

REPORT FOR PUBLIC MEETING

PREPARED BY HEMSON FOR THE TOWN OF SHELBURNE



2021 DEVELOPMENT CHARGES STUDY

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EXECUTIVE SUMMARY

A. PURPOSE OF 2021 DEVELOPMENT CHARGES (DC) BACKGROUND STUDY

i. Legislative Context

The Town of Shelburne 2021 Development Charges (DC) Background Study is presented as part of the process to lead to the approval of a new DC by-law in compliance with the *Development Charges Act, 1997* (DCA). The study is prepared in accordance with the DCA and associated Regulation, including the amendments that came into force on January 1, 2016, June 6, 2019, January 1, 2020, and September 17, 2020.

ii. Key Steps in Determining Future Development-Related Projects

In accordance with the *DCA* and associated regulation, several key steps are required to calculate development charges. This includes preparing a development forecast, establishing historical service levels, determining the increase in need for services arising from development and appropriate shares of costs, attribution to development types (i.e. residential and non-residential) and the final adjustment to the calculated rate of a cash flow analysis.

iii. DC Eligible and Ineligible Costs

Development charges are intended to pay for the initial round of capital costs needed to service new development over an identified planning period. This is based on the overarching principle that “growth pays for growth”. However, the DCA and associated regulation includes several statutory adjustments and deductions that prevent these costs from fully being recovered by growth. Such adjustments include, but are not limited to: ineligible costs, including operating and maintenance costs; ineligible services; deductions for costs that exceed historical service level caps; and statutory exemptions for specific uses (i.e. industrial expansions).

iv. The Development-Related Capital Program is Subject to Change

It is recommended that Council adopt the development-related capital program developed for the purposes of the 2021 DC Background Study. However, it is recognized that the DC Background Study is a point-in-time analysis and there may be changes to project timing,

scope and costs through the Town's normal annual budget process. The following summarizes the findings of the Town of Shelburne's 2021 Development Charges Background Study.

B. DEVELOPMENT FORECAST

i. Residential and Non-Residential

The table below provides a summary of the anticipated residential and non-residential growth over the 2021-2030 planning period. The development forecast is further discussed in Appendix A.

Town-wide Development Forecast	2020 Estimate	All Services Planning Period 2021 - 2030	
		Growth	Total at 2030
Residential			
Total Occupied Dwellings	2,971	920	3,891
Total Population			
Census	8,639	2,598	11,237
<i>Population In New Dwellings</i>		<i>2,649</i>	
Non-Residential			
Employment	2,531	772	3,303
Non-Residential Building Space (sq.m.)		53,760	

C. CALCULATED DEVELOPMENT CHARGES

The table below provides the development charges levied Town-wide for residential development based on the aforementioned forecasts and as detailed in Appendix A.

In addition to the calculated rates in this 2021 DC Background Study, the Town levies a Town-wide charge for Fire, Police, Services Related to a Highway of Public Works and Roads and Related, Water and Wastewater Services under By-law #19-2020. The Town also levies three area specific development charges in the School Road Area (By-law #20-2020), East Area (By-law #21-2020) and West Area (By-law #46-2020). The following DC Background Studies accompany the aforementioned by-laws: [2020 Development Charges Study](#) & [Area-Specific Development Charges – West Area](#).

Service	Single & Semi-Detached	Other Multiples	Apartments 2 + Bedrooms	Apartments 1 or < 1 Bedroom
Library Services	\$415	\$332	\$235	\$161
Parks And Recreation	\$7,834	\$6,271	\$4,439	\$3,042
TOTAL TOWN-WIDE CHARGE	\$8,249	\$6,603	\$4,674	\$3,203

The rates calculated as part of this study are the maximum permissible rates under the current legislation. Council may implement rates lower than those calculated and the revenue shortfall will need to be made up from other sources namely property taxes and user fees.

It should be noted that the services included for development charges recovery in this study relate to Library and Parks and Recreation Services only.

D. ASSET MANAGEMENT PLAN

A key function of the Asset Management Plan is to demonstrate that all assets proposed to be funded under the development charges by-law are financially sustainable over their full life cycle. By 2031, the Town will need to fund an additional \$297,100 per annum for Town-wide services in order to properly fund the full life cycle costs of the new assets supported under the 2021 Development Charges By-law.

E. LONG-TERM CAPITAL AND OPERATING COSTS

An overview of the long-term capital and operating costs for the capital facilities and infrastructure to be included in the DC by-law is provided in the study. This examination is required as one of the provisions of the DCA. Additional details on the long-term capital and operating impact analysis is found in Appendix D. By 2030 the Town's net operating costs are estimated to increase by about \$911,700 per annum.

F. MODIFICATIONS TO THE TOWN'S DEVELOPMENT CHARGES BY-LAW ARE PROPOSED

The Town is proposing to modify the current development charges by-law as part of the study process. The proposed draft by-law will be made available, under separate cover, a minimum of two weeks in advance of the statutory public meeting.

1. INTRODUCTION

This Town of Shelburne 2021 Development Charges Background Study is presented as part of a process to lead to the approval of a new development charge by-law in compliance with the *Development Charges Act, 1997 (DCA)*.

A. LEGISLATIVE CONTEXT

This study is prepared in accordance with the DCA and associated Regulations, including recent legislative amendments. During the study process, multiple legislative changes have occurred. In 2019, the province announced changes to the DCA and the *Planning Act* through two key pieces of legislation Bill 108: *More Homes, More Choice Act* and Bill 138: *Plan to Build Ontario Together Act, 2019*. Prior to the end of the consultation process, Canada was impacted by the COVID-19 global pandemic. In response, the province of Ontario introduced legislation to enact the state of emergency and as part of that in July 2020, Bill 197 *COVID-19 Economic Recovery Act, 2020*. Bill 197 reversed many of the initiatives put forward through Bill 108 and 138.

On September 17, 2020, the Province enacted Bill 197 including the following changes:

- Removal of the statutory 10 per cent reduction on “soft” services
- A list of eligible services as listed in subsection 2 (4) of the DCA
- Ability to create service classes in subsection 7 (3) of the DCA
- Changes related to Community Benefits Charges (not included as part of this DC Study process)
- Others.

Other changes to the DCA that came into force on January 1, 2020 as they relate to the “DC Freeze” (Section 26.2 of the DCA) and the “DC Deferrals” (Section 26.1 of the DCA) are not impacted by the recent legislation introduced through the *COVID-19 Economic Recovery Act, 2020*.

B. PURPOSE OF STUDY

This study presents the results of the review that determines the development-related net capital costs which are attributable to new development forecast to occur in the Town of Shelburne. These development-related net capital costs are then apportioned among various types of development (residential; non-residential) in a manner that reflects the

increase in the need for each service attributable to each type of development. Therefore, the study arrives at proposed development charges for various types of development.

The DCA provides for a period of public review and comment regarding the proposed development charges. Following completion of this process, in accordance with the DCA and Council's review of this study and the comments it receives regarding this study or other information brought to its attention about the proposed charges, it is intended that Council will pass new development charges for the Town.

2. TOWN-WIDE APPROACH

Several key steps are required in calculating any development charge. However, specific circumstances arise in each municipality, which must be reflected in the calculation. Therefore, this study has been tailored for the Town of Shelburne's unique circumstances. The approach to the proposed development charges is focussed on providing a reasonable alignment of development-related costs with the development that necessitates them.

A. TOWN-WIDE DEVELOPMENT CHARGES ARE CALCULATED

The Town provides a wide range of services to the community it serves and has an extensive inventory of facilities, land, infrastructure, vehicles and equipment. The DCA provides municipalities with flexibility to define services that will be included in the development charge by-laws, provided that the other provisions of the Act and its associated regulations are met. The DCA also requires that the by-law designates the areas within which the by-law shall be imposed. The development charges applies to all lands in the Town.

i. Services Based on a Town-Wide Approach

For the some of services that the Town provides, a range of capital facilities, land, equipment and infrastructure is available throughout the Town; libraries, parks and so on. As new development occurs, new facilities will need to be added so that service levels in newly developing areas are provided at levels enjoyed in existing communities. A widely accepted method for sharing the development-related capital costs for such Town services is to apportion them over all new development anticipated in the Town.

The following services are included in the Town-wide development charge calculation:

- Library Services
- Parks and Recreation

These services form a reasonable basis on which to plan and administer the development charges. The analysis of each of these services examines the individual capital facilities and equipment that make them up. For example, the Library service includes various buildings and associated land, and collection materials.

The resulting development charge for these services would be imposed against all development in the Town.

B. KEY STEPS IN DETERMINING DEVELOPMENT CHARGES

Several key steps are required in calculating development charges for future development-related projects. These are summarized below and illustrated in Figure 1.

i. Development Forecast

The first step in the methodology requires a development forecast to be prepared for the 10-year study period, 2021–2030. The forecast of the future residential and non-residential development used in this study is consistent with the targets established for the Town in the County of Dufferin Official Plan, and through discussions with Town staff and its planning consultant, GSP Group. The development forecast is based on estimates of development occurring within the Town’s current urban boundary. This is consistent with Provincial regulations that require development charges forecasts be based on areas approved for development in a municipality’s official plan.

For the residential portion of the forecast, the net (or Census) population growth and population growth in new units is estimated. Net population growth equals the population in new housing units reduced by the decline in the population in the existing base anticipated over the 10-year period (due to reducing household sizes as the community ages). Net population is used in the calculation of the development charges funding envelopes. In calculating the per capita development charge, however, population growth in new units is used.

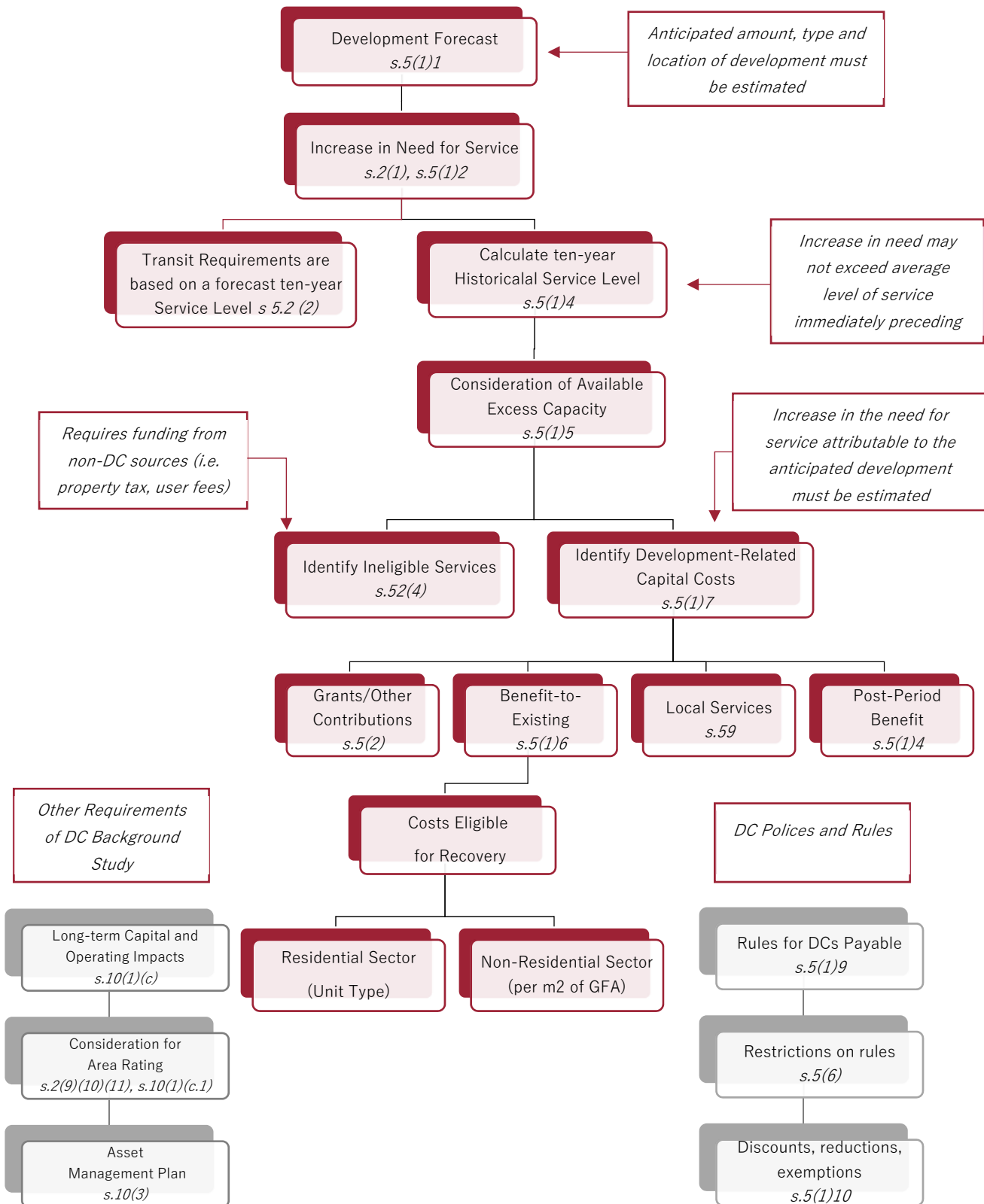
The non-residential portion of the forecast estimates the Gross Floor Area (GFA) of building space to be developed over the 10-year period, 2021–2030. The forecast provides estimates for two categories: employment-land employment and population related employment. The forecast of GFA is based on the employment forecast for the Town. Factors for floor space per worker by category are used to convert the employment forecast into gross floor areas for the purposes of the development charges study.

ii. Service Categories and Historical Service Levels

The *Development Charges Act* provides that the increase in the need for service attributable to anticipated development:

... must not include an increase that would result in the level of service exceeding the average level of that service provided in the Town over the 10-year period immediately preceding the preparation of the background study...(s. 5. (1) 4.)

