

VERSION FOR PUBLIC CONSULTATION

PREPARED BY HEMSON FOR THE MUNICIPALITY OF
STRATHROY-CARADOC



DEVELOPMENT CHARGES BACKGROUND STUDY

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EXECUTIVE SUMMARY

The following summarizes the findings of the Municipality of Strathroy-Caradoc's 2022 Development Charges Background Study.

A. STUDY CONSISTENT WITH DEVELOPMENT CHARGES LEGISLATION

- This study calculates development charges for the Municipality of Strathroy-Caradoc in compliance with the provisions of the Development Charges Act, 1997 (DCA) and its associated regulation (Ontario Regulation 82/98).
 - On March 2, 2015, the Council of the Municipality of Strathroy-Caradoc passed Development Charges By-law 14-15. In February of 2020, Council passed a new by-law in advance of the expiry of By-law 14-15 for the services of Fire, Police, Services Related to a Highway (Public Works & Roads and Related), and Engineering: Water Services, and Wastewater Services in order to continue collecting development charges.
 - In 2019, due to proposed provincial legislative changes, development charges for soft services of Library, Indoor Recreation, Park Development & Facilities, and Development Related Studies were not updated and as permitted were levied under By-law 14-15. This 2022 DC Background Study deals with those soft services only. It is anticipated that future updates would be done for all eligible services prior to the expiry of By-law 10-20.
 - The Municipality needs to continue implementing DCs to fund capital projects throughout Strathroy-Caradoc so that new development pays for its capital requirements to the extent allowed by the DCA and so that new services required by growth are provided in a fiscally responsible manner.
 - The DCA and O. Reg. 82/98 require that a development charges background study be prepared in which development charges are determined with reference to:
 - a forecast of the amount, type and location of residential and non-residential development anticipated in the Municipality;
 - a review of future capital projects, including an analysis of gross expenditures, funding sources and net expenditures incurred or to be incurred by the Municipality to provide for the expected development, including the determination of the development and non-development-related components of the capital projects; and

- an examination of the long-term capital and operating costs for the capital infrastructure required for each service to which the development charges by-laws would relate.
- This report identifies the development-related net capital costs attributable to development that is forecast to occur in the Municipality. These costs are apportioned to types of development (residential, non-residential) in a manner that reflects the increase in the need for each service.
- The capital programs contained in this report form the basis of the calculation of the proposed development charges for the Municipality of Strathroy-Caradoc.

B. ALL SERVICES WITH DEVELOPMENT-RELATED COSTS INCLUDED IN THE ANALYSIS

The following Municipal services have been included in the development charge analysis:

- Parks and Recreation:
 - Indoor Recreation
 - Park Development & Facilities; and
- Development-Related Studies

It should be noted that the services included for development charges recovery in this study relate solely to soft services and hard service By-law 10-20 continues to be in place.

Please note that while the Municipality currently levies DCs for Cemeteries and Library Services and both of these soft services are not included in this study.

- 1) With the recent legislative amendments, Cemeteries is now considered to be an ineligible category of service, therefore, any growth-related costs associated to cemeteries would need to be funded from other sources (property taxes, user fees or other growth-funding tools). To further expand on the growth funding tools, the Municipality of Strathroy-Caradoc can implement a Community Benefit Charges by-law to fund this service.
- 2) There are currently no growth-related needs identified for library services and therefore no costs to be considered for recovery under this by-law. The Municipality can always reintroduce this service at the next DC update should growth-related capital needs arise. There is also currently funds available in the Library DC reserve to interim fund any projects during the by-law period.

C. APPROACH USED TO CALCULATE DEVELOPMENT CHARGES

- Development charge rates have been established under the parameters and limitations of the DCA. This study provides the rationale and basis for the calculated rates.
- A Municipal-wide average cost approach is used to calculate development charges for all services. This approach results in uniform charges levied throughout the Municipality.
- The calculated charges are the maximum charges the Municipality may adopt. Lower charges may be approved; however, this will require a reduction in the capital plan and reduced service levels, or financing from other sources, likely property taxes or user fees.

D. DEVELOPMENT FORECAST

- A forecast of the amount, type and location of residential and non-residential development anticipated in the Municipality to 2031 is included in this report and was informed by Municipal planning staff and based on the “high scenario” 2046 targets outlined in the Middlesex County Housing Growth Forecast and Allocations by Local Municipality Report. For the purposes of the development charges calculations, a 10-year planning period from 2022 to 2031 was used for all services.
- A development forecast for the 10-year study period, 2022-2031, estimates that the Municipality’s population will grow by 4,849 people.
- About 3,027 households are forecast to be built between 2022 and 2031. Population growth in new housing units is expected to add 4,591 people over the 2022-2031 period.
- Employment in Strathroy-Caradoc is forecast to grow by 1,919 employees over the next 10 years. This employment growth is projected to generate about 118,675 square metres of new, non-residential building space between 2022 and 2031.
- The following is a summary of the projected growth for the Municipality:

RESIDENTIAL FORECAST	Existing	2022-2031	
	As At Mid-Year 2021	Forecast Change	As at Mid Year-2031
Total Occupied Dwellings	9,453	3,027	12,480
Population			
Census	23,871	4,849	28,720
Population In New Dwellings		7,552	

NON-RESIDENTIAL FORECAST	Existing	2022-2031	
	As At Mid-Year 2021	Forecast Change	As at Mid Year-2031
Employment	9,448	1,919	11,367
Non-Residential Building Space (sq.m.)		118,675	

E. FUNDING ENVELOPE BASED ON “NET” GROWTH

- In accordance with the DCA, development charges have been calculated (where applicable) at a level no higher than the average service level provided in the Municipality over the 10-year period immediately preceding the preparation of the background study, on a service by service basis.
- The maximum permissible funding envelopes in this study are based on “net” population, employment and household growth.

F. THE MUNICIPALITY HAS AN EXTENSIVE DEVELOPMENT-RELATED CAPITAL FORECAST FOR THE PROVISION OF ELIGIBLE SERVICES

- Municipal staff, in collaboration with Hemson Consulting, have compiled a development-related capital forecast setting out projects that are required to service anticipated development. The capital programs for all services are based on a 10-year planning period. Details of the capital programs are provided in Appendix B.
- The following is a summary of the development-related capital program for all services considered in this study:

SUMMARY OF DEVELOPMENT-RELATED CAPITAL PROGRAM (2022-2031)⁽¹⁾

Service	Gross Cost (\$000)	DC Eligible Cost (\$000)
Indoor Recreation	\$45,209.0	\$26,027.8
Parks Development and Facilities	\$11,005.0	\$10,805.0
Development-Related Studies	\$635.0	\$380.0
Libraries	\$0.0	\$0.0
Total	\$56,849.0	\$37,212.8

Note 1: represents services only considered under this DC Background Study.

Note 2: with the recent legislative amendments, Cemetery services is now considered to be an ineligible category of service and excluded from this study.

G. DEVELOPMENT CHARGES ARE CALCULATED WITH FULL REFERENCE TO THE DCA

The following tables summarize the calculated residential and non-residential Municipal-wide development charges for only those services considered under this study.

Service	Charge By Unit Type (1)			Non-Residential Charge (\$/sq.m)
	Single & Semi Detached	Multiples	Apartments	
Parks And Recreation: Indoor Recreation	\$5,276	\$4,350	\$2,742	\$0.00
Parks And Recreation: Park Development & Facilities	\$1,637	\$1,349	\$851	\$0.00
Development Related Studies	\$74	\$61	\$38	\$0.28
Library Services	\$0	\$0	\$0	\$0.00
Cemeteries	\$0	\$0	\$0	\$0.00
TOTAL "SOFT" RESIDENTIAL CHARGE	\$6,987	\$5,760	\$3,631	\$0.28

It should be noted that the services included for development charges recovery in this study relate solely to soft services and the hard services incorporated under By-law 10-20 continues to be in place and would be applied in addition to these soft services (similar to existing practice). Furthermore, the area-specific DC by-law 76-18 associated with

engineering works in Mount Brydges would also continue to be levied in addition to the rates calculated in this study.

H. NEWLY CALCULATED RATES COMPARED WITH CURRENT RATES

- The fully calculated residential charge for a fully serviced single or semi-detached unit in Strathroy-Caradoc is \$6,987, which represents an increase of 96 per cent, or \$3,426 over the Municipality's current charge of \$3,561.
- The calculated non-residential charge of \$0.28 per square metre of gross floor area represents a \$0.20, or 043 per cent decrease over the Municipality's current non-residential charge of \$0.48 per square metre.
- Fire, Police, Services Related to a Highway and Engineered Services (water and wastewater) for which development charges are currently collected for, will continue to be in force at the prevailing rates as set out in By-law 2019-85 (current rates may account for indexing which has occurred since by-law passage). Furthermore, the area-specific DC by-law 76-18 associated with engineering works in Mount Brydges would also continue to be levied in addition to the rates calculated in this study.

I. COST OF GROWTH ANALYSIS

- Tax supported funding of \$9.92 million will be required to support the development-related capital program.
- It is estimated that net operating costs will increase by about \$3.34 million by the year 2031 as the facilities and infrastructure included in the capital forecast are operated and maintained.
- By 2032, the Municipality will need to fund an additional \$617,205 per annum in order to properly fund the full life cycle costs of the new Municipal-wide assets supported under the proposed Development Charges By-Law.

1. INTRODUCTION

The Municipality of Strathroy-Caradoc Development Charges Background Study is presented as part of a process to lead 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 THE STUDY

The Development Charges Act, 1997 (DCA) and its associated Ontario Regulation 82/98 (O. Reg. 82/98) allow municipalities in Ontario to recover development-related capital costs from new development. The Municipality of Strathroy-Caradoc Development Charges

Background Study is presented as part of a process to lead to the approval of a new development charges by-law for general services in compliance with this legislation.

The Municipality of Strathroy-Caradoc is experiencing residential development pressure and is also an attractive location for a variety of non-residential development. The anticipated development in Strathroy-Caradoc will increase the demand on all Municipal services. The Municipality wishes to continue implementing DCs to fund development-related capital projects so that development continues to be serviced in a fiscally responsible manner.

The DCA and O. Reg. require that a development charges background study be prepared in which development charges are determined with reference to:

- A forecast of the amount, type and location of development anticipated in the Municipality;
- The average level of service provided by the Municipality over the 10 year period immediately preceding the preparation of the background study for some services;
- A review of capital works in progress and anticipated future capital projects, including an analysis of gross expenditures, funding sources, and net expenditures incurred or to be incurred by the Municipality or its local boards to provide for the expected development, including the determination of the growth and non-growth-related components of the capital projects; and
- An examination of the long-term capital and operating costs for the capital infrastructure required for each service to which the development charges by-laws would relate.
- An asset management plan to deal with all assets whose capital costs are proposed to be funded under the DC By-law, demonstrating that all assets included in the capital program are financially sustainable over their full life cycle.

This study presents the results of the review to determine the net capital costs attributable to new development that is forecast to occur in the Municipality of Strathroy-Caradoc between 2022 and 2031. These development-related net capital costs are apportioned to various types of development (residential; non-residential) in a manner that reflects the increase in the need for each service.

The DCA provides for a period of public review and comment regarding the proposed development charges. Following completion of the consultation process and Council's review of this study, it is intended that Council will pass new development charges for the Municipality.

2. THE METHODOLOGY USES A MUNICIPAL-WIDE APPROACH TO ALIGN DEVELOPMENT-RELATED COSTS AND BENEFITS

Several key steps are required when calculating any development charge. However, specific circumstances arise in each municipality that must be reflected in the calculation.

Therefore, this study has been tailored specifically for the Municipality of Strathroy-Caradoc. The approach to the proposed development charges is focused on providing a reasonable alignment of development-related costs with the development that necessitates them.

A. MUNICIPAL-WIDE DEVELOPMENT CHARGES ARE PROPOSED

The Municipality 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-laws designate the areas within which the by-laws shall be imposed. The development charges may apply to all lands in the municipality or to other designated development areas as specified in the by-laws.

i. Services Based on a Municipal-Wide Approach

For all services that the Municipality provides, a range of capital facilities, land, equipment and infrastructure is available throughout the Municipality; parks, community centres, vehicles 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 Municipal services is to apportion them over all new development anticipated in the Municipality.

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

- Parks and Recreation:
 - Indoor Recreation
 - Park Development & Facilities
- Development-Related Studies

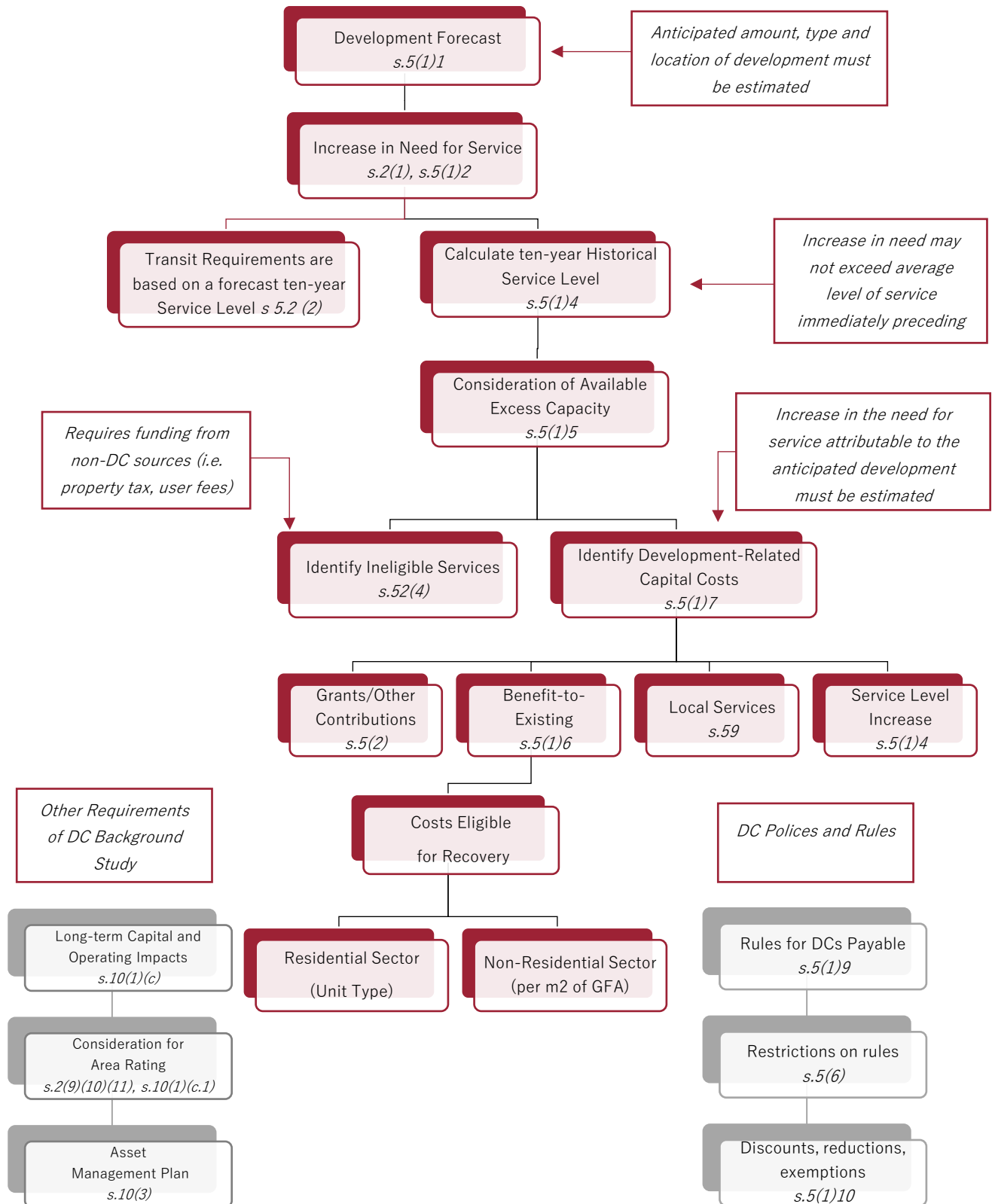
These services form a reasonable basis on which to plan and administer the development charges. It is noted that the analysis of each of these services examines the individual capital facilities and equipment currently in place. The resulting development charge for these services is to be imposed against all development anywhere in the Municipality.

