The Corporation of the Township of Wellesley;
- i) "development" means the construction, erection or placing of one or more buildings or structures on land or the making of an addition or alteration to a building or structure that has the effect of increasing the size or usability thereof, and includes redevelopment;
- j) "development charge" means a charge imposed with respect to growth-related net capital costs against land under this by-law;
- k) "dwelling unit" means a room or rooms located within a building or structure which are occupied or designed or intended to be occupied by one person or more persons as a single housekeeping unit and for which a separate private entrance (from outdoors or a common hallway), bathroom and kitchen facilities are provided;
- l) "duplex" means a dwelling or residential building divided horizontally into two dwelling units;
- m) "excess capacity" means uncommitted excess capacity but excludes uncommitted excess capacity if, either before or at the time the excess capacity was created, the Council of the Township expressed a clear intention that the excess capacity would be paid for by development charges or other similar charges;
- n) "existing industrial building" means a building or buildings existing on a site on the day this by-law is passed or the first building or buildings constructed on a vacant site pursuant to site plan approval under section 41 of the Planning Act, R.S.O. 1990, c. P.13 (the "Planning Act") subsequent to the passing of this by-law for which full development charges were paid, and is used for or in connection with,
- (i) the production, compounding, processing, packaging, crating, bottling, packing or assembling of raw or semi-processed goods or materials ("manufacturing") or warehousing;

- (ii) research or development in connection with manufacturing;
- (iii) retail sales by a manufacturer, if the retail sales are at the site where the manufacturing is carried out and such retail sales are restricted to goods manufactured at the site; or
- (iv) office or administrative purposes, if they are,
 1. carried out with respect to manufacturing or warehousing; and
 2. in or attached to the building or structure used for such manufacturing or warehousing;
- o) “farm building” means that part of a bona fide farming operation encompassing barns, silos, and other ancillary development to an agricultural use, but excluding a residential use;
- p) “floor area” means the areas of floors of a building or structure measured between the outside surfaces of exterior walls or between the outside surfaces of exterior walls and the centre line of party walls, and in the case of a dwelling unit includes only those floor areas above grade. This shall not include any area which is specifically designed for parking and is not being used for the repair or sale of vehicles;
- q) “front-end payment” means a payment made by an owner pursuant to a front-ending agreement, which may be in addition to a development charge that the owner is required to pay under this by-law, to cover the net capital costs of the services designated in the agreement that are required to enable the land to be developed;
- r) “front-ending agreement” means an agreement made under Section 44 of the Act between the municipality and any or all owners within a benefitting area providing for front-end payments by an owner or owners or for the installation of services by an owner or owners or any combination thereof;
- s) “grade” means the average level of finished ground adjoining a dwelling unit at all exterior walls;
- t) “gross floor area” means the total floor area, measured between the outside of exterior walls or between the outside of exterior walls and the centre line of party walls dividing the building from another building, of all floors above the average level of finished ground adjoining the building at its exterior walls;
- u) “growth-related net capital cost” means the portion of the net capital cost of services that is reasonably attributable to the need for such net capital cost that

results or will result from the anticipated development in all or a defined part of the Township less the Township's excess capacity and the extent to which an increase in service to meet the increased need will benefit existing development within the Township;

- v) "home business" means a vocational use, as permitted by the applicable Township Zoning By-law, conducted in a dwelling unit which is secondary to the use of the dwelling unit as a private residence;
- w) "household" means one or more persons living together as a single non-profit, housekeeping unit, sharing all areas of the dwelling unit and may, in addition, be designed to accommodate lodging units containing less than four residents;
- x) "local board" means a public library board or any other board, commission, committee, body or local authority established or exercising any power or authority under any general or special Act with respect to any of the affairs or purposes of the Township or the Regional Municipality of Waterloo (the "Region") or any part or parts thereof;
- y) "local services" means services related to a plan of subdivision or within the area to which the plan relates, to be installed or paid for by the owner as a condition of approval under section 51 of the Planning Act, or as a condition of approval under section 53 of the Planning Act;
- z) "lodging house" means a dwelling or residential building containing one or more lodging units designed to accommodate four or more residents. The residents may share common areas of the dwelling other than the lodging units, and do not appear to function as a household. This shall not include a group home, nursing home, hospital or any residential care facility licensed, approved, or supervised under any general or specific Act, or a hotel or motel. This shall include but not be limited to student residences, convents and tourist homes;
- aa) "lodging unit" means a room or a set of rooms located in a lodging house designed or intended to be used for sleeping and living accommodations, which:
 - (i) is designed for the exclusive use of the resident or residents of the unit;
 - (ii) is not normally accessible to persons other than the resident or residents of the unit; and
 - (iii) may contain either a bathroom or kitchen but does not contain both for the exclusive use of the resident or residents of the unit;

