
TOWNSHIP OF HURON-KINLOSS

**DEVELOPMENT CHARGES
BACKGROUND STUDY**



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DEVELOPMENT CHARGES BACKGROUND STUDY

September 30, 2014

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TOWNSHIP OF HURON-KINLOSS

DEVELOPMENT CHARGES BACKGROUND STUDY

1.0 INTRODUCTION

The Township of Huron-Kinloss was formed in 1999 from the amalgamation of the former Townships of Huron and Kinloss, and the former Village of Lucknow. The Township, which has a permanent population of approximately 6,790 persons and significant seasonal development, has had development charges in place since the time of amalgamation. Prior to amalgamation, the Village of Ripley and Huron Township collected Development Charges, starting in 1992.

The Council of the Township of Huron-Kinloss is considering a by-law which would impose development charges against various types of new development activities in the Township during the period of 2014 to 2019. Development charges provide municipalities with a mechanism to recover those additional capital costs for projects and services that incorporate allocations for growth (i.e., growth-related capital costs). The by-law to implement a development charge would be passed under the statutory authority of the *Development Charges Act, 1997* (DCA) as amended and *Ontario Regulation 82/98*, as amended (O. Reg 82/98).

The DCA and O. Reg 82/98 require that a Development Charges Background Study (Background Study) be prepared in order to provide Council with sufficient information to make a decision on the value of any development charge to be imposed upon new development activities. This report forms the Background Study for the Township of Huron-Kinloss Development Charges program. This report includes the following major components:

- An outline of the framework for conducting the study;
- An overview of the local growth forecasts for residential and non-residential activities;
- A summary of growth-related projects and services;
- A synopsis of the methodology applied to establish a development charge;
- Presentation of the proposed development charge schedule;
- Details on the process to implement and apply development charges.

2.0 BACKGROUND

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

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

- Forecasts for the anticipated amount, type and location of development for which development charges can be applied;
- An estimate of the increased level of service required to accommodate growth (for each service incorporated into the development charge);
- Forecasts of the average service levels for certain services over the 10-year period immediately preceding the preparation of the Background Study. The assessment of previous service levels must consider both the quality and quantity of service provided;
- Assessments of long-term capital and operating costs for infrastructure required for each applicable service.

3.0 CURRENT PRACTICE

Prior to amalgamation, the Village of Ripley and Huron Township had Development Charges Bylaws, passed in 1992. In 1999, 2004 and 2010, the Township enacted a bylaw to collect development charges on residential development within the Township. Currently, as set out in Bylaw 2010-19, development charges are collected for five areas of the Township:

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

The latest iteration of a Development Charges Bylaw was implemented in 2010. The Bylaw (2010-19) was passed setting out charges (per single detached unit) of:

- \$2,616.68 in Lucknow;
- \$1,703.40 in Ripley;
- \$1,094.77 in Huron Township;
- \$1,819.96 in the lakeshore area and
- \$437.61 in Kinloss Township.
- No charge was assigned to non-residential development at that time.

Under the 2010 Bylaw, \$151,080 has been collected. For each project, the funds are collected and transferred to the appropriate reserves each year.

4.0 APPROACH

This report is essentially an update of the 2009 Background Study. The purpose is to conform to the requirements of the Act, and to support and amount that can be imposed as development charge. It is also an opportunity to review how the assumptions and forecasts used in the previous preformed. Additionally, the process of implementing and collecting the development charges is reviewed to determine whether charges or improvements need to be made. The approach to conducting the review was generally done as follows:

- Review with municipal staff the existing process, what projects were implemented during the life of the existing Bylaw and to discuss new projects;
- Analyses of municipal population and development data to facilitate the extrapolation of growth projections for Huron-Kinloss;
- Collection of background information on capital works forecasts and potential projects;
- Evaluation of services to be included in the Development Charges By-law with respect to:
 - Applicability under the DCA;
 - Level of service in the community;
 - Service areas for proposed works;
 - Potential impact of long-term capital and operating costs for the proposed works;
 - Benefit to existing development;
 - Allocation between different types of development.

The following represent the final components of the Development Charges process:

- Provide Council with an interim presentation to identify proposed services that could be collected for in a development charge;
- Obtain, by resolution, Council acceptance of a draft version of this report;

- Establish, by Council resolution, a development charge schedule which the Township intends to impose;
- Prepare a draft Development Charges By-law prescribing the proposed development charges schedule;
- Arrange a public meeting to present details on the study process and the proposed development charges schedule. The meeting is a requirement of the DCA. A minimum 20-day notice period must be provided prior to the meeting;
- Acknowledge and attempt to address concerns raised during the statutory public meeting, and document input received through consultation;
- Finalize the Background Study and the implementing By-law following consideration of comments received via consultation;
- Obtain, by resolution, Council acceptance of the final Background Study and approval of the proposed Development Charges By-law;
- Circulate the Notice of Passing for the Development Charges By-law. The By-law will immediately come into effect. The By-law may be appealed to the Ontario Municipal Board in the 40 day period following the issuance of the Notice.

5.0 POPULATION AND GROWTH FORECAST

5.1 General

Forecasts have been prepared to project population and household growth for the Township of Huron-Kinloss over a 20-year planning period, as well as to provide an estimate of future non-residential development. The growth projections were established following an assessment of general growth and development trends in Huron-Kinloss as identified from statistical data, recent population projections, and other background research. The forecasts extrapolated from these analyses are considered to be realistic projections of growth and development in Huron-Kinloss.

A detailed description of the historic development patterns, and the growth and development projections are included in Appendix A of this report. This section summarizes current population and development trends, the forecast methodology, and presents the growth projections established for the defined planning periods.

5.2 Current Population and Household Trends

The populations of the former Huron and Kinloss Townships, villages of Lucknow and Ripley, and total population of Huron-Kinloss, over the past 30 years, are shown in Table 5.1. Over this period, the population of Huron-Kinloss has increased by a total of 1,127 persons or 20%. It is noted that the populations of the former townships are estimated based on Dissemination Area counts, which are subject to a rounding factor. The populations of the two former townships have increased over the last 30 years. In the former Huron Township, population has increased by 26% in the last 30

years, which equates to 843 persons. In Kinloss, over the same period, the change is significantly less, with a population increase of 304 persons (or 13%). Over the past 30 years, the urban areas of Ripley and Lucknow have experienced slight growth, with total increases of 89 and 17 persons respectively. It should also be noted that the Census population counts do not include seasonal residents.

**Table 5.1
 Population Data and Growth Rates (1981 to 2011)**

	Huron	Kinloss	Total	Lucknow	Ripley
1981	3,272	2,391	5,663	1,088	591
1986	3,198	2,259	5,457	1,062	587
1991	3,755	2,394	6,149	1,129	635
1996	3,792	2,492	6,284	1,215	-
2001	3,617	2,633	6,250	1,162	-
2006	3,791 ¹	2,724 ¹	6,515	1,162	660
2011	4,115 ²	2,695 ²	6,790	1,105	680
Total Change (30 years)	843	304	1,127	17	89
Percent Change (30 years)	26%	13%	20%	2%	15%
Annual Average Growth Rate	0.77	0.40	0.61	0.05	0.47

Notes: 1. Estimated population based on 2006 Census Dissemination Block data
 2. Estimated population based on 2011 Census Dissemination Block data

The total number of dwellings, in Huron-Kinloss, as reported by the 2011 Census is 3,881. It is estimated that of the total number of dwellings 1,272 are seasonal residences. The majority of these residences are located in the lakeshore area. Given the number of permanent residences and population, the average household density in Huron-Kinloss is 2.6 persons per household.

In Huron-Kinloss, there has been a relatively steady amount of housing growth, as determined from building permit information. Table 5.2 provides a summary of new residential growth based on building permit data, in Huron-Kinloss. Over the past 13 years, a total of 602 new residential units have been constructed in the Township. The majority of these units are in the lakeshore area of the Township (431 units), with most of the new units being constructed in subdivisions south of Kincardine and in Point Clark. The remainder of the Township saw moderate growth with 88, 47, and 36 new units constructed in the rural areas, Ripley and Lucknow, respectively.