It should be noted that the services included for development charges recovery in this study relate solely to general services (Indoor Recreation, Park Development & Facilities, and Development-Related Studies).

B. KEY STEPS IN DETERMINING DEVELOPMENT CHARGES FOR FUTURE DEVELOPMENT-RELATED PROJECTS

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

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



i. Development Forecast

The first step in the methodology requires a development forecast be prepared over the 10-year planning period, 2022-2031. The forecast of the future residential and non-residential development used in this study is based on information provided by Municipal planning staff and the Middlesex County Housing Growth Forecast and Allocations by Local Municipality report.

For the residential portion of the forecast, both the net (or Census) population growth and population growth in new units is estimated. The net 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.

The non-residential portion of the forecast estimates the Gross Floor Area (GFA) of building space to be developed over the 10-year period. The forecast of GFA is based on the employment forecast for the Municipality. Factors for floor space per worker 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 DCA 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 municipality over the 10-year period immediately preceding the preparation of the background study...(s. 5. (1) 4.)

Historical 10 year average service levels thus form the basis for development charges. A review of Municipality'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 2012-2021.

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

A development-related capital forecast has been prepared by the Municipality's departments as part of the present study. The forecast 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 forecast 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 municipality 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 affect of requiring that the development charge be calculated on the lesser of the historic 10- year average service levels or the service levels embodied in future plans of the Municipality. 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 Municipality from non-development charges sources. The amount of municipal funding for such non-growth 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. Adjustments are made in the analysis to meet this requirement of the Act.

iv. Attribution of 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 non-residential sectors. This is done using apportionments for different services in accordance with the demands placed on the various services and the benefits derived.

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

Finally, the residential component of the Municipal-wide development 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. 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, as well as a summary of the forecast results. The Municipality's residential and non-residential development forecasts are based on forecast data provided by the Municipality of Strathroy-Caradoc's planning department staff and based on the "high scenario" 2046 targets outlined in the Middlesex County Housing Growth Forecast and Allocations by Local Municipality Report. The tables take into consideration data from the 2021 Census as it relates only to population and occupied households¹, historical building permit and completion data and the current economic climate. A more detailed summary of the forecasts, including tables illustrating historical trends and forecast results is provided in Appendix A.

A. RESIDENTIAL FORECAST

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 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.

Table 1 provides a summary of the residential forecast for the 10-year planning period. The Municipality's Census population is expected to increase by about 4,849 people over the next 10 years. The population residing in new housing units is expected to increase by 7,552 people over the 10-year planning period. About 3,027 households are forecast to be built between 2022 and 2031.

¹ The 2021 census release is limited at the time of writing and this study has been updated with census population and occupied households only. Other data such as employment, demographic profiles and household characteristics will be released throughout 2022. Therefore, some 2016 Census information is still used in the analysis in conjunction with the County population and household study.

B. NON-RESIDENTIAL FORECAST

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 floorspace in the Municipality.

The 10-year forecast projects an increase of approximately 1,919 employees, which will be accommodated in 118,675 square metres of new non-residential floor space.

TABLE 1

**MUNICIPALITY OF STRATHROY-CARADOC
SUMMARY OF RESIDENTIAL AND NON-RESIDENTIAL
MUNICIPALITY- WIDE DEVELOPMENT FORECAST**

RESIDENTIAL FORECAST	Existing	2022-2031	
	As At Mid-Year 2021	Forecast Change	As at Mid Year-2031
Total Occupied Dwellings	9,453	3,027	12,480
Population			
Census	23,871	4,849	28,720
Population In New Dwellings		7,552	

NON-RESIDENTIAL FORECAST	Existing	2022-2031	
	As At Mid-Year 2021	Forecast Change	As at Mid Year-2031
Employment	9,448	1,919	11,367
Non-Residential Building Space (sq.m.)		118,675	

4. SUMMARY OF HISTORICAL CAPITAL SERVICE LEVELS

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

For Parks and Recreation: Indoor Recreation and Park Development & Facilities, the legislative requirement is met by documenting historical service levels for the preceding 10 years, in this case, for the period 2012-2021.

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 Municipality. Both the quantitative and qualitative aspects of service levels used in the present analysis are based on information provided by Municipal staff, and is based on historical records and their experience with costs to acquire or construct similar facilities, equipment and infrastructure.

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

**MUNICIPALITY OF STRATHROY-CARADOC
SUMMARY OF AVERAGE HISTORIC SERVICE LEVELS 2012 - 2021
FOR MUNICIPAL-WIDE SOFT SERVICES**

Service	2012 - 2021 Service Level Indicator
1.0 PARKS AND RECREATION: INDOOR RECREATION	\$2,865.53 per capita
Buildings	\$2,708.16 per capita
Land	\$75.67 per capita
Equipment	\$81.70 per capita
2.0 PARKS AND RECREATION: PARK DEVELOPMENT & FACILITIES	\$912.84 per capita
Parks And Recreation: Park Development & Facilities	\$192.62 per capita
Park Facilities	\$554.00 per capita
Park Buildings	\$151.20 per capita
Parks Equipment	\$15.02 per capita

5. THE DEVELOPMENT-RELATED CAPITAL PROGRAM

The DCA requires the Council of a municipality to express its intent to provide future capital facilities at the average historical service level incorporated in the development charges calculation. As noted above in Section II, 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.

A. A DEVELOPMENT-RELATED CAPITAL FORECAST IS PROVIDED FOR COUNCIL'S APPROVAL

Based on the development forecasts summarized in Section III and detailed in Appendix A, Municipal department staff, in collaboration with the consultants have created a development-related capital forecast setting out those projects that are required to service anticipated growth. For all eligible municipal services, the capital plan covers the 10-year period from 2022-2031.

One of the recommendations contained in this Background Study is for Council to adopt the capital forecast created 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 Municipality. It is acknowledged that changes to the forecast presented here may occur through the Municipality's normal capital budget process.

B. THE DEVELOPMENT-RELATED CAPITAL FORECAST FOR GENERAL SERVICES

A summary of the development-related capital forecast for general services is presented in Table 3. Further details on the capital plan for the general services are available in Appendix B.

The development-related capital forecast estimates a total gross cost of \$56.85 million. Additional funding of \$9.72 million is anticipated from various grants and subsidies. Therefore, the net municipal cost of the capital program will be \$47.13 million.

This capital forecast incorporates those projects identified to be related to development anticipated in the next 10 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 6 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 2022 (for which development charge reserve fund balances exist), for replacement of existing capital facilities or for growth anticipated to occur beyond the 2022-2031 planning period.

TABLE 3
MUNICIPALITY OF STRATHROY-CARADOC
SUMMARY OF DEVELOPMENT-RELATED CAPITAL FORECAST
FOR MUNICIPAL-WIDE SOFT SERVICES 2022-2031
(in \$000)

Service	Gross Cost	Grants/ Subsidies	Municipal Cost
1.0 PARKS AND RECREATION: INDOOR RECREATION	\$45,209.0	\$9,300.0	\$35,909.0
1.1 Debt Recovery Principal Share Only	\$1,109.0	\$0.0	\$1,109.0
1.2 Indoor Recreation Building	\$44,100.0	\$9,300.0	\$34,800.0
2.0 PARKS AND RECREATION: PARK DEVELOPMENT & FACILITIES	\$11,005.0	\$200.0	\$10,805.0
2.1 New Projects	\$11,005.0	\$200.0	\$10,805.0
3.0 DEVELOPMENT RELATED STUDIES	\$635.0	\$217.5	\$417.5
3.1 Development Related Studies	\$635.0	\$217.5	\$417.5
4.0 LIBRARIES	\$0.0	\$0.0	\$0.0
No Capital Projects	\$0.0	\$0.0	\$0.0
TOTAL TEN-YEAR MUNICIPAL-WIDE SOFT SERVICES	\$56,849.0	\$9,717.5	\$47,131.5

6. DEVELOPMENT CHARGES ARE CALCULATED IN ACCORDANCE WITH THE DCA

This section summarizes the calculation of development charges for each service category and the resulting total charges by sector. For all municipal services, the calculation of the “unadjusted” per capita (residential) and per square metre (non-residential) charges is reviewed. 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. For non-residential development, the charges are based on gross floor area (GFA) of building space.

It is noted that the calculation of the Municipal-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 DC 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 CHARGES CALCULATION

A summary of the “unadjusted” residential and non-residential development charges is presented in Table 4. Further details of the calculations for each individual Municipal service category are available in Appendix B.

i. General Services

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

TABLE 4

MUNICIPALITY OF STRATHROY-CARADOC
SUMMARY OF UNADJUSTED RESIDENTIAL AND NON-RESIDENTIAL DEVELOPMENT CHARGES
CAPITAL PROGRAM FOR MUNICIPAL-WDE SERVICES

10 Year Growth in Population in New Units	7,552
10 Year Growth in Square Meters	118,675

Service		Development-Related Capital Forecast (2022 - 2031)								
		Net Municipal Cost (\$000)	Replacement & Benefit to Existing (\$000)	Available DC Reserves (\$000)	Other Development Related (\$000)	Total DC Eligible Costs for Recovery (\$000)				
							Residential Share		Non-Residential Share	
							%	\$000	%	\$000
1.00	PARKS AND RECREATION: INDOOR RECREATION	\$35,909.0	\$9,881.3	\$3,006.4	\$9,126.5	\$13,894.9	100%	\$13,894.9	0%	\$0.0
	Unadjusted Development Charge Per Capita (\$)							\$1,839.88		
	Unadjusted Development Charge Per Sq. M. (\$)									\$0.00
2.00	PARKS AND RECREATION: PARK DEVELOPMENT & FACILITIES	\$10,805.0	\$0.0	\$779.4	\$5,599.2	\$4,426.4	100%	\$4,426.4	0%	\$0.0
	Unadjusted Development Charge Per Capita (\$)							\$586.11		
	Unadjusted Development Charge Per Sq. M. (\$)									\$0.00
3.00	DEVELOPMENT RELATED STUDIES	\$417.5	\$37.5	\$139.9	\$0.0	\$240.1	80%	\$192.1	20%	\$48.0
	Unadjusted Development Charge Per Capita (\$)							\$25.43		
	Unadjusted Development Charge Per Sq. M. (\$)									\$0.40
4.00	LIBRARIES	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	100%	\$0.0	0%	\$0.0
	Unadjusted Development Charge Per Capita							\$0.00		
	Unadjusted Development Charge Per Sq. M.									\$0.00
Total 10 Year Municipal-Wide Services		\$47,131.5	\$9,918.8	\$3,925.7	\$14,725.7	\$18,561.4		\$18,513.4		\$48.0
Unadjusted Development Charge Per Capita (\$)								\$2,451.42		
Unadjusted Development Charge Per Sq. M. (\$)										\$0.40

The capital forecast for general services incorporates those projects identified to be related to development anticipated in the next 10-years. However, not all of the capital costs are to be recovered from new development by way of development charges. Table 4 shows that \$9.92 million of the capital forecast relates to replacement of existing capital facilities or for shares of projects that provide benefit to the existing community. These portions of capital costs will have to be funded from non-development charge revenue sources.

Another share of the forecast, \$14.72 million, is attributable to development beyond the 2031 period (and may therefore be recovered under future development charge studies).

The total costs eligible for recovery through development for general services is \$18.56 million. This amount is allocated between the residential and non-residential sectors to derive the unadjusted development charges. Indoor Recreation and Park Development and Facilities are deemed to benefit residential development only, while the remaining service, Development Related Studies, is allocated between both sectors based on shares of population in new units and employment growth over the next ten years. The allocation to the residential sector for this service is calculated at 80 per cent and 20 per cent to the non-residential sector.

Approximately \$18.51 million of the general services development charges eligible capital program is deemed to benefit residential development. When this amount is divided by the ten-year growth in population in new housing units an unadjusted charge of \$2,451.42 per capita is the result. The non-residential share of the capital program totals \$48,000 and when this amount is divided by the 10-year forecast of non-residential space growth, an unadjusted charge of \$0.40 per square metre is the result.

ii. Adjusted Residential and Non-Residential Development Charges

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 each service category.

Table 5 summarizes the results of the cash flow adjustments for the residential development charges rates. The adjusted per capita rate increases from \$2,451.42 per capita to \$2,504.41 per capita after the cash flow analysis for the residential charge.

Table 5 also provides the calculated rates by residential unit but only representing the service categories considered under this study. The charge for a single or semi-detached

unit is \$6,987 per unit, \$5,760 for a row or other type of multiple unit, and \$3,631 for an apartment unit.

Table 6 shows the non-residential uniform charge experiences an decrease after cash flow considerations, from \$0.40 to \$0.28 per square metre.

Although a development charge is not being recalculated for libraries and cemeteries at this time, the development charges at the existing rates are included in the total charges for illustration purposes and reflected in Tables 7 and 8.

TABLE 5
MUNICIPALITY OF STRATHROY-CARADOC
MUNICIPAL-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	Multiples	Apartments
Parks And Recreation: Indoor Recreation	\$1,839.88	\$1,891.21	\$5,276	\$4,350	\$2,742
Parks And Recreation: Park Development & Facilities	\$586.11	\$586.71	\$1,637	\$1,349	\$851
Development Related Studies	\$25.43	\$26.49	\$74	\$61	\$38
Library Services	\$0.00	\$0.00	\$0	\$0	\$0
Cemeteries	\$0.00	\$0.00	\$0	\$0	\$0
TOTAL "SOFT" RESIDENTIAL CHARGE	\$2,451.42	\$2,504.41	\$6,987	\$5,760	\$3,631

(1) Based on Persons Per Unit of:

2.79

2.30

1.45

Note: with the recent legislative amendments, cemeteries is now considered to be an ineligible category of service

TABLE 6

**MUNICIPALITY OF STRATHROY-CARADOC
MUNICIPAL-WIDE DEVELOPMENT CHARGES
NON-RESIDENTIAL DEVELOPMENT CHARGES**

Service	Unadjusted Charge (\$/sq.m)	Non-Residential Charge (\$/sq.m)
Parks And Recreation: Indoor Recreation	\$0.00	\$0.00
Parks And Recreation: Park Development & Facilities	\$0.00	\$0.00
Development Related Studies	\$0.40	\$0.28
Library Services	\$0.00	\$0.00
Cemeteries	\$0.00	\$0.00
TOTAL "SOFT" SERVICE CHARGE PER SQ.M	\$0.40	\$0.28

Note: with the recent legislative amendments, cemeteries is now considered to be an ineligible category of service

7. COMPARISON OF CALCULATED AND CURRENT DEVELOPMENT CHARGES

For illustration purposes, Tables 7 and 8 present a comparison of the newly calculated residential and non-residential development charges with currently imposed development charge rates which include the soft-services calculated rates (under this study) as well as the development charges imposed under a separate by-law which are not changing as part of this study. The table illustrates that the residential development charge for a fully serviced single- or semi-detached unit (Strathroy Service Area) increases by \$3,426 per unit, or 15 per cent. Although not illustrated below, it should be noted a similar rate change of \$3,426 (single-or semi-detached unit) would be realized in both Mount Brydges and the Rural Area charges as the services considered under this study would impact development occurring throughout the municipality.

The current development charge rate for fully serviced non-residential (institutional/commercial) development decreased, from \$109.52 per square metre to \$109.32 per square metre (0 per cent).

It should be noted that the services included for development charges recovery in this study relate solely to general services (Indoor Recreation, Park Development and Facilities, and Development-Related Studies). The hard services by-law has been included in these tables for reference purposes only.

