



TOWNSHIP OF HURON-KINLOSS DRAFT DEVELOPMENT CHARGES BACKGROUND STUDY (2019)



TOWNSHIP OF HURON-KINLOSS
DEVELOPMENT CHARGES BACKGROUND STUDY

DRAFT

August 22, 2019

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TABLE OF CONTENTS

1.0	INTRODUCTION	1
2.0	BACKGROUND	2
3.0	CURRENT PRACTICE	2
4.0	APPROACH	4
5.0	POPULATION AND GROWTH FORECAST	5
5.1	General	5
5.2	Current Population and Household Trends	5
5.3	Population and Households Forecast	8
5.3.1	Forecast Methodology	8
5.3.2	Residential and Population Forecast	9
5.4	Non-Residential Development Forecast.....	10
6.0	REVIEW OF GROWTH-RELATED CAPITAL COSTS	11
6.1	General Considerations	11
6.2	Review of Projects/Services from the 2014 Background Report.....	12
6.3	Review of Additional Services	14
6.4	Service Areas.....	16
6.5	Asset Management	18
7.0	CALCULATION OF THE DEVELOPMENT CHARGE	19
7.1	Methodology.....	19
7.2	Assumptions Used in the Development Charge Calculation	20
7.2.1	Spatial Applicability of Capital Costs	20
7.2.2	Allocation of Costs Between Growth and Existing Development	21
7.2.3	Allocation of Costs Between Residential and Non-Residential Development 21	
7.2.4	Occupancy Considerations.....	21
7.3	Calculated Development Charge	21
8.0	IMPLEMENTATION	25
8.1	General Considerations	25
8.2	Applicable Development	26
8.3	Charge Ceilings.....	26
8.4	Phasing-in	26
8.5	Inflation Adjustments.....	26

8.6	Front-Ending Agreements	27
8.7	Credits.....	27
9.0	SUMMARY.....	27
10.0	FUTURE ACTION.....	28

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1.0 Introduction

The Township of Huron-Kinloss is considering establishing, by by-law, revised development charges to pay for capital costs required due to increased needs for services arising from development. The by-law may establish development charges against residential and non-residential development activities in the Township during the period of 2019-2024. This by-law would be passed under the statutory authority of the *Development Charges Act, 1997* (DCA) as amended and its accompanying Regulations. It will replace the existing Development Charges by-law (By-law 2014-105), passed on November 17, 2014.

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

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

2.0 Background

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

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

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

3.0 Current Practice

Prior to amalgamation, the Village of Ripley and former Huron Township passed development charge by-laws in 1992. Following amalgamation in 1999, development charges were implemented for the entire Township in 1999, 2004, 2010 and 2014. Currently, as set out in By-law 2014-105, development charges are collected for five areas of the Township:

- Lucknow Settlement Area;
- Ripley Settlement Area;
- Lakeshore Area;
- Rural Kinloss (the former Kinloss Township); and
- Rural Huron (the former Huron Township).

The charges established under that by-law for a single, detached unit are as follows:

- Lucknow: \$ 2,998.02
- Ripley: \$ 4,165.08
- Lakeshore: \$ 1,633.39
- Huron: \$ 1,018.60
- Kinloss: \$ 354.16

The current by-law exempts non-residential development from development charges and has a 70% discount for nursing home and retirement home units.

Development charges for capital planning studies are collected across the entire Township. In the Lucknow, development charges are collected for water and fire protection projects. In Ripley, projects included in the development charges are collected under sanitary sewer and water categories. In the Lakeshore area, there are water and transportation development charge projects. In rural Kinloss and Huron, development charges are collected for fire protection and transportation projects respectively. Table 3.1 outlines the development charges established under the 2014 By-law.

Table 3.1 Development Charges established by By-law 2014-105

DC Category	Single Detached Unit (per unit)	Multiple Unit and Townhouses (per unit)	Apartments (per unit)	Nursing/Retirement Units (per bedroom)
Lucknow	\$ 2,998.02	\$ 2,421.48	\$ 1,729.63	\$ 1,153.08
Ripley	\$ 4,165.08	\$ 3,364.10	\$ 2,402.93	\$ 1,601.95
Lakeshore	\$ 1,633.39	\$ 1,319.28	\$ 942.34	\$ 628.23
Rural Huron	\$ 1,018.60	\$ 822.71	\$ 587.65	\$ 391.77
Rural Kinloss	\$ 354.16	\$ 286.05	\$ 204.32	\$ 136.22

In the period between 2014 and the end of 2018, a total of \$92,515.79 was collected in development charges. Table 3.2 summarizes the additions, interest earned and expenditures from the development charge accounts between 2014-2018. The expenditures made using funds from the development charge reserves included debt repayment and contributions towards the projects as described in the 2014 Background Study.

Table 3.2: Development Charges Collected and Reserve Balance (2014-2018)

	2014	2015	2016	2017	2018
Contributions	\$19,983.89	\$7,464.42	\$10,503.67	\$36,700.31	\$17,863.50
Interest	\$163.30	\$60.85	\$87.34	\$332.18	\$259.31
Expenditures	\$20,147.19	\$7,525.27	\$10,591.01	\$37,032.49	\$18,122.81

4.0 Approach

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

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

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

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

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

5.0 Population and Growth Forecast

5.1 General

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

5.2 Current Population and Household Trends

The most recent population count for the Township of Huron-Kinloss is the 2016 Census. In 2016, the population of Huron-Kinloss was 7,069 permanent residents, an increase of 279 persons from the 2011 count. The seasonal portion of the population is not included in Census population estimates. The permanent population of Huron-Kinloss has increased between 1981 and 2016, as shown in Table 5.1, with an annual average growth rate of 0.64%. Over the last 10 years, the annual average population growth rate has increased to 0.82% as a result of recent developments within the Township.

Table 5.1: Census Population in Huron-Kinloss (1981-2016)

Year	Huron-Kinloss
1981	5,663
1986	5,457
1991	6,149
1996	6,284
2001	6,250
2006	6,515
2011	6,790
2016	7,069
5-year change	279
10-year change	554
20-year change	785

The population for specific areas of the Township, including the two urban centres of Lucknow and Ripley, were identified through Census Dissemination Block data. For the purposes of this study, the Lakeshore area is categorized as all the lands west of Lake Range Drive. The population for Ripley, Lucknow, the Lakeshore Area, and rural areas of Huron and Kinloss from 2006 to 2016 are shown in Table 5.2

Table 5.2: Census Population in Huron-Kinloss (1981-2016)

Year	Lucknow	Ripley	Lakeshore	Huron	Kinloss	Huron-Kinloss
2006	1,162	654	2,164	973	1,562	6,515
2011	1,105	769	2,391	955	1,570	6,790
2016	1,121	762	2,670	904	1,612	7,069
5-year change	16	-7	279	-51	42	279
10-year change	-41	108	506	-69	50	554

While there has been an overall increase in the population of the Township, there are areas that have experienced slight population declines over the past 10 years, specifically the rural area of the former Huron Township and community of Lucknow. In Ripley, the population increased in the last 10-year period by 108 persons. Rural Kinloss, unlike rural Huron, has had a population increase of approximately 50 persons over the last 10 years, with much of the growth occurring in the last 5 years. The area of the greatest growth in the Township is the lakeshore area. Over the last census periods, the permanent population of this area has increased by 279 people in 5 years and 507 in 10 years. This equates to an average annual growth rate of 2.12% over the last 10 years. The increase in the lakeshore population compared to other areas of the Township is attributable to a new subdivision, as well as the area being a desired location for retirement and the conversion of seasonal dwellings to permanent homes.

The relatively stable population in the urban centres of Lucknow and Ripley reflects their status as service communities for the surrounding rural areas.

The number of total private dwellings from Census data for the areas of the Huron-Kinloss are summarized in Table 5.3. Information for 2006 to 2016 is based on dissemination blocks, while the earlier, available data for Ripley, Lucknow and the Township are based on overall census counts.

Table 5.3 Census Dwelling Counts (1981-2016)

Year	Lucknow	Ripley	Lakeshore	Huron	Kinloss	Township
1981	452	245	-	-	-	1,951
1986	465	246	-	-	-	1,935
1991	482	261	-	-	-	2,271
1996	510	-	-	-	-	-
2001	485	-	-	-	-	3,560
2006	529	333	2,016	373	508	3,759
2011	480	345	2,158	377	521	3,881
5-year change	28	-7	98	-1	38	156
10-year change	-21	5	240	3	51	278

The Census data from 2016 shows growth in the total number of units in Huron-Kinloss, with a 5-year increase of 156 units and a 10-year increase of 278. This equates to a 10-year average annual of 0.72%. Similar to the trends in population, much of the growth in residential units is concentrated in the Lakeshore area. Lucknow, Ripley and rural Huron have had only slight changes in the number of units in the past 10 years. Kinloss, unlike rural Huron, has experienced relatively steady growth in the number of residential units, with an additional 50 units in the past 10 years.

The Lakeshore area of the Township includes a number of seasonally occupied dwellings in addition to permanent homes. The number of “usually occupied” dwellings in the Lakeshore area, as of 2016, was 1,161 units or 51.5% of the total number of units. This is an increase from 46% usually occupied in 2011. This suggests that while there is still a strong seasonal occupation in the Lakeshore area, there is an increase portion of the population in this area occupying their homes on a permanent basis.

To gain a better understanding of residential development occurring in Huron-Kinloss, building permit data for new residential dwellings was assessed. Table 5.4 summarizes the number of new building units throughout the Township between 2000 and 2018.

The vast majority of building permits for new residential units are for properties located within the Lakeshore area. This is likely a function of the availability of building lots as well as a desire to live and/or cottage in the communities along the lakeshore. Over the last ten years, there have been 313 building permits for new residences in this area. Over the last 5 years the annual average of building permits issued has declined to 28 units per year from a 10-year annual average of 31.3.

