



TOWN OF PRESCOTT

DRAFT Development Charges Background Study

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2018/03/17

**DRAFT DEVELOPMENT CHARGES STUDY
UNDER THE DEVELOPMENT CHARGES ACT
TOWN OF PRESCOTT**

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DEVELOPMENT CHARGES STUDY

TOWN OF PRESCOTT

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Executive Summary

1. Council must prepare a Development Charge Study to prior to passing a new or amended Development Charge By-law. A Development Charge By-law must be passed within 1 year of the completion of the study.
2. This study calculates development charges for new growth in the Town of Prescott in accordance with the provisions of the *Development Charges Act* and associated regulation *Ontario Regulation 82/98* and *Ontario Regulation 428/15*.
3. Population projections for the Town are for the population to increase by 75 people or 37 dwelling units over the next ten years (2012-2021).
4. Non-residential growth projections are estimated at 15.93% of residential growth over the next ten years (2018-2027).
5. The apportionment between residential and non-residential growth was derived using the current (2016) assessment base.
6. The following eligible municipal services have been considered in the development charge analysis:
 - a. General Government (growth-related studies)
 - b. Public Works
 - c. Transportation
 - d. Fire Protection
 - e. Recreation
7. Each eligible municipal service was examined and the preceding 10 year average service levels were established from municipal records. These average service levels form the “benchmark” for calculating the maximum eligible development charge.
8. Based on the anticipated development and growth projections, growth-related capital forecast tables were prepared for each service. These tables form the basis for the new more systematic calculation of the development charge in accordance with the legislation.
9. A Town wide average cost approach is used to calculate each development charge. The result is uniform development charges throughout the Town.
10. Exceptions and exemptions to the charge will be established within the development charge by-law. Should Council reduce any portion of the charge (example: phase in the charge, reduce or eliminate the non-residential charge, or exempt a specific class of buildings), the shortfall in development charge revenues must be derived from sources other than development charges (ie. the general tax base).

11. A summary of the recommended growth related capital cost forecast for the next ten years is as follows:

Town of Prescott Summary of Net Growth Related Capital Costs					
	Municipal Service	Residential Growth Portion	Non-Residential Growth Portion	Municipal (Non-growth) Portion	Total Capital Cost
1	Administrative (Studies)	\$11,047	\$2,093	\$1,460	\$14,600
2	<u>Public Works</u>	<u>\$27,903</u>	<u>\$5,287</u>	-	<u>\$33,190</u>
	Public Works Garage	\$11,686	\$2,214		\$13,900
	Equipment & Furniture	\$244	\$46		\$290
	Unlicenced Vehicles	\$8,407	\$1,593		\$10,000
	Licenced Vehicles	\$7,566	\$1,434		\$9,000
3	<u>Transportation</u>	-	-	-	-
	Sidewalks	-	-	-	-
	Roads	-	-	-	-
4	<u>Fire Protection</u>	<u>\$26,566</u>	<u>\$5,034</u>	-	<u>\$31,600</u>
	Fire Station	\$21,858	\$4,142		\$26,000
	Furniture / Contents /Equip.	\$4,708	\$892		\$5,600
	Vehicles	nil	nil		nil
5	<u>Recreation</u>	<u>\$19,800</u>	-	<u>\$2,200</u>	<u>\$22,000</u>
	Arena	nil		nil	nil
	Contents - Arena	nil		nil	nil
	Recr. Buildings & Facilities	\$9,900		\$1,100	\$11,000
	Recreation Equipment	\$9,900		\$1,100	\$11,000
	Total	\$85,316	\$12,414	\$3,660	\$101,390

Note: Numbers may vary slightly due to rounding

12. The recommend development charge for each type of new dwelling unit is as follows:

Type of Unit	Development Charge per unit
Single Detached	\$3,413
Semi-detached / Duplex	\$3,185
Row Dwelling / Townhouse	\$2,730
Apartment 3 bedroom	\$2,616
Apartment 2 bedroom	\$2,389
Apartment 1 bedroom	\$1,820
Apartment Bachelor	\$1,365

* - *Numbers may vary slightly due to rounding*



TOWN OF PRESCOTT DEVELOPMENT CHARGES STUDY

1.0 Introduction

What are Development Charges?

Development charges are a special “impact” fee, typically imposed at the time of the building permit on new development (example: a new dwelling; new barn, new commercial business, etc.), to cover growth-related municipal capital facilities. The basic premise behind the charge is that growth is to pay for growth-related costs (Translation: costs associated with expanding municipal services to accommodate growth).

An example would be where a municipality grows by 5 - 10% over the next ten years. As a result of this growth, the municipality may have to increase the number of volunteer fire fighters - which forces the municipality to purchase new equipment to outfit them (*bunker suit, communications equipment, self breathing apparatus, etc*), and possibly purchase another fire protection vehicle and add an additional bay onto the fire station to service this new growth.



Development charges are intended to offset/pay for these initial (“one time”) capital costs. Costs and expenses relating to replacing, maintaining and operating costs must come from general taxation or other funding sources. Once the new house is built, the tax revenues from that dwelling are used to pay these operating, maintaining and replacement costs. However, the “one time” initial capital cost to acquire the new equipment can be recovered by means of a development charge.

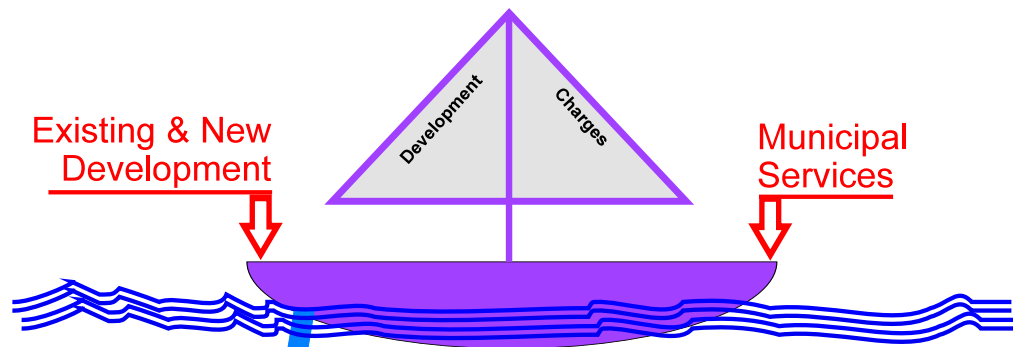
Should the Town of Prescott experience no growth or development, no new additional municipal services would be required. The principle behind development charges is, that where new growth and development requires new services to be provided, that new

development should pay for initial growth-related capital costs.

A sailboat illustration showing the fundamental balancing between municipal service levels and growth is provided below. As new residential dwellings are built in a municipality, this exerts pressure to one side of the boat. At some point the municipality must add to the municipal services it provides to accommodate the new growth (the other side of the sailboat). Failure to add municipal services would result in lower service standards and eventually could lead to problems if nothing is done.

Development Charges Act

Providing Revenue to Help Maintain a Balance



Example:

- Two existing soccer fields (or baseball fields) are being used at capacity.
- No new fields (municipal service) are built. What happens when the population continues to expand and grow?
The additional population exerts pressure on the existing strained services.
- Eventually a new field must be built, because the general population (residents) will demand it.

1.1 History

1.1.1 **Development Charges Act (1989)**

In November 1989, the first *Development Charges Act* was introduced to provide the legislative framework for municipalities, hydro commissions, counties and school boards to levy development charges for the provision of services directly related to new growth in their community. At the time, municipalities were given two years to determine their growth-related costs and to adopt a development charge by-law. This Development

Charges Act forced the replacement of the former lot levies and it introduced more controls, disclosure and accountability. Municipalities had to prepare a study supporting the development charge, pass a by-law, establish reserve funds, and make growth-related expenditures only from the reserve fund for the money was collected.

Generally, very few of the municipalities in Leeds and Grenville undertook Development Charge Studies and By-laws save and except those municipalities near the City of Ottawa.

1.1.2 **Interim Legislation**

From 1995 to 1998, the *Development Charges Act* underwent an extensive review by the Ministry of Municipal Affairs and Housing in conjunction with municipalities, home builders' associations, and other stakeholders. As an interim measure, the *Development Charges Act* was amended by Chapter 4, Statutes of Ontario, 1996 (also known as Bill 20). This new interim legislation removed the appeal process to the Ontario Municipal Board, and gave approval authority for new development charges by-laws to the Minister of Municipal Affairs and Housing. Most importantly, Bill 20 authorized municipal Councils to pass an amendment to their existing Development Charge By-law in order to remove the (five year) expiry date of their existing by-laws.

1.1.3 **Development Charges Act (1997) (Bill 98)**

On March 1, 1998, the new *Development Charges Act, 1997 (Bill 98 - An Act to promote job creation and increased municipal accountability while providing for the recovery of development costs related to new growth)* took effect. This new legislation and associated Ontario Regulation 82/98 introduced changes to the approach and method used in calculating a development charge (moved to an average 10-year approach rather than using peak or current level). The scope of eligible services that can be included in a development charge was reduced. Other significant changes included a mandatory exemption for industrial expansions and a mandatory 10% capital cost reduction for all soft services. Municipalities must now consider a comprehensive long term financial plan for how new growth-related services are funded.

The *Development Charges Act (1997)* required municipalities to carry out a detailed background study prior to enacting a new development charge by-law. This study requires a review of past capital expenditures, capital forecasts, average levels of service, operational costs, and assessed values of property and equipment. The revised legislation changed direction from “growth-related services” to “eligible” and “ineligible services.”

Some important governing matters of the legislation included the following:

- ☞ Development Charge Studies are essentially ten year studies but must be reviewed after five years.
- ☞ By-laws are valid for a maximum of five (5) years.
- ☞ Scope of eligible services and categories has been reduced.
- ☞ Mandatory industrial expansion exemption introduced (industrial -

50%).

- ☞ Methodology in calculating the charge has changed (average level of service rather than peak service level).
- ☞ 10 % reduction required for “soft” services.
- ☞ Legislated method for calculating the development charge.
- ☞ More “accountability and tracking” to be contained in Treasurer’s Statement.
- ☞ Subdivision agreements must inform purchasers of Development Charges.

1.1.4 **Development Charges Act (2015) (Bill 73 and Ontario Regulation 428/15)**

On December 3, 2015, the *Development Charges Act* was amended once again (*Bill 73 - Smart Growth for Our Communities Act, 2015*). This legislation and associated Ontario Regulation 428/15 amended the Development Charges Act in several ways. There are new requirements for having the background study available; waste diversion maybe added as an eligible item; all transit services have been added (subject to Ontario Regulation 428/15); asset management must now be considered - particularly with respect to transit; clarification to the term “parkland” was included; and housekeeping changes were made.

For small rural municipalities (without public transit), the changes are relatively minor. Under revised Sections 10(2) and 10(3), a municipality must now have an asset management plan which deals with all assets whose capital costs are proposed to be funded under the development charges by-law, and demonstrate that all the assets included in the development charge are financially sustainable over their full life cycle. The most significant change is a new requirement to have the background study available 60 days prior to passing the Development Charges By-law as follows:

- 10(4) *The council shall ensure that a development charge background study is made available to the public at least 60 days prior to the passing of the development charge by-law and until the by-law expires or is repealed by posting the study on the website of the municipality or, if there is no such website, in the municipal office.*

The following table outlines the eligible and ineligible services under the *Development Charges Act* along with the percentage that can be recovered through development charges. Under the legislation, the unrecoverable 10% must come from the municipality’s general revenues (property taxes).

DEVELOPMENT CHARGES ACT WHICH SERVICES CAN BE INCLUDED?

