



 **Watson
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Addendum to Development Charges Update Study

Municipality of Casselman

For Public Circulation and Comment

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1. Summary of Revisions to the June 24, 2022, Development Charges Update Study

1.1 Background

Commensurate with the provisions of the Development Charges Act (D.C.A.), 1997, the Municipality of Casselman (Municipality) undertook a Development Charges (D.C.) Background Study, which was made available to the public on April 30, 2021, via the Municipality's website. The statutory public meeting was held on May 25, 2021. An addendum to the study was released publicly on June 24, 2021, with no further public process required as the revisions did not result in an overall change in the calculated rates. Council adopted By-law 2021-057 effective July 1, 2021, as per the D.C. Background Study as amended.

On June 24, 2022, the Municipality publicly released a D.C. Update Study and a proposed amending by-law. The Update Study amended the capital costs associated with growth-related Roads and Related Services, provided updates to statutory exemptions due to changes in the legislation, added a new non-statutory exemption for large industrial development, and refined the by-law to include the correct reference to the section of the *Condominium Act* for purposes of imposing a D.C.

Since the release of the D.C. Update Study, Municipal staff have further reviewed several items related to the refinements set out in the D.C. Update Study. These refinements include:

- An additional revision to the Roads and Related Services capital projects required to service growth; and
- Revisions to a class of service for Growth-Related Studies.

The refinements are detailed in the subsequent sections of this report and will form part of the D.C. Update Study for Council's consideration and approval prior to adoption of the amending D.C. by-law.



2. Discussion

2.1 Roads and Related Services

Based on further review of the capital project listing for Roads and Related Services, it has been determined by Municipal staff that one of the road projects is no longer required to service the anticipated 10-year development forecast. Specifically, Road Upgrades to Principale St., at Aurele Rd. & Route 700 E, with an estimated gross capital cost of \$1.42 million (2021\$) has been removed from the capital project listing. The net D.C. recoverable cost associated with this project was \$1.15 million (2021\$).

Additionally, the estimated gross capital cost for Laurier Rd. Improvements project has been further refined to \$1.98 million (2021\$), from the amount identified in the D.C. Update Study. The revised D.C. recoverable cost for this project is estimated at \$1.14 million (2021\$).

The overall net impact to the Roads and Related Services D.C. calculation arising from these revisions is a reduction of \$12 per single detached dwelling unit and \$0.01 per sq.ft. of non-residential Gross Floor Area (G.F.A).

2.2 Revisions to Growth-Related Studies Class of Service

An additional project has been included within the Growth-Related Studies class of service to recognize the costs of this D.C. Update Study and amending by-law process. The new project has a gross capital cost estimate of \$12,800 (2021\$). This cost includes the preparation of the D.C. Update Study and addendum, as well as the public process required to amend the D.C. By-law. The overall net impact to the Growth-Related Studies class of service is an increase to the single detached dwelling unit charge of \$12 and an increase of \$0.01 per sq.ft. of G.F.A. for the non-residential charge.



3. Impacts on the Calculated D.C.s

The refinements presented in Section 2 herein have no impact on the total D.C.s identified in the current D.C. By-Law. However, the refinements do change the composition of the charge for Roads and Related Services and Growth-Related Studies class of service components. Note that the D.C. Update Study originally anticipated an increase to the overall charge, however, this addendum report reverses the anticipated overall increase in the charge.

Table 3-1 provides the calculated D.C.s as of the time of by-law passage, enacted July 1, 2021 (2021\$). Table 3-2 provides the revised schedule of charges as per this addendum (2021\$).

