



# Addendum to 2025 Development Charges Background Study

Municipality of South Huron

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For Public Circulation and Comment

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# 1. Background

In accordance with the provisions of the *Development Charges Act, 1997*, as amended (D.C.A.), the Municipality of South Huron (Municipality) has undertaken a Development Charges Background Study (D.C.B.S.) and has distributed the study and draft by-law to the public. The following provides a summary of the key dates in the Development Charges (D.C.s) by-law process based on the anticipated timelines set out in the D.C.B.S., dated December 31, 2025:

- December 31, 2025 – Release D.C.B.S. and draft by-law;
- February 11, 2026 – Public Meeting of Council;
- March 16, 2025 – Anticipated passage of the D.C. by-law; and
- March 16, 2025 – Anticipated date of by-law enactment.

The purpose of this addendum to the December 31, 2025, D.C.B.S. is to include an additional appendix on the methodology for determining capital costs and benefit to existing (B.T.E.) calculations, as well as incorporating grant funding, based on a recent announcement, that has impacted the wastewater services within the D.C. calculations. Additionally, based on the change in the wastewater services being recovered through D.C.s, the allocation of some growth-related studies to eligible services has also been refined. Finally, based on requests at the public meeting on February 11, 2026, Council has agreed to extend the public process to allow the development community to review the D.C.B.S. in more detail and meet with Municipal staff to further discuss and understand the calculated D.C.s and policies.

## 2. Discussion

This section of the addendum report provides an explanation for the refinements noted above.

### 2.1 Refinements to the Capital Program for Wastewater Services

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Refinements to the capital program for wastewater services include deducting grant funding, based on an announcement that the Municipality received after releasing the D.C.B.S. The grant funding applies to the following two capital projects:

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- Project 9: Exeter – William Street SPS Forcemain Twinning (from GEXR to Lagoons), in the amount of \$824,462; and
- Project 12: Exeter WWTP Short Term Upgrades: UV, in the amount of \$623,931.

The result on the grant funding on the calculated wastewater D.C., is a reduction of \$208 per single detached dwelling and a reduction of \$0.09 per sq.ft. of gross floor area for non-residential commercial, industrial, and institutional developments on municipal services (2025\$). Note that there is no impact to the calculated non-residential agricultural rate, as wastewater services D.C.s are not imposed in the rural area.

Table 1 provides the revised capital program for wastewater services.

## **2.2 Refinements to the allocation of Growth-Related Studies**

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The D.C. includes growth-related studies, some of which are allocated to the D.C. eligible services, on a proportional basis of growth-related costs for each service. These studies include planning related studies and D.C. background studies themselves. With the reduction in wastewater services eligible growth-related costs, due to the new grant funding noted in paragraph 2.1 herein, the allocations have been adjusted slightly. This refinement does not impact that total amount of eligible capital costs being recovered through D.C.s, nor does it change the calculations for the D.C. charges. The revised allocations are provided in Table 3 and the revised schedule of growth-related studies based on these allocations are provided in Table 2.

## **2.3 Determination of Capital Costs and Non-Growth-Related Shares**

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One of the recent regulatory changes, requires that municipalities provide greater details with respect to how capital costs are determined and how the non-growth-related shares of the costs are determined. To provide additional clarity on how the determination of capital costs and non-growth-related shares, an additional appendix has been added to the background study (i.e., Appendix H).



**Table 1**  
**Municipality of South Huron**  
**Amended Infrastructure Costs Included in the Development Charge Calculation**  
**For Wastewater Services**

Proj. No.	Increased Service Needs Attributable to Anticipated Development  2025 to Urban Build Out - Wastewater	Master Plan		Gross Capital Cost Estimate (2025\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
		Project #	Timing (year)					Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 81%	Non-Residential Share 19%
1	Sewer Master Plan	n/a	2025	11,308	-	-	11,308	2,800	-	8,508	6,891	1,617
2	Sewer Master Plan	n/a	2030	67,500	-	-	67,500	16,900	-	50,600	40,986	9,614
	<b>W/WW Master Plan Projects</b>											
	<b>Exeter</b>											
3	Alexander Street West Sewer (McConnell Street to Francis Street)	E-WW-SS-06	2025-2029	336,600	-	-	336,600	185,100	-	151,500	122,715	28,785
4	McConnell Street Sewer (Alexander Street to south end)	E-WW-SS-07	2025-2029	350,200	-	-	350,200	192,600	-	157,600	127,656	29,944
5	Church Street Sewer (Main Street to William Street)	E-WW-SS-17	2029-2034	266,900	-	-	266,900	26,700	-	240,200	194,562	45,638
6	Ausable River Crossing Twinned Sewer	E-WW-SS-43	2025-2029	2,961,300	-	-	2,961,300	1,184,500	-	1,776,800	1,439,208	337,592
7	Francis Street Sewer (Thames Road to Alexander Street)	E-WW-SS-44	2025-2029	491,300	-	-	491,300	417,600	-	73,700	59,697	14,003
8	South Exeter SPS Forcemain - New Forcemain from South Exeter SPS to Exeter WWTP	E-WW-FM-01	2034-2039	3,681,200	-	-	3,681,200	-	-	3,681,200	2,981,772	699,428
9	William Street SPS Forcemain Twinning (from GEXR to Lagoons)	E-WW-FM-02	2029-2034	1,129,400	-	-	1,129,400	-	824,462	304,938	247,000	57,938
10	South Exeter SPS	E-WW-PS-01	2034-2039	16,184,400	-	-	16,184,400	7,167,400	-	9,017,000	7,303,770	1,713,230
11	William Street SPS Pump & Mechanical Upgrades	E-WW-PS-02	2039	3,029,200	-	-	3,029,200	-	-	3,029,200	2,453,652	575,548
12	Exeter WWTP Short Term Upgrades: UV	E-WW-TP-04	2029-2034	854,700	-	-	854,700	115,400	623,931	115,369	93,449	21,920
13	Exeter WWTP Intermediate Upgrades: Mechanical Filter	E-WW-TP-05	2034-2039	4,635,000	-	-	4,635,000	2,317,500	-	2,317,500	1,877,175	440,325
14	Exeter WWTP Long-Term Upgrades: Mechanical Plant	E-WW-TP-06	2039	20,600,000	-	-	20,600,000	10,300,000	-	10,300,000	8,343,000	1,957,000
	<b>Stephen</b>											
15	"Possible" twinning of Huron Park Forcemain	S-WW-FM-01	2034-2039	5,375,000	-	-	5,375,000	-	-	5,375,000	4,353,750	1,021,250
16	Separate forcemain for Crediton SPS or coordinated control system with Huron Park SPS	S-WW-FM-02	2034-2039	155,000	-	-	155,000	-	-	155,000	125,550	29,450
17	"Potential" transfer of ownership of Darkhorse Winery private SPS to the Municipality and Associated Municipal Standard Upgrades	S-WW-PS-01	2029-2034	515,000	-	-	515,000	-	-	515,000	417,150	97,850
18	Huron Park SPS Emergency Storage	S-WW-PS-02	2025-2029	463,500	-	-	463,500	-	-	463,500	375,435	88,065
19	Crediton SPS Upgrades	S-WW-PS-05	2039	1,622,300	-	-	1,622,300	-	-	1,622,300	1,314,063	308,237
20	Huron Park SPS Upgrades	S-WW-PS-06	2029-2034	3,318,800	-	-	3,318,800	-	-	3,318,800	2,688,228	630,572
21	Grand Bend PS2 Upgrades	S-WW-PS-07	2034-2039	3,090,000	-	-	3,090,000	-	-	3,090,000	2,502,900	587,100
22	Grand Bend WWTP Capacity Upgrades	S-WW-TP-01	2039	3,090,000	-	-	3,090,000	-	-	3,090,000	2,502,900	587,100
	<b>Adjustments:</b>											
23	Reserve Fund Adjustment	n/a		-	-	-	-	238,929	-	(238,929)	(193,532)	(45,396)
	<b>Total</b>			<b>\$72,228,608</b>	<b>\$0</b>	<b>\$0</b>	<b>\$72,228,608</b>	<b>\$22,165,429</b>	<b>\$1,448,393</b>	<b>\$48,614,786</b>	<b>\$39,377,977</b>	<b>\$9,236,809</b>



Table 2  
Municipality of South Huron  
Amended Infrastructure Costs Included in the Development Charge Calculation  
For Growth-Related Studies

