



TOWN OF GODERICH DEVELOPMENT CHARGES BACKGROUND STUDY (2021)



TOWN OF GODERICH

DEVELOPMENT CHARGES BACKGROUND STUDY

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TOWN OF GODERICH 2021 DEVELOPMENT CHARGES BACKGROUND STUDY

1.0 Introduction

The Town of Goderich 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 Town during the period of 2021-2026. 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 109 of 2016), passed on October 11, 2016.

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;
- The calculations associated with establishing development charges for each applicable service category;
- 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 Town 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 Town. 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

In 2016, the Town enacted By-law 109 of 2016, to collect development charges on residential and non-residential development within the municipality. Currently, as set out in By-law 109 of 2016, there is one development charge service that encompasses the entire Town.

The current by-law was imposed after consideration of a Development Charges Background Report dated July 27, 2016. This report analyzed potential growth and development across the entire Town and evaluated capital works necessary to service this growth. By-law 109 of 2016 was passed on October 11, 2016, imposing charges for service categories as identified in the 2016 Background Report. The charges established under that by-law are as follows:

**Table 3.1 Current Residential Development Charges from Bylaw 109 of 2016
(indexed effective July 1, 2021)**

Service Category	Single Detached & Semi-Detached	Multiples and Townhouses	Apartments (2 bedrooms +)	Apartments (Bachelor, 1 bedroom)
Sanitary Sewage	\$542.91	\$438.52	\$375.86	\$271.46
Water Services	\$230.62	\$186.27	\$159.66	\$115.31
Transportation	\$399.89	\$322.99	\$276.85	\$199.94
Police Services	\$36.58	\$29.54	\$25.32	\$18.29
Health Services	\$620.62	\$501.27	\$429.66	\$310.31
Administration	\$715.34	\$577.77	\$495.23	\$357.67
Less 10%	-\$254.60	-\$205.64	-\$176.26	-\$127.30
Total (per unit)	\$2,291.36	\$1,850.72	\$1,586.32	\$1,145.68

Table 3.2 Current Non-Residential Development Charges from Bylaw 109 of 2016

Service Category	Development Charge (per sq. m)
Sanitary Sewage	\$1.62
Water Services	\$1.71
Transportation	\$1.68
Police Services	\$0.04
Health Services	\$0.00
Administration	\$0.32
Less 10%	-\$0.54
Total (per sq. m)	\$4.83

The 2020 balance of the development charge reserve funds is summarized in Table 3.3. In 2020, \$5,814.98 was deposited into the applicable development charge reserve accounts. There were no withdrawals made. The interest earned on the balance was \$2,006.85. The balance of the reserve accounts at the end of 2020 is \$277,459.55. It is anticipated that as development charges are collected, they will either remain in reserve until payments for development charge projects are made or will be applied to debt repayment for projects that have been implemented.

Table 3.3 Summary of Development Charges Collected, Withdrawn and Current Balances

Reserve Fund	2020 Opening Balance	Deposits	Interest	Withdrawals	2020 Closing Balance
Transportation	\$63,475.87	\$913.36	\$470.04	-\$0	\$64,859.27
Police	\$3,758.94	\$83.54	\$27.99	-\$0	\$3,870.47

Reserve Fund	2020 Opening Balance	Deposits	Interest	Withdrawals	2020 Closing Balance
Fire Protection	\$0	\$0	\$0	-\$0	\$0
Water	\$35,940.98	\$526.75	\$266.32	-\$0	\$36,734.05
Health Services	\$44,097.53	\$1,417.50	\$330.59	-\$0	\$45,845.62
Administration	\$56,272.70	\$1,633.81	\$420.96	-\$0	\$58,327.47
Sewage	\$66,091.70	\$1,240.02	\$490.95	-\$0	\$67,822.67
Total	\$269,637.72	\$5,814.98	\$2,006.85	-\$0	\$277,459.55

4.0 Approach

This report is an update of the 2016 Background Study completed by BMROSS. 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 Town. Town staff provided information on buildings/development activity since the previous report was prepared.
- Town staff and consulting engineers provided 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 Town 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 Town of Goderich over a 20-year planning period. The growth forecasts were established following an assessment of general growth and development trends in Goderich 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 Town. 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 Town of Goderich is the 2016 Census. In 2016, the population of Goderich was 7,628 residents, an increase of 102 persons from the 2011 count and 75 persons from the 2006 Census (Table 5.1). The increase in population between 2011 and 2016 equates to an annual average growth rate of 0.27%. Over the last 10 years of census data, the annual average growth rate was 0.09%. A decline in population was observed between 2001 and 2016. The 2016 Census shows a recovery in the population to a level beyond the previous 2001 population. The 2001-2011 decline in population is attributed to the closure of a large manufacturer in the community in 2010, which resulted in a loss of approximately 500 jobs within the community.

Table 5.1 Town of Goderich Census Population Counts, 1986-2016

Year	Population
1986	7,352
1991	7,452
1996	7,553
2001	7,604
2006	7,563
2011	7,526
2016	7,628
5-year change	102
10-year change	65
20-year change	75
5-year change (%)	1.36
10-year change (%)	0.86
20-year change (%)	0.99
5-year average annual growth rate (%)	0.27
10-year average annual growth rate (%)	0.09
20-year average annual growth rate (%)	0.05

The recent growth in population is attributed to recent developments that have attracted new residents to the Town. These developments have been geared towards seniors and retirees and it is suspected that those segments of the population have driven the recent population increase.

The numbers of occupied private dwellings in Goderich, as counted through previous Censuses are summarized in Table 5.2. The number of private dwellings in the Town has increased over the last 5 years, with approximately 107 new dwellings since 2011. Over the last 20 years, the number of dwellings has increased by 312. The increase in dwellings equates to growth of 3.17% from the 2011 number of dwellings.