Figure 1: Statutory Requirements of Development Charge Calculation and Study Process



Historical 10-year average service levels thus form the basis for development charges. A review of the Town's capital service levels for buildings, land, vehicles and so on, has therefore been prepared as a reference for the calculation, so that the portion of future capital projects that may be included in the development charge can be determined. The historical service levels used in this study have been calculated based on the period 2011–2020.

iii. Development-Related Capital Program and Analysis of Net Capital Costs to be included in the Development Charges

A development-related capital program has been prepared by the Town staff, Town consultants and Boards as part of the present study. The program identifies development-related projects and their gross and net costs, after allowing for capital grants, subsidies or other contributions as required by the Act (DCA, s. 5. (2)). The capital program provides another cornerstone upon which development charges are based. The DCA requires that the increase in the need for service attributable to the anticipated development may include an increase:

... only if the council of the Town has indicated that it intends to ensure that such an increase in need will be met. (s. 5. (1) 3.)

In conjunction with DCA, s. 5. (1) 4. referenced above, these sections have the effect of requiring that the development charge be calculated on the lesser of the historical 10-year average service levels or the service levels embodied in future plans of the Town. The development-related capital forecast prepared for this study ensures that development charges are only imposed to help pay for projects that have been or are intended to be purchased or built in order to accommodate future anticipated development. It is not sufficient in the calculation of development charges merely to have had the service in the past. There must also be a demonstrated commitment to continue to emplace facilities or infrastructure in the future. In this regard, *Ontario Regulation 82/98*, s. 3 states that:

For the purposes of paragraph 3 of subsection 5 (1) of the *Act*, the council of a municipality has indicated that it intends to ensure that an increase in the need for service will be met if the increase in service forms part of an Official Plan, capital forecast or similar expression of the intention of the council and the plan, forecast or similar expression of the intention of the council has been approved by the council.

For some projects in the development-related capital forecast, a portion of the project may confer benefits to existing residents. As required by the DCA, s. 5. (1) 6., these portions of projects and their associated net costs are the funding responsibility of the Town from non-

development charges sources. The amount of Town funding for such non-development shares of projects is also identified as part of the preparation of the development-related capital forecast.

There is also a requirement in the DCA to reduce the applicable development charge by the amount of any “uncommitted excess capacity” that is available for a service. Such capacity is available to partially meet the future servicing requirements. Adjustments are made in the analysis to meet this requirement of the Act.

iv. Attribution to Types of Development

The next step in the determination of development charges is the allocation of the development-related net capital costs between the residential and the non-residential sectors. This is done by using different apportionments for different services in accordance with the demands which the two sectors would be expected to place on the various services and the different benefits derived from those services.

Where reasonable data exist, the apportionment is based on the expected demand for, and use of, the service by each sector (e.g. based on shares of population in new units and employment growth).

Finally, the residential component of the Town-wide charge is applied to different housing types on the basis of average occupancy factors. The non-residential component is applied on the basis of gross building space in square metres.

v. Final Adjustment

The final determination of the development charge results from adjustments made to development-related net capital costs for each service and sector resulting from the application of any unallocated reserve fund balances available to finance the development-related capital costs in the capital forecast. A cash flow analysis is also undertaken to account for the timing of projects and receipt of development charges for Town-wide services. Interest earnings or borrowing costs are therefore accounted for in the calculation as allowed under the DCA.

3. DEVELOPMENT FORECAST

This section provides the basis for the development forecasts used in calculating the development charges and provides a summary of the forecast results. Appendix A contains additional material related to the development forecast.

Forecasts of population are based on estimates of development occurring within the Town's approved urban boundary. The forecast is consistent with Provincial regulations that require development charges forecasts be based on areas approved for development in a municipality's official plan.

Recognizing that the Town has experienced rapid population growth in recent years – a trend that is expected to continue into the future – Shelburne is anticipated to exceed Dufferin County's 2036 total population target within the ten-year planning horizon of this study. The Town's forecast population growth used for the purposes of this study is anticipated to be accommodated within the existing designated urban lands.

A. RESIDENTIAL FORECAST

The residential forecast is based on a forecast of population and households in the Town. Table 1 provides a summary of the residential forecast: a ten-year planning period, 2021-2030. The ten-year planning period is used throughout this study for all services including Library, Parks and Recreation Services.

Over the ten-year planning period from 2021-2030, the total number of occupied households is forecast to increase by approximately 920 units, which translates into a population in new units of approximately 2,650. The population in new housing units was estimated based on a Statistics Canada special run of data on occupancy patterns of household unit types by period of construction, adjusted where insufficient data was present.

The table also shows that the Town's net population (or Census population) is forecast to increase over the ten-year forecast period by 2,600 persons, from 8,640 in 2020 to 11,240 in 2030.

TABLE 1

**TOWN OF SHELBURNE
SUMMARY OF RESIDENTIAL AND NON-RESIDENTIAL
DEVELOPMENT FORECAST**

Town-wide Development Forecast	2020 Estimate	All Services Planning Period 2021 - 2030	
		Growth	Total at 2030
Residential			
Total Occupied Dwellings	2,971	920	3,891
Total Population			
Census	8,639	2,598	11,237
<i>Population In New Dwellings</i>		<i>2,649</i>	
Non-Residential			
Employment	2,531	772	3,303
Non-Residential Building Space (sq.m.)		53,760	

B. NON-RESIDENTIAL DEVELOPMENT FORECAST

The employment numbers referenced in the Study reflect how many employees work in Shelburne. This should not be confused with place of residence employment data, which would be based on where residents of Shelburne work.

The non-residential portion of the forecast estimates the amount of building space to be developed in the Town over the ten year planning periods. The forecast is based on the projected increase in employment levels and the anticipated amount of new building space required to accommodate them.

The ten-year forecast projects an increase of 772 employees which can be accommodated in approximately 53,760 square metres of new non-residential floor space.

4. SUMMARY OF HISTORICAL CAPITAL SERVICES LEVELS

The DCA and *Ontario Regulation 82/98* (O. Reg. 82/98) require that the development charges be set at a level no higher than the average service level provided in the Town over the 10-year period immediately preceding the preparation of the background study, on a service by service basis.

For non-engineered services of Library, Parks and Recreation Services, the legislative requirement is met by documenting historical service levels for the preceding 10 years, in this case, for the period 2011–2020. Service levels are measured as a ratio of inputs per population plus employment.

O. Reg. 82/98 requires that when determining historical service levels both quantity and quality of service be taken into consideration. In most cases, the service levels are initially established in quantitative terms. For example, service levels for buildings are presented in terms of square feet per capita. The qualitative aspect is introduced by the consideration of the monetary value of the facility or service. In the case of buildings, for example, the cost would be shown in terms of dollars per square foot to replace or construct a facility of the same quality. This approach helps to ensure that the development-related capital facilities that are to be charged to new development reflect not only the quantity (number and size), but also the quality (value or replacement cost) of service provided historically by the Town. Both the quantitative and qualitative aspects of service levels used in the present analysis are based on information provided by Town staff and boards, and is based on historical records and their experience with costs to acquire or construct similar facilities, equipment and infrastructure as of 2020.

Table 2 summarizes service levels for all applicable services included in the development charge calculation. Appendix B provides detailed historical inventory data upon which the calculation of service levels is based.

TABLE 2

TOWN OF SHELBURNE
SUMMARY OF AVERAGE HISTORIC SERVICE LEVELS 2011 - 2020

Service	2011 - 2020 Service Level Indicator
1.0 LIBRARY SERVICES	\$290.74 per capita
Buildings	\$163.67 per capita
Land	\$10.95 per capita
Materials	\$105.21 per capita
Furniture And Equipment	\$10.91 per capita
2.0 PARKS AND RECREATION	\$2,310.36 per capita
Indoor Recreation	\$1,018.00 per capita
Parkland Development	\$694.33 per capita
Park Facilities	\$473.85 per capita
Outdoor Park Buildings	\$124.18 per capita

5. THE DEVELOPMENT-RELATED CAPITAL PROGRAM

A. THE CAPITAL PROGRAM IS PROVIDED FOR COUNCIL'S APPROVAL

The DCA requires the Council of a Municipality to express its intent to provide future capital facilities at the level incorporated in the development charges calculation. As noted above, Ontario Regulation 82/98, s. 3 states that:

For the purposes of paragraph 3 of subsection 5 (1) of the Act, the council of a municipality has indicated that it intends to ensure that an increase in the need for service will be met if the increase in service forms part of an official plan, capital forecast or similar expression of the intention of the council and the plan, forecast or similar expression of the intention of the council has been approved by the council.

Based on the development forecasts detailed in Appendix A, Town staff, in collaboration with their consultants developed a development-related capital program setting out those projects that are required to service anticipated development. For all services including Library Services and Parks and Recreation, the capital plan covers the ten-year period from 2021–2030.

One of the recommendations contained in this background study is for Council to adopt the development-related capital forecast developed for the purposes of the development charges calculation. It is assumed that future capital budgets and forecasts will continue to bring forward the development-related projects contained herein, that are consistent with the growth occurring in the Town. It is acknowledged that changes to the forecast presented here may occur through the Town's normal capital budget process.

B. THE CAPITAL PROGRAM FOR GENERAL SERVICES

A summary of the development-related capital program for Town-Wide services related to the years 2021-2030 is shown on Table 3. Further details on the capital plans for each individual service category are available in Appendix B.

TABLE 3

TOWN OF SHELBURNE
SUMMARY OF DEVELOPMENT-RELATED CAPITAL PROGRAM
FOR GENERAL SERVICES 2021 - 2030
(in \$000)

Service	Gross Cost	Contributions Subsidies	Municipal Cost	Total Net Capital Program									
				2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1.0 LIBRARY SERVICES	\$600.0	\$0.0	\$600.0	\$92.0	\$42.0	\$142.0	\$72.0	\$42.0	\$42.0	\$42.0	\$42.0	\$42.0	\$42.0
1.1 Buildings, Land and Furnishings	\$150.0	\$0.0	\$150.0	\$50.0	\$0.0	\$100.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
1.2 Collection Materials & Other	\$450.0	\$0.0	\$450.0	\$42.0	\$42.0	\$42.0	\$72.0	\$42.0	\$42.0	\$42.0	\$42.0	\$42.0	\$42.0
2.0 PARKS AND RECREATION	\$9,849.8	\$328.8	\$9,521.0	\$1,691.0	\$1,615.0	\$710.0	\$915.0	\$1,685.0	\$605.0	\$575.0	\$575.0	\$575.0	\$575.0
2.1 Recreation Facilities	\$4,000.0	\$0.0	\$4,000.0	\$400.0	\$400.0	\$400.0	\$400.0	\$400.0	\$400.0	\$400.0	\$400.0	\$400.0	\$400.0
2.2 Equipment	\$213.0	\$0.0	\$213.0	\$103.0	\$0.0	\$0.0	\$110.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
2.3 Parks Facilities	\$1,786.8	\$328.8	\$1,458.0	\$868.0	\$360.0	\$0.0	\$230.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
2.4 Park Development	\$2,230.0	\$0.0	\$2,230.0	\$50.0	\$730.0	\$50.0	\$50.0	\$1,100.0	\$50.0	\$50.0	\$50.0	\$50.0	\$50.0
2.5 Trails and Related Facilities	\$1,445.0	\$0.0	\$1,445.0	\$125.0	\$125.0	\$260.0	\$125.0	\$185.0	\$125.0	\$125.0	\$125.0	\$125.0	\$125.0
2.6 Studies	\$175.0	\$0.0	\$175.0	\$145.0	\$0.0	\$0.0	\$0.0	\$0.0	\$30.0	\$0.0	\$0.0	\$0.0	\$0.0
TOTAL - GENERAL SERVICES	\$10,449.8	\$328.8	\$10,121.0	\$1,783.0	\$1,657.0	\$852.0	\$987.0	\$1,727.0	\$647.0	\$617.0	\$617.0	\$617.0	\$617.0

The development-related capital program for general Town-wide ten-year services is estimated at a total gross cost of \$10.45 million. Grants or other subsidies amount to \$382,800 and have been netted off the gross cost resulting in the \$10.12 million being the net capital program.

This capital forecast incorporates those projects identified to be related to development anticipated in the next ten-years. It is not implied that all of these costs are to be recovered from new development by way of development charges (see the following section for the method and determination of net capital costs attributable to growth). Portions of this capital forecast may relate to providing servicing for development which has occurred prior to 2021 (for which development charge reserve fund balances exist), for replacement of existing capital facilities or for growth anticipated to occur beyond the 2021-2030 planning period.

6. CALCULATED DEVELOPMENT CHARGES

This section summarizes the calculation of development charges for each service category and the resulting total development charge by type of development. For Town-wide services, the calculation of the “unadjusted” per capita (residential) and per square metre (non-residential) charges is reviewed. Both services included in this 2021 DC Background Study relate solely to residential development and therefore the non-residential rates have not been calculated. Adjustments to these amounts resulting from a cash flow analysis that takes interest earnings and borrowing costs into account are also discussed.

For residential development, the adjusted total per capita amount is then converted to a variable charge by housing unit type using various unit occupancy factors.

It is noted that the calculation of the Town-wide development charges does not include any provision for exemptions required under the DCA, such as the exemption for enlargements of up to 50 per cent on existing industrial buildings. Such legislated exemptions, or other exemptions that Council may choose to provide, will result in loss of development charge revenue for the affected types of development. However, any such revenue loss may not be made up by offsetting increases in other portions of the calculated charge.