Municipal Service	Components	% Recoverable From Dev.Ch.
<i>Eligible Services</i>		
1. Administration	1.1 Development Charges Study	90%
2. Transportation	2.1 Municipal roads	100%
	2.2 Traffic signs, signals, etc.	100%
	2.3 Sidewalks	100%
	2.4 Streetlights	100%
	2.5 Municipal parking lots	100%
	2.6 Depots and salt / sand domes	100%
	2.7 Rolling stock†	100%†
3. Fire Protection	3.1 Fire stations	100%
	3.2 Fire fighting vehicles (pumpers, tankers, rescue vehicles)†	100%
	3.3 Equipment and gear	100%
4. Storm Water Drainage and Control Services	4.1 Retention / detention ponds	100%
	4.2 Channelling, connections	100%
	4.3 Truck lines, main channels	100%
5. Water Supply Services	5.1 Distribution system	100%
	5.2 Treatment plant	100%
6. Waste Water Services	6.1 Sewer lines	100%
	6.2 Pumping stations	100%
	6.3 Treatment plant	100%
7. Electric Power Services	7.1 Substations	100%
	7.2 Distribution system	100%
	7.3 Rolling stock†	100%
8. Police Services	8.1 Police stations	100%
	8.2 Police vehicles†	0% + 100%†
	8.3 Equipment and gear	100%
9. Ambulance	9.1 Building / Station	100%
	9.2 Ambulance Vehicles†	0% - 100%†
	9.3 Equipment and gear	100%
10. Library Services	10.1 Buildings & Land	90%
	10.2 Furniture and equipment	90%
	10.3 Circulation materials	90%
	10.4 Studies	90%

11. Recreational Services	11.1	Arenas	90%
	11.2	Community Centres, Pools	90%
	11.3	Vehicles, rolling stock†	90%†
	11.4	Park development (structures, fields, etc.)	90%
	11.5	Studies	90%
12. Homes for the Aged	12.1	Buildings and facilities	90%
13. Day Care	13.1	Buildings and facilities	90%
14. Social Services	14.1	Buildings and facilities	90%
Ineligible Services			
15. Ineligible Services	15.1	Town Hall	0%
	15.2	Cultural or entertainment facilities (museums, theatres, art galleries)	0%
	15.3	Tourism facilities including convention centres	0%
	15.4	Parkland acquisition	0%
	15.5	Hospitals (capital contributions)	0%
	15.6	Waste management services & studies	0%
	15.7	Waste management vehicles	0%
	15.8	Computer equipment	0%
	15.9	Administration furniture and equipment (other than computer equipment)	0%
	15.10	Cost to acquire administration land	0%
	15.11	Rolling stock with useful life less than 7 years (ie. riding lawn mowers)	0%

† - Must have estimated useful life of seven (7) years or more

1.2 Process to Pass a Development Charges By-law

Under the Development Charges Act legislation, Prescott Council must hold at least one advertized public meeting prior to passing a new development charge by-law. Notice must be published at least 20 days before the public meeting either by personal service, mail or fax to every owner of land in which the proposed by-law would apply or in a newspaper that is, in the clerk's opinion, of sufficiently general circulation in the area to which the proposed by-law would apply to give the public reasonable notice of the meeting (*O. Reg. 82/98 S9(2)*). The proposed by-law and background study must be made available at least two weeks prior the public meeting (Section 12, *D.C. Act*). Also, the development charges background study must be made available at least 60 days prior to the passing of a development charges by-law (Section 10, *D.C. Act, 2015*) by posting it on the Township website, and the municipality must keep the study available on the website until the by-law expires or is repealed.

Any person who attends the public meeting may make representations relating to the proposed by-law (Section 12 (2), *D.C. Act*).

Following the public meeting, Council may pass the development charges by-law or wait up to a maximum of one year to pass the by-law. According to Section 11 of the *D.C. Act*, “*a development charge by-law may only be passed within the one-year period following the completion of the development charge background study*”.

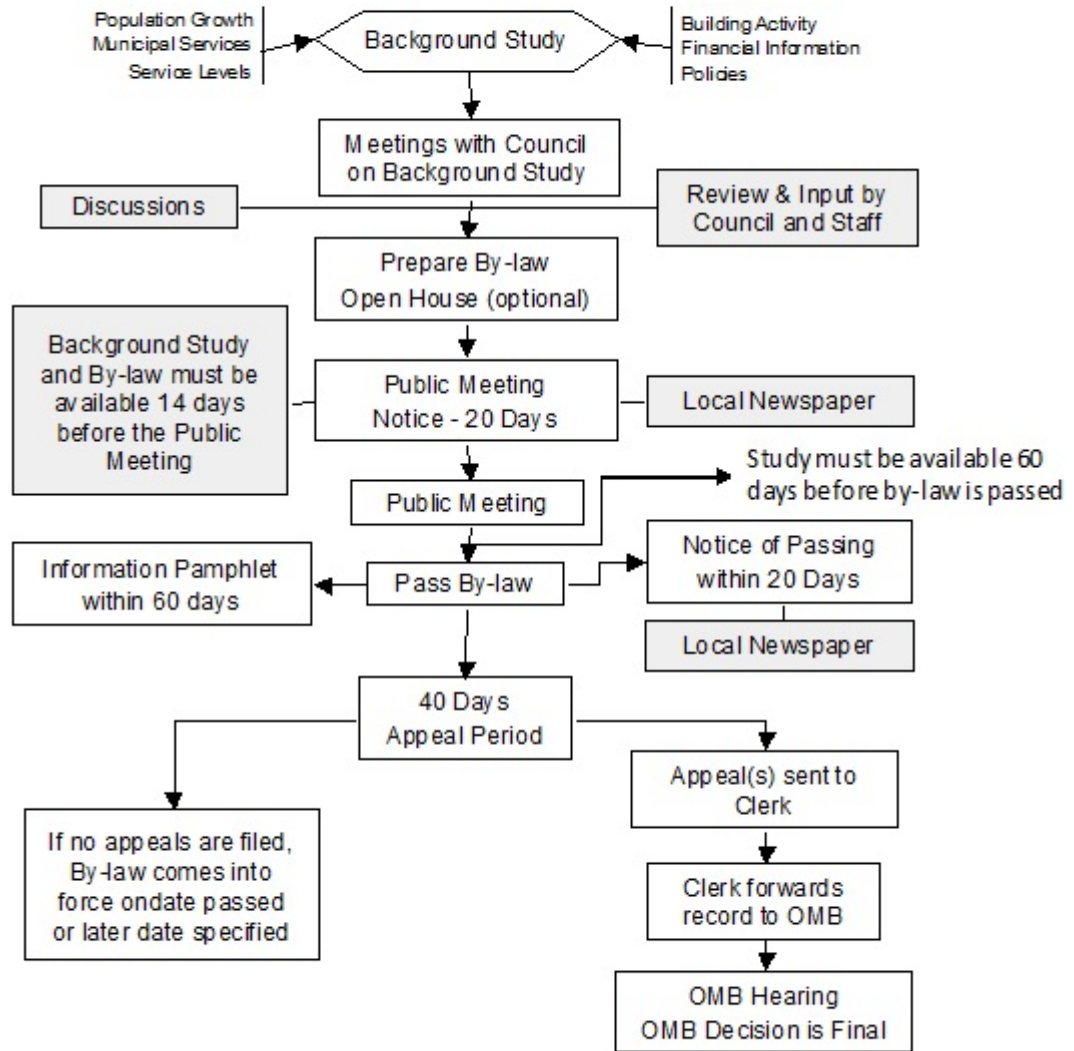
A notice of the passing of the by-law must be given not later than 20 days after the by-law is passed. The last day for appealing the by-law is the 40th day after the passing of the by-law.

Any person or organization may appeal a development charges by-law to the Ontario Municipal Board by filing with the clerk of the municipality, on or before the last day for appealing the by-law, a notice of appeal setting out the objection to the by-law and the reasons supporting the objection.

An illustrative flow chart showing the process to pass a development charges by-law follows on the next page. This chart is for illustration purposes only and the *Development Charges Act* and *Ontario Regulation 428/15* should be consulted for specific requirements.

Figure 1

Development Charges Implementation Process



Note: The above simplified flow chart is provided only for illustration purposes. For complete process details and legal requirements, consult the Development Charges Act (2015) and the associated Ontario Regulation 428/15.

2.0 Study Methodology

Back in 1997, the Province of Ontario shifted the methodology used to calculate a development charge by moving from a guideline approach to a legislated approach. In 2015, the *Ontario Regulation 428/15* is providing more specifics on how specific services are to be calculated. Currently, specific steps must now be followed to determine the development charge that may be imposed within a development charge by-law.

Subsections 5(1) and 10(2) of the *Development Charges Act* and *Ontario Regulation 82/98 and 428/15* provides a specific list of details that must be contained within a background study and the method that must be used to calculate the charge. These details include:

- Estimates of the anticipated amount and type of development.
- Calculations for each service to which the development charge by-law would apply.
- An examination, for each service to which the development charge by-law would relate, of the long term capital and operating costs for capital infrastructures required for each service.

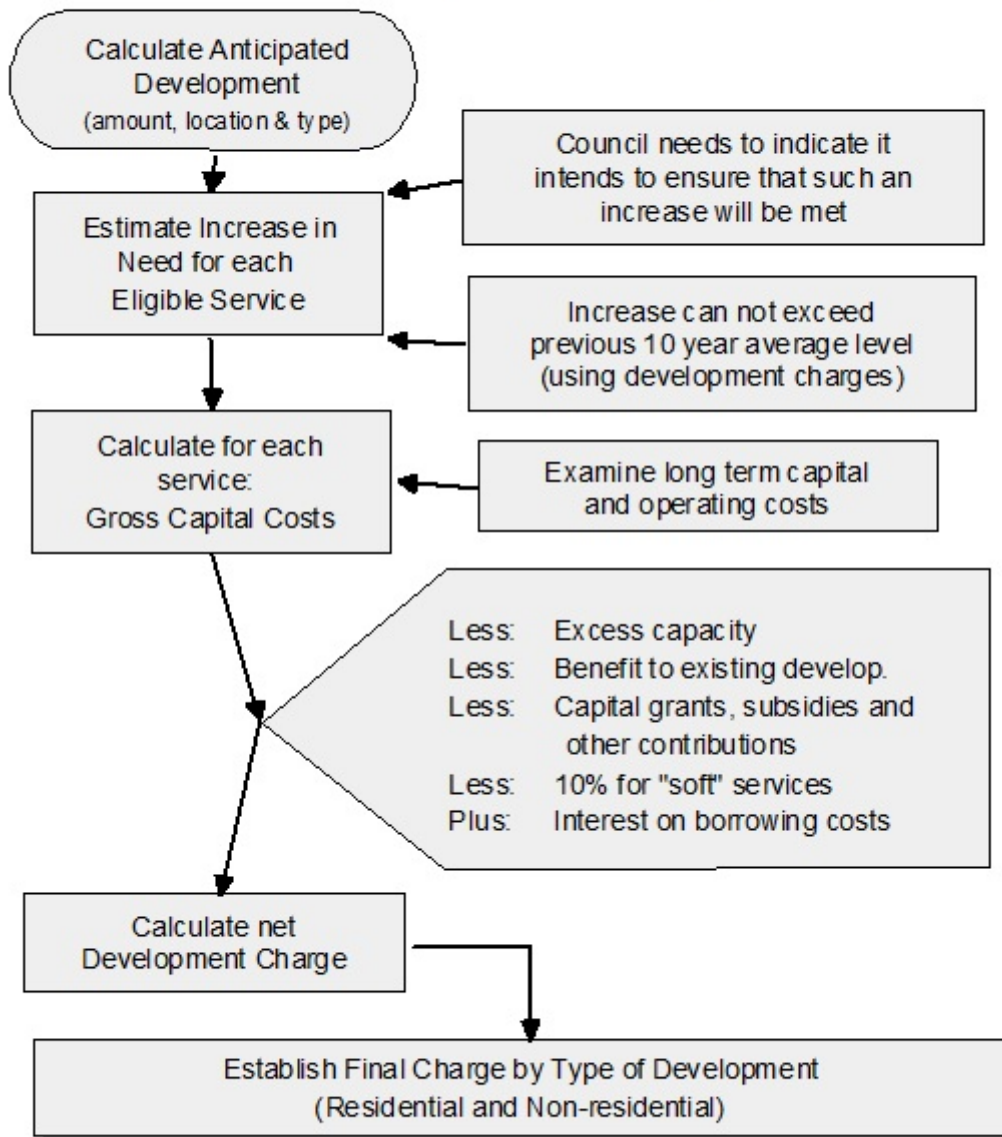
Ontario Regulation 82/98 adds the following:

1. The total of the estimated capital costs relating to the service.
2. The allocation of the cost referred to in paragraph 1 (above) between costs that would benefit new development and costs that would benefit existing development.
3. The total of the estimated capital costs relating to the service that will be incurred during the term of the proposed development charge by-law.
4. The allocation of the costs referred to in paragraph 3 (above) between costs that would benefit new development and costs that would benefit existing development.
5. The estimated and actual value of credits that are being carried forward relating to the services.

The formalized process to calculate a development charge is outlined in the flowchart on the following page (Figure 2). This simplified chart condenses the required basic steps necessary under the new legislation. Key changes from the initial legislation includes: using the previous 10 year average service level; the examination of long term capital and operating costs; the reduction of uncommitted excess capacity, and a 10% mandatory deduction for “soft” services.

Figure 2

Process for Calculating a Development Charge Development Charges Act



Note: The above simplified flow chart is provided only for illustration purposes. For complete details and legal requirements, consult the Development Charges Act and the associated Ontario Regulations.

2.1 Prescott - Town Wide Approach

The Town of Prescott provides a wide range of municipal services to its residents and businesses. Under the new *Development Charges Act* (2015), municipalities have to consider area specific charges that might be applicable. Municipal water services may be available in only part of the municipality; therefore, if a water charge is applied, it would only apply to the benefiting area of the municipality. The municipality has the flexibility to define which municipal services that will be included within the development charge study and by-law in accordance with the “eligible service” list provided in the legislation (Section 2 - D.C. Act). Section 6 of *the Development Charges Act* states that the by-law must designate the area(s) to which the by-law applies (and the charges that apply to each area). The development charge by-law may apply to all lands equally throughout the municipality or may include or exclude specific designated areas as specified in the by-law.

An example would be where sewer services are not available in one part (area) of the municipality (nor will be available), therefore no specific sewer development charge would apply this specific area.

Prescott offers a range of services and infrastructure which are available to all residents and businesses located in the municipality: recreational services, fire protection, roads, street lights, parks, etc. Residents and businesses in the entire Town have access to all municipal facilities throughout the municipality. Town of Prescott Development Charge By-law 27-2012 applied the same charge across the entire town. No area specific charge was applied to a specific subdivision (benefiting area).

