



Addendum 2 to 2025 Development Charges Background Study

Municipality of South Huron

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 of the D.C.B.S. and draft by-law;
- February 11, 2026 – Statutory Public Meeting of Council;
- March 10, 2026 – Release of the first Addendum to the December 31, 2025 D.C.B.S. (Addendum 1);
- June 17, 2026 – Release of Addendum 2 to the December 31, 2025 D.C.B.S.;
- July 13, 2026 – Anticipated passage of the D.C. by-law; and
- January 1, 2027 – Anticipated date of by-law enactment.

Following the release of the December 21, 2025 D.C.B.S., the statutory public meeting on February 11, 2026, and the release of the Addendum 1, a number of revisions to the capital programs for water and wastewater services have been identified. These revisions consist of:

- Updating the wastewater D.C. reserve fund to reflect the outstanding interim financing related to the Grand Bend Phase 1 project, which was completed in 2023.
- Revising the wastewater capital forecast to remove a project that has been cancelled and to update the timing and cost estimate for another project; and
- Removing land acquisition costs from the service-specific capital programs and setting up a separate class of service for the costs in accordance with the requirements under the D.C.A.

The purpose of this addendum to the December 31, 2025, D.C.B.S. (Addendum 2) is to refine the capital programs for water and wastewater services to address the information provided above.



2. Discussion

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

2.1 Refinements to the Capital Program for Wastewater Services

Refinements to the capital program for wastewater services include adjustments to the Wastewater D.C. reserve fund balance to reflect the interim financing for the completed Grand Bend Phase 1 project. This project was undertaken in 2023. At the time the project was undertaken, the Wastewater D.C. reserve fund did not have sufficient funds to cover the D.C.-eligible costs for the project, and an internal loan was set up from the Municipality's rate-supported reserves. The total project cost was \$2.27 million, of which \$1.65 million (73%) was D.C.-eligible. The outstanding amount of the loan, plus interest, as of December 31, 2024 was \$1.42 million.

The 2025 D.C.B.S. calculations were premised on an existing D.C. reserve fund balance of \$238,900; however, after considering the outstanding interim loan and financing costs, the revised balance is a deficit of \$1.18 million, which is required to be recovered from growth. Table 1 summarizes the change in the reserve fund balance.

Table 1
Municipality of South Huron
Adjusted Wastewater D.C. Reserve Fund Balance

Description	Balance 2025 D.C.B.S.	Adjustment	Adjusted Balance – Addendum 2
Wastewater D.C. Reserve Fund	\$238,929	(\$1,420,099)	(\$1,181,170)

The second revision is the removal of the Emergency Storage project, which has been cancelled as it was deemed not to be feasible, primarily due to land requirements to accommodate the size of the storage tank. The project scope for Huron Park Sewage Pumping Station (SPS) Upgrades and cost estimates have been updated. As a result, the allocation of the costs between the benefit to existing development and the benefit to growth has been revised based on a detailed review of the components.



Furthermore, the timing of the upgrades has been advanced from the 2029 to 2034 period to the 2026 to 2027 period. Given the accelerated project timing, the Municipality has determined that debt financing will be required. As such, financing costs have been included in the calculation as permitted under the D.C.A.

The gross costs for the Huron Park SPS project total \$3.81 million. A 60% benefit to existing development has been applied based on a review of the project components and the underlying service drivers, resulting in net D.C.-recoverable costs of \$1.52 million. In addition, growth-related financing costs totalling \$445,900 have been included in the calculation of the D.C.s.

The resulting impacts of these changes, compared to Addendum 1, are summarized as follows:

- The total gross capital costs for wastewater services, including the reserve fund deficit balance, have increased by \$1.46 million from \$73.69 million.
- The benefit to existing development has increased by \$2.0 million to \$24.2 million.
- The total grant funding decreased by \$7,811 due to removing land acquisition costs from the service-specific listing and including them under the class of services;
- The DC-recoverable costs decreased by \$570,000 from what is included in Addendum 1.