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

	Lucknow	Ripley	Lakeshore	Rural	Total
2000	3	1	18	7	29
2001	0	1	20	8	29
2002	1	1	27	4	33
2003	3	2	26	5	36
2004	6	2	34	6	48
2005	0	11	36	14	61
2006	2	3	42	2	49
2007	4	6	25	10	45
2008	7	2	30	5	44
2009	1	4	39	10	54
2010	3	10	53	2	68
2011	2	0	32	6	40
2012	3	1	28	5	37
2013	1	3	21	4	29
2014	2	1	15	3	21
2015	3	0	23	4	30
2016	0	1	43	9	53
2017	0	3	36	9	48
2018	0	1	23	3	27
5-year total	5	6	140	28	179
10-year total	15	24	313	55	407
5-year average	1	1.2	28	5.6	35.8
10-year average	1.5	2.4	31.3	5.5	40.7
19-year average	2.2	2.8	30.1	6.1	41.1

The rural area of the Township has the next greatest number of building permits, with 116 issued since 2000. Over the last 5 to 10 years, the annual average number of building permits has been approximately 5.5 new units per year. New residential builds in Lucknow and Ripley have occurred at a relatively low but steady pace with a 10-year average of 1.5 and 2.4 new units per year, respectively. More recently, over the last years, this average has declined to 1 and 1.2 new units annually in Lucknow and Ripley.

5.3 Population and Households Forecast

5.3.1 Forecast Methodology

For the purposes of this study, a population forecast for Huron-Kinloss was developed. The forecast is based on the 10-year annual average number of new residential building permits and household densities. This trend reflects changes in population characteristics, such as an aging population and decreases in family size.

The forecast incorporated the following methodological components:

- The 2016 population and household counts, as determined by the 2016 Census, were used as the starting points for the projections;
- From this base estimate, household growth was calculated using the 10-year annual average of residential building permits for each area. Building permit data for the past 10 years for rural Huron and Kinloss was provided combined as rural development. For rural Huron and Kinloss, it was assumed that 28% of new units will be in Huron and 72% will be in Kinloss, based on building permits from the last four years.
- For the Lakeshore area, the total population includes both seasonal and permanent residents.
- Population density in each of the wards is expected to continue to decrease over the next 20 years in Ripley, Lucknow, Huron, Kinloss and for the permanent Lakeshore population. The population density for the seasonal population is assumed to be 2.5 persons per unit over the next 20 years. The population densities for the areas are:
 - Lucknow: 2.32 persons per unit (2016) to 2.2 persons per unit (2044);
 - Ripley: 2.4 persons per unit (2016) to 2.34 persons per unit (2044);
 - Lakeshore (permanent): 2.3 persons per unit (2016) to 2.28 persons per unit (2044); and
 - Rural Huron and Kinloss: 3.08 persons per unit (2016) to 2.72 persons per unit (2044).
- It is expected that the majority of development will occur as single and semi-detached units in the short term.

5.3.2 Residential and Population Forecast

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

Table 5.5: Residential Household Forecast

Year	Lucknow	Ripley	Lakeshore Permanent	Lakeshore Seasonal	Rural Huron	Rural Kinloss	Township
2016	483	317	1,161	1,095	328	488	3,872
2019	488	324	1,209	1,141	333	500	3,995
2024	496	336	1,290	1,217	341	520	4,200
2029	504	348	1,376	1,287	349	540	4,404
2034	512	360	1,462	1,357	357	560	4,608
2039	520	372	1,548	1,427	365	580	4,812
2044	528	384	1,634	1,497	373	600	5,016
5-year change	8	12	81	76	8	20	205
10-year change	16	24	167	146	16	40	409
20-year change	32	48	339	286	32	80	817

Table 5.6: Population Forecast (2019-2044)

	Lucknow	Ripley	Lakeshore Permanent	Lakeshore Seasonal	Rural Huron	Rural Kinloss	Township
2016	1,121	762	2,670	2,737	904	1,612	9,807
2019	1,122	771	2,781	2,853	1,006	1,510	10,043
2024	1,131	800	2,967	3,043	1,009	1,539	10,490
2029	1,139	821	3,151	3,218	1,012	1,566	10,907
2034	1,147	850	3,348	3,393	1,014	1,590	11,342
2039	1,154	870	3,529	3,568	1,015	1,612	11,748
2044	1,162	899	3,726	3,743	1,015	1,632	12,177
5-year change	9	29	186	190	3	29	447
10-year change	17	50	370	365	6	56	864
20-year change	32	99	748	715	9	102	1,705

5.4 Non-Residential Development Forecast

Between 2015 and 2018, there was a total of 27 building permits issued for commercial, industrial and institutional (ICI) developments. This equates to an average of 7 permits per year. The majority of these permits have been issued for developments within the rural Kinloss area. In total, an additional of 89,151 square feet of non-residential development has occurred over the last four years. On average, this is 22,288 square feet per year, with averages of 15,426 square feet of industrial, 4,894 square feet of commercial, and 1,968 square feet of institutional development per year.

The forecast for non-residential growth in square feet over the next 25 years is presented in Table 5.7. Non-residential development is expected to continue at a similar pace to what has been experienced in recent years. It is forecasted that non-residential development will occur at an average rate of 22,288 square feet per year over the next 20 years. This equates to 111,439 square feet of non-residential development over the next 5 years.

It is anticipated that non-residential development may increase in pace following the servicing of the Ripley Industrial Park. It is anticipated that land prices will be set at a level to recover the initial purchase price and costs associated with providing sanitary, water, road and stormwater infrastructure.

Table 5.7 Forecasted Additional Non-Residential Development, Huron-Kinloss

Time Period	Additional Non-Residential Development (square feet)
5 year (2024)	111,439
10 year (2029)	222,878
20 year (2039)	445,755
25 year (2044)	557,194

6.0 Review of Growth-Related Capital Costs

6.1 General Considerations

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

- Identification of municipal services required to permit occupancy for new development (e.g., water, sanitary, stormwater management, roads, fire protection);
- A review of projects/services contained in the 2014 Background Report were used support the current Development Charges By-law;
- A review of new projects/services that were proposed to be collected for in a development charge because they will be required as a result of growth;
- Assessment of the applicability of services and projects under the DCA, taking the following factors into consideration:
 - Eligible Services: Development charges can only be applied to each of the following services to recover the growth-related capital costs for facility construction and improvement, land acquisition and improvement, equipment and furnishings:
 - Water and wastewater services;
 - Stormwater infrastructure;
 - Transportation infrastructure (e.g., sidewalks, streetlights)
 - Electrical power services;
 - Policing services;
 - Ambulance services;
 - Waste diversion services;
 - Transit services; and
 - Development charge background studies; and
 - Studies related to the above matters;
 - Ineligible Services: Development charges cannot be applied to:
 - Cultural, tourism, or entertainment facilities;
 - Landfills;
 - Hospitals;
 - Municipal administration buildings;

- Land acquisition costs for parks;
- Rolling stock with a lifespan of less than seven years; and
- Computer equipment.
- Identification of completed projects and services which benefit future development and included allocations specifically for growth (i.e., additional capacity);
- Identification of proposed projects and services which will provide benefit to further development within the next ten years; and
- Assessment of the probable capital costs which will be incurred for those projects or services determined to be DCA-eligible.

6.2 Review of Projects/Services from the 2014 Background Report

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

Table 6.1 Summary of Review of 2014 Development Charge Projects

Service Category	Project	Service Area	Summary of Review
Sanitary Sewage	Ripley Sewage Treatment	Ripley	<ul style="list-style-type: none"> • Sewage collection and treatment facilities constructed between 1991 and 1993. In 2008 to 2009, the facilities were rerated to 1,065 persons • Continue to collect until capacity is allocated
Water Services	Water Supply	Ripley	<ul style="list-style-type: none"> • Well 2 (and pumping facilities) were constructed between 1995 and 1996. • Well had a design capacity of 750 persons. • Have reached design population, remove from development charges.
Water Services	Water Supply Master Plan	Lakeshore	<ul style="list-style-type: none"> • Trunk watermain, water storage, major supply wells were constructed between 1995 and 1996. • Designed to supply 2,568 lots • Continue to collect until capacity is allocated

Service Category	Project	Service Area	Summary of Review
Water Services	Water Storage	Lucknow	<ul style="list-style-type: none"> • New water storage facility will replace the existing standpipe and service future development. • Design capacity is 1,854 persons (50-year design population) • Continue to collect until capacity is allocated
Water Services	Water Storage	Ripley	<ul style="list-style-type: none"> • New well and water storage facility built in 2018 to service existing population as well as future development. • Design capacity of 2,004 persons (50-year design) • Continue to collect until capacity is allocated
Transportation	Lake Range Extension	Lakeshore, Rural Huron	<ul style="list-style-type: none"> • Extension of Lake Range Drive from Concession 12 to Saratoga Rd. Constructed in 2006. • Services Lakeshore Area and Huron Township. Potential number of lots in service area is 2,900. • Continue to collect for the project
Fire Protection	Lucknow Firehall	Lucknow, Rural Kinloss	<ul style="list-style-type: none"> • New firehall constructed in Lucknow to service Lucknow and Kinloss. • Facility will service existing population and next 20 years of growth. • Continue to collect for project.
Administration	Capital Growth Studies	All	<ul style="list-style-type: none"> • Includes Development Charge Background Study and general funds for studies • Review studies and include under specific service categories (e.g. a bridge needs study under transportation)

It should be noted that the Development Charges Act was amended in June 2019 under Bill 108 (More Homes, More Choice Act). Under Bill 108, 'soft services' will be no longer eligible for collection through development charges following the prescribed date set out in the amended Development Charges Act and regulation. Soft services include services related to parks and recreation and libraries. Under the amendments made through Bill 108, municipalities will be able to collect for soft services through a

'Community Benefit Charge'. Municipalities will have until January 1, 2021 to pass a Community Benefits Bylaw to collect for soft services. Community benefit charges will be charged as a prescribed percentage of the value of the development land; however, at present the prescribing regulation outlining the formula for calculation of the charges is not available. It is noted that the Township may implement such a By-law to collect for soft services.