Table 5.2
Residential Growth by Building Permits Issued, 2000-2013

	Lakeshore	Lucknow	Ripley	Rural	Total
2000	18	3	1	7	29
2001	20	0	1	8	29
2002	27	1	1	4	33
2003	26	3	2	5	36
2004	34	6	2	6	48
2005	36	0	11	14	61
2006	42	2	3	2	49
2007	25	4	6	10	45
2008	30	7	2	5	44
2009	39	1	4	10	54
2010	53	3	10	2	68
2011	32	2	0	6	40
2012	28	3	1	5	37
2013	21	1	3	4	29
Total	431	36	47	88	602
Annual Average	30.8	2.6	3.4	6.3	43

5.3 Population and Household Forecasts

5.3.1 Data Sources

A series of reports were reviewed to gather information on population growth and general development trends in the study area. The following are the key sources of data incorporated into the forecasting exercise:

- Statistics Canada Census of Canada data for the period 1980 to 2011 (5-year intervals);
- Building Permit records compiled by the Township of Huron-Kinloss for the period 2000 to 2013. The records detail development by area and development sector (e.g., residential, non-residential);
- An assessment of current development projects and proposals.

5.3.2 Methodology

For the purposes of this study, the 2014-2039 population forecasts developed for the areas of Huron-Kinloss were extrapolated based on the increases and declines in population experienced in the past 10 years. This approach is seen to be a reasonable strategy for estimating long-term growth within the community, as the changes in population have been relatively steady in recent years.

The forecast incorporated the following methodological components:

- The 2011 population as determined by the Census, was projected to the base year (2014) using the 1981-2011 average annual growth rate. The populations of the lakeshore and rural areas were calculated as a proportion of the total population, based on information from the 2011 Census Dissemination Blocks. The average annual growth rate of the Township was then used to extrapolate population growth, which was then allocated to the different areas based on the historic population distribution information.
- The number of households in 2011 is based on the dwelling counts based on Dissemination Blocks from the 2011 census. From this base estimate of the number of households, the 13-year average (2011-2001) of new units was applied to project the number of additional households.

5.3.3 Growth Projections

Tables 5.3 and 5.4 present the results of the population and household forecasts developed using the defined methodology. The population of Huron-Kinloss is expected to increase by 1,129 persons over the forecast period. The majority of this growth is expected to occur in the lakeshore and rural areas of the Township, with minimal growth in Ripley and Lucknow. Similar to the population trends, the number of households in Huron-Kinloss is expected to increase over the next 25 years. The greatest increase in households is expected to occur in the lakeshore area, with an additional 770 homes in 25 years. This increase in households along the lakeshore includes continued demand for seasonal dwellings.

**Table 5.3
 Population Projections 2014-2039**

	Township	Lakeshore	Lucknow	Ripley	Rural
2011	6,790	2,525	1,105	680	2,480
2014	6,914	2,571	1,125	692	2,525
2019	7,127	2,650	1,160	714	2,603
2024	7,346	2,732	1,195	736	2,683
2029	7,571	2,815	1,232	758	2,765
2034	7,804	2,902	1,270	782	2,850
2039	8,043	2,991	1,309	806	2,938
10 year Change	431	160	70	43	158
20 year Change	889	331	145	89	325
25 year Change	1,129	420	184	113	412

**Table 5.4
 Household Projections 2014-2039**

	Township	Lakeshore	Lucknow	Ripley	Rural
2011	3,881	2,223	480	261	917
2014	4,010	2,315	488	271	936
2019	4,225	2,469	501	288	967
2024	4,440	2,623	513	305	999
2029	4,655	2,777	526	321	1,030
2034	4,870	2,931	539	338	1,062
2039	5,085	3,085	552	355	1,093
10 year Change	430	308	26	34	63
20 year Change	860	616	51	67	126
25 year Change	1,075	770	64	84	157

5.4 Non-Residential Development Forecasts

The forecast for non-residential growth is based solely on the historical trends observed in the Township, as determined from building permit data. At the present time, there are no indications that there would be a significant increase or decrease in these amounts.

For the purposes of this report, a conservative forecast of non-residential growth in Huron-Kinloss, based on historical levels, is as follows:

- Lucknow – 5,092 sq. ft./year;
- Ripley – 558 sq. ft./year;
- Lakeshore – 328 sq. ft./year;
- Rural – 6,189 sq. ft./year.

6.0 REVIEW OF GROWTH RELATED CAPITAL COSTS

6.1 General Considerations

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

- Identification of municipal services required to permit occupancy for new development (e.g., water, sanitary, stormwater management, roads, bridges, fire protection);
- Identification of municipal services which are required to provide social benefits for new development (e.g., libraries, recreational facilities);

- Assessment of the applicability of services and projects under the DCA, taking the following factors into consideration:

Eligible Services

Development charges can generally be applied to each of the following services to recover the growth related capital costs for facility construction and improvement, land acquisition and improvement, equipment and furnishings:

- Water and wastewater services;
- Roads and related infrastructure (e.g., sidewalks, streetlights);
- Public works activities;
- Fire protection services;
- Library services;
- Indoor and outdoor recreation;
- General administration, including growth-related studies.

Ineligible Services:

Development charges cannot be applied to:

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

6.2 Review of Growth-Related Capital Works

As an outcome of the above-noted evaluation process, several growth related projects and services were identified which are proposed for inclusion in a future Development Charges By-law under the DCA. Table 6.1 outlines the capital works projects proposed for inclusion in the development charge calculation (categorized by service category and service area). Service areas identified in this table are described in more detail in Section 7.2.1 of this report.

**Table 6.1
 Growth-Related Capital Works**

Service Category	Component	Service Area	Summary of Review
Sanitary Sewage	Sewage Treatment	Ripley	<ul style="list-style-type: none"> • Sewage collection and treatment facilities constructed in 1991-1993, with a design capacity of 850 persons. • In 2008/2009 re-rated to 1,065 persons. • Continue to collect until capacity is allocated.
Water Services	Water Supply	Ripley	<ul style="list-style-type: none"> • Additional well and pumping facilities were constructed in 1995/1996. • Designed for 750 persons. • Continue to collect until capacity is allocated.
	Water Supply Master Plan	Lakeshore	<ul style="list-style-type: none"> • Trunk watermain, water storage, major supply wells were constructed in 1995/1996. • Designed to supply 2,568 lots. • Continue to collect until capacity is allocated.
	Water Storage	Lucknow	<ul style="list-style-type: none"> • New water storage facility will replace old standpipe and service future development. • Design capacity of 1,854 persons (50 year design). • Facility not yet constructed. • Continue to collect until capacity allocated.
	Water Storage	Ripley	<ul style="list-style-type: none"> • New well and water storage facility will service existing population as well as future development. • Design capacity of 2,004 persons (50 year design). • Facility not yet constructed. • Continue to collect until capacity allocated.
Transportation	Lake Range Extension	Lakeshore, Rural Huron	<ul style="list-style-type: none"> • Extension of Lake Range Drive from Concession 12 to Kincardine. Constructed in 2006. • Services Lakeshore Area and Huron Township. Potential number of lots within service area is 2,900. • Continue to collect for project

Service Category	Component	Service Area	Summary of Review
Fire Protection	Lucknow Fire Hall	Lucknow, Rural Kinloss	<ul style="list-style-type: none"> • New fire hall constructed in Lucknow to service Lucknow and Kinloss. • Facility will service the existing population and next 20 years of growth (2,966 persons). • Continue to collect for project
Administration	Capital Growth Studies	All	<ul style="list-style-type: none"> • Includes Development Charges Background Study. • Collect for Development Charges Background Study over 5-year period.