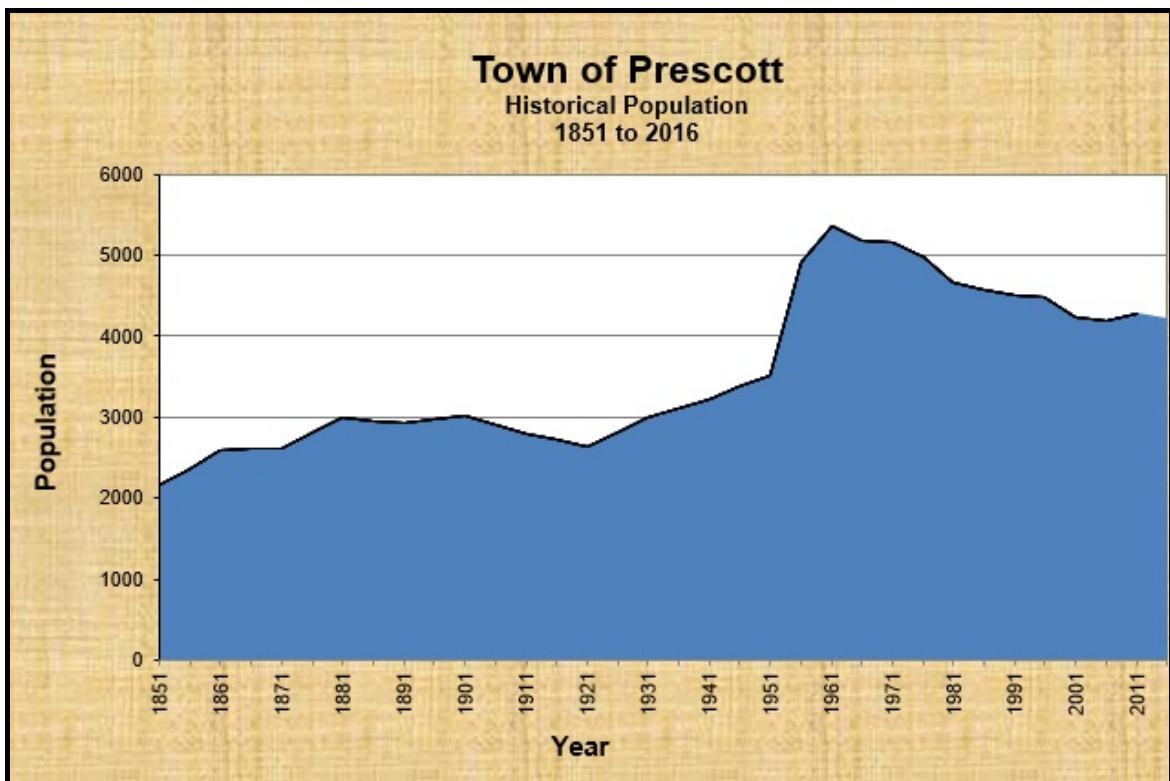
The Town has considered the appropriateness of area-specific charges. Area specific charges maybe appropriately applied to water and/or sanitary sewer services. All residents benefit equally from the services considered within this study; therefore, a Town-wide approach has been used in the preparation of this background study. Area or site specific charges are dealt with according to the benefiting area.

3.0 Population and Anticipated Development Projections

To ascertain future growth and development, historical growth patterns were investigated including a review of building permit activity, current population demographics (Statistics Canada 2016). The historical population of Prescott has experienced a decline in population while continuing to experience growth in housing starts and new businesses. This can be attributed to the national trend of shrinking household sizes over the past 30-40 years. Many regions are seeing a stable or decrease in population, while enjoying healthy housing starts. Children leaving home, families having fewer children, and changes in family structure are all contributing factors.

Over the past 25 years, the population has decreased by an annual average of -0.26 % per year. However, for the past 100 years, (1916 to 2016), the population has fluctuated considerably ending with an average annual growth rate of +0.55 % per annum. Prescott’s population peaked in 1961 at 5,366 persons. Since the peak in 1961, the population has shrunk to an average annual growth rate of -0.33 % per year. The graphic (Figure 3) below illustrates this growth and decline.

Figure 3



The following tables (Table 1 & 2) outline the population growth and the historical average annual growth rates over the past number of years.

Table 1a

**TOWN OF PRESCOTT
Population Growth**

Year	Population
1851	2,126
1901	3,019
1911	2,801
1961	5,366
1981	4,670
1986	4,583
1991	4,512
1996	4,480
2001	4,228
2006	4,180
2011	4,284
2016	4,222

Table 1b

**TOWN OF PRESCOTT
Historical Average Annual Growth Rates**

2011-2016	past 5 years	-0.29 % per year
2006-2016	past 10 years	+0.10 % per year
1996-2016	past 20 years	-0.29 % per year
1991-2016	past 25 years	-0.26 % per year
1966-2016	past 50 years	-0.37 % per year
1916-2016	past 100 years	+0.55 % per year
1866-2016	past 150 years	+0.62 % per year

Previous growth rates (between 2006-2016) were the equivalent of approximately 2.0 housing starts per annum using the population increase (42 people) and the average number of persons per dwelling from the 2016 census (2.09 ppd). Interesting, the actual number of new dwelling starts over the same period was 67 dwelling units or 6.7 units/year. That would translate into 140 new residents instead of 42 people (Statistics Canada data). This implies that the number of persons per unit may be decreasing of late.

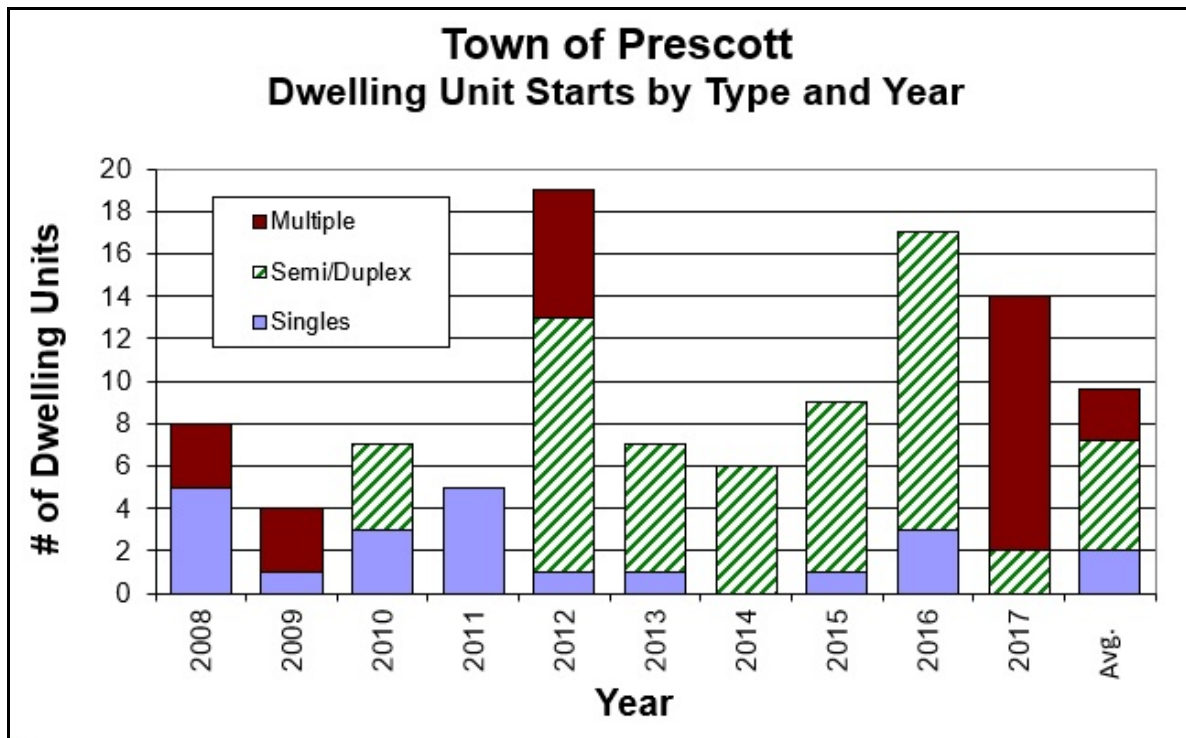
**Table 2a
NEW DWELLING UNIT STARTS**

Year	Total Number of New Dwelling Units per Year			
	Single Detached Dwellings	Semi's or Duplex Dwellings *	Multiple Dwellings (Row/apt.) †	Total New Dwellings
2001	-			0
2002	3			3
2003	1	2		3
2004	-		8	8
2005	1			1
2006	-			-
2007	2			2

2008	5		3	8
2009	1		3	4
2010	3	4		7
2011	5			5
2012	1	12	6	19
2013	1	6		7
2014		6		6
2015	1	8		9
2016	3	14		17
2017		2	12	14
Total 2008-2017	20	52	24	96
10- year Avg. 2008-2017	2.0	5.2	2.4	9.6

- * - Listed as individual units (ie. a semi-detached dwelling is counted as two units not one.)
- † - Listed as total number of individual units (ie. an eight unit townhouse should be shown as eight units not one unit.)

Figure 4



The illustration above demonstrates that development activity has fluctuated and has been mixed. Dwelling unit construction has, in recent years, been stronger than average. This

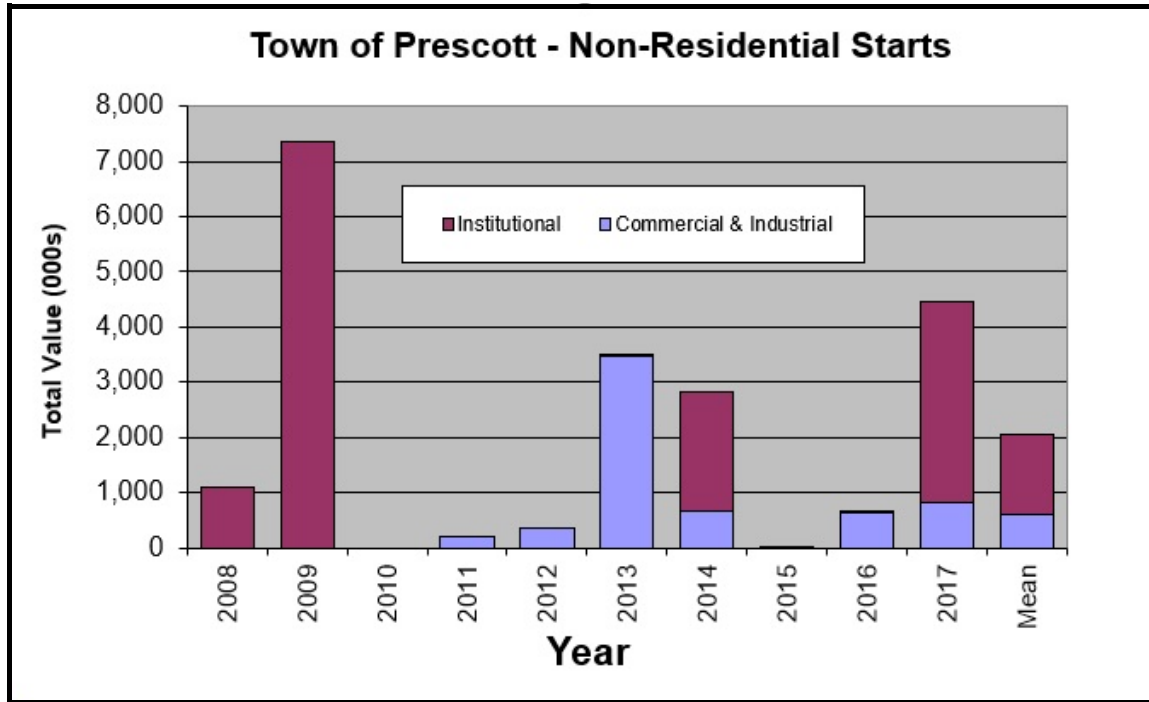
is likely the result of mortgage interest rates and the demographic shift of the baby boom generation moving into the housing market and now being settled, and changing family structures. Slightly lower than average housing starts can be expected over the next ten-year period, simply based on the current demographic composition of Prescott and Ontario, unless Prescott continues to attract seniors.

Commercial growth within the Town has been fairly healthy over the past ten years. A total of 6 new commercial and industrial starts and additions to existing business have been built in Prescott since 2008 valued at almost \$6.2 million (see Table 2b). The 10-year average annual gross floor area for commercial and industrial expansions was _ sq. ft.. This reflects a steady local economy. Most of the industrial expansions would be exempt under the Development Charges Act. Typically most institutional buildings (schools, municipal buildings) are exempt from development charges. A detailed list (Table 2b) of commercial, industrial and institutional starts and additions from 2008-2017 (past ten years) are provided below.

