

City of Welland

**Excerpts from April 17, 2009
Development Charge Background
Study for the Purposes of the
May 5, 2009 Public Meeting of
Council**

Table ES-1
City of Welland
Comparison of Development Charges
Development With City Water and Sewer Services

	Residential Per Single Detached Unit			Non-residential Per Sq. Ft. of GFA		
	Current Jan. 1, 2009	Calculated Herein	Change	Current Jan. 1, 2009	Calculated Herein	Change
Development-related Studies	217	280	63	-	0.29	0.29
Roads	1,955	1,942	(13)	-	2.03	2.03
Water	606	346	(260)	-	0.36	0.36
Sewer	338	499	161	-	0.52	0.52
Storm Drainage ¹	1,001	-	(1,001)	-	-	-
Fire	168	416	248	-	0.43	0.43
Parks & Recreation	316	2,337	2,021	-	0.27	0.27
Libraries	343	346	3	-	0.04	0.04
Transit	129	245	116	-	0.25	0.25
Operations (Public Works)	73	418	345	-	0.43	0.43
TOTAL	\$ 5,146	\$ 6,829	\$ 1,683	\$ -	\$ 4.62	\$ 4.62

¹ The December 31, 2008 Storm Water Reserve Fund balance exceeds the total cost of the Capital Program, hence the calculated development charge for storm water services is nil.

**CITY OF WELLAND
DC CAPITAL PROGRAM AND DEDUCTIONS
2009 \$ Thousands**

2009 Gross Costs	Level of Service Cap	DEDUCTIONS					DC Recoverable	DC Recoverable Split	
		Benefit to Existing Development	Grant/Subsidy/ Other Cost Share	Post Period Capacity	10% Statutory Deduction	Residential		Non- Residential	
		\$				\$		\$	
\$87,904,192	\$49,663,955	\$12,453,102	\$176,875	\$0	\$974,052	\$22,947,958	\$17,319,712	\$5,628,247	

FIGURE 1-1
SCHEDULE OF KEY DEVELOPMENT CHARGE PROCESS DATES
FOR THE CITY OF WELLAND

		2008
1.	Draft Background Study prepared	mid 2008-early 2009
2.	Consultations with the development community and stakeholders	April 16, 2009
3.	Meeting Notice ad placed in newspaper(s)	by April 13, 2009
4.	Proposed By-law and Background Study Available to public	by April 20, 2009
5.	Statutory Public Meeting	May 5, 2009
6.	Council considers adoption of background study and passage of by-law.	May 19, 2009
7.	Newspaper notice given of by-law amendment passage	by 20 days after passage
8.	Last day for by-law appeal	40 days after passage
9.	City makes available pamphlet (where by-law not appealed)	by 60 days after inforce date

SUMMARY OF THE GROWTH FORECAST

Year (Jan.)	Population	Households
2009	51,024	21,159
2019	55,774	23,559
'09-'19 Increase	4,750	2,400

Year	Employment	Non-Residential GFA (sq.ft.)
2009	18,512	
2019	20,717	
'09-'19 Increase	2,205	1,018,800