Table 3-1
Municipality of Casselman
Schedule of Development Charges – D.C. By-law 2021-057
2021\$

Service/Class of Service	RESIDENTIAL				NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	(per sq.ft. of Gross Floor Area)
Municipal Wide Services/Class of Service:					
Road and Related Services	2,161	1,557	1,300	978	0.88
Fire Protection Services	810	584	487	366	0.33
Parks and Recreation Services	3,347	2,411	2,013	1,514	0.14
Library Services	363	261	218	164	0.02
Growth-Related Studies	79	57	48	36	0.03
Total Municipal Wide Services/Class of Services	6,760	4,870	4,066	3,058	1.40



Table 3-2
Municipality of Casselman
Revised Schedule of Development Charges
2021\$

Service/Class of Service	RESIDENTIAL				NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	(per sq.ft. of Gross Floor Area)
Municipal Wide Services/Class of Service:					
Road and Related Services	2,149	1,548	1,293	972	0.87
Fire Protection Services	810	584	487	366	0.33
Parks and Recreation Services	3,347	2,411	2,013	1,514	0.14
Library Services	363	261	218	164	0.02
Growth-Related Studies	91	66	55	42	0.04
Total Municipal Wide Services/Class of Services	6,760	4,870	4,066	3,058	1.40

As D.C. By-law 2021-057 provides for annual indexing of the charges on July 1 each year, indexing will be applicable to the amended rates identified in Table 3-2.



4. Changes to the D.C. Update Study

Based on the foregoing, the following revisions are made to the pages within the June 24, 2022, D.C. Update Study. Accordingly, the revised pages are appended to this report:

- Page 1-6 – Revision to reflect the basis for D.C. by-law update as per this addendum report;
- Pages 2-2 through 2-4 – Revisions to calculation of D.C. eligible costs for Roads and Related Services and Growth-Related Studies class of service;
- Pages 2-5 and 2-6 – Revision to revised D.C. calculation and schedule of charges;
- Page 3-1 – Revision to process for adoption of the amending development charges by-law to reflect this addendum report; and
- Page A-4 – Revised Schedule B to By-law 2021-057, reissued to reflect the D.C. calculation changes as a result of this addendum.



5. Process for Adoption of the D.C. By-Law

The revisions provided herein form the basis for the D.C. by-Law and will be incorporated into the D.C. Update Study to be provided to Council prior to their consideration and adoption of the proposed amending D.C. by-Law.

If Council is satisfied with the above noted changes to the D.C. Update Study and D.C. draft amending by-Law, then prior to by-law passage Council must:

- Approve the D.C. Update Study, as amended;
- Determine that no further public meetings are required on the matter; and
- Adopt the new amending D.C. by-Law.



Appendix A – Amended Pages



1.3 Basis for D.C. By-law Update

This D.C. Update Study provides an amendment to the Municipality's D.C. By-law, i.e. By-law 2021-057. The purpose of this D.C. Update Study is to amend the existing by-law and provide an additional non-statutory exemption for large industrial development within the Municipality. The by-law is also being amended for other statutory requirements related to D.C.s. Further, the by-law is being amended to include a new road improvement project that was identified by the Municipality to address the increase in need for development after the adoption 2021-057 By-law and to remove a road project that is not required to meet the needs of the 10-year forecast. Additionally, the Growth-Related Studies class of service is being updated to include the cost of this D.C. Update Study and its required public process. These amendments are provided in greater detail in the subsequent chapter of this Study.



Specifically, the Act states:

“Land vested in or leased to a university that receives regular and ongoing operating funds from the government for the purposes of post-secondary education is exempt from development charges imposed under the *Development Charges Act, 1997* if the development in respect of which development charges would otherwise be payable is intended to be occupied and used by the university.”

In accordance with this legislative change an additional statutory exemption has been provided in the amending by-law to By-Law 2021-057.

2.3 Revised D.C. Eligible Capital Costs

2.3.1 Road Improvements

This D.C. Update Study serves to include the addition of a new road improvement project within the Municipality to address, in part, the increase in need for service of new development. Specifically, the new Laurier Rd. improvement project will include widening of the existing road and sidewalk and oversizing of storm sewers. The widening of Laurier Rd. will also provide space for a new bicycle lane and pedestrian path facilitating alternative transportation modes.