A. DEVELOPMENT CHARGE CALCULATION

A summary of the “unadjusted” residential and non-residential development charges for Town-wide services is presented in Table 4.

i. Town-Wide Services

The capital forecast for Town-wide services incorporates those projects identified to be related to development anticipated in the next ten years. Table 4 shows that the net Town cost of the capital program totals \$10.12 million. There are no capital costs that will be recovered from non-development charge revenue sources as the costs are related to new development.

An additional share of \$3.00 million has been identified as available development charges reserves and represents the revenue collected from previous development charges. This portion has been netted out of the chargeable capital costs. A portion of \$800,100 is related to development beyond 2030 for Parks and Recreation Services.

TABLE 4

TOWN OF SHELBURNE
SUMMARY OF UNADJUSTED RESIDENTIAL AND NON-RESIDENTIAL DEVELOPMENT CHARGES
10-YEAR CAPITAL PROGRAM (2021-2030)

10 Year Growth in Population in New Units	2,649
10 Year Growth in Square Metres	53,760

Service	Development-Related Capital Program (2021 - 2030)								
	Net Municipal Cost (\$000)	Replacement & Benefit to Existing (\$000)	Available DC Reserves (\$000)	Post-2030 Benefit (\$000)	Total DC Eligible Costs for Recovery (\$000)				
						Residential Share		Non-Residential Share	
						%	(\$000)	%	(\$000)
1.0 LIBRARY SERVICES	\$600.0	\$0.0	\$280.9	\$0.0	\$319.1	100%	\$319.1	0%	\$0.00
Unadjusted Development Charge Per Capita							\$120.47		
Unadjusted Development Charge Per Sq.M									\$0.00
2.0 PARKS AND RECREATION	\$9,521.0	\$0.0	\$2,718.5	\$800.1	\$6,002.3	100%	\$6,002.3	0%	\$0.00
Unadjusted Development Charge Per Capita							\$2,265.66		
Unadjusted Development Charge Per Sq.M									\$0.00
TOTAL 10-YEAR SERVICES	\$10,121.0	\$0.0	\$2,999.4	\$800.1	\$6,321.5		\$6,321.5		\$0.0
Unadjusted Development Charge Per Capita							\$2,386.13		
Unadjusted Development Charge Per Sq.M									\$0.00

The total costs eligible for recovery through development charges for general Town-wide services is \$6.32 million. This amount is allocated entirely to the residential sector as it is deemed to benefit residential development only. When the amount is divided by the ten-year growth in population in new units (2,649), an unadjusted charge of \$2,386.13 per capita is the result.

ii. Adjusted Town-Wide Rates

Final adjustments to the “unadjusted” development charge rates summarized above are made through a cash flow analysis. The analysis, details of which are included in the Appendices, considers the borrowing cost and interest earnings associated with the timing of expenditures and development charge receipts for all services. Table 5 summarize the results of the adjustments.

As shown on Table 5, the Town-wide adjusted per capita rate increases from \$2,386.13 to \$2,372.96 after the cash flow analysis. Also shown in Table 5, the calculated residential charge ranges from \$3,203 per unit for apartments with one bedroom or less, \$4,674 per unit for apartments with two or more bedrooms, \$6,603 per unit for multiples (i.e. row houses/townhouses) to \$8,249 per unit for single and semi-detached units.

TABLE 5

**TOWN OF SHELBURNE
TOWN-WIDE DEVELOPMENT CHARGES
RESIDENTIAL DEVELOPMENT CHARGES**

Service	Unadjusted Charge Per Capita	Adjusted Charge After Cashflow Per Capita	Charge By Unit Type (1)			
			Single & Semi- Detached	Other Multiples	Apartments 2 + Bedrooms	Apartments 1 or < 1 Bedroom
Library Services	\$120.47	\$119.44	\$415	\$332	\$235	\$161
Parks And Recreation	\$2,265.66	\$2,253.52	\$7,834	\$6,271	\$4,439	\$3,042
TOTAL TOWN-WIDE CHARGE	\$2,386.13	\$2,372.96	\$8,249	\$6,603	\$4,674	\$3,203
(1) Based on Persons Per Unit Of:			3.48	2.78	1.97	1.35

7. COMPARISON OF CALCULATED AND CURRENT DEVELOPMENT CHARGES

Table 6 present a comparison of the newly calculated Town-wide residential development charges with the Town’s current charges. As seen in Table 6 the Town-wide residential charges are increasing by 38% or \$2,285 from the current charge of, \$5,946, to \$8,249 per single detached unit for the services included in this DC Background Study.

TABLE 6
TOWN OF SHELBURNE
COMPARISON OF CURRENT AND CALCULATED
RESIDENTIAL DEVELOPMENT CHARGES

Service	Current Residential Charge / SDU	Calculated Residential Charge / SDU	Difference in Charge	
Library Services	\$293	\$415	\$122	42%
Parks and Recreation	\$5,671	\$7,834	\$2,163	38%
TOTAL TOWN-WIDE CHARGE	\$5,964	\$8,249	\$2,285	38%

|

8. COST OF GROWTH ANALYSIS

This section provides a brief examination of the long-term capital and operating costs as well as the asset management-related annual provisions for the capital facilities and infrastructure to be included in the DC By-law. This examination is required as one of the provisions of the DCA. Additional details on the cost of growth analysis, including asset management analysis is included in Appendix D.

A. ASSET MANAGEMENT PLAN

Table 7 provides the calculated annual asset management contribution for the gross capital expenditures and the share related to the 2021-2030 DC recoverable portion. The year 2031 has been included to calculate the annual contribution for the 2021-2030 period as the expenditures in 2030 will not trigger asset management contributions until 2031. As shown in Table 7, by 2031, the Town should fund an additional \$22,400 per annum in to fund the full life cycle costs of the new assets related to the Town-wide Services supported under the development charges by-law.

Table 7 – Summary of Asset Management Contributions

Service	2021-2030 Capital Program (DC Recoverable)	2021-2030 Capital Program (Non-DC Funded)	Calculated AMP Annual Provision by 2031 (DC Related)	Calculated AMP Annual Provision by 2031 (Non-DC Related)
Library Services	\$1,200,000	\$0	\$0	\$48,200
Parks and Recreation	\$17,441,700	\$2,257,900	\$22,400	\$248,900
Total	\$18,641,700	\$2,257,900	\$22,400	\$297,100

Note: Figures have been rounded.

B. LONG-TERM CAPITAL AND OPERATING COSTS

Appendix D summarizes the estimated increase in net operating costs that the Town will experience for additions associated with the planned capital forecast. Table 8 summarizes the estimated increase in net operating costs that the Town will experience for additions associated with the planned capital program.

Table 8 – Cost of Growth Analysis – Estimated Net Operating Cost of the Proposed 2021-2030 Development-Related Capital Program (in constant 2021 dollars)

Service	Cost Driver (\$)	Cost Driver (unit measure)	Cost Driver (Quantity)	Additional Operating Costs at 2031
Library Services	\$0.20	Per \$1.00 of new infrastructure or materials	\$550,000	\$110,000
Parks and Recreation	\$0.10	Per \$1.00 of new infrastructure	\$8,016,800	\$801,700
Total				\$911,700

By 2030, the Town's net operating costs are estimated to increase by \$911,700.

Appendix D also summarizes the components of the development related capital program that will require funding from non development charge sources. Of the \$10.45 million in the 2021-2030 gross capital program, about \$328,800 million will need to be financed from non-development charge sources over the next ten years. This is entirely related to shares of projects related to grants or subsidies of projects that provide benefit to the existing community.

Council is made aware of these factors so that they understand the financial implications of the quantum and timing of the projects included in the development related capital forecast in this study.

C. THE PROGRAM IS DEEMED TO BE FINANCIALLY SUSTAINABLE

In summary, the asset management plan and long-term capital and operating analysis contained in Appendix D demonstrates that the Town can afford to invest and operate the identified general and engineered services infrastructure over the ten-year and long-term planning period.

Importantly, the Town's annual budget review allows staff to continue to monitor and implement mitigating measures should the program become less sustainable.

9. DEVELOPMENT CHARGES ADMINISTRATION

A. BY-LAW ADMINISTRATION

No significant changes are recommended to the Town's current policies and practices regarding development charge administration. In this regard:

- It is recommended that the present practices regarding collection of development charges and by-law administration continue to the extent possible;
- As required under the DCA, the Town should codify any rules regarding application of the by-laws and any exemptions within the development charges by-laws proposed for adoption;
- It is recommended that the Town continue to report policies consistent with the requirements of the DCA; and
- It is recommended that Council adopt the development-related capital forecast included in this background study, subject to annual review through the Town's normal capital budget process.

The proposed draft by-law will be made available, under separate cover, a minimum of two weeks in advance of the statutory public meeting.

B. CONSIDERATION FOR AREA RATING

In accordance with the DCA, Council must give consideration to the use of area rating, also known as area-specific development charges, as part of the DC Background Study. The services identified in this 2021 DC Background Study are not being levied on an area-specific basis. Area-specific rates have been included in previous 2020 DC Background Studies. Details on the area-specific rates is available on the Town's website.

APPENDIX A

TOWN-WIDE DEVELOPMENT FORECAST

This appendix details the development forecast used to prepare the 2021 Development Charges Background Study for the Town of Shelburne. The forecast method and assumptions are discussed and the results are presented in a series of tables.

The forecasts of population, households, employment, and non-residential building space were prepared by Hemson Consulting with input from the Town’s planning consultant (GSP Group) and staff. Data sources include Statistics Canada Census information, CMHC housing completions, municipal planning documents, and known development applications.

The forecast results are set out as follows:

Historical Development

Table 1	Historical Population, Occupied Dwellings, & Employment Summary
Table 2	Historical Annual Residential Building Permits
Table 3	Historical Households by Period of Construction Showing Household Size

Forecast Development

Table 4	Population, Occupied Household & Employment Forecast Summary
Table 5	Forecast of Household Growth by Unit Type
Table 6	Forecast Population Growth in New Households by Unit Type
Table 7	Non-Residential Growth by Type
Table 8	Non-Residential Space Forecast

A. FORECAST APPROACH AND KEY ASSUMPTIONS

The *Development Charges Act* (DCA) requires the Town to estimate “the anticipated amount, type and location of development” for which development charges may be imposed. The forecast must cover both residential and non-residential development and be specific enough with regards to the quantum, type, location and timing of such development to allow the Town to prepare a reasonable development-related capital program.

The Town-wide forecast was prepared in consultation with staff and the Town’s planning consultant. The development forecast is based on estimates of development occurring within the Town’s current urban boundary. This is consistent with Provincial regulations that require development charges forecasts be based on areas approved for development in a municipality’s official plan.

Dufferin County's current Official Plan was approved in 2015 and includes population and employment allocations for eight lower-tier municipalities. The County's forecasts are based on the Growth Plan, 2006 Amendment 2, Schedule 3 to a planning horizon of 2041. Since 2010, the County has identified reserved future population growth (referred to as the "future reserved allocation"), which is contingent on local municipalities (specifically Orangeville, Shelburne and Grand Valley) increasing municipal water and wastewater servicing capacity to accommodate growth. As a result of this future reserve, the County's growth allocation to each lower-tier municipality is based on a 2036 planning horizon, rather than 2041. The table below identifies the County's current Official Plan allocations for Dufferin and Shelburne.

MUNICIPALITY	2031	2036	2041
County of Dufferin – Population	80,000	81,000	85,000
Town of Shelburne – Population	10,000**	10,000**	N/A
County of Dufferin – Employment	29,000	31,000	32,000
Town of Shelburne – Employment	3,760	3,760	N/A

** Approximately 1,600 persons of the Future Reserved Allocation is intended to be accommodated within Shelburne, for a total population of approximately 10,000 persons, subject to satisfying the Shelburne Urban Settlement Area Expansion policies.

Through the County's Official Plan, the Town's 2036 population was permitted to reach 10,000 persons subject to the Town demonstrating its ability to accommodate increased water and wastewater servicing capacity and identify a suitable location to expand the existing urban boundary. Since the release of the County's Official Plan, Shelburne has experienced rapid population growth, thus requiring extensive technical analysis on future water and wastewater servicing capacity to accommodate development within existing and future designated urban lands. Based on historical and known development applications, the Town's infrastructure master plans are based on achieving a population of 15,000 persons.

Dufferin County is currently in the process of completing a Municipal Comprehensive Review (MCR) which will inform the local municipal population and employment allocations, which includes the Town of Shelburne. The MCR will assess the need to designate additional land for growth to the year 2041 and may result in an expansion of the urban boundary of Shelburne to accommodate additional population and employment. As part of this review, it is expected that the Town's planned water and wastewater servicing capacity will be considered in the growth allocations. A ten-year planning horizon is used for the purposes of this study recognizing that new forecast information for 2031 and 2041 may be developed as part of the County's MCR. New forecast information will be considered as part of the Town's subsequent DC Study updates.

Recognizing that the Town has experienced rapid population growth in recent years – a trend that is expected to continue into the future – Shelburne is anticipated to exceed its 2036 total population of 10,000 persons (9,667 persons excluding Census net undercoverage) within the ten-year planning horizon of this study. The Town’s forecast population growth used for the purposes of this study is anticipated to be accommodated within the Town’s existing designated urban lands. In particular, the forecast considers recent Statistics Canada Census data, building permits, and CMHC housing completion data, along with the Town’s most recent forecasts and targets.

B. HISTORICAL DEVELOPMENT IN THE TOWN

Historical growth and development figures presented here are based on Statistics Canada Census and the Town’s building permit data. Figures shown in the development forecast represent mid-year estimates. Population figures are equivalent to the population recorded in the Census (“Census population”). This definition does not include the Census net undercoverage, which is typically included in the definition of “total” population commonly used in municipal planning documents.

For development charges purposes, a ten-year historical period of 2011 to 2020 is used for calculating historical service levels. Since 2016 was the last year of the Census, figures from 2017 to 2020 are estimated.