7.0 CALCULATION OF THE DEVELOPMENT CHARGE

7.1 Methodology

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

Preliminary Capital Cost Assessment

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

Service Level and Benefit Adjustments

- Review the service description to determine if the proposed works exceed the average level of service (service standard) in the Township over the previous 10-year period. The determination of average service level must take into account the quantity of service (i.e., number or size) and the quality of service (i.e., value or cost). Reduce the net cost of the works by any anticipated increase in the service standard.

- Review the service description to determine if the proposed works will benefit development occurring after the 10-year period following preparation of the Background Study. Reduce the net capital costs by the identified future benefit. Services set out in Section 5(5) of the DCA are excluded from this requirement (e.g., water and wastewater facilities, road infrastructure, fire and police services);
- Reduce the net capital cost by the amount the increase in service would benefit existing development;
- Allocate the net capital costs for project or service between residential and non-residential development (i.e., industrial, institutional, commercial activities), based upon anticipated benefit;
- Reduce the capital cost for the project or service by 10%, as set out in the DCA (section 5(1)(8)), for services not set out in Section 5(5).

Development Charge Calculation and Cash Flow Adjustments

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

7.2 Assumptions Used in the Development Charge Calculation

7.2.1 Spatial Applicability of Capital Costs

Municipal services that have been considered for inclusion in the development charges calculation are applicable to specific wards or unique to specific areas (i.e., Lucknow). Therefore, calculations of charges will be defined on an area-specific basis. Below are the specific service areas incorporated into the development charge calculation:

Rural Huron (former Huron Township) All lands in the former Huron Township not in the Water Supply Master Plan Area.

Lakeshore Area (former Huron Township): All lands west of Highway 21 in the former Huron Township in the Water Supply Master Plan.

Rural Kinloss (former Kinloss Township): All lands in the former Kinloss Township.

Lucknow Settlement Area: All lands in the village of Lucknow and abutting lands serviced by municipal water or sewage.

Ripley Settlement Area: All lands in the village of Ripley and abutting lands serviced by municipal water or sewage.

7.2.2 Allocation of Costs Between Growth and Existing Development

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

7.2.3 Allocation of Costs Between Residential and Non-Residential Development

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

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

Area	Residential %	Non-residential¹ %
Township	96.8	3.2
Ripley	93.5	6.5
Lucknow	85.5	14.5
Rural	90.9	9.1
Lakeshore	99.7	0.3

¹Excluding agricultural development

7.2.4 Occupancy Considerations

The average occupancy rate in Huron-Kinloss is 2.6 persons per dwelling unit. This average includes all types of residential units, from detached single dwellings to apartments. Different types of residential development contain different numbers of occupants. On a per unit basis, the smaller the average occupancy, the less demand is generally placed on services. For purposes of this report, the occupancies defined in Table 7.2 are assumed for various housing types.

**Table 7.2
 Residential Occupancies for Various Dwelling Types**

Residential Unit Type	Persons Per Unit	Percentage of Single Detached Unit Charge
Single detached, semi-detached, duplex	2.6	100%
Multiple Units and Townhouses	2.1	80%
Apartments	1.5	58%
Nursing/Retirement Homes	1 per bedroom	38%

Notes: 1. Single family shall include semi-detached and other double units such as a duplex
 2. Multiple units means all dwellings other than a single detached dwelling or an apartment and includes triplexes, quadplexes, townhouses and link homes.

7.2.5 Reduction to Minimize Impact of Double Charging

In instances where there is a service that benefits both the present development and future growth, there is a possibility a property will have paid a development charge and then will pay taxes to support the same service. In order to reduce the impact of this occurrence, we have reduced the calculated development charge for all services by an arbitrary 10% reduction.

7.3 Calculated Development Charge

Appendix B provides information on each service category and service component, as well as the key considerations for the calculation of development charges. Based upon the calculations presented in Appendix B, development charge schedules have been prepared for residential and non-residential activities. Table 7.3 provides a summary of the development charge calculations, based on the calculations outlined in Appendix B. With the distribution of projects and development within the township, it is recommended that the development charges reflect the five distinct areas of the Township identified in Section 7.2.1. These separate charge areas can be described in the Bylaw. The summaries of the calculated development charges for each area of the Township are outlined in Table 7.4.

It is recommended that development charges schedules, selected by Council using this Report as a guide, be imposed by by-law in the Township of Huron-Kinloss for the period 2014-19. Accordingly, it is recommended that charges are established by area.

Table 7.3
Summary of Development Charge Calculations

Service Category	Component	Development Charge Amount		Applicable to:				
		Residential (per person)	Non-Residential (per sq.ft.)	Lucknow	Ripley	Lake-shore	Rural Huron	Rural Kinloss
Sanitary Sewage Service	Sewage Treatment	\$ 373.73	\$ 0.41	.	✓	.	.	.
Water Services	Water Supply	\$ 162.88	\$ 0.18	.	✓	.	.	.
	Water Supply Master Plan	\$ 262.73	\$ 0.07	.	.	✓	.	.
	Water Storage - Lucknow	\$ 1,129.85	\$ 0.55	✓
	Water Storage - Ripley	\$ 1,152.42	\$ 3.77	.	✓	.	.	.
Transportation	Lake Range Extension	\$ 344.38	\$ 0.12	.	.	✓	✓	.
Fire Protection	Lucknow Fire Hall	\$ 60.44	\$ 0.03	✓	.	.	.	✓
Administration	Capital Growth Studies	\$ 90.91	\$ 0.01	✓	✓	✓	✓	✓
Subtotal	Lucknow	\$ 1,281.21	\$ 0.59					
	Ripley	\$ 1,779.95	\$ 4.37					
	Lakeshore	\$ 698.03	\$ 0.21					
	Rural Huron	\$ 435.30	\$ 0.13					
	Rural Kinloss	\$ 151.35	\$ 0.04					
Less 10% reduction	Lucknow	\$ 1,153.08	\$ 0.53					
	Ripley	\$ 1,601.95	\$ 3.94					
	Lakeshore	\$ 628.23	\$ 0.19					
	Rural Huron	\$ 391.77	\$ 0.12					
	Rural Kinloss	\$ 136.22	\$ 0.04					

**Table 7.4
 Summary of Development Charges per Household Unit**

Lucknow Settlement Area

Residential Type	Persons Per Unit	Sanitary	Water	Transportation	Fire Protection	Administration	Less 10%	Total
Single and Semi-Detached	2.6	\$ -	\$ 2,937.62	\$ -	\$ 157.14	\$ 236.37	\$ 333.11	\$ 2,998.02
Multiple Units and Townhouses	2.1	\$ -	\$ 2,372.69	\$ -	\$ 126.92	\$ 190.92	\$ 269.05	\$ 2,421.48
Apartments	1.5	\$ -	\$ 1,694.78	\$ -	\$ 90.66	\$ 136.37	\$ 192.18	\$ 1,729.63
Residential Nursing/Retirement	1 per bedroom	\$ -	\$ 1,129.85	\$ -	\$ 60.44	\$ 90.91	\$ 128.12	\$ 1,153.08
Non-Residential	per sq. ft.	\$ -	\$ 0.55	\$ -	\$ 0.03	\$ 0.01	\$ 0.06	\$ 0.53

Ripley Settlement Area

Residential Type	Persons Per Unit	Sanitary	Water	Transportation	Fire Protection	Administration	Less 10%	Total
Single and Semi-Detached	2.6	\$ 971.70	\$ 3,419.79	\$ -	\$ -	\$ 236.37	\$ 462.79	\$ 4,165.08
Multiple Units and Townhouses	2.1	\$ 784.84	\$ 2,762.14	\$ -	\$ -	\$ 190.92	\$ 373.79	\$ 3,364.10
Apartments	1.5	\$ 560.60	\$ 1,972.96	\$ -	\$ -	\$ 136.37	\$ 266.99	\$ 2,402.93
Residential Nursing/Retirement	1 per bedroom	\$ 373.73	\$ 1,315.30	\$ -	\$ -	\$ 90.91	\$ 177.99	\$ 1,601.95
Non-Residential	per sq. ft.	\$ 0.41	\$ 3.95	\$ -	\$ -	\$ 0.09	\$ 0.44	\$ 4.00