Table 5.2 Town of Goderich Census Households Counts, 1986-2016

Year	Private, Occupied Dwellings
1986	2,850
1991	3,010
1996	3,170
2001	3,185
2006	3,270
2011	3,375
2016	3,482
5-year change	107
10-year change	212
20-year change	312

Year	Private, Occupied Dwellings
5-year change (%)	3.17
10-year change (%)	6.48
20-year change (%)	9.84
5-year average annual growth rate (%)	0.63
10-year average annual growth rate (%)	0.63
20-year average annual growth rate (%)	0.47

To gain a better understanding of residential development occurring in Goderich, building permit data for new residential dwellings was assessed. Table 5.3 summarizes the number of new building units throughout the Town between 2011 and 2020.

Table 5.3 Building Permits Issued for New Residential Development, 2011-2020

Year	Single Detached Units	Semi- Detached Units	Apartments	Total New Units
2011	3	20	1	24
2012	4	9	6	19
2013	4	2	65	71
2014	5	10	8	23
2015	6	15	0	21
2016	3	9	1	13
2017	8	22	0	30
2018	3	1	0	4
2019	4	4	109	117
2020	5	1	1	7
5-year total	23	37	111	171
10-year total	45	93	191	329
5-year average	4.6	7.4	22.2	34.2
10-year average	4.5	9.3	19.1	32.9

Over the past 10 years, there were permits issued for 347 new residential units in Goderich. This includes 191 apartment units, 93 semi-detached, row or townhouse units, and 45 single detached units. It should be noted that the 2019 number of permits include a 75-unit addition to an existing retirement residence. Generally, the average annual number of new single detached units has remained steady when looking over the last 5 and 10 years, at approximately 4.5 new single detached units per year. Over the last 10 years, the average annual number of multi and apartments new units is 9.3 and 19.1, respectively.

In recent years, the proportion of new residentials that are multi-unit or apartment dwellings has increased. This is due to the construction of a new apartment/retirement

building, and construction of row houses. The majority of existing residential units in Goderich are single or semi-detached units (72.4% of housing stock), followed by 22.2% classified as apartments and 5.3% categorized as multi-type units. It is expected that future development in Goderich will continue to be a mix of single and semi-detached units, multi and apartment units. The portion of new units that are multi-units and apartments is expected to increase, following general trends and changes in planning policies.

5.3 Population and Households Forecast

5.3.1 Forecast Methodology

For the purposes of this study, a population forecast for Goderich was developed. These forecasts are based on input from staff, forecasted developments, and building permit data.

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.
- The number of households was projected from 2016 to 2021 based on the reported number of building permits for new single detached, multi-units and apartments.
- The 2020 population was estimated based on the number of new building permits issued since 2016 and the average density (persons per unit) for each housing type: 2.34 persons per unit for single detached; 1.92 persons for multi-units, and 1.46 persons for apartment units.
- The increase in number of units of single, multi-units and apartments is based on the 10-year annual average number of building permits for each type:
 - Single Detached: 5 new units per year
 - Multi-Units: 10 units per year
 - Apartments: 15 units per year
- The expected number of households and population density was then used to forecast the population increase.

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 existing lots and registered lots through Plans of Subdivisions and Site Plans.
- The nature of the local economy and role of Goderich in the regional area will remain unchanged throughout the planning period.
- It is expected that additional development lands at the south end of Goderich will be developed for residential use.

5.3.2 Residential and Population Forecast

A residential and population growth forecast was developed for Goderich based upon the previously discussed methodology. Table 5.4 shows the population and household forecasts for Goderich.

Table 5.4: Residential Population and Household Forecast 2021-2046

Year	Goderich Population	Goderich Dwellings
2016 (Census)	7,628	3,482
2021	7,758	3,545
2026	8,023	3,695
2031	8,288	3,845
2036	8,553	3,995
2041	8,818	4,145
2046	9,083	4,295
5-year change	265	150
10-year change	530	300
20-year change	1,060	600
25-year change	1,325	750

5.4 Non-Residential Development Forecast

The forecast for non-residential development is based on the average amount of new non-residential growth in Goderich over the last six years. The average annual amount of non-residential growth in the Town is 39,294 ft² per year. It is predicted that non-residential growth will continue at current rates. Given this, the forecasted amount of non-residential growth over the next 5, 10 and 20 years is shown in Table 5.5.

Table 5.5 Forecasted Non-Residential Growth (ft²)

Year	Non-Residential Growth (ft²)
2021-2026	196,472
2021-2031	392,943
2021-2041	785,887

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 Goderich 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, wastewater, fire services, public work facilities, roads, etc.).

- A review of projects/services contained in the 2016 Background Report.
- 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.
 - Services related to a highway (as defined in subsection 1(1) of the *Municipal Act, 2001*).
 - Electrical power services.
 - Policing services.
 - Ambulance services.
 - Waste diversion services.
 - Fire Protection services.
 - Library services.
 - Long term care services.
 - Parks and recreation services.
 - Childcare and early year programs and services.
 - Housing services.
 - Services related to by-law enforcement and municipally administered courts.
 - Emergency preparedness services.
 - Transit services.
 - Development charge background studies, and
 - Studies related to the above matters.
- Identification of completed projects and services which benefit future development and included allocations specifically for growth (i.e., additional capacity).
- Identification of proposed projects and services which will provide benefit to further development within the next ten years; and
- Assessment of the probable capital costs which will be incurred for those projects or services determined to be DCA-eligible.

