
TOWNSHIP OF NORTH HURON

DEVELOPMENT CHARGES BACKGROUND STUDY

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TOWNSHIP OF NORTH HURON DEVELOPMENT CHARGES BACKGROUND STUDY

1.0 INTRODUCTION

The Township of North Huron is considering imposing, by by-law, revised development charges to pay for capital costs required due to increased needs for services arising from development. The by-law may impose development charges against residential and non-residential development activities in the Township during the period of 2016-2021. This by-law would be passed under the statutory authority of the *Development Charges Act, 1997* (DCA) as amended and its accompanying Regulations. It will replace the existing Development Charges by-law (By-law 19 of 2011), passed on October 17, 2011.

Section 10 of the Act requires that a development charge background study be completed and specifies the contents of the study. *Ontario Regulation 82/98*, Section 8, as amended (O.Reg. 82/98) further defines the content of the study. This Development Charges Background Study (Background Study) has been prepared in order to provide Council with sufficient information to make a decision on the value of any development charge to be imposed upon new development activities. 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 activities;
- A summary of growth-related projects and services;
- A synopsis of the methodology applied to establish a development charge;
- Asset management information for assets funded by the development charges;
- Presentation of the proposed development charge schedule; and
- Details on the process to implement.

2.0 BACKGROUND

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

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

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

3.0 CURRENT PRACTICE

In 2011, the Township enacted By-law 19 of 2011, to collect development charges on residential, commercial and institutional development within the Township. Currently, as set out in By-law 43-2011, the Township has two service areas (Wingham, and Blyth and East Wawanosh) and different development charges apply to the different service areas.

The current by-law was imposed after consideration of a Development Charges Background Report, August 2011, prepared by BMROSS. This report analyzed potential growth and development across the entire Town and evaluated capital works necessary to service this growth. The development charges presented in the 2011 Background Report represent the charges that could be supported under the DCA. Council exercised the option to reduce the charges and those charges are set out in By-law 43-2011. The by-law was passed on October 17, 2011, imposing charges for service categories as identified in the Background Report. The development charges are outlined in Table 2.1.

Table 3.1
Development Charge Amounts, From By-law 19-2011

Wingham Ward

Development Type	Persons Per Unit	Sanitary Sewage	Transportation	Fire Services	Parkland	Admin.	Total Dev. Charge
Single family and semi-detached	3.0	\$3,024.23	\$734.02	\$56.81	\$291.60	\$393.34	\$4,500.00
Apartments (2+ bedrooms)	1.5	\$1,512.12	\$367.01	\$28.40	\$145.80	\$196.67	\$2,250.00
Apartments (1 bedroom/bachelor)	1.1	\$1,108.89	\$269.14	\$20.83	\$106.92	\$144.22	\$1,650.00
Other residential units	2.5	\$2,520.19	\$611.69	\$47.34	\$234.00	\$327.78	\$3,741.00

Blyth and East Wawanosh

Development Type	Persons Per Unit	Sanitary Sewage	Transportation	Fire Services	Parkland	Admin.	Total Dev. Charge
Single family and semi-detached	3.0	\$0	\$734.02	\$56.81	\$291.60	\$393.34	\$1,475.00
Apartments (2+ bedrooms)	1.5	\$0	\$367.01	\$28.40	\$145.80	\$196.67	\$737.88
Apartments (1 bedroom/bachelor)	1.1	\$0	\$269.14	\$20.83	\$106.92	\$144.22	\$541.11
Other residential units	2.5	\$0	\$611.69	\$47.34	\$234.00	\$327.78	\$1,229.81

Under the 2011 By-law, a total of \$43,727.97 has been collected in development charges. The amounts collected per year per service category are shown in Tables 3.2.

Table 3.2
Development Charges Collected 2011-2015, North Huron

	Sanitary Sewage	Transportation	Fire Protection	Parkland	Administration	Total Revenue
2011	\$6,048.48	\$1,468.04	\$113.60	\$583.20	\$786.68	\$9,000.00
2012	\$3,024.23	\$3,670.10	\$284.05	\$1,458.00	\$1,966.70	\$10,403.08
2013	\$3,054.47	\$2,224.08	\$172.14	\$883.56	\$1,191.81	\$7,526.06
2014	\$3,081.96	\$2,244.12	\$173.70	\$891.51	\$1,202.52	\$7,593.81
2015	\$3,168.25	\$3,058.40	\$228.12	\$1,170.89	\$1,579.36	\$9,205.02

The money collected and deposited in the development charge reserves will be used to fund the services and projects as described in this Background Report, as they are completed.

4.0 APPROACH

This report is essentially an update of the 2011 Background Study. The purpose of this study is to conform to the requirements of the DCA and to support an amount that can be imposed as a development charge. It is also an opportunity to review how the assumptions and forecasts used in the previous report actually played out. Additionally, the process of implementing and collecting the development charges is reviewed to determine whether changes or improvements need to be made. The approach to conducting the review is as follows:

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

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

- Provide Council with an interim presentation to identify proposed services that could be collected for in a development charge;
- Council determines a development charge amount they intend to impose by by-law;
- 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 implementing By-law following consideration of comments received via consultation;

- Obtain, by Council resolution, approval of the proposed Development Charges By-law;
- Circulate the Notice of Passage for the Development Charges By-law. The By-law will immediately come into effect. The By-law may be appealed to the 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 North Huron over a 25-year planning period. The growth forecasts were established following an assessment of general growth and development trends in the municipality as identified from statistical data, recent population projections, building permit data and other background research. The forecasts extrapolated from these analyses are considered to be realistic projections of growth and development in the Township.

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 population of North Huron and its wards from 1986 to 2011, as determined from Census data, is shown in Table 5.1. Between 1986 and 2011, the population of the Township has decreased by 66 persons. This change is equivalent to a average annual decrease of -0.04%.

Table 5.1
Population Data (1981-2011)

	Year	Blyth	East Wawanosh	Wingham	North Huron
	1981	926	1,127	2,897	4,950
	1986	892	1,107	2,952	4,951
	1991	955	1,187	3,018	5,160
	1996	991	1,167	2,941	5,099
	2001	987	1,112	2,885	4,984
	2006	990	1,102	2,923	5,015
	2011	1005	1,004	2,875	4,884
Population Change		79	-123	-22	-66
% Change		9%	-11%	-1%	-1%
Average Annual Growth Rate		0.27	-0.38	-0.03	-0.04

Table 5.2 contains the number of private dwellings in the Township of North Huron from 1986 to 2011. The data shows that over the past 25 years, there has been very moderate growth in the number of households throughout the municipality. The total increase in private dwellings over the past 25 years has been 239 units, or an annual average growth of 0.42%. This equates to a 13% increase in the number of households.