Table 7.4
Summary of Development Charges per Household Unit

Lakeshore

Residential Type	Persons Per Unit	Sanitary	Water	Transportation	Fire Protection	Administration	Less 10%	Total
Single and Semi-Detached	2.6	\$ -	\$ 683.11	\$ 895.40	\$ -	\$ 236.37	\$ 181.49	\$ 1,633.39
Multiple Units and Townhouses	2.1	\$ -	\$ 551.74	\$ 723.21	\$ -	\$ 190.92	\$ 146.59	\$ 1,319.28
Apartments	1.5	\$ -	\$ 394.10	\$ 516.58	\$ -	\$ 136.37	\$ 104.70	\$ 942.34
Residential Nursing/Retirement	1 per bedroom	\$ -	\$ 262.73	\$ 344.38	\$ -	\$ 90.91	\$ 69.80	\$ 628.23
Non-Residential	per sq. ft.	\$ -	\$ 0.07	\$ 0.12	\$ -	\$ 0.01	\$ 0.02	\$ 0.19

Rural - Huron

Residential Type	Persons Per Unit	Sanitary	Water	Transportation	Fire Protection	Administration	Less 10%	Total
Single and Semi-Detached	2.6	\$ -	\$ -	\$ 895.40	\$ -	\$ 236.37	\$ 113.18	\$ 1,018.60
Multiple Units and Townhouses	2.1	\$ -	\$ -	\$ 723.21	\$ -	\$ 190.92	\$ 91.41	\$ 822.71
Apartments	1.5	\$ -	\$ -	\$ 516.58	\$ -	\$ 136.37	\$ 65.29	\$ 587.65
Residential Nursing/Retirement	1 per bedroom	\$ -	\$ -	\$ 344.38	\$ -	\$ 90.91	\$ 43.53	\$ 391.77
Non-Residential	per sq. ft.	\$ -	\$ -	\$ 0.12	\$ -	\$ 0.01	\$ 0.01	\$ 0.12

Table 7.4
Summary of Development Charges per Household Unit

Rural - Kinloss

Residential Type	Persons Per Unit	Sanitary	Water	Transportation	Fire Protection	Administration	Less 10%	Total
Single and Semi-Detached	2.6	\$ -	\$ -	\$ -	\$ 157.14	\$ 236.37	\$ 39.35	\$ 354.16
Multiple Units and Townhouses	2.1	\$ -	\$ -	\$ -	\$ 126.92	\$ 190.92	\$ 31.78	\$ 286.05
Apartments	1.5	\$ -	\$ -	\$ -	\$ 90.66	\$ 136.37	\$ 22.70	\$ 204.32
Residential Nursing/Retirement	1 per bedroom	\$ -	\$ -	\$ -	\$ 60.44	\$ 90.91	\$ 15.14	\$ 136.22
Non-Residential	per sq. ft.	\$ -	\$ -	\$ -	\$ 0.03	\$ 0.01	\$ 0.00	\$ 0.04

8.0 IMPLEMENTATION

8.1 General Considerations

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

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

8.2 Applicable Development

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

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

Development charges cannot be applied to development activities which:

- Enlarge an existing dwelling unit;
- Create two or less additional dwelling units (subject to regulations);
- Increase the gross floor area of an industrial development by less than 50%.

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

8.3 Charge Ceilings

Development charges to be imposed on new development must not exceed the values defined in Tables 7.3 and 7.4 of this study. Council can impose Development Charges Schedules in the by-law which prescribe charges which are less than those calculated in the aforementioned tables.

8.4 Phasing-in

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

8.5 Inflation Adjustments

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

8.6 Front-Ending Agreements

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

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

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

Front-ending agreements are subject to public review. Affected property owners may appeal the terms of an agreement to the Ontario Municipal Board.

8.7 Credits

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

9.0 SUMMARY

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

The study incorporated the primary key activities:

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

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

10.0 FUTURE ACTION

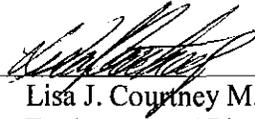
The following represent the final activities required to adopt a Development Charges program:

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

All of which is respectfully submitted.

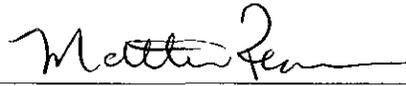
B. M. ROSS AND ASSOCIATES LIMITED

Per



Lisa J. Courtney M.Sc.
Environmental Planner

Per



Matthew J. Pearson MCIP, RPP.
Senior Planner



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APPENDIX A

GROWTH AND DEVELOPMENT FORECAST

APPENDIX A

GROWTH AND DEVELOPMENT FORECAST

1.0 INTRODUCTION

1.1 General

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

Development forecasts have been prepared in conjunction with the Development Charges Background Study to project a population for Huron-Kinloss over 10 year (2014-2024), 20 year (2014-2034), and 25 year (2014-2039) planning periods. The growth projections were established following an assessment of general growth and development trends evident in the Township, as identified from statistical data, recent population projections and other background research. The forecasts extrapolated from this analysis are considered to be realistic predictions of population and household growth in Huron-Kinloss. An estimate of non-residential development has also been prepared through an analysis of available property assessment data and building permit information.

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

1.2 Background

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

- Statistics Canada Census of Canada data for the period 1981-2011 (data is collected in 5-year intervals)
- Ministry of Finance population projections for the County of Bruce. The future population of Bruce is forecasted for the period 2012-2036 using several growth scenarios.
- Building permit records compiled by the Township of Huron-Kinloss for the period 2008-2013. The records detail the type (e.g., residential, commercial, industrial), value and amount (in square feet) of development.

- The Township of Huron-Kinloss Official Plan (September 2009). This document examines development patterns and defines policies to guide land use activities in the municipality. The Official Plan also designates lands in Huron-Kinloss intended for future development.
- 2009 Development Charges Background Study for the Township of Huron-Kinloss by B.M. Ross and Associates Limited.
- Municipal Class Environmental Assessment (Class EA) screening reports prepared by B.M. Ross and Associates Limited for major infrastructure projects carried out in Huron-Kinloss. These documents include analyses of current service levels and growth forecasts.
- An assessment of current development projects and proposals.

2.0 RESEARCH FINDINGS

2.1 Residential Growth Trends

2.1.1 Population

The Township of Huron-Kinloss has experienced relatively stable growth since 1981. The population in Huron-Kinloss, from 1981 to 2011, based on Census data, is shown in Table 2.1. Between 1981 and 2011, population in the municipality has increased by 1,127 persons, or 20%. This represents an average annual growth rate of 0.61%. This rate of growth is generally consistent with growth rates experienced by municipalities in Midwestern Ontario during the same period (typically 0.5% to 1.0% per annum).

**Table 2.1
Population Data and Growth Rates (1981 to 2011)**

	Huron	Kinloss	Total	Lucknow	Ripley
1981	3,272	2,391	5,663	1,088	591
1986	3,198	2,259	5,457	1,062	587
1991	3,755	2,394	6,149	1,129	635
1996	3,792	2,492	6,284	1,215	-
2001	3,617	2,633	6,250	1,162	-
2006	3,791 ¹	2,724 ¹	6,515	1,162	660
2011	4,115 ²	2,695 ²	6,790	1,105	680
Total Change (30 years)	843	304	1,127	17	89
Percent Change (30 years)	26%	13%	20%	2%	15%
Annual Average Growth Rate	0.77	0.40	0.61	0.05	0.47

Notes: 1. Estimated population based on 2006 Census Dissemination Block data

2. Estimated population based on 2011 Census Dissemination Block data

Population data for the former Huron and Kinloss townships are also provided in Table 2.1. It is noted that the populations for the former townships are estimated based on Dissemination Area counts, which are subject to a rounding factor. These counts also include the villages of Ripley and Lucknow. The population in the two former townships have increased over the last 30 years. The population increase in the former Huron Township is 843 additional persons or an increase of 26%. The population increase in the former Kinloss Township over the same period is significantly less than that observed for Huron, with an increase of 304 persons (13%).