6.2 Review of Projects/Services from the 2016 Background Report

The evaluation process included a review of growth-related projects that were included in the 2016 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 2016 Development Charge Projects

Service Category	Project	Summary of Review
Sanitary Sewage	Pollution Control Plant Upgrades	<ul style="list-style-type: none"> • Upgrades to the Pollution Control Plant that included a benefit to growth. • Capacity remains • Continue to collect.
Water	Water Treatment Plant Upgrades	<ul style="list-style-type: none"> • Upgrades to the Water Treatment Plant Upgrades. • Portion of project included growth-related component. • Capacity remains • Continue to collect
Transportation	Suncoast Drive Widening	<ul style="list-style-type: none"> • Project completed and paid for. • Remove from development charges.
Transportation Services	Sidewalk Extension	<ul style="list-style-type: none"> • Additional sidewalks to service future and existing growth. • Continue to collect.
Medical Clinic	Medical Clinic Expansion	<ul style="list-style-type: none"> • The Town constructed an expansion to the Maitland Valley Medical Centre in Goderich. • No longer eligible for collection through development charges as a result of changes to the Act. • Remove from development charges.
Police Services	New Police Facility	<ul style="list-style-type: none"> • Town renovated space for an office facility for police services. • Project is complete and paid for. • Remove from development charges.
Administration	Studies	<ul style="list-style-type: none"> • Included Development Charges Background Study and Waterfront Master Plan Study. • Update costs and review any additional studies being considered in the next 10 years. • Continue to collect.

6.3 Review of Additional Services

Additional services that are anticipated to be required as a result of growth in the Town 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	Description
Roads	Bennett St. and Highway 21 Traffic Controls	<ul style="list-style-type: none"> • Installation of traffic signals at Bennett St. and Highway 21 are required due to increased traffic levels as a result of growth. • Benefit existing and future development. • Cost estimated at \$250,000.
Public Works Facility and Fleet	New Public Works Facility	<ul style="list-style-type: none"> • A new larger public works facility is required to meet the needs of the Town. • The Town currently has 5 bays of space and requires 8 bays of space. • Calculate development charge based on the 10-year average level of service.
Public Works, Facility and Fleet	Additional Vehicle	<ul style="list-style-type: none"> • An additional vehicle for the fleet is required. • Will benefit existing and future growth.
Public Works, Facility and Fleet	Additional Snow Plow	<ul style="list-style-type: none"> • An additional snow plow is required as a result of growth. • Will benefit existing and future growth.
Fire Services	Firefighter Outfitting	<ul style="list-style-type: none"> • As growth occurs, additional firefighters will be required. Bunker suits will be required for these additional firefighters.
Housing Services	Community Housing	<ul style="list-style-type: none"> • The Town has committed to partnering with private developers and the County on providing funds for building affordable housing in Goderich. • Town has committed to \$150,000 per year for capital costs related to affordable housing. • Benefits existing and future development.

It should be noted that two developers asked that the Town consider the inclusion of road improvements and a trunk storm sewer that are required as a result of proposed growth at the south end of Goderich in the development charges. The developers are currently undertaking updates to their Traffic Impact Study and the proposed road improvements may change. Given this, it was determined at this time these projects will not be included in this iteration of development charges. When the revised Traffic Impact Study is received, staff and Council may consider including further road improvement projects in future development charges.

6.4 Service Areas

In previous iterations of the Development Charges By-law, the Town has had a single service area, which encompasses the entire Town of Goderich. Through the

Background Study, it has been identified that the single service area is still appropriate for the identified projects included the development charges.

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 Town of Goderich last updated their asset management plan in 2016. The intent of the AMP is to serve as a strategic, tactical and financial document to allow the Town to follow sound asset management practices while optimizing available resources and achieving a desired level of service. The AMP included consideration of the following asset categories: road network, water service, sanitary sewer service, stormwater service, facilities, land improvements, machinery and equipment, and fleet.

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 2016 AMP and include:

- Wastewater Pollution Control Plant
- Water Treatment Plant

Additionally, studies included in the development charge 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 estimated life cycle of the assets (based on the lifetime estimates used in the 2016 AMP), the replacement costs were estimated assuming 3.4% annual inflation. The assets not included in the 2016 AMP have a life-cycle cost totaling \$6.8 million dollars. The assumed life expectancy of the assets ranges from 10 to 50 years. Assuming 3.5% annual interest, the Town will require an additional \$82,994 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 Goderich is expected to continue to increase over the next 10 years. The forecasted addition of 300 units will contribute to the existing assessment base and offset the costs associated with these additional assets. Given this, and the Town'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 Town 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

All the projects included in the development charges benefit the entirety of the Town of Goderich. There are no projects that have specific benefitting or service areas.

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 Goderich.

Table 7.1 Ratio of Residential and Non-Residential Development in Goderich

Category	Goderich
Residential	84%
Non-Residential	16%

7.2.4 Occupancy Considerations

The average occupancy rate in Goderich, based on the population and number of dwellings as reported in the Census is 2.19 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. These are based on average occupancies per the last Census.

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	2.34	100%
Multiples	1.92	82%
Apartments (2 or more bedrooms)	1.85	79.1%
Apartments (1 bedroom, bachelor)	1.5	64.1%

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 provides a summary of the development charge calculations per capita, 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 7.4 to 7.7. The calculated non-residential charges are summarized in Table 7.8.

It is recommended that development charges schedules, selected by Council using this Report as a guide, be collected by by-law in the Town for the period 2021-26.

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

Service Category	Development Charges (per capita)
Wastewater	\$179.80
Water	\$83.58
Roads	\$269.88
Public Works – Fleet and Facilities	\$557.09
Fire Services	\$8.99
Housing Services	\$169.81
Studies	\$95.22
Total (per capita)	\$1,364.38

Table 7.4 Summary of Calculated Residential Development Charges per Unit, by Unit Type,

	Single & Semi Detached Unit (2.34 PPU)	Multi-Units & Townhouses (1.92 PPU)	Apartment - 2 or more bedrooms (1.85 PPU)	Apartment – 1 bedroom or bachelor (1.5 PPU)
Wastewater	\$421.00	\$345.00	\$333.00	\$270.00
Water	\$196.00	\$160.00	\$155.00	\$125.00
Roads	\$632.00	\$518.00	\$499.00	\$405.00
Public Works – Fleet and Facilities	\$1,304.00	\$1,070.00	\$1,031.00	\$836.00
Fire Services	\$21.00	\$17.00	\$17.00	\$13.00
Housing Services	\$397.00	\$326.00	\$314.00	\$255.00
Studies	\$223.00	\$183.00	\$176.00	\$143.00
Residential Total (per unit)	\$3,194.00	\$2,619.00	\$2,525.00	\$2,047.00

Table 7.5 Summary of Calculated Non-Residential Development Charges

Service Category	Development Charges (per sq.ft)
Wastewater	\$0.05
Water	\$0.02
Roads	\$0.07
Public Works – Fleet and Facilities	\$0.41
Fire Services	\$0.00
Housing Services	-
Studies	\$0.03
Total (per sq.ft)	\$0.57

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 Town 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 to 7.5 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 Town, specific areas of the Town, 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 Town 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 Town 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 Town 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 Town 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 Town of Goderich. Council is considering a new Development Charges By-law for the Town and the study is required under the *Development Charges Act, 1997*.