TABLE 7

MUNICIPALITY OF STRATHROY-CARADOC
COMPARISON OF CURRENT AND CALCULATED
RESIDENTIAL DEVELOPMENT CHARGES - STRATHROY SERVICE AREA

Service	Current Residential Charge / SDU	Calculated Residential Charge / SDU	Difference in Charge	
<i>Municipal-wide Hard Services (By-law# 10-20)</i>	\$3,448	\$3,448	\$0	N/A
<i>Strathroy Specific Services (By-law# 10-20)</i>	\$16,030	\$16,030	\$0	N/A
Parks And Recreation: Indoor Recreation	\$2,821	\$5,276	\$2,455	87%
Parks And Recreation: Park Development & Facilities	\$433	\$1,637	\$1,204	278%
Development Related Studies	\$80	\$74	(\$6)	(8%)
Library Services	\$171	\$0	(\$171)	(100%)
Cemeteries	\$56	\$0	(\$56)	(100%)
TOTAL RESIDENTIAL CHARGE - STRATHROY	\$23,039	\$26,465	\$3,426	15%

Note: with the recent legislative amendments, cemeteries is now considered to be an ineligible category of service

Note: Current Rates as of March 2020 as posted on the Municipal website

TABLE 8

MUNICIPALITY OF STRATHROY-CARADOC
COMPARISON OF CURRENT AND CALCULATED
NON-RESIDENTIAL (COMMERCIAL/INSTITUTIONAL) DEVELOPMENT CHARGES - STRATHROY

Service	Current Non-Residential Charge / Sq.m	Calculated Non-Residential Charge / Sq.m	Difference in Charge	
<i>Municipal-wide Hard Services (By-law# 10-20)</i>	\$19.56	\$19.56	\$0.00	N/A
<i>Strathroy Specific Services (By-law# 10-20)</i>	\$89.48	\$89.48	\$0.00	N/A
Parks And Recreation: Indoor Recreation	\$0.00	\$0.00	\$0.00	N/A
Parks And Recreation: Park Development & Facilities	\$0.00	\$0.00	\$0.00	N/A
Development Related Studies	\$0.48	\$0.28	(\$0.20)	(43%)
Library Services	\$0.00	\$0.00	\$0.00	N/A
Cemeteries	\$0.00	\$0.00	\$0.00	N/A
TOTAL NON-RESIDENTIAL CHARGE - STRATHROY	\$109.52	\$109.32	(\$0.20)	(0%)

Note: with the recent legislative amendments, cemeteries is now considered to be an ineligible category of service

Note: Current Rates as of March 2020 as posted on the Municipal website

8. COST OF GROWTH ANALYSIS

This section provides a brief examination of the long-term capital and operating costs for the capital facilities and infrastructure to be included in the Development Charges By-law. This examination is required as one of the features of the Development Charges Act, 1997.

i. **Net Operating Costs for the Municipality's Services are estimated to Increase over the Forecast Period**

Table 9 summarizes the estimated increase in net operating costs that the Municipality will experience for additions associated with the planned capital program. Additional details are included in Appendix D.

As shown in Table 9, by 2031, the Municipality's net operating costs are estimated to increase by \$3.34 million. The most significant portion of this increase relates to the Indoor Recreation capital program.

ii. **Long-Term Capital Financing from Non-Development Charge Sources Totals \$9.92 Million**

Table 9 also summarizes the components of the development-related capital program that will require funding from non-development charge sources as discussed in Section 5. In total \$9.92 million will need to be financed from non-development charge sources over the next ten years. The entire amount is related to capital replacement and for non-growth shares of projects that provide benefit to the existing community. In addition, \$14.72 million in interim financing may be required for projects related to growth in the post-2031 period. It is likely that most of these monies could be recovered from future development charges as the by-laws are revisited at least every five years.

TABLE 9

MUNICIPALITY OF STRATHROY-CARADOC
SUMMARY OF LONG TERM CAPITAL AND OPERATING COST IMPACTS
MUNICIPAL-WIDE SERVICES
(\$000)

NET OPERATING IMPACTS (1)	2031	
Indoor Recreation	\$2,790.0	
Park Development and Facilities	\$550.3	
Development Related Studies	\$0.0	
Library	\$0.0	
TOTAL OPERATING IMPACTS	\$3,340.3	
LONG-TERM CAPITAL IMPACTS		TOTAL
MUNICIPAL-WIDE SERVICES (2022-2031)		
Total Net Cost		\$47,131.5
Net Cost From Development Charges		\$18,561.4
Prior Growth Share from DC Reserve Balances (2)		\$3,925.7
Portion for Post 2031 Development (3)		\$14,725.7
Net Cost From Non-DC Sources		\$9,918.8
TOTAL LONG-TERM CAPITAL IMPACTS (2022-2031)		\$9,918.8
TOTAL NET OPERATING & CAPITAL IMPACTS	\$3,340.3	n.a.

Notes:

- 1) See Appendix D.
- 2) Existing development charge reserve fund balances collected from growth prior to 2022 are applied to fund initial projects in development-related capital forecast.
- 3) Post 2031 development related costs may be eligible for development charge funding in future DC by-laws or other growth related funding tools (e.g. Community Benefits Charges).

B. ASSET MANAGEMENT PLAN

The *Development Charges Act* now requires that municipalities complete an Asset Management Plan before the passing of a development charges by-law. 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. Further details relating to the Asset Management Plan are discussed in Appendix D.

i. Annual Capital Provisions for Tax and Rate Supported Assets

Table 10 shows the annual capital provisions required to replace the development eligible and ineligible costs associated with the capital infrastructure identified in the DC Background Study. This estimate is based on information obtained through discussions with municipal staff regarding useful life assumptions and the capital cost of acquiring and/or replacing each asset.

Table 10 illustrates that, by 2032, the Municipality will need to fund an additional \$617,205 per annum in order to properly fund the full life cycle costs of the new Municipal-wide assets supported under the proposed Development Charges By-Law.

Table 10				
Service	2022-2031 Capital Program		Calculated AMP Annual Provision by 2032	
	DC-Eligible	Non DC-Eligible	DC-Related	Non DC-Related
PARKS AND RECREATION: INDOOR RECREATION	\$ 16,901,322	\$ 28,307,724	\$ 341,360	\$ 620,192
PARKS AND RECREATION: PARK DEVELOPMENT & FACILITIES	\$ 5,205,787	\$ 5,799,213	\$ 275,845	\$ 300,855
DEVELOPMENT RELATED STUDIES	\$ 380,000	\$ 255,000	\$ -	\$ -
LIBRARY SERVICES	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 22,487,109	\$ 34,361,938	\$ 617,205	\$ 921,047

ii. Future Revenue Growth

The calculated annual funding provision should be considered within the context of the Municipality's projected growth. Over the next ten years the Municipality is projected to increase by approximately 3,027 households. In addition, the Municipality will also add 1,919 new employees that will result in approximately 118,675 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 revenue to offset the capital asset provisions required to replace the infrastructure proposed to be funded under the Development Charges By-law.

iii. Assets are Deemed to be Financial Sustainable

In summary, the asset management plan and long-term capital and operating analysis included in this appendix demonstrates that the Municipality can afford to invest and operate the identified services infrastructure over the 10-year planning period. Importantly, the Municipality'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. DEVELOPMENT CHARGES ADMINISTRATION

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

- It is recommended that practices regarding collection of development charges and by-law administration continue to the extent possible.
- As required under the DCA, the Municipality should codify any rules regarding application of the by-laws and exemptions within the development charges by-laws proposed for adoption.
- It is recommended that Council adopt the development-related capital forecast included in this background study, subject to annual review through the Municipality's normal capital budget process.
- It is recommended that limited exemptions, other than those required in the DCA, be formally adopted in the by-laws.

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. As part of the Municipality's 2022 DC update, the appropriateness of implementing area-specific development charges for the various Municipal services was examined.

The DCA permits the Municipality to designate, in its DC by-law, the areas where development charges shall be imposed. The charges may apply to all lands in the Municipality or to other designated development areas as specified in the DC by-law.

Based on discussions with staff, and the analysis of the delivery of services, it is proposed that the Municipality continue to calculate and collect DCs on a uniform, Municipal-wide basis. The rationale for maintaining a uniform Municipal-wide approach is based primarily on the fact that 10-year historical service levels can be calculated on a Municipal-wide basis to ensure the emplacement of a service or infrastructure in one particular area of the Municipality does not exceed the service level of that specific community. As well, Municipal-wide DCs ensure a consistent approach to financing the cost of development-

related projects, from both a DC and non-DC revenue source perspective. Finally, an attempt to impose area-specific DCs to a DC regime which has imposed Municipal-wide DCs for a long length of time would cause equity issues during transitions.

The Municipality currently utilizes area-specific DCs to recover for engineering infrastructure in Strathroy or Mount Brydges and there is no change to that practice being proposed from this DC Study.

APPENDIX A

DEVELOPMENT FORECAST

APPENDIX A – DEVELOPMENT FORECAST

This appendix provides details of the development forecast used to prepare the 2022 Development Charges Background Study for the Municipality of Strathroy-Caradoc. Forecasts of population, households, employment and non-residential building space were prepared by Hemson with information provided by Municipal planning staff and based on the “high scenario” 2046 targets outlined in the Middlesex County Housing Growth Forecast and Allocations by Local Municipality Report. The tables take into consideration data from the 2021 Census¹, as it relates only to population and occupied households, historical building permits and the current economic climate. The forecast results are provided in a series of tables.

Table A-1	Historical Population, Occupied Households and Employment Summary
Table A-2	Historical Annual Building Permits by Type
Table A-3	Historical Households by Period of Construction Showing Household Size
Table A-4	Population, Household & Employment Forecast Summary
Table A-5	Forecast of Household Growth by Unit Type
Table A-6	Forecast of Population Growth in New Households by Unit Type
Table A-7	Non-Residential Space Forecast
Table A-8	Non-Residential Employment Forecast

A. FORECAST APPROACH AND KEY ASSUMPTIONS

The Development Charges Act (DCA) requires the municipality, as part of its development charge background study, 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 municipality to prepare a reasonable development-related capital program.

¹ The 2021 census release is limited at the time of writing and this study has been updated with census population and occupied households only. Other data such as employment, demographic profiles and household characteristics will be released throughout 2022. Therefore, some 2016 Census information is still used in the analysis in conjunction with the County’s Population and Household study.

In this study, a ten year planning period from 2022-2031 has been used to calculate development charges for all eligible services considered under this study provided by the municipality.

B. HISTORICAL DEVELOPMENT IN THE MUNICIPALITY OF STRATHROY-CARADOC

The Municipality of Strathroy-Caradoc has experienced steady household and population growth over the last ten years with more robust growth observed in the most recent period. Historical growth and development figures presented here are based on Statistics Canada Census data. A “Census-based” definition of population is used for the purpose of the development charges study. 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 10-year historical period of 2012 to 2021 is used for calculating historical service levels.

Table A-1 shows that over the historical period from 2012 to 2021, the Municipality’s Census population increased by roughly 3,100 people (15%) to approximately 23,870 people by 2021. The number of occupied household units in the Municipality increased at a higher rate than population (20% or 1,582 units) over the same period. This difference is the result of a decline in the average number of persons residing in household units.

Total employment numbers shown in Table A-1 are based on Statistics Canada place of work data. Place of work employment figures record where people work rather than place of residence. The employment figures shown in this table include workers with no fixed address. However, work-at-home employment is excluded from the figures, for development charge purposes, as this type of employment does not require building floorspace for its activities. Table A-1 shows that the Municipality’s employment is estimated to have increased over the last decade, from about 7,999 jobs in 2012 to 9,448 jobs in 2021. The Municipality’s activity rate (the ratio of employment to population) is also estimated to have increased over the historical 10-year period, from 38.2% in 2012 to 39.6% in 2021.

Table A-2 provides historical building permit data between 2012 and 2021. The number of building permits by household unit type is shown along with the resulting percentages. The vast majority, 77 per cent, of all housing related permits over the historical period were for single and semi-detached units. Apartment units accounted for 13 per cent of the unit mix and the remaining 10 per cent were for rows and other multiple unit types.

Table A-3 provides details on historical occupancy patterns for permanently occupied dwelling units in the Municipality. The overall average occupancy level in the Municipality for single and semi-detached units is 2.46 persons per housing unit (PPU). Occupancy levels for recently constructed units, between 2006 and 2016, are used in the development charges calculation for single/semi detached units since they better reflect the number of people that are likely to reside in new development. The average PPU of permanent single and semi-detached units built in the Municipality in the period 2006 to 2016 is 2.79. As the sample size for newly constructed units for multiples is more limited relative to single and semi-detached new unit construction data, a PPU of 2.30 for rows/multiples and 1.45 for apartment housing is used in the calculation which is also based on the sample size for newly constructed apartment units. These factors are consistent with the 2019 DC Study prepared for the Municipality which formed part of by-law 10-20.

C. FORECAST METHOD AND RESULTS

The forecast described herein is consistent with governing legislation and represents a best estimate of the amount and type of development that is likely to occur. Population, household unit and employment forecast numbers are presented in Table A-4.

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 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 occupies new household 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 unit of gross floor area (GFA). The non-residential forecast includes both a projection of employment growth as well as a projection of the employment growth associated with new floorspace in the Municipality.

i. Residential Forecast

The residential forecast is based on a forecast of population and household unit growth, as well as population in new units in the Municipality. The allocation of development-related capital costs between the residential and non-residential sector is based on forecasts of population in new housing units and employment.

As detailed in Tables A-4 and A-5, the Municipality's Census population is forecast to rise from 24,331 in 2022 to 28,720 in 2031 – this represents an increase of approximately 4,849 persons in the 10-year forecast period. For reference purposes, the table illustrates the forecast through to 2036 to show alignment with the 2036 figures in the Middlesex County Housing Growth Forecast and Allocations by Local Municipality Report.

Over the 10-year planning period from 2022-2031, the total number of occupied household units is forecast to increase from 9,453 in 2021 to 12,480 in 2031 – this represents increases approximately 3,027 units. Of the total household unit growth, approximately 66% of the units will be of single and semi-detached unit form, about 15% of units will be apartment units and the remaining will be related to rows & other multiple units (Table A-5).

In addition to the Census population forecast, a forecast of “population in new units” that will result from the addition of new housing units has been made. The population growth in new units is estimated by applying the following PPUs to the dwelling unit forecast: 2.79 for single and semi-detached units; 2.30 for rows and other multiples; and 1.45 for apartments. The per capita residential development charge rates are calculated based on these estimates. As indicated in Table A-6, the forecasted population growth in the new household units is anticipated at 7,552 persons over the 10-year period.

ii. Non-Residential Forecast

Development charges are levied on non-residential development as a charge per unit 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 Municipality. As with the residential forecast, the GFA forecast covers the 10-year period from 2022 to 2031 for all DC eligible services.

The floor space assumptions are based on historical floor space trends and averages. An assumed Floor Space per Worker (FSW) is applied to forecast employment numbers in order to estimate the growth in non-residential building space across the Municipality of Strathroy-Caradoc. The FSW assumption used herein is 40 m² per employee for commercial or retail employment, 65m² for institutional employment and lastly 90m² for employment

land employment. The employment and floor space forecasts for the Municipality are summarized in Table A-7 and A-8.

Total employment used for the DC Study is forecast to grow by 1,919 employees over the ten-year forecast period from 2022 to 2031. The total floor space growth is forecast at 118,675 square metres over the 10-year planning period.