6.3 Review of Additional Services

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

Table 6.2 New Projects for Inclusion in Development Charges

Service Category	Project	Service Area	Description
Sanitary Sewage	Finlay St. Sewer	Finlay St. Service Area	<ul style="list-style-type: none"> • A new sewer is required to service lots on the north and south sides of Finlay Street. Costs include environmental assessment, design and construction. • Estimated cost is \$212,020 • Will service an additional 20 lots
Water	Finlay St. Watermain	Finlay St. Service Area	<ul style="list-style-type: none"> • A new watermain is required to service lots on the north and south sides of Finlay Street. Costs includes environmental assessment, design and construction. • Estimated cost is \$283,975 • Will service an additional 20 lots
Transportation	Boiler Beach Multi-Use Path	Lakeshore	<ul style="list-style-type: none"> • A 3.7 km multi-use path on either side of Boiler Beach Road is proposed. • Expected to benefit existing and future development. Benefit to existing is estimated at 75% and future is 25% • Estimated cost is \$1,059,250

Service Category	Project	Service Area	Description
Transportation	Bridge Needs Study	Entire Township	<ul style="list-style-type: none"> Township will undertake a Bridge Needs Study on a 5-year basis. Study will be used to identify future capital work plans Estimated cost: \$25,000
Transportation	Finlay St. Road	Finlay St. Service Area	<ul style="list-style-type: none"> A new road is required to service lots on the north and south sides of Finlay Street. Costs include environmental assessment, design and construction. Estimated cost is \$510,062 Benefit to existing is estimated at 25% and the benefit to future is 75% of project costs
Stormwater	Finlay St. Stormwater	Finlay St. Service Area	<ul style="list-style-type: none"> A storm sewer is required to service lots on the north and south sides of Finlay Street. Costs include environmental assessment, design and construction. Estimated cost is \$206,144 Benefit to existing is estimated at 25% and the benefit to future is 75% of project costs
Fire Protection	Firefighter Outfitting (Ripley Fire Department)	Ripley, Lakeshore, Huron	<ul style="list-style-type: none"> Additional bunker suits are required to outfit additional firefighters needed as a result of growth Cost of an additional bunker suit is \$3,000
Fire Protection	Firefighter Outfitting (Lucknow Fire Department)	Lucknow, Kinloss	<ul style="list-style-type: none"> Additional bunker suits are required to outfit additional firefighters needed as a result of growth Cost of an additional bunker suit is \$3,000.

Service Category	Project	Service Area	Description
Fire Protection	Firefighter Training Centre	Entire Township	<ul style="list-style-type: none"> • The Township is planning to construct a training centre to ensure firefighters meet minimum training standards • Will benefit existing and future development for the next 20 years. • Estimated cost \$74,566.95

6.4 Service Areas

Previous iterations of the Development Charge By-law identified projects that benefitted growth on a Township-wide basis and others that benefit a defined area. Projects included in this iteration of development charges will also benefit specific areas. Given this, a number of service areas have been identified. The service areas and applicable development charge projects are summarized in Table 6.3

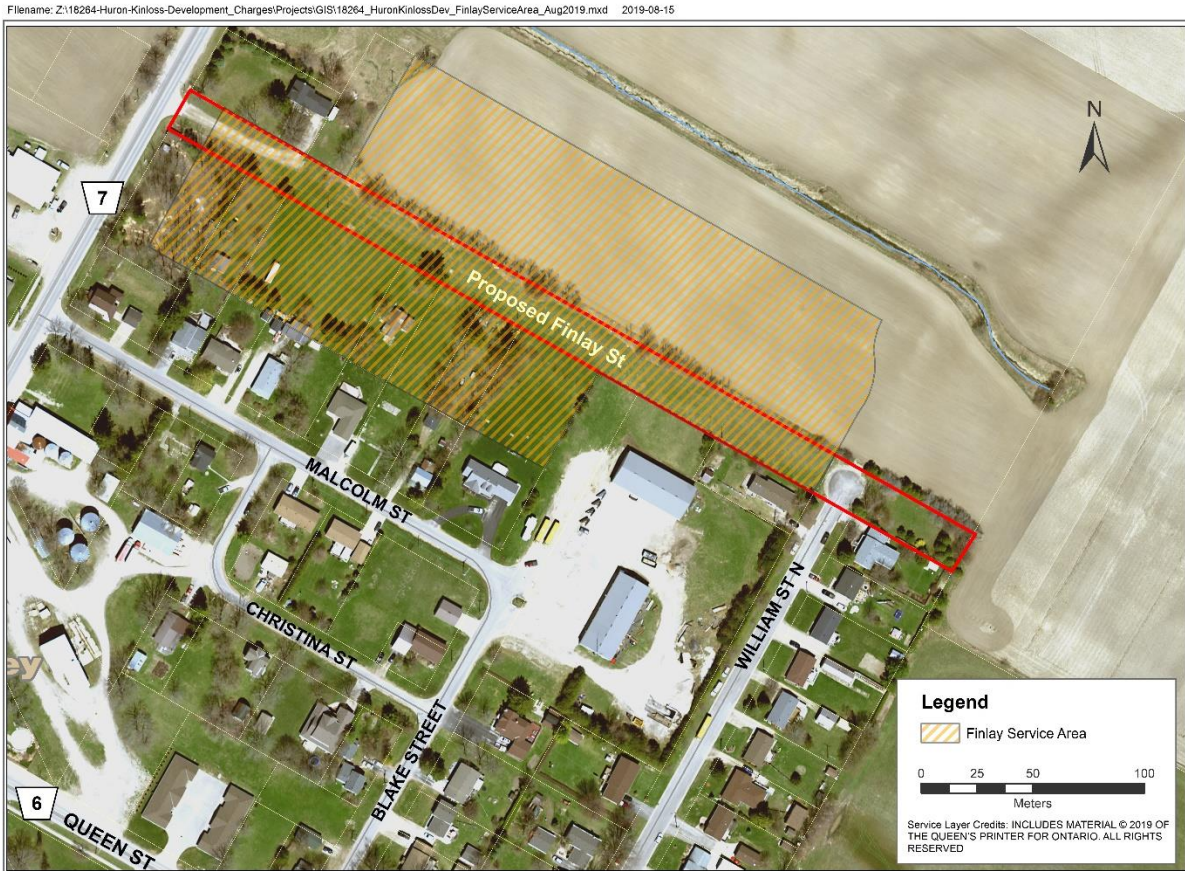
Table 6.3 Development Charge Service Areas and Projects

Service Area	Description	Applicable Development Charge Projects
Lucknow Settlement Area	All lands in the village of Lucknow and abutting lands serviced by municipal water or sewage services	<ul style="list-style-type: none"> • Water Storage (Lucknow) • Bridge Needs Study • Lucknow Firehall • Firefighter Outfitting (Lucknow Fire Department) • Firefighter Training Centre • Development Charge Study
Ripley Settlement Area	All lands in the village of Ripley and abutting lands serviced by municipal water or sewage services	<ul style="list-style-type: none"> • Sewage Treatment • Water Storage (Ripley) • Bridge Needs Study • Firefighter Outfitting (Ripley Fire Department) • Firefighter Training Centre • Development Charge Study

Service Area	Description	Applicable Development Charge Projects
Lakeshore Area	All lands west of Highway 21 in the former Huron Township and included in the Water Supply Master Plan	<ul style="list-style-type: none"> • Water Supply Master Plan • Lake Range Extension • Boiler Beach Multi-Use Path • Bridge Needs Study • Firefighter Outfitting (Ripley Fire Department) • Firefighter Training Centre • Development Charge Study
Rural Huron	All lands in the former Huron Township not included in the Water Supply Master Plan	<ul style="list-style-type: none"> • Lake Range Extension • Bridge Needs Study • Firefighter Outfitting (Ripley Fire Department) • Firefighter Training Centre • Development Charge Study
Rural Kinloss	All lands in the former Kinloss Township	<ul style="list-style-type: none"> • Bridge Needs Study • Firefighter Outfitting (Lucknow Fire Department) • Lucknow Firehall • Firefighter Training Centre • Development Charge Study
Finlay St. Service Area (Ripley)	Lands fronting onto the Finlay St. road allowance that are not connected municipal water or wastewater	<ul style="list-style-type: none"> • Sewage Treatment • Finlay St. Sewer • Water Storage (Ripley) • Finlay St. Watermain • Finlay St. Road • Bridge Needs Study • Finlay St. Storm Sewer • Firefighter Outfitting (Ripley Fire Department) • Firefighter Training Centre • Development Charge Study

The Finlay Street Service Area is a new service area that has been identified based on the projects and their benefitting areas. The Finlay Street Service Area includes the lands that front onto the Finlay Street (currently an unopened road allowance), as shown in Figure 6.1

Figure 6.1 Finlay Street Service Area



6.5 Asset Management

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

The Township of Huron-Kinloss completed an initial iteration of an Asset Management Plan (AMP) in 2013 and have since updated it in 2015 and 2018. The intent of the AMP is to serve as a strategic, tactical and financial document to allow the Township to follow sound asset management practices while optimizing available resources and achieving a desired level of service. The initial AMP included consideration of the following asset categories: road network, bridges and culverts, water network, sanitary sewer network and storm sewer network. The 2015 AMP addressed the previous asset categories in addition to facilities, land improvement, equipment and vehicle assets. The 2018 AMP updated replacement costs based on assessed and age-based condition data.

A number of the projects funded through development charges have been either built or are expansions to existing infrastructure. These projects were evaluated as part of the 2013, 2015 and 2018 AMP. These projects include:

- Ripley Sewage Treatment Plant and Pumping Station
- Lakeshore Water Supply
- Lake Range Drive extension
- Lucknow Firehall

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

The remaining projects have yet to be constructed and represent new assets. It is expected that as these projects are built or bought, they will be incorporated into future updates of the AMP. Given the estimate life cycle of the assets (based on the lifetime estimates used in the 2015 AMP), the replacement costs were estimated assuming 2% annual inflation. The assets not included in the 2018 AMP have a life-cycle cost totaling: \$23,282,141. The assumed life cycle of the assets ranges from 20 to 90 years. Assuming 3.5% annual interest, the Township will require an additional \$157,838 per year to fund the lifecycle costs of these additional projects. This amount does not factor in potential grants or other contributions.

The number of additional residences in Huron-Kinloss is expected to continue to increase over the next 10 years. The forecasted addition of 409 units will contribute to the existing assessment base and offset the costs associated with these additional assets. Given this, and the Township's continued efforts towards establishing long-term funding strategies, the projects included in the development charges are considered financially sustainable over their life cycles.

7.0 Calculation of the Development Charge

7.1 Methodology

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

Preliminary Capital Cost Assessment

- Establish the total estimated capital costs for those projects or services with growth related components which will be implemented within ten years (i.e., gross growth-related capital costs). Exclude costs for local services installed or paid for by land developers as a condition of approval under Section 51 of the Planning Act (subdivision of land);
- Define the benefiting area for the proposed works and estimate the total capacity of the growth-related project or service. Exclude the proportion of the service that can be met by the excess capacity of existing facilities, unless Council has indicated, at the time the excess capacity was created, that it would be paid for by new development;

- Reduce the net growth-related capital costs of the project or service by the value of any anticipated grants or subsidies.