The study incorporated the primary key activities:

- Review of historic growth in Goderich 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 7.3-7.5 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

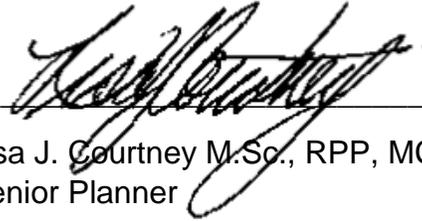
The following represent the final activities required to adopt a Development Charges program:

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

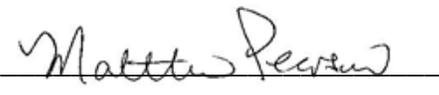
All of which is respectfully submitted.



B. M. ROSS AND ASSOCIATES LIMITED

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



Per 
Matt Pearson, RPP, MCIP
Senior Planner

**APPENDIX A
GROWTH AND DEVELOPMENT
FORECAST**

1.0 INTRODUCTION

1.1 General

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

Development forecasts have been prepared in conjunction with the Development Charges Background Study to project a population for Goderich over 10-year (2021-2031) and 20-year (2021-2041) planning periods. The growth projections were established following an assessment of general growth and development trends evident in the Town 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 Goderich. 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 consulted during this review:

- Statistics Canada Census of Canada data for the period 1986-2016 (data is collected in 5-year intervals).
- Building permit records compiled by the Town of Goderich for the period 2009-2020. The records detail the type (e.g., residential, commercial, industrial) and value of development.
- Population Projections for Huron County.
- 2016 Development Charges Background Study for the Town of Goderich by B.M. Ross and Associates Limited.
- Goderich staff and
- An assessment of current development projects and proposals.

2.0 BACKGROUND POPULATION & DEVELOPMENT INFORMATION

2.1 Residential Growth Trends

2.1.1 Population

The most recent population count for the Town of Goderich is the 2016 Census. In 2016, the population of Goderich was 7,628 residents, an increase of 102 persons from the 2011 count and 75 persons from the 2006 Census. The increase in population between 2011 and 2016 equates to an annual average growth rate of 0.27%. Over the last 10 years of census data, the annual average growth rate was 0.09%. A decline in population was observed between 2001 and 2016. The 2016 Census shows a recovery in the population to a level beyond the previous 2001 population. The 2001-2011 decline in population is attributed to the closure of a large manufacturer in the community in 2010, which resulted in a loss of approximately 500 jobs within the community.

Table 2.1 Town of Goderich Census Population Counts, 1986-2016

Year	Population
1986	7,352
1991	7,452
1996	7,553
2001	7,604
2006	7,563
2011	7,526
2016	7,628
5-year change	102
10-year change	65
20-year change	75
5-year change (%)	1.36
10-year change (%)	0.86
20-year change (%)	0.99
5-year average annual growth rate (%)	0.27
10-year average annual growth rate (%)	0.09
20-year average annual growth rate (%)	0.05

The recent growth in population is attributed to recent developments that have attracted new residents to the Town. These developments have been geared towards seniors and retirees and it is suspected that those segments of the population have driven the recent population increase.

The most recent Census data was consulted to identify recent levels of movement within and to the Town of Goderich, 37.6% of the population moved between 2016 and 2011. Approximately 20% of the population that moved within the last five years moved within the Town boundaries. Those that moved to Goderich from another location in Ontario account for 15.7% of those who moved and 1.4% moved from another province

or territory within Canada. Immigrants from outside of Canada account for 0.6% of the population that moved. This suggests that local migration is a source of population growth within Goderich and likely reflects the movement of retirees and seniors to the community.

The average age in Goderich, as of the last census, is 46.9 years old. This is older than the Ontario average of 41.0 years. Those aged 65 and over account for 27.4% of the population of Goderich, compared to 23.7% in Huron County and 17.9% in Ontario. Children, or those aged 14 or less make up approximately 13.8% of the population. This data suggests that Goderich generally has an older population. The lower proportion of young adults suggests that this demographic leaves the community for higher education and employment opportunities.

2.1.2 Residential Development

The numbers of occupied private dwellings in Goderich, as counted through previous Censuses are summarized in Table 2.2. The number of private dwellings in the Town has increased over the last 5 years, with approximately 107 new dwellings since 2011. Over the last 20 years, the number of dwellings has increased by 312. The increase in dwellings equates to growth of 3.17% from the 2011 number of dwellings.

Table 2.2 Town of Goderich Census Households Counts, 1986-2016

Year	Private, Occupied Dwellings
1986	2,850
1991	3,010
1996	3,170
2001	3,185
2006	3,270
2011	3,375
2016	3,482
5-year change	107
10-year change	212
20-year change	312
5-year change (%)	3.17
10-year change (%)	6.48
20-year change (%)	9.84
5-year average annual growth rate (%)	0.63
10-year average annual growth rate (%)	0.63
20-year average annual growth rate (%)	0.47

To gain a better understanding of residential development occurring in Goderich, building permit data for new residential dwellings was assessed. Table 2.3 summarizes the number of new building units throughout the Town between 2011 and 2020.