APPENDIX A - TABLE A-1
MUNICIPALITY OF STRATHROY-CARADOC
HISTORICAL POPULATION, OCCUPIED HOUSEHOLDS & EMPLOYMENT SUMMARY

Mid-Year	Census Population	Growth	Occupied Households	Household Growth	PPU	Employment by Place of Work	Growth	Activity Rate
2010	20,773	202	7,871	95	2.64	7,915	18	38.1%
2011	20,978	205	7,967	96	2.63	7,935	20	37.8%
2012	20,956	-22	8,031	64	2.61	7,999	64	38.2%
2013	20,934	-22	8,096	65	2.59	8,063	64	38.5%
2014	20,912	-22	8,161	65	2.56	8,128	65	38.9%
2015	20,890	-22	8,227	66	2.54	8,193	65	39.2%
2016	20,867	-23	8,294	67	2.52	8,259	66	39.6%
2017	21,436	569	8,514	220	2.52	8,484	225	39.6%
2018	22,020	584	8,740	226	2.52	8,715	231	39.6%
2019	22,620	600	8,972	232	2.52	8,953	237	39.6%
2020	23,237	617	9,210	238	2.52	9,197	244	39.6%
2021	23,871	634	9,453	243	2.53	9,448	251	39.6%
Growth 2012-2021		3,098		1,582			1,533	

Source: Statistics Canada, Census of Canada; Hemson Estimates

Note: Activity rate is based on ratio of number of employees to census population.

APPENDIX A - TABLE A-2
MUNICIPALITY OF STRATHROY-CARADOC
HISTORICAL ANNUAL BUILDING PERMITS BY TYPE

Year	Annual Housing Building Permits - Units				Building Permits - Shares By Unit Type			
	Singles & Semis	Rows	Apts.	Total	Singles & Semis	Rows	Apts.	Total
2010	70	-	4	74	95%	0%	5%	100%
2011	52	-	6	58	90%	0%	10%	100%
2012	71	-	6	77	92%	0%	8%	100%
2013	74	-	5	79	94%	0%	6%	100%
2014	56	-	29	85	66%	0%	34%	100%
2015	146	28	42	216	68%	13%	19%	100%
2016	128	32	46	206	62%	16%	22%	100%
2017	216	26	53	295	73%	9%	18%	100%
2018	152	31	-	183	83%	17%	0%	100%
2019	120	49	38	207	58%	24%	18%	100%
2020	220	11	4	235	94%	5%	2%	100%
2021	159	4	4	167	95%	2%	2%	100%
Growth 2012 - 2021	1,342	181	227	1,750	77%	10%	13%	100%
<i>5 Year Avg.</i>	173	24	20	217				

Source: Municipality of Strathroy-Caradoc building permit statistics

APPENDIX A - TABLE A-3
MUNICIPALITY OF STRATHROY-CARADOC
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	2,690	1,580	2,070	2,795	2,160	1,405	1,695	1,445	1,300	1,125	15,840	2,425	18,265
Households	1,045	675	850	1,085	825	495	575	510	465	405	6,060	870	6,930
Household Size	2.57	2.34	2.44	2.58	2.62	2.84	2.95	2.83	2.80	2.78	2.61	2.79	2.64
<i>Rows</i>													
Household Population	80	0	65	95	30	0	80	50	60	0	400	60	460
Households	20	0	30	60	15	0	45	30	35	10	200	45	245
Household Size	0.00	0.00	2.17	1.58	2.00	0.00	1.78	1.67	1.71	0.00	2.00	1.33	1.88
<i>Apartments (excl. Duplexes)</i>													
Household Population	315	170	150	200	280	125	105	15	110	35	1,360	145	1,505
Households	200	105	110	135	230	80	70	20	90	10	950	100	1,050
Household Size	1.58	1.62	1.36	1.48	1.22	1.56	1.50	0.75	1.22	3.50	1.43	1.45	1.43
<i>Duplexes</i>													
Household Population	30	40	40	0	0	0	0	0	0	0	110	0	110
Households	20	20	15	10	10	0	0	0	0	0	75	0	75
Household Size	1.50	2.00	2.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.47	0.00	1.47
<i>All Units (excl. Duplexes)</i>													
Household Population	3,085	1,750	2,285	3,090	2,470	1,530	1,880	1,510	1,470	1,160	17,600	2,630	20,230
Households	1,265	780	990	1,280	1,070	575	690	560	590	425	7,210	1,015	8,225
Household Size	2.44	2.24	2.31	2.41	2.31	2.66	2.72	2.70	2.49	2.73	2.44	2.59	2.46

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

APPENDIX A - TABLE A-4
MUNICIPALITY OF STRATHROY-CARADOC
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
2019	22,620	600	8,972	232	2.52	8,953	237	39.6%
2020	23,237	617	9,210	238	2.52	9,197	244	39.6%
2021	23,871	634	9,453	243	2.53	9,448	251	39.6%
2022	24,331	460	9,723	270	2.50	9,630	182	39.6%
2023	24,800	469	10,003	280	2.48	9,816	186	39.6%
2024	25,278	478	10,293	290	2.46	10,005	189	39.6%
2025	25,765	487	10,595	302	2.43	10,198	193	39.6%
2026	26,260	495	10,910	315	2.41	10,394	196	39.6%
2027	26,735	475	11,203	293	2.39	10,582	188	39.6%
2028	27,218	483	11,506	303	2.37	10,773	191	39.6%
2029	27,710	492	11,820	314	2.34	10,967	195	39.6%
2030	28,211	501	12,144	324	2.32	11,166	198	39.6%
2031	28,720	509	12,480	336	2.30	11,367	201	39.6%
2032	29,220	500	12,694	214	2.30	11,565	198	39.6%
2033	29,729	509	12,911	217	2.30	11,767	201	39.6%
2034	30,247	518	13,133	222	2.30	11,972	205	39.6%
2035	30,774	527	13,360	227	2.30	12,180	209	39.6%
2036	31,310	536	13,590	230	2.30	12,392	212	39.6%
2022-2031		4,849		3,027			1,919	
2022-2036		7,439		4,137			2,944	

Source: Middlesex County Housing Growth Forecast and Allocations by Local Municipality Report (December 2020) and Hemson Consulting, 2022

Note: Census population does not include net undercount.

APPENDIX A - TABLE A-5
MUNICIPALITY OF STRATHROY-CARADOC
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
2022	182	42	46	270	67%	15%	17%	100%
2023	186	46	48	280	66%	16%	17%	100%
2024	190	50	50	290	66%	17%	17%	100%
2025	195	55	52	302	65%	18%	17%	100%
2026	200	61	54	315	63%	19%	17%	100%
2027	200	53	40	293	68%	18%	14%	100%
2028	205	57	41	303	68%	19%	14%	100%
2029	210	62	42	314	67%	20%	13%	100%
2030	215	66	43	324	66%	20%	13%	100%
2031	220	72	44	336	65%	21%	13%	100%
2032	144	39	31	214	67%	18%	14%	100%
2033	146	40	31	217	67%	18%	14%	100%
2034	148	42	32	222	67%	19%	14%	100%
2035	150	44	33	227	66%	19%	15%	100%
2036	152	45	33	230	66%	20%	14%	100%
2022-2031	2,003	564	460	3,027	66%	19%	15%	100%
2022-2036	2,743	774	620	4,137	66%	19%	15%	100%

Source: Middlesex County Housing Growth Forecast and Allocations by Local Municipality Report (December 2020) and Hemson Consulting, 2022

APPENDIX A - TABLE A-6
MUNICIPALITY OF STRATHROY-CARADOC
FORECAST POPULATION GROWTH IN NEW HOUSEHOLDS BY UNIT TYPE*

Mid-Year	Singles & Semis	Rows & Other Multiples	Apartments	Total Population in New Households
2022	507	96	67	671
2023	519	106	70	694
2024	530	115	73	718
2025	544	127	75	746
2026	558	140	78	777
2027	558	122	58	738
2028	572	131	59	763
2029	586	143	61	789
2030	600	152	62	814
2031	614	166	64	843
2032	402	90	45	536
2033	407	92	45	544
2034	413	97	46	556
2035	419	101	48	568
2036	424	104	48	575
2022-2031	5,588	1,297	668	7,552
2022-2036	7,652	1,780	900	10,332

*Based on PPU's

2.79

2.30

1.45

Source: Hemson Consulting Ltd., 2022

APPENDIX A - TABLE A-7
MUNICIPALITY OF STRATHROY-CARADOC
NON-RESIDENTIAL GROWTH FORECAST

Mid-Year	Commercial/Retail		Employment Land		Institutional		Rural		Total For DC Study		Work at Home		Total with Work at Home	
	Total Emp	Emp Growth	Total Emp	Empl Growth	Total Emp	Empl Growth	Total Emp	Empl Growth	Total Emp	Empl Growth	Total Emp	Emp Growth	Total Emp	Empl Growth
2020	2,837	93	4,118	100	1,151	31	1,090	20	9,197	244	802	21	9,999	265
2021	2,934	96	4,221	103	1,183	31	1,110	20	9,448	251	824	22	10,272	273
2022	3,010	76	4,293	72	1,206	23	1,122	12	9,630	182	840	16	10,470	198
2023	3,087	78	4,366	73	1,229	23	1,134	12	9,816	186	856	16	10,671	202
2024	3,167	80	4,440	74	1,253	24	1,145	12	10,005	189	872	16	10,877	206
2025	3,258	92	4,515	75	1,277	24	1,147	2	10,198	193	889	17	11,087	210
2026	3,352	94	4,592	76	1,301	25	1,148	1	10,394	196	906	17	11,300	213
2027	3,444	92	4,664	72	1,325	24	1,148	0	10,582	188	922	16	11,504	204
2028	3,539	95	4,738	73	1,349	24	1,147	-1	10,773	191	939	17	11,712	208
2029	3,636	97	4,812	75	1,373	24	1,146	-1	10,967	195	956	17	11,924	212
2030	3,735	99	4,888	76	1,398	25	1,144	-2	11,166	198	973	17	12,139	216
2031	3,837	101	4,965	77	1,423	25	1,142	-2	11,367	201	991	18	12,358	219
2032	3,938	101	5,040	75	1,448	25	1,139	-3	11,565	198	1,008	17	12,573	215
2033	4,042	104	5,116	76	1,473	25	1,135	-4	11,767	201	1,026	18	12,792	219
2034	4,148	106	5,193	77	1,499	26	1,131	-4	11,972	205	1,044	18	13,015	223
2035	4,257	109	5,271	78	1,525	26	1,127	-5	12,180	209	1,062	18	13,242	227
2036	4,369	111	5,351	79	1,551	27	1,121	-5	12,392	212	1,080	18	13,473	231
Growth 2022-2031		903		744		240		32		1,919		167		2,087
Growth 2022-2036		1,435		1,130		369		11		2,944		257		3,201

Source: Hemson Consulting Ltd., 2022

APPENDIX A - TABLE A-8
MUNICIPALITY OF STRATHROY-CARADOC
FORECAST NON-RESIDENTIAL SPACE (SQUARE METRES OF GROSS FLOOR AREA)

Commercial/Retail	40.0 m ² per employee
Employment Land Employment	90.0 m ² per employee
Institutional	65.0 m ² per employee

Mid-Year	Commercial/Retail		Employment Land		Institutional		Rural		Total For DC Study	
	Emp Growth in New Space	New Space (m ²)	Emp Growth in New Space	New Space (m ²)	Emp Growth in New Space	New Space (m ²)	Emp Growth in New Space	New Space (m ²)	Emp Growth in New Space	New Space (m ²)
2020	93	3,730	100	9,036	31	1,987	20	0	244	14,753
2021	96	3,853	103	9,263	31	2,042	20	0	251	15,157
2022	76	3,032	72	6,454	23	1,482	12	0	182	10,968
2023	78	3,106	73	6,564	23	1,511	12	0	186	11,180
2024	80	3,181	74	6,673	24	1,540	12	0	189	11,393
2025	92	3,664	75	6,781	24	1,569	2	0	193	12,014
2026	94	3,751	76	6,872	25	1,594	1	0	196	12,218
2027	92	3,695	72	6,523	24	1,530	0	0	188	11,748
2028	95	3,782	73	6,614	24	1,556	-1	0	191	11,952
2029	97	3,875	75	6,721	24	1,585	-1	0	195	12,180
2030	99	3,969	76	6,826	25	1,614	-2	0	198	12,409
2031	101	4,060	77	6,915	25	1,639	-2	0	201	12,614
2032	101	4,060	75	6,739	25	1,610	-3	0	198	12,409
2033	104	4,156	76	6,842	25	1,639	-4	0	201	12,638
2034	106	4,254	77	6,945	26	1,668	-4	0	205	12,867
2035	109	4,353	78	7,047	26	1,697	-5	0	209	13,097
2036	111	4,453	79	7,148	27	1,726	-5	0	212	13,327
Growth 2022-2031	903	36,115	744	66,942	240	15,618	32	0	1,919	118,675
Growth 2022-2036	1,435	57,390	1,130	101,664	369	23,960	11	0	2,944	183,014

Source: Hemson Consulting Ltd., 2022

APPENDIX B

GENERAL SERVICES

TECHNICAL APPENDIX

This appendix provides the detailed analysis undertaken to establish the development charge rates for each of the eligible general services provided by the Municipality of Strathroy-Caradoc. Three general services have been analysed as part of this Development Charges (DC) Background Study:

Appendix B.1 Parks and Recreation: Indoor Recreation

Appendix B.2 Parks and Recreation: Park Development & Facilities

Appendix B.3 Development Related Studies

Every sub-section, with the exception of Development Related Studies, contains a set of three tables. The tables provide the background data and analysis undertaken to arrive at the calculated development charge rates for that particular service. An overview of the content and purpose of each of the tables is given below.

Please note that the Municipality currently levies DCs for Cemeteries and Library Services and both of these soft services are not included in this study.

- 1) With the recent legislative amendments, Cemeteries is now considered to be an ineligible category of service, therefore, any growth-related costs associated to cemeteries would need to be funded from other sources (property taxes, user fees or other growth-funding tools). To further expand on the growth funding tools, the Municipality of Strathroy-Caradoc can implement a Community Benefit Charges by-law to fund this service.
- 2) There are currently no growth-related needs identified for library services and therefore no costs to be considered for recovery under this by-law. The Municipality can always reintroduce this service at the next DC update should growth-related capital needs arise. There is also currently funds available in the Library DC reserve to interim fund any projects during the by-law period.

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 2012–2021.

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 Municipal staff in consultation with Hemson Consulting Ltd. This information is generally based on historical records and experience with costs to acquire or construct similar facilities, equipment and infrastructure.

The approach used to calculate service levels and maximum funding envelopes is described as follows: for those services with only a residential impact (Indoor Recreation and Park Development & Facilities), the service level measure of net population has been utilized. For the remaining services that levy both a residential and non-residential charge, the service level measure of net population + employment has been utilized.

There is also a requirement in the *DCA* to consider “excess capacity” within the Municipality's existing infrastructure that may be available to partially meet 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 also shows the calculation of the maximum allowable funding envelope. The maximum allowable funding envelope is defined as the ten-year historical service level (expressed as \$/capita or \$/population and employment) multiplied by the forecast increase in net population or net population and employment 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 2022 – 2031 DEVELOPMENT-RELATED CAPITAL PROGRAM AND CALCULATION OF THE 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, municipal 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 2022 – 2031.

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 2022 to 2031. 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 beyond 2031 or can be funded from other growth-funding tools such as Community Benefit Charges (if a by-law is adopted). 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 or intended to be funded from other growth funding tools.

The remaining portion of the net capital program represents the development-related cost that may be included in the DC calculation. In all 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 2022 to 2031.

i. Calculation of the Development Charges Rates

The section below the capital program displays the calculation of the calculated development charge rates.

The first step in determining the development charge rate is to allocate the development-related net capital cost between the residential and non-residential sectors. For all general services (Development Related Studies) with the exception of Indoor Recreation and Park Development & Facilities the development-related costs have been apportioned as 80 per cent residential and 20 per cent non-residential. This apportionment is based on the anticipated shares of population growth in new units and employment growth in new space over the ten-year forecast period. The development-related costs associated with Parks & Recreation (Indoor Recreation and Park Development and Facilities) have been allocated 100 per cent to the residential sector, as the need for these services is driven by residential development.