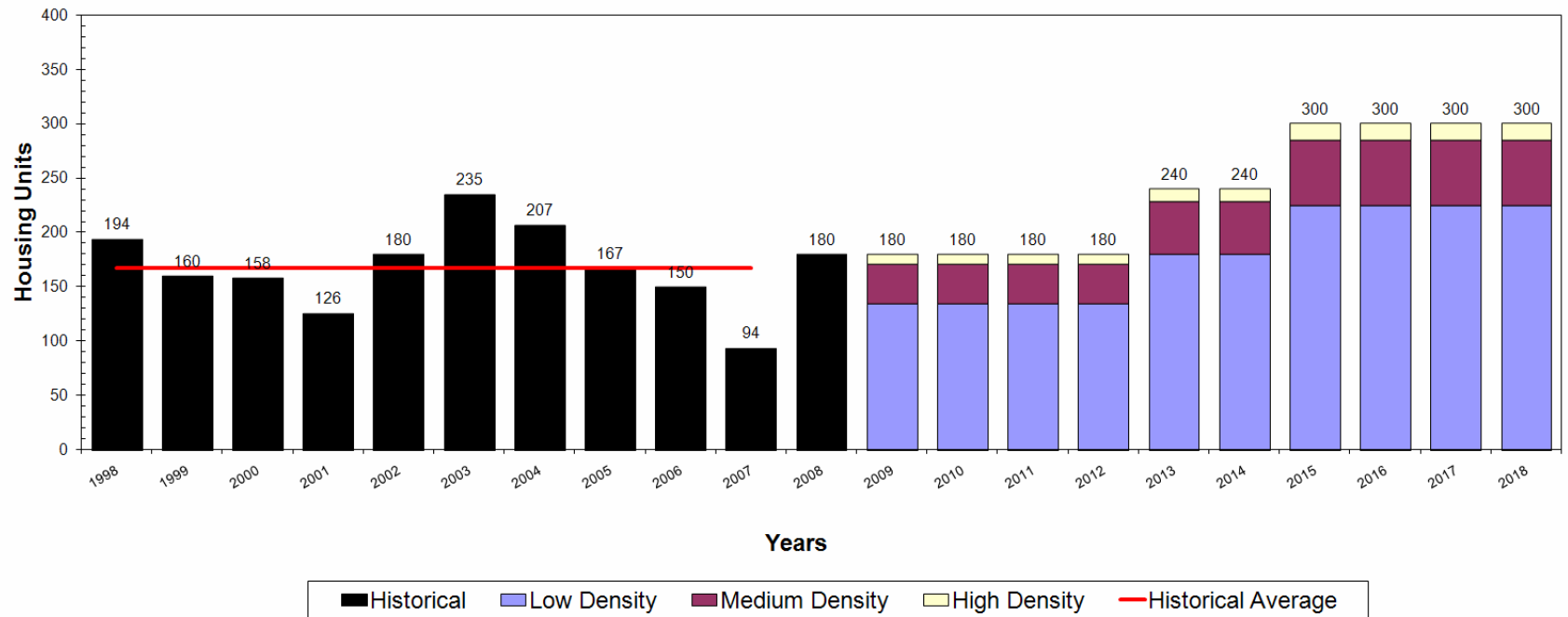
Location	Add'l. Dwelling Units 2009-19	Add'l. Non-res. GFA 2009-19
District 1	6	3,000
District 2	207	89,100
District 3	941	388,800
District 4	521	224,600
District 5	226	97,600
District 6	102	44,200
District 7	397	171,500
City Total	2,400	1,018,800

SUMMARY OF THE GROWTH FORECAST (Cont'd)

	Population (excluding undercount)		Households		Employment	
	W&A	GMS	W&A	GMS	W&A	GMS
2009	51,024	51,080	21,159	21,180	18,512	19,194
2019	55,774	55,880	23,559	23,604	20,717	22,052
Change	4,750	4,800	2,400	2,424	2,205	2,858

NOTE: GMS figures for 2009 and 2019 are interpolated totals between 2006-11 and 2016-21, respectively.