Table 2b
NEW NON-RESIDENTIAL CONSTRUCTION STARTS

Year	Non-Residential Starts			
	Total Commercial/ Industrial Sq. Ft.	Value	Value / sq.ft.	Total Institutional Value
2008	Nil	Nil	-	\$1,100,000
2009	Nil	Nil	-	\$7,342,000
2010	Nil	Nil	-	-
2011	n/a	\$200,000	-	-
2012	8,934	\$350,000	\$39.18	-
2013	5,264	\$3,470,950	\$659.38	\$26,050
2014	(2) 1,797	\$662,500	\$368.67	\$2,159,309
2015	Nil	Nil	-	\$1,500
2016	(2) 4,425	\$650,000	\$146.89	\$25,000
2017	n/a	\$826,000	-	\$3,637,000 (fire hall)
Totals	(6) 20,420	\$6,159,450	-	\$14,290,859
Avg.	2,450/sq. ft/year	\$615,945	\$251.39/sq. ft.	\$1,429,086/yr

Figure 5



These 10 year average rates of commercial and industrial growth can be expected to continue as there is available (serviced) vacant commercial land. New commercial and industrial businesses are expected to continue to be constructed in Prescott, at a similar projection from the 2012 Development Charges Background Study. Interest rates and bank rates will likely have an impact on continued growth in commercial and industrial development.

3.1 Population & Dwelling Unit Composition

Age distribution in Prescott over the past number of census is outlined below in Table 6. The population distribution continues to shift within the Town of Prescott. The percentage of seniors is increasing slightly, while less children are being born. An example is as follows:

1981 there were 1,345 children (ages 0-19 years old)
 1991 there were 1,095 children (ages 0-19 years old)
 2001 there were 1,000 children (ages 0-19 years old)
 2006 there were 950 children (ages 0-19 years old)
 2016 there were 805 children (ages 0-19 years old)

1981 there were 745 seniors over 65 years of age
 1991 there were 925 seniors over 65 years of age
 2001 there were 965 seniors over 65 years of age
 2006 there were 975 seniors over 65 years of age
 2016 there were 1,130 seniors over 65 years of age

These numbers clearly demonstrate the shifting demographic composition (aging population) in the Town of Prescott. Impacts will be felt with reduced elementary school enrollments, new varying demands on municipal services (example: passive recreational services) and infrastructures (eg. trails, indoor pool, sports fields, halls). The seniors' population (65+) will continue to rise over the next number of years as the baby boom generation ages. This growing segment of the population will demand upgrades and improvements to municipal infrastructure servicing their needs and wishes.

Table 3
Age Distribution

Age groupings		0-19 years old	20-64 years old	65+ years old
Prescott	1981	28.8 %	55.2 %	16.0 %
Prescott	1991	24.3 %	55.2%	20.5 %
Prescott	2001	23.7 %	53.5 %	22.8 %
Prescott	2006	22.7 %	53.9 %	23.3 %
Prescott	2016	19.1 %	54.2 %	26.7 %

Source: Statistic Canada, 1981, 1991, 2001, 2006, 2016

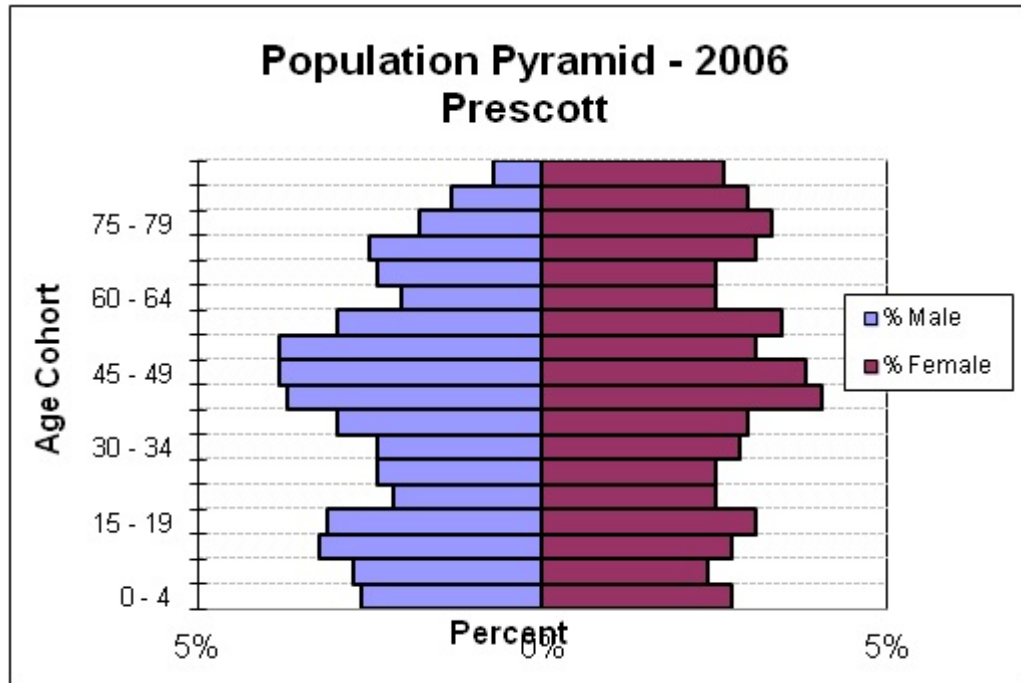
These numbers clearly demonstrate the shifting demographic composition (aging population) in the Town of Prescott. Impacts are being felt with reduced school enrollments and school closures, new varying demands on municipal services (example: passive recreational services) and infrastructures (eg. trails, pools, sports fields, halls). The seniors' population (65+) will continue to rise over the next number of years as the baby boom generation ages. This growing segment of the population will demand upgrades and improvements to municipal infrastructure servicing their needs and wishes

Given the evolving demographic composition, Prescott can expect a stronger demand for smaller dwellings. A shift to smaller dwelling units can be expected to accommodate the aging 45-65 age category who will no longer want or need larger single detached units. The 65+ age group will be looking for newer, smaller low maintenance dwelling units.

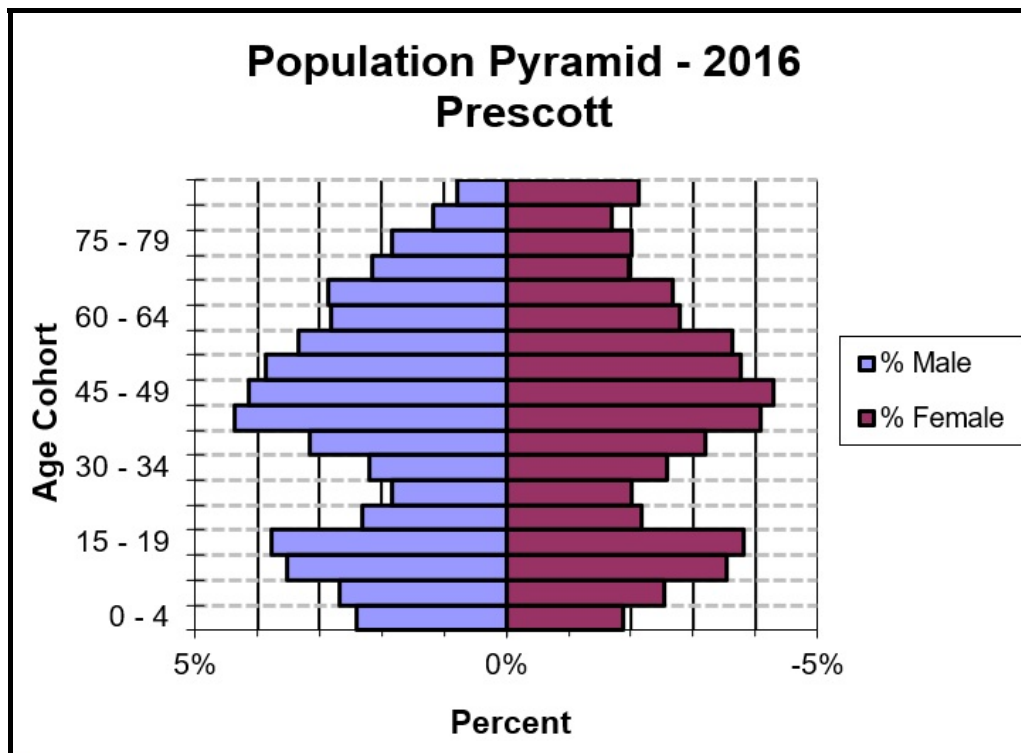
This demographic distribution is of Prescott indicative of most municipalities in that the baby boom generation is moving through and a middle age family-oriented community. These figures also demonstrate the aging population trend.

The population pyramid below (Figure 6) illustrates the age groupings by gender. The "Baby Boom" generation is clearly evident in Prescott as well as the "echo" generation (the baby boomer babies). Also, the pyramid shows that Prescott does attract young families. Attracting the 20-34 age grouping will be difficult given the quite rural setting Prescott offers, compared with the "big lights, big city" attractions to the north in Ottawa.

Figure 6



Source: Statistic Canada, 2006



Source: Statistic Canada, 2016

The population pyramid totals 100 %, with males comprising of 46.8 % of the total population and the females 53.2 % (same as 2006). Each age group by gender is a

percentage of the total 2016 population composition of the municipality.

Dwelling unit ownership has progressively risen over the past ten years, which is reflective of low mortgage interest rates. Occupied private dwelling characteristics have changed as follows:

According to Statistics Canada, within Prescott in 2016, there were 2,020 private occupied dwelling in Prescott compared with 1,890 in 2006. Of the 2,015 private households, 55.8% of them are owner-occupied compared with 59.5% in 2006 (change could be based on only 25% sampling). The shift could be based on the building permit activity (more apartments and semi-detached dwelling units built) and the tendency to rent these types of units rather than to own them. This is evidenced in the types of dwellings in Prescott outlined in the chart below. Currently only 54.3% of all occupied private dwelling units in the Town are single detached units (Statistics Canada, 2016). The average value of owned dwellings in 2016 for Prescott is \$200,792 compared with \$142,355 in 2006 (41.1 % increase), as compared with \$346,427 (\$297,479 in 2006 (16.5 % increase) for Ontario.

	<u>2006</u>	<u>2016</u>	
Single detached	55.3 %	54.3 %	
Semi-detached	7.9 %	10.4 %	
Row house	5.0 %	3.7 %	
Apartment	28.3 %	29.5 %	
Other	1.3 %	2.0 %	<i>Source: Statistic Canada, 2006 & 2016</i>

Based on the number and type of dwelling units in the municipality, the following projected assumptions are used for average number of persons per unit (ppu) for new housing units:

<u>Unit Type</u>	<u>PPU (2018-2027)</u>
Single Detached	3.0
Semi-detached / Duplex	2.8
Row Dwelling / Townhouse	2.4
Apartment 3 bedroom	2.3
Apartment 2 bedroom	2.1
Apartment 1 bedroom	1.6
Apartment Bachelor	1.2

3.2 Historical and Expected Growth Distribution

Historically, growth has primarily take place in planned subdivisions, or on lots created by consent. Principally, this growth has occurred in a scattered pattern throughout the Town. With the Provincial Policies (2014) and the Town Official Plan implementing tighter controls on acquiring consents, more subdivision development can be expected. As the outlying rural areas become more built-up and existing severed lots are built upon, new

growth is expected to shift to subdivisions within the serviced built-up areas (urban settlement areas). Some growth in the Town on infill lots or intensification can be expected to continue.

3.3 Population, Dwelling Unit, and Non-residential Growth Projections

Official Plan policies and the Provincial Policy Statements direct that new developments are focussed to areas with full (water and sewer) services (or built-up areas), and that outlying rural areas are the focus of resource activity. Growth areas can be expected to shift in the Town of Prescott as these land use policies will steer future development to primarily fully serviced urban areas and other existing built up areas.

The 2006 Prescott Official Plan projected a declining population over the next decade before increasing. Interestingly, the population has increased then decreased since 2006. The Official Plan states:

As noted in the Background Report to the Official Plan, the population of Prescott is in decline. A number of factors are associated with this decline, including an aging population, out-migration of young people, lack of significant immigration, and a general reduction in the size of families. Since 1991, Prescott has experienced a net population decrease of 283 people, or about 6.3 percent. It is estimated that the decline in population will level off in the next decade before increasing very slightly. The future population of the Town is an important consideration in this Official Plan as key principles of the Plan focus on enhancing the quality of life, creating a healthy and vibrant economy, and preserving the historic sense of place in the community. In order to achieve the goals and objectives associated with these Plan principles, the population of the Town must, at the very least, maintain itself in the long term.

Given the incorrect projections found within the existing Official Plan, the historical population growth, the past five year housing starts, the available servicing capacity within Prescott, along with proposed and approved plans of subdivision, an average annual building growth projection of 0.8 to 1% per annum is not unreasonable nor overstating or understating the potential growth.

At present, the average number of persons per unit for the entire Town of Prescott in 2016 was 2.01 persons per dwelling, and in 2011 was 2.20 persons per dwelling unit compared with 2.22 in 2006 and 2.23 persons per dwelling unit in 2001. This continues a declining trend from 2.36 persons per dwelling unit in 1991. Table 4a provides a breakdown for the next ten years, of the expected growth by population and dwelling units.

**Table 4a
Population and Dwelling Unit Growth Forecast**

Year	Population	Population Growth	Projected # of Dwelling Units *	
2006	4,180			
2007	4,201			
2008	4,222			
2009	4,242			
2010	4,263			
2011	4,284			
2012	4,294			
2013	4,304			
2014	4,314			
2015	4,322			
2016	4,222			
2017	4,234			
2018	4,246	11	5	2018-2021
2019	4,257	10	5	
2020	4,267	10	5	
2021	4,277	8	4	
2022	4,285	8	4	23
2023	4,293	8	4	2022-2027
2024	4,301	6	3	
2025	4,307	6	3	
2026	4,313	4	2	
2027	4,317	4	2	
Total		75	37	14

* - Based on data from Statistics Canada, and projecting a continued slight decline in the average number of persons per unit in Prescott to an average of 2.01 persons per dwelling unit.