Table 5.2
Private Dwellings in North Huron (1986-2011)

		East			North
	Year	Blyth	Wawanosh	Wingham	Huron
	1981	338	326	1,140	1,804
	1986	343	324	1,157	1,824
	1991	377	354	1,190	1,921
	1996				1,950
	2001	395	370	1,230	1,995
	2006	425	363	1,276	2,064
	2011	419	355	1,269	2,043
	Total Change from 1981	81	29	129	239
	% Change	24%	9%	11%	13%
	Annual Average Growth Rate	0.72	0.28	0.36	0.42

Recent residential building permit data is presented in Table 2.3, for the Township of North Huron. In the last 5 years, a total of new 23 single family units and 3 multi-unit residences have been constructed. The majority of new residences in the last five years have been constructed in East Wawanosh (11 building permits), followed by Wingham (9 building permits) and then Blyth (6 building permits). The increased residential development in the East Wawanosh ward is a recent trend in the past 5 years. The 5-year annual average number of residential building permits issued in North Huron is 4.6 for single family units and 0.6 for multi-unit dwellings.

Over a 10-year period, the annual average number of new residential building permits issued in East Wawanosh is 1.6, slightly more than in Blyth (1.4). The 10-annual average number of building permits for Wingham is 3.3, with a Township average of 6.3 residential building permits issued per year.

Table 5.3
New Residential Units Constructed In North Huron (2011-2015)

	Blyth		East Wawanosh		Wingham		North Huron	
	Single Family	Multi-Unit	Single Family	Multi-Unit	Single Family	Multi-Unit	Single Family	Multi-Unit
2011	1	1	2	0	4	1	7	2
2012	0	0	5	0	1	0	6	0
2013	1	0	1	0	2	0	4	0
2014	2	0	0	0	0	0	2	0
2015	1	0	2	1	1	0	4	1
Total	5	1	10	1	8	1	23	3
Annual Average	1	0.2	2	0.2	1.6	0.2	4.6	0.6

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 North Huron. The following are the key sources of data incorporated into the forecasting exercise:

- Statistics Canada Census of Canada data for the period 1981 to 2011 (5-year intervals).
- Ministry of Finance population forecasts for Huron County (2013 to 2041).
- Building permit records compiled by the Township of North Huron for the period 2005-2015. The records detail development by type.

5.3.2 Methodology

For the purposes of this study, a population forecast to 2041 for North Huron was developed. The forecast was extrapolated based on the Ministry of Finance forecast. A housing forecast was developed from the building permit data and trends. This approach is seen to be a reasonable strategy for estimating growth within the community, as there has been a relatively steady increase in the number of household, despite the overall population decline. This reflects recent changes in population characteristics, such as an aging population and decrease in family size.

The forecast incorporated the following methodological components:

- The 2011 population and household counts, as determined by the Census were used a starting point for the projections.
- Population of the three wards in North Huron was estimated based on the projections for Huron County by the Ministry of Finance. Historically, North Huron represents 8.26% of the population of Huron County and using the share-capture method, the Huron County

forecast was extrapolated to North Huron. The population forecast for North Huron was then divided among the three wards, based on the following historic population distributions:

- Wingham: 59% of the North Huron population
 - Blyth: 20.5% of the North Huron population
 - East Wawanosh: 20.5% of the North Huron population
- Household growth was calculated based on the 10-year annual averages of residential units constructed (from building permit data) in East Wawanosh, Blyth and Wingham.
- The average household density in the three wards is expected to remain relatively static over the planning period at 2.4 persons per household (pph) in Blyth, 2.8 pph in East Wawanosh and 2.3 pph in Wingham.

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.
- Growth in the number of households will be accommodated through infilling and development of subdivisions. It is expected the majority of development will occur as infill in Wingham, Blyth and Belgrave.

5.4 Growth Projections

Growth forecasts were developed for North Huron, based upon the previously discussed methodology. The results of the population and household forecasts are shown in Table 5.4 and 5.5. The population of North Huron is expected to decrease over the forecast period. The total decrease is expected to be approximately 235 persons over the next 25 years. Despite the population decline, the number of households in North Huron is expected to slightly increase over the next 25 years, with an additional 157 new households. The increase forecasted in the number of households despite a population decline in North Huron is consistent with demographic trends observed in the Township recently, as well as Ontario (i.e., smaller households and sustained household growth).

Table 5.4
Population Projections 2016-2041

Year	Blyth	East Wawanosh	Wingham	North Huron
2016	979	978	2,800	4,757
2021	969	968	2,772	4,708
2026	962	961	2,751	4,673
2031	953	952	2,726	4,632
2036	942	942	2,696	4,580
2041	931	930	2,662	4,522
10-year change	-17	-17	-49	-84
20-year change	-36	-36	-104	-176
25-year change	-48	-48	-138	-235

Table 5.5
Household Projections 2016-2041

Year	Blyth	East Wawanosh	Wingham	North Huron
2016	432	374	1,295	2,101
2021	439	382	1,311	2,132
2026	446	390	1,328	2,164
2031	453	398	1,344	2,195
2036	460	406	1,361	2,227
2041	467	414	1,377	2,258
10-year change	14	16	33	63
20-year change	28	32	66	126
25-year change	35	40	82	157

5.5 Non-Residential Development Forecast

There has been no non-residential growth in North Huron in the last 5 years. Prior to the last updates of the Development Charges Background Report, there was only minimal non-residential growth in the Township. Currently, there are no indications that may significant changes will occur with regards to non-residential development. Given the current trends and that development charges have no historically been applied to non-residential development, a non-residential growth forecast has not been developed.

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 North Huron 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, fire protection);
- Identification of municipal services which are required to provide social benefits for new development (e.g., libraries, recreational facilities);
- A review of projects/services contained in the 2011 Background Report, which was used to support the current Development Charges By-law;
- A review of new projects/services that were proposed to be collected for in a development charge because they will be required as a result of growth.
- Assessment of the applicability of services and projects under the DCA, taking the following factors into consideration:

Eligible Services

Development charges can 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;
- Stormwater infrastructure;
- Transportation infrastructure (e.g., sidewalks, streetlights);
- Public works activities;
- Fire protection services;
- Library services;
- Indoor and outdoor recreation;
- Transit services;
- Airport infrastructure;
- General administration, including growth-related studies.