The residential share of the 2022 – 2031 DC eligible costs is then divided by the forecasted population growth in new dwelling units. This gives the calculated residential development charge per capita. The non-residential development-related net capital costs are divided by the forecasted increase in non-residential gross floor area (GFA). This yields a charge per square metre of new non-residential development.

TABLE 3 CASH FLOW ANALYSIS

A cash flow analysis is also 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 and per square metre (of GFA) non-residential development charges.

APPENDIX B.1

PARKS AND RECREATION: INDOOR RECREATION

The Municipality of Strathroy-Caradoc Parks and Development Department is responsible for all indoor recreation facilities and programs, and all parks (including parkland and trails, and park facilities). This component of the appendix reflects the Indoor Recreation component of the Department and Service Category.

TABLE B.1-1 HISTORICAL SERVICE LEVELS

The ten-year historical inventory of capital assets for indoor recreation facilities includes 161,893 square feet of recreation building space located throughout the Municipality. For the purposes of the DC calculation, about 2,957 square feet has been deducted from the inventory (and associated value to reflect the excess capacity associated with the outstanding debt on the West Middlesex Memorial Centre recreation complex and area). The total value of these facilities (after the excess capacity is considered) is \$58.83 million. The land associated with the various community centres, arenas, and other centres totals 9.67 hectares, and is valued at \$1.64 million. The Municipality owns and maintains a substantial amount of furniture and equipment used to provide indoor recreation services. The total replacement value of all indoor recreation equipment in 2021 is \$1.77 million.

The total combined value of capital assets for Parks and Recreation in the Municipality of Strathroy-Caradoc amounts to \$62.25 million in 2021. The ten-year historical average service level is \$2,865.53 per capita, and this, multiplied by the ten-year net population growth (4,849), results in a ten-year maximum allowable funding envelope of \$13.89 million.

**TABLE B.1-2 2022-2031 DEVELOPMENT-RELATED PROGRAM &
CALCULATION OF THE DEVELOPMENT CHARGES**

The 2022-2031 development-related capital program for the Indoor Recreation (associated with Parks and Recreation) totals \$45.21 million and includes for the recovery of indoor recreation debt associated to the West Middlesex Memorial Centre and construction of three indoor facilities: a new Multi-Use Recreation Complex, the Expansion of the Gemini Facility and a new Indoor Fieldhouse. The capital program was informed by discussions with the municipal staff and guided by the recently completed Parks and Recreation Master Plan.

Of the gross capital costs of \$45.21 million, the following considerations and adjustments were made to the program:

1. Approximately \$9.30 million in grants, subsidies and other recoveries are assumed to help offset the cost of the expansion of Geminni facility.
2. A share of 47 percent, or \$9.88 million, has been netted off the total net municipal cost and considered as a benefit to existing share of the Multi-Use Recreation Complex and Arena. The benefit to existing share reflects the value associated with Mount Brydges arena which would be decommissioned with the construction of this new facility. No other benefit to existing shares are netted off the program as the remaining projects are considered net new assets related to growth.
3. The Municipality has \$3.01 million in available DC reserves to help offset a portion of the DC eligible capital costs. These funds are applied to the remaining principal payments associated with the West Middlesex Memorial Centre as well as a portion of the Multi-use recreational complex.
4. Due to service level restrictions, a portion of the program, about 50% of the DC Eligible share of the expansion of the Gemmini centre, and the entire indoor field house is considered to be related to development but not recovered from DCs in this planning period. Therefore, \$9.13 million is not considered for recovery in this planning period and can be recovered through future DCs or other growth-related funding tools such as CBCs (should the municipality adopt a by-law and intend to fund a share of these costs).

The 2022-2031 in-period DC eligible cost is \$13.89 million and this remaining DC costs eligible for recovery results in a development charge of \$1,839.88 per capita.

TABLE B.1-3 CASH FLOW ANALYSIS

After cash flow consideration, the residential calculated charge increases to \$1,891.21 per capita largely associated to the timing of the capital projects. The following table summarizes the calculation of the Indoor Recreation development charge:

10-year Hist. Service Level \$/pop	INDOOR RECREATION SERVICES SUMMARY					
	2022-2031		Unadjusted		Adjusted	
	Development-Related Capital Program		Development Charge		Development Charge	
	Total	Net DC Recoverable	\$/capita	\$/sq.m	\$/capita	\$/sq.m
\$2,865.53	\$45,209,046	\$13,894,933	\$1,839.88	\$0.00	\$1,891.21	\$0.00

**APPENDIX B.1
TABLE B.1-1**

**MUNICIPALITY OF STRATHROY-CARADOC
INVENTORY OF CAPITAL ASSETS
PARKS AND RECREATION: INDOOR RECREATION**

BUILDINGS	# of Square Feet										UNIT COST
Facility Name	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	(\$/sq.ft)
West Middlesex Memorial Centre	47,500	47,500	47,500	47,500	47,500	47,500	47,500	47,500	47,500	47,500	\$375
Gemini Sportsplex	66,000	66,000	66,000	66,000	66,000	66,000	66,000	66,000	66,000	66,000	\$375
Tri-Township Arena, Mount Brydges (85% S-C)	26,350	26,350	26,350	26,350	26,350	26,350	26,350	26,350	26,350	26,350	\$375
Caradoc Community Centre	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	\$300
Seniors Centre	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	\$300
Scout House	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	\$300
<i>Excess Capacity - West Middlesex Memorial Centre</i>	<i>(2,957)</i>	<i>(2,957)</i>	<i>(2,957)</i>	<i>(2,957)</i>	<i>(2,957)</i>	<i>(2,957)</i>	<i>(2,957)</i>	<i>(2,957)</i>	<i>(2,957)</i>	<i>(2,957)</i>	<i>\$375</i>
Total (sq.ft.)	161,893	161,893	161,893	161,893	161,893	161,893	161,893	161,893	161,893	161,893	
Total (\$000)	\$58,834.7	\$58,834.7	\$58,834.7	\$58,834.7	\$58,834.7	\$58,834.7	\$58,834.7	\$58,834.7	\$58,834.7	\$58,834.7	

LAND	# of Hectares										UNIT COST
Facility Name	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	(\$/ha)
West Middlesex Memorial Centre	1.63	1.63	1.63	1.63	1.63	1.63	1.63	1.63	1.63	1.63	\$170,000
Gemini Sportsplex	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	\$170,000
Tri-Township Arena, Mount Brydges (85% S-C)	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	\$170,000
Caradoc Community Centre	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	\$170,000
Seniors Centre	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	\$170,000
Scout House	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	\$170,000
Total (ha)	9.67	9.67	9.67	9.67	9.67	9.67	9.67	9.67	9.67	9.67	
Total (\$000)	\$1,643.7	\$1,643.7	\$1,643.7	\$1,643.7	\$1,643.7	\$1,643.7	\$1,643.7	\$1,643.7	\$1,644.4	\$1,644.4	

**APPENDIX B.1
TABLE B.1-1**

**MUNICIPALITY OF STRATHROY-CARADOC
INVENTORY OF CAPITAL ASSETS
PARKS AND RECREATION: INDOOR RECREATION**

EQUIPMENT Description	Total Value of Equipment (\$)									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
West Middlesex Memorial Centre	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Gemini Sportsplex	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Tri-Township Arena, Mount Brydges (85% S-C)	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000
Caradoc Community Centre	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
Seniors Centre	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
Scout House	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Total (\$000)	\$1,775.0	\$1,775.0	\$1,775.0	\$1,775.0	\$1,775.0	\$1,775.0	\$1,775.0	\$1,775.0	\$1,775.0	\$1,775.0

**APPENDIX B.1
TABLE B.1-1**

**MUNICIPALITY OF STRATHROY-CARADOC
CALCULATION OF SERVICE LEVELS
PARKS AND RECREATION: INDOOR RECREATION**

SUMMARY OF SERVICE LEVEL ANALYSIS

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Historic Population	20,956	20,934	20,912	20,890	20,867	21,436	22,020	22,620	23,237	23,871

INVENTORY SUMMARY (\$000)

Buildings	\$58,834.7	\$58,834.7	\$58,834.7	\$58,834.7	\$58,834.7	\$58,834.7	\$58,834.7	\$58,834.7	\$58,834.7	\$58,834.7
Land	\$1,643.7	\$1,643.7	\$1,643.7	\$1,643.7	\$1,643.7	\$1,643.7	\$1,643.7	\$1,643.7	\$1,644.4	\$1,644.4
Equipment	\$1,775.0	\$1,775.0	\$1,775.0	\$1,775.0	\$1,775.0	\$1,775.0	\$1,775.0	\$1,775.0	\$1,775.0	\$1,775.0
Total (\$000)	\$62,253.4	\$62,253.4	\$62,253.4	\$62,253.4	\$62,253.4	\$62,253.4	\$62,253.4	\$62,253.4	\$62,254.1	\$62,254.1

SERVICE LEVEL (\$/capita)

**Average
Service
Level**

Buildings	\$2,807.54	\$2,810.49	\$2,813.44	\$2,816.41	\$2,819.51	\$2,744.67	\$2,671.88	\$2,601.00	\$2,531.94	\$2,464.69	\$2,708.16
Land	\$78.44	\$78.52	\$78.60	\$78.69	\$78.77	\$76.68	\$74.65	\$72.67	\$70.77	\$68.89	\$75.67
Equipment	\$84.70	\$84.79	\$84.88	\$84.97	\$85.06	\$82.80	\$80.61	\$78.47	\$76.39	\$74.36	\$81.70
Total (\$/capita)	\$2,970.67	\$2,973.80	\$2,976.92	\$2,980.06	\$2,983.34	\$2,904.15	\$2,827.13	\$2,752.14	\$2,679.09	\$2,607.94	\$2,865.53

**CALCULATION OF MAXIMUM ALLOWABLE FUNDING ENVELOPE
MUNICIPALITY OF STRATHROY-CARADOC**

10-Year Funding Envelope Calculation	
10 Year Average Service Level 2012 - 2021	\$2,865.53
Net Population Growth 2022 - 2031	4,849
Maximum Allowable Funding Envelope	\$13,894,933

APPENDIX B.1

TABLE B.1-2

MUNICIPALITY OF STRATHROY-CARADOC
2022 DEVELOPMENT CHARGES BACKGROUND STUDY
DEVELOPMENT-RELATED CAPITAL PROGRAM

Service	Project Description	Timing	Gross Project Cost	Grants/ Subsidies/Other Recoveries	Net Municipal Cost	Ineligible Cost		Total	DC Eligible Costs		
						Replacement & BTE Shares	Replacement and BTE Share	DC Eligible Costs	Available DC Reserves	2022-2031	Other Development Related
1.0 INDOOR RECREATION											
1.1 Debt Recovery Principal Share Only											
1.1.1	West Middlesex Memorial Centre	2022	\$ 228,721	\$ -	\$ 228,721	0%	\$ -	\$ 228,721	\$ 228,721	\$ -	\$ -
1.1.2	West Middlesex Memorial Centre	2023	\$ 238,849	\$ -	\$ 238,849	0%	\$ -	\$ 238,849	\$ 238,849	\$ -	\$ -
1.1.3	West Middlesex Memorial Centre	2024	\$ 249,425	\$ -	\$ 249,425	0%	\$ -	\$ 249,425	\$ 249,425	\$ -	\$ -
1.1.4	West Middlesex Memorial Centre	2025	\$ 260,469	\$ -	\$ 260,469	0%	\$ -	\$ 260,469	\$ 260,469	\$ -	\$ -
1.1.5	West Middlesex Memorial Centre	2026	\$ 131,582	\$ -	\$ 131,582	0%	\$ -	\$ 131,582	\$ 131,582	\$ -	\$ -
Subtotal Debt Recovery Principal Share Only			\$ 1,109,046	\$ -	\$ 1,109,046		\$ -	\$ 1,109,046	\$ 1,109,046	\$ -	\$ -
1.2 Indoor Recreation Building											
1.2.1	Multi-Use Recreation Complex - (incl. Arena)	2026	\$ 21,000,000	\$ -	\$ 21,000,000	47%	\$ 9,881,250	\$ 11,118,750	\$ 1,897,342	\$ 9,221,408	\$ -
1.2.2	Expansion of Gemini (double gym, programming space) - 35,000 sq.ft	2027	\$ 18,600,000	\$ 9,300,000	\$ 9,300,000	0%	\$ -	\$ 9,300,000	\$ -	\$ 4,673,526	\$ 4,626,474
1.2.3	Indoor Field House	2029	\$ 4,500,000	\$ -	\$ 4,500,000	0%	\$ -	\$ 4,500,000	\$ -	\$ -	\$ 4,500,000
Subtotal Indoor Recreation Building			\$ 44,100,000	\$ 9,300,000	\$ 34,800,000		\$ 9,881,250	\$ 24,918,750	\$ 1,897,342	\$ 13,894,933	\$ 9,126,474
TOTAL INDOOR RECREATION			\$ 45,209,046	\$ 9,300,000	\$ 35,909,046		\$ 9,881,250	\$ 26,027,796	\$ 3,006,389	\$ 13,894,933	\$ 9,126,474

Residential Development Charge Calculation

Residential Share of 2022-2031 DC Eligible Costs	100%	\$13,894,933
10 Year Growth in Population in New Units		7,552
Unadjusted Development Charge Per Capita (\$)		\$1,839.88

Non-Residential Development Charge Calculation

Non-Residential Share of 2022-2031 DC Eligible Costs	0%	\$ -
10 Year Growth in Square Meters		118,675
Unadjusted Development Charge Per Sq.M (\$)		\$0.00

2022 - 2031 Net Funding Envelope	\$13,894,933
Reserve Fund Balance	\$3,006,389

**APPENDIX B.1
TABLE B.1-3**

**MUNICIPALITY OF STRATHROY-CARADOC
CASHFLOW AND DETERMINATION OF DEVELOPMENT CHARGE
PARKS AND RECREATION: INDOOR RECREATION
RESIDENTIAL DEVELOPMENT CHARGE**

1.0 INDOOR RECREATION

OPENING CASH BALANCE FROM APPLICABLE RESERVES	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	TOTAL
OPENING CASH BALANCE (\$000)	3006.4	4,123.1	5,351.1	6,695.8	8,173.9	(2,410.9)	(6,262.2)	(4,954.2)	(3,481.8)	(1,838.0)	
2022-2031 RESIDENTIAL FUNDING REQUIREMENTS											
1.00 Prior Growth	\$0.00	\$0.00	\$0.00	\$0.00	\$1,897.34	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,897.34
1.00 Principal Debt West Middlesex Memorial Centre	\$228.72	\$238.85	\$249.42	\$260.47	\$131.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,109.05
1.00 Indoor Recreation : Non Inflated	\$0.00	\$0.00	\$0.00	\$0.00	\$9,221.41	\$4,673.53	\$0.00	\$0.00	\$0.00	\$0.00	\$13,894.93
1.00 Indoor Recreation : Inflated	\$228.72	\$238.85	\$249.42	\$260.47	\$12,166.87	\$5,159.95	\$0.00	\$0.00	\$0.00	\$0.00	\$18,304.29
POPULATION GROWTH											
- Population in New Units	671	694	718	746	777	738	763	789	814	843	7,552
REVENUE - current (\$000)											
- Dev. Charge Receipts	1,268.3	1,339.4	1,412.0	1,497.1	1,589.8	1,540.8	1,624.0	1,714.9	1,803.7	1,905.8	\$15,695.62
- Interest on Opening Balance	105.2	144.3	187.3	234.4	286.1	(132.6)	(344.4)	(272.5)	(191.5)	(101.1)	(\$84.83)
- Interest on In-year Transactions (excl.int.)	18.2	19.3	20.3	21.6	(290.9)	(99.5)	28.4	30.0	31.6	33.4	(\$187.61)
- Interest on Debt West Middlesex Memorial Centre	(46.2)	(36.1)	(25.5)	(14.5)	(2.9)	0.0	0.0	0.0	0.0	0.0	(\$125.28)
TOTAL REVENUE	1,345.5	1,466.9	1,594.1	1,738.6	1,582.1	1,308.6	1,308.0	1,472.4	1,643.8	1,838.0	\$15,297.90
CLOSING CASH BALANCE	4,123.1	5,351.1	6,695.8	8,173.9	(2,410.9)	(6,262.2)	(4,954.2)	(3,481.8)	(1,838.0)	0.0	

2022 Adjusted Charge Per Capita \$1,891.21

Allocation of Capital Program	
Residential Sector	100.0%
Non-Residential Sector	0.0%
Rates for 2022	
Inflation Rate	2.0%
Interest Rate on Positive Balances	3.5%
Interest Rate on Negative Balances	5.5%

APPENDIX B.2

PARKS AND RECREATION: PARK DEVELOPMENT & FACILITIES

The Municipality of Strathroy-Caradoc Parks and Development Department is responsible for all indoor recreation facilities and programs, and all parks (including parkland and trails, and park facilities). This appendix with reflect the Park Development & Facilities component of the Parks and Recreation Department and service area.