Figure 7 below illustrates the modest projected population growth over the next ten years. Prescott is well positioned to accommodate this new growth with available residual capacity in both the water and sewage systems in Prescott.

Figure 7

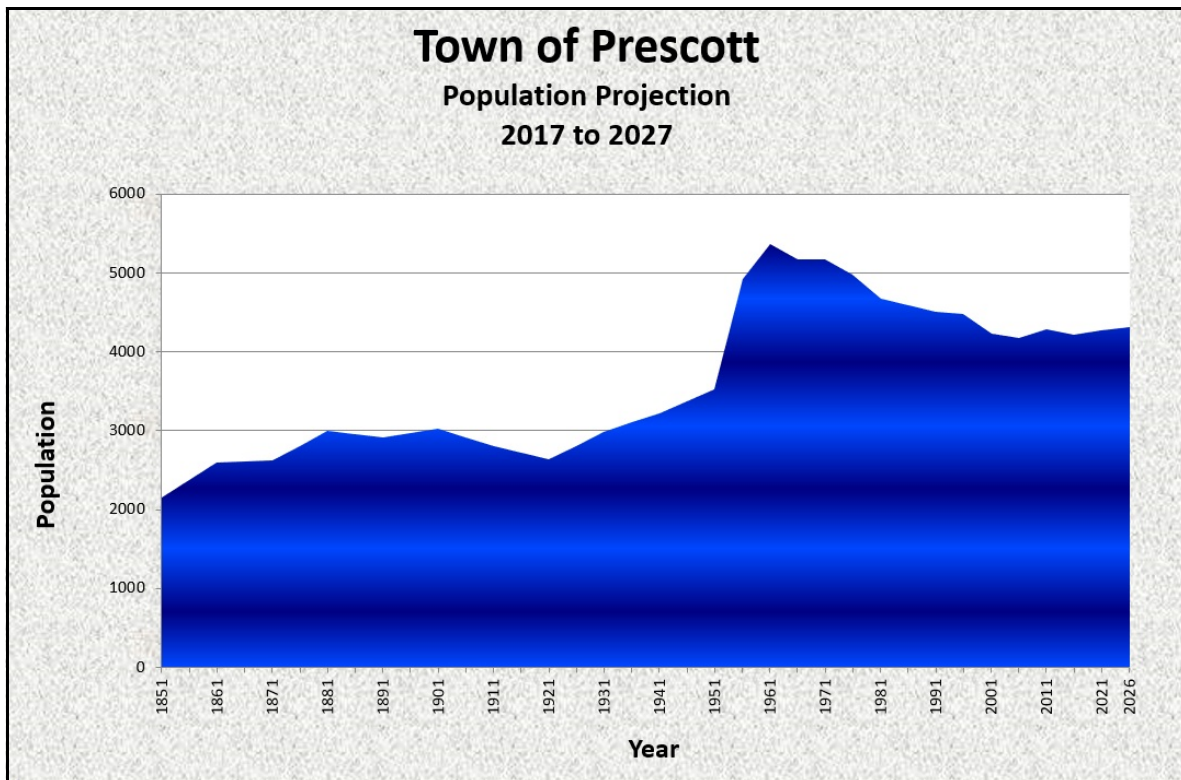


Table 4b outlines the number of existing dwellings compared with the number of projected dwellings. This table is useful in calculating the growth-related portion of costs when prorating is necessary. The number of dwellings is taken from the latest 2016 census data (4,175 units) plus the new building permits issued from 2006 until 2010 (221 units). According to the figures, there are 4,396 assessed dwelling units in the Prescott.

Table 4b
Town of Prescott
Growth Projections as a Percentage of Existing Dwelling Units

Time Frame	Existing Dwelling Units	Projected Growth
2018	2,134 / 100.0%	n/a
2018 - 2022	2,134 + 23	23 units
2023 - 2027	2,134 + 37	14 units
2018 - 2027	2,134 / 98.3 %	37 units / 1.7 %

Non-residential growth is projected to occur at a higher rate than the previous ten year period, given the availability of commercial/industrial vacant land. With the slight increase in population over the next ten year period and given the proximity to Highway 401, modest commercial and industrial businesses growth can be expected to be built over the next ten years an annual average of 8,000 sq.ft. of non-residential space will be constructed.

4.0 Apportionment to Types of Development

In determining the development charge, each service is examined to differentiate the attribution between residential and non-residential sectors. For each apportionment below, only the eligible assessment under the new *Development Charges Act* (DCA) have been included in determining the percentage allocation. An example is that pipelines or managed forests are assessed and taxable, but would not be paying a development charge: Therefore, they are not included in the calculations below.

Under the development charges legislation, two land uses are the focus for development charges. These are residential and non-residential (mainly comprised of commercial and industrial). Their available current assessment (2016) is as follows:

<u>Assessment Apportionment (Eligible Under the DCA)</u>	
Residential Assessment	84.07 %
Commercial Assessment	13.97%
Industrial Assessment	1.96 %

What the assessment reveals is that residential comprises a significant portion of the total assessment base in Prescott. While there are some industries and commercial businesses, these only comprise of a fraction of the total assessment. The above figures are not expected to deviate over the next ten-year period significantly. With additional residential growth will come additional commercial and industrial growth in approximately the same percentage mix as is found in Prescott in 2016/17. These figures are used in assessing the portion of growth-related net capital costs attributable to each of the categories.

5.0 Examination of Municipal Services and Average Service Levels

Under the current *Development Charges Act* and *Ontario Regulation 82/98*, municipalities are required to consider their historical average service levels. The Act requires that the development charges be set at level (of service) no higher than the 10-year average preceding the preparation of the Development Charges Study. The rationale is that some municipalities were using peak years to establish their development charge in the past. To make these calculations more reasonable, the revised Development Charges Act requires that the average now be used on a service by service basis.

To satisfy this legislative requirement, the historic preceding 10 year service levels for qualified services have been documented for the period 2008 to 2017. These service levels serve as a benchmark in calculating the new development charge. The municipal services levels utilized are based on municipal records, information provided by staff, and their experience with costs to acquire or construct similar facilities, equipment and infrastructure. Where possible, insurance records and the replacement values they have determined are used. Existing capital forecasts or similar expressions of the intentions of Council were investigated in accordance with *Ontario Regulation 82/98* Section 3.

In an effort to keep the development charge within a reasonable and locally acceptable level, not all municipal services have been included within this development charge study. Town Council will have to consider the municipal services which would most likely require expansions due to growth and to consider anticipated capital projects over the next ten years. The final by-law will reflect the direction of Council.

The following subsections contain preceding 10 year service levels for qualified services for the period 2008 to 2017.

5.1 General Government - Growth-Related Studies

The Town of Prescott undertook a Development Charges Background Study and draft Development Charge By-law in 2012 at a cost of \$11,830 (excluding notices and advertising costs). Costs for the preparation of the 5 year update are estimated at \$14,000 plus notice and advertising costs.

Growth-related studies (such as the preparation of the development charges background report) are eligible items under the new *Development Charges Act, 1997*. However, they must now be discounted by 10% under the modifications to the Act. Therefore, a total of 90% of these costs are eligible costs under the Development Charge Act and Regulations.

5.2 Public Works Services

The Town of Prescott operated a four bay 5,000 sq.ft. municipal garage at 1000 Sophia Street. In 2016, an expansion to this facility was commenced and completed in 2017 by expanding by 2,925 sq.ft. with the addition of new bays at a cost of \$232,150.

Previous to the recent expansion to the existing garage, no other expansions have occurred in the past ten years. As a result, the average standard of service had declined over the ten-year period (see Table 5.2 on the following page), but increased in 2016 and again in 2017 with the expansion completion. The total average gross floor area/value per capita can be maintained using development charges. However, any excess amount or square footage beyond the allowable under the development charge calculation must be financed outside the development charge.

Under equipment and furniture, the computers used by the Roads/Public Works Department Superintendent has not been included in accordance with subsection 5(3)(4)(ii) of the *Development Charges Act*. All tools, equipment, materials and supplies have been totalled for the purposes of calculating the eligible charges.

Currently, the Town has six (6) unlicensed vehicles (insured) and seven (7) licensed vehicles & licensed equipment (insured). Vehicles have been replaced and added over the past ten years as shown in Table 5.2. Based on the projected growth, the municipality should be purchasing an upgraded unlicensed vehicle and an upgraded licensed vehicle over the next ten years to maintain the same average standard of service.

Total operational costs for the transportation services amounted to \$877,761 in 2016, a slight increase from the previous 10 year period \$876,758 in 2006. This calculates to an annual average of \$207.90 per capita (compared with \$209.75 per capita in 2006). The expanded public works garage may result in slightly higher per capita operational costs (heating, hydro, etc.) moving forward.

Table 5.2

**Public Works Facilities and Services
Capital Assets Inventory - past 10 years
Town of Prescott**

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	10 Year Average
Population	4,223	4,242	4,263	4,284	4,272	4,259	4,247	4,234	4,222	4,234	
Public Works Garage	\$596,004	\$596,004	\$596,004	\$596,004	\$596,004	\$596,004	\$596,004	\$596,004	\$839,746	\$1,008,700	\$661,648
Garage Quality per capita	\$141	\$141	\$140	\$139	\$140	\$140	\$140	\$141	\$199	\$238	\$155.83
Contents	\$14,200	\$14,200	\$14,200	\$14,200	\$14,200	\$14,200	\$14,200	\$14,200	\$14,200	\$14,200	\$14,200
Contents per capita	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3.34
Quantity per 1,000 capita	0.237	0.236	0.235	0.233	0.234	0.235	0.235	0.236	0.237	0.236	0.235
PW Garage/Contents/per capita	\$144	\$144	\$143	\$142	\$143	\$143	\$144	\$144	\$202	\$242	\$159.17
Salt Dome	\$297,800	\$297,800	\$297,800	\$297,800	\$297,800	\$297,800	\$297,800	\$297,800	\$297,800	\$297,800	\$297,800
Salt Dome Quality per Capital	\$71	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$71	\$70	\$70.11
Quantity per 1,000 capita	0.237	0.236	0.235	0.233	0.234	0.235	0.235	0.236	0.237	0.236	0.235
Unlicenced Vehicles	\$439,800	\$439,800	\$439,800	\$455,100	\$616,700	\$616,700	\$616,700	\$616,700	\$616,700	\$616,700	\$547,470
Quantity per 1,000 capita	1.421	1.414	1.407	1.401	1.404	1.409	1.413	1.417	1.421	1.417	1.412
Quality per capita	\$104	\$104	\$103	\$106	\$144	\$145	\$145	\$146	\$146	\$146	\$128.90
Licenced Vehicles & Equipment	\$386,501	\$386,501	\$386,501	\$536,501	\$536,501	\$536,501	\$536,501	\$536,501	\$536,501	\$690,667	\$506,918
Quantity per 1,000 capita	1.658	1.650	1.642	1.634	1.639	1.644	1.648	1.653	1.658	1.653	1.648
Quality per capita	\$92	\$91	\$91	\$125	\$126	\$126	\$126	\$127	\$127	\$163	\$119.33
Total Public Works (\$2017)	\$1,734,305	\$1,734,305	\$1,734,305	\$1,899,605	\$2,061,205	\$2,061,205	\$2,061,205	\$2,061,205	\$2,304,947	\$2,628,067	\$2,028,035
Per capita (\$2017)	\$411	\$409	\$407	\$443	\$482	\$484	\$485	\$487	\$546	\$621	\$477.50

5.3 Transportation Services

The Town of Prescott has undertaken planned road expenditures for repairs, maintenance and upgrades. No recent Road Management Study has been complete to identify existing roads, conditions and needs for the next five & ten years.

Using Google Earth to measure the road lengths in Prescott, it is conservatively estimated that Prescott has a total of 23.15 kilometres of asphalt roads.

Category	Length	Cost per Kilometre (2017\$)	Total
Asphalt (HCB)	23.15	\$374,599	\$8,671,967
Surface Treatment (LCB)	0	\$282,861	\$0
Total			\$8,671,967
Road Construction Cost per Capita in 2017			\$2,048

For this background study, two road upgrades, expansions/enlargements were identified as being required to service growth, _____ Road and _____ Street.

Traffic signals, sidewalks and street light upgrades were considered. Sidewalks have been included for discussion purposes. None of the others have been included in this background study. Available historical figures are provided on Table 5.3 and planned and growth-related capital expenditures are provided in Tables 6.3 and 7.3.