Ineligible Services:

Development charges cannot be applied to:

- Cultural, tourism or entertainment facilities;
- Landfill sites and services, facilities and services for waste incineration;

- 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 of capital costs that will be incurred for those projects or services determined to be DCA-eligible.

6.2 Review of Projects/Services from the 2011 Background Report

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).

Table 6.1
Review of Previous Projects

Service Category	Capital Work	Summary of Review	Recommendation
Sanitary Sewage Service	Forcemain Replacement (Wingham)	<ul style="list-style-type: none"> Upgrading of the existing Josephine Street sewage pumping station and replacement of a section of the associated sanitary sewage forcemain 	<ul style="list-style-type: none"> Project completed, remove from development charges
	Northwest Trunk Sewer Replacement (Wingham)	<ul style="list-style-type: none"> Replacement of undersized sections of the northwest trunk sewer 	<ul style="list-style-type: none"> Continue to collect for capacity until it is expended
Transportation	Josephine Street Trunk Sewer Replacement (Wingham)	<ul style="list-style-type: none"> Replacement of the Josephine Street trunk sewer in conjunction with the reconstruction of Josephine Street 	<ul style="list-style-type: none"> Project completed, remove from development charges
	Public Works Facility (All Wards)	<ul style="list-style-type: none"> Replacement of an undersized public works facility New building expected to have the working space equivalent of 7 bays 	<ul style="list-style-type: none"> Continue to collect
	Firefighter Outfitting (All Wards)	<ul style="list-style-type: none"> Firefighters will be added as development in the Township continues 	<ul style="list-style-type: none"> Continue to collect
Police Services	Parkland Development (All Wards)	<ul style="list-style-type: none"> The Township undertakes projects as required Estimated cost is \$40,000 per acre 	<ul style="list-style-type: none"> Continue to collect
Administration	Capital Growth Studies	<ul style="list-style-type: none"> Service includes the cost of the Development Charge Background Study 	<ul style="list-style-type: none"> Apply a 10% reduction to these costs as set out in the Act

6.3 Review of Additional Services

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

Table 6.2
New Services Required to Support Growth

Service Category	Component	Description	Service Area
Water	Blyth Well	<ul style="list-style-type: none"> • Replacement of the wells in Blyth with a new well with capacity for future growth. • The service population is estimated at 1,103 • Estimated cost of the project is \$839,484.00 	Blyth

6.4 Service Areas

In previous iterations of Development Charge bylaws, the Township has had two service areas. There is one project considered for inclusion in this development charge study that benefits only a specific area, i.e., Blyth. The project is the Blyth Well and will only benefit development in the Blyth ward. Given this, it is proposed that the Township have three service areas for the purposes of collecting development charges: (i) Wingham, (ii) Blyth, and (iii) East Wawanosh.

The projects which will be included in the development charges for the three service areas are set out in Table 6.3

Table 6.3
Projects Included in the Development Charges, by Service Area

	Wingham	Blyth	East Wawanos
Project			
Northwest Trunk Sewer Replacement	✓		
Blyth Well		✓	
Public Works Facility	✓	✓	✓
Firefighter Outfitting	✓	✓	✓
Parkland Development	✓	✓	✓
Administration	✓	✓	✓

6.5 Asset Management

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

The Township of North Huron completed an initial iteration of an Asset Management Plan (AMP) in December 2013. The intent of the AMP is to serve as a strategic, tactical, and financial document to allow the Municipality to follow sound asset management practices while optimizing available resources and achieving a desired level of service. The Township has identified its infrastructure assets and using software provided by CityWide, has assigned current replacement cost and estimated End of Life (EoL) costs for each individual asset. The 2013 AMP includes revenue options to fund infrastructure needs but recognized that completion of a condition rating analysis will provide a more accurate picture of financial requirements. Presently, the Township is preparing an update to the 2013 AMP to include all municipal assets. This will include assets previously included in Development Charges, such as firefighting equipment, that were not included in the 2013 AMP. Updating the AMP will allow the Township establish long range infrastructure needs and financial plan requirements.

Three of the projects proposed for funding through Development Charges (Northwest Trunk Sewer Replacement, Blyth Well and Public Works Facility) will see existing, aged infrastructure replaced and therefore, are not expected to add substantially to the Municipality's total assets. The replacement of aged infrastructure is, however, expected to improve the overall condition of infrastructure in the Town. Additionally, the new infrastructure may incorporate efficiencies and new technologies to reduce operating costs.

Studies included under the Administrative and General category of development charges are not considered assets.

It is also expected that the infrastructure replacement projects noted above will be added to the next iteration of the AMP once they are constructed. Given that the Town is considering long-term funding strategies to maintain existing and new infrastructure assets, these projects are considered financially sustainable over their life-cycles.

7.0 CALCULATION OF THE DEVELOPMENT CHARGE

7.1 Methodology

The DCA and O. Reg. 82/98 prescribe the methodology that 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 that will be implemented within ten year (i.e., gross growth-related capital costs). Exclude costs for local services installed or paid for by 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 or service by the value of any anticipated grants or subsidies.

Service Level and Benefit Adjustments

- Review the service description to determine if the proposed works exceed the average level of service (service standard) in the Township over the previous 10-year period. The determination of average service level must take into account the quantity of service (i.e., number or size) and the quality of service (i.e., value or cost). Reduce the net cost of the works by any anticipated increase in the service standard;
- 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., Wingham, Blyth, and East Wawanosh). Therefore, calculations of charges will be defined on an area-specific basis.

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 in Township.

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

	North Huron	Wingham	Blyth	East Wawanosh
Residential	88%	85%	90%	94%
Non-Residential	12%	15%	10%	6%

7.2.4 Occupancy Considerations

The average occupancy rate in North Huron is 2.4 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 Family Unit Charge
Single Family Residential, including semi-detached	2.5	100%
Apartments (2 bedrooms +)	1.5	60%
Apartments (Bachelor and 1 bedroom)	1.1	44%
Other housing units	2.1	84%

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 two projects that benefit defined areas, it is recommended that the development charges reflect three distinct areas of the Township, as identified in Section 6.4. These separate charge areas can be described in the By-law. The summaries of the calculated development charges for each area of the Town 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 North Huron for the period 2016-21. Accordingly, it is recommended that charges are established by project-benefiting area.