Proj. No.	Increased Service Needs Attributable to Anticipated Development  2025 to 2034	Timing (year)	Service to Which Project Relates	Gross Capital Cost Estimate (2025\$)	Post Period Benefit	Other Deductions (to recognize benefit to non-D.C. services)	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
								Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share	Non-Residential Share
1	Development Charges Study (balance to be funded)	2025	All Services	25,131	-	-	25,131	-	-	25,131	19,854	5,277
2	Development Charges Study	2034	All Services	37,000	-	-	37,000	-	-	37,000	29,230	7,770
3	Official Plan	2024-2025	All Services	35,000	-	3,500	31,500	15,700	-	15,800	12,481	3,319
4	Zoning By-law	2025-2026	All Services	35,000	-	3,500	31,500	15,700	-	15,800	12,481	3,319
5	Fire Master Plan	2031	Fire Protection Services	148,000	-	-	148,000	37,000	-	111,000	87,690	23,310
6	Parks and Recreation Master Plan	2027	Parks and Recreation Services	111,000	-	-	111,000	55,500	-	55,500	52,725	2,775
7	Stormwater Master Plan	2026	Stormwater Services	148,000	-	-	148,000	37,000	-	111,000	72,150	38,850
8	Reserve Fund Adjustment		All Services		-	-	-	37,174	-	(37,174)	(28,701)	(8,474)
	<b>Total</b>			<b>\$539,131</b>	<b>\$0</b>	<b>\$7,000</b>	<b>\$532,131</b>	<b>\$198,074</b>	<b>\$0</b>	<b>\$334,057</b>	<b>\$257,910</b>	<b>\$76,146</b>



Table 3  
Municipality of South Huron  
Infrastructure Costs Covered in the D.C. Calculation – Growth-Related Studies –  
Residential/Non-Residential Shares

Services	Total	Residential Share	Non-Residential Share
Water Services	16,587	13,137	3,450
Wastewater Services	60,424	47,856	12,568
Stormwater Services	99,885	63,568	36,316
Services Related to a Highway	1,710	1,354	356
Fire Protection Services	101,232	80,175	21,057
Parks and Recreation Services	54,219	51,821	2,398
<b>Total</b>	<b>\$334,057</b>	<b>\$257,910</b>	<b>\$76,146</b>
<b>Overall Growth Studies Class of Services Residential/Non-Residential %</b>		<b>77%</b>	<b>23%</b>

### 3. Revised Development Charges

Tables 4 to 6 provide the amended D.C.s for residential development (single detached unit) and for non-residential developments, respectively, based on the revisions discussed herein. The current rates and calculated rates for each development as per the December 31, 2025, D.C.B.S. are presented in 2025\$ and then indexed to 2026\$, as the Municipality indexes their D.C.s on January 1 each year. Similarly, the amended D.C.s are also shown in 2025\$ and 2026\$ based on the revisions provided in this Addendum report.

Overall, the calculated D.C. for residential development (single and semi-detached units) increased from \$6,206 in 2025\$, to \$18,641 before the addendum. The addendum decreases the calculated rate to \$18,433 in 2025\$. Applying indexing to these rates, the revised calculated rate in 2026\$ is \$19,207. Similarly, the non-residential D.C. (commercial, industrial and institutional) originally increased from \$1.48, to \$6.59 per sq.ft. in 2025 values. This addendum report reduces the calculated rate to \$6.50 per sq.ft. in 2025\$. Applying the January 1, 2026, index of 4.2%, the revised calculated 2026 rate is \$6.77 per sq.ft.. The charge for non-residential (agricultural) was not impacted due to the amendment, as the agricultural lands are not serviced with wastewater services. Therefore, the calculated rate in 2025\$ remains at \$0.15 per sq.ft.



Applying the January 1, 2026, index of 4.2% does not reflect a change in this rate as it is so low.

Table 7 provides the schedule of all revised D.C. Calculations based on the revisions provided herein, in 2025 values, and Table 8 provides the revised schedule in 2026 indexed values. The 2026 values are the maximum rates that may be imposed by Council when adopting a new by-law.



Table 4  
Municipality of South Huron  
Amended Residential (Single-Detached) Rate Comparison Indexed from 2025\$ to 2026\$

Service/Class of Services	2025 \$			Indexed 2026 \$		
	Existing	Calculated as per D.C. Dec. 31, 2025	Calculated as per Addendum	Existing	Calculated as per D.C. Dec. 31, 2025	Calculated as per Addendum
<b>Municipal Wide Services/Class of Services:</b>						
Services Related to a Highway	895	1,405	1,405	933	1,464	1,464
Fire Protection Services	294	1,066	1,066	306	1,111	1,111
Parks and Recreation Services	2,642	4,291	4,291	2,753	4,471	4,471
Growth-Related Studies	149	338	338	155	352	352
<b>Total Municipal Wide Services/Class of Services</b>	<b>\$3,980</b>	<b>\$7,100</b>	<b>\$7,100</b>	<b>\$4,147</b>	<b>\$7,398</b>	<b>\$7,398</b>
<b>Urban Services:</b>						
Wastewater Services	925	9,100	8,892	964	9,482	9,265
Water Services	1,301	2,441	2,441	1,356	2,544	2,544
<b>Total Urban Services</b>	<b>\$2,226</b>	<b>\$11,541</b>	<b>\$11,333</b>	<b>\$2,320</b>	<b>\$12,026</b>	<b>\$11,809</b>
<b>Grand Total - Urban Area</b>	<b>\$6,206</b>	<b>\$18,641</b>	<b>\$18,433</b>	<b>\$6,467</b>	<b>\$19,424</b>	<b>\$19,207</b>

2026 Indexed Rates based on 4.2% Inflation



Table 5  
Municipality of South Huron  
Amended Non-Residential - Commercial, Industrial, Institutional (per sq.ft.)  
Rate Comparison Indexed from 2025\$ to 2026\$

Service/Class of Services	2025 \$			Indexed 2026 \$		
	Existing	Calculated as per D.C. Dec. 31, 2025	Service/Class of Services	Existing	Calculated as per D.C. Dec. 31, 2025	Calculated as per Addendum
<b>Municipal Wide Services/Class of Services:</b>						
Services Related to a Highway	0.39	0.69	0.69	0.41	0.72	0.72
Fire Protection Services	0.13	0.52	0.52	0.14	0.54	0.54
Parks and Recreation Services	0.19	0.42	0.42	0.20	0.44	0.44
Growth-Related Studies	0.07	0.19	0.19	0.07	0.20	0.20
<b>Total Municipal Wide Services/Class of Services</b>	<b>\$0.78</b>	<b>\$1.82</b>	<b>\$1.82</b>	<b>\$0.82</b>	<b>\$1.90</b>	<b>\$1.90</b>
<b>Urban Services:</b>						
Wastewater Services	0.38	3.76	3.67	0.40	3.92	3.82
Water Services	0.32	1.01	1.01	0.33	1.05	1.05
<b>Total Urban Services</b>	<b>\$0.70</b>	<b>\$4.77</b>	<b>\$4.68</b>	<b>\$0.73</b>	<b>\$4.97</b>	<b>\$4.87</b>
<b>Grand Total - Urban Area</b>	<b>\$1.48</b>	<b>\$6.59</b>	<b>\$6.50</b>	<b>\$1.55</b>	<b>\$6.87</b>	<b>\$6.77</b>

2026 Indexed Rates based on 4.2% Inflation



Table 6  
Municipality of South Huron  
Amended Non-Residential - Agriculture (per sq.ft.)  
Rate Comparison Indexed from 2025\$ to 2026\$

Service/Class of Services	2025 \$		Indexed 2026 \$	
	Current	Calculated	Current	Calculated
<b>Municipal Wide Services/Class of Services:</b>				
Services Related to a Highway	0.17	0.06	0.18	0.06
Fire Protection Services	0.05	0.04	0.05	0.04
Parks and Recreation Services	0.09	0.03	0.09	0.03
Growth-Related Studies	0.02	0.02	0.02	0.02
<b>Total Municipal Wide Services/Class of Services</b>	<b>\$0.33</b>	<b>\$0.15</b>	<b>\$0.34</b>	<b>\$0.15</b>
<b>Urban Services:</b>				
Wastewater Services	0.17	-	0.18	-
Water Services	0.13	-	0.14	-
<b>Total Urban Services</b>	<b>\$0.30</b>	<b>\$0.00</b>	<b>\$0.32</b>	<b>\$0.00</b>
<b>Grand Total - Urban Area</b>	<b>\$0.63</b>	<b>\$0.15</b>	<b>\$0.66</b>	<b>\$0.15</b>

2026 Indexed Rates based on 4.2% Inflation



Table 7  
Municipality of South Huron  
Amended Schedule of Development Charges (2025\$)