Table 5.3

**Transportation Services
Capital Assets Inventory - past 10 years
Town of Prescott**

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	10 Year Average
Population	4,223	4,242	4,263	4,284	4,272	4,259	4,247	4,234	4,222	4,234	
Roads (Total Km's)	23.15	23.15	23.15	23.15	23.15	23.15	23.15	23.15	23.15	23.15	23.2
Avg. cost per km road	\$374,599	\$374,599	\$374,599	\$374,599	\$374,599	\$374,599	\$374,599	\$374,599	\$374,599	\$374,599	\$374,599
Quality per capita	\$2,054	\$2,044	\$2,034	\$2,024	\$2,030	\$2,036	\$2,042	\$2,048	\$2,054	\$2,048	\$2,041
Quantity per 1,000 capita	5.48	5.46	5.43	5.40	5.42	5.44	5.45	5.47	5.48	5.47	5.45
Sidewalks (total metres)	20.86	20.86	20.86	20.86	20.86	20.86	20.86	20.86	20.86	20.86	20.86
Sidewalks Value	\$1,182,918	\$1,182,918	\$1,182,918	\$1,182,918	\$1,182,918	\$1,182,918	\$1,182,918	\$1,182,918	\$1,182,918	\$1,182,918	\$1,182,918
Quantity per 1,000 capita	0.005	0.005	0.005	0.005	0.005	0.005	0.005	0.005	0.005	0.005	0.005
Quality per capita	\$280	\$279	\$277	\$276	\$277	\$278	\$279	\$279	\$280	\$279	\$278.47

5.4 Fire Protection Services

The Town of Prescott currently has a fire hall located on 302 Centre Street, Prescott. An expansion to the fire hall was commenced in 2017 and expected to be completed in 2018. No additional building expansions are anticipated over the next ten years.

Fire vehicles are eligible for development charges under the criteria set out in subsection 5(3)(4)(i) (rolling stock with a useful life of seven years or more.).

The fire hall is currently valued at \$1,265,400.00 in 2017. Bunker suits, self breathing apparatus, communications equipment, and furniture and equipment within the Fire Hall are valued at \$270,100 (2017). As the population grows, some additional equipment will be required. In addition, a new additional volunteer fire fighter may be required and will need to be outfitted.



Total operational costs for Protection to Persons and Property amounted to \$233,655. This works out to an annual average of \$55,34 per capita in 2016 (latest available data). It can be expected that the per capita operational costs associated with the capital program forecast will remain relatively constant, increasing to accommodate any additional volunteer fire fighters.

Table 5.4

**Fire Protection Facilities and Services
Capital Assets Inventory - past 10 years
Town of Prescott**

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	10 Year
Population	4,223	4,242	4,263	4,284	4,272	4,259	4,247	4,234	4,222	4,234	Average
Fire Stations (1 location)	\$1,205,424	\$1,205,424	\$1,205,424	\$1,205,424	\$1,265,400	\$1,265,400	\$1,265,400	\$1,265,400	\$1,265,400	\$1,265,400	\$1,241,410
Fire Stations quality per capita	\$285	\$284	\$283	\$281	\$296	\$297	\$298	\$299	\$300	\$299	\$292.25
Contents	\$270,100	\$270,100	\$270,100	\$270,100	\$270,100	\$270,100	\$270,100	\$270,100	\$270,100	\$270,100	\$270,100
Contents per capita	\$64	\$64	\$63	\$63	\$63	\$63	\$64	\$64	\$64	\$64	\$63.58
Quantity per 1,000 capita	0.237	0.236	0.235	0.233	0.234	0.235	0.235	0.236	0.237	0.236	0.235
Fire Station/Contents/per capita	\$349	\$348	\$346	\$344	\$359	\$361	\$362	\$363	\$364	\$363	\$355.83
Vehicles	\$1,450,000	\$1,450,000	\$1,450,000	\$1,450,000	\$1,450,000	\$1,485,000	\$1,485,000	\$1,485,000	\$1,485,000	\$1,548,000	\$1,473,800
Quantity per 1,000 capita	0.947	0.943	0.938	0.934	1.170	1.174	1.177	1.181	1.184	1.417	1.107
Quality per capita	\$343	\$342	\$340	\$338	\$339	\$349	\$350	\$351	\$352	\$366	\$346.96
Total Fire Protection (\$2017)	\$2,925,524	\$2,925,524	\$2,925,524	\$2,925,524	\$2,985,500	\$3,020,500	\$3,020,500	\$3,020,500	\$3,020,500	\$3,083,500	\$2,985,310
Per capita (\$2017)	\$693	\$690	\$686	\$683	\$699	\$709	\$711	\$713	\$715	\$728	\$702.79

5.5 Recreation Services

At present, the Town of Prescott offers a wide variety of recreational Services to its residents, including baseball fields, shelters, skateboard park, an arena, outdoor pool and tennis. The *Development Charges Act* legislation requires that the past 10 year average service level be used as the highest standard.

The numerous items with each park have been grouped together as buildings and facilities. All the various skating rink boards, bleachers, lighting and flood lights, and playground equipment have been grouped together.

Total operational costs for the recreation and cultural services amounted to \$604,809 in 2016. This works out to an annual average of \$143.25 per capita. It can be expected that the per capita operational costs associated with the capital program forecast will remain relatively constant over the next five to ten years.

Table 5.5

**Recreation Facilities and Services
Capital Assets Inventory - past 10 years
Town of Prescott**

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	10 Year
Population	4,223	4,242	4,263	4,284	4,272	4,259	4,247	4,234	4,222	4,234	Average
Arena	\$5,313,167	\$5,313,167	\$5,313,167	\$5,313,167	\$5,742,600	\$5,742,600	\$5,742,600	\$5,742,600	\$5,742,600	\$5,742,600	\$5,570,827
Arena quality per capita	\$1,258	\$1,253	\$1,246	\$1,240	\$1,344	\$1,348	\$1,352	\$1,356	\$1,360	\$1,356	\$1,311.48
Contents	\$138,800	\$138,800	\$138,800	\$138,800	\$138,800	\$138,800	\$138,800	\$138,800	\$138,800	\$138,800	\$138,800
Contents per capita	\$33	\$33	\$33	\$32	\$32	\$33	\$33	\$33	\$33	\$33	\$32.67
Quantity per 1,000 capita	0.237	0.236	0.235	0.233	0.234	0.235	0.235	0.236	0.237	0.236	0.235
Arena/Contents quality per capita	\$1,291	\$1,285	\$1,279	\$1,273	\$1,377	\$1,381	\$1,385	\$1,389	\$1,393	\$1,389	\$1,344.15
Rec. Buildings & Facilites	\$604,948	\$604,948	\$604,948	\$604,948	\$1,116,800	\$1,116,800	\$1,116,800	\$1,116,800	\$1,116,800	\$1,116,800	\$912,059
Quality per capita	\$143	\$143	\$142	\$141	\$261	\$262	\$263	\$264	\$265	\$264	\$214.76
Quantity per 1,000 capita	2.368	2.357	2.346	2.334	2.341	2.348	2.355	2.362	2.369	2.362	2.354
Equipment, floodlights, etc.	\$488,676	\$488,676	\$488,676	\$488,676	\$576,000	\$576,000	\$576,000	\$576,000	\$576,000	\$576,000	\$541,070
Quality per capita	\$116	\$115	\$115	\$114	\$135	\$135	\$136	\$136	\$136	\$136	\$127.38
Total Recreation (\$2017)	\$6,545,591	\$6,545,591	\$6,545,591	\$6,545,591	\$7,574,200	\$7,574,200	\$7,574,200	\$7,574,200	\$7,574,200	\$7,574,200	\$7,162,756
Per capita (\$2017)	\$1,550	\$1,543	\$1,535	\$1,528	\$1,773	\$1,778	\$1,783	\$1,789	\$1,794	\$1,789	\$1,686.30

5.6 Municipal Water and Sanitary Sewage Services

Prescott currently operates water and sanitary sewage utilities in the Town. Each system currently has excess capacity available for growth. Given the limitations contained in the Development Charges Act for calculating a charge (removing grants, benefits to existing residents, etc.) and collecting only upon a building permit, it is recommended that the Municipal Act be used for these services.

6.0 Growth Related Capital Forecast

Based on anticipated development and growth forecasts, in consultation with staff from the Town and Council, growth related capital forecast tables were developed establishing those (Council selected) projects required to service anticipated growth. The table covers the ten-year period from 2018-2027. In accordance with the Section 5(1)4, of the *Development Charges Act*, the development charge for engineering services (roads, water and sewage) are based on longer time frames or capacity. It is recommended that Council adopt the growth-related capital forecast table contained herein, in accordance with *Ontario Regulation 82/98 s.3* and *Ontario Regulation 428/15*.

Note: Numbers may vary slightly due to rounding.

Table 6.1

**Administration Services
Capital Program Forecast (2018-2027)
Town of Prescott**

Year	Gross Cost	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Population		4,246	4,257	4,267	4,277	4,285	4,293	4,301	4,307	4,313	4,317
Growth Studies	\$30,100	\$14,600					\$15,500				
Total Growth Studies (\$2017)	\$30,100	\$14,600					\$15,500				
<p>Notes: Growth study costs include advertizing costs (notice of public meeting and notice of passing \$600).</p>											

Table 6.2

**Public Works Facilities and Services
Capital Program Forecast (2018-2027)
Town of Prescott**

Year	Gross Cost	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Population		4,246	4,257	4,267	4,277	4,285	4,293	4,301	4,307	4,313	4,317
Public Works Building Upgrades	\$13,900	\$1,600	\$1,600	\$1,500	\$1,500	\$1,400	\$1,400	\$1,300	\$1,300	\$1,200	\$1,100
Equipment / Contents	\$290	\$0	\$0	\$100	\$0	\$100	\$0	\$0	\$90	\$0	\$0
Unlicenced Vehicles (upgrades)	\$11,000							\$5,500			\$5,500
Licenced Vehicles (upgrades)	\$10,000					\$5,000				\$5,000	
Total Public Works (\$2017)	\$35,190	\$1,600	\$1,600	\$1,600	\$1,500	\$6,500	\$1,400	\$6,800	\$1,390	\$6,200	\$6,600

Service Component	Maximum Allowable *	Capital Forecast	Beyond Avg. Service Level **	Excess Capacity ***
Public Works Garage (2)	\$ 13,901	\$ 13,900	Nil	Nil
Equipment & Contents	\$ 298	\$ 290	Nil	Nil
Unlicenced Vehicles	\$ 11,499	\$ 11,000	Nil	Nil
Licenced Vehicles	\$ 10,646	\$ 10,000	Nil	Nil

* - Based on average service level standards (Table 5.3) plus non-residential growth (+15.93%)
 ** - Must be financed from sources other than development charges.
 *** - Excess capacity within existing service

Table 6.3

**Transportation Services
Capital Program Forecast (2018-2027)
Town of Prescott**

Year	Gross Cost	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Population		4,246	4,257	4,267	4,277	4,285	4,293	4,301	4,307	4,313	4,317
Road Upgrades	\$145,000					\$50,000			\$50,000		\$45,000
Sidewalk Upgrades											
Total Transportation (\$2017)	\$145,000	\$0	\$0	\$0	\$0	\$50,000	\$0	\$0	\$50,000	\$0	\$45,000

Service Component	Maximum Allowable *	Capital Forecast	Beyond Avg. Service Level **	Benefit to Existing Residents ***
Roads	\$182,122	\$145,000	Nil	Nil
Sidewalks	\$ 24,843	\$ Nil	Nil	Nil

* - Based on average service level standards (Table 5.3) plus non-residential growth (+15.93%)
 ** - Must be financed from sources other than development charges.
 *** - Derived benefit to existing or replace portion of costs.

Table 6.4

**Fire Protection Facilities and Services
Capital Program Forecast (2018-2027)
Town of Prescott**

Year	Gross Cost	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Population		4,246	4,257	4,267	4,277	4,285	4,293	4,301	4,307	4,313	4,317
Fire Hall Upgrades in 2018	\$26,000	\$26,000									
Fire Equipment/Hall Contents	\$5,600		\$1,400		\$1,200		\$1,000		\$1,000		\$1,000
Pumper Truck/ Vehicle Upgrades	\$30,500										
Total Fire Protection (\$2017)	\$62,100	\$26,000	\$1,400	\$0	\$1,200	\$0	\$1,000	\$0	\$1,000	\$0	\$1,000
Service Component	Maximum Allowable *	Capital Forecast		Beyond Avg. Service Level**			Excess Capacity ***				
Fire Hall	\$ 26,072	\$26,000		Nil			Nil				
Equipment & Contents	\$ 5,672	\$5,600		Nil			Nil				
Vehicles	\$ 30,953	\$30,500		Nil			Nil				
<p>* - Based on average service level standards (Table 5.3) plus non-residential growth (+15.93%) ** - Must be financed from sources other than development charges. *** - Excess capacity within existing service.</p>											

Table 6.5

**Recreation Facilities and Services
Capital Program Forecast (2018-2027)
Town of Prescott**

Year	Gross Cost	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Population		4,246	4,257	4,267	4,277	4,285	4,293	4,301	4,307	4,313	4,317
Arena Upgrades	\$0										
Arena Contents	\$2,900			\$900			\$1,000				\$1,000
Recreation Building & Facilities	\$19,000					\$10,000				\$9,000	
Equipment	\$11,300		\$3,000		\$2,300		\$2,000		\$2,000		\$2,000
Vehicles (no addit'l vehicles planned)											
Total Recreation (\$2017)	\$33,200		\$3,000	\$900	\$2,300	\$10,000	\$3,000	\$0	\$2,000	\$9,000	\$3,000

Service Component	Maximum Allowable *	Capital Forecast	Beyond Avg. Service Level **	Excess Capacity ***
Arena	\$116,999	Nil	Nil	Nil
Arena Contents	\$ 2,915	\$ 2,900	Nil	Nil
Rec. Buildings & Facilities	\$ 19,159	\$ 19,000	Nil	Nil
Equipment	\$ 11,364	\$ 11,300	Nil	Nil

* - Based on average service level standards (Table 5.5) (does not include non-residential growth)
 ** - Must be financed from sources other than development charges.
 *** - Excess capacity within existing service.