Service Level and Benefit Adjustments

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

Development Charge Calculation and Cash Flow Adjustments

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

7.2 Assumptions Used in the Development Charge Calculation

7.2.1 Spatial Applicability of Capital Costs

The projects included in the following service categories benefit development on a municipal-wide basis: Administration and Transportation (the Bridge Needs Study project). The remainder of the services and projects benefit specific areas, therefore calculations of the charges will be defined on an area-specific basis. The service areas and applicable projects were previously summarized in Table 6.3. The service areas are:

- Lucknow Settlement Area;
- Ripley Settlement Area;
- Lakeshore Area;
- Rural Huron;
- Rural Kinloss; and
- Finlay St. Service Area.

7.2.2 Allocation of Costs Between Growth and Existing Development

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

7.2.3 Allocation of Costs Between Residential and Non-Residential Development

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

Table 7.1 Ratio of Residential and Non-Residential Development in Huron-Kinloss

	Lucknow	Ripley	Lakeshore	Huron	Kinloss	Township
Residential	87.4%	94.4%	99.8%	86.6%	95.6%	96.8%
Non-Residential	12.6%	5.6%	0.2%	13.4%	4.4%	3.2%

7.2.4 Occupancy Considerations

The average occupancy rate in Huron-Kinloss, based on the population and number of dwellings as reported in the Census is 2.55 persons per dwelling unit. Different types of residential development contain different numbers of occupants. On a per unit basis, the smaller the average occupancy, the less demand is generally placed on services. For purposes of this report, the occupancies defined in Table 7.2 are assumed for various housing types.

Table 7.2 Residential Occupancies for Various Dwelling Types

Residential Unit Type	Persons Per Unit	Percentage of Single Family Unit Charge
Single Family Residential, including semi-detached	2.55	100%
Multiples	2.1	82%
Apartments	1.8	71%

7.3 Calculated Development Charge

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

Appendix B for the service areas. The calculated development charges for the different unit types for the services areas are summarized in Tables 7.5 to 7.10

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

Table 7.3 Summary of Calculated Residential Development Charges (per capita)

Category	Lucknow	Ripley	Lakeshore	Rural Huron	Rural Kinloss	Finlay Street
Sanitary	-	\$382.72	-	-	-	\$4,799.80
Water	\$1,461.38	\$1,306.80	\$268.97	-	-	\$7,222.95
Transportation	\$2.25	\$2.25	\$475.74	\$367.13	\$2.25	\$7,525.67
Stormwater	-	-	-	-	-	\$3,221.00
Fire Protection	\$125.12	\$52.09	\$52.09	\$52.09	\$125.12	\$52.09
Administration	\$20.73	\$20.73	\$20.73	\$20.73	\$20.73	\$20.73
Total	\$1,609.47	\$1,764.60	\$817.53	\$439.95	\$148.09	\$22,842.24

Table 7.4 Summary of Calculated Non-Residential Development Charges

Category	Lucknow	Ripley	Lakeshore	Rural Huron	Rural Kinloss	Finlay Street
Sanitary	-	\$0.09	-	-	-	\$0.09
Water	\$0.79	\$0.30	-	-	-	\$0.30
Transportation	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1.70
Stormwater	-	-	-	-	-	\$0.00
Fire Protection	\$0.00	\$0.01	\$0.01	\$0.01	\$0.00	\$0.01
Administration	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total	\$0.80	\$0.40	\$0.02	\$0.02	\$0.01	\$2.10

Table 7.5 Summary of Calculated Development Charges by Unit, Lucknow Settlement Area

	Single and Semi Detached (2.55 persons per unit)	Multi-Units and Townhouses (2.1 persons per unit)	Apartments (1.5 persons per unit)	Nursing/Retirement Units (1 person per bedroom)
Sanitary	-	-	-	-
Water	\$3,726.52	\$3,068.90	\$2192.07	\$1461.38
Transportation	\$5.74	\$4.73	\$3.38	\$2.25
Stormwater	-	-	-	-
Fire	\$319.05	\$262.74	\$187.67	\$125.12
Administration	\$52.85	\$43.53	\$31.09	\$20.73
Total (per unit)	\$4,104.16	\$3,379.90	\$2,414.21	\$1,609.48

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

	Single and Semi Detached (2.55 persons per unit)	Multi-Units and Townhouses (2.1 persons per unit)	Apartments (1.5 persons per unit)	Nursing/Retirement Units (1 person per bedroom)
Sanitary	-	-	-	-
Water	\$3,726.52	\$3,068.90	\$2192.07	\$1461.38
Transportation	\$5.74	\$4.73	\$3.38	\$2.25
Stormwater	-	-	-	-
Fire	\$319.05	\$262.74	\$187.67	\$125.12
Administration	\$52.85	\$43.53	\$31.09	\$20.73
Total (per unit)	\$4,104.16	\$3,379.90	\$2,414.21	\$1,609.48

Table 7.7 Summary of Calculated Development Charges By Unit, Lakeshore Area

	Single and Semi Detached (2.55 persons per unit)	Multi-Units and Townhouses (2.1 persons per unit)	Apartments (1.5 persons per unit)	Nursing/ Retirement Units (1 person per bedroom)
Sanitary	-	-	-	-
Water	\$685.87	\$564.83	\$403.45	\$268.97
Transportation	\$1,214.99	\$1,000.58	\$714.70	\$476.47
Stormwater	-	-	-	-
Fire	\$132.84	\$109.40	\$78.14	\$52.09
Administration	\$52.85	\$43.53	\$31.09	\$20.73
Total (per unit)	\$2,086.55	\$1,718.34	\$1,227.38	\$818.26

Table 7.8 Summary of Calculated Development Charges By Unit, Rural Huron

	Single and Semi Detached (2.55 persons per unit)	Multi-Units and Townhouses (2.1 persons per unit)	Apartments (1.5 persons per unit)	Nursing/ Retirement Units (1 person per bedroom)
Sanitary	-	-	-	-
Water	-	-	-	-
Transportation	\$938.05	\$772.51	\$551.80	\$367.86
Stormwater	-	-	-	-
Fire	\$132.84	\$109.40	\$78.14	\$52.09
Administration	\$52.85	\$43.53	\$31.09	\$20.73
Total (per unit)	\$1,123.74	\$925.44	\$661.03	\$440.68

Table 7.9 Summary of Calculated Development Charges By Unit, Rural Kinloss

	Single and Semi Detached (2.55 persons per unit)	Multi-Units and Townhouses (2.1 persons per unit)	Apartments (1.5 persons per unit)	Nursing/ Retirement Units (1 person per bedroom)
Sanitary	-	-	-	-
Water	-	-	-	-
Transportation	\$5.74	\$4.73	\$3.38	\$2.25
Stormwater	-	-	-	-
Fire	\$319.05	\$262.74	\$187.67	\$125.12
Administration	\$52.85	\$43.53	\$31.09	\$20.73
Total (per unit)	\$377.64	\$311.00	\$222.14	\$148.10

Table 7.10 Summary of Calculated Development Charges By Unit, Finlay St. Service Area

	Single and Semi Detached (2.55 persons per unit)	Multi-Units and Townhouses (2.1 persons per unit)	Apartments (1.5 persons per unit)	Nursing/ Retirement Units (1 person per bedroom)
Sanitary	\$12,239.50	\$10,079.59	\$7,199.71	\$4,799.80
Water	\$18,418.52	\$15,168.19	\$10,834.42	\$7,222.95
Transportation	\$19,190.45	\$15,803.90	\$11,288.50	\$7,525.67
Stormwater	\$8,213.55	\$6,764.10	\$4,831.50	\$3,221.00
Fire	\$132.84	\$109.40	\$78.14	\$52.09
Administration	\$52.85	\$43.53	\$31.09	\$20.73
Total (per unit)	\$58,247.71	\$47,968.71	\$34,263.36	\$22,842.24

8.0 Implementation

8.1 General Considerations

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

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

8.2 Applicable Development

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

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

Development charges cannot be applied to development activities which:

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

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

8.3 Charge Ceilings

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

8.4 Phasing-in

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

8.5 Inflation Adjustments

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

8.6 Front-Ending Agreements

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

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

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

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

8.7 Credits

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

9.0 SUMMARY

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

The study incorporated the primary key activities:

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

It is our opinion that the Development Charge Amounts set out in Tables 7.3-7.4 and 7.5-7.10 of the report are in compliance with the provisions of the DCA and O. Reg. 82/98. However, the charge that is used in the implementing by-law will be set by Council after due consideration.

10.0 FUTURE ACTION

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

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

All of which is respectfully submitted.

B. M. ROSS AND ASSOCIATES LIMITED

Per _____

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

Per _____

Matt Pearson, RPP, MCIP
Senior Planner

**APPENDIX A
GROWTH AND DEVELOPMENT
FORECAST**

DRAFT

1.0 INTRODUCTION

1.1 General

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

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

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

1.2 Background

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

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

2.0 BACKGROUND POPULATION AND DEVELOPMENT INFORMATION

2.1 Residential Growth Trends

2.1.1 Population

The most recent population count for the Township of Huron-Kinloss is the 2016 Census. In 2016, the population of Huron-Kinloss was 7,069 permanent residents, an increase of 279 persons from the 2011 count. The seasonal portion of the population is not included in Census population estimates. The permanent population of Huron-Kinloss has increased between 1981 and 2016, as shown in Table 2.1, with an annual average growth rate of 0.64%. Over the last 10 years, the annual average population growth rate has increased to 0.82% as a result of recent developments within the Township.