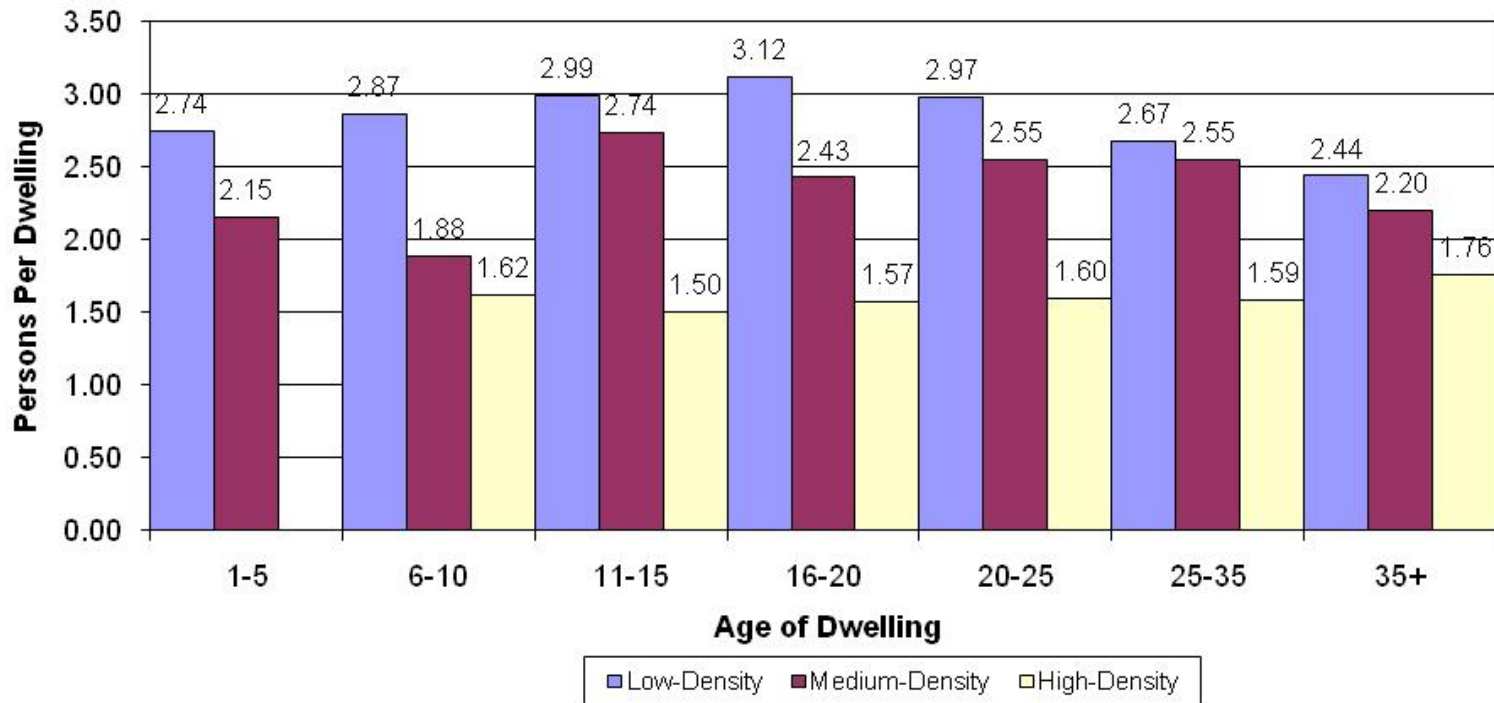
**FIGURE A-1
10-YEAR HOUSING FORECAST**



SCHEDULE 4
CITY OF WELLAND
TEN YEAR GROWTH FORECAST
MID 2009 TO MID 2019

		POPULATION
Mid 2009 Population		51,024
Occupants of New Housing Units, Mid 2009 to Mid 2019	<i>Units (2)</i>	2,400
	<i>multiplied by persons per unit (3)</i>	2.68
	<i>gross population increase</i>	6,432
Decline in Housing Unit Occupancy, Mid 2009 to Mid 2019	<i>Units (4)</i>	21,159
	<i>multiplied by ppu. decline rate (5)</i>	-0.0795
	<i>total decline in population</i>	-1,682
Population Estimate to Mid 2019		55,774
<i>Net Population Increase, Mid 2009 to Mid 2019</i>		4,750

**SCHEDULE 8
PERSONS PER UNIT BY STRUCTURAL TYPE AND AGE OF DWELLING
(2006 CENSUS)
FOR
CITY OF WELLAND**



Service Standard Calculation Sheet

Service: Developed Parkland

Unit Measure: Hectares of Developed Parkland

10 Year Average	1999-2008
Quantity (per 1,000 persons)	3.8896
Quality (\$/ha)	123,779
Combined Quantity/Quality Level (\$/1,000)	481,451
Combined Quantity/Quality Level (\$/capita)	481

DC Amount (before deductions)	10 Year
Forecast Population Growth (2009-2018)	4,750
\$ per Capita	481
Eligible Amount	2,284,750

Service Standard Calculation Sheet

Service: Recreation Facilities

Unit Measure: Square Feet of Building Area

10 Year Average	1999-2008
Quantity (sq.ft. per capita)	3.7428
Quality (\$ per sq.ft.)	209
Combined Quantity/Quality Level (\$/capita)	782