Service/Class of Services	RESIDENTIAL					Wind Turbines	NON-RESIDENTIAL (per sq. ft. of Gross Floor Area)	
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Special Care/Special Dwelling Units		Agricultural Use	Other Non-Residential
<b>Municipal Wide Services/Class of Service:</b>								
Services Related to a Highway	1,405	861	849	576	542	1,405	0.06	0.69
Fire Protection Services	1,066	653	644	437	411	1,066	0.04	0.52
Parks and Recreation Services	4,291	2,630	2,594	1,759	1,656	-	0.03	0.42
Growth-Related Studies	338	207	204	139	130	338	0.02	0.19
<b>Total Municipal Wide Services/Class of Services</b>	<b>\$7,100</b>	<b>\$4,351</b>	<b>\$4,291</b>	<b>\$2,911</b>	<b>\$2,739</b>	<b>\$2,809</b>	<b>\$0.15</b>	<b>\$1.82</b>
<b>Urban Services</b>								
Wastewater Services	8,892	5,451	5,376	3,644	3,432	-	-	3.67
Water Services	2,441	1,496	1,476	1,000	942	-	-	1.01
<b>Total Urban Services</b>	<b>\$11,333</b>	<b>\$6,947</b>	<b>\$6,852</b>	<b>\$4,644</b>	<b>\$4,374</b>	<b>\$0</b>	<b>\$0.00</b>	<b>\$4.68</b>
<b>GRAND TOTAL RURAL AREA</b>	<b>\$7,100</b>	<b>\$4,351</b>	<b>\$4,291</b>	<b>\$2,911</b>	<b>\$2,739</b>	<b>\$2,809</b>	<b>\$0.15</b>	<b>\$1.82</b>
<b>GRAND TOTAL - PARTIALLY SERVICED (WATER ONLY)</b>	<b>\$9,541</b>	<b>\$5,847</b>	<b>\$5,767</b>	<b>\$3,911</b>	<b>\$3,681</b>	<b>\$2,809</b>	<b>\$0.15</b>	<b>\$2.83</b>
<b>GRAND TOTAL URBAN AREA</b>	<b>\$18,433</b>	<b>\$11,298</b>	<b>\$11,143</b>	<b>\$7,555</b>	<b>\$7,113</b>	<b>\$2,809</b>	<b>\$0.15</b>	<b>\$6.50</b>



**Table 8**  
**Municipality of South Huron**  
**Amended Schedule of Development Charges (2026\$)**

Service/Class of Services	RESIDENTIAL					Wind Turbines	NON-RESIDENTIAL (per sq.ft. of Gross Floor Area)	
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Special Care/Special Dwelling Units		Agricultural Use	Other Non-Residential
<b>Municipal Wide Services/Class of Service:</b>								
Services Related to a Highway	1,464	897	885	600	565	1,464	0.06	0.72
Fire Protection Services	1,111	680	671	455	428	1,111	0.04	0.54
Parks and Recreation Services	4,471	2,740	2,703	1,833	1,726	-	0.03	0.44
Growth-Related Studies	352	216	213	145	135	352	0.02	0.20
<b>Total Municipal Wide Services/Class of Services</b>	<b>\$7,398</b>	<b>\$4,533</b>	<b>\$4,472</b>	<b>\$3,033</b>	<b>\$2,854</b>	<b>\$2,927</b>	<b>\$0.15</b>	<b>\$1.90</b>
<b>Urban Services</b>								
Wastewater Services	9,265	5,680	5,602	3,797	3,576	-	-	3.82
Water Services	2,544	1,559	1,538	1,042	982	-	-	1.05
<b>Total Urban Services</b>	<b>\$11,809</b>	<b>\$7,239</b>	<b>\$7,140</b>	<b>\$4,839</b>	<b>\$4,558</b>	<b>\$0</b>	<b>\$0.00</b>	<b>\$4.87</b>
<b>GRAND TOTAL RURAL AREA</b>	<b>\$7,398</b>	<b>\$4,533</b>	<b>\$4,472</b>	<b>\$3,033</b>	<b>\$2,854</b>	<b>\$2,927</b>	<b>\$0.15</b>	<b>\$1.90</b>
<b>GRAND TOTAL - PARTIALLY SERVICED (WATER ONLY)</b>	<b>\$9,942</b>	<b>\$6,092</b>	<b>\$6,010</b>	<b>\$4,075</b>	<b>\$3,836</b>	<b>\$2,927</b>	<b>\$0.15</b>	<b>\$2.95</b>
<b>GRAND TOTAL URBAN AREA</b>	<b>\$19,207</b>	<b>\$11,772</b>	<b>\$11,612</b>	<b>\$7,872</b>	<b>\$7,412</b>	<b>\$2,927</b>	<b>\$0.15</b>	<b>\$6.77</b>



## 4. Changes to the D.C.B.S.

Based on the foregoing, the following revisions are made to the December 31, 2025, D.C.B.S., as amended. Accordingly, the amended pages are appended to this report.

Page Reference	Description of Revisions
Revised Table of Contents	Updated to reflect the addition of Appendix H
Page iv	Updated Table ES-2 and text to reflect the revised deductions to the gross costs, due to the inclusion of the grant funding.
Page vi	Amended Table ES-3 – Calculated Schedule of Development Charges, to reflect the inclusion of the grant lowering costs to wastewater services.
Page vii	Updated Table ES-5 and text related to the revised calculated Residential and Non-Residential D.C. rates.
Page viii	Amended Table ES-7 to reflect the inclusion of the grant lowering costs to wastewater services.
Pages 1-2 and 1-3	Revised Figure 1-1 to reflect this addendum report, the addition of a stakeholder meeting, and the revised timeline anticipated for Council's consideration of the by-law.
Page 1-19	Revised to indicate that Appendix H provides the details of the benefit to existing calculations as required by the revised regulations to the D.C.A.
Page 5-4	Updated Table 5-4 to reflect the revised cost allocations of growth-related studies, due to the change in the eligible wastewater growth-related costs.



Page Reference	Description of Revisions
Page 5-6	Amended to reflect the revised proportionate share of growth-related studies, due to the change in the wastewater D.C. eligible costs.
Page 5-9	Table 5-4 updated to reflect the minor allocation refinements to eligible services for the growth-related studies D.C. recoverable costs, following the application of the grant funding to wastewater projects.
Page 5-10	Table 5-5 Residential and Non-Residential shares updated to reflect the revised allocation of costs to growth-related studies, following the application of the grant funding to wastewater projects.
Page 5-12	Updated text in relation to deductions made against the gross costs for Wastewater services to reflect the additional grant funding, and the net costs to be recovered through D.C.s.
Page 5-14	Updated Table 5-7 to reflect the wastewater services capital program and reflect the revised deductions due to grants applied to projects 9 and 12.
Page 6-2	Updated text in relation to revised D.C. calculations due to grants received for wastewater services and describe indexing.
Page 6-3	Updated Table 6-1 related to D.C eligible costs upon application of the grant.
Page 6-5	Updated Table 6-3 to reflect the revised schedule of calculated development charges for services and class of services.
Page 6-6	Amended Tables 6-4 and 6-5 to reflect the inclusion of the grant lowering costs to wastewater services.



Page Reference	Description of Revisions
Page 6-7	Amended Table 6-6 to reflect the inclusion of the grant lowering costs to wastewater services and indexing to represent the costs following January 1, 2026.
Page 6-8	Table 6-7 updated to reflect the grant funding for wastewater services, to reflect the costs anticipated to be incurred over the 10-year life of the by-law.
Page C-3	Updates to Table C-2 to reflect the operating and annual lifecycle expenditure impacts for future growth-related capital expenditures, to reflect the revised calculations for wastewater services.
Page F-4	Updated text related to total expenditures impacts from future growth-related capital infrastructure.
Page F-5	Table F-1 updated in total expenditures amended upon application of the grant.
Page G-27	Revised Schedule B to the draft by-law, to reflect the reduced wastewater charges, and display the calculated D.C.s in 2026 dollars (i.e., the year in which the by-law will be passed vs. 2025 dollars which was the valuation year in the 2025 D.C.B.S).
Appendix H	Incorporation of a new appendix for the requirement to provide greater detail with respect to how the non-growth-related shares.

## 5. Process for Adoption of the D.C. By-law

The revisions provided herein form the basis for the D.C. by-law and will be incorporated into the D.C.B.S., as amended, to be provided to Council prior to Council's consideration and adoption of the proposed D.C. by-law.



If Council is satisfied with the above-noted changes to the D.C.B.S. and D.C. by-law, then prior to by-law passage Council must:

- Approve the D.C.B.S., as amended;
- Determine that no further public meetings are required on the matter; and
- Adopt the new D.C. by-law.



# Appendix A

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in the determination of the D.C. recoverable costs include approximately \$12.98 million related to the portion of capital projects that will benefit the existing development, \$7,000 related to costs associated services not eligible for D.C. funding, and \$14.87 million related capital costs anticipated to be funded through grants, subsidies, and other contributions.