- bb) “multiple dwelling” means all dwellings other than single detached dwellings, semi-detached dwellings, and apartment dwellings within the respective meanings ascribed hereto under this By-law;
- cc) “municipality” means The Corporation of the Township of Wellesley;
- dd) “net capital cost” means the capital cost less capital grants, subsidies and other contributions made to the municipality or that Council anticipates will be made, including conveyances or payments under section 43, 51 and 53 of the Planning Act in respect of the capital costs;
- ee) “non-residential uses” means all commercial, industrial, institutional and other uses not included in the definition of residential use;
- ff) “Official plan” means the Official Plan of the Wellesley Planning Area and any amendments thereto;
- gg) “owner” means the owner of land or a person authorized by the owner who has made application for an approval for the development of land upon which a development charge is imposed;
- hh) “Planning Act” means the Planning Act, R.S.O. 1990, c.P.13;
- ii) “pre-existing development” means a use of land existing on the land at the time a development charge is payable or existing at any time in the five years prior thereto;
- jj) “rate” means the interest rate established by the Bank of Canada on the day this By-law comes into force updated on the first business day of every January, April, July and October;
- kk) “regulation” means any regulation made pursuant to the Act;
- ll) “residential use” means the use of land, buildings or structures for one or more single detached, semi-detached, townhouse, street townhouse dwelling, apartment or duplex dwelling units and lodging houses;
- mm) “semi-detached dwelling” means one dwelling unit within a building containing only two dwelling units, which is divided from the other dwelling unit by a vertical solid wall or partition extending from foundation to roof;
- nn) “seniors development lodging units” means lodging units which service the following types of needs:
 - (i) communal-prepared eating facilities;

- (ii) communal service for laundry;
 - (iii) communal recreation, if requested;
 - (iv) limited number of residents per unit (2);
 - (v) allowable personal care
 - (vi) allowable health care
 - (vii) communal religious services, if requested;
- oo) "single detached dwelling" means a dwelling or residential building consisting of one dwelling unit and not attached to another residential structure, and shall include a mobile home located on a foundation;
- pp) "site" means a parcel of land which can be legally conveyed pursuant to section 50 of the Planning Act and includes a development having two or more attached dwelling units, each of which has a separate entrance from the outside;
- qq) "warehousing" means a building or part of a building having no less than seventy-five percent (75%) of its gross floor area used for the storage or distribution of goods or materials.

PART I: APPLICATION AND EXEMPTIONS

2. IMPOSITION OF DEVELOPMENT CHARGES

2.1 All lands

Subject to subsection 2.2, the development charges herein are imposed on all lands in the municipality and no lands are exempt by reason only that they are exempt from taxation under s.3 of the Assessment Act.

2.2 This by-law does not apply to land owned by and used for the purposes of:

- a) a board of education as defined by subsection 1(1) of the Education Act, R.S.O. 1990, c.E.2;
- b) the Township of Wellesley or any local board thereof;
- c) the Region or any local board thereof;

- d) any area municipality within the Region; and
- e) the Crown in right of Ontario or the Crown in right of Canada.

3. APPLICATION OF DEVELOPMENT CHARGES

3.1 General Application

Subject to subsection (2) to (7) inclusive, development charges shall apply, and shall be calculated and collected in accordance with the provisions of this by-law, on land to be developed or redeveloped for residential and non residential use, where:

- a) the development or redevelopment of the land will increase the need for services; and
- b) the development or redevelopment requires one or more of the approvals which follow:
 - (i) the passing of a zoning by-law or of an amendment thereto under section 34 of the Planning Act;
 - (ii) the approval of a minor variance under section 45 of the Planning Act;
 - (iii) a conveyance of land to which a by-law passed under subsection 50(7) of the Planning Act applies;
 - (iv) the approval of a plan of subdivision under section 51 of the Planning Act;
 - (v) a consent under section 53 of the Planning Act;
 - (vi) the approval of a description under section 50 of the Condominium Act, R.S.O. 1990, c.C.26; or
 - (vii) the issuing of a permit under the Building Code Act, 1992, S.O. 1992, c.23 (the "Building Code"), in relation to a building or structure.