The distribution of the population of Huron-Kinloss is shown in Table 2.2. The data, based on the 2011 Census Dissemination Block counts, shows that the majority of the population is split between the lakeshore and rural areas. The urban areas, Ripley and Lucknow, make up 16% and 10%, respectively of the total population.

Table 2.2

Population Distribution in the Township of Huron-Kinloss

	Lakeshore	Lucknow	Ripley	Rural	Huron-Kinloss
Population (2011)	2,525	1105	680	2,480	6,790
Percentage of Total Population	37%	16%	10%	37%	100%

There are two urban centres in the Township of Huron-Kinloss, Lucknow and Ripley. Lucknow is the largest with a population of 1,105 persons, based on the 2011 Census. The population of Ripley was estimated based on the number of customers of the Ripley Water System, as census data is not available for the village. Over the past 30 years, both villages have experienced only slight growth, with total increases of 17 and 89 persons in Lucknow and Ripley, respectively. However, the data for Lucknow indicates a trend towards a declining population in village over the last 15 years (Table 2.1)

According to the 2011 Census, the median age in Huron-Kinloss is 44.9 which is slightly greater than the provincial average of 40.4. The percentage of the population in the Township that is 65 and over (18.9%) is also greater than the provincial proportion, which is 14.6%. Additionally, Huron-Kinloss has a smaller percentage of the population between the ages of 20 and 44 (25%) than what is observed on a provincial scale (33%). This may be in part due to the migration of young adults from Huron-Kinloss to larger urban centres for education and employment opportunities.

2.1.2 Residential Development

Table 2.3 contains the number of private dwellings in Huron-Kinloss, by the former townships, as available from Census data. The data shows that over the past 30 years, there has been significant growth in the number of households in the Township, specifically in the former Huron Township. The total increase in the number of dwellings in the Township over the last 30 years is 1,930 units, with 1,768 of those in Huron. Comparatively, only moderate growth has occurred in the former Kinloss Township with a total of 162 residential units constructed.

Table 2.3
Households in Huron-Kinloss, 1981-2011

	Huron	Kinloss	Township	Lucknow
1981	1,112	839	1,951	452
1986	1,100	835	1,935	465
1991	1,383	888	2,271	482
1996	-	-	-	510
2001	1,390	915	3,560	485
2006	2,722	1,037	3,759	529
2011	2,880	1,001	3,881	480
Change	1,768	162	1,930	28
Percent Change (%)	159.0	19.3	98.9	6.2

Recent building permit data is presented in Table 2.4, for the rural and lakeshore areas, Lucknow, and Ripley. The data shows extensive growth in the lakeshore area, with a total of 431 new units constructed over the past 13 years, or an annual average of 31 units. The majority of these units have been constructed in subdivisions south of Kincardine and in Point Clark. The remainder of the Township saw moderate growth in the number of units constructed, with 88, 47 and 36 new units in the rural areas, Ripley and Lucknow respectively.

Table 2.4
Units Constructed by Building Permits Issued

	Lakeshore	Lucknow	Ripley	Rural	Total
2000	18	3	1	7	29
2001	20	0	1	8	29
2002	27	1	1	4	33
2003	26	3	2	5	36
2004	34	6	2	6	48
2005	36	0	11	14	61
2006	42	2	3	2	49
2007	25	4	6	10	45
2008	30	7	2	5	44
2009	39	1	4	10	54
2010	53	3	10	2	68
2011	32	2	0	6	40
2012	28	3	1	5	37
2013	21	1	3	4	29
Total	431	36	47	88	602
Annual Average	30.8	2.6	3.4	6.3	43

The total number of dwellings, as counted in the 2011 Census, in Huron-Kinloss is 3,881. Of these dwellings, 1,272 are considered to be seasonal residences. The majority of these dwellings are located along the lakeshore.

Given the number of permanent dwellings and total population, the average household density in the municipality is 2.60 persons per household in 2011. This is a slight decrease from the density observed in 2006, which was 2.63 persons per household. The decline in household size relates to the increase in residential growth over and above population gains and the general decline in family size.

2.1.3 Housing Stock

Residential development in Huron-Kinloss is primarily in the form of single, detached units, making up approximately 90% of the housing stock. Table 2.5 summarizes the housing supply composition in Huron-Kinloss, based on information from the 2011 Census. The remainder of the housing stock is comprised of apartments in buildings with five stories or less (4.8%), row houses (2.1%), semi-detached (1%) and movable dwellings (1%).

Recent building permit data shows a number of permits issued for multiple unit dwellings in Ripley and Lucknow. In Ripley from 2008 to 2013, 3 duplexes and 1 7-unit row dwelling were constructed. Over the same time period in Lucknow, 3 multi-unit dwellings were constructed.

Table 2.5
Housing Stock by Dwelling Type in Huron-Kinloss

Housing Type	Proportion of Dwellings (%)
Single-detached house	90.4
Movable dwelling	1.0
Semi-detached house	1.0
Row house	2.1
Apartment, duplex	0.8
Apartment, building that has fewer than five storeys	4.8

2.1.4 Residential Lot Inventory

The majority of residential development in Huron-Kinloss occurs in the lakeshore area, on lots created by Plan of Subdivision. At the time of the 2009 Development Charges Background Study, there were approximately 164 vacant lots in various approved developments, with a potential for an additional 105 lots. At the time, this equated to approximately a 4-year supply of lots. Table 2.6 summarizes the current number of approved vacant lots in Huron-Kinloss.

**Table 2.6
Residential Lot Inventory**

Developed Plans of Subdivisions			
Developed Area	Subdivision	Total Lots	Vacant Parcels
Lakeshore	Inverlyn Estates (Reg. Plan No. M-101)	150	105
	Heritage Heights Phase III (Reg. Plan No. 3M-188)	45	9
	Heritage Heights Phase IV (Reg. Plan No. 3M-203)	23	4
	70 Victoria Street	28	28
Lucknow	Mann (severances)	3	1
	Stanley	3	3
Total		224	150
Completed Residential Developments			
Developed Area	Development	Total Lots	Total Units
Lucknow	Nine Mile Villa	1	18
	Sepoy Manor	1	17
Ripley	Thompson	1	2
	Rutledge III	1	7
	Ball Development	1 lot 9 units	6 units completed
Proposed Residential Developments			
Ward	Proposed Development	Planned Units	Planning Act Status Approval
Ripley	Brown Subdivision	67	Approved
	Strandzl Subdivision (Reg. Plan M-49)	25	Approved
	RVilla Addition	Not available	
Total (Potential Lots)		92	

Presently, there are 150 vacant lots in approved subdivisions in the Township. This equates to a 3.5 year supply of building lots (based on an average of 43 units constructed per year). There are an additional 92 potential units in proposed developments.

In 2012, B.M. Ross and Associates Limited conducted an inventory of vacant parcels in the lakeshore area of the Township. The inventory tallied the number of vacant lots, including large lots (greater than 2 acres in size) which could potentially be developed in the future. A total of 376 potential future lots were identified. This represents an 8.7 year supply of vacant lots.

2.2 Non-Residential Growth Trends

2.2.1 Labour Force

Table 2.7 compares labour force data for Huron-Kinloss, Bruce County and Ontario by grouped occupations, as reported in the 2011 Census. The data illustrates that for many classes of occupation, the three jurisdictions have a relatively similar composition. The major differences are in the fields of sales and services; business, finance and administration; education and law; where provincially, a greater percentage of the population are employed in these areas. In comparison to the province, Huron-Kinloss and Bruce County, have a greater population of the labour force employed in trades, agriculture and manufacturing; and management occupations.