Table 7.3
Township of North Huron Summary of Development Charge Calculation

Service Category	Component	Ward	Residential Development Charge(per person)
Sanitary Sewage Service	Northwest Trunk Sewer Replacement	Wingham	\$ 2,762.50
Water	Blyth Well	Blyth	\$ 364.92
Transportation	Public Works Facility	All	\$ 301.71
Firefighting	Firefighter Outfitting	All	\$ 21.15
Parks and Recreation	Parkland Development	All	\$ 108.00
Administration	Growth Related Studies	All	\$ 229.63
		Wingham Total	\$ 3,423.00
		Blyth Total	\$ 1025.43
		East Wawanosh Total	\$ 660.50

Table 7.4
Township of North Huron Summary of Development Charge Amounts

Wingham								
Residential Type	Persons Per Unit	Sanitary Sewage Service	Water Services	Transportation	Firefighting	Parks and Recreation	Admin.	Total
Single and Semi-Detached	2.5	\$6,906.25	\$0.00	\$754.29	\$52.89	\$270.00	\$574.09	\$8,557.51
Multiple Units and Townhouses	2.1	\$5,801.25	\$0.00	\$633.60	\$44.43	\$226.80	\$482.23	\$7,188.31
Apartments (2 bedrooms +)	1.5	\$4,143.75	\$0.00	\$452.57	\$31.73	\$162.00	\$344.45	\$5,134.51
Apartments (Bachelor and 1 bedroom)	1.1	\$3,038.75	\$0.00	\$331.89	\$23.27	\$118.80	\$252.60	\$3,765.30

Blyth								
Residential Type	Persons Per Unit	Sanitary Sewage Service	Water Services	Transportation	Firefighting	Parks and Recreation	Admin.	Total
Single and Semi-Detached	2.5	\$0.00	\$912.30	\$754.29	\$52.89	\$270.00	\$574.09	\$2,563.56
Multiple Units and Townhouses	2.1	\$0.00	\$766.34	\$633.60	\$44.43	\$226.80	\$482.23	\$2,153.39
Apartments (2 bedrooms +)	1.5	\$0.00	\$547.38	\$452.57	\$31.73	\$162.00	\$344.45	\$1,538.14
Apartments (Bachelor and 1 bedroom)	1.1	\$0.00	\$401.41	\$331.89	\$23.27	\$118.80	\$252.60	\$1,127.97

East Wawanosh								
Residential Type	Persons Per Unit	Sanitary Sewage Service	Water Services	Transportation	Firefighting	Parks and Recreation	Admin.	Total
Single and Semi-Detached	2.5	\$0.00	\$0.00	\$754.29	\$52.89	\$270.00	\$574.09	\$1,651.26
Multiple Units and Townhouses	2.1	\$0.00	\$0.00	\$633.60	\$44.43	\$226.80	\$482.23	\$1,387.06
Apartments (2 bedrooms +)	1.5	\$0.00	\$0.00	\$452.57	\$31.73	\$162.00	\$344.45	\$990.76
Apartments (Bachelor and 1 bedroom)	1.1	\$0.00	\$0.00	\$331.89	\$23.27	\$118.80	\$252.60	\$726.55

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 that 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 that 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 North Huron. Council of the Township of North Huron is considering a new Development Charges By-law for the identified areas of the Town and the study is required under the *Development Charges Act, 1997*.

The study incorporated the primary key activities:

- Review of historic growth in North Huron 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 Town 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;
- 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., RPP, MCIP
Environmental Planner

Per _____
Matthew J. Pearson RPP, MCIP
Senior Planner

APPENDIX A

POPULATION AND GROWTH 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 growth and development forecasts for the Township of North Huron.

Development forecasts have been prepared in conjunction with the Development Charges Background Study to project a population for North Huron over 10 year (2016-2026), 20 year (2016-2036), and 25 year (2016-2041) 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 North Huron. An estimate of non-residential development has also been prepared through an analysis of available property assessment data.

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 1986-2011 (data is collected in 5-year intervals)
- Ministry of Finance population projections for the County of Huron. The future population of Huron is forecasted for the period 2013-2041 using several growth scenarios.
- Building permit records compiled by the Township of North Huron for the period 2011-2015. The records detail the type (e.g., residential, commercial, industrial), and value of development. It is noted that there was no commercial or industrial development within the last 5 years in the Township.

- The Township of North Huron Official Plan (December 2004). This document examines development patterns and defines policies to guide land use activities in the municipality. The Official Plan also designates lands in North Huron intended for future development.
- 2011 Development Charges Background Study for the Township of North Huron 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 North Huron. 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

In the period between 1981 and 1991, the Township of North Huron experienced slight population growth. Over this period, the population of the Township increased to 5,160 persons. In subsequent years, the population has declined, with the latest census reporting 4,884 residents as of 2011. The population of North Huron, and wards of Wingham, Blyth, and East Wawanosh from 1981 to 2011, based on Census data, is shown in Table 2.1.

Blyth is the only ward in North Huron to experience an overall growth in population between 1981 and 2011, with a 9% increase in population. This equates to an increase of 79 persons. Conversely, declines in populations were observed in Wingham and East Wawanosh over the same time period. The decline in East Wawanosh equates to 123 persons or 11% and 22 persons of 1% in Wingham.

In the last five years of data (2006 to 2011), the population of North Huron has declined by 131 persons. Across the three wards, the greatest population decline was observed in East Wawanosh, with a decline of 98 persons. The populations of Wingham declined by 48, while the population of Blyth increased by 15 persons.

The overall decline in population and depressed average annual growth rate (-0.04%) in North Huron is similar to declines observed in neighbouring Huron County municipalities. In North Huron, the population decline corresponds with the closure of a large manufacturing facility within the community, which resulted in the loss of approximately 140 jobs in the community.

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

	Year	Blyth	East Wawanosh	Wingham	North Huron
	1981	926	1,127	2,897	4,950
	1986	892	1,107	2,952	4,951
	1991	955	1,187	3,018	5,160
	1996	991	1,167	2,941	5,099
	2001	987	1,112	2,885	4,984
	2006	990	1,102	2,923	5,015
	2011	1005	1,004	2,875	4,884
	Population Change	79	-123	-22	-66
	% Change	9%	-11%	-1%	-1%
	Average Annual Growth Rate	0.27	-0.38	-0.03	-0.04

In recent years, there has been minimal immigration to North Huron. In the period from 2001 to 2011, a total of 15 immigrants migrated to the Township, with all arriving between 2006 and 2011. During the last census (2011), 270 residents of North Huron, or 5.5% of the population, identified themselves as immigrants. In Huron County and Ontario over the same period, the percentage of the population that identifies as immigrants are 7.3% and 28.9%, respectively. Given the low immigrant population and distance of the Township from large population centres, immigration is not expected to significantly influence population trends in the near future.