Table 2.1: Census Population in Huron-Kinloss (1981-2016)

Year	Huron-Kinloss
1981	5,663
1986	5,457
1991	6,149
1996	6,284
2001	6,250
2006	6,515
2011	6,790
2016	7,069
5-year change	279
10-year change	554
20-year change	785

The population for specific areas of the Township, including the two urban centres of Lucknow and Ripley, were identified through Census Dissemination Block data. For the purposes of this study, the Lakeshore area is categorized as all the lands west of Lake Range Drive. The population for Ripley, Lucknow, the Lakeshore Area, and rural areas of Huron and Kinloss from 2006 to 2016 are shown in Table 2.2

Table 2.2: Census Population in Huron-Kinloss (1981-2016)

Year	Lucknow	Ripley	Lakeshore	Huron	Kinloss	Huron-Kinloss
2006	1,162	654	2,164	973	1,562	6,515
2011	1,105	769	2,391	955	1,570	6,790
2016	1,121	762	2,670	904	1,612	7,069
5-year change	16	-7	279	-51	42	279
10-year change	-41	108	506	-69	50	554

While there has been an overall increase in the population of the Township, there are areas that have experienced slight population declines over the past 10 years, specifically the rural area of the former Huron Township and community of Lucknow. In Ripley, the population increased in the last 10-year period by 108 persons. Rural Kinloss, unlike rural Huron, has had a population increase of approximately 50 persons over the last 10 years, with much of the growth occurring in the last 5 years. The area of the greatest growth in the Township is the lakeshore area. Over the last census periods, the permanent population of this area has increased by 279 people in 5 years and 507 in 10 years. This equates to an average annual growth rate of 2.12% over the last 10 years. The increase in the lakeshore population compared to other areas of the Township is attributable to a new subdivision, as well as the area being a desired location for retirement and the conversion of seasonal dwellings to permanent homes. The relatively stable population in the urban centres of Lucknow and Ripley reflects their status as service communities for the surrounding rural areas.

Data from the National Household Survey (2016) was consulted to identify recent levels of movement within and to the Township. Between 2015-2016, the majority of the population of Huron-Kinloss did not move (91.4%). Of the 8.6% of the population that did move, approximately 2.9% moved from within the Township, 4.8% moved from somewhere within Ontario, and 0.9% moved from somewhere within Canada. Between 2011 and 2016, the percentage of the population that moved to the Township from outside of Huron-Kinloss increased to 16.9%. This suggests that migration to the Township is a contributing factor to population increases.

The average age of residents in Huron-Kinloss is 43.4 years old. This is slightly greater than the Ontario average (41.0). Persons aged 46 to 76 and older make up 51.3% of the population, with the largest age cohort being adults aged 61-75 (22% of the population). This is similar to many other rural municipalities which feature a strong senior population.

2.1.2 Residential Development

The number of total private dwellings from Census data for the areas of the Huron-Kinloss are summarized in Table 2.3. Information for 2006 to 2016 is based on dissemination blocks, while the earlier, available data for Ripley, Lucknow and the Township are based on overall census counts.

Table 2.3 Census Dwelling Counts (1981-2016)

Year	Lucknow	Ripley	Lakeshore	Huron	Kinloss	Township
1981	452	245	-	-	-	1,951
1986	465	246	-	-	-	1,935
1991	482	261	-	-	-	2,271
1996	510	-	-	-	-	-
2001	485	-	-	-	-	3,560
2006	529	333	2,016	373	508	3,759
2011	480	345	2,158	377	521	3,881
2016	508	338	2,256	376	559	4,037
5-year change	28	-7	98	-1	38	156
10-year change	-21	5	240	3	51	278

The Census data from 2016 shows growth in the total number of units in Huron-Kinloss, with a 5-year increase of 156 units and a 10-year increase of 278. This equates to a 10-year average annual of 0.72%. Similar to the trends in population, much of the growth in residential units is concentrated in the Lakeshore area. Lucknow, Ripley and rural Huron have had only slight changes in the number of units in the past 10 years. Kinloss, unlike rural Huron, has experienced relatively steady growth in the number of residential units, with an additional 50 units in the past 10 years.

The Lakeshore area of the Township includes a number of seasonally occupied dwellings in addition to permanent homes. The number of “usually occupied” dwellings in the Lakeshore area, as of 2016, was 1,161 units or 51.5% of the total number of units. This is an increase from 46% usually occupied in 2011. This suggests that while there is still a strong seasonal occupation in the Lakeshore area, there is an increase in the portion of the population in this area occupying their homes on a permanent basis.

To gain a better understanding of residential development occurring in Huron-Kinloss, building permit data for new residential dwellings was assessed. Table 2.4 summarizes the number of new building units throughout the Township between 2000 and 2018.

The vast majority of building permits for new residential units are for properties located within the Lakeshore area. This is likely a function of the availability of building lots as well as a desire to live and/or cottage in the communities along the lakeshore. Over the last ten years, there have been 313 building permits for new residences in this area. Over the last 5 years the annual average of building permits issued has declined to 28 units per year from a 10-year annual average of 31.3.

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

	Lucknow	Ripley	Lakeshore	Rural	Total
2000	3	1	18	7	29
2001	0	1	20	8	29
2002	1	1	27	4	33
2003	3	2	26	5	36
2004	6	2	34	6	48
2005	0	11	36	14	61
2006	2	3	42	2	49
2007	4	6	25	10	45
2008	7	2	30	5	44
2009	1	4	39	10	54
2010	3	10	53	2	68
2011	2	0	32	6	40
2012	3	1	28	5	37
2013	1	3	21	4	29
2014	2	1	15	3	21
2015	3	0	23	4	30
2016	0	1	43	9	53
2017	0	3	36	9	48
2018	0	1	23	3	27
5-year total	5	6	140	28	179
10-year total	15	24	313	55	407
5-year average	1	1.2	28	5.6	35.8
10-year average	1.5	2.4	31.3	5.5	40.7
19-year average	2.2	2.8	30.1	6.1	41.1

The rural area of the Township has the next greatest number of building permits, with 116 issued since 2000. Over the last 5 to 10 years, the annual average number of building permits has been approximately 5.5 new units per year. New residential builds in Lucknow and Ripley have occurred at a relatively low but steady pace with a 10-year average of 1.5 and 2.4 new units per year, respectively. More recently, over the last years, this average has declined to 1 and 1.2 new units annually in Lucknow and Ripley.

The majority of typically occupied dwelling units in Huron-Kinloss, approximately 90%, are single, detached homes as reported in the latest Census. There are a limited number of other housing types, with 6% of the typically occupied dwellings units being apartments, 4% being in semi-detached and row housing, and 0.5% being moveable or other types of housing. Given the existing housing mix, it is not surprising that the majority of new residential permits are for single, detached units. In the last 5 years, there were no building permits issued for multi-unit types of residential development.

Given this, it is expected that the majority of new residential units will continue to be single, detached units.

2.1.3 Occupancy

For the Township of Huron-Kinloss, the average household density, or occupancy, is calculated from the population and number of usually occupied dwellings. It is generally expressed as the average number of persons per household. Household density, based on 2006, 2011, 2016 Census data, is shown in Table 2.5.

Table 2.5 Household Densities (Persons Per Unit)

Year	Lucknow	Ripley	Lakeshore	Huron	Kinloss	Township
2006	2.35	2.20	2.39	3.14	3.34	2.63
2011	2.45	2.38	2.36	2.92	3.18	2.60
2016	2.32	2.40	2.30	2.76	3.30	2.55

Overall, the number of people per dwelling unit in the Township has declined over the last 10 years. This trend is common across rural Southwestern Ontario, as a result of shifting demographics, with more seniors and reduced family sizes. The greatest decline in the number of people per unit has occurred in the former Huron Township, where the density has declined from 3.14 persons per unit to 2.76 in 2016. A smaller decline in density has also occurred within the Lakeshore area. In Lucknow and Kinloss, the density has only declined slightly over the last 10 years. Ripley has seen a slight increase in population density in recent years, which may correspond with an increase in the number of young families living in the community. Generally, throughout the Township, the population density of the rural areas (Huron and Kinloss) remains higher than in the more urban areas.

2.2 Non-Residential Growth Trends

2.2.1 Labour Force

In Huron-Kinloss, from information gathered as part of the 2016 Census, the number of persons employed is 3,265 or 58.5% of the population aged 15 and over. The unemployment rate is 3.3% which is slightly lower than the provincial rate of 5.3% (as of May 2019). Approximately 38.3% of the population reported not being in the labour force. This suggests a significant proportion of the population consists of retirees.

Approximately 55% of those who worked, reported working full time. The remaining 45% worked part time. The majority of employed residents in Huron-Kinloss work in sales and services (19%), trades (17.5%), management (14%) and business, finance and administration (12.5%). Many members of the workforce, approximately 54% commute to areas outside of Huron-Kinloss, but within Bruce County. It is likely many of these employees are commuting to Bruce Power. Approximately 23% reported working within Huron-Kinloss and 22% commuted to locations outside of Bruce County.

2.2.2 Non-Residential Development

The number of building permits issued for additions to existing and new industrial, commercial and institutional buildings in Huron-Kinloss over the last four years are summarized Table 2.7. In total, there have been 27 permits issued for new or additions to existing non-residential development. This equates to an average of 7 permits per year. The majority of these permits have been issued for developments within the rural Kinloss area. Table 2.8 summarizes the amount of non-residential development in square feet by year, by category.

Table 2.6: Number of Non-Residential Building Permits Issued (2015-2018)

	Lucknow	Ripley	Lakeshore	Huron	Kinloss	Township
2015	0	0	3	0	5	8
2016	2	1	1	1	3	8
2017	0	1	1	1	5	8
2018	2	0	1	0	0	3
Total	4	2	6	2	13	27

Table 2.7: Non-Residential Development by Floor Area (2015-2018)

	Industrial	Commercial	Institutional	Yearly Total
2015	15,902	1,055	1,440	18,397
2016	5,600	5,790	5,312	16,702
2017	25,786	3,000	1,120	29,906
2018	14,416	9,730	0	24,146
4-year Total	61,704	19,575	7,872	89,151
Annual Average	15,426	4,893.75	1,968	22,287.75

In total, an additional 89,151 square feet of non-residential development has occurred over the last four years. On average, this is 22,288 square feet per year, with averages of 15,426 square feet of industrial, 4,894 square feet of commercial, and 1,968 square feet of institutional development per year.