7.0 Development Charge Calculations

In order to calculate the Development Charge for each service, the *Development Charges Act* requires a systematic approach. The process has been outlined in Section 2 and in the flow chart contained in Figure 2.

The anticipated growth-related capital forecasts from Section 6 for each service, have been carried forward to the tables contained in this section in order to calculate the development charge. Each service has been considered with regard to the excess capacity contained therein, the benefit to existing development and replacement amount, available capital grants and subsidies, the amount exceeding the historical 10-year average level of service and the legislated capital deduction for specified services. From these deductions, the net growth-related capital costs are split into residential and non-residential apportionments. These costs are further divided in accordance with the projected growth for each sector.

7.1 Excess Capacity

Paragraph 5 of subsection 5(1) of the *Development Charges Act* states: “*The increase in the need for service attributable to the anticipated development must be reduced by the part of that increase that can be met using the municipality’s excess capacity, other than excess capacity that the council of the municipality has indicated an intension would be paid for by new development. How excess capacity is determined and how to determine whether a council has indicated an intension that excess capacity would be paid for by new development may be governed by regulation.*” Ministry of Municipal Affairs and Housing staff indicated in a development charges presentation (*Kingston, 1998*) that “excess capacity” means “uncommitted excess capacity.” This is confirmed in Ontario Regulation 82/98.

Section 5 of *Ontario Regulation 82/98* does provide some guidance when it states “*excess capacity is uncommitted excess capacity unless, either before or at the time the excess capacity was created, the council of the municipality expressed a clear intention that the excess capacity would be paid for by development charges or similar charges.*” This is particularly important and relevant regarding excess capacity relating to costly water and sanitary sewage services. Where excess capacity has been created for the purposes of growth, Council must clearly state this in a statement in their Official Plan that the costs would be collected from development charges or other similar charge.

On a cautionary note, there are some constraints in applying water and sanitary sewage

development charges in that charges cannot be applied to existing development, some expansions to buildings and apartments in houses. Another constraint will be cash flow inconsistencies relating to housing boom peaks and valleys compared with the more flexible *Municipal Act* provisions (can be applied annually as a tax).

7.2 Benefit to Existing Residents

The *Development Charges Act* states that “*the increase in the need for service must be reduced by the extent to which an increase in service to meet the increased need would benefit existing development.*” Subsection 8(2) of *Ontario Regulation 82/98* goes on to state that “*the allocation of costs (estimated capital costs relating to a service) between costs that would benefit new development and costs that would benefit existing development.*”

Where this is particularly relevant is where a service expansion exceeds the prevailing standard or a point beyond being only growth-related capital costs. Alternatively, the benefit to existing residents could be the portion of the capital expansion which is replacement or maintenance.

An example would be a road upgrade (widening) for growth. The costs associated with replacing/maintaining the existing infrastructure would be considered a benefit to existing residents, while only the enlarged portion of the upgrade would be considered as an eligible growth-related portion (up to the prevailing standard). Replacement of a bridge or culvert would be entirely a benefit to existing residents. Widening the same bridge or culvert to accommodate additional anticipated traffic could have a portion of the total cost which would be growth-related, while a large part would be replacement and a benefit to existing residents.

7.3 Capital Grants, Subsidies and other Contributions

Unchanged from the old *Development Charges Act*, grants, subsidies and other contributions must be netted out of the gross capital costs. Subsection 5(2) of the Act states that “*Capital costs must be reduced, in accordance with the regulations, to adjust for capital grants, subsidies or other contributions made to the municipality or that the Council of the municipality anticipated will be made in respect of the capital costs.*” Most grants have been changed to block funding and are being used by municipalities for maintenance, replacement and operational costs. The Federal Government has offered municipalities a portion of the gas tax. This “new money” (grant) is projected to be offset by reductions in Provincial CRF funding. The net difference is expected to be negligible.

An explanation is provided in Section 6 of *Ontario Regulation* where it states “*If a capital*

grant, subsidy or other contribution has been made in respect of capital costs and, at the time the grant, subsidy or other contribution was made, the person making it expressed a clear intention that all or part of the grant, subsidy or other contribution be used to benefit existing development or new development, the capital costs determined ... (necessary to provide the increased services) shall be reduced by the amount of the grant, subsidy or other contribution, but only to the extent that the grant, subsidy or other contribution was intended to benefit new development.”

7.4 Beyond Allowable Average 10 Year Service Level

An adjustment must be made for the portion of the capital cost forecast which exceeds the 10-year average service level. If Council would like to increase the average service standard, Council must add to the service using funds outside development charges. The amount that exceeds the allowable amount, must be netted out of the gross capital cost forecast.

7.5 Percentage Reduction

Percentage reductions apply to those services not specified under subsection 5(5) of the *Development Charges Act*. Hard services such as water, sewage, storm water, highway (public works), electrical power, police and fire protection have no percentage reduction. Services such as recreation, a library, development charge studies must be reduced by 10%.

7.6 Residential and Non-Residential Apportionment

As discussed in Section 4.0, the net development charge must be apportioned between anticipated residential and non-residential growth. This apportionment only applies where the benefits exist. Generally, it is accepted that non-residential growth does not derive a direct benefit from recreational services and library services, therefore for these two services, no apportionment is made.

From the apportionment, the net development charge is further divided by the anticipated growth. This can be made in terms of a per capita basis or a per unit basis depending on the proposed structure of the by-law. A per capita basis is used where the charge will be broken down by type of unit (semi-detached, apartments, bachelor units, etc.) As the per capita charge is then multiplied by typical average occupancy rates for each type of unit. The per unit approach is useful when a single unit charge is used (eg. one fee applies to all/any type of unit). For simplification, the calculations on the following tables use the most appropriate approach.

CALCULATION OF DEVELOPMENT CHARGE			
MUNICIPAL SERVICE CATEGORY		7.1 Administrative Services	
<p>Under Subsection 5(3)(6) of the <i>Development Charges Act</i>, the Town of Prescott may recover 90% of the costs associated with the preparation of the Development Charges Study. This figures include professional fees involved in the preparation of the background study and by-law, legal review, and advertizing costs.</p>			
GROSS GROWTH-RELATED CAPITAL COSTS			\$ 14,600
DEDUCTIONS (Less)	Excess capacity	\$0	
	Benefit to Existing Development	\$0	
	Capital Grants, Subsidies and other Contributions	\$0	
	Beyond allowable average 10 year service	\$0	
	Capital reduction - 0% or 10%	\$1,460	
Total Deductions		\$1,460	- \$ 1,460
NET GROWTH-RELATED CAPITAL COST			\$ 13,140
Residential share (84.07%)			\$ 11,047
Non-residential share (15.93%)			\$ 2,093
RESIDENTIAL DEVELOPMENT CHARGE			
Projected Number of Persons	75	Avg. Development Charge per capita	\$ 147.29
NON-RESIDENTIAL DEVELOPMENT CHARGE			
Projected Non-residential Growth	8,000 sq.ft.	Development Charge per sq.ft.	\$ 0.2617

CALCULATION OF DEVELOPMENT CHARGE			
MUNICIPAL SERVICE CATEGORY		7.2 Public Works Facilities and Services	
<p>As noted in subsection 5.2, an upgrade to the public works garage was recently completed. The maximum eligible amount from development charges for the recent garage enlargement is \$13,901 based on historical average service levels (past ten years). A slightly lesser amount of \$13,900 from new growth is planned toward this expansion. Additional public works equipment and contents will be required to accommodate the anticipated growth. The acquisition of additional equipment required for growth is not to exceed the existing average service level.</p> <p>Based on the current licenced and unlicenced vehicle service standards and the projected growth, the Town of Prescott should be acquiring upgraded vehicles using development charges in order to maintain the current service standard. Rather than adding to the public works existing inventory, upgrades to existing equipment are planned as outlined on Table 6.2. It is anticipated that block grants will be used for non-growth maintenance items.</p> <p>Tables 5.2 and Table 6.2 provide an itemized list of anticipated growth-related capital expenditures for Public Works Services.</p>			
GROSS GROWTH-RELATED CAPITAL COSTS			\$ 35,190
DEDUCTIONS (Less)	Excess capacity	nil	
	Benefit to Existing Development	n/a	
	Capital Grants, Subsidies and other Contributions	nil	
	Beyond allowable average 10 year service	n/a	
	Capital reduction - 0% or 10%	0 %	
Total Deductions		nil	- nil
NET GROWTH-RELATED CAPITAL COST			\$ 35,190
Residential share (84.07 %)			\$ 39,584
Non-residential share (15.93 %)			\$ 5,606
RESIDENTIAL DEVELOPMENT CHARGE			
Projected Number of Persons	75	Development Charge per capita	\$ 394.46
NON-RESIDENTIAL DEVELOPMENT CHARGE			
Projected Non-residential Growth	8,000 sq.ft.	Development Charge per sq.ft.	\$ 0.7007

CALCULATION OF DEVELOPMENT CHARGE			
MUNICIPAL SERVICE CATEGORY		7.3 Transportation Services	
<p>Tables 5.3 and 6.3 provide details regarding projected capital costs relating to transportation services. Despite being eligible to be included in the Development Charge, Town Council in 2012 removed this component from the final Development Charge By-law. This service has been included for information purposes should Council elect to include this service, or a portion of the amount.</p>			
GROSS GROWTH-RELATED CAPITAL COSTS			\$ 145,000
DEDUCTIONS (Less)	Excess capacity	n/a	
	Benefit to Existing Development	\$0	
	Capital Grants, Subsidies and other Contributions	nil	
	Beyond allowable average 10 year service	n/a	
	Capital reduction - 0% or 10%	0%	
Total Deductions		\$0	\$
NET GROWTH-RELATED CAPITAL COST			\$ 145,000
Residential share (84.07 %)			\$ 121,901
Non-residential share (15.93 %)			\$ 23,099
RESIDENTIAL DEVELOPMENT CHARGE			
Projected Number of Persons	75	Development Charge per capita	\$ 1,625.35
NON-RESIDENTIAL DEVELOPMENT CHARGE			
Projected Non-residential Growth	8,000 sq.ft	Development Charge per sq.ft.	\$ 2.8873

CALCULATION OF DEVELOPMENT CHARGE			
MUNICIPAL SERVICE CATEGORY		7.4 Fire Protection Services	
<p>The Town of Prescott intends to continue to maintain its fire protection services no further than the preceding 10 year average service level. Additional equipment will be required as a result of the anticipated growth. No additional upgrades to the expanded fire hall are planned in the foreseeable future, however a growth-related portion of the recent expansion is eligible from the Development Charge.</p> <p>It is anticipated that fund raising by the fire departments will be used for replacement items and not for growth-related expenditures.</p> <p>Table 5.3 provides an itemized list of anticipated growth-related capital expenditures for Fire Protection Services.</p>			
GROSS GROWTH-RELATED CAPITAL COSTS			\$ 62,100
DEDUCTIONS (Less)	Excess capacity	n/a	
	Benefit to Existing Development	n/a	
	Capital Grants, Subsidies and other Contributions	nil	
	Beyond allowable average 10 year service	n/a	
	Capital reduction - 0% or 10%	0 %	
Total Deductions		nil	nil
NET GROWTH-RELATED CAPITAL COST			\$ 62,100
Residential share (84.07 %)			\$ 52,207
Non-residential share (15.93 %)			\$ 9,893
RESIDENTIAL DEVELOPMENT CHARGE			
Projected Number of Persons	75	Avg. Development Charge per unit	\$ 696.10
NON-RESIDENTIAL DEVELOPMENT CHARGE			
Projected Non-residential Growth	8,000 sq.ft	Development Charge per sq.ft.	\$ 1.2366

CALCULATION OF DEVELOPMENT CHARGE			
MUNICIPAL SERVICE CATEGORY		7.5 Recreational Services	
<p>The Town of Prescott intends to expand its recreational services only in accordance with the anticipated growth, in an effort to maintain existing service levels.</p> <p>No expansion to the arena is anticipated over the next ten year period. Upgrades to the arena contents are included, as are recreational buildings and equipment. Parkland within new subdivisions will require new playground equipment which will be funded from the development charge. Other recreational services will be expanded in accordance with growth-related needs.</p> <p>Table 5.5 provides an itemized list of anticipated growth-related capital expenditures for Recreation Services.</p>			
GROSS GROWTH-RELATED CAPITAL COSTS			\$ 33,200
DEDUCTIONS (Less)	Excess capacity	nil	
	Benefit to Existing Development	nil	
	Capital Grants, Subsidies and other Contributions	\$0	
	Beyond allowable average 10 year service	nil	
	Capital reduction - 0% or 10%	\$3,320	
Total Deductions		\$3,320	- \$ 29,880
NET GROWTH-RELATED CAPITAL COST			\$ 29,880
Residential share (100%)			\$ 29,880
Non-residential share (0%)			\$ -
RESIDENTIAL DEVELOPMENT CHARGE			
Projected Number of Persons	75	Development Charge per capita	\$ 398.40
NON-RESIDENTIAL DEVELOPMENT CHARGE			
			n/a

8.0 Summary of Development Charges

From Section 7, the following tables summarize the Development Charge for each service category in accordance with the *Development Charges Act*. These tables are on a per capita basis and are then differentiated into a per dwelling unit basis by type and average per unit occupancy. The non-residential tables are calculated on a per square foot basis.