The resultant net D.C. recoverable costs included in the calculations for capital works anticipated over the 10-year forecast period totals approximately \$25.14 million, of which \$20.79 million is attributed to the forecast residential development and \$4.36 million allocated to the forecast non-residential development.

Table ES-2  
Municipality of South Huron  
Summary of Capital Costs Anticipated During the Term of the By-law

Description	Value (2025\$)
Total gross expenditures planned over the next 10 years	\$55,108,315
Less: benefit to existing development	\$12,975,349
Less: post planning period benefit	\$2,113,700
Less: costs associated with D.C.-ineligible services	\$7,000
Less: Grants, subsidies, and other contributions	\$14,868,560
<b>Net costs to be recovered from D.C.s. over the term of the by-law</b>	<b>\$25,143,707</b>

7. At present, the Municipality imposes D.C.s on residential and non-residential development in accordance with By-Law 17-2020, as amended. The Municipality is undertaking a D.C. public process and anticipates passing a new D.C. by-law for the services identified in the D.C. Background Study. The statutory mandatory public meeting has been set for February 11, 2026, with adoption of the D.C. by-law anticipated for March 16, 2026.



Table ES-3  
Municipality of South Huron  
Calculated Schedule of Development Charges

Service/Class of Services	RESIDENTIAL					Wind Turbines	NON-RESIDENTIAL (per sq.ft. of Gross Floor Area)	
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Special Care/Special Dwelling Units		Agricultural Use	Other Non-Residential
<b>Municipal Wide Services/Class of Service:</b>								
Services Related to a Highway	1,405	861	849	576	542	1,405	0.06	0.69
Fire Protection Services	1,066	653	644	437	411	1,066	0.04	0.52
Parks and Recreation Services	4,291	2,630	2,594	1,759	1,656	-	0.03	0.42
Growth-Related Studies	338	207	204	139	130	338	0.02	0.19
<b>Total Municipal Wide Services/Class of Services</b>	<b>\$7,100</b>	<b>\$4,351</b>	<b>\$4,291</b>	<b>\$2,911</b>	<b>\$2,739</b>	<b>\$2,809</b>	<b>\$0.15</b>	<b>\$1.82</b>
<b>Urban Services</b>								
Wastewater Services	8,892	5,451	5,376	3,644	3,432	-	-	3.67
Water Services	2,441	1,496	1,476	1,000	942	-	-	1.01
<b>Total Urban Services</b>	<b>\$11,333</b>	<b>\$6,947</b>	<b>\$6,852</b>	<b>\$4,644</b>	<b>\$4,374</b>	<b>\$0</b>	<b>\$0.00</b>	<b>\$4.68</b>
<b>GRAND TOTAL RURAL AREA</b>	<b>\$7,100</b>	<b>\$4,351</b>	<b>\$4,291</b>	<b>\$2,911</b>	<b>\$2,739</b>	<b>\$2,809</b>	<b>\$0.15</b>	<b>\$1.82</b>
<b>GRAND TOTAL - PARTIALLY SERVICED (WATER ONLY)</b>	<b>\$9,541</b>	<b>\$5,847</b>	<b>\$5,767</b>	<b>\$3,911</b>	<b>\$3,681</b>	<b>\$2,809</b>	<b>\$0.15</b>	<b>\$2.83</b>
<b>GRAND TOTAL URBAN AREA</b>	<b>\$18,433</b>	<b>\$11,298</b>	<b>\$11,143</b>	<b>\$7,555</b>	<b>\$7,113</b>	<b>\$2,809</b>	<b>\$0.15</b>	<b>\$6.50</b>



8. Tables ES-5 to ES-7 provide a comparison of the D.C.s currently imposed in the Municipality and the calculated charges herein. These comparisons are provided for a single detached residential dwelling unit. Comparisons are also provided for non-residential (agriculture and non-industrial) development within the urban serviced area, on a per square foot (sq.ft.) of gross floor area (G.F.A.).

The calculated charges for new development within the urban serviced area of the Municipality are \$18,433 for a single detached residential dwelling unit. The differences in the magnitude of the increase are reflective of changes in capital needs identified in the current study versus the previous D.C. study, including an additional fire facility, a multi-purpose recreation facility (which was reduced from an estimated cost of approximately \$34 million in the prior D.C. study to \$4 million in this D.C. Study), and significant water and wastewater capital needs.

The calculated non-residential D.C.s for new agriculture development are \$0.15 per sq.ft. of G.F.A. The proposed charge for non-agriculture (i.e., commercial, industrial, and institutional), in the urban serviced areas are \$6.50 per sq.ft. of G.F.A. Wind Turbines are \$2,809 per turbine, based on a single detached home equivalent for the services related to a highway, fire protection services, and growth-related studies components of the D.C.s. It is noted that the calculated rates for the non-residential agriculture and non-agriculture rates have been calculated utilizing a different methodology from what was utilized in the past D.C., for more information on this, refer to Chapter 6.

**Table ES-5**  
**Municipality of South Huron**  
**Single Detached Residential Dwelling Unit D.C. Comparison**

Service/Class of Services	Existing	Calculated as per D.C. Dec. 31, 2025	Calculated as per Addendum
<b>Municipal Wide Services/Class of Services:</b>			
Services Related to a Highway	895	1,405	1,405
Fire Protection Services	294	1,066	1,066
Parks and Recreation Services	2,642	4,291	4,291
Growth-Related Studies	149	338	338
<b>Total Municipal Wide Services/Class of Services</b>	<b>\$3,980</b>	<b>\$7,100</b>	<b>\$7,100</b>
<b>Urban Services:</b>			
Wastewater Services	925	9,100	8,892
Water Services	1,301	2,441	2,441
<b>Total Urban Services</b>	<b>\$2,226</b>	<b>\$11,541</b>	<b>\$11,333</b>
<b>Grand Total - Urban Area</b>	<b>\$6,206</b>	<b>\$18,641</b>	<b>\$18,433</b>



Table ES-6  
Municipality of South Huron  
Agriculture Non-Residential D.C. Comparison per sq.ft. of Gross Floor Area

Service/Class of Services	Current	Calculated
<b>Municipal Wide Services/Class of Services:</b>		
Services Related to a Highway	0.17	0.06
Fire Protection Services	0.05	0.04
Parks and Recreation Services	0.09	0.03
Growth-Related Studies	0.02	0.02
<b>Total Municipal Wide Services/Class of Services</b>	<b>\$0.33</b>	<b>\$0.15</b>
<b>Urban Services:</b>		
Wastewater Services	0.17	-
Water Services	0.13	-
<b>Total Urban Services</b>	<b>\$0.30</b>	<b>\$0.00</b>
<b>Grand Total - Urban Area</b>	<b>\$0.63</b>	<b>\$0.15</b>

Table ES-7  
Municipality of South Huron  
Other Non-Residential D.C. Comparison per sq.ft. of Gross Floor Area

Service/Class of Services	Existing	Calculated as per D.C. Dec. 31, 2025	Service/Class of Services
<b>Municipal Wide Services/Class of Services:</b>			
Services Related to a Highway	0.39	0.69	0.69
Fire Protection Services	0.13	0.52	0.52
Parks and Recreation Services	0.19	0.42	0.42
Growth-Related Studies	0.07	0.19	0.19
<b>Total Municipal Wide Services/Class of Services</b>	<b>\$0.78</b>	<b>\$1.82</b>	<b>\$1.82</b>
<b>Urban Services:</b>			
Wastewater Services	0.38	3.76	3.67
Water Services	0.32	1.01	1.01
<b>Total Urban Services</b>	<b>\$0.70</b>	<b>\$4.77</b>	<b>\$4.68</b>
<b>Grand Total - Urban Area</b>	<b>\$1.48</b>	<b>\$6.59</b>	<b>\$6.50</b>

9. Chapter 7 herein, provides the D.C. by-law policy recommendations and rules that govern the imposition of the charges. Council will consider the findings and recommendations provided herein and, in conjunction with public input, approve such policies and rates it deems appropriate. These directions will refine the draft D.C. by-law, which is appended in Appendix G. These decisions may include:

- adopting the charges and policies recommended herein;
- considering additional exemptions to the D.C. by-law; and



## 1.2 Summary of the Process

The public meeting required under section 12 of the D.C.A., has been scheduled for February 11, 2026. Its purpose is to present the study to the public and to solicit public input. The public meeting is also being held to answer any questions regarding the study's purpose, methodology, and the proposed D.C. by-law.

In accordance with the legislation, the background study and proposed D.C. by-law will be available for public review on December 31, 2025.

The process to be followed in finalizing the report and recommendations includes:

- Consideration of responses received prior to, at, or immediately following the public meeting;
- Refinements to the report, if required; and
- Council consideration of the by-law subsequent to the public meeting.

Figure 1-1 outlines the proposed schedule to be followed with respect to the D.C. by-law adoption process.