Table 1 shows the Town has experienced rapid population and occupied dwelling unit growth over the last 10-years. Since 2011, the Town’s population has increased by approximately 2,940 persons (52 per cent) and 931 units (46 per cent). In contrast, the Town’s employment growth has declined in the years leading up to the 2016 Census. This decline, in part, is attributed to shifts in the manufacturing and industrial sector that occurred in many southern Ontario municipalities following the 2008 recession. In addition, the shift is in part due to increasing number of work from home employees.

“Place of work” employment is used for the purposes of calculating development charges. Place of work is defined based on where people work rather than their place of residence and includes employment with a regular or no fixed place of work, but excludes employees who work at home. As shown in Table 1, the Town’s activity rate (the ratio of employment to population) has declined from 43.8 per cent in 2011 to 29.3 per cent in 2020. As discussed in the subsequent section, the Town’s activity rate is expected to stabilize over the forecast period to 2030.

Details on housing unit growth (i.e. building permits issued for new units) are provided in Table 2. The annual average number of units constructed over the 2011-2020 period is approximately 100, although the number of permits issued in a given year has varied widely (320 permits were issued in 2014 compared to 8 permits issued in 2011). Although the number of permits issued slowed in 2017 and 2018, approximately 63 permits were issued in 2019, which is more than both 2017 and 2018 combined.

Table 3 details historical occupancy patterns for households in Shelburne. Occupancy levels for units constructed between 2006 and 2016 are higher than the overall average and are used in the development charges calculation since they better reflect the number of people that are likely to reside in new development. The overall average occupancy level in the Town is 3.38 persons per housing unit (PPU). The average PPU of single and semi-detached units built in the Town over the 2006 to 2016 is 3.48. Average PPUs for recently constructed rows is 2.78 over the same period. There is insufficient data to determine the PPU for apartments based on this data set. As such, the PPU for apartments has been set at a ratio of the PPU for single and semi-detached units similar to the 2015 DC Study. The apartment PPU is 1.57.

C. FORECAST METHOD AND RESULTS

This section describes the method used to establish the development charges forecasts for the planning period of 2021 to 2030. Development charges are levied on residential development as a charge per new unit. Therefore, for the residential forecast, a projection of both the population growth as well as the population in new housing units is required.

- The *population growth* determines the need for additional facilities and provides the foundation for the development-related capital program.
- When calculating the development charge, however, the development-related net capital costs are spread over the total additional population that occupy new housing units. This *population in new units* represents the population from which development charges will be collected.

Development charges are levied on non-residential development as a charge per square metre of Gross Floor Area (GFA). As with the residential forecast, the non-residential forecast requires both a projection of *employment growth* as well as a projection of the *employment growth associated with new floor space* in the Town.

i. Residential Forecasts

As shown in Table 4, the Town's population is forecast to grow by 2,598 person, to 11,237 by 2030. Occupied households are forecast to increase by 920 units over the same planning period. The anticipated development over the 2021-2030 period will be achieved on lands already designated for development (i.e. excluding lands that are designated as "non-urban" to the west part of the Town in anticipation of the future urban boundary expansion).

The residential development charges calculation is based on a forecast of overall population growth and population growth in new housing units for the Town as a whole. The development forecast is predicated on the Town largely building out its current supply of greenfield land and development potential on intensification sites by 2030. As shown in Table 5, the Town is expected to grow by 920 units over the next ten years.

- Singles and Semis = 476 units (52 per cent)
- Rows = 245 units (27 per cent)
- Apartments = 199 units (22 per cent)

This pattern of housing unit growth would represent somewhat higher density housing than the pattern experienced in the Town over the last ten years. Such a pattern is, however, in keeping with Town and County intensification policies.

Table 6 summarizes the anticipated population in new housing units over the 2021-2030 period. Population growth in the new units is estimated by applying the following PPU's to the housing unit forecast:

- Singles and semis = 3.48 persons per unit
- Rows = 2.78 persons per unit
- Apartments = 1.57 persons per unit

The total population growth in new units in the Town is forecast at 2,649 for the period 2021-2030.

ii. Non-Residential Development Forecasts

The employment forecast is anchored in the Town maintaining its current activity rate over the 2021-2030 period. As shown in Table 4, the Town is anticipated to grow by 772 employees to 3,303 employees by 2030.

Non-residential development charges are calculated on a per unit of gross floor area (GFA) basis. Therefore, as required by the DCA, a forecast of future non-residential building space

has been developed. As with the residential forecast, the GFA forecast covers the ten year period from 2021-2030 for the purposes of the development charge calculations.

Two categories of employment are distinguished for the purposes of determining floorspace and is summarized in Table 7:

- **Population-related employment** is employment that primarily serves the resident population. This category includes retail, education, health care, and local government employment. The rate of growth of this category is generally linked to the rate of population growth in the Town.
- **Employment land employment** refers to employment accommodated primarily in low-rise industrial-type buildings located within the Town’s business parks and industrial areas. It is assumed that, notwithstanding the large supply of such areas in Shelburne, growth in this category will be generally slow over the period to 2030.

An assumed floorspace per worker (FSW) for each category is applied to the employment forecast in order to estimate the amount of associated GFA. The following FSW assumptions were used:

- Population Related 55 m² per employee
- Employment Land 155 m² per employee

The employment and floorspace forecasts for the Town are summarized in Table 8. The total floorspace growth is forecast at 53,760 m² over the ten-year period to 2030. Of the total growth, 67 per cent of the new non-residential floorspace is anticipated to be population-related and 33 percent is employment land employment.

APPENDIX A - TABLE 1
TOWN OF SHELBURNE
HISTORICAL POPULATION, OCCUPIED DWELLINGS & EMPLOYMENT SUMMARY

Mid-Year	Census Population	Annual Growth	Occupied Households	Annual Growth	Av. Household Size (PPU)	Place of Work Employment	Annual Growth	Activity Rate
2006	5,149		1,850		2.78	2,993		58.1%
2007	5,281	132	1,896	46	2.79	2,901	(92)	54.9%
2008	5,417	136	1,943	47	2.79	2,812	(89)	51.9%
2009	5,556	139	1,991	48	2.79	2,726	(86)	49.1%
2010	5,699	143	2,040	49	2.79	2,642	(84)	46.4%
2011	5,846	147	2,091	51	2.80	2,561	(81)	43.8%
2012	6,244	398	2,215	124	2.79	2,523	(38)	40.4%
2013	6,669	425	2,346	131	2.78	2,486	(37)	37.3%
2014	7,123	454	2,485	139	2.77	2,449	(37)	34.4%
2015	7,608	485	2,632	147	2.89	2,413	(36)	31.7%
2016	8,126	518	2,787	155	2.92	2,378	(35)	29.3%
2017	8,155	29	2,799	12	2.91	2,387	9	29.3%
2018	8,176	21	2,808	9	2.91	2,394	7	29.3%
2019	8,354	178	2,871	63	2.91	2,447	53	29.3%
2020	8,639	285	2,971	100	2.91	2,531	84	29.3%
Growth 2011-2020		2,940		931			(111)	

Source: Statistics Canada, Census of Canada; Hemson Consulting Ltd.

Place of Work Employment includes no fixed place of work employment; excludes work at home employment.

**APPENDIX A - TABLE 2
TOWN OF SHELBURNE
HISTORICAL ANNUAL BUILDING PERMITS**

Year	Annual Building Permits				Shares By Unit Type			
	Singles/Semis	Rows	Apartments	Total	Singles/Semis	Rows	Apartments	Total
2011	8	0	0	8	100%	0%	0%	100%
2012	89	0	7	96	93%	0%	7%	100%
2013	92	0	24	116	79%	0%	21%	100%
2014	224	96	0	320	70%	30%	0%	100%
2015	157	24	6	187	84%	13%	3%	100%
2016	45	0	18	63	71%	0%	29%	100%
2017	1	0	11	12	8%	0%	92%	100%
2018	4	0	5	9	44%	0%	56%	100%
2019	46	10	7	63	73%	16%	11%	100%
2020	73	19	2	94	78%	20%	2%	100%
Growth 2017-2020	124	29	25	178	70%	16%	14%	100%
Growth 2011-2020	739	149	80	968	76%	15%	8%	100%
<i>Average 2017-2020</i>	<i>31</i>	<i>7</i>	<i>6</i>	<i>45</i>				
<i>Average 2011-2020</i>	<i>74</i>	<i>15</i>	<i>8</i>	<i>97</i>				

Source: Town of Shelburne, 2020

APPENDIX A - TABLE 3
TOWN OF SHELBURNE
HISTORICAL HOUSEHOLDS BY PERIOD OF CONSTRUCTION SHOWING HOUSEHOLD SIZE

Dwelling Unit Type	Period of Construction										Period of Construction Summaries		
	Pre 1945	1946-1960	1961-1970	1971-1980	1981-1990	1991-1995	1996-2000	2001-2005	2006-2010	2011-2016	Pre 2006	2006-2016	Total
<i>Singles and Semis</i>													
Household Population	630	175	550	835	370	165	315	965	880	1,710	4,005	2,590	6,595
Households	255	85	200	280	125	65	110	300	275	470	1,420	745	2,165
Household Size	2.47	2.06	2.75	2.98	2.96	2.54	2.86	3.22	3.20	3.64	2.82	3.48	3.05
<i>Rows</i>													
Household Population	0	0	0	165	0	0	0	0	0	320	165	320	485
Households	0	0	0	65	15	0	0	0	0	115	80	115	195
Household Size	0.00	0.00	0.00	2.54	0.00	0.00	0.00	0.00	0.00	2.78	2.06	2.78	2.49
<i>Apartments (excl. Duplexes)</i>													
Household Population	80	45	60	100	120	45	0	40	0	0	490	0	490
Households	55	30	50	80	90	25	0	20	0	0	350	0	350
Household Size	1.45	1.50	1.20	1.25	1.33	1.80	0.00	2.00	0.00	0.00	1.40	0.00	1.40
<i>Duplexes</i>													
Household Population	0	0	0	0	50	0	0	0	0	0	50	0	50
Households	10	15	10	10	15	0	10	0	0	0	70	0	70
Household Size	0.00	0.00	0.00	0.00	3.33	0.00	0.00	0.00	0.00	0.00	0.71	0.00	0.71
<i>All Units (excl. Duplexes)</i>													
Household Population	710	220	610	1,100	490	210	315	1,005	880	2,030	4,660	2,910	7,570
Households	310	115	250	425	230	90	110	320	275	585	1,850	860	2,710
Household Size	2.29	1.91	2.44	2.59	2.13	2.33	2.86	3.14	3.20	3.47	2.52	3.38	2.79

Source: Statistics Canada, 2016 National Household Survey Special Run.

APPENDIX A - TABLE 4
TOWN OF SHELBURNE
POPULATION, HOUSEHOLD & EMPLOYMENT FORECAST SUMMARY

Mid-Year	Census Population	Census Pop'n Growth	Occupied Households	Total Household Growth	Household Size	Employment by POW	Employment by POW Growth	Activity Rate
2021	8,953	314	3,081	110	2.91	2,624	93	29.3%
2022	9,295	342	3,201	120	2.90	2,725	101	29.3%
2023	9,637	342	3,321	120	2.90	2,826	101	29.3%
2024	9,949	312	3,431	110	2.90	2,918	92	29.3%
2025	10,232	283	3,531	100	2.90	3,002	84	29.3%
2026	10,486	254	3,621	90	2.90	3,078	76	29.4%
2027	10,710	224	3,701	80	2.89	3,145	67	29.4%
2028	10,905	195	3,771	70	2.89	3,203	58	29.4%
2029	11,071	166	3,831	60	2.89	3,253	50	29.4%
2021-2030		2,598		920			772	

Source: Town of Shelburne, Hemson, 2021

APPENDIX A - TABLE 5
TOWN OF SHELBURNE
FORECAST OF HOUSEHOLD GROWTH BY UNIT TYPE

Mid-Year	Annual Growth in Total Occupied Households				Shares By Unit Type			
	Singles & Semis	Rows & Other Multiples	Apartments	Total New Households	Singles & Semis	Rows & Other Multiples	Apartments	Total
2021	57	29	24	110	52%	27%	22%	100%
2022	62	32	26	120	52%	27%	22%	100%
2023	62	32	26	120	52%	27%	22%	100%
2024	57	29	24	110	52%	27%	22%	100%
2025	51	27	22	100	52%	27%	22%	100%
2026	47	24	19	90	52%	27%	22%	100%
2027	42	21	17	80	52%	27%	22%	100%
2028	36	19	15	70	52%	27%	22%	100%
2029	31	16	13	60	52%	27%	22%	100%
2030	31	16	13	60	52%	27%	22%	100%
2021-2030	476	245	199	920	52%	27%	22%	100%

Source: Town of Shelburne, Hemson Consulting Ltd. 2020

APPENDIX A - TABLE 6
TOWN OF SHELBURNE
FORECAST POPULATION GROWTH IN NEW HOUSEHOLDS BY UNIT TYPE*

Mid-Year	Singles & Semis	Rows & Other Multiples	Apartments	Total Population in New Households
2021	198	81	38	317
2022	216	89	41	345
2023	216	89	41	345
2024	198	81	38	317
2025	177	75	35	287
2026	163	67	30	260
2027	146	58	27	231
2028	125	53	24	202
2029	108	45	20	173
2030	108	45	20	173
2021-2030	1,655	682	313	2,649
*Based on PPU's	3.48	2.78	1.57	