	Municipal Service	Residential Growth Portion	Non-Residential Growth Portion	Municipal (Non-growth) Portion	Total Capital Cost
1	Administrative (Studies)	\$11,047	\$2,093	\$1,460	\$14,600
2	<u>Public Works</u>	<u>\$29,584</u>	<u>\$5,605</u>	-	<u>\$35,190</u>
	Public Works Garage	\$11,686	\$2,214		\$13,900
	Equipment & Furniture	\$244	\$46		\$290
	Unlicenced Vehicles	\$9,248	\$1,752		\$11,000
	Licenced Vehicles	\$8,407	\$1,593		\$10,000
3	<u>Transportation</u>	<u>\$121,901</u>	<u>\$23,099</u>	-	<u>\$145,000</u>
	Sidewalks	-	-		-
	Roads	\$121,901	\$23,099		\$145,000
4	<u>Fire Protection</u>	<u>\$52,207</u>	<u>\$9,893</u>	-	<u>\$62,100</u>
	Fire Station	\$21,858	\$4,142		\$26,000
	Furniture / Contents /Equip.	\$4,708	\$892		\$5,600
	Vehicles	\$25,641	\$4,859		\$30,500
5	<u>Recreation</u>	<u>\$29,880</u>	-	<u>\$3,320</u>	<u>\$33,200</u>
	Arena	nil		nil	nil
	Contents - Arena	\$2,610		\$290	\$2,900
	Recr. Buildings & Facilities	\$17,100		\$1,900	\$19,000
	Recreation Equipment	\$10,170		\$1,130	\$11,300
	Total	\$244,620	\$40,690	\$4,780	\$290,090

Note: Numbers may vary slightly due to rounding

Table 8.2

Town of Prescott
Summary of Per Capita / Per Square Feet Development Charges

	Municipal Service	Per Capita Development Charge	Non-Residential Development Charge
1	Administrative (Studies)	\$147.29	\$0.2617
2	<u>Public Works</u> Public Works Garage Equipment & Furniture Unlicenced Vehicles Licenced Vehicles	<u>\$394.46</u> \$155.81 \$3.25 \$123.30 \$112.09	<u>\$0.7007</u> \$0.2768 \$0.0058 \$0.2190 \$0.1991
3	<u>Transportation</u> Sidewalks Roads	<u>\$1,625.35</u> - \$1,625.35	<u>\$2.8873</u> - \$2.8873
4	<u>Fire Protection</u> Fire Station Furniture & Equipment Vehicles	<u>\$696.10</u> \$291.44 \$62.77 \$341.88	<u>\$1.2366</u> \$0.5177 \$0.1115 \$0.6073
5	<u>Recreation</u> Arena Arena Contents Recreation Buildings & Facilities Recreation Equipment	<u>\$398.40</u> - \$34.80 \$228.00 \$135.60	n/a
	Total	\$3,261.60	\$5.0862

* - Numbers may vary slightly due to rounding

**Table 8.3
Development Charge by Type of Dwelling Unit**

Type of Unit	Average Number of Persons per unit	Development Charge per unit
Single Detached	3	\$9,785
Semi-detached / Duplex	2.8	\$9,132
Row Dwelling / Townhouse	2.4	\$7,828
Apartment 3 bedroom	2.3	\$7,502
Apartment 2 bedroom	2.1	\$6,849
Apartment 1 bedroom	1.6	\$5,219
Apartment Bachelor	1.2	\$3,913

* - Numbers may vary slightly due to rounding

NON-RESIDENTIAL DEVELOPMENT CHARGES					
TOTAL BUILDING SIZE	(1) FOR THE FIRST 2,500 S.F.	(2) FOR THE NEXT 2,500 S.F. BEYOND (1)	(3) FOR THE NEXT 25,000 S.F. BEYOND (1&2)	(4) FOR THE NEXT 25,000 S.F. BEYOND (1,2&3)	(5) FOR ANY ADDITIONAL S.F. BEYOND (1,2,3&4)
0-2,500 S.F.	\$5.0862	-	-	-	-
2,501-5,000 S.F.	\$5.0862	\$2.54	-	-	-
5,001-30,000 S.F.	\$5.0862	\$2.54	\$1.27	-	-
30,001-55,000 S.F.	\$5.0862	\$2.54	\$1.27	\$0.63	-
55,001 S.F. +	\$5.0862	\$2.54	\$1.27	\$0.63	\$0.31

S.F. - Square Feet

Recommended Development Charge based on 2012 Council Decisions:

Table 8.1

Town of Prescott
Summary of Net Growth Related Capital Costs

	Municipal Service	Residential Growth Portion	Non-Residential Growth Portion	Municipal (Non-growth) Portion	Total Capital Cost
1	Administrative (Studies)	\$11,047	\$2,093	\$1,460	\$14,600
2	<u>Public Works</u>	\$27,903	\$5,287	-	\$33,190
	Public Works Garage	\$11,686	\$2,214		\$13,900
	Equipment & Furniture	\$244	\$46		\$290
	Unlicenced Vehicles	\$8,407	\$1,593		\$10,000
	Licenced Vehicles	\$7,566	\$1,434		\$9,000
3	<u>Transportation</u>	-	-	-	-
	Sidewalks	-	-	-	-
	Roads	-	-	-	-
4	<u>Fire Protection</u>	\$26,566	\$5,034	-	\$31,600
	Fire Station	\$21,858	\$4,142		\$26,000
	Furniture / Contents /Equip.	\$4,708	\$892		\$5,600
	Vehicles	nil	nil		nil
5	<u>Recreation</u>	\$19,800	-	\$2,200	\$22,000
	Arena	nil		nil	nil
	Contents - Arena	nil		nil	nil
	Recr. Buildings & Facilities	\$9,900		\$1,100	\$11,000
	Recreation Equipment	\$9,900		\$1,100	\$11,000
	Total	\$85,316	\$12,414	\$3,660	\$101,390

Type of Unit	Development Charge per unit
Single Detached	\$3,413
Semi-detached / Duplex	\$3,185
Row Dwelling / Townhouse	\$2,730
Apartment 3 bedroom	\$2,616
Apartment 2 bedroom	\$2,389
Apartment 1 bedroom	\$1,820
Apartment Bachelor	\$1,365

Recommended Development Charge based on 2012 Council Decisions:

NON-RESIDENTIAL DEVELOPMENT CHARGES					
TOTAL BUILDING SIZE	(1) FOR THE FIRST 2,500 S.F.	(2) FOR THE NEXT 2,500 S.F. BEYOND (1)	(3) FOR THE NEXT 25,000 S.F. BEYOND (1&2)	(4) FOR THE NEXT 25,000 S.F. BEYOND (1,2&3)	(5) FOR ANY ADDITIONAL S.F. BEYOND (1,2,3&4)
0-2,500 S.F.	\$1.5518	-	-	-	-
2,501-5,000 S.F.	\$1.5518	\$0.7759	-	-	-
5,001-30,000 S.F.	\$1.5518	\$0.7759	\$0.38	-	-
30,001-55,000 S.F.	\$1.5518	\$0.7759	\$0.38	\$0.19	-
55,001 S.F. +	\$15518	\$0.7759	\$0.38	\$0.19	\$0.09

S.F. - Square Feet

9.0 Implementation and Transitional Matters

The following is a brief summary of implementation issues and transitional matters for general information only. For complete details, refer to the specific sections of the *Development Charges Act* and *Ontario Regulation 82/98* and *Ontario Regulation 428/15* legislation for the detailed specific legal requirements.

9.1 Payment/Collection of Development Charges

Development charges are generally collected when a building permit is issued (Section 26 DCA). The municipality is not required to issue a building permit for development to which a development charge applies unless the development charge has been paid (Section.28, DCA).

A municipality may enter into an agreement with a person for all or any part of the development charge to be paid before or after it would otherwise be payable (Section 27). Such agreements may charge interest on that part of the development charge paid after it would otherwise be payable.

If a development charge or any part of it remains unpaid after it is payable, the amount unpaid must be added to the tax roll, and must be collected in the same manner as taxes (Section 32, DCA).

9.2 Complaints about Development Charges

A person required to pay a development charge, or the persons agent, may complain to the Council of the municipality imposing the development charge that the amount was incorrectly determined, the credit was incorrectly determined, or there was an error in the application of the development charge by-law (Section 20 D.C.A.). Such a complaint may only be made within 90 days after the charge or part of it is payable.

All complaints must be in writing, stating the complainant's name, address, and reasons for the complaint. The council must hold a hearing into the complaint, and shall give the complainant an opportunity to make representations at the hearing. Notice and decision requirements are provided in Section 20 and 21 of the Act. Appeals are forwarded to the Local Planning Appeal Tribunal (formerly Ontario Municipal Board) in accordance with Section 22.

9.3 Credits

Credits are covered under Sections 38 to 41, 64 and 65 of the *Development Charges Act*. Section 64 states that within 20 days after the expiry or repeal of the development charges by-law, the clerk of the municipality shall give written notice of the expiry or repeal of the by-law and of the last day for applying for a refund of ineligible credits given under section 13 of the old Act which shall be the day that is 80 days after the day the by-law expires or is repealed. This does not apply to the Town of Prescott.

Section 38 enables persons (developers) to enter into agreements with the Municipality to perform work that relates to a service to which a development charge by-law relates, for which the municipality would give a credit toward the development charge. Credits can be transferred, but only in accordance with Section 40.

9.4 Front Ending Agreements

Front ending agreement provisions contained in Section 44 of the *Development Charges Act* has been revised from the previous legislation. As the previous front ending regulations were not being used in Ontario, changes were made. However, in the case of the Town of Prescott, it is doubtful that front ending will be used. Albeit unlikely to occur, the provisions of Section 44 can be used if the municipality has a person who has a project where fronting ending may apply.

9.5 Development Charge Reserves

A municipality that passes a development charge by-law must establish a separate reserve fund for each service (not projects) to which the development charge relates (Section 33, D.C.A.). Where services continue to be eligible under both the old and new Act, the existing reserve funds are carried forward.

Where existing reserve funds are ineligible services (eg. waste disposal or administration buildings), the municipality had five (5) years to make growth-related expenditures relating to these ineligible services (Section 63, D.C.A.). Should these funds not be depleted within five (5) years, they must be allocated to development charge reserve funds of eligible services. An example would be unused reserve funds for waste disposal vehicles could be then transferred to the public works vehicles reserve fund.

9.6 Statement of Treasurer

Once every year, the Treasurer of the municipality must give the Council a financial statement relating to the development charge by-law(s) and reserve funds (Section 43, DCA). Such statements must contain open and closing balances and transactions relating to the funds. A copy of the statement must be forwarded to the Minister of Municipal Affairs and Housing on request. Under the new Section 43.(2.1) of the Act, Council shall ensure that the statement is made available to the public. Section 12 of *Ontario Regulation 82/98* and *Ontario Regulation 428/15* provides a detailed description of what must be contained within the statement. Such information includes:

- Description of the services/service categories
- Opening balance
- Transactions during the year
- Credits (by credit holder)
- Amounts borrowed (including purpose)
- Interest accrued (including on amounts borrowed by the municipality)
- Amount and source of any money used by the municipality to repay, in the previous year, money borrowed from the fund or interest on such money.
- Closing balance
- Old Act credit schedule (if applicable)
- Addendum outlining each project financed through development charges. The addendum must include the total amount spent on the project, the development charge portion and the amount and source of any other money spent on the project.

9.7 Pamphlet Explaining By-law

The Town of Prescott must prepare an explanatory pamphlet within 60 days after the development charge by-law comes into force, or in the case of an appeal, 60 days after the Local Planning Appeal Tribunal (formerly Ontario Municipal Board) decision.

The pamphlet must contain:

- a description of the general purpose for which the development charge is being imposed;
- the rules for determining if a development charge is payable and the amount;
- a list of services to which the development charges relate; and
- a description of the general purpose of the statement of the treasurer of the municipality and the place where it can be reviewed by the public.

9.8 Subdivision Agreements

New subdivision agreements must contain a provision indicating to the first purchasers, at the time the land is transferred, of all the development charges related to the development (Section 59(4), D.C.A.). The approval authority is responsible for using its power to impose this as a condition on the draft plan of subdivision.

Partial development charges (for specific services - water, sewage, storm water, fire, etc.) can be applied at the time of the subdivision agreement subject to the provisions of subsection 26(2) of the *Development Charges Act*. A development charge by-law may not impose development charges with respect to local services within a subdivision (interior roads, sidewalks, streetlights, etc.) as per Subsection 2(5) and 59 of the *Development Charges Act*. These “internal” subdivision costs are the responsibility of the subdivision agreement (developer).