Figure 1-1  
Municipality of South Huron  
Schedule of Key D.C. Process Dates

Process Steps	Dates
Data collection, growth forecast development, staff review, engineering work, D.C. calculations, and policy work	Throughout 2025
Public release of final D.C. Background study and proposed by-law	December 31, 2025
Public meeting advertisement placed in newspaper(s)	20 clear days prior to the Public Meeting
Public meeting of Council	February 11, 2026
Stakeholder Meeting	March 9, 2026
Public release of Addendum Report to D.C. Background Study and proposed by-law	March 10, 2026
Council Meeting to present and consider public comments	April 13, 2026
Council considers adoption of background study and passage of by-law	April 27, 2026



Process Steps	Dates
Notice given of by-law passage	20 days after passage
Last day for by-law appeal	40 days after passage
Municipality makes pamphlet available (where by-law not appealed)	By 60 days after in force date

### 1.3 Changes to the *Development Charges Act, 1997*

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Over the past five years, a number of changes to the D.C.A. have been introduced through various legislation including the following:

- Bill 197: *COVID-19 Economic Recovery Act, 2020*;
- Bill 213: *Better for People, Smarter for Business Act, 2020*;
- Bill 109: *More Homes for Everyone Act, 2022*;
- Bill 23: *More Homes Built Faster Act, 2022*;
- Bill 97: *Helping Homebuyers, Protecting Tenants Act, 2023*;
- Bill 134: *Affordable Homes and Good Jobs Act, 2023*;
- Bill 185: *Cutting Red Tape to Build More Homes Act, 2024*;
- Bill 17: *Protect Ontario by Building Faster and Smarter Act, 2025*; and
- Bill 60: *Fighting Delays, Building Faster Act, 2025*.

The following provides an overview of the amendments to the D.C.A. that each of these pieces of legislation provided.

#### 1.3.1 **Bill 197: COVID-19 Economic Recovery Act, 2020**

In response to the global pandemic that began affecting Ontario in early 2020, the Province released Bill 197, *COVID-19 Economic Recovery Act, 2020*, which provided amendments to a number of statutes, including the D.C.A. and *Planning Act*. The *COVID-19 Economic Recovery Act* further revised some of the proposed changes identified in the *More Homes, More Choice Act, 2019* and *Plan to Build Ontario Together Act, 2019*. The *COVID-19 Economic Recovery Act, 2020* received Royal Assent on July 21, 2020, and was proclaimed on September 18, 2020. The following provides a summary of the amendments to the D.C.A.:



- The municipality shall give a copy of the Local Service Policy to the Minister of Municipal Affairs and Housing upon request, by the date requested; and
- The Local Service Policy must be reviewed, requiring a resolution of Council declaring if a revision is needed. The Resolution shall be passed at the time of passing any D.C. by-law or when a revision to the policy is required.

#### ***1.3.9.4 Requirement to Provide Documents to the Minister***

Changes to Section 10 and Section 13 of the D.C.A. require municipalities to provide copies of documents to the Minister upon request, by the date requested.

In addition, section 59(2.8) of the Act requires a copy of the Local Service Policy to be provided to the Minister upon request, by the date requested.

#### ***1.3.9.5 Regulatory Changes***

Bill 60 also provided for regulatory changes to *Ontario Regulation 82/98*. These changes are with respect to the following matters:

##### **Merging of Credits**

This change merges water supply services and wastewater services for the purposes of credits. As provided in subsection 2 (4) of the D.C.A., the D.C. eligible services of water supply and wastewater include distribution and treatment, and sewers and treatment, respectively.

##### **Transparency of Benefit to Existing (B.T.E.) Calculations**

Regulatory changes require municipalities to provide greater details with respect to how capital costs are determined and how the growth-related and non-growth-related shares of the costs are determined. This appears to be required for each service, rather than on a project-by-project basis. Appendix H provides details on these calculations for each service.

##### **Details of Land Acquisition**

Section 8 of Ontario Regulation 82/98 has been amended to require land acquisition costs to be included in the D.C. background presentation of:

- The total of the estimated capital costs relating to the service;



park, splash pads, pavilions, etc. Additionally, the Municipality shares 50% of the responsibility for the provision of the Kirkton Pool through a joint service agreement with Perth South. Recreational trails totaling 530 linear metres are also provided at McNaughton Park and the Crediton Ball Diamond. A number of indoor recreation facilities are provided fully by the Municipality, while others are shared 50% with Bluewater and Perth South through joint services agreements. In total, the Municipality is responsible for 99,405 sq.ft. of indoor recreation facility space. Finally, the Parks and Recreation Services are maintained with 21 vehicles and equipment assets. The total inventory of assets related to Parks and Recreation Services over the past 15 years results in an average invested level of service of \$6,162 per capita. When applied to the 10-year forecast population, a maximum D.C. eligible cost of approximately \$12.71 million is applicable.

Based on the needs identified for growth, the Municipality has identified approximately \$4.1 million in growth-related capital needs. The majority of this cost relates to a provision to add multi-purpose recreation facility space and/or additional park amenities (excluding land costs). An additional vehicle to assist in servicing the expanded parks and recreation services has also been identified at a cost of \$100,000.

Table 5-3 provides the associated 10-year capital program anticipated for Parks and Recreation Services. A Deduction related to the existing reserve fund surplus of approximately \$0.66 million has been made, resulting in approximately \$3.44 million in net growth-related capital costs have been included in the calculation of the D.C.

As the predominant users of parks and recreation services tend to be residents of the Municipality, the D.C. recoverable costs have been allocated 95% to future residential development and 5% to future non-residential development. Therefore, approximately \$3.27 million, and \$0.17 million have been allocated to residential and non-residential developments, respectively.

#### **5.2.4 Growth-Related Studies (Class of Service)**

Section 7 of the D.C.A. states that a D.C. by-law may provide for any D.C. eligible service or the capital costs with respect to those services. Further, a class may be composed of any number or combination of services and may include parts or portions of each D.C. eligible services. With respect to growth-related studies, section 7 (3) of the D.C.A. states that:



- Services Related to a Highway – 2.00%
- Fire Protection Services – 1.52%
- Parks and Recreation Services – 5.08%
- Wastewater Services – 71.72%
- Water Services – 19.69%

As a result, the net D.C. recoverable cost of \$334,057 has been included for calculation purposes.

The allocation of the net growth-related costs between residential and non-residential development is based on the residential and non-residential allocations for each service area and are presented in Table 5-5 below (i.e., 77% residential and 23% non-residential).



Table 5-4  
Municipality of South Huron  
Infrastructure Costs Included in the Development Charge Calculation  
for Growth-Related Studies Class of Services

Proj. No.	Increased Service Needs Attributable to Anticipated Development  2025 to 2034	Timing (year)	Service to Which Project Relates	Gross Capital Cost Estimate (2025\$)	Post Period Benefit	Other Deductions (to recognize benefit to non-D.C. services)	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
								Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share	Non-Residential Share
1	Development Charges Study (balance to be funded)	2025	All Services	25,131	-	-	25,131	-	-	25,131	19,854	5,277
2	Development Charges Study	2034	All Services	37,000	-	-	37,000	-	-	37,000	29,230	7,770
3	Official Plan	2024-2025	All Services	35,000	-	3,500	31,500	15,700	-	15,800	12,481	3,319
4	Zoning By-law	2025-2026	All Services	35,000	-	3,500	31,500	15,700	-	15,800	12,481	3,319
5	Fire Master Plan	2031	Fire Protection Services	148,000	-	-	148,000	37,000	-	111,000	87,690	23,310
6	Parks and Recreation Master Plan	2027	Parks and Recreation Services	111,000	-	-	111,000	55,500	-	55,500	52,725	2,775
7	Stormwater Master Plan	2026	Stormwater Services	148,000	-	-	148,000	37,000	-	111,000	72,150	38,850
8	Reserve Fund Adjustment		All Services		-	-	-	37,174	-	(37,174)	(28,701)	(8,474)
	<b>Total</b>			<b>\$539,131</b>	<b>\$0</b>	<b>\$7,000</b>	<b>\$532,131</b>	<b>\$198,074</b>	<b>\$0</b>	<b>\$334,057</b>	<b>\$257,910</b>	<b>\$76,146</b>



Table 5-5  
Infrastructure Costs Covered in the D.C. Calculation – Growth-Related Studies –  
Residential/Non-Residential Shares

Services	Total	Residential Share	Non-Residential
Water Services	16,587	13,137	3,450
Wastewater Services	60,424	47,856	12,568
Stormwater Services	99,885	63,568	36,316
Services Related to a Highway	1,710	1,354	356
Fire Protection Services	101,232	80,175	21,057
Parks and Recreation Services	54,219	51,821	2,398
<b>Total</b>	<b>\$334,057</b>	<b>\$257,910</b>	<b>\$76,146</b>
<b>Overall Growth Studies Class of Services Residential/Non-Residential %</b>		<b>77%</b>	<b>23%</b>



### **5.3.2 Wastewater Services**

The anticipated capital needs that have been identified for Wastewater Services are summarized in Table 5-7. The capital program is provided to meet the anticipated needs of development for the urban serviced areas, and includes new wastewater trunks, wastewater treatment upgrades, pumping stations, forcemain upgrades, and future growth-related study costs.