The 2011 National Household Survey also examined whether or not residents in the Township had moved in the last year. It was found that 510 residents, or 10.6% of the population, had moved between 2010 and 2011. Of those, 275 residents moved within the Township and 235 moved to North Huron from another location within Ontario. Intraprovincial migration is the largest source of new residents for the Township and this trend is expected to continue. It is expected that this trend will be driven by retirees from the surrounding rural areas moving into smaller homes, retirement or assisted-living facilities in Wingham and Blyth.

According to the 2011 Census, the median age in North Huron is 42.3 which is greater than the provincial average of 40.4. The percentage of the population in the Township that is 65 and over (18.6%) is greater than the provincial proportion, which is 14.6%. This reflects a general trend of an aging population in rural communities in southwestern Ontario. Additionally, the Township has a smaller percentage of the population between the ages of 20 and 44 (27.9%) than what is observed on a provincial scale (33%). This is likely due to the migration of young adults from North Huron to larger urban centres for education and employment opportunities.

2.2 Residential Development

Table 2.2 contains the number of private dwellings in North Huron, as available from Census data. The data shows that over the past 30 years, there has been very moderate growth in the number of households in the Township. The total increase in the number of dwellings in North Huron over the last 30 years is 239 units. This equates to a total increase of 13% over 30 years or an annual average growth rate of 0.42.

Table 2.2
Households in North Huron, 1981-2011*

Year	Blyth	East Wawanosh	Wingham	North Huron
1981	338	326	1,140	1,804
1986	343	324	1,157	1,824
1991	377	354	1,190	1,921
1996				1,950
2001	395	370	1,230	1,995
2006	425	363	1,276	2,064
2011	419	355	1,269	2,043
Total Change from 1981	81	29	129	239
% Change	24%	9%	11%	13%
Annual Average Growth Rate	0.72	0.28	0.36	0.42

*Note: Household data for Blyth, East Wawanosh and Wingham are not available for the year 1996

Recent residential building permit data is presented in Table 2.3, for the Township of North Huron. In the last 5 years, a total of new 23 single family units and 3 multi-unit residences have been constructed. The majority of new residences in the last five years have been constructed in East Wawanosh (11 building permits), followed by Wingham (9 building permits) and then Blyth (6 building permits). The increased residential development in the East Wawanosh ward is a recent trend in the past 5 years. The 5-year annual average number of residential building permits issued in North Huron is 4.6 for single family units and 0.6 for multi-unit dwellings.

Over a 10-year period, the annual average number of new residential building permits issued in East Wawanosh is 1.6, slightly more than in Blyth (1.4). The 10-annual average number of building permits for Wingham is 3.3, with a Township average of 6.3 residential building permits issued per year.

Table 2.3
New Units Constructed by Building Permits Issued, 2011-2015

	Blyth		East Wawanosh		Wingham		North Huron	
	Single Family	Multi-Unit	Single Family	Multi-Unit	Single Family	Multi-Unit	Single Family	Multi-Unit
2011	1	1	2	0	4	1	7	2
2012	0	0	5	0	1	0	6	0
2013	1	0	1	0	2	0	4	0
2014	2	0	0	0	0	0	2	0
2015	1	0	2	1	1	0	4	1
Total	5	1	10	1	8	1	23	3
Annual Average	1	0.2	2	0.2	1.6	0.2	4.6	0.6

Given the number of permanent dwellings and total population, the average household density in the municipality is 2.4 persons per household in 2011. The household density in North Huron has steadily declined from 2.7 persons per household over the past 30 years. However, the current household density in North Huron is the same as the average for Ontario (2.4). The Wingham and Blyth wards have an average household density of 2.4 and 2.3 respectively. Historically, the average household density in East Wawanosh has been higher than the other areas of the Township. In 2011, the average number of persons per unit in East Wawanosh was 2.8.

The general decline in household size relates to continued residential development despite population declines, as well as demographic factors including the general decline in family size and a population with a large proportion of seniors.

2.2.1 Housing Stock

Residential development in North Huron in the past has primarily been in the form of single, detached units. Table 2.4 summarizes the housing supply composition in North Huron, based on information from the 2011 Census. Approximately 79% of the housing stock is comprised of single detached homes. The remainder of the housing stock is comprised of apartments in buildings with five stories or less (12%), semi-detached homes (4%), row houses (4%), duplexes (2%), and other single-attached houses (0.2%)

Table 2.4
Housing Stock by Dwelling Type in North Huron (2011)

Dwelling Type	Proportion of Total Dwellings (%)
Single-detached house	78.7
Apartment (building that has fewer than five storeys)	12.3
Semi-detached house	3.7
Row house	3.7
Apartment, duplex	1.7
Other single-attached house	0.2
Apartment, building that has five or more storeys	0
Moveable Dwelling	0

2.2.2 Recent Residential Developments

Table 2.5 summarizes recent residential development created by Plan of Subdivision. The Wingham Creek (A2A) development is the only recent Plan of Subdivision submitted in North Huron. This development is proposed for the northeast area of Wingham. Given the 10-year annual average of new residential buildings constructed in the Township (6.4 units), this development equates to a 70-year inventory of residential lots.

Table 2.5
Residential Lot Inventory

Developed Plans of Subdivision/Condominium		
Name (Developer)	Total Lots/Units	Vacant Parcels
Wingham Creek (A2A)	454	454
Total Lots/Units:	454	454

2.3 Non-Residential Growth Trends

2.3.1 Labour Force

Table 2.6 compares labour force data for North Huron, Huron County and Ontario by grouped occupations, as reported in the 2011 Census. The composition of the labour force in North Huron reflects the split between rural areas and small urban service centres. The three occupation types that employ the majority of North Huron residents are: sales and services (18%), trades (16%), and jobs in the fields of education, law, social and government services (14%). In comparison to Huron County, a much larger proportion of the employed labour force in North Huron is employed in manufacturing, specifically at facilities located in North Huron such as WesCast Industries.

Table 2.6
Labour Force by Occupation Type

Occupation Type	North Huron	Huron County	Ontario
Management occupations	12%	14%	12%
Business, finance and administration occupations	12%	12%	17%
Natural and applied sciences and related occupations	2%	3%	7 %
Health occupations	7%	7%	6%
Occupations in education, law and social, community and government services	14%	10%	12%
Occupations in art, culture, recreation and sport	2%	2%	3%
Sales and service occupations	18%	19%	23%
Trades, transport and equipment operators and related occupations	16%	20%	13%
Natural resources, agriculture and related production occupations	6%	7%	2%
Occupations in manufacturing and utilities	12%	7%	5%

2.3.2 Non-Residential Development

Between 2010 and 2015, there were no building permits issued for new construction and additions for industrial, commercial and institutional uses.