Table 2.7
Labour Force by Occupation Type

Occupation Type	Huron-Kinloss	Bruce County	Ontario
Management occupations	17.3%	13.9%	11.5%
Business, finance and administration occupations	9.4%	12.5%	17.0%
Natural and applied sciences and related occupations	6.3%	5.3%	7.4%
Health occupations	6.8%	5.7%	5.9%
Occupations in education, law and social, community and government services	7.9%	8.9%	12.0%
Occupations in art, culture, recreation and sport	1.0%	1.9%	3.1%
Sales and service occupations	18.1%	21.5%	23.2%
Trades, transport and equipment operators and related occupations	18.6%	17.1%	13.0%
Natural resources, agriculture and related production occupations	7.9%	4.0%	1.6%
Occupations in manufacturing and utilities	6.6%	9.1%	5.2%

2.2.2 Non-Residential Development

The annual total number of, and the value of industrial, commercial and institutional (ICI) building permits from 2000 to 2013, for Huron-Kinloss, are shown in Table 2.8. The data shows a period of higher total building permit values between 2006 and 2010. A relatively steady and moderate number of ICI building permits have been issued annually since 2000. Over the last 5 years, the average number of ICI building permits per year is 5, with an average gross floor area of 12,167 square feet and average annual value of \$716,185. The gross floor area (in square feet) of non-residential development in Ripley, Lucknow, the lakeshore and rural areas of the Township are shown in Table 2.9.

Table 2.8
Annual Total Building Permit Values for Industrial, Commercial and Institutional Developments

	Permits Issued	Gross Floor Area (sq.ft)	Value
2000	3		\$ 205,000.00
2001	9		\$ 1,613,000.00
2002	3		\$ 238,000.00
2003	3		\$ 446,000.00
2004	2		\$ 22,000.00
2005	2		\$ 704,900.00
2006	8		\$ 2,022,000.00
2008	6	22,157	\$ 1,051,000.00
2009	4	11,447	\$ 1,015,000.00
2010	9	16,485	\$ 1,207,000.00
2011	5	11,137	\$ 466,500.00
2012	5	9,830	\$ 170,000.00
2013	2	1,944	\$ 150,000.00
Average	5	12,167	\$ 716,184.62

Table 2.9
Non-Residential Growth by Gross Floor Area (square feet)

	Lucknow	Ripley	Rural	Lakeshore
2008	9,044	3,345	9,768	0
2009	10,967	0	480	0
2010	7,057	0	7,460	1,968
2011	2,884	0	8,253	0
2012	0	0	9,830	0
2013	600	0	1,344	0
Average	5,092	558	6,189	328

2.3 Development Patterns in the Study Area

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

- Age distribution data suggests that younger people (20-34 years) tend to leave Bruce County education and employment opportunities.

- The number of households is expected to outstrip population growth in Huron-Kinloss due to the maturing of the Baby Boom Generation and the general overall aging of the population (resulting from lower death and birth rates). The aging population is expected to increase demands for services and housing designed to accommodate the needs of the ‘young old’, ‘old’, and ‘old old’ seniors.
- In general, Huron-Kinloss does not contain the scale of manufacturing and service sector activities to draw significant numbers of commuters to the area.
- The character of the lakeshore development area has historically generated a high level of demand for new residential development along the shoreline and in adjacent residential areas. The area is particularly attractive for seasonal accommodation, recreational activities and retirement living. Given these considerations, growth pressures within this area are expected to be sustained in the long-term.
- The majority of development and growth in Huron-Kinloss is expected to continue to occur along the lakeshore development area, given the attraction of the shoreline for recreational activity, seasonal occupation, retirees and availability of vacant land.
- Lucknow and Ripley are predominately low-density residential communities, with the majority of development being in the form of single detached units. These villages also function as commercial, industrial and recreational centres for the surrounding agricultural areas. The role of these communities is not expected to change in the foreseeable future.
- Huron-Kinloss is situated within commuting distance of the Bruce Nuclear Power Development (BNPD). The economic multiplier effect (spin-offs) of BNPD operations are expected to sustain local residential growth rates in the long-term.
- The majority of growth is expected to follow past trends and be predominately single detached units.
- Growth in the non-residential sector has been moderate in Huron-Kinloss in recent years and is not expected to increase significantly in the future.

2.4 Residential and Non-Residential Allocation

The allocation between residential and non-residential development for purposes of calculating development charges is determined from tax assessment data. The tax assessment data is used to determine the percentage of the tax base that is residential and non-residential. The non-residential percentage includes institutional, commercial and industrial development and excludes agricultural and managed forest assessment data. The percentages of residential and non-residential development for the four areas of Huron-Kinloss are summarized in Table 2.10.

Table 2.10
Residential and Non-Residential Tax Allocations (2013)

Area	Residential %	Non-residential %
Township	96.8	3.2
Ripley	93.5	6.5
Lucknow	85.5	14.5
Rural	90.9	9.1
Lakeshore	99.7	0.3

3.0 RESIDENTIAL GROWTH PROJECTIONS

The Ministry of Finance recently published a population forecast to estimate the population of all upper-tier municipalities (i.e., Regions, Counties). The forecast identifies the changes in population anticipated in Ontario for the period from 2012-2036 and allocates a certain proportion of this growth to each upper-tier municipality. For Bruce County, the Ministry anticipates that the total population will increase from 67,500 to 68,960 between 2012 and 2036. This represents an increase in population of 1,460 persons over the forecast period.

The Ministry forecast represents the only comprehensive projection prepared for Bruce County in recent years. Given the projected population increase for Bruce County, as well as current trends observed from Census data, modest population growth is expected for Huron-Kinloss.

3.1 Forecast Methodologies

For the purposes of this study, the 2014-2039 population forecasts developed for Ripley, Lucknow, the lakeshore and rural areas. These forecasts were extrapolated based on the increases in population experienced in the past 30 years and the historic population distribution in the Township. This approach is seen to be a reasonable strategy for estimating long-term growth within the community, as the changes in population have been relatively steady in recent years.

The forecast incorporated the following methodological components:

- The 2011 population as determined by the Census, was projected to the base year (2014) using the 1981-2011 average annual growth rate. The populations of the lakeshore and rural areas were calculated as a proportion of the total population, based on information from the 2011 Census Dissemination Blocks. The average annual growth rate of the Township was then used to extrapolate population growth, which was then allocated to the different areas based on the historic population distribution information.
- The number of households in 2011 is based on the dwelling counts based on Dissemination Blocks from the 2011 census. From this base estimate of the number of households, the 13-year average (2011-2001) of new units was applied to project the number of additional households.

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

- The nature of the local economy, and the role each area serves in the economy, will remain unchanged throughout the planning period.
- Population and household density trends will remain relatively consistent over the planning period. Periodic fluctuations in population levels will continue to occur, although the overall growth rate will be consistent with the presented forecasts.
- Population growth will be accommodated through infilling and development of subdivisions. Lands will be made available for future development as necessary and based on sound land use planning.

3.2 Residential and Population Forecasts

Growth forecasts were developed for Lucknow, Ripley, lakeshore and rural areas of Huron-Kinloss based upon the previously discussed methodology. Tables 3.1 and 3.2 present the results of the projections.