The total gross capital costs for the capital program are approximately \$72.23 million. Deductions for the benefit to existing development have been made totaling approximately \$21.93 million and grant funding of approximately \$1.45 million. After deducting the existing reserve fund surplus of approximately \$238,900, approximately \$48.61 million in net capital have been included in the calculation of the D.C.

These costs have been allocated to residential and non-residential development based on forecast incremental population and employment growth over the urban buildout period. In total, approximately \$39.38 million (81%) of the total D.C. recoverable costs are allocated to residential development, with approximately \$9.24 million (19%) allocated to non-residential development.



**Table 5-7**  
**Municipality of South Huron**  
**Infrastructure Costs Included in the Development Charge Calculation**  
**For Wastewater Services**

Proj. No.	Increased Service Needs Attributable to Anticipated Development  2025 to Urban Build Out - Wastewater	Master Plan		Gross Capital Cost Estimate (2025\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
		Project #	Timing (year)					Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 81%	Non-Residential Share 19%
1	Sewer Master Plan	n/a	2025	11,308	-	-	11,308	2,800	-	8,508	6,891	1,617
2	Sewer Master Plan	n/a	2030	67,500	-	-	67,500	16,900	-	50,600	40,986	9,614
	<b>W/WW Master Plan Projects</b>											
	<b>Exeter</b>											
3	Alexander Street West Sewer (McConnell Street to Francis Street)	E-WW-SS-06	2025-2029	336,600	-	-	336,600	185,100	-	151,500	122,715	28,785
4	McConnell Street Sewer (Alexander Street to south end)	E-WW-SS-07	2025-2029	350,200	-	-	350,200	192,600	-	157,600	127,656	29,944
5	Church Street Sewer (Main Street to William Street)	E-WW-SS-17	2029-2034	266,900	-	-	266,900	26,700	-	240,200	194,562	45,638
6	Ausable River Crossing Twinned Sewer	E-WW-SS-43	2025-2029	2,961,300	-	-	2,961,300	1,184,500	-	1,776,800	1,439,208	337,592
7	Francis Street Sewer (Thames Road to Alexander Street)	E-WW-SS-44	2025-2029	491,300	-	-	491,300	417,600	-	73,700	59,697	14,003
8	South Exeter SPS Forcemain - New Forcemain from South Exeter SPS to Exeter WWTP	E-WW-FM-01	2034-2039	3,681,200	-	-	3,681,200	-	-	3,681,200	2,981,772	699,428
9	William Street SPS Forcemain Twinning (from GEXR to Lagoons)	E-WW-FM-02	2029-2034	1,129,400	-	-	1,129,400	-	824,462	304,938	247,000	57,938
10	South Exeter SPS	E-WW-PS-01	2034-2039	16,184,400	-	-	16,184,400	7,167,400	-	9,017,000	7,303,770	1,713,230
11	William Street SPS Pump & Mechanical Upgrades	E-WW-PS-02	2039	3,029,200	-	-	3,029,200	-	-	3,029,200	2,453,652	575,548
12	Exeter WWTP Short Term Upgrades: UV	E-WW-TP-04	2029-2034	854,700	-	-	854,700	115,400	623,931	115,369	93,449	21,920
13	Exeter WWTP Intermediate Upgrades: Mechanical Filter	E-WW-TP-05	2034-2039	4,635,000	-	-	4,635,000	2,317,500	-	2,317,500	1,877,175	440,325
14	Exeter WWTP Long-Term Upgrades: Mechanical Plant	E-WW-TP-06	2039	20,600,000	-	-	20,600,000	10,300,000	-	10,300,000	8,343,000	1,957,000
	<b>Stephen</b>											
15	"Possible" twinning of Huron Park Forcemain	S-WW-FM-01	2034-2039	5,375,000	-	-	5,375,000	-	-	5,375,000	4,353,750	1,021,250
16	Separate forcemain for Crediton SPS or coordinated control system with Huron Park SPS	S-WW-FM-02	2034-2039	155,000	-	-	155,000	-	-	155,000	125,550	29,450
17	"Potential" transfer of ownership of Darkhorse Winery private SPS to the Municipality and Associated Municipal Standard Upgrades	S-WW-PS-01	2029-2034	515,000	-	-	515,000	-	-	515,000	417,150	97,850
18	Huron Park SPS Emergency Storage	S-WW-PS-02	2025-2029	463,500	-	-	463,500	-	-	463,500	375,435	88,065
19	Crediton SPS Upgrades	S-WW-PS-05	2039	1,622,300	-	-	1,622,300	-	-	1,622,300	1,314,063	308,237
20	Huron Park SPS Upgrades	S-WW-PS-06	2029-2034	3,318,800	-	-	3,318,800	-	-	3,318,800	2,688,228	630,572
21	Grand Bend PS2 Upgrades	S-WW-PS-07	2034-2039	3,090,000	-	-	3,090,000	-	-	3,090,000	2,502,900	587,100
22	Grand Bend WWTP Capacity Upgrades	S-WW-TP-01	2039	3,090,000	-	-	3,090,000	-	-	3,090,000	2,502,900	587,100
	<b>Adjustments:</b>											
23	Reserve Fund Adjustment	n/a		-	-	-	-	238,929	-	(238,929)	(193,532)	(45,396)
	<b>Total</b>			<b>\$72,228,608</b>	<b>\$0</b>	<b>\$0</b>	<b>\$72,228,608</b>	<b>\$22,165,429</b>	<b>\$1,448,393</b>	<b>\$48,614,786</b>	<b>\$39,377,977</b>	<b>\$9,236,809</b>



Table 6-4 provides a comparison of the D.C.s currently imposed in the Municipality and the charges proposed herein (Table 6-3) for a residential single detached dwelling unit. The calculated charges for a single detached residential dwelling unit are \$18,433, in the urban serviced areas and \$7,100 in the non-serviced (i.e., rural) areas.

Table 6-5 provides comparisons for non-residential (industrial, commercial, institutional (I.C.I.)) development, on a per sq.ft. of G.F.A within the Municipality's urban serviced area. The calculated non-residential D.C.s for new I.C.I. development within the urban serviced area is \$6.50 per sq.ft. of G.F.A. and \$1.82 per sq.ft. in the non-serviced areas. For non-residential agricultural developments, the D.C. is \$0.15 per square foot. Water and Wastewater Services are not anticipated to be provided to non-residential agricultural developments; however, the municipal-wide services are imposed at a rate of \$0.15 per sq.ft. of G.F.A. Table 6-6 provides comparisons for non-residential agriculture developments, on a per sq.ft. of G.F.A. basis with the charges currently in place.

The 2025 D.C. study has been undertaken in 2025 and therefore, the valuation of the capital costs and resulting calculated D.C.s are also in 2025 values. As the Municipality adjusts their D.C.s on January 1<sup>st</sup> each year for inflation, and the public process for the study is taking place in 2026, the calculated rates that will be considered by Council will also need to be inflated to 2026 values. As such, the calculated rates have been inflated by 4.2%, and the revised rates are provided as part of the comparison of rates in Tables 6-4, 6-5, and 6-6 as well as in Schedule B to the draft by-law contained in appendix G.

Table 6-7 summarizes the gross capital expenditures and sources of revenue for works to be undertaken during the 10-year life of the by-law.