Table 2.3 Building Permits Issued for New Residential Development, 2011-2020

Year	Single Detached Units	Semi-Detached Units	Apartments	Total New Units
2011	3	20	1	24
2012	4	9	6	19
2013	4	2	65	71
2014	5	10	8	23
2015	6	15	0	21
2016	3	9	1	13
2017	8	22	0	30
2018	3	1	0	4
2019	4	4	109	117
2020	5	1	1	7
5-year total	23	37	111	171
10-year total	45	93	191	329
5-year average	4.6	7.4	22.2	34.2
10-year average	4.5	9.3	19.1	32.9

Over the past 10 years, there were permits issued for 347 new residential units in Goderich. This includes 191 apartment units, 93 semi-detached, row or townhouse units, and 45 single detached units. It should be noted that the 2019 number of permits include a 75-unit addition to an existing retirement residence. Generally, the average annual number of new single detached units has remained steady when looking over the last 5 and 10 years, at approximately 4.5 new single detached units per year. Over the last 10 years, the average annual number of multi and apartments new units is 9.3 and 19.1, respectively.

In recent years, the proportion of new residential units that are multi-unit or apartment dwellings has increased. This is due to the construction of a new apartment/retirement building, and construction of row houses. The majority of existing residential units in Goderich are single or semi-detached units (72.4% of housing stock), followed by 22.2% classified as apartments and 5.3% categorized as multi-type units. It is expected that future development in Goderich will continue to be a mix of single and semi-detached units, multi and apartment units. The portion of new units that are multi-units and apartments is expected to increase, following general trends and changes in planning policies.

2.1.3 Occupancy

For the Town of Goderich, 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. The household density for the Town is shown in Table 2.4.

Table 2.4 Household Densities, Goderich (Persons Per Unit)

Year	Person Per Unit
1986	2.58
1991	2.48
1996	2.38
2001	2.39
2006	2.31
2011	2.23
2016	2.19

Overall, the number of people per dwelling unit in the Town has declined over the last 10 years in a relatively consistent fashion. The decrease in average household density is a trend that is common across southwestern Ontario. This trend is attributed to demographic shifts, including more seniors living longer, fewer children per household, and an increase in the number of single-person households.

2.1.4 Residential Developments

The majority of residential development in Goderich occurs on existing lots or lots created by Plan of Subdivision. Town and County planning staff provided information on the following approved developments listed in Table 2.5.

Table 2.5 Approved Residential Developments

Name	Total Units	Unit Types
Coast Goderich	38 approved	Single detached units
Talin Condominium	70	Apartment units
Jefferies Lumber	14	Semi-detached units
Otten South Street	11	Single and semi-detached units
Burgsma Britannia	4	Multi-units

There are also a number of potential developments that have yet to be approved. Based on discussions with Town and County planning staff, the number of proposed, unapproved lots is approximately 1,350. The development potential reflects the addition of lands to the Town of Goderich from the Municipality of Central Huron.

2.2 Non-Residential Growth Trends

2.2.1 Labour Force

In Goderich, from information gathered as part of the 2016 Census, the number of persons in the labour force was 3,600. The unemployment rate is 5.7% which is only slightly higher than the Huron County rate of 5.3%. Approximately 43% (or 2,745) of the population reported not being in the labour force.

There were 3,865 persons who reported working, of those people approximately 51% of reported working full time and 49% worked part time. The majority of employed

residents in Goderich work in sales and service occupations (25%), followed by trades, transportation or equipment operators (15.3%), business, finance and administration occupations (15.0%), and occupations in education, low and social, community and government services (13.6%).

The majority of employees in Goderich (72.3%) commute to work within the Town. Another 19.2% commute to another municipality within Huron County, and 8.0% commute to another County within Ontario.

2.2.2 Non-Residential Development

The number of building permits issued for non-residential development, including additions and new construction, in the Town over the last 6 years is summarized in Table 2.6. In the last 6 years there have been 23 building permits issued for new non-residential buildings and additions to existing buildings. The majority of building permits have been issued for commercial new builds and additions. Table 2.7 summarizes the amount of new non-residential growth in square meters, based on building permit information. Over the last six years, the average amount of new non-residential growth is 39,294 square feet, or a total of 235,766 square feet.

Table 2.6 Summary of Permits Issued for Additions and New Builds, Non-Residential Permits, (2015-2020)

Year	Industrial	Institutional	Commercial	Total
2015	0	2	3	5
2016	3	1	3	7
2017	0	0	3	3
2018	1	0	3	4
2019	1	0	2	3
2020	0	0	1	1
Total	5	3	15	23

Table 2.7 Non-Residential Building (ft²) from 2016-2020

Year	Industrial	Institutional	Commercial	Total
2015		4,024	15,108	19,132
2016	10,638	4,000	40,654	55,292
2017			39,860	39,860
2018	7,680		43,583	51,263
2019	51,660		17,859	69,519
2020			700	700
Total	69,978	8,024	157,764	235,766
Average	23,326	4,012	26,294	39,294

2.3 Development Patterns in the Study Area

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

- The number of households is expected to outstrip population growth in Goderich due to the overall aging of the population (resulting from lower death and birth rates, and the migration of older seniors/retirees to the area). The aging of the population is expected to increase demands for services and housing designed to accommodate the needs of seniors.
- There is no expectation of a major manufacturing facility or other type of large employer locating within Goderich within the next 10 years.
- Growth in the regional economy may drive increased growth in the Town. Goderich's proximity to a regional economic driver in the region (i.e., Bruce Power) may also influence and direct growth.
- It is expected the majority of residential growth will occur as a mix of single detached and row and townhouses, with apartment and row townhouses unit increasingly common over time.
- It is expected that residential growth in Goderich will continue at a moderate pace reflective of the availability of lots. It is expected that as additional Plans of Subdivision are approved, growth will continue.

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 and pipeline assessment data. The percentages of residential and non-residential development for the Town are summarized in Table 2.8.