Table 3.1
Population Projections 2014-2039

	Township	Lakeshore	Lucknow	Ripley	Rural
2011	6,790	2,525	1,105	680	2,480
2014	6,914	2,571	1,125	692	2,525
2019	7,127	2,650	1,160	714	2,603
2024	7,346	2,732	1,195	736	2,683
2029	7,571	2,815	1,232	758	2,765
2034	7,804	2,902	1,270	782	2,850
2039	8,043	2,991	1,309	806	2,938
10 year Change	431	160	70	43	158
20 year Change	889	331	145	89	325
25 year Change	1,129	420	184	113	412

Table 3.2
Household Projections 2014-2039

	Township	Lakeshore	Lucknow	Ripley	Rural
2011	3,881	2,223	480	261	917
2014	4,010	2,315	488	271	936
2019	4,225	2,469	501	288	967
2024	4,440	2,623	513	305	999
2029	4,655	2,777	526	321	1,030
2034	4,870	2,931	539	338	1,062
2039	5,085	3,085	552	355	1,093
10 year Change	430	308	26	34	63
20 year Change	860	616	51	67	126
25 year Change	1,075	770	64	84	157

3.3 Forecast Assessment

The following represents the key findings of the population and household forecasts for Huron-Kinloss:

- The population of Huron-Kinloss is expected to increase over the forecast period. The total increase is expected to be approximately 1,129 persons in the next 25 years. The greatest increases in population are expected to occur in the lakeshore and rural areas of the Township, with minimal growth in Ripley and Lucknow. This follows trends observed from Census data.
- Similar to population trends, the number of households in Huron-Kinloss is expected to increase over the next 25 years. Again, the greatest increase in the number of households is expected to occur in the lakeshore area (based on the number of new dwellings constructed in recent years), with an additional 770 homes. Fewer homes are expected to be constructed in Lucknow, Ripley and the rural areas.
- The increase forecasted in the number of households in Huron-Kinloss is consistent with demographic trends evident throughout Ontario (i.e., smaller households and sustained household growth). It also includes continued demand for seasonal dwellings along the lakeshore.

3.4 Conclusions

The forecasts presented in Section 3.3 appear to be reasonable and appropriate forecasts for the Township of Huron-Kinloss, given historic growth rates and growth factors previously discussed. In this regard, it has been concluded that the forecasts defined in Table 3.2 should be adopted as the basis for calculating the residential Development Charges for Huron-Kinloss.

4.0 Non-Residential Growth Forecast

The forecast for non-residential growth is based solely on the historical trends observed in the Township, as determined from building permit data. At the present time, there are no indications that there would be a significant increase or decrease in these amounts.

For the purposes of this report, a conservative forecast of non-residential growth in Huron-Kinloss, based on historical levels, is as follows:

- Lucknow – 5,092 sq. ft./year
- Ripley – 558 sq. ft./year
- Lakeshore – 328 sq. ft./year
- Rural – 6,189 sq. ft./year

Given these forecasts, the average total amount of non-residential growth in Huron-Kinloss is expected to be approximately 12,167 sq. ft. per year.

APPENDIX B

ANALYSES OF GROWTH RELATED CAPITAL COSTS

ANALYSIS OF GROWTH RELATED CAPITAL COSTS

SERVICE CATEGORY: **Fire Protection** SERVICE COMPONENT: **New Fire Hall in Lucknow**

Details of Service

Description:

A new fire hall was constructed in Lucknow. The new building is 8,000 square feet, and replaced an existing structure of 2,300 square feet. The previous facility was severely undersized for its function. The cost of the new facility was shared 50%/50% with the municipality of Ashfield-Colborne-Wawanosh. In Huron-Kinloss the facility serves the Lucknow and former Kinloss township areas. Other facilities serve Ripley and the former Huron Township. A COMRIF grant was obtained for this project which reduces the construction costs to a net 33.3% for the municipalities. The cost of land for the facility was not grant funded. Under the DCA, the quality and the quantity of a service shall not exceed the past 10 year average service level. However in this case the new facility is required to meet the standards required to meet the Ontario Fire Marshall Public Safety Guidelines. The new facility is sized to meet these requirements. As this service (Fire Protection) is one described in Section 5(5) of the Act, the new facility is expected to service the needs of the existing population and the next twenty years growth = 2,966 persons.

Analysis of Long Term Capital and Operating Costs:

The cost of operating this facility will be recovered from the general tax base.

Costs:

Total cost:	\$1,169,319.18
Received or expected capital grants, subsidies or contributions:	\$ 750,000.00
Township share:	\$ 209,659.59
Net cost:	\$ 209,659.59

The service area of the new facility is Lucknow and the former Kinloss Township. The predicted 20 year service population is 2,966 persons. The net cost of the new facility is \$209,659.59. The cost per person is \$209,659.59 divided by 2,966 persons = \$70.69.

Allocation of Costs

Benefit to Existing Development:

The costs have been apportioned to the existing and future growth in the same manner

Residential/Non-Residential Cost Allocation:

For purposes of this calculation the residential/non-residential allocation of costs is 85.5%/14.5%.

Development Charge Calculation

Residential:

The charge per person is $\$70.69 \times 85.5\% = \60.44 .

ANALYSIS OF GROWTH RELATED CAPITAL COSTS

SERVICE CATEGORY: **Administration Service**

SERVICE COMPONENT: **Capital Growth Studies**

Details of Service

Description:

Studies related to capital growth, including the Development Charges Background Study

On average the municipality would spend \$10,000 per year on studies related to capital growth.

Analysis of Long Term Capital and Operating Costs:

N/A

Costs:

Total cost (over the 5 year life of the bylaw):	\$50,000
Received or expected capital grants, subsidies or contributions:	\$ 5,000 mandatory 10% reduction as per the Act
Net cost:	\$45,000

Allocation of Costs

Benefit to Existing Development: None

Residential/Non-Residential Cost Allocation:

Based on the assumed allocation of 93.5% residential, 6.5% non-residential across the entire township. The residential allocation is \$42,750.

Development Charge Calculation

Residential:

The residential development charge = \$42,750 divided by the expected additional population (163 new units at 2.7 persons per unit) = \$97.14 per person.

ANALYSIS OF GROWTH RELATED CAPITAL COSTS

SERVICE CATEGORY: **Sanitary Sewage Service** SERVICE COMPONENT: **Sewage Treatment - Ripley**

Details of Service

Description:

New communal sanitary sewage collection and treatment facilities were constructed in Ripley in 1991-1993. The works were sized to service existing development and future growth. The design capacity was 850 persons, but this needed to be confirmed based on usage patterns and the assimilation capacity of the receiving stream. Only the treatment works and the sewage pumping station were incorporated into the development charge. Any new sewers will be paid for through a development agreement.

A study was undertaken in 2008/2009 to define the facility capacity based on the performance of the plant and the assimilation capacity of the stream. The plant is to be rerated to 600 m³/d, which is equivalent to 1,065 persons. The cost of this work was \$44,000.

Analysis of Long Term Capital and Operating Costs:

The project received provincial government assistance of 85%. Capital rate charges were levied against all benefiting properties. The ongoing operating costs of the system are paid for by connected properties.

Costs:

Total cost:	\$4,491,321
Received or expected capital grants, subsidies or contributions:	\$4,109,626
Net cost:	\$ 381,695
Plus cost of new work:	\$ 44,000
Total cost for calculation:	\$ 425,695

Allocation of Costs

Benefit to Existing Development:

This project benefited existing and future development equally on a per capita basis. Based on 1,065 person design capacity, the cost per person equivalent is \$399.71

Residential/Non-Residential Cost Allocation:

Capacity at the facility is allocated as development occurs. There is no predetermined residential or non-residential share. Capacity is expressed as person equivalents, which includes all uses. For purposes of this calculation the residential/non-residential allocation of costs is 93.5%/6.5%.

Development Charge Calculation

Residential:

The residential development charge = \$399.71 x 93.5% = \$373.73 per person.

ANALYSIS OF GROWTH RELATED CAPITAL COSTS

SERVICE CATEGORY: **Water Service**

SERVICE COMPONENT: **Water Supply - Ripley**

Details of Service

Description:

An additional well and pumping facilities were constructed in 1995/96. The system is designed to serve as a backup supply to the existing well and to provide surplus capacity for any future growth. The system was designed for 750 persons based on a design flow of 450 litres per capita per day. Because of unexpected/unexplained peak demands on the system it has been determined that there is only a remaining capacity for 29 additional housing units. The Township undertook an environmental assessment process in 2010 to define additional water supply and storage needs.