DC Amount (before deductions)	10 Year
Forecast Population Growth (2009-2018)	4,750
\$ per Capita	782
Eligible Amount	3,714,500

Infrastructure Costs Covered in the DC Calculation

Service: Parks and Recreational Facilities

Prj. No.	Increased Service Needs Attributable to Anticipated Development 2009-2018	Timing	Gross Capital Cost Est.	Net Costs Benefiting New Development
	New Arena (net)	2009	27,000,000	5,409,489
	New Seniors Centre	2009	9,000,000	-
	Playgrounds ¹	2009-11	615,000	123,216
	Welland International Flatwater Centre	2010-2012	4,800,000	-
	WIFC South-Rowing Centre	2010-2011	2,800,000	-
	Welland Recreational Waterway Outdoor Community Complex	2012-2014	3,200,000	-
	Neighbourhood Trail Linkages (10)	2011-2016	2,700,000	-
	Northern Reach Pedestrian Bridge	2014/15	1,900,000	-
	Total Estimated Capital Cost		\$ 52,015,000	\$ 5,532,705

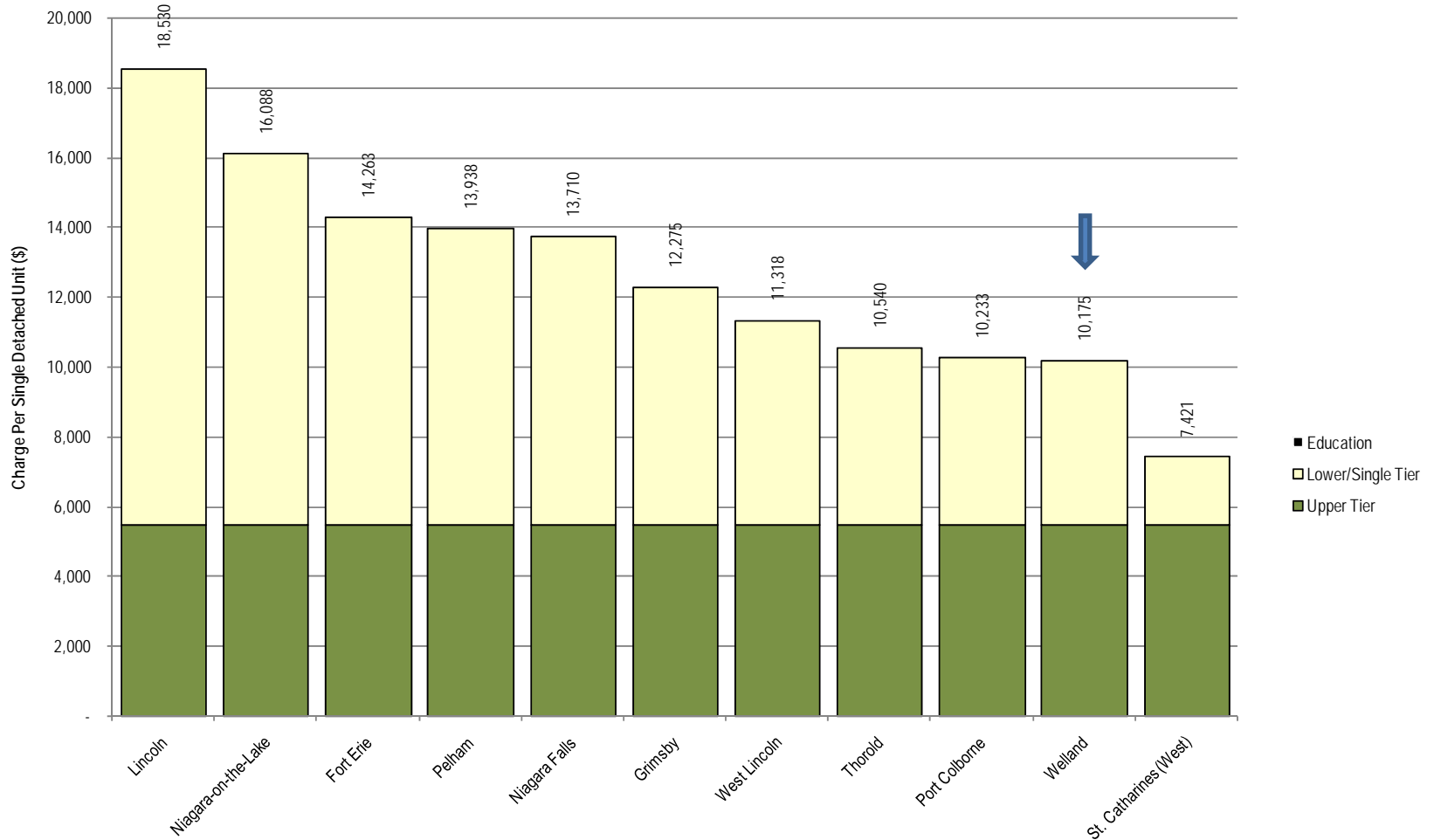
TABLE C-1
CITY OF WELLAND
DEVELOPMENT CHARGE CALCULATION
Development With City Water and Sewer Service