3.2 Subsection (1) shall not apply in respect of,

- a) local services; or

- b) local connections to water mains, sanitary sewers and storm drainage facilities installed at the expense of the owner including amounts imposed under a by-law passed under section 218 of the Municipal Act, R.S.O. 1990, c.M.45, as amended.
- 3.3 Where two or more of the actions described in subsection (1) are required before the land to which a development charge applies can be developed or redeveloped, only one development charge shall be imposed, calculated and collected in accordance with the provisions of this by-law.
- 3.4 Despite subsection (3), if two or more of the actions described in subsection (1) occur at different times and if the subsequent action or actions has the effect of increasing the need for services as designated in this by-law, additional development charges shall be imposed, calculated and collected in accordance with the provisions of this by-law.
- 3.5 Despite subsection (1) any subdivision agreement or development agreement made under section 51 or section 53 of the Planning Act or any predecessor thereof, which provides for the payment of a lot levy, development charge, capital contribution or other charge shall remain in full force and effect, be enforceable according to its terms and prevail to the extent that there is any conflict with this by-law. This subsection, however, shall not apply with respect to any lot or block which is further subdivided by a new plan of subdivision or consent or by a part lot control exemption by-law.
- 3.6 Subsection (1) shall not apply to:
- a) a temporary use permitted under a zoning by-law enacted under section 39 of the Planning Act;
 - b) an accessory use;
 - c) a home business;
 - d) an agricultural use;
 - e) temporary erection of a building without foundation as defined in the Building Code for a period not exceeding six consecutive months and not more than six months in any one calendar year on a site for which development charges or lot levies have previously been paid;
 - f) the Development of land that constitutes, in accordance with the Regulation only:
 - (i) the enlargement of an existing dwelling unit;

- (ii) the creation of the first two additional Dwelling Units in a Single Detached Dwelling Unit;
 - (iii) the creation of the first additional Dwelling Unit in a Semi-Detached, Multiple (or row) or Apartment building;
4. Development charges as set out in Parts II and III of this by-law shall apply to all lands that are developed or redeveloped for residential and non-residential use in accordance with this by-law, but only insofar as,
- a) the growth-related net capital costs of services are attributable to residential use, and
 - b) the growth-related net capital cost of each service is attributable to the anticipated development and at standards no higher than the average level of each such service provided by the Township over the ten year period immediately preceding the preparation of the Study.
5. The rates set out in Schedule "B" attached hereto shall be determined so as to reflect a ten per cent (10%) reduction to the growth-related net capital costs, except that there shall be no percentage reduction for the following growth-related net capital costs:
- a) water supply services, including distribution and treatment services;
 - b) wastewater services, including sewers and treatment services;
 - c) storm water drainage and control services;
 - d) services related to a highway as defined in subsection 1(1) of the Municipal Act;
 - e) electrical power services;
 - f) police services, and
 - g) fire protection services.

PART II: RESIDENTIAL DEVELOPMENT CHARGES

6. Development charges against land to be developed or redeveloped for residential use shall be based upon the services to be provided by the Township which are designated in Schedule "A" attached hereto.

7. a) Subject to the provisions of this by-law, development charges are hereby imposed against land to be developed or redeveloped for residential use and shall be calculated and collected at the rates set out in Schedule "B" attached hereto.
- b) Subject to the provisions of this by-law, development charges against land to be developed or redeveloped for mixed residential use shall be the aggregate of the amount applicable for each dwelling unit according to its type as set forth in Schedule "B" attached hereto.

PART III: NON RESIDENTIAL DEVELOPMENT CHARGES

8. Development charges against land to be developed or redeveloped for non residential use shall be based upon the services to be provided by the Township which are designated in Schedule "A" attached hereto.
9. Subject to the provisions of this by-law, development charges are hereby imposed against land to be developed or redeveloped for non residential use and shall be calculated and collected at the rate set out in Schedule "B" attached hereto.
10. a) Despite anything in this by-law, there shall be an exemption from the payment of development charges for one or more enlargements of an existing industrial building up to a maximum of fifty per cent (50%) of the gross floor area of an enlargement that results in the gross floor area of the industrial building being increased by greater than fifty per cent (50%) of the gross floor area of the existing industrial building.
- b) For the purpose of this section, despite any new sites created which result in an existing industrial building being on a site separate from its enlargement or enlargements for which an exemption was granted under this section, further exemptions if any, pertaining to the existing industrial building shall be calculated on the basis of the gross floor area of the existing industrial building prior to the first enlargement and the site prior to its division in accordance with subsection 10.a).

Mixed Use

11. Subject to the provisions of this by-law, development charges against land to be developed or redeveloped for mixed residential and non residential use shall be the aggregate of the amount applicable to the residential component and the amount applicable to the gross floor area of the non residential component.

PART IV: ADMINISTRATIONPayment

12. All development charges required to be paid to the Township pursuant to this by-law shall be paid by cash or certified cheque and directed to the Township's Chief Building Official.

Calculations

- 13.1 Subject to the provisions of this part, development charges shall be calculated and payable in full on the date that a building permit is issued in relation to a building or structure on land to which a development charge applies.
- 13.2 Where development charges apply to land where a building permit is required, no building permit shall be issued until the development charge is paid in full.
14. If a development of land does not require the issuing of a building permit and requires one of the approvals listed in subsection 3.1b)(i) to (vi) inclusive, the development charge, subject to subsection 3.1a) shall be payable and shall be calculated and collected on such date as may be determined by the approving authority.