These changes result in a reduction to the calculated wastewater D.C. of \$104 per single detached dwelling unit and a reduction of \$0.04 per sq.ft. of non-residential gross floor area for non-residential commercial, industrial, and institutional developments on municipal services (2025\$). 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 2 provides the revised capital program for wastewater services.

2.2 Refinements to the allocation of Water Services Capital Program

Similar to wastewater services, the capital program has been revised to remove land acquisition costs that were included in the project costing based on the Master Plan.



The gross capital costs have decreased by \$218,600 compared to the amounts in the Addendum 1. Similarly, the benefit to existing development has decreased by \$58,900. The resulting impact of these changes is a reduction of \$18 per single detached residential unit for water services and \$0.01 per square foot of non-residential gross floor area.

These land-related costs are now reflected under a separate Land Acquisition class of service, in accordance with the requirements of the D.C.A.

Table 3 provides the revised capital program for water services.

2.3 Inclusion of Land Acquisition Class of Service

As previously stated, upon further review, it was determined that some of the water and wastewater capital cost estimates included land acquisition costs. The D.C.A. requires land costs to be included in as a class of service. Therefore, the land costs described above have been separately identified and included under a land acquisition class of service.

The land acquisition costs for water services total \$218,600, and those for wastewater services total \$192,200. The total gross cost estimate for land acquisition is \$410,800. Deductions for benefit to existing development have been allocated based on the same proportionate shares as the underlying projects to which the land relates. In total, benefit to existing deductions of \$70,600 have been applied. Additionally, \$63,000 has been deducted for the portion of costs that are considered the direct developer responsibility as a local service requirement of their development, as well as \$7,700 in grant funding. As a result, the total D.C.-recoverable cost to be included in the calculations is \$269,400.

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 \$218,200 (81%) of the total D.C. recoverable costs are allocated to residential development, with approximately \$51,200 (19%) allocated to non-residential development.

Table 4 presents the capital needs listing for the Land Acquisition class of service (Water and Wastewater).



Table 2
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	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	Non-Residential Share
2025 to Urban Build Out - Wastewater												
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
Exeter												
3	Alexander Street West Sewer (McConnell Street to Francis Street)	E-WW-SS-06	2025-2029	335,200	-	-	335,200	184,400	-	150,800	122,148	28,652
4	McConnell Street Sewer (Alexander Street to south end)	E-WW-SS-07	2025-2029	347,000	-	-	347,000	190,900	-	156,100	126,441	29,659
5	Church Street Sewer (Main Street to William Street)	E-WW-SS-17	2029-2034	264,100	-	-	264,100	26,400	-	237,700	192,537	45,163
6	Ausable River Crossing Twinned Sewer	E-WW-SS-43	2025-2029	2,939,500	-	-	2,939,500	1,175,800	-	1,763,700	1,428,597	335,103
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	3,642,400	-	-	3,642,400	-	-	3,642,400	2,950,344	692,056
9	William Street SPS Forcemain Twinning (from GEXR to Lagoons)	E-WW-FM-02	2029-2034	1,118,800	-	-	1,118,800	-	816,724	302,076	244,682	57,394
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
Stephen												
15	"Possible" twinning of Huron Park Forcemain	S-WW-FM-01	2034-2039	5,317,700	-	-	5,317,700	-	-	5,317,700	4,307,337	1,010,363
16	Separate forcemain for Crediton SPS or coordinated control system with Huron Park SPS	S-WW-FM-02	2034-2039	97,700	-	-	97,700	-	-	97,700	79,137	18,563
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	-	-	-	-	-	-	-	-	-
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	3,808,700	-	-	3,808,700	2,288,400	-	1,520,300	1,231,443	288,857
	Financing for Huron Park SPS Upgrades (Growth Share Only)			445,919	-	-	445,919	-	-	445,919	361,195	84,725
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
Adjustments:												
23	Reserve Fund Adjustment	n/a		1,181,170	-	-	1,181,170			1,181,170	956,748	224,422
	Total			\$73,688,898	\$0	\$0	\$73,688,898	\$24,203,500	\$1,440,655	\$48,044,743	\$38,916,242	\$9,128,501