2.4 Development Patterns in the Study Area

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

- Age distribution data suggests that younger people (20-34 years) tend to leave Huron County for education and employment opportunities.
- The number of households is expected to outstrip population growth in North Huron, given 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. Retirees from local rural areas are also expected to drive demand for homes in Wingham and Blyth.
- In general, it is expected that the places and types of employment in North Huron will remain static. No large industrial or manufacturing developments are expected. It is expected that Wescast Industries will continue to be the largest employer in the Township.
- One large residential subdivision has been recently approved in North Huron. This development represents a substantial inventory of residential buildings lots. Additionally, there are sufficient vacant residential lands in East Wawanosh, Blyth and Belgrave to supply future growth and infill.

- Wingham and Blyth are predominately low-density residential communities, with the majority of existing homes in the form of single detached units. It is expected that the overall residential development trends will favour single detached units, but that multi-unit buildings/homes geared towards seniors may also be constructed. Future development in East Wawanosh is expected to be concentrated in the village of Belgrave.
- Wingham functions as a commercial, industrial, service, and recreational centre for the Township. Its role is not expected to change in the foreseeable future.
- In the past 5 years, there has been no non-residential growth in North Huron. Non-residential growth is not expected to increase substantially in the near future.

2.5 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 2015 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 North Huron are summarized in Table 2.9.

Table 2.9
Residential and Non-Residential Tax Allocations (2015)

	North Huron	Wingham	Blyth	East Wawanosh
Residential	88%	85%	90%	94%
Non-Residential	12%	15%	10%	6%

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 2013-2041 and allocates a certain proportion of this growth to each upper-tier municipality. For Huron County, the Ministry anticipates that the total population will decline from 58,477 in 2013 to 54,748 in 2041. This represents a decline in population of 3,729 persons over the forecast period.

The Ministry forecast represents the only comprehensive projection prepared for Huron County in recent years. It is expected that the majority of the population decline will be experienced in rural areas of Huron County. Given this and the trends in population data for North Huron, it is expected that the Township's population will only increase marginally over the next 25 years. The migration of retirees to the urban centres from rural areas is expected to be main contributor to any population gains.

3.1 Forecast Methodologies

For the purposes of this study, a population forecast to 2041 for North Huron was developed. The forecast was extrapolated based on the Ministry of Finance forecast. A housing forecast was developed from the building permit data and trends. This approach is seen to be a reasonable strategy for estimating growth within the community, as there has been a relatively steady increase in the number of household, despite the overall population decline. This reflects recent changes in population characteristics, such as an aging population and decrease in family size.

The forecast incorporated the following methodological components:

- The 2011 population and household counts, as determined by the Census were used a starting point for the projections.
- Population of the three wards in North Huron was estimated based on the projections for Huron County by the Ministry of Finance. Historically, North Huron represents 8.26% of the population of Huron County and using the share-capture method, the Huron County forecast was extrapolated to North Huron. The population forecast for North Huron was then divided among the three wards, based on the following historic population distributions:
 - Wingham: 59% of the North Huron population
 - Blyth: 20.5% of the North Huron population
 - East Wawanosh: 20.5% of the North Huron population
- Household growth was calculated based on the 10-year annual averages of residential units constructed (from building permit data) in East Wawanosh, Blyth and Wingham.
- The average household density in the three wards is expected to remain relatively static over the planning period at 2.4 persons per household (pph) in Blyth, 2.8 pph in East Wawanosh and 2.3 pph in Wingham.

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.
- Growth in the number of households will be accommodated through infilling and development of subdivisions. It is expected the majority of development will occur as infill in Wingham, Blyth and Belgrave.

3.2 Residential and Population Forecasts

Population and household growth forecasts were developed for North Huron based upon the previously discussed methodology. Tables 3.1 and 3.2 present the results of the population and household projections.

Table 3.1
Population Projections 2016-2041

Year	Blyth	East Wawanosh	Wingham	North Huron
2016	979	978	2,800	4,757
2021	969	968	2,772	4,708
2026	962	961	2,751	4,673
2031	953	952	2,726	4,632
2036	942	942	2,696	4,580
2041	931	930	2,662	4,522
10-year change	-17	-17	-49	-84
20-year change	-36	-36	-104	-176
25-year change	-48	-48	-138	-235

Table 3.2
Household Projections 2016-2041

Year	Blyth	East Wawanosh	Wingham	North Huron
2016	432	374	1,295	2,101
2021	439	382	1,311	2,132
2026	446	390	1,328	2,164
2031	453	398	1,344	2,195
2036	460	406	1,361	2,227
2041	467	414	1,377	2,258
10-year change	14	16	33	63
20-year change	28	32	66	126
25-year change	35	40	82	157

3.3 Forecast Assessment

The following represents the key findings of the population and household forecasts for the Township of North Huron:

- The population of North Huron is expected to continue to decrease over the forecast period. The total decline is expected to be approximately 235 persons in the next 25 years. The decrease in population is expected to occur as the result of migration from North Huron to urban areas for employment, decreases in family size, and an aging population.
- Despite the population decline, the number of households in North Huron is expected to increase over the next 25 years. It is expected that new residential development will be primarily single family units, with the majority constructed in Wingham (82 new units over the 25 years). Very moderate growth in the number of households is

also expected in Blyth and East Wawanosh, with 35 and 40 new units over the 25 year planning timeframe, respectively.

- The increase forecasted in the number of households in North Huron is consistent with demographic trends observed throughout Ontario and smaller municipalities (i.e., aging population, smaller households and sustained household growth).

3.4 Conclusions

The forecasts presented in Section 3.3 appear to be reasonable and appropriate forecasts for the Township of North Huron, given historic growth rates and growth factors previously discussed. In this regard, it has been concluded that the forecasts defined in Table 3.1 should be adopted as the basis for calculating the residential Development Charges for North Huron.

4.0 NON-RESIDENTIAL GROWTH FORECAST

There has been no non-residential growth in North Huron in the last 5 years. Prior to the last updates of the Development Charges Background Report, there was only minimal non-residential growth in the Township. Currently, there are no indications that may significant changes will occur with regards to non-residential development. Given the current trends and that development charges have not historically been applied to non-residential development, a non-residential growth forecast has not been developed.