Table 6-3  
Municipality of South Huron  
Calculated Schedule of Development Charges  
for Services and Class of Services (2025\$)

Service/Class of Services	RESIDENTIAL					Wind Turbines	NON-RESIDENTIAL (per sq.ft. of Gross Floor Area)	
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Special Care/Special Dwelling Units		Agricultural Use	Other Non-Residential
<b>Municipal Wide Services/Class of Service:</b>								
Services Related to a Highway	1,405	861	849	576	542	1,405	0.06	0.69
Fire Protection Services	1,066	653	644	437	411	1,066	0.04	0.52
Parks and Recreation Services	4,291	2,630	2,594	1,759	1,656	-	0.03	0.42
Growth-Related Studies	338	207	204	139	130	338	0.02	0.19
<b>Total Municipal Wide Services/Class of Services</b>	<b>\$7,100</b>	<b>\$4,351</b>	<b>\$4,291</b>	<b>\$2,911</b>	<b>\$2,739</b>	<b>\$2,809</b>	<b>\$0.15</b>	<b>\$1.82</b>
<b>Urban Services</b>								
Wastewater Services	9,100	5,578	5,502	3,729	3,512	-	-	3.76
Water Services	2,441	1,496	1,476	1,000	942	-	-	1.01
<b>Total Urban Services</b>	<b>\$11,541</b>	<b>\$7,074</b>	<b>\$6,978</b>	<b>\$4,729</b>	<b>\$4,454</b>	<b>\$0</b>	<b>\$0.00</b>	<b>\$4.77</b>
<b>GRAND TOTAL RURAL AREA</b>	<b>\$7,100</b>	<b>\$4,351</b>	<b>\$4,291</b>	<b>\$2,911</b>	<b>\$2,739</b>	<b>\$2,809</b>	<b>\$0.15</b>	<b>\$1.82</b>
<b>GRAND TOTAL - PARTIALLY SERVICED (WATER ONLY)</b>	<b>\$9,541</b>	<b>\$5,847</b>	<b>\$5,767</b>	<b>\$3,911</b>	<b>\$3,681</b>	<b>\$2,809</b>	<b>\$0.15</b>	<b>\$2.83</b>
<b>GRAND TOTAL URBAN AREA</b>	<b>\$18,641</b>	<b>\$11,425</b>	<b>\$11,269</b>	<b>\$7,640</b>	<b>\$7,193</b>	<b>\$2,809</b>	<b>\$0.15</b>	<b>\$6.59</b>



Table 6-4  
Municipality of South Huron  
Single Detached Residential Dwelling Unit D.C. Comparison

Service/Class of Services	2025 \$			Indexed 2026 \$		
	Existing	Calculated as per D.C. Dec. 31, 2025	Service/Class of Services	Existing	Calculated as per D.C. Dec. 31, 2025	Calculated as per Addendum
<b>Municipal Wide Services/Class of Services:</b>						
Services Related to a Highway	0.39	0.69	0.69	0.41	0.72	0.72
Fire Protection Services	0.13	0.52	0.52	0.14	0.54	0.54
Parks and Recreation Services	0.19	0.42	0.42	0.20	0.44	0.44
Growth-Related Studies	0.07	0.19	0.19	0.07	0.20	0.20
<b>Total Municipal Wide Services/Class of Services</b>	<b>\$0.78</b>	<b>\$1.82</b>	<b>\$1.82</b>	<b>\$0.82</b>	<b>\$1.90</b>	<b>\$1.90</b>
<b>Urban Services:</b>						
Wastewater Services	0.38	3.76	3.67	0.40	3.92	3.82
Water Services	0.32	1.01	1.01	0.33	1.05	1.05
<b>Total Urban Services</b>	<b>\$0.70</b>	<b>\$4.77</b>	<b>\$4.68</b>	<b>\$0.73</b>	<b>\$4.97</b>	<b>\$4.87</b>
<b>Grand Total - Urban Area</b>	<b>\$1.48</b>	<b>\$6.59</b>	<b>\$6.50</b>	<b>\$1.55</b>	<b>\$6.87</b>	<b>\$6.77</b>

2026 Indexed Rates based on 4.2% Inflation

Table 6-5  
Municipality of South Huron  
Non-Residential (Industrial, Commercial, Institutional)  
D.C. Comparison per sq.ft. of Gross Floor Area

Service/Class of Services	2025 \$		Indexed 2026 \$	
	Current	Calculated	Current	Calculated
<b>Municipal Wide Services/Class of Services:</b>				
Services Related to a Highway	0.17	0.06	0.18	0.06
Fire Protection Services	0.05	0.04	0.05	0.04
Parks and Recreation Services	0.09	0.03	0.09	0.03
Growth-Related Studies	0.02	0.02	0.02	0.02
<b>Total Municipal Wide Services/Class of Services</b>	<b>\$0.33</b>	<b>\$0.15</b>	<b>\$0.34</b>	<b>\$0.15</b>
<b>Urban Services:</b>				
Wastewater Services	0.17	-	-	-
Water Services	0.13	-	-	-
<b>Total Urban Services</b>	<b>\$0.30</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Grand Total - Urban Area</b>	<b>\$0.63</b>	<b>\$0.15</b>	<b>\$0.34</b>	<b>\$0.15</b>

2026 Indexed Rates based on 4.2% Inflation



Table 6-6  
Municipality of South Huron  
Non-Residential (Agriculture)  
D.C. Comparison per sq.ft. of Gross Floor Area

Service/Class of Services	2025 \$		Indexed 2026 \$	
	Current	Calculated	Current	Calculated
<b>Municipal Wide Services/Class of Services:</b>				
Services Related to a Highway	0.17	0.06	0.18	0.06
Fire Protection Services	0.05	0.04	0.05	0.04
Parks and Recreation Services	0.09	0.03	0.09	0.03
Growth-Related Studies	0.02	0.02	0.02	0.02
<b>Total Municipal Wide Services/Class of Services</b>	<b>\$0.33</b>	<b>\$0.15</b>	<b>\$0.34</b>	<b>\$0.15</b>
<b>Urban Services:</b>				
Wastewater Services	0.17	-	0.18	-
Water Services	0.13	-	0.14	-
<b>Total Urban Services</b>	<b>\$0.30</b>	<b>\$0.00</b>	<b>\$0.32</b>	<b>\$0.00</b>
<b>Grand Total - Urban Area</b>	<b>\$0.63</b>	<b>\$0.15</b>	<b>\$0.66</b>	<b>\$0.15</b>

2026 Indexed Rates based on 4.2% Inflation



**Table 6-7**  
**Municipality of South Huron**  
**Gross Expenditure and Sources of Revenue Summary for Costs**  
**to be Incurred over the 10-Year Life of the By-law for all Services and Class of Services (2025\$)**

Service/Class	Total Gross Cost	Sources of Financing					
		Tax Base or Other Non-D.C. Source			Post D.C. Period Benefit	D.C. Reserve Fund	
		Other	Benefit to	Other Funding		Residential	Non-Residential
1. Wastewater Services Treatment plants & Sewers	16,286,608	0	3,722,417	1,448,393	0	9,003,797	2,112,002
2. Water Services Treatment, storage and distribution systems	26,553,476	0	5,286,667	13,396,167	0	6,375,221	1,495,422
3. Services Related to a Highway Roads and Related including Public Woks Facilities, Fleet & Equipment	1,854,100	0	475,668	24,000	0	1,070,001	284,431
4. Fire Protection Services Fire facilities, vehicles & equipment	5,775,000	0	2,633,669	0	2,113,700	811,829	215,803
5. Parks and Recreation Services Park development, amenities, trails, recreation facilities, vehicles, and equipment	4,100,000	0	658,855	0	0	3,269,088	172,057
6. Growth Studies	539,131	7,000	198,074	0	0	257,910	76,146
<b>Total Expenditures &amp; Revenues</b>	<b>\$55,108,315</b>	<b>\$7,000</b>	<b>\$12,975,349</b>	<b>\$14,868,560</b>	<b>\$2,113,700</b>	<b>\$20,787,846</b>	<b>\$4,355,861</b>



Table C-2 depicts the annual operating impact resulting from the proposed gross capital projects at the time they are all in place. It is important to note that, while Municipal program expenditures will increase with growth in population, the costs associated with the new infrastructure (i.e., facilities) would be delayed until the time these works are in place.

**Table C-2**  
**Operating and Capital Annual Lifecycle Expenditure Impacts for Future Capital Expenditures**

SERVICES/CLASS OF SERVICES	GROSS COST LESS BENEFIT TO EXISTING	ANNUAL LIFECYCLE EXPENDITURES	ANNUAL OPERATING EXPENDITURES	TOTAL ANNUAL EXPENDITURES
<b>1. Wastewater Services</b>				
Treatment plants & Sewers	50,063,179	1,007,330	933,995	1,941,325
<b>2. Water Services</b>				
Treatment, storage and distribution systems	30,105,005	353,913	2,846,017	3,199,930
<b>3. Services Related to a Highway</b>				
Roads and Related including Public Woks Facilities, Fleet & Equipment	1,378,432	106,017	634,382	740,399
<b>4. Fire Protection Services</b>				
Fire facilities, vehicles & equipment	3,141,331	59,098	257,059	316,157
<b>5. Parks and Recreation Services</b>				
Park development, amenities, trails, recreation facilities, vehicles, and equipment	3,441,145	279,167	472,230	751,397
<b>6. Growth Studies</b>	341,057	-	-	-
<b>Total</b>	<b>\$88,470,150</b>	<b>\$1,805,525</b>	<b>\$5,143,683</b>	<b>\$6,949,207</b>



The Municipality of South Huron have undertaken A.M.P's, however, the plans do not address all assets proposed to be funded by the D.C. by-law and do not address all growth-related assets. As a result, the asset management requirement for this D.C. background study must be undertaken in the absence of this information. Due to the detailed requirements for transit in the regulations, the A.M.P. requirements for this D.C. background study have been addressed separately for non-transit municipal services and transit services.