Table 3
Municipality of South Huron
Amended Infrastructure Costs Included in the Development Charge Calculation
For Water Services

Proj. No.	Increased Service Needs Attributable to Anticipated Development	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%
2025 to Urban Build Out - Water												
1	Rosemount Dr & Kalisch Ave: South of Thames Rd to Hazelton Ave	n/a	2034	862,000	-	-	862,000	-	862,000	-	-	-
2	Eastern Ave: Sanders St to Huron	n/a	2025	394,000	-	-	394,000	-	394,000	-	-	-
Exeter												
3	Thames Road East Watermain (McConnell Street to new North Exeter ET)	E-W-M-42	2034-2039	2,090,400	-	-	2,090,400	1,149,700	-	940,700	761,967	178,733
4	Morrison Line Watermain (Thames Road East to Huron Street)	E-W-M-43	2034-2039	3,885,100	-	-	3,885,100	194,300	-	3,690,800	2,989,548	701,252
5	CVD Subdivision Watermain Looping (Walper Street to Pickard Road)	E-W-M-44	2025-2029	1,243,180	-	-	1,243,180	-	1,243,180	-	-	-
7	Rasenber Watermain Looping (Rosemount Avenue to Hazelton Lane)	E-W-M-45	2029-2034	490,690	-	-	490,690	-	490,690	-	-	-
6	Stoney Ridge Watermain Looping (Taylor Blvd and Eastern Avenue)	E-W-M-46	2025-2029	587,590	-	-	587,590	-	587,590	-	-	-
8	Pooley Watermain Looping (Simcoe Street to Abbey Lane)	E-W-M-47	2029-2034	785,480	-	-	785,480	-	785,480	-	-	-
9	Ondrejicka Lower Watermain Looping (Sanders Street to Ondrejicka Looping - Upper)	E-W-M-48	2029-2034	1,424,500	-	-	1,424,500	-	1,424,500	-	-	-
10	Ondrejicka Upper Watermain Looping (Wellington Street, Victoria Street and Ondrejicka Lower Watermain Looping)	E-W-M-49	2029-2034	1,048,200	-	-	1,048,200	-	1,048,200	-	-	-
11	HDC Lands Watermain Looping (Church Street to Nelson Street)	E-W-M-50	2029-2034	1,043,280	-	-	1,043,280	-	1,043,280	-	-	-
12	North Exeter Elevated Tank	E-W-ET-03	2034-2039	8,934,900	-	-	8,934,900	3,829,200	-	5,105,700	4,135,617	970,083
Stephen												
13	Huron Park Industrial Watermain Looping (North leg of Canada Avenue to Airport Line)	S-W-M-34	2029-2034	1,337,200	-	-	1,337,200	-	1,337,200	-	-	-
14	Victoria Drive Watermain (Melbourne Street to Exi-Plast Custom Moulding / former Dashwood Industries)	S-W-M-36	2029-2034	1,716,200	-	-	1,716,200	933,200	-	783,000	634,230	148,770
15	Highway 21 to Grand Bend Line Watermain Looping	S-W-M-39	2034-2039	4,016,100	-	-	4,016,100	-	4,016,100	-	-	-
16	Grand Bend Line Watermain (B-Line to POG)	S-W-M-40	2025-2029	574,900	-	-	574,900	230,000	-	344,900	279,369	65,531
17	Grand Bend Line Watermain (B-Line to Mollard Line)	S-W-M-41	2029-2034	1,651,700	-	-	1,651,700	-	1,651,700	-	-	-
18	Victoria Avenue East to Parr Line Watermain Loop	S-W-M-42	2029-2034	1,293,700	-	-	1,293,700	-	1,293,700	-	-	-
19	Mollard Line Watermain (Grand Bend Line to Development)	S-W-M-48	2025-2029	521,300	-	-	521,300	-	521,300	-	-	-
Outstanding Debt:												
20	Exeter-Hensall Pipeline Debt (Growth-Related Principal)	n/a	2025-2034	631,404	-	-	631,404	-	-	631,404	511,438	119,967
21	Exeter-Hensall Pipeline Debt (Growth-Related Interest - Discounted)	n/a	2025-2034	106,764	-	-	106,764	-	-	106,764	86,479	20,285
Studies:												
22	Water Master Plan	n/a	2025	11,308	-	-	11,308	2,800	-	8,508	6,891	1,617
23	Water Master Plan	n/a	2030	67,500	-	-	67,500	16,900	-	50,600	40,986	9,614
Adjustments:												
24	Reserve Fund Adjustment	n/a		1,584,028	-	-	1,584,028	-	-	1,584,028	1,283,063	300,965
Total				\$36,301,425	\$0	\$0	\$36,301,425	\$6,356,100	\$16,698,920	\$13,246,405	\$10,729,588	\$2,516,817