Analysis of Long Term Capital and Operating Costs:

The facility upgrades were funded through water rate, reserves, and a Canada-Ontario Infrastructure grant. The project was included in the previous Development Charges Bylaws, as Council intended to recover the cost of surplus capacity from future development. Operating costs of the facility are paid by the users through service rate charges.

Costs:

Total cost:	\$300,055
Received or expected capital grants, subsidies or contributions:	\$169,400
Net cost:	\$130,655

Allocation of Costs

Benefit to Existing Development:

This project benefited existing and future development equally on a per capita basis. Based on a 750 person design capacity, the cost per person equivalent is \$174.21.

Residential/Non-Residential Cost Allocation:

Capacity at the facility is allocated as development occurs. There is no predetermined residential or non-residential share. Capacity is expressed as person equivalents, which includes all uses. The residential non-residential allocation of this service has been proportioned based on the relationship between residential and non-residential assessment (93.5%/6.5%).

Development Charge Calculation

Residential:

The residential development charge = \$174.21 per person equivalent x 93.5% = \$162.88.

ANALYSIS OF GROWTH RELATED CAPITAL COSTS

SERVICE CATEGORY: **Water Service**

SERVICE COMPONENT: **Water Supply – Twp. of Huron
Implementation of Water
Supply Master Plan**

Details of Service

Description:

The major facilities (trunk watermain, water storage, major supply wells) of the Lakeshore Area Water Supply Master Plan were constructed in 1995/96. The works were designed to supply 2568 lots of development. There were 2,290 lots of record, therefore 278 lots were available for future development growth beyond infilling.

Analysis of Long Term Capital and Operating Costs:

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

Costs:

Total cost:	\$5,069,900
Received or expected capital grants, subsidies or contributions:	\$3,310,400
Net cost:	\$1,759,500

Allocation of Costs

Benefit to Existing Development:

The project benefited existing and future development equally on a per capita basis. Based on a 6,677 person design capacity (2,568 lots @ 2.6 persons per lot) the cost per person equivalent is \$263.52.

Residential/Non-Residential Cost Allocation:

Capacity at the facility is allocated as development occurs. There is no predetermined residential or non-residential share. Capacity is expressed as person equivalents, which includes all uses. The residential non-residential allocation of this service has been proportioned based on the relationship between residential and non-residential assessment (99.7%/0.3%).

Development Charge Calculation

Residential:

The residential development charge = \$263.52 per person equivalent x 99.7% = \$262.73

ANALYSIS OF GROWTH RELATED CAPITAL COSTS

SERVICE CATEGORY: **Water Service** SERVICE COMPONENT: **Water Storage - Lucknow**

Details of Service

Description:

The existing water storage facility in Lucknow has reached the end of its useful life. The Township initiated a Class Environmental Assessment to define the type, size and location of a new facility. It is expected that a new facility will be designed to meet the needs of the existing population and at least 50 years growth. The expected cost of a new facility and interconnecting watermain is estimated to be \$2,450,000

Analysis of Long Term Capital and Operating Costs:

The capital cost of the new facility will be paid for by the existing users and through development charges on new development. Existing users will pay through reserve amounts and possibly through an increase in rate charges. The Township will pursue grant funding opportunities, but at this time the availability of these cannot be incorporated into the Development Charge calculation. If a grant is secured in the future, subsequent DC Bylaws will be adjusted. The operating costs of the facility are paid by the users through service rate charges.

Costs:

Total cost:	\$ 2,450,000
Received or expected capital grants, subsidies or contributions:	\$ 0
Net cost:	\$ 2,450,000

Allocation of Costs

Benefit to Existing Development:

This project benefited existing and future development equally on a per capita basis. Based on a 1,854 person design capacity (design year 2060), the cost per person equivalent is \$1,321.47.

Residential/Non-Residential Cost Allocation:

Capacity at the facility is allocated as development occurs. There is no predetermined residential or non-residential share. Capacity is expressed as person equivalents, which includes all uses. The residential non-residential allocation of this service has been proportioned based on the relationship between residential and non-residential assessment (85.5%/14.5%).

Development Charge Calculation

Residential:

The residential development charge = \$1,321.47 per person equivalent x 85.5% = \$1,129.85.

ANALYSIS OF GROWTH RELATED CAPITAL COSTS

SERVICE CATEGORY: **Water Service** SERVICE COMPONENT: **Ripley - Well and Water Storage**

Details of Service

Description:

Well 1 in Ripley has reached the end of its useful life and a water storage facility is required to service existing and future growth. The Township initiated a Class Environmental Assessment to define the type, size and location of a new storage facility and well. It is expected that a new facility will be designed to meet the needs of the existing population and at least 50 years growth. The expected cost of a new facility and well is estimated to be \$2,470,000

Analysis of Long Term Capital and Operating Costs:

The capital cost of the new facility will be paid for by the existing users and through development charges on new development. Existing users will pay through reserve amounts and possibly through an increase in rate charges. The Township will pursue grant funding opportunities, but at this time the availability of these cannot be incorporated into the Development Charge calculation. If a grant is secured in the future, subsequent DC Bylaws will be adjusted. The operating costs of the facility are paid by the users through service rate charges.

Costs:

Total cost:	\$ 2,470,000
Received or expected capital grants, subsidies or contributions:	\$ 0
Net cost:	\$ 2,470,000

Allocation of Costs

Benefit to Existing Development:

This project benefited existing and future development equally on a per capita basis. Based on a 2,004 person design capacity (design year 2065), the cost per person equivalent is \$1,232.53.

Residential/Non-Residential Cost Allocation:

Capacity at the facility is allocated as development occurs. There is no predetermined residential or non-residential share. Capacity is expressed as person equivalents, which includes all uses. The residential non-residential allocation of this service has been proportioned based on the relationship between residential and non-residential assessment (93.5%/6.5%).

Development Charge Calculation

Residential:

The residential development charge = \$1,232.53 per person equivalent x 94% = \$1,152.42.

ANALYSIS OF GROWTH RELATED CAPITAL COSTS

SERVICE CATEGORY: **Transportation Service**

SERVICE COMPONENT: **Extension of Lake
Range Drive to
Kincardine**

Details of Service

Description:

This project involves the extension of Lake Range Drive, from the 12th Concession of Huron, north into Kincardine. This project was completed in November 2006. The final cost of this project is \$925,000.

The service area for this project is considered to be that area of the former Township of Huron, from Hwy. 21 west to Lake Huron. The potential number of lots within this service area is calculated to be approximately 2,900.

Analysis of Long Term Capital and Operating Costs:

The capital cost of this work would be borne by the tax base and development charges. The operating cost of this road will be borne by the tax base. As this is a new road the operating costs are additional to the present Township roads budget. These should be offset by the increase in the tax base from new development in the service area.

Costs:

Total cost:	\$925,000
Received or expected capital grants, subsidies or contributions:	\$ 0
Net cost:	\$925,000

Allocation of Costs

Benefit to Existing Development:

This project benefits both existing and future development. It provides an arterial route into Kincardine and relieves pressure on existing roads. Additionally, the construction of this road facilitates new development in the service area. The benefit of this project has been allocated 50% to existing development and 50% to future development. Of the 2,900 potential lots in the service area, 500 are future development. Based on an allocation of \$462,500 to future development (50% of project costs) the cost per single family lot is \$925, or \$355.38 per person, based on 2.6 persons per household.

Residential/Non-Residential Cost Allocation:

For purposes of this calculation, a 96.8% residential, 3.2% non-residential allocation of cost has been assumed.

Development Charge Calculation

Residential:

The residential development charge = $\$355.38 \times 96.8\% = \344.01 per person.