Source: Hemson Consulting Ltd., 2021

APPENDIX A - TABLE 7
TOWN OF SHELBURNE
NON-RESIDENTIAL GROWTH FORECAST

Mid-Year	<u>Employment Land Employment</u>		<u>Population Related Emp</u>		<u>Total for DC Study</u>		<u>Work at Home</u>		<u>Total Employment</u>	
	Total	Growth	Total	Growth	Total	Growth	Total	Growth	Total	Growth
2021	1,223	11	1,401	82	2,624	93	198	-6	2,822	87
2022	1,234	11	1,491	90	2,725	101	204	6	2,929	107
2023	1,245	11	1,581	90	2,826	101	211	7	3,037	108
2024	1,256	11	1,662	81	2,918	92	218	7	3,136	99
2025	1,267	11	1,735	73	3,002	84	225	7	3,227	91
2026	1,278	11	1,800	65	3,078	76	232	7	3,310	83
2027	1,289	11	1,856	56	3,145	67	232	0	3,377	67
2028	1,301	12	1,902	46	3,203	58	232	0	3,435	58
2029	1,313	12	1,940	38	3,253	50	232	0	3,485	50
2030	1,325	12	1,978	38	3,303	50	232	0	3,535	50
Growth 2021-2030		113		659		772		28		800

Source: Hemson Consulting, 2021

**APPENDIX A - TABLE 8
TOWN OF SHELBURNE
NON-RESIDENTIAL SPACE FORECAST**

Employment Density Assumptions		
Employment Land Emp	155.0	m ² per employee
Population Related	55.0	m ² per employee

Mid-Year	Non-Residential Space in m2		Total For DC Study
	Employment Land Employment	Population Related Employment	
2021	1,705	4,510	6,215
2022	1,705	4,950	6,655
2023	1,705	4,950	6,655
2024	1,705	4,455	6,160
2025	1,705	4,015	5,720
2026	1,705	3,575	5,280
2027	1,705	3,080	4,785
2028	1,860	2,530	4,390
2029	1,860	2,090	3,950
2030	1,860	2,090	3,950
Growth 2021-2030	17,515	36,245	53,760

Source: Hemson Consulting, 2021

APPENDIX B

LIBRARY & PARKS AND RECREATION SERVICES

TECHNICAL APPENDIX

LIBRARY SERVICES & PARKS AND RECREATION

The following appendix provides the detailed analysis undertaken to establish the development charge rates for the following services in the Town of Shelburne:

Appendix B.1 Library Services

Appendix B.2 Parks and Recreation

Each sub-section contains a set of three tables. The tables provide the background data and analysis undertaken to arrive at the calculated development charge rates. An overview of the content and purpose of each tables is presented below.

TABLE 1 HISTORICAL SERVICE LEVELS

Table 1 presents the data used to determine the ten-year historical service level. The *DCA* and *Ontario Regulation 82/98* require that development charges be set at a level no higher than the average service level provided in a municipality over the ten-year period immediately preceding the preparation of the background study, on a service by service basis. For the purpose of this study, the historical inventory period is defined as 2011-2020.

O. Reg. 82/98 requires that, when defining and determining historical service levels, both the quantity and quality of service be taken into consideration. In most cases, the service levels are initially established in quantitative terms. For example, service levels for buildings are presented in terms of square feet. The qualitative aspect is introduced by considering the monetary value of the facility or service. In the case of buildings, for example, the cost would be shown in terms of cost per square foot to replace or construct a facility of the same quality. This approach helps to ensure that the development-related capital facilities that are to be funded by new growth reflect not only the quantity (number and size), but also the quality (replacement value or cost) of service provided by the municipality in the past. Both the quantitative and qualitative aspects of service levels used in the current analysis are based on information provided by Town staff in consultation with Hemson. This information is generally based on historical records and experience with costs to acquire or construct similar facilities, equipment and infrastructure.

There is also a requirement in the *DCA* to consider “excess capacity” within the Town’s existing infrastructure that may be available to partially meet the future servicing requirements. If Council has expressed its intent before or at the time the capacity was created to recoup the cost of providing the capacity from new development, it is considered

“committed excess capacity” under the *DCA*, and the associated capital cost is eligible for recovery. This requirement has been addressed through the use of “net” population and employment in the determination of maximum permissible funding envelopes.

Table 1 shows the maximum allowable funding envelope is defined as the ten-year historical service level (expressed as \$/capita) multiplied by the forecast increase in net population over the future planning period. The resulting figure is the value of capital infrastructure that would have to be constructed for that particular service so that the ten-year historical service level is maintained.

**TABLE 2 2021 – 2030 DEVELOPMENT-RELATED CAPITAL PROGRAM
AND CALCULATION OF THE “UNADJUSTED”
DEVELOPMENT CHARGES**

The *DCA* requires that Council express its intent to provide capital facilities to support future development. Based on the development forecasts presented in Appendix A, Town staff in collaboration with consultants, have created a development-related capital forecast that sets out the projects required to service anticipated development for the ten-year period from 2021–2030.

To determine the share of the program that is eligible for recovery through development charges, the project costs are reduced by any anticipated grants, subsidies or other recoveries and “replacement” shares and benefit to existing shares.

A replacement share represents the portion of a capital project that will benefit the existing community. It could, for example, represent a portion of a new facility that will, at least in part, replace a facility that is demolished, redeployed or will otherwise not be available to serve its former function. The replacement share of the capital program is not deemed to be development-related and is therefore removed from the development charge calculation. The capital cost for replacement will require funding from non-development charge sources, typically property taxes or user fees.

The capital program less any replacement shares or benefit to existing shares yields the development-related costs. Although deemed development-related, not all of the net development-related capital program may be recoverable from development charges in the period from 2021–2030. For some services, reserve fund balances may be available to fund a share of the program. In addition, a portion of the capital program may service growth occurring after 2030. This portion of the capital program is deemed “pre-built” service

capacity and is considered as committed excess capacity to be recovered under future development charges, or is a service level increase.

The remaining portion of the net capital program represents the development-related cost that may be included in the development charge. In most cases, as required, this amount is equal to or less than the maximum allowable capital amount as calculated at the end of Table 1. The result is the discounted development-related net capital costs eligible for recovery against growth over the forecast period from 2021 to 2030.

Calculation of the Unadjusted Development Charges Rates

The section below the capital program displays the calculation of the “unadjusted” development charge rates. The term “unadjusted” development charge is used to distinguish the charge that is calculated prior to cash flow financing considerations. The cash flow analysis is shown in Table 3.

The first step in determining the unadjusted development charge rate is to allocate the development-related net capital cost between the residential and non-residential sectors. Both services included in this study are 100 per cent related to residential development. The 2021–2030 DC eligible costs are then divided by the forecasted population growth in new dwelling units. This gives the unadjusted residential development charge per capita.

TABLE 3 CASH FLOW ANALYSIS

A cash flow analysis is undertaken to account for the timing of projects and receipt of development charges. Interest earnings or borrowing costs are accounted for in the calculation as allowed under the *DCA*. Based on the development forecast, the analysis calculates the DC rate required to finance the net development-related capital spending plan, including provisions for any borrowing costs or interest earnings on the reserve funds. The cash flow analysis is designed so that the closing cash balance at the end of the planning period is as close to nil as possible.

In order to determine appropriate development charge rates reflecting borrowing and earnings necessary to support the net development-related funding requirement, assumptions are used for the inflation rate and interest rate. An inflation rate of 2.0 per cent is used for the funding requirements, an interest rate of 5.5 per cent is used for borrowing on the funds and an interest rate of 3.5 per cent is applied to positive balances. Table 3 displays the results of the cash flow analysis and provides the adjusted or final per capita residential development charge.

APPENDIX B.1

LIBRARY SERVICES

LIBRARY SERVICES

The Shelburne Public Library serves the community of Shelburne and the neighbouring Townships of Amaranth, Melancthon, Mono and Mulmur. Comprising of over 41,000 items, the collection material at the Shelburne Public Library consists of various popular fiction and non-fiction titles, local historical materials, DVDs, magazines, newspapers, etc. In 2020 the Town of Shelburne is responsible for approximately 58 per cent of the shared capital costs.

TABLE 1 HISTORICAL SERVICE LEVELS

Table 1 displays the ten-year historical inventory for buildings, land, materials and equipment for Library Services. The Shelburne Public Library has a total building area of approximately 6,725 square feet with a replacement value of \$2.15 million. The land associated with the facility totals 0.10 hectares and is valued at \$144,000. Library collection materials amount to \$1.44 million and the furniture and equipment at the branch total \$182,500.

The 2020 combined replacement value of the inventory of capital assets for Library Services is \$2.27 million, resulting in a ten-year historical average service level of \$290.75 per capita. The historical service level, multiplied by the ten-year net population growth (2,598), results in a ten-year maximum allowable funding envelope of \$755,369.

TABLE 2 2020–2029 DEVELOPMENT-RELATED CAPITAL PROGRAM & CALCULATION OF THE “UNADJUSTED” DEVELOPMENT CHARGES

The 2021-2030 development-related capital program recovers for various building projects, vehicle, collection material acquisitions and studies. The projects included in the capital program were sourced from discussions with Town staff.

Development-related building projects include the provision for a “pop-up” satellite branch for a total cost of the project at \$50,000 (including equipment needed for the pop-up). Reserves in the amount of \$50,000 have been applied to net off the in-period DC eligible.

In addition, a new vehicle for the mobile library (\$100,000) is anticipated to be purchased in 2023, the cost of which will be funded through the Library reserve.

The capital program includes for ongoing acquisition of collection materials and studies totalling \$450,000. A Library Needs Study is included in the capital program and the full gross cost of the study is \$30,000. Of the \$450,000, \$130,851 will be funded through reserves and the balance of \$319,149 will be recovered through development charges.

In total, the Library Services capital program amounts to \$600,000. All of the costs identified in the program are development-related and therefore no benefit to existing has been identified. The Library Services DC reserve of \$280,851 is netted off the eligible in-period amount. The DC eligible amount does not exceed the allowable funding envelope, and as such, the remaining \$319,149 is related to development in the 2021-2030 planning period and is eligible for DC recovery.

The development-related net capital cost is allocated 100 per cent to residential development (\$319,149). The residential share of the net development-related capital cost is divided by the ten-year growth in population in new dwelling units to derive an unadjusted charge of \$120.47 per capita.

TABLE 3 CASH FLOW ANALYSIS

After cash flow consideration, the residential calculated charges decreases slightly to \$119.44 per capita. This decrease reflects the timing of anticipated residential development.

The following table summarizes the calculation of the Library Services development charge:

LIBRARY SERVICES SUMMARY						
10-year Hist. Service Level per capita	2021 - 2030		Unadjusted		Adjusted	
	Development-Related Capital Program		Development Charge		Development Charge	
	Total	Net DC Recoverable	\$/capita	\$/sq.m	\$/capita	\$/sq.m
\$290.75	\$600,000	\$319,149	\$120.47	\$0.00	\$119.44	\$0.00

APPENDIX B.1

TABLE 1

TOWN OF SHELBURNE
INVENTORY OF CAPITAL ASSETS
LIBRARY SERVICES

BUILDINGS Branch Name	# of Square Feet										UNIT COST (\$/sq.ft.)
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Shelburne Public Library (201 Owen Sound St)	6,725	6,725	6,725	6,725	6,725	6,725	6,725	6,725	6,725	6,725	\$320
Total (sq.ft.)	6,725	6,725	6,725	6,725	6,725	6,725	6,725	6,725	6,725	6,725	
Total (\$000)	\$2,152.0	\$2,152.0	\$2,152.0	\$2,152.0	\$2,152.0	\$2,152.0	\$2,152.0	\$2,152.0	\$2,152.0	\$2,152.0	

LAND Branch Name	# of Hectares										UNIT COST (\$/ha)
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Shelburne Public Library (201 Owen Sound St)	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	\$1,440,000
Total (ha)	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	
Total (\$000)	\$144.0	\$144.0	\$144.0	\$144.0	\$144.0	\$144.0	\$144.0	\$144.0	\$144.0	\$144.0	

APPENDIX B.1

TABLE 1

TOWN OF SHELBURNE
INVENTORY OF CAPITAL ASSETS
LIBRARY SERVICES

MATERIALS	# of Collection Materials										UNIT COST
Type of Collection	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	(\$/item)
Collection Materials	35,798	39,431	39,431	39,431	39,333	40,997	42,267	40,832	38,103	41,130	\$35
Total (#)	35,798	39,431	39,431	39,431	39,333	40,997	42,267	40,832	38,103	41,130	
Total (\$000)	\$1,252.9	\$1,380.1	\$1,380.1	\$1,380.1	\$1,376.7	\$1,434.9	\$1,479.3	\$1,429.1	\$1,333.6	\$1,439.6	

FURNITURE AND EQUIPMENT	Total Value of Furniture and Equipment (\$)									
Branch Name	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Shelburne Public Library (201 Owen Sound St)	\$111,000	\$111,000	\$115,000	\$120,000	\$126,792	\$171,000	\$173,887	\$173,887	\$182,523	\$182,523
Total (\$000)	\$111.0	\$111.0	\$115.0	\$120.0	\$126.8	\$171.0	\$173.9	\$173.9	\$182.5	\$182.5

APPENDIX B.1

TABLE 1

TOWN OF SHELBURNE
CALCULATION OF SERVICE LEVELS
LIBRARY SERVICES

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Historic Population	5,846	6,244	6,669	7,123	7,608	8,126	8,155	8,176	8,354	8,639

INVENTORY SUMMARY (\$000)