2.3 Development Patterns in the Study Area

A number of factors could influence growth trends in Huron-Kinloss. Of relevance to this study are the following:

- The number of households is expected to outstrip population growth in Huron-Kinloss due to the overall aging of the population (resulting from lower death and birth rates). The aging of the population is expected to increase demands for services and housing designed to accommodate the needs of seniors;
- It is expected that employment opportunities as part of the Major Component Replacement (MCR) project at Bruce Power will draw people to Huron-Kinloss, with most choosing to reside in the Lakeshore Area;

- Lucknow and Ripley are predominately low-density residential communities, with the majority of development being in the form of single detached units. These villages also function as commercial, industrial and recreational centres for the surrounding agricultural areas. The roles of these communities are not expected to change in the foreseeable future.
- Young people tend to leave the municipality for education and employment opportunities;
- It is expected that Bruce Power will continue to be the major employer locally;
- The majority of growth is expected to occur along the Lakeshore, due in part to the availability of land for new homes, availability of homes, attractiveness as a retirement and cottage location;
- The predominate form of development will continue to be single, detached units throughout the Township; and
- Growth in the non-residential sector has been moderate in Huron-Kinloss in recent years and is not expected to increase significantly in the future;

2.4 Residential and Non-Residential Allocation

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

Table 2.8: Residential and Non-Residential Allocations

	Lucknow	Ripley	Lakeshore	Huron	Kinloss	Township
Residential	87.4	94.4	99.8	86.6	95.6	96.8
Non-Residential	12.6	5.6	0.2	13.4	4.4	3.2

3.0 RESIDENTIAL GROWTH PROJECTIONS

3.1 Forecast Methodology

For the purposes of this study, a population forecast for Huron-Kinloss was developed. The forecast is based on the 10-year annual average number of new residential building permits and household densities. This trend reflects changes in population characteristics, such as an aging population and decreases in family size.

The forecast incorporated the following methodological components:

- The 2016 population and household counts, as determined by the 2016 Census, were used as the starting points for the projections;
- From this base estimate, household growth was calculated using the 10-year annual average of residential building permits for each area. Building permit data

for the past 10 years for rural Huron and Kinloss was provided combined as rural development. For rural Huron and Kinloss, it was assumed that 28% of new units will be in Huron and 72% will be in Kinloss, based on building permits from the last four years.

- For the Lakeshore area, the total population includes both seasonal and permanent residents.
- Population density in each of the wards is expected to continue to decrease over the next 20 years in Ripley, Lucknow, Huron, Kinloss and for the permanent Lakeshore population. The population density for the seasonal population is assumed to be 2.5 persons per unit over the next 20 years. The population densities for the areas are:
 - Lucknow: 2.32 persons per unit (2016) to 2.2 persons per unit (2044);
 - Ripley: 2.4 persons per unit (2016) to 2.34 persons per unit (2044);
 - Lakeshore (permanent): 2.3 persons per unit (2016) to 2.28 persons per unit (2044); and
 - Rural Huron and Kinloss: 3.08 persons per unit (2016) to 2.72 persons per unit (2044).
- It is expected that the majority of development will occur as single and semi-detached units in the short term.

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

- Population growth will generally be accommodated through the development of registered lots through Plans of Subdivisions and Site Plans, and infilling; and
- The roles of Lucknow and Ripley are expected to remain unchanged through the planning period.

3.2 Residential and Population Forecasts

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

Table 3.1: Residential Household Forecast

Year	Lucknow	Ripley	Lakeshore Permanent	Lakeshore Seasonal	Rural Huron	Rural Kinloss	Township
2016	483	317	1,161	1,095	328	488	3,872
2019	488	324	1,209	1,141	333	500	3,995
2024	496	336	1,290	1,217	341	520	4,200
2029	504	348	1,376	1,287	349	540	4,404
2034	512	360	1,462	1,357	357	560	4,608
2039	520	372	1,548	1,427	365	580	4,812
2044	528	384	1,634	1,497	373	600	5,016

5-year change	8	12	81	76	8	20	205
10-year change	16	24	167	146	16	40	409
20-year change	32	48	339	286	32	80	817

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Table 3.2: Population Forecast (2019-2044)

	Lucknow	Ripley	Lakeshore Permanent	Lakeshore Seasonal	Rural Huron	Rural Kinloss	Township
2016	1,121	762	2,670	2,737	904	1,612	9,807
2019	1,122	771	2,781	2,853	1,006	1,510	10,043
2024	1,131	800	2,967	3,043	1,009	1,539	10,490
2029	1,139	821	3,151	3,218	1,012	1,566	10,907
2034	1,147	850	3,348	3,393	1,014	1,590	11,342
2039	1,154	870	3,529	3,568	1,015	1,612	11,748
2044	1,162	899	3,726	3,743	1,015	1,632	12,177
5-year change	9	29	186	190	3	29	447
10-year change	17	50	370	365	6	56	864
20-year change	32	99	748	715	9	102	1,705

3.3 Forecast Assessment

The following represents the key findings of the population and residential development forecasts for the Township of Huron-Kinloss:

- The number of residential units in Huron-Kinloss is expected to continue to increase over the next 20 years. The majority of the development is expected to be single detached units in the Lakeshore area and include both seasonal and permanent homes. The number of additional homes in the Lakeshore area over the next 20 years is forecasted to be 625 new dwellings.
- The majority of development in the rural areas is expected to occur in Kinloss, with an additional 80 dwellings over the next 20 years, compared to 32 in the former Huron Township.
- There will be some development in Ripley and Lucknow, however with the predicted decline in household density, the associated population increase is relatively low.
- The population of Huron-Kinloss is expected to increase by 1,705 persons, including seasonal residents, over the next 20 years.

3.4 Conclusions

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

4.0 NON-RESIDENTIAL GROWTH FORECAST

4.1 Forecast Methodology

For the purposes of the Development Charges Background Study, a forecast of non-residential development was undertaken. An assessment of recent building permit data, as previously discussed, indicated that non-residential development in Huron-Kinloss can be variable year to year. In the last 4 years, 27 building permits have been issued for new and expansions to non-residential developments. This amounted to an annual average of 22,288 square feet per year. The annual average amount of new non-residential growth in square feet was used to forecast future non-residential growth in Huron-Kinloss.

4.2 Forecasted Non-Residential Growth

The forecast for non-residential growth in square feet over the next 25 years is presented in Table 4.1. Non-residential development is expected to continue at a similar pace to what has been experienced in recent years. It is forecasted that non-residential development will occur at an average rate of 22,288 square feet per year over the next 20 years. This equates to 111,439 square feet of non-residential development over the next 5 years.

It is anticipated that non-residential development may increase in pace following the servicing of the Ripley Industrial Park. It is anticipated that land prices will be set at a level to recover the initial purchase price and costs associated with providing sanitary, water, road and stormwater infrastructure.

Table 4.1 Forecasted Additional Non-Residential Development, Huron-Kinloss

Time Period	Additional Non-Residential Development (square feet)
5 year (2024)	111,439
10 year (2029)	222,878
20 year (2039)	445,755
25 year (2044)	557,194

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

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Project Description: Communal sanitary sewage collection and treatment facilities were constructed in Ripley in 1991 to 1993. The works were sized to service the existing population at that time and future growth. The design capacity at the time was 850 persons. In 2008, a study was undertaken to define the capacity of the system based on the performance of the plant and the assimilation capacity of the stream. The plant was rerated to 600 m³/day, which is equivalent to 1,065 persons.

Only the sewage treatment works and pumping station costs are incorporated into the development charges. The costs associated with this project do not include additional sewers. The cost of the sewage treatment facilities was \$4,491,321. The cost of the rerating study was \$44,000.

Analysis of Long-Term Capital and Operating Costs: The project received provincial funding assistance of 85% (\$4,109,626). Capital rate charges were levied against all benefiting properties. The ongoing operating costs of the system are paid for by connected properties.

Project Benefiting Area(s): Ripley, Finlay St. Service Area

Costs:

Total Costs (Sewage Treatment)	\$ 4,535,321
Deduct any grants or subsidies	\$ 4,109,626
Subtotal	\$ 425,695

Allocation of Costs

Capacity will be allocated as development occurs. Capacity is expressed as person equivalents, which includes all uses. This project benefited existing and future development equally on a per capita basis.

Benefit to Existing Development (72% based on current population of 771)	\$ 306,500.40
Benefit to Future Development (28%)	\$ 119,194.60
Amount recoverable through Development Charges	\$ 119,194.60

Development Charge Calculations

Residential Allocation (per capita)

\$ 119,194.60 x 94.4% (based on residential assessment)	\$ 112,519.70
Divided by future capacity (1,065 – 771)	294 persons
Residential development charges (per capita)	\$ 382.72

Non-Residential Allocation (per square foot)

1 square foot of non-residential development = 0.0038 persons (based on 445,755 sqft of non-residential development and a population increase of 1,705 persons)

\$ 119,194.60 x 5.6% (based on non-residential assessment)	\$ 6,674.90
Divided by 294 persons x 0.0038 persons/sqft	\$ 0.09 / sqft
Non-residential development charge (per square foot)	\$ 0.09 / sqft

Project Description: To service lots on the north and south sides of Finlay Street, a new sewer is required. The work will see a sanitary sewer constructed within the Finlay Street road allowance from Bruce Road 7, east to William Street. The costs of this work include an environmental assessment, design, and construction. The cost of this work is estimated at \$212,020, with 100% benefit attributable to future development. It will service an additional 20 lots or 48 people (at 2.4 persons per lot).

Analysis of Long-Term Capital and Operating Costs: The sewers are estimated to have a life of 50 to 100 years. The operating costs of the sewers are recovered from sewage service rate charges. Operating costs for gravity sewers are minimal, usually consisting of periodic flushing.

Project Benefitting Area(s): Finlay St. Service Area

Costs:

Total Costs	\$ 212,020
Deduct any grants or subsidies	- \$ 0
Subtotal	\$ 212,020

Allocation of Costs

Costs are allocated based on the expected service area, which includes the lots fronting onto Finlay Street. This project benefits only future residential development.

Benefit to Existing Development (0%)	\$ 0
Benefit to Future Development (100%)	\$ 212,020
Amount recoverable through Development Charges	\$ 212,020

Development Charge Calculations,

Residential Allocation (per capita)

\$ 212,020 x 100% (benefit to residential growth)	\$ 212,020
Divided \$212,020 by future capacity (persons)	48
Residential development charges (per capita)	\$ 4,417.08

Non-Residential Allocation (per square foot)

Not applicable

Project Description: The major facilities (trunk watermain, water storage, major supply wells) of the Lakeshore Area Water Supply Master Plan were constructed in 1995 and 1996. The works were designed to supply 2,568 lots of development. At the time, there were 2,290 lots of record and 278 lots available for future development beyond infilling.

Analysis of Long-Term Capital and Operating Costs: The project allowed the decommissioning of more than 20 older well supplies. The system is designed to operate as an integrated system with backup power supply, fire protection and emergency storage. At the time of implementation, a capital reserve account was set up and funded to address future maintenance needs. The cost of the works was funding through a provincial grant, capital rate charges to all benefiting properties, and an assumption that future growth will pay for the surplus capacity.