The anticipated capital cost of this project is estimated to be approximately \$2.32 million in 2022 values. Reflecting the amendment to the 2021 D.C. Background Study, this capital cost estimated has been deflated to the D.C. base year resulting in a capital cost estimate of \$1.98 million for the purposes of this amendment. The potential D.C. recoverable cost for this project is estimated to be \$1.14 million after making deductions for benefit to existing development. The D.C. recoverable cost for the project have been apportioned 66% to residential development and 34% to non-residential development consistent with the 2021 D.C. Background Study.

In addition, Road Upgrades to Principale St., (Aurele Rd., & Route 700 E) has been removed from the needs to service growth over the 10-year forecast period. The estimated gross and D.C. recoverable capital cost for this project was \$1.42 million and \$1.15 million respectively (2021\$).

Table 2-1 provides the revised D.C. capital program for Roads and Related Services, including the Laurier Rd. Improvements and removing the Road Upgrades to Principale



St., (Aurele Rd., & Route 700 E). In total, the D.C. recoverable capital costs are reduced to \$2.40 million which is within the Municipality's average historic level of service cap of \$7.40 million. As such, no further deductions are required.

**Table 2-1
Infrastructure Costs Covered in the D.C. Calculation – Roads and Related Services**

Prj. No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2021\$)	Post Period Benefit	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
						Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share	Non-Residential Share
	2021-2031								66%	34%
1	Intersection - Aurele St. & Route 700 (Municipality's Share)		300,000	-	300,000	55,700	-	244,300	161,238	83,062
2	Principale Street/St. Isidore Road Upgrade & Intersection Improvement (Municipality's Share)	2021-2022	300,000	-	300,000	199,800	-	100,200	66,132	34,068
3	Pick-up with Plow		150,000	-	150,000	-	-	150,000	99,000	51,000
4	Backhoe		180,000	-	180,000	-	-	180,000	118,800	61,200
5	New Snowplow Truck		200,000	-	200,000	-	-	200,000	132,000	68,000
6	Public Works Garage Expansion (New Bay)		350,000	-	350,000	-	-	350,000	231,000	119,000
7	New Truck		70,000	-	70,000	-	-	70,000	46,200	23,800
8	Roads Master Plan		100,000	-	100,000	25,000	-	75,000	49,500	25,500
9	Traffic Study (Village of Casselman)		50,000	-	50,000	25,000	-	25,000	16,500	8,500
10	Industrial Park (south of 417)		456,000	-	456,000	-	-	456,000	300,960	155,040
11	Laurier Rd. Improvements		1,980,000	-	1,980,000	839,600	-	1,140,400	752,664	387,736
12	Reserve Fund Adjustment		-	-	-	-	-	(584,726)	(385,919)	(198,807)
	Total		4,136,000	-	4,136,000	1,145,100	-	2,406,174	1,588,075	818,099

The D.C.A. further requires that the D.C. Background Study include the operating and capital expenditure impacts for the needs in the D.C. Background Study. Table C-1 of the 2021 D.C. Background Study estimated that the total annual operating expenditure impact at full emplacement of all D.C. capital assets would total \$1.45 million. The refinements to the roads program would decrease this estimate to \$1.39 million.

Similarly, the D.C.A. requires that a D.C. Background Study include an asset management plan. This is summarized in Table 8-1 of the 2021 D.C. Background Study, as amended. The study concluded that total annualized lifecycle expenditures of D.C. program would be \$1.60 million. Moreover, that by incremental tax and non-tax revenue of development over the forecast period would equate to \$3.28 million. As such, the D.C. capital plan was deemed to be financially sustainable. The changes in the project listing would revise the annual lifecycle costs to \$329,499, with well within the incremental revenue estimated from new development. As such, the amended D.C. capital plan remains financially sustainable.