Table 2.8: Residential and Non-Residential Allocations

Residential Allocation (%)	Non-Residential Allocation (%)
84.0	16.0

3.0 RESIDENTIAL GROWTH PROJECTIONS

3.1 Forecast Methodology

For the purposes of this study, a population forecast for Goderich was developed. These forecasts are based on input from staff, forecasted developments, and building permit data.

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.
- The number of households was projected from 2016 to 2021 based on the reported number of building permits for new single detached, multi-units and apartments.
- The 2020 population was estimated based on the number of new building permits issued since 2016 and the average density (persons per unit) for each housing type: 2.34 persons per unit for single detached; 1.92 persons for multi-units, and 1.46 persons for apartment units.
- The increase in number of units of single, multi-units and apartments is based on the 10-year annual average number of building permits for each type:
 - Single Detached: 5 new units per year
 - Multi-Units: 10 units per year
 - Apartments: 15 units per year
- The expected number of households and population density was then used to forecast the population increase.

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 existing lots and registered lots through Plans of Subdivisions and Site Plans.
- The nature of the local economy and role of Goderich in the regional area will remain unchanged throughout the planning period.
- It is expected that additional the additional development lands at the south end of Goderich will be developed for residential use.

3.2 Residential and Population Forecasts

A residential and population growth forecast was developed for Goderich based upon the previously discussed methodology. Table 3.1 shows the population and household forecasts for Goderich.

Table 3.1: Residential Population and Household Forecast 2021-2046

Year	Goderich Population	Goderich Dwellings
2016 (Census)	7,628	3,482
2021	7,758	3,545
2026	8,023	3,695
2031	8,288	3,845
2036	8,553	3,995
2041	8,818	4,145
2046	9,083	4,295
5-year change	265	150

10-year change	530	300
20-year change	1,060	600
25-year change	1,325	750

3.3 Forecast Assessment

The following represents the key findings of the population and residential development forecasts for the Town of Goderich:

- The number of residential units in Goderich is expected to continue to increase over the next 20 years. The majority of the development is expected to occur as a mix of single detached, multi-type units and apartments. This is supported by the mix observed in current development proposals.
- It is forecasted that there will be an additional 1,060 persons in the Town in 20 years.
- It is expected that the current approved and proposed developments will support the continued growth within the Town.

3.4 Conclusions

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

4.0 NON-RESIDENTIAL GROWTH FORECAST

4.1 Forecast

The forecast for non-residential development is based on the average amount of new non-residential growth in Goderich over the last six years. The average annual amount of non-residential growth in the Town is 39,294 ft² per year. It is predicted that non-residential growth will continue at current rates. Given this, the forecasted amount of non-residential growth over the next 5, 10 and 20 years is shown in Table 4.1.

Table 4.1 Forecasted Non-Residential Growth (ft²)

Year	Non-Residential Growth (ft²)
2021-2026	196,472
2021-2031	392,943
2021-2041	785,887

APPENDIX B
ANALYSIS OF GROWTH-RELATED
PROJECTS

Project Description: The Town undertook additional upgrading of the Pollution Control Plant in 2009 by adding a UV disinfection system. The growth component of the works is estimated to be 20% of the existing capacity at the time (7,500 persons). Thus, the growth component is equal to approximately 1,500 persons. The upgrades cost \$2,404,828.80. The Town received a grant of \$475,150 for these works.

Analysis of Long-Term Capital and Operating Costs: The Town financed the work through a combination of contributions from the existing sewage service rate, existing cash reserves and development charges. Extra operating costs will be partially offset by the addition of new growth. There may also be sewage service rate increases implemented over the life of the works.

Project Benefiting Area(s): Goderich

Costs:

Total Costs	\$ 2,404,282.80
Deduct any grants or subsidies	\$ 475,150.00
Subtotal	\$ 1,929,678.80

Allocation of Costs

Benefit to Existing Development (80%)	\$ 1,543,743.04
Benefit to Future Development (20%)	\$ 385,935.76
Amount available in development charge reserve account	\$ 64,859.27
Amount recoverable through development charges (benefit to future – available reserve)	\$ 321,076.49

Development Charge Calculations

Residential Allocation (per capita)

\$ 321,076.49 x 84% (based on residential assessment)	\$ 269,704.25
Divided by future capacity	1,500 persons
Residential development charges (per capita)	\$ 179.80

Non-Residential Allocation (per square foot)

The non-residential component of this project is based on the projected 20-year rate of non-residential growth to residential growth, or 741.4 ft²/person. Given the design capacity of 1,500 includes an allowance for non-residential growth, the non-residential growth design capacity is: 741.4 ft²/person x 1,500 persons = 1,112,104.2 ft²

\$321,076.49 x 16% (based on non-residential assessment)	\$ 51,372.24
Divided by non-residential growth (ft ²)	1,112,104.2
Non-residential development charges (per ft²)	\$ 0.046

Project Description: The Town undertook upgrades to the Water Treatment Plant in 2004 by adding a chlorine contact reservoir. The project was required to meet the new MOE water regulations at the time. As with other upgrading projects, the project incorporated a growth component. The growth component is equal to approximately 3,750 persons. The total cost of the upgrade was \$1,242,000. The project benefits both existing and future development. Existing development is attributed a benefit of 67% for improved water treatment.

Analysis of Long-Term Capital and Operating Costs: The Town financed the work through a combination of contributions from the existing water service rate, existing cash reserves and development charges. Extra operating costs will be partially offset by the addition of new growth. There may also be water service rate increases implemented over the life of the works.