Project Benefitting Area(s): Lakeshore

Costs:

Total Costs	\$ 5,069,900
Deduct any grants or subsidies	\$ 3,310,400
Subtotal	\$ 1,759,500

Allocation of Costs

At the time the facility was constructed, it was identified the project benefits existing and future development equally. The person design capacity is 2,568 lots x 2.55 persons per lot = 6,548 persons.

Benefit to Existing Development (86% based on current population of 5,634)	\$ 1,513,170.00
Benefit to Future Development (14%)	\$ 246,330.00
Amount recoverable through Development Charges	\$ 246,330.00

Development Charge Calculations

Residential Allocation (per capita)

\$ 246,330.00 x 99.8% (based on residential assessment)	\$ 245,837.34
Divided by future capacity (6,548 – 5,634 persons)	914 persons
Residential development charge (per person)	\$ 268.97

Non-Residential Allocation (per square foot)

1 square foot of non-residential development = 0.0038 persons (based on 445,755 sqft of non-residential development and a population increase of 1,705 persons)

\$ 246,330.00 x 0.02% (based on non-residential assessment)	\$ 492.66
Divided by 914 persons x 0.0038 persons/sqft	\$ 0.00 / sqft
Non-residential development charge (per square foot)	\$ 0.00 / sqft

Project Description: The existing water storage facility in Lucknow has reached the end of its useful life. The Township completed a Class Environmental Assessment to define the type, size and location for a new facility. It is expected that a new facility will be designed to meet the needs of the existing population and at least 50 years growth (1,854 persons).

Analysis of Long-Term Capital and Operating Costs: The capital costs of the new facility will be paid for by the existing users and through development charges on new development. Existing users will pay through reserve amounts and possibly through an increase in rate charges. The Township will also pursue grant opportunities, but at this time the availability of grants cannot be incorporated into the development charge calculations. If a grant is secured, subsequent development charge by-laws will be adjusted. The cost of operating the facility are paid by the users through service rate charges.

Project Benefitting Area(s): Lucknow

Costs:

Total Costs	\$ 3,100,000.00
Deduct any grants or subsidies	- \$ 0
Subtotal	\$ 3,100,000.00

Allocation of Costs

This project benefits existing and future development equally on a per capita basis.

Benefit to Existing Development (61% based on current population of 1,122)	\$ 1,891,000.00
Benefit to Future Development (39%)	\$ 1,209,000.00
Amount recoverable through Development Charges	\$ 1,209,000.00

Development Charge Calculations

Residential Allocation (per capita)

\$ 1,209,000.00 x 87.4% (based on residential assessment)	\$ 1,056,666.00
Divided by future capacity (1,854 – 1,122 persons)	732 persons
Residential development charge (per person)	\$ 1,461.38

Non-Residential Allocation (per square foot)

1 square foot of non-residential development = 0.0038 persons (based on 445,755 sqft of non-residential development and a population increase of 1,705 persons)

\$ 1,209,000.00 x 12.6 % (based on non-residential assessment)	\$ 152,334.00
Divided by 732 persons x 0.0038 persons/sqft	\$ 0.79 / sqft
Non-residential development charge (per square foot)	\$ 0.79 / sqft

Project Description: Well 1 in Ripley has reached the end of its useful life and a water storage facility is required to service existing and future growth. A new well and elevated water storage facility was constructed in 2018. The new storage facility was designed to meet the needs of the existing population and at least 50 years of growth. The cost of the new well and storage facility is \$3,250,000. A CWWF grant in the amount of \$475,812 was received.

Analysis of Long-Term Capital and Operating Costs: The capital cost of the new facility will be paid for by the existing users and through development charges on new development. Existing users will pay through reserve amounts and possibly through an increase in rate charges. The operating costs of the facilities are paid by the users through service rate charges.

Project Benefitting Area(s): Ripley, Finlay St. Service Area

Costs:

Total Costs	\$ 3,250,000.00
Deduct any grants or subsidies	\$ 475,812.00
Subtotal	\$ 2,774,188.00

Allocation of Costs

The project will benefit both existing and future development equally on a per capita basis. The capacity is an estimated 2,004 person equivalents.

Benefit to Existing Development (38% based on current population of 771)	\$ 1,054,191.44
Benefit to Future Development (62%)	\$ 1,719,996.56
Amount recoverable through Development Charges	\$ 1,719,996.56

Development Charge Calculations

Residential Allocation (per capita)

\$ 2,774,188.00 x 94.4% (based on residential assessment)	\$ 2,618,833.47
Divided by capacity	2,004 persons
Residential development charge (per person)	\$ 1,306.80

Non-Residential Allocation (per square foot)

1 square foot of non-residential development = 0.0038 persons (based on 445,755 sqft of non-residential development and a population increase of 1,705 persons)

\$ 1,719,996 x 5.6% (based on non-residential assessment)	\$ 96,319.81
Divided by 1,233 persons x 0.0038	\$ 0.30 / sqft
Non-residential development charge (per square foot)	\$ 0.30 / sqft

Project Description: To service lots on the north and south sides of Finlay Street, a new watermain is required. The work will see a watermain constructed within the Finlay Street road allowance from Bruce Road 7, east to William Street. The costs of this work include an environmental assessment, design, and construction. The cost of this work is estimated at \$283,975, with 100% benefit attributable to future development. It will service an additional 20 lots or 48 people (at 2.4 persons per lot).

Analysis of Long-Term Capital and Operating Costs: The watermain is estimated to have a life of 50 to 100 years. The operating costs of watermain are recovered from water service rate charges. Operating costs for watermains are minimal, usually consisting of periodic flushing.

Project Benefitting Area(s): Finlay St. Service Area

Costs:

Total Costs	\$ 283,975.00
Deduct any grants or subsidies	\$ 0
Subtotal	\$ 283,975.00

Allocation of Costs

Costs are allocated based on the expected service area, which includes the lots fronting onto Finlay Street. This project benefits only future residential development.

Benefit to Existing Development (0%)	\$ 0
Benefit to Future Development (100%)	\$ 283,975.00
Amount recoverable through Development Charges	\$ 283,975.00

Development Charge Calculations

Residential Allocation (per capita)

\$ 283,975.00 x 100% (benefit to residential growth)	\$ 283,975.00
Divided by future capacity	48 persons
Residential development charge (per person)	\$ 5,916.15

Non-Residential Allocation (per square foot)

Not applicable

Project Description: This project involved the extension of lake Range Drive from Concession 12 north to Saratoga Road. This project was completed in November 2006. The final cost of the project was \$925,000. The potential number of lots within the service area is calculated to be approximately 2,900.

Analysis of Long-Term Capital and Operating Costs: The capital cost of this work will be borne by the tax base and development charges. The operating costs of this road will be borne by the tax base. The operating costs have been incorporated into the existing operations budget. The increase the budget as a result of this road is offset by the increase in the tax base from new development in the service area.

Project Benefitting Area(s): Lakeshore, Rural Huron

Costs:

Total Costs	\$ 925,000.00
Deduct any grants or subsidies	- \$ 0
Subtotal	\$ 925,000.00

Allocation of Costs

This project benefits both existing and future development; it provides an arterial route into Kincardine and relieves pressure on existing roads. Additionally, the construction of this road facilitates new development in the service area. The benefits of this project has been allocated 50% to existing development and 50% to future development. Of the 2,900 potential lots in the service area, 500 are future development.

Benefit to Existing Development (50%)	\$ 462,500.00
Benefit to Future Development (50%)	\$ 462,500.00
Amount recoverable through Development Charges	\$ 462,500.00

Development Charge Calculations

Residential Allocation (per capita)

\$ 462,500.00 x 99.8% (benefit to residential growth)	\$ 461,575.00
Divided by future capacity (500 lots x 2.53 persons/lot)	1265 persons
Residential development charge (per person)	\$ 364.88

Non-Residential Allocation (per square foot)

1 square foot of non-residential development = 0.0038 persons (based on 445,755 sqft of non-residential development and a population increase of 1,705 persons)

\$ 462,500.00 x 0.02% (based on non-residential assessment)	\$ 925.00
Divided by 1,265 persons x 0.0038	\$ 0.0005 / sqft
Non-residential development charge (per square foot)	\$ 0.0005 / sqft

Project Description: The Township is proposing to construct paved multi-use paths along Boiler Beach Road. The proposed multi-use paths will be along either side of Boiler Beach Road and approximately 3.7 km in length. It is anticipated this project will be completed in conjunction with road widening work.

Analysis of Long-Term Capital and Operating Costs: Boiler Beach Road is an existing road and operating costs for this road are already included in the municipal budget. It is anticipated that the addition of a paved multi-use path will slightly increase the operating costs associated with this section of road. The increased cost of operating will be offset by development within the lakeshore area.

Project Benefitting Area(s): Lakeshore

Costs:

Total Costs	\$ 1,059,250
Deduct any grants or subsidies	\$ 0
Subtotal	\$ 1,059,250

Allocation of Costs

The project will benefit both existing and future development. It is estimated that 85% of the project benefits existing development and 15% will benefit future growth over the next 20 years (1,463 persons).

Benefit to Existing Development (85%)	\$ 900,362.50
Benefit to Future Development (15%)	\$ 158,887.50
Amount recoverable through Development Charges	\$ 158,887.50

Development Charge Calculations

Residential Allocation (per capita)

\$ 158,887.50 x 100% (residential allocation)	\$ 158,887.50
Divided by 20-year population growth	1,463 persons
Residential development charge (per person)	\$ 108.60

Non-Residential Allocation (per square foot)

Not applicable

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

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

Project Benefitting Area(s): Entire Township

Costs:

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

Allocation of Costs

The project will benefit both existing and future development over the next 10 years (the existing population and an additional 864 persons).

Benefit to Existing Development (92%)	\$ 23,000.00
Benefit to Future Development (8%)	\$ 2,000.00
Amount recoverable through Development Charges	\$ 2,000.00

Development Charge Calculations

Residential Allocation (per capita)

\$ 2,000.00 x 96.8% (based on residential assessment)	\$ 1,936.00
Divided by 10-year population growth	864 persons
Residential development charge (per person)	\$ 2.25

Non-Residential Allocation (per square foot)

\$ 2,000.00 x 3.2% (based on non-residential assessment)	\$ 64.00
Divided by 10-year forecasted non-residential growth	222,877.50 sqft.
Non-Residential development charge (per square foot)	\$ 0.0003 / sqft

Project Description: Finlay Street is currently an unopened, municipal road allowance. A new municipal road is required to access the lots on either side of the road allowance. The municipality is planning to construct a new municipal road within the Finlay Street road allowance from Bruce Road 7, east to William Street. The cost of this work includes an environmental assessment, design and construction. The cost of this work is estimated at \$510,062, with 75% of the benefit attributable to future development. It will service an additional 20 lots of 48 people (at 2.4 persons per lot).