<i>Town of Shelburne's Share</i>	<i>55.5%</i>	<i>55.5%</i>	<i>55.5%</i>	<i>55.5%</i>	<i>55.5%</i>	<i>55.5%</i>	<i>56.0%</i>	<i>57.0%</i>	<i>57.5%</i>	<i>58.0%</i>
Buildings	\$1,194.4	\$1,194.4	\$1,194.4	\$1,194.4	\$1,194.4	\$1,194.4	\$1,205.1	\$1,226.6	\$1,237.4	\$1,248.2
Land	\$79.9	\$79.9	\$79.9	\$79.9	\$79.9	\$79.9	\$80.6	\$82.1	\$82.8	\$83.5
Materials	\$695.4	\$765.9	\$765.9	\$765.9	\$764.0	\$796.4	\$828.4	\$814.6	\$766.8	\$834.9
Furniture And Equipment	\$61.6	\$61.6	\$63.8	\$66.6	\$70.4	\$94.9	\$97.4	\$99.1	\$105.0	\$105.9
Total (\$000)	\$2,031.3	\$2,101.8	\$2,104.0	\$2,106.8	\$2,108.7	\$2,165.6	\$2,211.6	\$2,222.4	\$2,192.0	\$2,272.5

SERVICE LEVEL (\$/capita)

Average
Service
Level

Buildings	\$204.30	\$191.28	\$179.09	\$167.68	\$156.99	\$146.98	\$147.78	\$150.03	\$148.12	\$144.48	\$163.67
Land	\$13.67	\$12.80	\$11.98	\$11.22	\$10.50	\$9.84	\$9.89	\$10.04	\$9.91	\$9.67	\$10.95
Materials	\$118.95	\$122.67	\$114.85	\$107.53	\$100.43	\$98.00	\$101.59	\$99.63	\$91.79	\$96.65	\$105.21
Furniture And Equipment	\$10.54	\$9.87	\$9.57	\$9.35	\$9.25	\$11.68	\$11.94	\$12.12	\$12.56	\$12.25	\$10.91
Total (\$/capita)	\$347.46	\$336.62	\$315.50	\$295.78	\$277.17	\$266.50	\$271.19	\$271.82	\$262.39	\$263.05	\$290.75

TOWN OF SHELBURNE
CALCULATION OF MAXIMUM ALLOWABLE
LIBRARY SERVICES

10-Year Funding Envelope Calculation	
10 Year Average Service Level 2011 - 2020	\$290.75
Net Population Growth 2021 - 2030	2,598
Maximum Allowable Funding Envelope	\$755,369

APPENDIX B.1

TABLE 2

TOWN OF SHELBURNE
DEVELOPMENT-RELATED CAPITAL PROGRAM
LIBRARY SERVICES

Project Description	Timing	Gross Project Cost	Grants/ Subsidies/Other Recoveries	Net Municipal Cost	Ineligible Costs		Total DC Eligible Costs	DC Eligible Costs		
					BTE (%)	Replacement & BTE Shares		Available DC Reserves	2021-2030	Post 2030
1.0 LIBRARY SERVICES										
1.1 Buildings, Land and Furnishings										
1.1.1 Provision for "Pop-Up" Sattelite Branch	2021	\$ 50,000	\$ -	\$ 50,000	0%	\$ -	\$ 50,000	\$ 50,000	\$ -	\$ -
1.1.2 Mobile Library (Vehicle)	2023	\$ 100,000	\$ -	\$ 100,000	0%	\$ -	\$ 100,000	\$ 100,000	\$ -	\$ -
Subtotal Buildings, Land and Furnishings		\$ 150,000	\$ -	\$ 150,000		\$ -	\$ 150,000	\$ 150,000	\$ -	\$ -
1.2 Collection Materials & Other										
1.2.1 Provision for Additional Collection Materials	Various	\$ 400,000	\$ -	\$ 400,000	0%	\$ -	\$ 400,000	\$ 80,851	\$ 319,149	\$ -
1.2.2 Provision for Additional E-Materials	Various	\$ 20,000	\$ -	\$ 20,000	0%	\$ -	\$ 20,000	\$ 20,000	\$ -	\$ -
1.2.3 Provision for Library Needs Study	2024	\$ 30,000	\$ -	\$ 30,000	0%	\$ -	\$ 30,000	\$ 30,000	\$ -	\$ -
Subtotal Collection Materials & Other		\$ 450,000	\$ -	\$ 450,000		\$ -	\$ 450,000	\$ 130,851	\$ 319,149	\$ -
TOTAL LIBRARY SERVICES		\$ 600,000	\$ -	\$ 600,000		\$ -	\$ 600,000	\$ 280,851	\$ 319,149	\$ -

Residential Development Charge Calculation

Residential Share of 2021 - 2030 DC Eligible Costs	100%	\$319,149
10-Year Growth in Population in New Units		2,649
Unadjusted Development Charge Per Capita		\$120.47

Non-Residential Development Charge Calculation

Non-Residential Share of 2021 - 2030 DC Eligible Costs	0%	\$0
10-Year Growth in Square Metres		53,760
Unadjusted Development Charge Per Square Metre		\$0.00

2021 - 2030 Net Funding Envelope \$3,853,300

Reserve Fund Balance
Balance as at December 31, 2020 \$280,851

APPENDIX B.1

TABLE 3

TOWN OF SHELBURNE
CASHFLOW AND DETERMINATION OF DEVELOPMENT CHARGE
LIBRARY SERVICES
RESIDENTIAL DEVELOPMENT CHARGE
(in \$000)

LIBRARY SERVICES	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	TOTAL
OPENING CASH BALANCE	\$0.0	\$6.0	\$15.9	\$26.4	\$33.7	\$37.4	\$37.8	\$34.1	\$26.1	\$13.4	
2021 - 2030 RESIDENTIAL FUNDING REQUIREMENTS											
- Library Services: Non Inflated	\$31.9	\$31.9	\$31.9	\$31.9	\$31.9	\$31.9	\$31.9	\$31.9	\$31.9	\$31.9	\$319.1
- Library Services: Inflated	\$31.9	\$32.6	\$33.2	\$33.9	\$34.5	\$35.2	\$35.9	\$36.7	\$37.4	\$38.1	\$349.5
NEW RESIDENTIAL DEVELOPMENT											
- Population Growth in New Units	317	345	345	317	287	260	231	202	173	173	2,649
REVENUE											
- DC Receipts: Inflated	\$37.8	\$42.1	\$42.9	\$40.1	\$37.1	\$34.3	\$31.1	\$27.7	\$24.2	\$24.7	\$341.9
INTEREST											
- Interest on Opening Balance	\$0.0	\$0.2	\$0.6	\$0.9	\$1.2	\$1.3	\$1.3	\$1.2	\$0.9	\$0.5	\$8.1
- Interest on In-year Transactions	\$0.1	\$0.2	\$0.2	\$0.1	\$0.0	(\$0.0)	(\$0.1)	(\$0.2)	(\$0.4)	(\$0.4)	(\$0.5)
TOTAL REVENUE	\$37.9	\$42.5	\$43.7	\$41.2	\$38.3	\$35.6	\$32.3	\$28.6	\$24.7	\$24.8	\$349.5
CLOSING CASH BALANCE	\$6.0	\$15.9	\$26.4	\$33.7	\$37.4	\$37.8	\$34.1	\$26.1	\$13.4	(\$0.0)	

2021 Adjusted Charge Per Capita \$119.44

Allocation of Capital Program

Residential Sector	100.0%
Non-Residential Sector	0.0%

Rates for 2021

Inflation Rate	2.0%
Interest Rate on Positive Balances	3.5%
Interest Rate on Negative Balances	5.5%

APPENDIX B.2

PARKS AND RECREATION

PARKS AND RECREATION

The Town of Shelburne previously calculated Indoor Recreation and Parks Services as separate categories for the purposes of calculating development charges. In this 2021 Study, the services have been combined, including the current reserves to better align with the Town's capital program.

The Town of Shelburne indoor recreation facility is partially owned and operated by the Town through a management board. The major recreation facility in the Town includes the Centre Dufferin Recreation Complex (CDRC), located at 200 Fiddle Park Lane. The Board of Management which operates the CDRC is comprised of representatives from the neighboring municipalities of the Townships of Melancthon and Amaranth and the Town of Mono. The Town of Shelburne's share of the CDRC facility is approximately 62 per cent.

The Town of Shelburne is responsible for the park and leisure needs of the community, including the provision and maintenance of parks for the residents of Shelburne. The Town offers over 42 hectares of parkland and open space and an array of park facilities including playgrounds, soccer fields, and baseball diamonds to its residents.

TABLE 1 HISTORICAL SERVICE LEVELS

The Town operates an indoor recreation facility, the Centre Dufferin Recreation Complex, with a total area of 45,849 square feet. The complex is valued at approximately \$13.75 million and the land associated with the complex totals 2.20 hectares, worth about \$3.17 million. The vehicles, furniture and equipment associated with the complex has a total replacement value of \$170,700. The outdoor Pool is valued at \$2.50 million. The total value of Indoor Recreation service level in 2020 is \$12.15 million with the Town's share (62 per cent) being \$7.53 million.

The Town's Parks amenities include 42.8 hectares of developed parkland valued at \$5.28 million. In addition to developed parkland, the Town also has approximately 5.6 kilometers of developed trails worth about \$139,000.

The Town's soccer fields, baseball diamonds, basketball courts, playgrounds, BMX track, and skateboard park are worth another \$2.40 million. Other park facilities and structures such as washrooms, wood pedestrian bridge, and pavilions have a replacement value of \$623,800. Additionally, park buildings total \$970,000.

The combined value of capital assets for Indoor Recreation and Parks is \$17.91 million. The ten-year historical average service level is \$2,310.37 per capita. The historical service level multiplied by the ten-year net population growth (2,598), results in a ten-year maximum funding envelope of \$6.00 million.

**TABLE 2 2020–2029 DEVELOPMENT-RELATED CAPITAL PROGRAM
& CALCULATION OF THE “UNADJUSTED” DEVELOPMENT
CHARGES**

The 2021-2030 development-related capital program for Indoor Recreations and Parks in the Town of Shelburne totals \$9.85 million and includes a provision for an additional indoor recreation facility, additional park facilities, and various studies. The entire amount is related to new development and as such, there are no benefit to existing or replacement shares. It is anticipated that there will be \$328,800 of grants and other subsidies used to fund new park facilities, resulting in the net cost to the municipality at \$9.52 million.

An Indoor Recreation facility is required to service development in the Town, at a provisional cost of \$4.00 million has been included in the capital program. The preliminary estimate available at the time of this study includes the Town’s share only. Additional costs will be identified through subsequent studies and may be included in future DC Background Studies. No grants or other subsidies, benefit to existing or available DC reserves have been netted off the cost. A share of \$800,000 is identified to benefit development post 2030 as the total in-period eligible cost exceeds the funding envelope by that amount.

Parks equipment, facilities, park development and trails total to \$5.67 million. This amount includes costs for additional vehicles, tennis courts, washrooms, cricket pitches, water stations, trails, pedestrian bridge and so on. Approximately \$328,800 in grants or other subsidies have been identified and will go toward a new splashpad and community garden within the Town. A portion (\$2.57 million) will be funded through reserves and the remaining \$2.77 million is eligible for recovery from development charges in the 2021-2030 planning period.

Roughly \$175,000 of the Indoor Recreation and Parks Services capital program is related to various master plans and a provision for a future recreation needs study. The various master plans will be funded through reserves, totalling \$145,000. The provision for a needs study accounts for \$30,000 and is included for recovery.

The development-related net capital cost is allocated entirely to residential development (\$6.00 million). The net development-related capital cost is divided by the ten-year growth in population in new dwelling units to derive an unadjusted charge of \$2,265.66 per capital.

TABLE 3 CASH FLOW ANALYSIS

After cash flow consideration, the residential development charges decrease to \$2,253.52 per capita.

The following table summarizes the calculation of the Indoor Recreation and Parks Services development charge:

PARKS AND RECREATION SUMMARY						
10-year Hist. Service Level per capita	2021 - 2030		Unadjusted		Adjusted	
	Development-Related Capital Program		Development Charge		Development Charge	
	Total	Net DC Recoverable	\$/capita	\$/sq.m	\$/capita	\$/sq.m
\$1,292.37	\$9,849,800	\$6,002,341	\$2,265.66	\$0.00	\$2,253.52	\$0.00

APPENDIX B.2

TABLE 1

TOWN OF SHELBURNE
INVENTORY OF CAPITAL ASSETS
PARKS AND RECREATION

MAJOR FACILITIES Facility Name	# of Square Feet										UNIT COST (\$/sq. ft.)
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Centre Dufferin Recreation Complex	45,534	45,534	45,534	45,534	45,534	45,534	45,534	45,849	45,849	45,849	\$300
Total (sq.ft.)	45,534	45,534	45,534	45,534	45,534	45,534	45,534	45,849	45,849	45,849	
Total (\$000)	\$13,660.2	\$13,660.2	\$13,660.2	\$13,660.2	\$13,660.2	\$13,660.2	\$13,660.2	\$13,754.7	\$13,754.7	\$13,754.7	

LAND Facility Name	# of Hectares										UNIT COST (\$/hectares)
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Centre Dufferin Recreation Complex	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	\$1,440,000
Total (ha)	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	
Total (\$000)	\$3,168.0	\$3,168.0	\$3,168.0	\$3,168.0	\$3,168.0	\$3,168.0	\$3,168.0	\$3,168.0	\$3,168.0	\$3,168.0	

APPENDIX B.2

TABLE 1

TOWN OF SHELBURNE
INVENTORY OF CAPITAL ASSETS
PARKS AND RECREATION

VEHICLES Facility Name	# of Vehicles										UNIT COST (\$/vehicles)
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Ice Resurfacer	1	1	1	1	1	1	1	1	1	1	\$93,000
Total (ha)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	
Total (\$000)	\$93.00	\$93.00	\$93.00	\$93.00	\$93.00	\$93.00	\$93.00	\$93.00	\$93.00	\$93.00	

FURNITURE & EQUIPMENT Facility Name	Total Value of Furniture & Equipment (\$)									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
CDRC	\$77,700	\$77,700	\$77,700	\$77,700	\$77,700	\$77,700	\$77,700	\$77,700	\$77,700	\$77,700
Total (\$000)	\$77.7	\$77.7	\$77.7	\$77.7	\$77.7	\$77.7	\$77.7	\$77.7	\$77.7	\$77.7