In recognition of the schematic above, the following table (presented in 2025\$) has been developed to provide the annualized expenditures and revenues associated with new growth. Note that the D.C.A. does not require an analysis of the non-D.C. capital needs or their associated operating costs so these are omitted from the table below. As well, as all capital costs included in the D.C.-eligible capital costs are not included in the Municipality's A.M.P., the present infrastructure gap and associated funding plan have not been considered at this time. Hence the following does not represent a fiscal impact assessment (including future tax/rate increases) but provides insight into the potential affordability of the new assets:

1. The non-D.C.-recoverable portion of the projects that will require financing from municipal financial resources (i.e., rates, fees, etc.). This amount has been presented on an annual debt charge amount based on 20-year financing.
2. Lifecycle costs for the 2025 D.C. capital works have been presented based on a straight-line basis. The assets have been considered over their estimated useful lives.
3. Incremental operating costs for the D.C. services (only) have been included.
4. The resultant total annualized expenditures are approximately \$9.37 million.
5. Consideration was given to the potential new tax and user fee revenue which will be generated as a result of new growth. These revenues will be available to assist in financing the expenditures above. The new operating revenues are \$23.26 million. This additional revenue would increase the existing revenues from \$31.86 million to \$55.12 million.
6. In consideration of the above, the capital plan is deemed to be financially sustainable.



Table F-1  
Municipality of South Huron  
Asset Management – Future Expenditures and Associated Revenues  
2024\$

	2044 (Total)
<b>Expenditures (Annualized)</b>	
Annual Debt Payment on Non-Growth Related Capital <sup>1</sup>	\$2,268,283
Annual Debt Payment on Post Period Capital <sup>2</sup>	\$155,530
Annual Lifecycle	\$1,805,525
Incremental Operating Costs (for D.C. Services)	\$5,143,683
<b>Total Expenditures</b>	<b>\$9,373,020</b>
<b>Revenue (Annualized)</b>	
Total Existing Revenue <sup>3</sup>	\$31,862,327
Incremental Tax and Non-Tax Revenue (User Fees, Fines, Licences, etc.)	\$23,259,383
<b>Total Revenues</b>	<b>\$55,121,710</b>

<sup>1</sup> Non-Growth Related component of Projects

<sup>2</sup> Interim Debt Financing for Post Period Benefit

<sup>3</sup> As per Sch. 10 of FIR



**SCHEDULE "B"**  
**SCHEDULE OF RESIDENTIAL AND NON-RESIDENTIAL DEVELOPMENT CHARGES**  
**(2026\$)**

Service/Class of Services	RESIDENTIAL					Wind Turbines	NON-RESIDENTIAL (per sq. ft. of Gross Floor Area)	
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Special Care/Special Dwelling Units		Agricultural Use	Other Non-Residential
<b>Municipal Wide Services/Class of Service:</b>								
Services Related to a Highway	1,464	897	885	600	565	1,464	0.06	0.72
Fire Protection Services	1,111	680	671	455	428	1,111	0.04	0.54
Parks and Recreation Services	4,471	2,740	2,703	1,833	1,726	-	0.03	0.44
Growth-Related Studies	352	216	213	145	135	352	0.02	0.20
<b>Total Municipal Wide Services/Class of Services</b>	<b>\$7,398</b>	<b>\$4,533</b>	<b>\$4,472</b>	<b>\$3,033</b>	<b>\$2,854</b>	<b>\$2,927</b>	<b>\$0.15</b>	<b>\$1.90</b>
<b>Urban Services</b>								
Wastewater Services	9,265	5,680	5,602	3,797	3,576	-	-	3.82
Water Services	2,544	1,559	1,538	1,042	982	-	-	1.05
<b>Total Urban Services</b>	<b>\$11,809</b>	<b>\$7,239</b>	<b>\$7,140</b>	<b>\$4,839</b>	<b>\$4,558</b>	<b>\$0</b>	<b>\$0.00</b>	<b>\$4.87</b>
<b>GRAND TOTAL RURAL AREA</b>	<b>\$7,398</b>	<b>\$4,533</b>	<b>\$4,472</b>	<b>\$3,033</b>	<b>\$2,854</b>	<b>\$2,927</b>	<b>\$0.15</b>	<b>\$1.90</b>
<b>GRAND TOTAL - PARTIALLY SERVICED (WATER ONLY)</b>	<b>\$9,942</b>	<b>\$6,092</b>	<b>\$6,010</b>	<b>\$4,075</b>	<b>\$3,836</b>	<b>\$2,927</b>	<b>\$0.15</b>	<b>\$2.95</b>
<b>GRAND TOTAL URBAN AREA</b>	<b>\$19,207</b>	<b>\$11,772</b>	<b>\$11,612</b>	<b>\$7,872</b>	<b>\$7,412</b>	<b>\$2,927</b>	<b>\$0.15</b>	<b>\$6.77</b>



# Appendix H

## Capital Cost and Benefit to Existing Methodology



## Appendix H: Capital Cost and Benefit to Existing Methodology

Based on the regulatory changes provided through Bill 60: *Fighting Delays, Building Faster Act, 2025*, there is a requirement to provide greater detail with respect to how the non-growth-related shares (i.e. benefit to existing deduction methodology) of the total estimated costs and the costs that will be incurred during the term of the by-law are determined for each service. The following provides this information on a service-by-service basis as well as a description of how the capital costs were estimated.



**Table H-1  
Methodology for Determining Capital Costs and Benefit to Existing Calculations**

Service	Capital Cost Methodology	Benefit to Existing Calculation Methodology
Fire Protection Services	<ul style="list-style-type: none"> <li>• <b>Equipment:</b> Cost estimates based on estimated replacement costs of existing equipment</li> <li>• <b>Vehicles:</b> Cost estimates based on estimated replacement costs of existing vehicles</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Equipment:</b> New Fire Fighter equipment is allocated to new development which denomination shower facility needs were determined that they would proportionately benefit existing and future development</li> <li>• <b>Vehicles:</b> The new chief's vehicle is replacing partial access to a vehicle and has been included as 50% B.T.E..</li> </ul>
Services Related to a Highway	<ul style="list-style-type: none"> <li>• <b>Vehicles:</b> Cost estimates based on estimated replacement costs of existing vehicles</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Vehicles:</b> All vehicles and equipment are new to provide services for new growth and are not replacing any existing items. As a result, a B.T.E. deduction has not been applied.</li> </ul>
Parks and Recreation	<ul style="list-style-type: none"> <li>• <b>Parkland Development:</b> Cost estimates based on budgeted costs for park development</li> <li>• <b>Vehicles:</b> Costs estimates based on estimated replacement costs of current fleet.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Parkland Development:</b> New park development has been allocated 100% to new development while other park improvement needs were determined that they would proportionately benefit existing and future development have been allocated 92% to B.T.E. .</li> </ul>
Water Services	<ul style="list-style-type: none"> <li>• All capital needs were determined based on the detailed costing provided in the Township's recently completed Master Plan.</li> </ul>	<ul style="list-style-type: none"> <li>• All projects are being undertaken solely to provide capacity for new development and as such do not have deductions applied for B.T.E.</li> </ul>
Wastewater Services	<ul style="list-style-type: none"> <li>• All capital needs were determined based on the detailed costing provided in the Township's recently completed Master Plan.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Pumping Stations:</b> B.T.E. for the pumping stations of sewer mains was determined based on the existing pumping capacity being replaced by the larger pumping stations.</li> <li>• All other projects are being undertaken solely for development to create additional capacity and as such do not have deductions applied for B.T.E.</li> </ul>
Growth Studies (including studies within specific service areas)	<ul style="list-style-type: none"> <li>• Cost estimates are determined based on a review of recent cost estimates for similar studies.</li> </ul>	<ul style="list-style-type: none"> <li>• Non-growth-related shares for studies have been determined on a project-by-project basis through a review of the scope of each study. Based on this review, an allocation to account for the benefit to existing development is made. For example, although transportation master plans are generally undertaken to identify the new capital projects that are required to accommodate new development, there is a benefit to the existing community wherein existing policies and practices are also reviewed through the study. As a result, a 25% allocation to account for the non-growth-related share of this project has been made.</li> </ul>
By-Law Enforcement	<ul style="list-style-type: none"> <li>• <b>Vehicles:</b> Costs estimates based on estimated replacement costs of current fleet.</li> </ul>	<ul style="list-style-type: none"> <li>• The vehicle is replacing partial access to a vehicle and has been included as 50% B.T.E..</li> </ul>