TABLE B.2-1 HISTORICAL SERVICE LEVELS

The ten-year historical inventory of capital assets for Strathroy-Caradoc’s parks includes 57.71 hectares of developed parkland. Various types of parks have been included in the inventory, including neighbourhood parks and a dog park. The combined value of all developed parkland amounts to \$4.33 million. A development cost of \$75,000 per hectare has been used in the inventory, which represents the site preparation and servicing costs to the Municipality to develop basic land into a useable park.

The Municipality also owns and maintains a variety of park facilities. The combined value of play fields, courts, playgrounds, skate parks and pools in 2021 is \$13.59 million. Other outdoor park buildings such as storage sheds, bleachers, washrooms, gazebos, and pavilions are valued at \$3.26 million. Lastly, parks fleet and equipment adds \$625,500 to the value of the inventory.

The total combined value of capital assets for Park Development and Facilities in the Municipality of Strathroy-Caradoc amounts to \$21.80 million in 2021. The ten-year historical average service level is \$912.84 per capita, and this, multiplied by the ten-year net population growth (4,849), results in a ten-year maximum allowable funding envelope of \$4.43 million.

TABLE B.2-2 2022-2031 DEVELOPMENT-RELATED PROGRAM & CALCULATION OF THE DEVELOPMENT CHARGES

The 2022-2031 development-related capital program for Park Development and Facilities totals \$11.00 million and is related to the development of new parks, various parkland improvements (ball diamonds, basketball courts, soccer field lighting) and trails. The capital program was informed by discussions with the municipal staff and guided by the recently completed Parks and Recreation Master Plan.

Of the gross capital costs of \$11.00 million, approximately \$200,000 in grants, subsidies and other recoveries are assumed to help offset the cost of the All Wheels Skate Park. No shares have been netted off as a benefit to existing share of the capital program as all

projects are required due to development occurring. The Municipality has \$779,437 in DC reserves to offset a portion of the DC eligible capital costs – these funds are applied to the projects occurring first in the program.

Due to service level restrictions, a portion of the program, over 50% of the DC Eligible share of program is considered to be related to development but not recovered from DCs in this planning period. As such, \$5.60 million is not considered for recovery in this planning period and can be recovered through future DCs or other growth-related funding tools such as CBCs (should the municipality adopt a by-law and intend to fund a share of these costs through this mechanism).

The 2022-2031 in-period DC eligible cost is \$4.43 million and this remaining share is allocated entirely against future residential development in the Municipality resulting in a development charge of \$586.11 per capita.

TABLE B.2-3 CASH FLOW ANALYSIS

After cash flow consideration, the residential calculated charge increases to \$586.71 per capita largely associated to the timing of the capital projects. The following table summarizes the calculation of the Park Development and Facilities development charge:

PARK DEVELOPMENT & FACILITIES SERVICES SUMMARY						
10-year Hist. Service Level \$/pop	2022-2031		Unadjusted		Adjusted	
	Development-Related Capital Program		Development Charge		Development Charge	
	Total	Net DC Recoverable	\$/capita	\$/sq.m	\$/capita	\$/sq.m
\$912.84	\$11,005,000	\$4,426,350	\$586.11	\$0.00	\$586.71	\$0.00

**APPENDIX B.2
TABLE B.2-1**

**MUNICIPALITY OF STRATHROY-CARADOC
INVENTORY OF CAPITAL ASSETS
PARKS AND RECREATION: PARK DEVELOPMENT & FACILITIES**

NEIGHBOURHOOD PARKS	# of Hectares										UNIT COST
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	(\$/ha)
Strathroy											
Alexandra Park	10.87	10.87	10.87	10.87	10.87	10.87	10.87	10.87	10.87	10.87	\$75,000
Victoria Street Park and Memorial Forest	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	\$75,000
Centennial Park	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	\$75,000
Cuddy Sports Complex	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	\$75,000
Brennan Drive	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	-	\$75,000
Saulsbury	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	\$75,000
WMMC and Fairgrounds	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	\$75,000
Geminni Sportsplex	4.04	4.04	4.04	4.04	4.04	4.04	4.04	4.04	4.04	4.04	\$75,000
Southfield Drive	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	\$75,000
Strathroy Dog Park										2.00	\$75,000
Park Street	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	\$75,000
Sensory Park Street	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	\$75,000
Frances Street	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	\$75,000
Yorkview Park	10.11	10.11	10.11	10.11	10.11	10.11	10.11	10.11	10.11	10.11	\$75,000
DeRuiter Drive	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	\$75,000
Mount Brydges											
Applewood Park	-	-	-	-	-	-	-	-	-	0.20	\$75,000
Uptown Park & Cenotaph	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	\$75,000
King Street (Royal Canadian Legion Park)	1.21	1.21	1.21	1.21	1.21	1.21	1.21	1.21	1.21	1.21	\$75,000
Bentim Street (Optimist Park)	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	\$75,000
Church Street (Lioness Park)	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	\$75,000
Glover Circle	0.28	0.28	0.28	0.28	0.28	0.28	0.28	0.28	0.28	0.28	\$75,000
Churchill Street	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	\$75,000
Lions Park	4.30	4.30	4.30	4.30	4.30	4.30	4.30	4.30	4.30	4.30	\$75,000
Bennett Cres Park	-	-	-	-	-	-	-	-	-	0.20	\$75,000
Total (ha)	55.60	55.60	55.60	55.60	55.60	55.60	55.60	55.60	55.60	57.71	
Total (\$000)	\$4,170.3	\$4,170.3	\$4,170.3	\$4,170.3	\$4,170.3	\$4,170.3	\$4,170.3	\$4,170.3	\$4,170.3	\$4,328.6	

APPENDIX B.2
TABLE B.2-1

MUNICIPALITY OF STRATHROY-CARADOC
INVENTORY OF CAPITAL ASSETS
PARKS AND RECREATION: PARK DEVELOPMENT & FACILITIES

BALL DIAMONDS Park Name	# of Fields										UNIT COST (\$/Field)
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
Alexandra Park - Royals Field - Lit	1	1	1	1	1	1	1	1	1	1	\$335,000
York Street Diamonds - Unlit	2	2	2	2	2	2	2	2	2	2	\$180,000
York Street Ball Diamonds - Lit	1	1	1	1	1	1	1	1	1	1	\$335,000
WMMC Diamonds - Lit	1	1	1	1	1	1	1	1	1	1	\$335,000
WMMC Diamonds - Unlit	2	2	2	2	-	-	-	-	-	-	\$180,000
Tri-Township Arena Ball Diamond - Lit	1	1	1	1	1	1	1	1	1	1	\$335,000
Mount Brydges Legion Ball Diamond - Unlit	1	1	1	1	1	1	1	1	1	1	\$180,000
Total (#)	9	9	9	9	7	7	7	7	7	7	
Total (\$000)	\$2,240.0	\$2,240.0	\$2,240.0	\$2,240.0	\$1,880.0	\$1,880.0	\$1,880.0	\$1,880.0	\$1,880.0	\$1,880.0	

SOCCER FIELDS Park Name	# of Fields										UNIT COST (\$/Field)
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
Yorkview Park											
- Full Field Lit	2	2	2	2	2	2	2	2	2	2	\$335,000
- Smaller fields unlit combined (4 Timbit, 2 2/4 fields)	1	1	1	1	1	1	1	1	1	1	\$200,000
Cuddy Sports Complex											
- Full Field Lit	1	1	1	1	1	1	1	1	1	1	\$335,000
- Full Field - Unlit	1	1	1	1	1	1	1	1	1	1	\$180,000
- 3/4 Fields	2	2	2	2	2	2	2	2	2	2	\$165,000
Caradoc Community Centre											
- Full Field - Unlit	1	1	1	1	1	1	1	1	1	1	\$180,000
- 3/4 Fields - Unlit	2	2	2	2	2	2	2	2	2	2	\$165,000
- Small field	1	1	1	1	1	1	1	1	1	1	\$67,000
Gemini Sportsplex - Lit	2	2	2	2	2	2	2	2	2	2	\$335,000
Saulsbury Park	1	1	1	1	1	1	1	1	1	1	\$65,000
Centennial Park	1	1	1	1	1	-	-	-	-	-	\$18,000
MB Lions Club Field	1	1	1	1	1	1	1	1	1	1	\$134,000
Total (#)	16	16	16	16	16	15	15	15	15	15	
Total (\$000)	\$3,179.0	\$3,179.0	\$3,179.0	\$3,179.0	\$3,179.0	\$3,161.0	\$3,161.0	\$3,161.0	\$3,161.0	\$3,161.0	

APPENDIX B.2
TABLE B.2-1

MUNICIPALITY OF STRATHROY-CARADOC
INVENTORY OF CAPITAL ASSETS
PARKS AND RECREATION: PARK DEVELOPMENT & FACILITIES

BASKETBALL COURTS	# of Courts										UNIT COST (\$/Court)
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
Park Name											
Yorkview Park	1	1	1	1	1	1	1	1	1	1	\$118,000
Total (#)	1	1	1	1	1	1	1	1	1	1	
Total (\$000)	\$118.0	\$118.0	\$118.0	\$118.0	\$118.0	\$118.0	\$118.0	\$118.0	\$118.0	\$118.0	

TENNIS COURTS	# of Courts										UNIT COST (\$/Court)
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
Park Name											
West Middlesex Memorial Centre (4 Lit Courts)	4	4	4	4	4	4	4	4	4	4	\$74,000
Total (#)	4	4	4	4	4	4	4	4	4	4	
Total (\$000)	\$296.0	\$296.0	\$296.0	\$296.0	\$296.0	\$296.0	\$296.0	\$296.0	\$296.0	\$296.0	

SWIMMING POOL	# of Pools										UNIT COST (\$/Pool)
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
Park Name											
Alexandra Park - Lions Club Swimming Pool	1	1	1	-	-	-	-	-	-	-	\$889,000
Fair Grounds Aquatic Park (Pool, waterslide, pavilion, playground)	-	-	-	1	1	1	1	1	1	1	\$5,300,000
Total (#)	1	1	1	1	1	1	1	1	1	1	
Total (\$000)	\$889.0	\$889.0	\$889.0	\$5,300.0	\$5,300.0	\$5,300.0	\$5,300.0	\$5,300.0	\$5,300.0	\$5,300.0	

APPENDIX B.2
TABLE B.2-1

MUNICIPALITY OF STRATHROY-CARADOC
INVENTORY OF CAPITAL ASSETS
PARKS AND RECREATION: PARK DEVELOPMENT & FACILITIES

SKATE PARKS Park Name	# of Facilities										UNIT COST (\$/Skate park)
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
Centennial Park Strathroy	1	1	1	1	1	1	1	1	1	1	\$200,000
Legion Park Mount Brydges	1	1	1	1	1	1	1	1	1	1	\$200,000
Total (#)	2	2	2	2	2	2	2	2	2	2	
Total (\$000)	\$400.0	\$400.0	\$400.0	\$400.0	\$400.0	\$400.0	\$400.0	\$400.0	\$400.0	\$400.0	

PLAYGROUNDS	Total Value of Playground Equipment (\$)									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Strathroy:										
Alexandra Park	\$402,400	\$402,400	\$402,400	\$402,400	\$402,400	\$402,400	\$402,400	\$402,400	\$402,400	\$402,400
Brennan	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$0	\$0	\$0	\$0	\$0
Centennial Park	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$0	\$0	\$0	\$0	\$0
Francis	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$0	\$0	\$0	\$0	\$0
Sensory Park (High Street)	\$60,400	\$60,400	\$60,400	\$60,400	\$60,400	\$60,400	\$60,400	\$60,400	\$60,400	\$60,400
Saulsbury	\$167,700	\$167,700	\$167,700	\$167,700	\$167,700	\$167,700	\$167,700	\$167,700	\$167,700	\$167,700
Southfield Drive	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$0	\$0	\$0	\$0	\$0
Yorkview	\$167,700	\$167,700	\$167,700	\$167,700	\$167,700	\$167,700	\$167,700	\$167,700	\$167,700	\$167,700
Fair Grounds Recreation Complex	\$0	\$0	\$0	\$335,300	\$335,300	\$335,300	\$335,300	\$335,300	\$335,300	\$335,300
Mount Brydges:										
Bennet Crescent Park	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$125,000
Applewood	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$125,000
Bentim (Optimist Park)	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$125,000
Church Street (Lioness Park)	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$125,000
Churchill Street	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$125,000
Glover Circle	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$125,000
King Street (Royal Canadian Legion)	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$200,000
Uptown Park & Cenotaph	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$200,000
Lions Park	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125,000	\$ 125,000	\$ 125,000	\$150,000
Total (\$000)	\$1,878.2	\$1,878.2	\$1,878.2	\$2,213.5	\$2,213.5	\$2,033.5	\$2,158.5	\$2,158.5	\$2,158.5	\$2,433.5

Total All Facilities (#)	33	33	33	33	31	30	30	30	30	30
Total All Facilities (\$)	\$9,000.2	\$9,000.2	\$9,000.2	\$13,746.5	\$13,386.5	\$13,188.5	\$13,313.5	\$13,313.5	\$13,313.5	\$13,588.5