Table 4
Municipality of South Huron
Infrastructure Costs Included in the Development Charge Calculation
For Land Acquisition Class of Service

Proj. No.	Increased Service Needs Attributable to Anticipated Development 2025 to Urban Build Out - Water and Wastewater	Master Plan Project #	Timing (year)	Gross Capital Cost Estimate (2025\$)	Post Period Benefit	Other Deductions	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 81%	Non-Residential Share 19%
Exeter - Water												
1	Thames Road East Watermain (McConnell Street to new North Exeter ET)	E-W-M-42	2034-2039	15,600	-	-	15,600	8,600	-	7,000	5,670	1,330
2	Morrison Line Watermain (Thames Road East to Huron Street)	E-W-M-43	2034-2039	28,900	-	-	28,900	1,400	-	27,500	22,275	5,225
3	CVD Subdivision Watermain Looping (Walper Street to Pickard Road)	E-W-M-44	2025-2029	820	-	-	820	-	820	-	-	-
5	Rasenbergs Watermain Looping (Rosemount Avenue to Hazelton Lane)	E-W-M-45	2029-2034	310	-	-	310	-	310	-	-	-
4	Stoney Ridge Watermain Looping (Taylor Blvd and Eastern Avenue)	E-W-M-46	2025-2029	410	-	-	410	-	410	-	-	-
6	Pooley Watermain Looping (Simcoe Street to Abbey Lane)	E-W-M-47	2029-2034	520	-	-	520	-	520	-	-	-
7	Ondrejicka Lower Watermain Looping (Sanders Street to Ondrejicka Looping - Upper)	E-W-M-48	2029-2034	2,500	-	-	2,500	-	2,500	-	-	-
8	Ondrejicka Upper Watermain Looping (Wellington Street, Victoria Street and Ondrejicka Lower Watermain Looping)	E-W-M-49	2029-2034	3,800	-	-	3,800	-	3,800	-	-	-
9	HDC Lands Watermain Looping (Church Street to Nelson Street)	E-W-M-50	2029-2034	720	-	-	720	-	720	-	-	-
10	North Exeter Elevated Tank	E-W-ET-03	2034-2039	96,100	-	-	96,100	41,200	-	54,900	44,469	10,431
Stephen - Water												
11	Huron Park Industrial Watermain Looping (North leg of Canada Avenue to Airport Line)	S-W-M-34	2029-2034	7,800	-	-	7,800	-	7,800	-	-	-
12	Victoria Drive Watermain (Melbourne Street to Exi-Plast Custom Moulding / former Dashwood Industries)	S-W-M-36	2029-2034	12,800	-	-	12,800	7,000	-	5,800	4,698	1,102
13	Highway 21 to Grand Bend Line Watermain Looping	S-W-M-39	2034-2039	22,900	-	-	22,900	-	22,900	-	-	-
14	Grand Bend Line Watermain (B-Line to POG)	S-W-M-40	2025-2029	2,100	-	-	2,100	800	-	1,300	1,053	247
15	Grand Bend Line Watermain (B-Line to Mollard Line)	S-W-M-41	2029-2034	12,300	-	-	12,300	-	12,300	-	-	-
16	Victoria Avenue East to Parr Line Watermain Loop	S-W-M-42	2029-2034	7,300	-	-	7,300	-	7,300	-	-	-
17	Mollard Line Watermain (Grand Bend Line to Development)	S-W-M-48	2025-2029	3,700	-	-	3,700	-	3,700	-	-	-
Exeter - Wastewater												
18	Alexander Street West Sewer (McConnell Street to Francis Street)	E-WW-SS-06	2025-2029	1,400	-	-	1,400	800	-	600	486	114
19	McConnell Street Sewer (Alexander Street to south end)	E-WW-SS-07	2025-2029	3,200	-	-	3,200	1,800	-	1,400	1,134	266
20	Church Street Sewer (Main Street to William Street)	E-WW-SS-17	2029-2034	2,800	-	-	2,800	300	-	2,500	2,025	475
21	Ausable River Crossing Twinned Sewer	E-WW-SS-43	2025-2029	21,800	-	-	21,800	8,700	-	13,100	10,611	2,489
22	South Exeter SPS Forcemain - New Forcemain from South Exeter SPS to Exeter WWTP	E-WW-FM-01	2034-2039	38,800	-	-	38,800	-	-	38,800	31,428	7,372
23	William Street SPS Forcemain Twinning (from GEXR to Lagoons)	E-WW-FM-02	2029-2034	10,600	-	-	10,600	-	7,738	2,862	2,318	544
Stephen - Wastewater												
24	"Possible" twinning of Huron Park Forcemain	S-WW-FM-01	2034-2039	56,800	-	-	56,800	-	-	56,800	46,008	10,792
25	Separate forcemain for Crediton SPS or coordinated control system with Huron Park SPS	S-WW-FM-02	2034-2039	56,800	-	-	56,800	-	-	56,800	46,008	10,792
Total				410,780	-	-	410,780	70,600	70,818	269,362	218,183	51,179