SERVICE	2009 \$ DC Eligible Cost	
	Residential	Non-Residential
	\$	\$
1.0 Development-related Studies	570,554	268,496
Studies Reserve Fund	59,851	28,165
Studies Sub-total	630,405	296,661
2.0 Roads and Related	5,506,640	2,591,360
Roads & Related Reserve Fund	(1,139,829)	(536,390)
Roads & Related Sub-total	4,366,811	2,054,970
3.0 Water Distribution	1,053,757	495,885
Water Reserve Fund	(275,880)	(129,826)
Water Sub-total	777,877	366,059
4.0 Sanitary Sewerage	1,048,560	493,440
Sewer Reserve Fund	74,026	34,836
Sewer Sub-total	1,122,586	528,276
5.0 Storm Drainage ¹	-	-
Storm Reserve Fund	-	-
Storm Sub-total	-	-
6.0 Fire Protection	936,054	440,496
7.0 Parks & Recreation	5,256,070	276,635
8.0 Libraries	778,542	40,976
9.0 Transit	550,031	258,838
10.0 Operations (Public Works)	938,961	441,864
TOTAL	15,357,337	4,704,775

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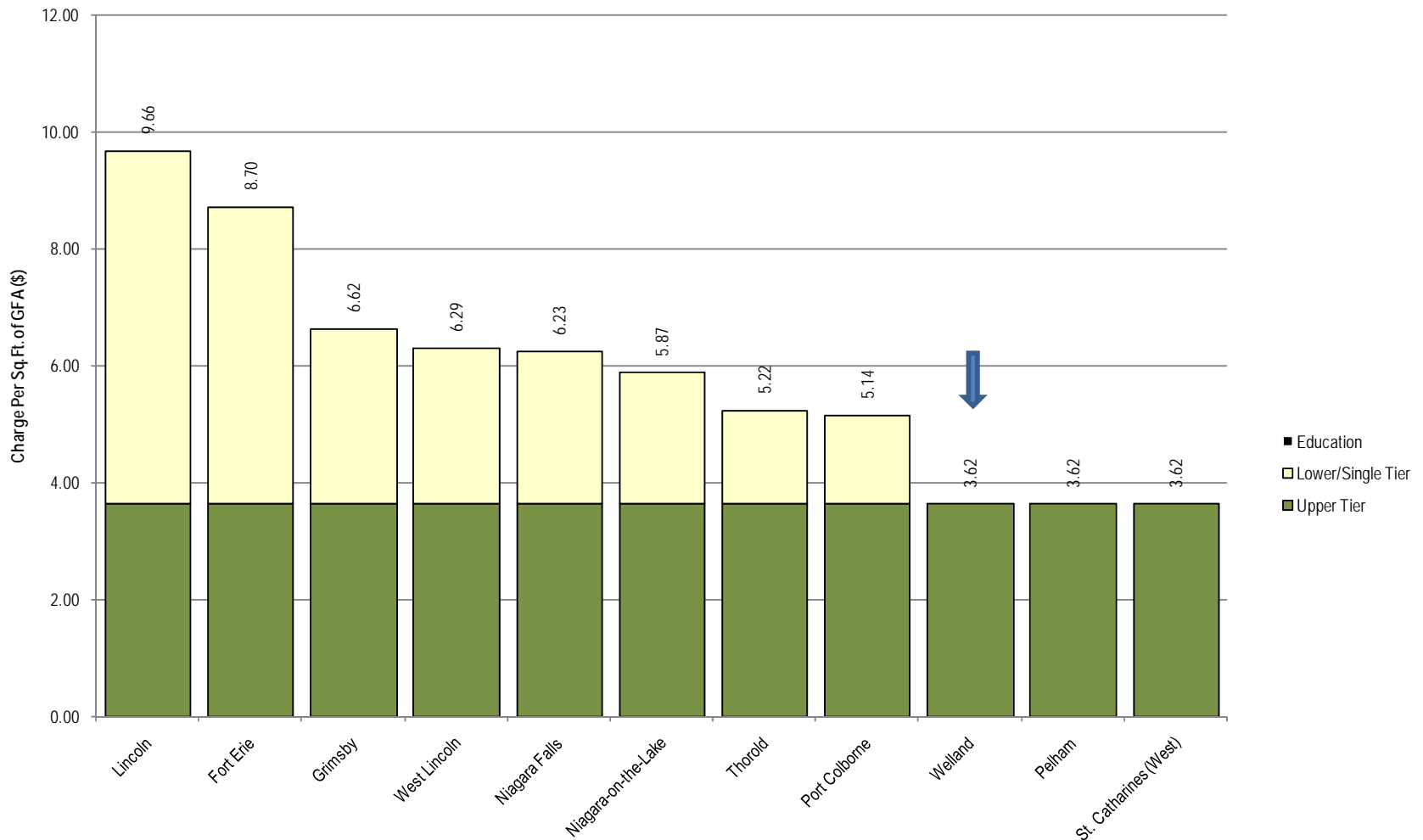
SERVICE	2009 \$ DC Eligible Cost	
	Residential	Non-Residential
DC ELIGIBLE CAPITAL COST	\$15,357,337	\$4,704,775
10 yr. Gross Population / GFA Growth (sq.ft.)	6,432	1,018,800
Cost Per Capita / Non-Residential GFA (sq.ft.)	\$2,387.65	\$4.62
<u>By Residential Unit Type</u>		
Single and Semi-Detached	2.86	\$6,829
Apartments 2 Bedroom +	1.92	\$4,584
Apartments Bach. & 1 Bdrm	1.26	\$3,008
Other Multiples	2.23	\$5,324
Retirement Homes/Special Needs	1.10	\$2,626

Figure 1A-Uniform¹ Residential Development Charges Per Fully Serviced Detached Unit For Niagara Region Municipalities (As of October 15, 2007)



Note: ¹ Represent approximate uniform charges for a fully serviced development. Area specific charges have been included when the municipal wide charge does not incorporate all water and sewer charges
² Where increases are to be phased in post October 15, 2007 they have not been shown.

Figure 1B-Uniform¹ Commercial/Retail Development Charges Per Fully Serviced Square Foot of GFA For Niagara Region Municipalities (As of October 15, 2007)



Note: ¹ Represent approximate uniform charges for a fully serviced development. Area specific charges have been included when the municipal wide charge does not incorporate all water and sewer charges.

² Where increases are to be phased in post October 15, 2007 they have not been shown.

Welland's Existing DC Policies (By-law 2004-107)

1. C Quantum	Noted separately.
2. ayment Timing	Immediately prior to the issuance of building permit (s.9).
3. ndexing	Annually, commencing in January, 2007 (s.15).
4. edevelopment Credit	Where a demolition permit and replacement occur within ten years (s.8)

Welland's Existing DC Policies (By-law 2004-107) (Cont'd)