2.3.2 Growth-Related Studies Class of Service

This D.C. Update Study includes the addition costs for preparing the D.C. Update Study, addendum report and undertaking the statutory public process to adopt the



amending by-law. The anticipated capital cost of this project is estimated to be approximately \$15,000 in 2022 values. Reflecting the amendment to the 2021 D.C. Background Study, this capital cost estimated has been deflated to the D.C. base year resulting in a capital cost estimate of \$12,800 for the purposes of this amendment. The project is fully D.C. recoverable and have been apportioned 66% to residential development and 34% to non-residential development consistent with the 2021 D.C. Background Study.

Table 2-2 provides the revised D.C. capital program for Growth-Related Studies class of service, including the D.C. Update Study and Amendment. The total D.C. recoverable costs included in the calculation of the charge total \$100,965.

Table 2-2
Infrastructure Costs Covered in the D.C. Calculation – Growth-Related Studies Class of Service

Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2021\$)	Post Period Benefit	Other Deductions (to recognize benefit to non-D.C. services)	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share	Non-Residential Share
	2021-2031								66%	34%	
1	Development Charge Studies	2021/26	66,000	-		66,000	-		66,000	43,560	22,440
2	Official Plan Review	2022/27	100,000	-	14,628	85,372	50,000		35,372	23,346	12,027
3	Zoning Bylaw Amendment	2021/23/28	100,000	-	14,628	85,372	50,000		35,372	23,346	12,027
4	Built Heritage Study		25,000	-	3,657	21,343	12,500		8,843	5,836	3,007
5	Municipal Boundary Study/Master Growth Plan		150,000	-	21,942	128,058	75,000		53,058	35,018	18,040
6	Downtown Revitalization Plan		25,000	-	3,657	21,343	12,500		8,843	5,836	3,007
7	Strategic Plan		70,000	-	10,239	59,761	35,000		24,761	16,342	8,419
8	D.C. Update Study and Amendment	2022	12,800	-		12,800	-		12,800	8,448	4,352
	Reserve Fund Adjustment		-	-		-	-		(144,084)	(95,095)	(48,989)
			-	-		-	-		-	-	-
	Total		548,800	-	68,751	480,049	235,000	-	100,965	66,637	34,328

2.4 Other Amendments to By-law 2021-057

Section 4 of By-law 2021-57 provides rules for the application of D.C.s within the Municipality. Subsection 4 (1), paragraph (f), provides for the imposition of D.C.s on the approval of a condominium application. Specifically, this subsection of the By-law refers to Section 50 of the *Condominium Act*. This statutory reference in the D.C.A. has been updated to reference Section 9 of the *Condominium Act*. As such, the amending by-law to By-law 2021-57 will include the following updated statutory reference:

“the approval of a description under section 9 of the Condominium Act, 1998.”



Other than the amendments to By-law 2021-057 provided in Sections 2.1 through 2.4 herein there are no further changes to the D.C.s charged or rules of the by-law.

2.5 Revised D.C. Calculation and Schedule of Charges

The calculation of the amended D.C. is detailed in Table 2-3 for the services included in the 2021 D.C. Background Study over the forecast period to 2031. Table 2-4 summarizes the revised D.C. rates for inclusion in By-law 2021-057 (in 2021\$) accounting for the impacts with the changes in Roads and Related Services and Growth-Related Studies class of service. Table 2-5 provides the amended schedule of charges, presented in Table 2-4, applying the July 1, 2022 indexing. This represents the rates that would be in effect for new development occurring after the adoption of the amending by-law (anticipated for September 2022). The overall charge has remains unchanged as a result of this amendment, however, the components for D.C. for Roads and Related Services and Growth-Related Studies class of service have changed.