Analysis of Long-Term Capital and Operating Costs: The new road surface is estimated to have a life of approximately 20 years. A new road will add additional costs to the municipal operations budget. The costs of operating the road will be recovered through increased tax revenue from the new development area.

Project Benefitting Area(s): Finlay St. Service Area

Costs:

Total Costs	\$ 510,062
Deduct any grants or subsidies	- \$ 0
Subtotal	\$ 510,062

Allocation of Costs

This project will benefit existing and future development. The benefit to existing is estimated at 25% of project costs.

Benefit to Existing Development (25%)	\$ 127,515.50
Benefit to Future Development (75%)	\$ 382,546.50
Amount recoverable through Development Charges	\$ 382,546.50

Development Charge Calculations

Residential Allocation (per capita)

\$ 382,546.50 x 96.8% (based on residential assessment)	\$ 361,123.90
Divided by future capacity	48 persons
Residential development charge (per person)	\$ 7,523.41

Non-Residential Allocation (per square foot):

1 square foot of non-residential development = 0.0038 persons (based on 445,755 sqft of non-residential development and a population increase of 1,705 persons)

\$ 382,546.50 x 3.2% (based on non-residential assessment)	\$ 21,422.60
Divided by 48 persons x 0.0038	\$ 1.70
Non-Residential development charge (per square foot)	\$ 1.70 / sqft

Project Description: To service the lots on the north and south sides of Finlay Street, a new storm sewer is required. The work will see a storm sewer constructed within the Finlay Street road allowance from Bruce Road 7 east to William Street. The costs of this work include an environmental assessment, design and construction. The cost of this work is estimated at \$206,144, with 75% of the benefit attributed to future development. It will service an additional 20 lots or 48 people (at 2.4 persons per lot).

Analysis of Long-Term Capital and Operating Costs: The storm sewers are estimated to have a life of 50 to 100 years. Operating costs for storm sewers are minimal, usually consisting of periodic flushing. These costs will be recovered through taxes collected from new development.

Project Benefitting Area(s): Finlay St. Service Area

Costs:

Total Costs	\$ 206,144
Deduct any grants or subsidies	\$ 0
Subtotal	\$ 206,144

Allocation of Costs

This project will benefit existing and future development. The benefit to existing is estimated at 25% of project costs.

Benefit to Existing Development (25%)	\$ 51,536.00
Benefit to Future Development (75%)	\$ 154,608.00
Amount recoverable through Development Charges	\$ 154,608.00

Development Charge Calculations

Residential Allocation (per capita)

\$ 154,608.00 x 100% (benefit to future development)	\$ 154,608.00
Divided by future capacity	48 persons
Residential development charge (per person)	\$ 3,221.00

Non-Residential Allocation (per square foot):

Not applicable

Project Description: The Ripley Fire Department has 24 firefighters. Additional firefighters will be hired in response to growth. The cost to outfit a firefighter is \$3,000. The past 10-year level of service equates to 1 firefighter for every 56.6 persons. Over the next 10 years, the population is expected to increase by 791 persons, which equates to an additional 14.2 firefighters.

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

Project Benefitting Area(s): Ripley, Lakeshore, Huron, Finlay St. Service Area

Costs:

Total Costs	\$ 42,714.00
Deduct any grants or subsidies	\$ 0
Subtotal	\$ 42,714.00

Allocation of Costs

The project will benefit future development only over the next 10 years (an additional 791 persons).

Benefit to Existing Development (0%)	\$ 0
Benefit to Future Development (100%)	\$ 42,714.00
Amount recoverable through Development Charges	\$ 42,714.00

Development Charge Calculations

Residential Allocation (per capita)

\$ 42,714.00 x 93.6 % (based on residential assessment)	\$ 39,980.30
Divided by 10-year population growth	791 persons
Residential development charge (per person)	\$ 45.74

Non-Residential Allocation (per square foot)

\$ 42,714.00 x 6.4 % (based on non-residential assessment)	\$ 2,733.70
Divided by 10-year forecasted non-residential growth	222,877.50 sqft.
Non-Residential development charge (per square foot)	\$ 0.01 / sqft

Project Description: The Lucknow Fire Department has 24 firefighters. Additional firefighters will be hired in response to growth. The cost to outfit a firefighter is \$3,000. The past 10-year level of service equates to 1 firefighter for every 56.4 persons. Over the next 10 years, the population is expected to increase by 73 persons, which equates to an additional 1.3 firefighters.

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

Project Benefitting Area(s): Lucknow, Kinloss

Costs:

Total Costs	\$ 3,942.00
Deduct any grants or subsidies	\$ 0
Subtotal	\$ 3,942.00

Allocation of Costs

The project will benefit future development only over the next 10 years (an additional 73 persons).

Benefit to Existing Development (0%)	\$ 0
Benefit to Future Development (100%)	\$ 3,942.00
Amount recoverable through Development Charges	\$ 3,942.00

Development Charge Calculations

Residential Allocation (per capita)

\$ 42,714.00 x 91.5 % (based on residential assessment)	\$ 3,606.93
Divided by 10-year population growth	73 persons
Residential development charge (per person)	\$ 49.41

Non-Residential Allocation (per square foot)

\$ 3,942.00 x 8.5 % (based on non-residential assessment)	\$ 335.07
Divided by 10-year forecasted non-residential growth	222,877.50 sqft.
Non-Residential development charge (per square foot)	\$ 0.001 / sqft

Project Description: A new fire hall was constructed in Lucknow. The new building is 8,000 square feet and replaced an existing structure of 2,300 square feet. The previous facility was severely undersized for its function. The cost of the new facility was shared with the Township of Ashfield-Colborne-Wawanosh (50% ACW, 50% Huron-Kinloss). In Huron-Kinloss, the Lucknow facility serves Lucknow and former Kinloss Township. A COMRIF grant was obtained, which reduced the construction costs to a net 33.3% for the municipalities. The costs of the land for the facility was not grant funded. Under the DCA, the quality and the quantity of a service shall not exceed the past 10-year average service level. However, in this case the new facility is required to meet standards under the Ontario Fire Marshall Public Safety Guidelines. The new facility is sized to meet these standards. The new facility is expected to service the needs of the existing population and the next 20 years of growth.

Analysis of Long-Term Capital and Operating Costs: The costs of operating the facility will be recovered from the general tax base.

Project Benefitting Area(s): Lucknow, Kinloss

Costs:

Total Costs	\$ 1,169,319.18
Deduct any grants or subsidies (COMRIF)	- \$ 750,000.00
ACW share	- \$ 209,656.59
Subtotal	\$ 209,659.59

Allocation of Costs

The costs have been apportioned to existing and future growth (20 years) in the same manner.

Benefit to Existing Development (95.2 % based on current population of 2,622)	\$ 199,502.55
Benefit to Future Development (4.8 % based on future additional population of 144 persons)	\$ 10,157.04
Amount recoverable through Development Charges	\$ 10,157.04

Development Charge Calculations

Residential Allocation (per capita)

\$ 10,157.04 x 91.5 % (based on residential assessment)	\$ 9,293.70
Divided by 20-year population growth	144 persons
Residential development charge (per person)	\$ 69.36

Non-Residential Allocation (per square foot)

\$ 10,157.04x 8.5% (based on non-residential assessment)	\$ 863.35
Divided by 20-year forecasted non-residential growth	445,755 sqft.
Non-Residential development charge (per square foot)	\$ 0.002 / sqft

Project Description: The Township is planning to construct a Firefighter Training Centre. The Firefighter Training Centre will be used by firefighters from both the Lucknow and Ripley Fire Departments. Costs of the project are solely borne by the Township. The facility will provide a Class 'A' live fire training and will afford the Township the opportunity to ensure its firefighters obtain and comply with the minimum standards under the NFPA Firefighting Training Program. This facility is expected to benefit existing development and future development (20 years).

Analysis of Long-Term Capital and Operating Costs: The costs of operating the facility are expected to be minimal and will be incorporated in the operating budget for the fire departments.

Project Benefitting Area(s): Entire Township

Costs:

Total Costs	\$ 74,570
Deduct any grants or subsidies	- \$ 0
Subtotal	\$ 74,570

Allocation of Costs

The costs have been apportioned to existing and future growth (20 years) in the same manner.

Benefit to Existing Development (85 % based on current population of 10,043)	\$ 63,384.50
Benefit to Future Development (15% based on future additional population of 1,705 persons)	\$ 11,185.50
Amount recoverable through Development Charges	\$ 11,185.50

Development Charge Calculations

Residential Allocation (per capita)

\$ 11,185.50 x 96.8% (based on residential assessment)	\$ 10,827.56
Divided by 20-year population growth	1,705 persons
Residential development charge (per person)	\$ 6.35

Non-Residential Allocation (per square foot)

\$ 11,185.04 x 3.2% (based on non-residential assessment)	\$ 357.92
Divided by 20-year forecasted non-residential growth	445,755 sqft.
Non-Residential development charge (per square foot)	\$ 0.001 / sqft

Project Description: Under the Development Charges Act, municipalities may collect development charges against the cost of completing Development Charge Background Studies. The cost of the Development Charges Background Report is \$18,500.

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

Project Benefitting Area(s): Entire Township

Costs:

Total Costs	\$ 18,500
Deduct any grants or subsidies	\$ 0
Subtotal	\$ 18,500

Allocation of Costs

The project will benefit future development only over the next 10 years (an additional 864 persons).

Benefit to Existing Development (0%)	\$ 0
Benefit to Future Development (100%)	\$ 18,500
Amount recoverable through Development Charges	\$ 18,500

Development Charge Calculations

Residential Allocation (per capita)

\$ 18,500 x 96.8 % (based on residential assessment)	\$ 17,908.00
Divided by 10-year population growth	864 persons
Residential development charge (per person)	\$ 20.73

Non-Residential Allocation (per square foot)

\$ 18,500 x 3.2% (based on non-residential assessment)	\$ 592.00
Divided by 10-year forecasted non-residential growth	222,877.50 sqft.
Non-Residential development charge (per square foot)	\$ 0.003 / sqft