OTHER FACILITIES Facility Name	# of Facilities										UNIT COST (\$/unit)
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Outdoor Pool	1	1	1	1	1	1	1	1	1	1	\$2,500,000
Total (#)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	
Total (\$000)	\$2,500.0	\$2,500.0	\$2,500.0	\$2,500.0	\$2,500.0	\$2,500.0	\$2,500.0	\$2,500.0	\$2,500.0	\$2,500.0	

APPENDIX B.2
TABLE 1

TOWN OF SHELBURNE
INVENTORY OF CAPITAL ASSETS
PARKS AND RECREATION
PARKLAND DEVELOPMENT

PARKLAND DEVELOPMENT Park Type	# of Hectares of Developed Parkland										2020 UNIT COST (\$/hectare)
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Franklyn Street Linkage	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	\$123,300
Simon Court Parkette	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	\$123,300
KTH Park	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	\$123,300
Shelburne Meadows	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	\$123,300
Hyland Park	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.2	\$123,300
Greenwood Park	7.3	7.3	7.3	10.1	10.1	10.1	10.1	10.1	10.1	10.1	\$123,300
Greenwood Crescent Park	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	\$123,300
Walter's Creek Park	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	\$123,300
Franklyn Street Park	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	\$123,300
Jack Downey Park	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	\$123,300
Fiddle Park	14.3	14.3	14.3	14.3	14.3	14.3	14.3	14.3	14.3	14.3	\$123,300
Greenbrook Parkette	-	-	-	0.5	0.5	0.5	0.5	0.5	0.5	0.5	\$123,300
Summerhill Park	-	-	-	-	-	-	-	-	-	1.2	\$123,300
Total (ha)	38.3	38.3	38.3	41.6	41.6	41.6	41.6	41.6	41.6	42.8	
Total (\$000)	\$4,722.4	\$4,722.4	\$4,722.4	\$5,129.3	\$5,129.3	\$5,129.3	\$5,129.3	\$5,129.3	\$5,129.3	\$5,277.2	

PARKLAND DEVELOPMENT Trails	# of Km										UNIT COST (\$/km)
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Developed Trails	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	5.6	\$24,900
Total (km)	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	5.6	
Total (\$000)	\$119.5	\$119.5	\$119.5	\$119.5	\$119.5	\$119.5	\$119.5	\$119.5	\$119.5	\$139.4	

APPENDIX B.2

TABLE 1

TOWN OF SHELBURNE
INVENTORY OF CAPITAL ASSETS
PARKS AND RECREATION
PARK FACILITIES

PARK FACILITIES Type	# of Facilities										2020 UNIT COST (\$/unit)
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Soccer											
Soccer Pitch (Mini)	2	2	2	2	2	4	4	4	4	4	\$51,000
Soccer Pitch (Junior)	1	1	1	1	1	-	-	-	-	-	\$68,000
Soccer Pitch (KTH Park)	1	1	1	1	1	1	1	1	1	1	\$31,000
Soccer Pitch (Senior)	1	1	2	2	2	1	1	1	1	1	\$213,000
Soccer Pitch (Senior w/ lights)	-	-	1	1	1	1	1	1	1	1	\$428,000
Baseball											
Baseball Diamonds (Junior)	2	2	1	1	1	2	2	2	2	2	\$29,000
Baseball Diamonds (Senior)	1	1	1	1	1	1	1	1	1	1	\$83,000
Baseball Diamonds (Senior w/ lights)	1	1	1	1	1	1	1	1	1	1	\$258,000
Basketball											
Basketball Courts (half)	1	1	1	1	1	1	1	1	1	1	\$12,000
Basketball Courts (full)	1	1	1	1	1	1	1	1	1	1	\$23,000
Playground Equipment											
Play Structures	9	9	10	10	10	11	12	12	12	14	\$58,000
Swing Sets	4	4	4	4	4	5	5	5	5	6	\$3,000
Slides	6	6	7	7	7	7	7	7	8	9	\$3,000
Other											
BMX Track	-	1	1	1	1	1	1	1	1	1	\$117,000
Skateboard Park - Fixed	1	1	1	1	1	1	1	1	1	1	\$117,000
Total (#)	31	32	35	35	35	38	39	39	40	44	
Total (\$000)	\$1,517.0	\$1,634.0	\$2,307.0	\$2,307.0	\$2,307.0	\$2,218.0	\$2,276.0	\$2,276.0	\$2,279.0	\$2,401.0	

APPENDIX B.2

TABLE 1

TOWN OF SHELBURNE
INVENTORY OF CAPITAL ASSETS
PARKS AND RECREATION
PARK FACILITIES

OUTDOOR PARK FACILITIES Park Name	# of Units										UNIT COST (\$/unit)
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Washroom Buildings											
Hyland Park	1	1	1	1	1	1	-	-	-	-	\$74,000
Greenwood Park	1	1	1	1	1	1	1	1	1	1	\$71,000
KTH	-	-	-	-	1	1	1	1	1	1	\$111,000
Steel Pedestrian Bridge	1	1	2	2	2	2	2	2	2	2	\$46,000
Boardwalk	-	-	-	-	-	-	-	-	1	1	\$42,000
Pavilion/Gazebo/Shelter											
Hyland Park Shelter/Pavilion	1	1	1	1	1	1	1	1	1	1	\$91,000
Fiddle Park Pavilion	-	-	-	-	-	-	1	1	1	1	\$116,800
Jack Downey Park Gazebo	1	1	1	1	1	1	1	1	1	1	\$50,000
Summerhill Park Shade Structure	-	-	-	-	-	-	-	-	1	1	\$50,000
Total (#)	5	5	6	6	7	7	7	7	9	9	
Total (\$000)	\$332.0	\$332.0	\$378.0	\$378.0	\$489.0	\$489.0	\$531.8	\$531.8	\$623.8	\$623.80	

OUTDOOR PARK BUILDINGS	# of Units										UNIT COST (\$/unit)
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Hyland Park Garage	1	1	1	1	1	1	1	1	1	1	\$81,000
Hyland Park Storage	1	1	1	1	1	1	1	1	1	1	\$50,000
Hyland Park Storage (previously a Washroom)	-	-	-	-	-	-	-	1	1	1	\$74,000
Fiddle Park Building	1	1	1	1	1	1	1	1	1	1	\$765,000
Total (#)	3	3	3	3	3	3	3	4	4	4	
Total (\$000)	\$896.0	\$896.0	\$896.0	\$896.0	\$896.0	\$896.0	\$896.0	\$970.0	\$970.0	\$970.0	

APPENDIX B.2

TABLE 1

TOWN OF SHELBURNE
CALCULATION OF SERVICE LEVELS
PARKS AND RECREATION

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Historic Population	5,846	6,244	6,669	7,123	7,608	8,126	8,155	8,176	8,354	8,639

INVENTORY SUMMARY (\$000)

<i>Indoor Rec Share</i>	62%	62%	62%	62%	62%	62%	62%	62%	62%	62%
Indoor Recreation	\$7,495.38	\$7,495.38	\$7,495.38	\$7,495.38	\$7,495.38	\$7,495.38	\$7,495.38	\$7,531.70	\$7,531.70	\$7,531.70
Parkland Development	\$4,841.9	\$4,841.9	\$4,841.9	\$5,248.8	\$5,248.8	\$5,248.8	\$5,248.8	\$5,248.8	\$5,248.8	\$5,416.7
Park Facilities	\$2,745.0	\$2,862.0	\$3,581.0	\$3,581.0	\$3,692.0	\$3,603.0	\$3,703.8	\$3,777.8	\$3,872.8	\$3,994.8
Outdoor Park Buildings	\$896.0	\$896.0	\$896.0	\$896.0	\$896.0	\$896.0	\$896.0	\$970.0	\$970.0	\$970.0
Total (\$000)	\$15,978.3	\$16,095.3	\$16,814.3	\$17,221.2	\$17,332.2	\$17,243.2	\$17,344.0	\$17,528.3	\$17,623.3	\$17,913.2

**Town of Shelburne's Indoor Rec Share*

SERVICE LEVEL (\$/capita)

Average
Service
Level

Indoor Recreation	\$1,282.14	\$1,200.41	\$1,123.91	\$1,052.28	\$985.20	\$922.39	\$919.11	\$921.20	\$901.57	\$871.83	\$1,018.00
Parkland Development	\$828.24	\$775.45	\$726.03	\$736.88	\$689.91	\$645.93	\$643.63	\$641.98	\$628.30	\$627.00	\$694.33
Park Facilities	\$469.55	\$458.36	\$536.96	\$502.74	\$485.28	\$443.39	\$454.18	\$462.06	\$463.59	\$462.41	\$473.85
Outdoor Park Buildings	\$153.27	\$143.50	\$134.35	\$125.79	\$117.77	\$110.26	\$109.87	\$118.64	\$116.11	\$112.28	\$124.18
Total (\$/capita)	\$2,733.20	\$2,577.72	\$2,521.26	\$2,417.69	\$2,278.15	\$2,121.98	\$2,126.79	\$2,143.87	\$2,109.56	\$2,073.53	\$2,310.37

TOWN OF SHELBURNE
CALCULATION OF MAXIMUM ALLOWABLE
PARKS AND RECREATION

10-Year Funding Envelope Calculation	
10 Year Average Service Level 2011 - 2020	\$2,310.37
Net Population 2021 - 2030	2,598
Maximum Allowable Funding Envelope	\$6,002,341

APPENDIX B.2
TABLE 2
TOWN OF SHELBURNE
DEVELOPMENT-RELATED CAPITAL PROGRAM
PARKS AND RECREATION

Project Description	Timing	Gross Project Cost	Grants/ Subsidies/Other Recoveries	Net Municipal Cost	Ineligible Costs		Total DC Eligible Costs	DC Eligible Costs		
					BTE (%)	Replacement & BTE Shares		Available DC Reserves	2021-2030	Post 2030
2.0 PARKS AND RECREATION										
2.1 Recreation Facilities										
2.1.1 Provision for Additional Indoor Recreation Facility	Various	\$ 4,000,000	\$ -	\$ 4,000,000	0%	\$ -	\$ 4,000,000	\$ -	\$ 3,199,855	\$ 800,145
Subtotal Recreation Facilities		\$ 4,000,000	\$ -	\$ 4,000,000		\$ -	\$ 4,000,000	\$ -	\$ 3,199,855	\$ 800,145
2.2 Equipment										
2.2.1 Trackless Vehicle	2021	\$ 103,000	\$ -	\$ 103,000	0%	\$ -	\$ 103,000	\$ 103,000	\$ -	\$ -
2.2.2 Parks Vehicles (Additional)	2024	\$ 110,000	\$ -	\$ 110,000	0%	\$ -	\$ 110,000	\$ 110,000	\$ -	\$ -
Subtotal Equipment		\$ 213,000	\$ -	\$ 213,000		\$ -	\$ 213,000	\$ 213,000	\$ -	\$ -
2.3 Parks Facilities										
2.3.1 Tennis Court	2021	\$ 200,000	\$ -	\$ 200,000	0%	\$ -	\$ 200,000	\$ 200,000	\$ -	\$ -
2.3.2 Splashpad	2021	\$ 700,000	\$ 300,000	\$ 400,000	0%	\$ -	\$ 400,000	\$ 400,000	\$ -	\$ -
2.3.4 Community Garden	2021	\$ 28,800	\$ 28,800	\$ -	0%	\$ -	\$ -	\$ -	\$ -	\$ -
2.3.6 Cricket Pitch (Temporary)	2021	\$ 10,000	\$ -	\$ 10,000	0%	\$ -	\$ 10,000	\$ 10,000	\$ -	\$ -
2.3.7 Washroom (at Sanitary Pumping Station)	2021	\$ 258,000	\$ -	\$ 258,000	0%	\$ -	\$ 258,000	\$ 258,000	\$ -	\$ -
2.3.3 Off-Leash Dog Park	2022	\$ 60,000	\$ -	\$ 60,000	0%	\$ -	\$ 60,000	\$ 60,000	\$ -	\$ -
2.3.7 Washroom (at Sanitary Pumping Station)	2022	\$ 300,000	\$ -	\$ 300,000	0%	\$ -	\$ 300,000	\$ 300,000	\$ -	\$ -
2.3.6 Cricket Pitch (Permanent)	2024	\$ 230,000	\$ -	\$ 230,000	0%	\$ -	\$ 230,000	\$ 102,513	\$ 127,487	\$ -
Subtotal Parks Facilities		\$ 1,786,800	\$ 328,800	\$ 1,458,000		\$ -	\$ 1,458,000	\$ 1,330,513	\$ 127,487	\$ -
2.4 Park Development										
2.4.1 Hyland Village Park - Facilities	2022	\$ 500,000	\$ -	\$ 500,000	0%	\$ -	\$ 500,000	\$ 500,000	\$ -	\$ -
2.4.3 Greenwood Parking Lot	2022	\$ 180,000	\$ -	\$ 180,000	0%	\$ -	\$ 180,000	\$ 180,000	\$ -	\$ -
2.4.2 New Park Facilities (Hwy 89/County Rd 124)	2025	\$ 750,000	\$ -	\$ 750,000	0%	\$ -	\$ 750,000	\$ -	\$ 750,000	\$ -
2.4.4 Greenwood Park Additional Field	2025	\$ 300,000	\$ -	\$ 300,000	0%	\$ -	\$ 300,000	\$ -	\$ 300,000	\$ -
2.4.5 Provision for Fiddle Park Facilities	Various	\$ 500,000	\$ -	\$ 500,000	0%	\$ -	\$ 500,000	\$ 100,000	\$ 400,000	\$ -
Subtotal Park Development		\$ 2,230,000	\$ -	\$ 2,230,000		\$ -	\$ 2,230,000	\$ 780,000	\$ 1,450,000	\$ -
2.5 Trails and Related Facilities										
2.5.1 Water Stations	2023	\$ 60,000	\$ -	\$ 60,000	0%	\$ -	\$ 60,000	\$ -	\$ 60,000	\$ -
2.5.2 Bike Racks	2023	\$ 75,000	\$ -	\$ 75,000	0%	\$ -	\$ 75,000	\$ -	\$ 75,000	\$ -
2.5.3 Community-wide Trails Development	Various	\$ 950,000	\$ -	\$ 950,000	0%	\$ -	\$ 950,000	\$ 190,000	\$ 760,000	\$ -
2.5.4 Nature Trails (Fiddle Park)	Various	\$ 300,000	\$ -	\$ 300,000	0%	\$ -	\$ 300,000	\$ 60,000	\$ 240,000	\$ -
2.5.5 Pedestrian Bridge	2025	\$ 60,000	\$ -	\$ 60,000	0%	\$ -	\$ 60,000	\$ -	\$ 60,000	\$ -
Subtotal Trails and Related Facilities		\$ 1,445,000	\$ -	\$ 1,445,000		\$ -	\$ 1,445,000	\$ 250,000	\$ 1,195,000	\$ -
2.6 Studies										
2.6.1 Cycling and Trail Master Plan	2021	\$ 65,000	\$ -	\$ 65,000	0%	\$ -	\$ 65,000	\$ 65,000	\$ -	\$ -
2.6.2 Parks & Recreation Master Plan	2021	\$ 50,000	\$ -	\$ 50,000	0%	\$ -	\$ 50,000	\$ 50,000	\$ -	\$ -
2.6.3 Fiddle Park Master Plan	2021	\$ 30,000	\$ -	\$ 30,000	0%	\$ -	\$ 30,000	\$ 30,000	\$ -	\$ -
2.6.4 Provision for Future Recreation Needs Study	2026	\$ 30,000	\$ -	\$ 30,000	0%	\$ -	\$ 30,000	\$ -	\$ 30,000	\$ -
Subtotal Studies		\$ 175,000	\$ -	\$ 175,000		\$ -	\$ 175,000	\$ 145,000	\$ 30,000	\$ -
TOTAL PARKS AND RECREATION		\$ 9,849,800	\$ 328,800	\$ 9,521,000		\$ -	\$ 9,521,000	\$ 2,718,513	\$ 6,002,341	\$ 800,145