**APPENDIX B.2
TABLE B.2-1**

**MUNICIPALITY OF STRATHROY-CARADOC
INVENTORY OF CAPITAL ASSETS
PARKS AND RECREATION: PARK DEVELOPMENT & FACILITIES**

PARK BUILDINGS Description	Total Value of Buildings (\$)									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Alexandra Park										
Equipment Depot/Clubhouse Ball	\$255,100	\$255,100	\$255,100	\$255,100	\$255,100	\$255,100	\$255,100	\$255,100	\$255,100	\$255,100
Picnic Pavilion (2)	\$241,400	\$241,400	\$241,400	\$241,400	\$241,400	\$241,400	\$241,400	\$241,400	\$241,400	\$241,400
Baseball Storage Shed	\$14,800	\$14,800	\$14,800	\$14,800	\$14,800	\$14,800	\$14,800	\$14,800	\$14,800	\$14,800
Bleachers	\$40,200	\$40,200	\$40,200	\$40,200	\$40,200	\$40,200	\$40,200	\$40,200	\$40,200	\$40,200
Washrooms/Maintenance	\$670,700	\$670,700	\$670,700	\$670,700	\$670,700	\$670,700	\$670,700	\$670,700	\$670,700	\$670,700
Ball Dugouts	\$17,100	\$17,100	\$17,100	\$17,100	\$17,100	\$17,100	\$17,100	\$17,100	\$17,100	\$17,100
Former Train Storage	\$33,500	\$33,500	\$33,500	\$33,500	\$33,500	\$0	\$0	\$0	\$0	\$0
York Street										
Maintenance Building	\$134,100	\$134,100	\$134,100	\$134,100	\$134,100	\$134,100	\$134,100	\$134,100	\$134,100	\$134,100
Soccer Building	\$670,700	\$670,700	\$670,700	\$670,700	\$670,700	\$670,700	\$670,700	\$670,700	\$670,700	\$670,700
Concession/Washroom	\$268,300	\$268,300	\$268,300	\$268,300	\$268,300	\$268,300	\$268,300	\$268,300	\$268,300	\$268,300
Dugouts	\$46,900	\$46,900	\$46,900	\$46,900	\$46,900	\$46,900	\$46,900	\$46,900	\$46,900	\$46,900
Bleachers	\$40,200	\$40,200	\$40,200	\$40,200	\$40,200	\$40,200	\$40,200	\$40,200	\$40,200	\$40,200
Storage Shed	\$13,400	\$13,400	\$13,400	\$13,400	\$13,400	\$0	\$0	\$0	\$0	\$0
WMMC & Fairgrounds										
Washroom	\$245,400	\$245,400	\$245,400	\$245,400	\$245,400	\$245,400	\$245,400	\$245,400	\$245,400	\$245,400
Bleachers	\$40,200	\$40,200	\$40,200	\$40,200	\$40,200	\$40,200	\$40,200	\$40,200	\$40,200	\$40,200
Dugouts	\$20,100	\$20,100	\$20,100	\$20,100	\$20,100	\$20,100	\$20,100	\$20,100	\$20,100	\$20,100
Two Storage Buildings	\$268,300	\$268,300	\$268,300	\$268,300	\$268,300	\$268,300	\$268,300	\$268,300	\$268,300	\$268,300
Cuddy Sports Complex										
Soccer Building	\$26,800	\$26,800	\$26,800	\$26,800	\$26,800	\$26,800	\$26,800	\$26,800	\$26,800	\$26,800
Storage	\$2,700	\$2,700	\$2,700	\$2,700	\$2,700	\$2,700	\$2,700	\$2,700	\$2,700	\$2,700
Bleachers	\$40,200	\$40,200	\$40,200	\$40,200	\$40,200	\$40,200	\$40,200	\$40,200	\$40,200	\$40,200
Tri-Township Arena										
Concession/Washroom	\$100,600	\$100,600	\$100,600	\$100,600	\$100,600	\$100,600	\$100,600	\$100,600	\$100,600	\$100,600
Storage Building	\$16,100	\$16,100	\$16,100	\$16,100	\$16,100	\$16,100	\$16,100	\$16,100	\$16,100	\$16,100
Bleachers	\$40,200	\$40,200	\$40,200	\$40,200	\$40,200	\$40,200	\$40,200	\$40,200	\$40,200	\$40,200
Gazebos and Pavilions										
Picnic Pavilion, Southfield Dr.	\$20,100	\$20,100	\$20,100	\$20,100	\$20,100	\$20,100	\$20,100	\$20,100	\$20,100	\$20,100
Gazebo, Uptown Park	\$40,200	\$40,200	\$40,200	\$40,200	\$40,200	\$40,200	\$40,200	\$40,200	\$40,200	\$40,200
Total (\$000)	\$3,307.3	\$3,307.3	\$3,307.3	\$3,307.3	\$3,307.3	\$3,260.4	\$3,260.4	\$3,260.4	\$3,260.4	\$3,260.4

**APPENDIX B.2
TABLE B.2-1**

**MUNICIPALITY OF STRATHROY-CARADOC
INVENTORY OF CAPITAL ASSETS
PARKS AND RECREATION: PARK DEVELOPMENT & FACILITIES**

PARKS EQUIPMENT Description	# of Units										UNIT COST (\$/unit)
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
2005 JD Utility Tractor (5103)	1	1	1	1	1	1	1	1	1	1	\$50,000
2009 CHEV Pick up	1	1	1	1	1	1	1	1	1	1	\$45,000
2010 Toro Workman HDX	1	1	1	1	1	1	1	1	1	1	\$25,000
JDJ Tilt Deck Tandem Trailer 2010	1	1	1	1	1	1	1	1	1	1	\$12,000
2013 Ford F150 Pick up	-	-	1	1	1	1	1	1	1	1	\$45,000
2016 Kubota Mower (F2690)	-	-	-	-	-	1	1	1	1	1	\$25,000
2017 Kubota F2650 Tractor/Deck/Mulch Kit	-	-	-	-	-	-	1	1	1	1	\$25,000
2017 Kubota Zero Turn Mower	-	-	-	-	-	-	1	1	1	1	\$20,000
2018 Case Industrial Loader Tractor 570N	-	-	-	-	-	-	-	1	1	1	\$125,000
2019 Ford F350	-	-	-	-	-	-	-	1	1	1	\$80,000
2018 83" x 20' all aluminum equipment trailer	-	-	-	-	-	-	-	1	1	1	\$8,500
TORO Workman	-	-	-	-	-	-	-	1	1	1	\$15,000
2014 Wide Area Mower 4000 (Grounds Master 4000-P)	-	-	-	1	1	1	1	1	1	1	\$75,000
John Deere Wide Area Mower	-	-	-	-	-	-	-	-	1	1	\$75,000
Total (#)	4	4	5	6	6	7	9	13	14	14	
Total (\$000)	\$132.0	\$132.0	\$177.0	\$252.0	\$252.0	\$277.0	\$322.0	\$550.5	\$625.5	\$625.5	

**APPENDIX B.2
TABLE B.2-1**

**MUNICIPALITY OF STRATHROY-CARADOC
CALCULATION OF SERVICE LEVELS
PARKS AND RECREATION: PARK DEVELOPMENT & FACILITIES**

SUMMARY OF SERVICE LEVEL ANALYSIS

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Historic Population	20,956	20,934	20,912	20,890	20,867	21,436	22,020	22,620	23,237	23,871

INVENTORY SUMMARY (\$000)

Parks And Recreation: Park Development & Facilities	\$4,170.3	\$4,170.3	\$4,170.3	\$4,170.3	\$4,170.3	\$4,170.3	\$4,170.3	\$4,170.3	\$4,170.3	\$4,328.6
Park Facilities	\$9,000.2	\$9,000.2	\$9,000.2	\$13,746.5	\$13,386.5	\$13,188.5	\$13,313.5	\$13,313.5	\$13,313.5	\$13,588.5
Park Buildings	\$3,307.3	\$3,307.3	\$3,307.3	\$3,307.3	\$3,307.3	\$3,260.4	\$3,260.4	\$3,260.4	\$3,260.4	\$3,260.4
Parks Equipment	\$132.0	\$132.0	\$177.0	\$252.0	\$252.0	\$277.0	\$322.0	\$550.5	\$625.5	\$625.5
Total (\$000)	\$16,609.8	\$16,609.8	\$16,654.8	\$21,476.1	\$21,116.1	\$20,896.2	\$21,066.2	\$21,294.7	\$21,369.7	\$21,803.0

SERVICE LEVEL (\$/capita)

**Average
Service
Level**

Parks And Recreation: Park Development & Facilities	\$199.00	\$199.21	\$199.42	\$199.63	\$199.85	\$194.55	\$189.39	\$184.36	\$179.47	\$181.33	\$192.62
Park Facilities	\$429.48	\$429.93	\$430.38	\$658.04	\$641.52	\$615.25	\$604.61	\$588.57	\$572.94	\$569.25	\$554.00
Park Buildings	\$157.82	\$157.99	\$158.15	\$158.32	\$158.49	\$152.10	\$148.07	\$144.14	\$140.31	\$136.58	\$151.20
Parks Equipment	\$6.30	\$6.31	\$8.46	\$12.06	\$12.08	\$12.92	\$14.62	\$24.34	\$26.92	\$26.20	\$15.02
Total (\$/capita)	\$792.60	\$793.44	\$796.42	\$1,028.06	\$1,011.94	\$974.82	\$956.68	\$941.41	\$919.64	\$913.37	\$912.84

**CALCULATION OF MAXIMUM ALLOWABLE FUNDING ENVELOPE
MUNICIPALITY OF STRATHROY-CARADOC**

10-Year Funding Envelope Calculation	
10 Year Average Service Level 2012 - 2021	\$912.84
Net Population Growth 2022 - 2031	4,849
Maximum Allowable Funding Envelope	\$4,426,350

APPENDIX B.2
TABLE B.2-2

MUNICIPALITY OF STRATHROY-CARADOC
2022 DEVELOPMENT CHARGES BACKGROUND STUDY
DEVELOPMENT-RELATED CAPITAL PROGRAM

Service	Project Description	Timing	Gross Project Cost	Grants/ Subsidies/Other Recoveries	Net Municipal Cost	Ineligible Cost		Total DC Eligible Costs	DC Eligible Costs		
						Replacement & BTE Shares	Replacement and BTE Share		Available DC Reserves	2022-2031	Other Development Related
2.0 PARK DEVELOPMENT & FACILITIES											
2.1 New Projects											
2.1.1	All Wheels Skate Park	2022	\$ 825,000	\$ 200,000	\$ 625,000	0%	\$ -	\$ 625,000	\$ 625,000	\$ -	\$ -
2.1.2	Lights at Yorkview Community Park	2023	\$ 80,000	\$ -	\$ 80,000	0%	\$ -	\$ 80,000	\$ -	\$ 80,000	\$ -
2.1.3	North Meadows Park Developments (2 new tennis courts, etc.)	2025	\$ 1,000,000	\$ -	\$ 1,000,000	0%	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -
2.1.4	Basketball Courts (New Parks - Mount Brydges)	2025	\$ 250,000	\$ -	\$ 250,000	0%	\$ -	\$ 250,000	\$ -	\$ -	\$ 250,000
2.1.5	Intercommunity Multi Use Trail Strathroy to Mt. Brydges	2026	\$ 2,000,000		\$ 2,000,000	0%	\$ -	\$ 2,000,000	\$ -	\$ 2,000,000	\$ -
2.1.6	Multi-Use Pad (Strathroy)	2030	\$ 300,000	\$ -	\$ 300,000	0%	\$ -	\$ 300,000	\$ -	\$ -	\$ 300,000
2.1.7	Off-leash Dog Park (Mount Brydges)	2030	\$ 50,000	\$ -	\$ 50,000	0%	\$ -	\$ 50,000	\$ -	\$ -	\$ 50,000
2.1.8	Lighting Ball Diamonds (Future Community Park Development)	2030	\$ 300,000	\$ -	\$ 300,000	0%	\$ -	\$ 300,000	\$ -	\$ -	\$ 300,000
2.1.9	Provision for Park amenity development (flowing from Master Plan)	Various	\$ 200,000	\$ -	\$ 200,000	0%	\$ -	\$ 200,000	\$ 20,000	\$ 40,000	\$ 140,000
2.1.10	Expanding Soccer Field Usage (lights, turf fields, etc.)	Various	\$ 1,000,000	\$ -	\$ 1,000,000	0%	\$ -	\$ 1,000,000	\$ 134,437	\$ 165,563	\$ 700,000
2.1.11	Various Community Trails - Strathroy to Mt. Brydges	Various	\$ 5,000,000	\$ -	\$ 5,000,000	0%	\$ -	\$ 5,000,000	\$ -	\$ 1,140,787	\$ 3,859,213
Subtotal New Projects			\$ 11,005,000	\$ 200,000	\$ 10,805,000		\$ -	\$ 10,805,000	\$ 779,437	\$ 4,426,350	\$ 5,599,213
TOTAL PARK DEVELOPMENT & FACILITIES			\$ 11,005,000	\$ 200,000	\$ 10,805,000		\$ -	\$ 10,805,000	\$ 779,437	\$ 4,426,350	\$ 5,599,213

Residential Development Charge Calculation		
Residential Share of 2022-2031 DC Eligible Costs	100%	\$4,426,350
10 Year Growth in Population in New Units		7,552
Unadjusted Development Charge Per Capita (\$)		\$586.11
Non-Residential Development Charge Calculation		
Non-Residential Share of 2022-2031 DC Eligible Costs	0%	\$ -
10 Year Growth in Square Meters		118,675
Unadjusted Development Charge Per Sq.M (\$)		\$0.00

2022 - 2031 Net Funding Envelope	\$4,426,350
Reserve Fund Balance	\$779,437

**APPENDIX B.2
TABLE B.2-3**

**MUNICIPALITY OF STRATHROY-CARADOC
CASHFLOW AND DETERMINATION OF DEVELOPMENT CHARGE
PARKS AND RECREATION: PARK DEVELOPMENT & FACILITIES
RESIDENTIAL DEVELOPMENT CHARGE**

2.0 PARK DEVELOPMENT & FACILITIES

OPENING CASH BALANCE FROM APPLICABLE RESERVES	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	TOTAL
OPENING CASH BALANCE (\$000)	779.4	414.6	629.1	954.3	227.8	(1,631.6)	(1,386.3)	(1,104.2)	(780.9)	(415.0)	
2022-2031 RESIDENTIAL FUNDING REQUIREMENTS											
2.00 Prior Growth	\$640.44	\$15.44	\$15.44	\$15.44	\$15.44	\$15.44	\$15.44	\$15.44	\$15.44	\$15.44	\$779.44
2.00 Park Development & Facilities : Non Inflated	\$134.64	\$214.64	\$134.64	\$1,134.64	\$2,134.64	\$134.64	\$134.64	\$134.64	\$134.64	\$134.64	\$4,426.35
2.00 Park Development & Facilities: Inflated	\$775.08	\$218.93	\$140.07	\$1,204.08	\$2,310.60	\$148.65	\$151.62	\$154.65	\$157.75	\$160.90	\$5,422.33
POPULATION GROWTH											
- Population in New Units	671	694	718	746	777	738	763	789	814	843	7,552
REVENUE - current (\$000)											
- Dev. Charge Receipts	393.5	415.5	438.0	464.4	493.2	478.0	503.8	532.0	559.6	591.2	\$4,869.27
- Interest on Opening Balance	27.3	14.5	22.0	33.4	8.0	(89.7)	(76.2)	(60.7)	(43.0)	(22.8)	(\$187.31)
- Interest on In-year Transactions (excl.int.)	(10.5)	3.4	5.2	(20.3)	(50.0)	5.8	6.2	6.6	7.0	7.5	(\$39.07)
TOTAL REVENUE	410.2	433.5	465.3	477.5	451.2	394.0	433.7	477.9	523.6	575.9	\$4,642.89
CLOSING CASH BALANCE	414.6	629.1	954.3	227.8	(1,631.6)	(1,386.3)	(1,104.2)	(780.9)	(415.0)	0.0	

2022 Adjusted Charge Per Capita \$586.71

Allocation of Capital Program

Residential Sector	80.0%
Non-Residential Sector	20.0%

Rates for 2022

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

APPENDIX B.3

DEVELOPMENT RELATED STUDIES

Subsection 7 (3) of the *DCA* allows for a development related studies class in respect of any service in subsection 2 (4). This appendix covers the costs included for recovery of development-related studies.

**TABLE B.3-1 2022–2031 DEVELOPMENT-RELATED CAPITAL
PROGRAM AND CALCULATION OF THE
DEVELOPMENT CHARGES**

As shown in Table B.3-1, the 2022–2031 development-related gross cost for this service area is \$635,000. The capital program relates to various development-related studies, including a Downtown Master Plan, Parks and Recreation Master Plan, a zoning by-law update, an Official Plan update, and others. A few adjustments to the gross program cost is made:

1. Overall, \$217,500 is netted off the program to reflect a share of costs of certain studies which are being funded from the municipal-wide hard services DC By-law # 10-20.
2. As many of these studies are related to growth in the Municipality of Strathroy-Caradoc, most projects are entirely attributable to new development. However, benefit to existing shares have been considered for certain projects including the Zoning By-law and Official Plan updates, which total \$37,500.
3. In addition, the Municipality’s available development related studies reserve fund total \$139,906, which will fund a share of the total DC eligible costs.

The resulting 2022-2031 DC eligible cost considered for recovery under this by-law is \$240,094. This amount is apportioned 80 per cent (\$192,075) to residential development and 20 per cent (\$48,019) to non-residential development. The resulting development charges for Development Related Studies are \$25.43 per capita and \$0.40 per square metre of new non-residential building space respectively.