APPENDIX B

ANALYSIS OF GROWTH RELATED PROJECTS

ANALYSIS OF GROWTH RELATED CAPITAL COSTS

SERVICE CATEGORY: **Sanitary Sewage Service** SERVICE COMPONENT: **Northwest Trunk Sewer Replacement - Wingham**

Details of Service

Description:

The northwest trunk sanitary sewer conveys flow from a large portion of the Wingham catchment area to the Josephine Street sewage pumping station. An engineering review carried out in 1985 established that sewage flows in the trunk sewer have a high extraneous flow (stormwater inflow and infiltration) component. Some sewer replacement has been completed in recent years; however, the existing collection system has remained largely unchanged since the initial assessment.

As an outcome of a recent engineering investigation, it was determined that several sections of the northwest trunk sewer are considered at or under capacity under current conditions. It was also established that the capacity of certain sewer sections cannot accommodate full development flows from future development lands known locally as the Willis Lands.

It is assumed that completion of this project will provide the flow capacity required to accommodate a 20-year design population of 1,500 person equivalents. Based upon available data, it is assumed that existing development within the service area equates to 1,100 persons.

Analysis of Long Term Capital and Operating Costs:

It is assumed that the total capital cost for implementing the project is \$1,600,000. North Huron intends to complete this project in phases, with the first phase possibly commencing in 2018. The majority of the capital cost (\$1,300,000) is allocated to sewer improvements which directly benefit future development by providing an outlet for new sewage. As this sewer is also replacing an existing older sewer, there is a benefit to the existing serviced population.

Service Area:

This project benefits lands within the Wingham ward.

Costs:

Total cost:	\$1,600,000
Received or expected capital grants, subsidies or contributions:	\$ 0
Net cost:	\$1,600,000

Allocation of Costs

Benefit to Existing Development	The cost of the replacement of an undersized sanitary sewer, benefitting the existing population is \$300,000. The portion of the project benefiting future development is \$1,300,000. Development charges will be utilized to collect the portion of the project that benefits future development until the remaining capacity (400 persons) is exhausted.
Residential/ Non-Residential Cost Allocation:	The residential/non-residential allocation of this service has been proportioned based on the development forecasts in Appendix A. A ratio of 85% residential to 15% non-residential was used. Given this, the residential allocation is: $\$1,300,000 \times 85\% = \$1,105,000$. The non-residential allocation is $\$1,300,000 \times 15\% = \$195,000$.

Development Charge Calculation

Residential:

$$\text{Residential Charge} = \frac{\text{Residential allocation}}{\text{Remaining capacity}}$$

$$\text{Residential Charge} = \frac{\$1,105,000}{400 \text{ persons}}$$

$$\text{Residential Charge} = \$2,762.50 \text{ per person}$$

Non-Residential:

The Township of North Huron does not collect non-residential development charges.

ANALYSIS OF GROWTH RELATED CAPITAL COSTS

SERVICE CATEGORY: **Water**

SERVICE COMPONENT: **Blyth Well**

Details of Service

Description:

An environmental assessment to evaluate the condition of the existing water supply system in Blyth was completed in 2013. The study identified the need for replacement of the existing wells, due to their age and deteriorating condition. A new well will be constructed to replace Wells 1 and 2 and service the existing community of Blyth as well as future growth.

The well will service a 20-year design population of 1,103 people. The existing population development within the service area equates to 1,020 persons.

Analysis of Long Term Capital and Operating Costs:

The estimated cost of the new well is \$839,484. The Township received an OCIF grant of \$392,252 for the project. The remainder of the project will be financed through a combination of contributions from the existing water service rate, reserves, and development charges. The operating costs of the new facility will be partially offset by the decommissioning of Well 1 and new growth. The operating and maintenance costs for water facilities are paid by the users.

Service Area:

This project benefits lands within the Blyth ward.

Costs:

Total cost:	\$839,484
Received or expected capital grants, subsidies or contributions:	<u>\$392,252</u>
Net cost:	\$447,232

Allocation of Costs

Benefit to Existing Development	The replacement of the Blyth wells will benefit existing and future development. The portion of the project that will benefit existing population (1,020 persons) is \$413,578.10. The portion of the project benefiting future development is \$33,653.90. Development charges will be utilized to collect the portion of the project that benefits future development until the remaining capacity (83 persons) is exhausted.
Residential/ Non-Residential Cost Allocation:	The residential/non-residential allocation of this service has been proportioned based on the development forecasts in Appendix A. A ratio of 90% residential to 10% non-residential was used. Given this, the residential allocation is: \$33,653.90 x 90% = \$30,288.51. The non-residential allocation is \$33,653.90 x 10% = \$3,365.39.

Development Charge Calculation

Residential: $Residential\ Charge = \frac{Residential\ allocation}{Remaining\ capacity}$

$$Residential\ Charge = \frac{\$30,288.51}{83\ persons}$$

$$Residential\ Charge = \$364.92\ per\ person$$

Non-Residential: The Township of North Huron does not collect non-residential development charges.

ANALYSIS OF GROWTH RELATED CAPITAL COSTS

SERVICE CATEGORY: **Transportation**

SERVICE COMPONENT: **Public Works Facility**

Details of Service

Description:

The existing Public Works facilities are inadequate for the proper operation of the department, with a working equivalent of 6.0 bays. There is a need for larger bays for vehicle and equipment storage. The proposed facility will have the equivalent of 7.0 bays at an estimated cost of \$2,000,000. Under the DCA, the quantity and quality levels of service should not exceed the past 10-year average service level. The average service level is 6.0 bays servicing a population of 4,984 persons, which equates to 0.0012 bays/capita.

Analysis of Long Term Capital and Operating Costs:

A new facility may have added operating costs as it is larger, although new technology could reduce the impact of some of the costs (such as heating, maintenance). Operating costs are part of the overall tax rate.

Service Area:

This project benefits all of North Huron.

Costs:

Total cost:	\$2,000,000
Received or expected capital grants, subsidies or contributions:	\$ <u>0</u>
Net cost:	\$2,000,000

Allocation of Costs

Benefit to Existing Development	Not applicable as costs are being determined based on providing the equivalent level of service that is standard within the municipality.
Residential/ Non-Residential Cost Allocation:	The residential/non-residential allocation of this service has been proportioned based on the development forecasts in Appendix A. A ratio of 88% residential to 12% non-residential was used. Given this, the residential allocation is: \$2,000,000 x 88% = \$1,760,000. The non-residential allocation is \$2,000,000 x 12% = \$240,000.