Project Benefiting Area(s): Goderich

Costs:

Total Costs	\$ 1,242,000
Deduct any grants or subsidies	\$ 0
Subtotal	\$ 1,242,000

Allocation of Costs

Benefit to Existing Development (67%)	\$ 832,140
Benefit to Future Development (33%)	\$ 409,860
Amount available in development charge reserve account	\$ 36,734.05
Amount recoverable through development charges (benefit to future – available reserve)	\$ 373,125.95

Development Charge Calculations

Residential Allocation (per capita)

\$ 373,125.95 x 84% (based on residential assessment)	\$ 313,425.80
Divided by future capacity	3,750 persons
Residential development charges (per capita)	\$ 83.58

Non-Residential Allocation (per square foot)

The non-residential component of this project is based on the projected 20-year rate of non-residential growth to residential growth, or 741.4 ft²/person. Given the design capacity of 3,750 includes an allowance for non-residential growth, the non-residential growth design capacity is: 741.4 ft²/person x 3,750 persons = 2,780,250 ft²

\$373,125.95 x 16% (based on non-residential assessment)	\$ 59,700.15
Divided by non-residential growth (ft ²)	2,780,250
Non-residential development charges (per ft²)	\$ 0.02

Project Description: It is currently estimated that \$90,000 of sidewalk construction is required on arterial roads and that this work will take place over the next 10 years. It is proposed that 50% of the costs be allocated to future growth, as growth provides the incentive to construct the works. None of the works involve replacement of existing sidewalks. The cost will be allocated to 200 households (200 households x 2.19 persons per household = 438 persons).

Analysis of Long-Term Capital and Operating Costs: The sidewalks will require maintenance, such as snow removal, which will be incorporated into the municipal public works budget.

Project Benefiting Area(s): Goderich

Costs:

Total Costs	\$ 90,000
Deduct any grants or subsidies	\$ 0
Subtotal	\$ 90,000

Allocation of Costs

Benefit to Existing Development (50%)	\$ 45,000
Benefit to Future Development (50%)	\$ 45,000
Amount available in development charge reserve account	\$ 32,429.64
Amount recoverable through development charges (benefit to future – available reserve)	\$ 12,570.36

Development Charge Calculations

Residential Allocation (per capita)

\$12,570.36 x 84% (based on residential assessment)	\$ 10,599.10
Divided by future capacity	438 persons
Residential development charges (per capita)	\$ 24.11

Non-Residential Allocation (per square foot)

\$12,570.36 x 16% (based on non-residential assessment)	\$ 2,011.26
Divided by non-residential growth (ft ²)	392,943
Non-residential development charges (per ft²)	\$ 0.005

Project Description: As a result of growth, the installation of traffic signals at the intersection of Highway 21 and Bennett Street are required. The traffic signals are expected to be installed within the next 5 years. The signals will also benefit existing development.

Analysis of Long-Term Capital and Operating Costs: The signals will require occasional maintenance and will be another asset within the Town's operating budget. The additional operating costs are expected to be offset from increased tax revenue associated with growth.

Project Benefiting Area(s): Goderich

Costs:

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

Allocation of Costs

Benefit to Existing Development (25%)	\$ 62,500
Benefit to Future Development (75%)	\$ 187,500
Amount available in development charge reserve account	\$ 32,429.64
Amount recoverable through development charges (benefit to future – available reserve)	\$ 155,070.36

Development Charge Calculations

Residential Allocation (per capita)

\$155,070.36 x 84% (based on residential assessment)	\$ 130,259.10
Divided by future growth	530 persons
Residential development charges (per capita)	\$ 245.77

Non-Residential Allocation (per square foot)

\$155,070.36 x 16% (based on non-residential assessment)	\$ 24,811.20
Divided by non-residential growth (ft ²)	392,943
Non-residential development charges (per ft²)	\$ 0.06

Project Description: The Town of Goderich is planning to replace the existing public works facility with a new facility that is better suited to meet the current needs of the public works department. The current facility has 5 bays. The new facility will have 8 bays and is estimated to cost \$2,000,000. Under the Development Charge Act (DCA), the quantity and quality levels of service should not exceed the past 10-year average service level. The average service level is 5 bays, servicing a 10-year average population of 7,572 persons = 0.0007 bays per person.

Analysis of Long-Term Capital and Operating Costs: The new facility will have some additional operating costs as it is larger, although new technology is expected to reduce some of the costs such as heating and maintenance. Operating costs are part of the overall tax rate.

Project Benefiting Area(s): Goderich

Costs:

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

Allocation of Costs

Costs for this project are based on providing an equivalent level of service as what currently exists within the Township.

Development Charge Calculations

Residential Allocation (per capita)

\$2,000,000 x 84% (based on residential assessment)	\$ 1,680,000
Divided by the number of bays	8 bays
Multiplied by the current level of service (bays/capita)	0.0007
Residential development charges (per capita)	\$ 147.00

Non-Residential Allocation (per square foot)

The non-residential allocation is based on a non-residential design allowance of 0.0013 persons/sqft.

\$2,000,000 x 16% (based on non-residential assessment)	\$ 320,000
Multiplied by the current level of service (bays/capita)	0.0007
Multiplied by the non-residential design allowance	0.0013 persons/sqft
Non-residential development charges (per ft²)	\$ 0.30

Project Description: As a result of growth, the Public Works Department requires an additional vehicle for the fleet. This vehicle will benefit future and existing development.

Analysis of Long-Term Capital and Operating Costs: An additional vehicle will have annual maintenance and operating costs. These costs will be added to the operational budget. It is expected that the additional operating and maintenance cost will be offset by additional tax revenue.

Project Benefiting Area(s): Goderich

Costs:

Total Costs	\$ 45,000
Deduct any grants or subsidies	\$ 0
Subtotal	\$ 45,000

Allocation of Costs

Benefit to Existing Development (25%)	\$ 11,250
Benefit to Future Development (75%)	\$ 33,750
Amount available in development charge reserve account	\$ 0
Amount recoverable through development charges (benefit to future – available reserve)	\$ 33,750

Development Charge Calculations

Residential Allocation (per capita)

\$33,750 x 84% (based on residential assessment)	\$ 28,350
Divided by future growth	530 persons
Residential development charges (per capita)	\$ 53.49

Non-Residential Allocation (per square foot)

\$33,750 x 16% (based on non-residential assessment)	\$ 5,400
Divided by non-residential growth (ft ²)	392,943
Non-residential development charges (per ft²)	\$ 0.01

Project Description: As a result of growth, the Public Works Department requires an additional snow plow for the fleet. This vehicle will benefit future and existing development.