Credits

- 15.1 The Township may, by agreement, permit the owner of land to which development charges apply to provide services for development or redevelopment of that land in lieu of the payment of all or any portion of a development charge, including services additional to or of a greater size or capacity than is required under this by-law ("services in lieu").
- 15.2 Upon proof of the installation or construction of services in lieu to the satisfaction of the Township's Manager of Public Works, a credit, without interest, shall be applied against development charges payable for an amount equal to the reasonable cost to the owner for providing services in lieu, as determined by the Township's Manager of Public Works, not to exceed the total amount of the development charges otherwise payable.
- 15.3 Any unused credit may be applied, upon proof satisfactory to the Township's Chief Building Official, to any subsequent development charge payable with respect to the same land as referred to in subsection 1.

Redevelopment Allowances

16.1 Subject to the provisions of this section, where any redevelopment of land replaces or changes a former or existing development and provided that the redevelopment has seriously commenced within three years from the date of issuance of the demolition permit for the land, the development charge applicable to the redevelopment shall be reduced by a redevelopment allowance, without interest, not to exceed an amount equal to the total of:

- i) for residential development, the number and types of legally established units in the former or existing development; and
- ii) for non residential development, the legally established gross floor area of the former or existing development,

as determined by the Township's Clerk and Chief Building Official at the rates applicable to such units or gross floor area.

16.2 No redevelopment allowance shall be made in excess of the development charge payable for a redevelopment; however, the redevelopment allowance may be carried forward and applied, upon proof satisfactory to the Township's Chief Building Official, to any subsequent development charge payable with respect to the same land as referred to in subsection 1.

Reserve Funds

17.1 Monies received from payment of development charges shall be maintained in a separate reserve fund or funds, and shall be used only to meet growth-related net capital costs for which the development charge was imposed under this by-law.

17.2 Income received from investments of the development charge reserve fund or funds shall be credited to the development charge reserve fund or funds in relation to which the investment income applies.

17.3 Where any development charge, or part thereof, remains unpaid after the due date, the amount unpaid shall be added to the tax roll and shall be collected as taxes.

17.4 Where any unpaid development charges are collected as taxes under subsection 3, the monies so collected shall be credited to the development charge reserve fund or funds referred to in subsection 1.

PART V: **GENERAL**

18. This by-law shall be administered by the Township's Manager of Public Works, Clerk and Chief Building Official.

Annual Adjustment

19. The development charges set out in sections 7, 9 and Schedule "B" attached hereto shall be adjusted annually without amendment to this by-law, as of the 1st day of January in each year, commencing on January 1, 2015, in accordance with the most recent Statistics Canada Quarterly, Construction Price Index.
20. The minimum interest rate that the Township shall pay under subsection 18(3) and 25(2) of the Development Charges Act in relation to a development charges by-law shall be the Bank of Canada interest rate on the day the by-law comes into force and thereafter as such rate is adjusted on the first business day of every January, April, July and October thereafter for the life of this By-law.

Term

- 21.1 This by-law shall come into force and effect on the xxx day of xxx, 2014.
- 21.2 This by-law shall continue in force and effect for a term not to exceed five years from the date of its enactment unless it is repealed or replaced at an earlier date by a subsequent by-law.
22. Nothing in this by-law shall be construed so as to commit or require the Township or its Council to authorize or proceed with any specific capital project at any specific time.
23. Each and every provision of this by-law is severable and, if any provision or provisions of this by-law should, for any reason, be declared invalid by any court, it is the intention of Council that each and every of the then remaining provisions of this by-law shall remain in full force and effect.
25. This by-law may be cited as the "Township of Wellesley Development Charges By-law, 2014".

PASSED at the Council Chambers in the Township of Wellesley this _____ day of _____, A.D. 2014.

Mayor

Clerk

SCHEDULE "A"

SERVICES

1. General Government;
2. Fire Protection;
3. Parks and Recreation;
4. Public Works; and
5. Township-wide Engineering

SCHEDULE "B"**1. Residential Development Charges**

Service	Residential Development Charge (per Dwelling Unit)		
	Single & Semi-Detached	Rows & Other Multiples	Apartments
General Government	\$213	\$158	\$115
Fire Protection	\$1,778	\$1,319	\$957
Parks and Recreation	\$2,923	\$2,168	\$1,572
Public Works	\$243	\$180	\$131
Township Engineering	\$2,509	\$1,861	\$1,350
TOTAL CHARGE PER UNIT	\$7,666	\$5,686	\$4,125

2. Non-Residential Development Charges

Service	Non-Residential Charge per Square Metre of Gross Floor Area
General Government	\$1.15
Fire Protection	\$9.52
Parks and Recreation	\$0.00
Public Works	\$1.31
Township Engineering	\$13.63
TOTAL CHARGE PER SQ.M	\$25.61