TABLE B.3-2 CASH FLOW ANALYSIS

The cash-flow analysis is displayed in Table 2 and considers the timing of the development charges revenues to determine the adjusted rates. After cash flow considerations, the residential development charge increases to \$26.49 per capita. The non-residential development charge decreases to \$0.28 per square metre.

DEVELOPMENT RELATED STUDIES SERVICES SUMMARY					
2022-2031		Unadjusted		Adjusted	
Development-Related Capital Program		Development Charge		Development Charge	
Total	Net DC Recoverable	\$/capita	\$/sq.m	\$/capita	\$/sq.m
\$635,000	\$240,094	\$25.43	\$0.40	\$26.49	\$0.28

APPENDIX B.3
TABLE B.3-1

MUNICIPALITY OF STRATHROY-CARADOC
2022 DEVELOPMENT CHARGES BACKGROUND STUDY
DEVELOPMENT-RELATED CAPITAL PROGRAM

Service	Project Description	Timing	Gross Project Cost	Grants/ Subsidies/Other Recoveries	Net Municipal Cost	Ineligible Cost		Total	DC Eligible Costs		
						Replacement & BTE Shares	Replacement and BTE Share	DC Eligible Costs	Available DC Reserves	2022-2031	Post 2031
3.0 DEVELOPMENT RELATED STUDIES											
3.1 Development Related Studies											
	3.1.1 Official Plan and Zoning Review (Soft Service DC Share)	2022	\$ 150,000	\$ 75,000	\$ 75,000	50%	\$ 37,500	\$ 37,500	\$ 37,500	\$ -	\$ -
	3.1.2 Downtown Master Plan/CIP (Soft Service DC Share)	2022	\$ 35,000	\$ 17,500	\$ 17,500	0%	\$ -	\$ 17,500	\$ 17,500	\$ -	\$ -
	3.1.3 Parks and Recreation Master Plan	2026	\$ 75,000	\$ -	\$ 75,000	0%	\$ -	\$ 75,000	\$ -	\$ 75,000	\$ -
	3.1.4 Trails and Parks Master Plan	2027	\$ 50,000	\$ -	\$ 50,000	0%	\$ -	\$ 50,000	\$ -	\$ 50,000	\$ -
	3.1.5 Indoor Swimming Pool Feasibility Study	2030	\$ 75,000	\$ -	\$ 75,000	0%	\$ -	\$ 75,000	\$ -	\$ 75,000	\$ -
	3.1.6 Provision for future Development-Related Studies (Soft Service DC Share)	Various	\$ 250,000	\$ 125,000	\$ 125,000	0%	\$ -	\$ 125,000	\$ 84,906	\$ 40,094	\$ -
	Subtotal Development Related Studies		\$ 635,000	\$ 217,500	\$ 417,500		\$ 37,500	\$ 380,000	\$ 139,906	\$ 240,094	\$ -
TOTAL DEVELOPMENT RELATED STUDIES			\$ 635,000	\$ 217,500	\$ 417,500		\$ 37,500	\$ 380,000	\$ 139,906	\$ 240,094	\$ -

Residential Development Charge Calculation		
Residential Share of 2022-2031 DC Eligible Costs	80%	\$192,075
10 Year Growth in Population in New Units		7,552
Unadjusted Development Charge Per Capita (\$)		\$25.43
Non-Residential Development Charge Calculation		
Non-Residential Share of 2022-2031 DC Eligible Costs	20%	\$48,019
10 Year Growth in Square Meters		118,675
Unadjusted Development Charge Per Sq.M (\$)		\$0.40

Reserve Fund Balance	\$139,906
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**APPENDIX B.3
TABLE B.3-2**

**MUNICIPALITY OF STRATHROY-CARADOC
CASHFLOW AND DETERMINATION OF DEVELOPMENT CHARGE
DEVELOPMENT RELATED STUDIES
RESIDENTIAL DEVELOPMENT CHARGE**

3.0 DEVELOPMENT RELATED STUDIES

OPENING CASH BALANCE FROM APPLICABLE RESERVES	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	TOTAL
OPENING CASH BALANCE (\$000)	111.9	78.6	88.3	99.1	111.3	58.3	23.9	34.5	46.5	(12.3)	
2022-2031 RESIDENTIAL FUNDING REQUIREMENTS											
3.00 Prior Growth	\$50.79	\$8.49	\$8.49	\$8.49	\$8.49	\$8.49	\$8.49	\$8.49	\$8.49	\$8.49	\$127.21
3.00 Development Related Studies : Non Inflated	\$3.21	\$3.21	\$3.21	\$3.21	\$63.21	\$43.21	\$3.21	\$3.21	\$63.21	\$3.21	\$192.07
3.00 Development Related Studies: Inflated	\$54.00	\$11.93	\$12.17	\$12.41	\$77.61	\$57.08	\$13.17	\$13.44	\$84.01	\$13.98	\$349.80
POPULATION GROWTH											
- Population in New Units	671	694	718	746	777	738	763	789	814	843	7,552
REVENUE - current (\$000)											
- Dev. Charge Receipts	17.8	18.8	19.8	21.0	22.3	21.6	22.7	24.0	25.3	26.7	\$219.85
- Interest on Opening Balance	3.9	2.8	3.1	3.5	3.9	2.0	0.8	1.2	1.6	(0.7)	\$22.16
- Interest on In-year Transactions (excl.int.)	(1.0)	0.1	0.1	0.1	(1.5)	(1.0)	0.2	0.2	(1.6)	0.2	(\$4.13)
TOTAL REVENUE	20.7	21.6	23.0	24.6	24.6	22.6	23.8	25.4	25.3	26.2	\$237.88
CLOSING CASH BALANCE	78.6	88.3	99.1	111.3	58.3	23.9	34.5	46.5	(12.3)	0.0	

2022 Adjusted Charge Per Capita \$26.49

Allocation of Capital Program

Residential Sector	80.0%
Non-Residential Sector	20.0%

Rates for 2022

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

**APPENDIX B.3
TABLE B.3-2**

**MUNICIPALITY OF STRATHROY-CARADOC
CASHFLOW AND DETERMINATION OF DEVELOPMENT CHARGE
DEVELOPMENT RELATED STUDIES
NON-RESIDENTIAL DEVELOPMENT CHARGE**

3.0 DEVELOPMENT RELATED STUDIES

OPENING CASH BALANCE FROM APPLICABLE RESERVES	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	TOTAL
OPENING CASH BALANCE (\$000)	\$27.98	\$17.51	\$19.79	\$22.13	\$24.64	\$12.21	\$4.65	\$7.14	\$9.70	(\$2.68)	
2022-2031 NON-RESIDENTIAL FUNDING REQUIREMENTS											
3.00 Prior Growth	\$12.70	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$12.70
3.00 Development Related Studies : Non Inflated	\$0.80	\$0.80	\$0.80	\$0.80	\$15.80	\$10.80	\$0.80	\$0.80	\$15.80	\$0.80	\$48.02
3.00 Development Related Studies: Inflated	\$13.50	\$0.80	\$0.80	\$0.80	\$15.80	\$10.80	\$0.80	\$0.80	\$15.80	\$0.80	\$60.72
NON-RESIDENTIAL GROWTH											
- Sq. Metres in New Buildings	10,968	11,180	11,393	12,014	12,218	11,748	11,952	12,180	12,409	12,614	118,675
REVENUE - current (\$000)											
- Dev. Charge Receipts	\$3.0	\$3.1	\$3.1	\$3.3	\$3.4	\$3.2	\$3.3	\$3.4	\$3.4	\$3.5	\$32.74
- Interest on Opening Balance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	\$0.00
- Interest on In-year Transactions (excl.int.)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	\$0.00
TOTAL REVENUE	3.0	3.1	3.1	3.3	3.4	3.2	3.3	3.4	3.4	3.5	\$32.74
CLOSING CASH BALANCE	17.5	19.8	22.1	24.6	12.2	4.6	7.1	9.7	(2.7)	0.0	

2022 Adjusted Charge Per Square Metre

\$0.28

Allocation of Capital Program

Residential Sector	80.0%
Non-Residential Sector	20.0%

Rates for 2022

Inflation Rate:	0.0%
Interest Rate on Positive Balances	0.0%
Interest Rate on Negative Balances	0.0%

APPENDIX C

RESERVE FUNDS

APPENDIX C – DEVELOPMENT CHARGES RESERVE FUNDS

The *Development Charges Act* requires that a reserve fund be established for each service for which development charges are collected. Table A-1 presents the uncommitted reserve fund balances, as at December 31, 2021, that are available to help fund the development-related net capital costs identified in this study. Importantly, the reserves illustrated in Table C-1 only relate to soft services. Further to that, although both Library and Cemeteries are illustrated below, no development charge is calculated for either of these services in this DC Study.

As shown in Table C-1, the December 2021 total reserve fund balance was in a positive position of \$4.19 million. These funds are assigned to projects in the initial years of the capital program for each service. This has the effect of reducing and deferring capital costs brought forward to the development charge calculation and the cash flow analysis.

**APPENDIX C
TABLE C-1**

**MUNICIPALITY OF STRATHROY-CARADOC
DEVELOPMENT CHARGE RESERVE FUND BALANCE BY ACCOUNT
YEAR ENDING DECEMBER 31, 2021**

CATEGORY	Available Reserve Fund Balance
Development Related Studies	\$139,906
Indoor Recreation	\$3,006,389
Park Development & Facilities	\$779,437
Subtotal Development Charge Reserves	\$3,925,732
Cemeteries	\$53,765
Library	\$210,143
Subtotal Development Charge Reserves	\$263,908
Total Development Charge Reserves	\$4,189,640

APPENDIX D

COST OF GROWTH

APPENDIX D – COST OF GROWTH

A. ASSET MANAGEMENT PLAN

The *DCA* 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 D-1. Although all capital assets considered in the study have been identified, not all assets necessitate future replacement or ongoing maintenance activities. The exception and the justification is as follows:

- Some of the works identified may represent one-time expenditures and may be temporary in nature. Therefore, the assets would not be required to be replaced and no ongoing operation and maintenance costs exist. Such assets are identified as “not a long-term asset” in the table.
- 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 Municipality’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 (ex. New buildings include: HVAC, structural elements, roof, etc.). Accordingly, the average useful life assumptions noted below are applicable to all project components.

TABLE D-1
SUMMARY OF MUNICIPAL ASSETS

SERVICE AND AMENITIES	ESTIMATED USEFUL LIFE
Parks and Recreation: Indoor Recreation <ul style="list-style-type: none"> ▪ Debt Recovery ▪ Indoor Recreation Buildings 	<ul style="list-style-type: none"> ▪ Not Applicable ▪ 50 years
Parks and Recreation: Park Development and Facilities <ul style="list-style-type: none"> ▪ Park Facilities 	<ul style="list-style-type: none"> • 20 years
Development-Related Studies <ul style="list-style-type: none"> ▪ Development-Related Studies 	<ul style="list-style-type: none"> ▪ Not Applicable
Library <ul style="list-style-type: none"> ▪ No Capital Projects 	<ul style="list-style-type: none"> ▪ Not Applicable

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 Municipal staff and the Asset Management Plan regarding useful life assumptions and the capital cost of acquiring and/or emplacing each asset, a provision for infrastructure replacement has been calculated for all services considered in this study. 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 the benefit-to-existing and other development-related have also been calculated.

Table D-2 provides the calculated annual asset management contribution for both the gross capital expenditures and the share related to the 2022-2031 DC recoverable portion. The year 2032 have been included to calculate the annual contribution for the 2022-2031 periods as the expenditures in 2031 will not trigger asset management contributions until 2032. As shown in Table D-2, by 2032, the Municipality will need to fund an additional \$617,205 per annum in order to properly fund the full life cycle costs of the new assets supported under the development charges by-law.

Table D-2				
Service	2022-2031 Capital Program		Calculated AMP Annual Provision by 2032	
	DC-Eligible	Non DC-Eligible	DC-Related	Non DC-Related
PARKS AND RECREATION: INDOOR RECREATION	\$ 16,901,322	\$ 28,307,724	\$ 341,360	\$ 620,192
PARKS AND RECREATION: PARK DEVELOPMENT & FACILITIES	\$ 5,205,787	\$ 5,799,213	\$ 275,845	\$ 300,855
DEVELOPMENT RELATED STUDIES	\$ 380,000	\$ 255,000	\$ -	\$ -
TOTAL	\$ 22,487,109	\$ 34,361,938	\$ 617,205	\$ 921,047

Financial Sustainability of the Program

Future Revenue Growth

The calculated annual funding provision should be considered within the context of the Municipality's projected growth. Over the next ten years (to 2031) the Municipality is projected to increase by over 3,027 households, which represents over a 30 per cent increase over the existing base. In addition, the Municipality will also add 1,919 new employees across all sectors that will result in approximately 118,675 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 Municipality's reserves for the future replacement of these assets.

B. LONG-TERM CAPITAL AND OPERATING IMPACT ANALYSIS

As shown in Table D-3, by 2031, the Municipality's net operating costs are estimated to increase by \$3.34 million for property tax supported services. Increases in net operating costs will be experienced as new facilities such as the Multi-Use Recreation Complex and Gemmini expansions are opened and as additions to the Municipality's park facilities are

made. Capital costs related to studies are not expected to have an impact on property tax supported costs.

APPENDIX D

TABLE D-3

MUNICIPALITY OF STRATHROY-CARADOC ESTIMATED NET OPERATING COST OF THE PROPOSED DEVELOPMENT-RELATED CAPITAL PROGRAM

	Net Cost (in 2022\$)	Estimated Operating Costs (\$000) 2031
Indoor Recreation		
Debt Recovery	\$0.00 N/A	\$0.0
New Buildings	\$30 per sq.ft.	\$2,790.0
Park Development and Facilities		
Various New Projects	\$0.05 per \$ of new infrastructure	\$550.3
Development Related Studies		
	\$0.0 N/A	\$0.0
Library		
	\$0.0 N/A	\$0.0
TOTAL ESTIMATED OPERATING COSTS (\$000)		\$3,340.3

** Operating cost over the 10 year period of 2022-2031.*

Table D-4 summarizes the components of the development-related capital forecast that will require funding from non-DC sources. In total, \$9.92 million will need to be financed from non-DC sources over the 2022-2031 planning period. 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.

In addition, \$14.72 million in interim DC financing related to development-related shares of projects may be required. However, because DC by-laws must be revisited at least every five years and the Municipality may look to other growth-funding tools (such as CBCs) to fund a share of this cost, it is difficult to determine the quantum of interim financing that may be necessary.

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 Municipality can afford to invest and operate the identified services infrastructure over the ten-year planning period. Importantly, the Municipality's annual budget review allows staff to continue to monitor and implement mitigating measures should the program become less sustainable.

APPENDIX D
TABLE D-4

MUNICIPALITY OF STRATHROY-CARADOC
ESTIMATED CAPITAL FUNDED FROM
NON-DEVELOPMENT CHARGE SOURCES

Service	Development-Related Capital Forecast (2022 - 2031)				Total DC Eligible Costs for Recovery (\$000)
	Net Municipal Cost (\$000)	Replacement & Benefit to Existing (\$000)	Available DC Reserves (\$000)	Development Related (\$000)	
1.0 PARKS AND RECREATION: INDOOR RECREATION	\$35,909.0	\$9,881.3	\$3,006.4	\$9,126.5	\$13,894.9
2.0 PARKS AND RECREATION: PARK DEVELOPMENT & FACILITIES	\$10,805.0	\$0.0	\$779.4	\$5,599.2	\$4,426.4
3.0 DEVELOPMENT RELATED STUDIES	\$417.5	\$37.5	\$139.9	\$0.0	\$240.1
4.0 LIBRARIES	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total - Municipal-Wide Services	\$47,131.5	\$9,918.8	\$3,925.7	\$14,725.7	\$18,561.4

APPENDIX E

DRAFT DC BY-LAW

BY-LAW AVAILABLE UNDER SEPARATE COVER