Table 2-3
Municipality of Casselman – Amended D.C. Calculation – 2021-2031 Services (2021\$)

SERVICE/CLASS	2021\$ D.C.-Eligible Cost		2021\$ D.C.-Eligible Cost	
	Residential	Non-Residential	S.D.U.	per sq.ft.
1. Road and Related Services	\$ 1,588,075	\$ 818,099	\$ 2,178	\$ 0.90
2. Fire Protection Services	598,427	308,280	821	0.34
3. Parks and Recreation Services	2,473,718	130,196	3,393	0.14
4. Library Services	268,555	14,134	368	0.02
TOTAL	\$4,928,774	\$1,270,710	\$6,760	\$1.40
Growth-Related Studies	\$66,637	\$34,328		
D.C.-Eligible Capital Cost	\$4,995,411	\$1,305,038		
10-Year Gross Population/GFA Growth (sq.ft.)	2,096	937,900		
Cost Per Capita/Non-Residential GFA (sq.ft.)	\$2,383.31	\$1.40		
By Residential Unit Type	P.P.U.			
Single and Semi-Detached Dwelling	2.836	\$6,760		
Other Multiples	2.043	\$4,870		
Apartments - 2 Bedrooms +	1.706	\$4,066		
Apartments - Bachelor and 1 Bedroom	1.283	\$3,058		



Table 2-4
Municipality of Casselman – Amended Schedule of D.C.s (2021\$)

Service/Class of Service	RESIDENTIAL				NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	(per sq.ft. of Gross Floor Area)
Municipal Wide Services/Class of Service:					
Road and Related Services	2,149	1,548	1,293	972	0.87
Fire Protection Services	810	584	487	366	0.33
Parks and Recreation Services	3,347	2,411	2,013	1,514	0.14
Library Services	363	261	218	164	0.02
Growth-Related Studies	91	66	55	42	0.04
Total Municipal Wide Services/Class of Services	6,760	4,870	4,066	3,058	1.40

Table 2-5
Municipality of Casselman – Amended Schedule of D.C.s (Indexed 2022\$)

Service/Class of Service	RESIDENTIAL				NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	(per sq.ft. of Gross Floor Area)
Municipal Wide Services/Class of Service:					
Road and Related Services	2,519	1,815	1,516	1,140	1.02
Fire Protection Services	950	685	571	429	0.39
Parks and Recreation Services	3,924	2,827	2,360	1,775	0.16
Library Services	426	306	256	192	0.02
Growth-Related Studies	107	77	64	49	0.05
Total Municipal Wide Services/Class of Services	7,925	5,709	4,767	3,584	1.64



3. Process for Adoption of the Amending Development Charges By-law

The changes herein form the amended D.C. background study and rationale for the proposed amending by-law being presented to Council. If Council is satisfied with the proposed amendment to By-law 2021-057, and subject to any public submissions made at the public meeting regarding this matter, it is recommended that this D.C. Update Study and the amending by-law be approved and adopted by Council. The process for adopting the proposed amendment is provided as follows:

- Post the D.C. Update Study, as amended, and draft amending by-law to the Municipality's website at least 60 days prior to the passage of the amending by-law (July 14, 2022);
- Provide notice of public meeting on the proposed amendment and amending by-law 20 clear-days prior to the public meeting;
- Provide copies of the D.C. Update Study, as amended, and draft amending by-law to the public two weeks prior to the public meeting;
- Undertake the statutory public meeting and allow anyone in attendance to make representations on the matter (August 23, 2022); and
- Provided the 60-day period from posting the D.C. Update Study and draft amending by-law has been observed, Council may pass the amending D.C. by-law on or after September 13, 2022.



SCHEDULE “B”
SCHEDULE OF DEVELOPMENT CHARGES
(To Development Charges By-law 2021-057, as amended)

Service/Class of Service	RESIDENTIAL				NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	(per sq.ft. of Gross Floor Area)
Municipal Wide Services/Class of Service:					
Road and Related Services	2,149	1,548	1,293	972	0.87
Fire Protection Services	810	584	487	366	0.33
Parks and Recreation Services	3,347	2,411	2,013	1,514	0.14
Library Services	363	261	218	164	0.02
Growth-Related Studies	91	66	55	42	0.04
Total Municipal Wide Services/Class of Services	6,760	4,870	4,066	3,058	1.40