Development Charge Calculation

Residential: *Residential Charge = cost per bay × current service level*

$$\text{Residential Charge} = \frac{\$1,760,000}{7 \text{ bays}} \times 0.0012 \text{ bays/capita}$$

$$\text{Residential Charge} = \$301.71 \text{ per person}$$

Non-Residential: The Township of North Huron does not collect non-residential development charges.

ANALYSIS OF GROWTH RELATED CAPITAL COSTS

SERVICE CATEGORY: **Fire**

SERVICE COMPONENT: **Firefighter Outfitting**

Details of Service

Description:

As of 2016, the Township has a total of 40 firefighters. Additional firefighters would be hired in response to growth. The cost to outfit an additional firefighter is \$3,000.

There are 40 firefighters to service a population of 4,984 persons over the entire Municipality. This equates to a service level of 0.08 firefighters per capita. Over the next ten years, the number of households is expected to increase by 63 units. At 2.4 persons per unit, this equates to an additional 151 persons, which would require an additional 1.21 firefighters.

Analysis of Long Term Capital and Operating Costs:

N/A

Service Area:

This project benefits all of North Huron.

Costs:

Total cost:	\$3,630
Received or expected capital grants, subsidies or contributions:	\$ 0
Net cost:	\$3,630

Allocation of Costs

Benefit to Existing Development	Not applicable as costs are being determined based on providing the equivalent level of service that is standard within the municipality.
Residential/Non-Residential Cost Allocation:	The residential/non-residential allocation of this service has been proportioned based on the development forecasts in Appendix A. A ratio of 88% residential to 12% non-residential was used. Given this, the residential allocation is: \$3,630 x 88% = \$3,194.40. The non-residential allocation is \$3,630 x 12% = \$435.60.

Development Charge Calculation

$$\begin{aligned}\text{Residential:} \quad \text{Residential Charge} &= \frac{\text{residential allocation}}{10 \text{ years growth}} \\ \text{Residential Charge} &= \frac{\$3194.10}{63 \text{ units} \times 2.4 \text{ people/unit}} \\ \text{Residential Charge} &= \$21.15 \text{ per person}\end{aligned}$$

Non-Residential: The Township of North Huron does not collect non-residential development charges.

ANALYSIS OF GROWTH RELATED CAPITAL COSTS

SERVICE CATEGORY: **Parks and Recreation**

SERVICE COMPONENT: **Parkland Development**

Details of Service

Description:

There are approximately 38 acres of parkland within North Huron. This equates to a standard of 0.008 acres per person within the Township.

The Township anticipates equipping new parkland that is obtained through the development process (either land or cash in lieu). The cost to develop new parkland is approximately \$40,000 per acre based on experience in other municipalities. New parkland would be developed as it obtained through the development process, at a rate of approximately 0.003 acres per person, which is less than the existing standard.

Analysis of Long Term Capital and Operating Costs:

Operating costs for a new park will be paid out of the general tax base. The increase in the tax base from new development should offset any increase in operating costs.

Service Area:

This project benefits all of North Huron.

Costs:

Total cost:	N/A
Received or expected capital grants, subsidies or contributions:	<u>\$ 0</u>
Net cost:	N/A

Allocation of Costs

Benefit to Existing Development	Not applicable as costs are being determined based on providing the equivalent level of service that is standard within the municipality.
Residential/Non-Residential Cost Allocation:	This service is primarily residential so no allocation has been assigned to non-residential growth.

Development Charge Calculation

Residential:	The residential development charge is based on the per person cost of \$40,000 x 0.003 acres per person = \$120. There is a mandatory 10% reduction in the capital cost of this service, as per Section 5(1)(8) of the Development Charges Act 1997. Therefore, the residential charge for this service is \$108.
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ANALYSIS OF GROWTH RELATED CAPITAL COSTS

SERVICE CATEGORY: **Administration** SERVICE COMPONENT: **Growth Related Studies**

Details of Service

Description:

The Township of North Huron intends to complete several studies to provide strategic direction to the community and to evaluate the potential impacts of specific projects and programs. Several of these studies require the consideration of growth effects, or are directly related to growth-related projects.

Table 1 identifies those growth-related studies which will be undertaken or completed during the period of 2016-2026. Assumptions regarding benefiting area, capital cost and growth-related benefits are also presented. The total development charges for the administration component are as follows:

Residential: All Wards = \$229.63

Non-Residential: The Township of North Huron does not collect non-residential development charges.

Table 1
Growth Related Studies and Development Charge Calculations

Study Description	Benefitting Ward	Cost	Mandatory 10% Reduction	Net Cost	Per Capita Cost	Benefit to Existing Population	Amount Recoverable Through DC	Residential DC (per capita)
Development Charge Update	All	\$18,500.00	\$1,850.00	\$16,650.00	\$213.46	0.00	\$16,650.00	\$187.85
Sewer and Water Rates Study	All	\$10,000.00	\$1,000.00	\$9,000.00	\$1.73	\$8,739.26	\$260.74	\$1.52
Road Needs Study	All	\$15,000.00	\$1,500.00	\$13,500.00	\$2.59	\$13,108.88	\$391.12	\$2.28
Strategic Plan	All	\$50,000.00	\$5,000.00	\$45,000.00	\$8.63	\$43,696.28	\$1,303.72	\$7.60
Police Master Plan	All	\$30,000.00	\$3,000.00	\$27,000.00	\$5.18	\$26,217.77	\$782.23	\$4.56
Fire Master Plan	All	\$20,000.00	\$2,000.00	\$18,000.00	\$3.45	\$17,478.51	\$521.49	\$3.04
Waste Management Master Plan	All	\$50,000.00	\$5,000.00	\$45,000.00	\$8.63	\$43,696.28	\$1,303.72	\$7.60
Day Care Plan	All	\$15,000.00	\$1,500.00	\$13,500.00	\$2.59	\$13,108.88	\$391.12	\$2.28
Emergency Plan	All	\$15,000.00	\$1,500.00	\$13,500.00	\$2.59	\$13,108.88	\$391.12	\$2.28
Special Policy Area Plan	All	\$20,000.00	\$2,000.00	\$18,000.00	\$3.45	\$17,478.51	\$521.49	\$3.04
Parks and Recreation Plan	All	\$50,000.00	\$5,000.00	\$45,000.00	\$8.63	\$43,696.28	\$1,303.72	\$7.60
							Total	\$229.63