Residential Development Charge Calculation		
Residential Share of 2021 - 2030 DC Eligible Costs	100%	\$6,002,341
10-Year Growth in Population in New Units		2,649
Unadjusted Development Charge Per Capita		\$2,265.66
Non-Residential Development Charge Calculation		
Non-Residential Share of 2021 - 2030 DC Eligible Costs	0%	\$0
10-Year Growth in Square Metres		53,760
Unadjusted Development Charge Per Square Metre		\$0.00

2021 - 2030 Net Funding Envelope	\$6,002,341
Reserve Fund Balance	
Balance as at December 31, 2020	\$2,718,513

APPENDIX B.2

TABLE 3

TOWN OF SHELBURNE
CASHFLOW AND DETERMINATION OF DEVELOPMENT CHARGE
PARKS AND RECREATION
RESIDENTIAL DEVELOPMENT CHARGE
(in \$000)

PARKS AND RECREATION	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	TOTAL
OPENING CASH BALANCE	\$0.0	\$257.8	\$597.4	\$812.5	\$977.0	(\$15.7)	\$91.3	\$164.4	\$163.4	\$83.9	
2021 - 2030 RESIDENTIAL FUNDING REQUIREMENTS											
- Parks and Recreation Services: Non Inflated	\$460.0	\$460.0	\$595.0	\$587.5	\$1,570.0	\$490.0	\$460.0	\$460.0	\$460.0	\$460.0	\$6,002.3
- Parks and Recreation Services: Inflated	\$460.0	\$469.2	\$619.0	\$623.4	\$1,699.4	\$541.0	\$518.0	\$528.4	\$538.9	\$549.7	\$6,547.1
NEW RESIDENTIAL DEVELOPMENT											
- Population Growth in New Units	317	345	345	317	287	260	231	202	173	173	2,649
REVENUE											
- DC Receipts: Inflated	\$713.4	\$794.0	\$809.9	\$757.1	\$700.1	\$647.0	\$586.6	\$521.8	\$456.0	\$465.2	\$6,451.2
INTEREST											
- Interest on Opening Balance	\$0.0	\$9.0	\$20.9	\$28.4	\$34.2	(\$0.9)	\$3.2	\$5.8	\$5.7	\$2.9	\$109.3
- Interest on In-year Transactions	\$4.4	\$5.7	\$3.3	\$2.3	(\$27.5)	\$1.9	\$1.2	(\$0.2)	(\$2.3)	(\$2.3)	(\$13.4)
TOTAL REVENUE	\$717.8	\$808.7	\$834.2	\$787.8	\$706.8	\$648.0	\$591.0	\$527.4	\$459.5	\$465.8	\$6,547.1
CLOSING CASH BALANCE	\$257.8	\$597.4	\$812.5	\$977.0	(\$15.7)	\$91.3	\$164.4	\$163.4	\$83.9	\$0.0	

2021 Adjusted Charge Per Capita **\$2,253.52**

Allocation of Capital Program

Residential Sector	100.0%
Non-Residential Sector	0.0%

Rates for 2021

Inflation Rate	2.0%
Interest Rate on Positive Balances	3.5%
Interest Rate on Negative Balances	5.5%

APPENDIX C

RESERVE FUNDS

RESERVE FUNDS

The DCA requires that a reserve fund be established for each service development charges are collected. Table 1 presents the uncommitted reserve fund balances as of December 31, 2020, that are available to help fund the development-related net capital costs identified in this study.

As shown in Table 1, the December 31, 2020 total uncommitted reserve fund balance was in a positive position of \$3.00 million.

These funds are assigned to projects in the initial years of the capital program for each service. This has the effect of reducing capital costs brought forward to the development charge calculation and cash flow analysis.

Details on the available DC reserve funds for the Town's other development charge services including area-specific charges can be found in the [Town's 2020 DC Background Study](#).

APPENDIX C

TABLE 1

TOWN OF SHELBURNE
DEVELOPMENT CHARGE RESERVE FUND BALANCE BY ACCOUNT
YEAR ENDING DECEMBER 31, 2020

Service	Reserve Fund Balance as at Dec. 31, 2020
Library Services	\$280,851
Parks And Recreation	\$2,718,513
Total Development Charge Reserves	\$2,999,364

APPENDIX D

COST OF GROWTH

COST OF GROWTH ANALYSIS

A. ASSET MANAGEMENT PLAN

The DCA now requires that municipalities complete an Asset Management Plan before passing a development charges by-law. A key function of the Asset Management Plan is to demonstrate that all assets funded under the development charges by-law are financially sustainable over their full life cycle.

Asset Types

A summary of the future municipal-owned assets and estimated useful life assumptions for eligible DC services considered as part of the study are outlined in Table 1. Although all capital assets considered in this study have been identified, not all assets necessitate future replacement or ongoing maintenance activities. The exception and the justification is as follows:

- Some projects do not relate to the emplacement of a tangible capital asset – some examples include the acquisition of land or the undertaking of development-related studies. These projects/costs do not necessarily require future replacement or ongoing maintenance. Such projects are identified as “not infrastructure” in the table.
- For assets that have been constructed (i.e. recovery of past commitments) it is assumed that the related contribution is already included within the Town’s annual provision. As such, these projects are identified as “not applicable” in the table.

It should be noted that the capital cost estimates prepared for each of the projects identified in this section include grouped costs of various individual elements, which, as a stand-alone item, may have its own useful life (e.g. new buildings include: HVAC, structural elements, roof, etc.). Accordingly, the average useful life assumptions noted below are applicable to all project components.

Table 1 – Summary of Municipal Assets Useful Lives	
Service	Estimated Useful Life
Library Services	
Buildings	50 years
Vehicles	15 years
Collection Materials	10 years
Studies	Not infrastructure
Parks and Recreation Services	
Buildings/Facilities	50 years
Equipment/Vehicles	15 years
Trails & Related Facilities	15 years
Pedestrian Bridge	50 years
Studies	Not infrastructure

Annual Provision

When assets require rehabilitation or are due for replacement, the source of funds is limited to reserves or contributions from operating. Capital expenditures to carry out the rehabilitation and replacement of aging infrastructure are not growth-related and are therefore not eligible for funding through development charge revenues or other developer contributions.

Based on the information obtained from Town staff regarding useful life assumptions and the capital cost of acquiring and/or emplacing each asset, a provision for infrastructure replacement has been calculated for both the general and engineered services. Provisions for infrastructure replacement are initially calculated for each asset based on their useful life and the anticipated cost of replacement. The aggregate of all individual provisions form the required annual capital provision. In calculating the annual provisions, a number of assumptions are made to account for inflation (2.0 per cent) and interest (3.5 per cent).

Consistent with the requirements of the DCA, assets that are proposed to be funded under the development charges by-law have been included in the analysis. As a result, the total calculated annual provision for development charge related infrastructure has been netted down to consider the replacement of existing infrastructure or benefit-to-existing development. However, for reference, the annual replacement provisions associated with the non-development charge funded costs, including costs related to benefit-to-existing and post-period benefit have also been calculated.

Table 2 provides the calculated annual asset management contribution for both the gross capital expenditures and the share related to the 2021-2030 DC recoverable portion for the Town-wide services. The year 2031 has been included to calculate the annual contribution for the 2021-2030 period as the expenditures in 2030 will not trigger asset management contributions until 2031. As shown in Table 2, by 2031, the Town will need to fund an additional \$22,400 per annum in order to properly fund the full life cycle costs of the new assets related to Town-wide services supported under the development charges by-law.

Table 2 – Summary of Asset Management Contributions

Service	2021-2030 Capital Program (DC Recoverable)	2021-2030 Capital Program (Non-DC Funded)	Calculated AMP Annual Provision by 2031 (DC Related)	Calculated AMP Annual Provision by 2031 (Non-DC Related)
Library Services	\$1,200,000	\$0	\$0	\$48,200
Parks and Recreation	\$17,441,700	\$2,257,900	\$22,400	\$248,900
Total	\$18,641,700	\$2,257,900	\$22,400	\$297,100

Note: Figures have been rounded.

Financial Sustainability of the Program

Future Revenue Growth

The calculated annual funding provision should be considered within the context of the Town's projected growth. Over the next ten years (to 2030) the Town is projected to increase by 920 households, which represents a 31 per cent increase over the existing base. In addition, the Town will also add 772 new employees that will result in approximately 53,760 square metres of additional non-residential building space. This growth will have the effect of increasing the overall assessment base and additional user fee and charges revenues to offset the capital asset provisions required to replace the infrastructure proposed to be funded under the development charges by-law. The collection of these funds is intended to be allocated to the Town's reserves for the future replacement of these assets.

B. LONG-TERM CAPITAL AND OPERATING IMPACT ANALYSIS

As shown in Table 3, by 2030, the Town's net operating costs are estimated to increase by \$911,700 for property tax supported services. Increases in net operating costs will be experienced as new facilities such as library and recreation facilities are opened. Capital costs related to studies are not expected to have an impact on property tax supported costs.

Table 3 – Cost of Growth Analysis – Estimated Net Operating Cost of the Proposed 2021-2030 Development-Related Capital Program (in constant 2021 dollars)

Service	Cost Driver (\$)	Cost Driver (unit measure)	Cost Driver (Quantity)	Additional Operating Costs at 2031
Library Services	\$0.20	Per \$1.00 of new infrastructure or materials	\$550,000	\$110,000
Parks and Recreation	\$0.10	Per \$1.00 of new infrastructure	\$8,016,800	\$801,700
Total				\$911,700

Table 4 summarizes the components of the development-related capital forecast that will require funding from non-DC sources. In total, \$328,800 will need to be financed from non-DC sources over the 2021-2030 planning period. The entire amount is anticipated to be paid for through grants and other subsidies. In addition, a post-period share of \$800,100 will need to be funded from alternative sources. The cost may be eligible for recovery in subsequent DC Studies.

Council is made aware of these factors so that they understand the operating and capital costs that will not be covered by DCs as it adopts the development-related capital forecast set out in the Study.

Table 4 – Summary of Development-Related Costs Requiring Non-DC Funding (\$000)

Service	Gross Municipal Cost	Total DC-Eligible Cost for Recovery	Prior Growth Share from DC Reserves ¹	Portion for Post-2030 Development ²	Funding From Non-DC Sources ³
Library Services	\$600.0	\$319.1	\$280.9	\$0	\$0
Parks and Recreation	\$9,849.8	\$6,002.3	\$2,718.5	\$800.1	\$328.8
Total	\$10,449.8	\$6,321.5	\$2,999.4	\$800.1	\$328.8

1: Existing development charge reserve fund balances collected from growth prior to 2021 are applied to fund initial projects in development-related capital forecast.

2: Post-2030 development-related net capital costs may be eligible for development charge funding in future DC by-laws.

3: Includes Grants and Other Subsidies.

C. THE PROGRAM IS DEEMED FINANCIALLY SUSTAINABLE

In summary, the asset management plan and long-term capital and operating analysis included in this appendix demonstrates that the Town can afford to invest and operate the identified general and engineered services infrastructure over the ten-year planning period.

Importantly, the Town’s annual budget review allows staff to continue to monitor and implement mitigating measures should the program become less sustainable.

APPENDIX E

2021 DEVELOPMENT CHARGES BY-LAW
(AVAILABLE UNDER SEPARATE COVER)