Analysis of Long-Term Capital and Operating Costs: An additional vehicle will have annual maintenance and operating costs. These costs will be added to the operational budget. It is expected that the additional operating and maintenance cost will be offset by additional tax revenue.

Project Benefiting Area(s): Goderich

Costs:

Total Costs	\$ 300,000
Deduct any grants or subsidies	\$ 0
Subtotal	\$ 300,000

Allocation of Costs

Benefit to Existing Development (25%)	\$ 75,000
Benefit to Future Development (75%)	\$ 225,000
Amount available in development charge reserve account	\$ 0
Amount recoverable through development charges (benefit to future – available reserve)	\$ 225,000

Development Charge Calculations

Residential Allocation (per capita)

\$225,000 x 84% (based on residential assessment)	\$ 189,000
Divided by future growth	530 persons
Residential development charges (per capita)	\$ 356.60

Non-Residential Allocation (per square foot)

\$225,000 x 16% (based on non-residential assessment)	\$ 36,000
Divided by non-residential growth (ft ²)	392,943
Non-residential development charges (per ft²)	\$ 0.09

Project Description: As growth occurs, additional firefighters will be required. New firefighters will require firefighting equipment (bunker suits). The current level of service is 0.004 firefighters per capita. Over the next 10 years, an additional 2.12 firefighters will be required. The estimated cost a new bunker suite is \$3,000.

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

Project Benefiting Area(s): Goderich

Costs:

Total Costs	\$ 5,669.37
Deduct any grants or subsidies	\$ 0
Subtotal	\$ 5,669.37

Allocation of Costs

Not applicable as costs are being determine dbase don providing the equivalent level of service that is standard within the Town.

Development Charge Calculations

Residential Allocation (per capita)

\$5,669.37 x 84% (based on residential assessment)	\$ 4,762.27
Divided by future growth	530 persons
Residential development charges (per capita)	\$ 8.99

Non-Residential Allocation (per square foot)

\$5,669.37 x 16% (based on non-residential assessment)	\$ 907.10
Divided by non-residential growth (ft ²)	392,943
Non-residential development charges (per ft²)	\$ 0.002

Project Description: The Town of Goderich has committed to partnering with private developers and/or the County to provide funds for building attainable and/or affordable housing within Goderich. Over the next 10 years, the Town will contribute \$150,000 per year for capital costs for developing housing. The costs will be allocated to existing development and growth over the next 10 years (total population 8,288 person). The benefit to existing and future is based on the cost per capita.

Analysis of Long-Term Capital and Operating Costs: There are no anticipated capital or operating costs associated with this project.

Project Benefiting Area(s): Goderich

Costs:

Total Costs	\$ 1,500,000
Deduct any grants or subsidies	\$ 0
Subtotal	\$ 1,500,000

Allocation of Costs

Benefit to Existing Development (94% or 7,758 of the 10 year growth forecast of 8,288)	\$ 1,410,000
Benefit to Future Development (6%)	\$ 90,000
Amount available in development charge reserve account	\$ 0
Amount recoverable through development charges (benefit to future – available reserve)	\$ 90,000

Development Charge Calculations

Residential Allocation (per capita)

\$90,000 x 100% (based on residential assessment)	\$ 90,000
Divided by future growth	530 persons
Residential development charges (per capita)	\$ 169.81

This project is wholly allocated to residential development.

Project Description: Through the Development Charges Act, the cost of development-related studies can be recouped through development charges. The projects, costs, and benefits to existing and future for each study are summarized in Table B-1.

Analysis of Long-Term Capital and Operating Costs: There are no long-term or operating costs associated with these development-related studies.

Project Benefiting Area(s): Goderich

Costs:

Total Costs	\$ 278,133
Deduct any grants or subsidies	\$ 0
Subtotal	\$ 278,133

Allocation of Costs

Benefit to Existing Development	\$ 159,724.75
Benefit to Future Development	\$ 118,408.25
Deduct amount in reserve	- \$ 58,327.48
Amount recoverable through Development Charges	\$ 60,080.77

Development Charge Calculations

Residential Allocation (per capita)

\$60,080.77x 84% (based on residential assessment)	\$ 50,467.85
Divided by future growth (530 persons)	530 persons
Residential development charges (per capita)	\$ 95.22

Non-Residential Allocation (per square foot)

\$60,080.77 x 16% (based on residential assessment)	\$ 9,612.92
Divided by future growth (ft ²)	392,943 ft ²
Non-residential development charges (per ft²)	\$ 0.024

**Table B-1
Town of Goderich Development Charges Background Study – Administration**

Project	Net Cost (minus grants/subsidies)	Attributable to Existing	Attributable to Future	DC Reserves Available	Amount recoverable through DCs
Development Charge Study	18,500.00	\$ 0 (0%)	\$18,500 (100%)	\$14,581.87	\$3,918.13
Development Charge Study	20,000.00	\$ 0 (0%)	\$20,000 (100%)	\$14,581.87	\$5,418.13
Waterfront Master Plan	99,633.00	\$74,724.75 (75%)	\$24,908.25 (25%)	\$14,581.87	\$10,326.38
Recreation Review Study	80,000.00	\$40,000 (50%)	\$40,000 (50%)	\$14,581.87	\$25,418.13
CIP Study	40,000.00	\$30,000 (75%)	\$10,000 (25%)	\$0	\$10,000
OP Update	10,000.00	\$7,500 (75%)	\$2,500 (25%)	\$0	\$2,500
Zoning By-law Update	10,000.00	\$7,500 (75%)	\$2,500 (25%)	\$0	\$2,500
Total	\$278,133.00	\$159,724.75	\$118,408.25	\$58,327.48	\$60,080.77