<p>. Non-statutory, i.e. discretionary exemptions</p>	<ul style="list-style-type: none"> • Non-residential development (s.s.17(c)); • Downtown Core and Adjacent Areas (s.s.17(d)); and • Any Brownfield Area as designated in a Community Improvement Plan adopted by City Council (s.s.17(e)).
<p>6. Local Service Policy</p>	<p>Certain types of water, sewer, storm and roads work</p>
<p>7. Phasing In</p>	<p>Phasing in September 1, 2004 to January 1, 2006</p>
<p>8. Past Payment Credit</p>	<p>DC credit in accordance with the agreement (s.10).</p>

Follow-up on Matters Discussed at the April 16, 2009 Information Meeting with the Building and Development Industry

Item Raised	Response
1. Policy recommendations concerning the size and coverage of the non-residential charge	To be addressed in the Staff Report.
2. Projects eligible for stormwater DC funding vs. future front-ending or cost sharing arrangements	<ul style="list-style-type: none"> • The City does not have a capital program for future storm works. • Location of same dependent on future development. The lower drainage area of Draper's Creek is imminent and coverage of the cost of storm sewers can be addressed in part via the unprogrammed portion of the DC reserve for storm. • Otherwise, the City does not have DC funding responsibility for stormwater drainage and management works as part of this DC by-law. Such costs are to be addressed as part of developer cost sharing/front-ending, City "best efforts" and/or area-specific development charges.

Follow-up on Matters Discussed at the April 16, 2009 Information Meeting with the Building and Development Industry

Item Raised	Response
3. Coverage of dispersed sidewalk links	The City does not have a program for the “infilling” of sidewalk sections. Sidewalks on local roads are a direct developer responsibility, including one side of collectors/arterials within the area to which the subdivision plan relates.
4. The reason for the very large increase in the parks and recreation charge	In 2004, the City did not have a parkland development capital forecast. No charge was established. Also, the City has a substantial capital forecast for indoor recreation facilities and its DC calculation was based on more complete information than in 2004.

Follow-up on Matters Discussed at the April 16, 2009 Information Meeting with the Building and Development Industry

Item Raised	Response
<p>5. The project inclusions and basis for the benefit to existing development deductions for a number of road projects</p>	<p><i>Road Adjustments</i></p> <ul style="list-style-type: none"> • For Clare Ave. and Ross Street extensions, benefit to existing development was increased to 25% and 50% respectively, as the extensions would complete the road network. • Gaiser Road, Fork Road East and Sumbler Road were added to the DC calculations, as their need for improvement is imminent. • The intersection of Kingsway and Forks Road was revised to include intersection improvements as well as signalization. • These adjustments involve a net <u>reduction</u> in the residential DC recoverable cost of \$591,940 and \$278,560 in the case of non-residential.

Follow-up on Matters Discussed at the April 16, 2009 Information Meeting with the Building and Development Industry

Item Raised	Response
<p>5. The project inclusions and basis for the benefit to existing development deductions for a number of water projects</p>	<p><i>Water Supply Adjustments</i></p> <ul style="list-style-type: none"> •The benefit to existing development for the replacement of the watermain on South Pelham Road from Fitch Street to Thorold Road was revised to 50% to reflect the fact that it is not being upsized. •Replacement of the existing 150 mm dia. Watermain with a 200 mm. dia. Watermain on Sumbler Drive has been <u>added</u>. •These adjustments involve a net <u>increase</u> in the residential DC recoverable cost of \$18,700 (\$8,800 in non-residential).
<ul style="list-style-type: none"> • Overall, these adjustments would result in a DC <u>reduction</u> of \$255/single detached unit and \$0.27/sq.ft. of non-residential GFA 	

Follow-up on Matters Discussed at the April 16, 2009 Information Meeting with the Building and Development Industry

Item Raised	Response
6. Coverage of the playground provision re new subdivisions	“Future park development” is a component of the playground cost provision.
7. The consideration to be given to the homebuilding industry in sizing the new DC, with respect to current recessionary conditions	To be addressed in the Staff Report.
8. The funding of DC costs not collected as a result of non-residential exemptions	<ul style="list-style-type: none"> • In calculating the charge, the growth-related costs have been spread evenly over all development, both exempt and non-exempt. • Future % draws from DC reserve funds will be sized appropriately to reflect the revenue loss relating to DC exemptions, which is to be funded from other sources.