3. Revised Development Charges

Tables 5 and 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 well as the calculated rates as per Addendum 1 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) decreased from \$18,433 in 2025\$ to \$18,360, a reduction of \$104. Applying indexing to these rates, the revised calculated rate in 2026\$ is \$19,131. Similarly, the non-residential D.C. (commercial, industrial and institutional) originally decreased from \$6.50 per sq.ft. in 2025\$ to \$6.47 per sq.ft. Applying the January 1, 2026, index of 4.2%, the revised calculated 2026 rate is \$6.74 per sq.ft.

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 Council may impose when adopting a new by-law.



Table 5
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 Addendum 1	Calculated as per Addendum 2	Existing	Calculated as per Addendum 1	Calculated as per Addendum 2
Municipal Wide Services/Class of Services:						
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
Total Municipal Wide Services/Class of Services	\$3,980	\$7,100	\$7,100	\$4,147	\$7,398	\$7,398
Urban Services:						
Wastewater Services	925	8,892	8,788	964	9,265	9,157
Water Services	1,301	2,441	2,423	1,356	2,544	2,525
Land Acquisition*			49			51
Total Urban Services	\$2,226	\$11,333	\$11,260	\$2,320	\$11,809	\$11,733
Grand Total - Urban Area	\$6,206	\$18,433	\$18,360	\$6,467	\$19,207	\$19,131

* Previously recovered through wastewater and water services

2026 Indexed Rates based on 4.2% Inflation



Table 6
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 Addendum 1	Calculated as per Addendum 2	Existing	Calculated as per Addendum 1	Calculated as per Addendum 2
Municipal Wide Services/Class of Services:						
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
Total Municipal Wide Services/Class of Services	\$0.78	\$1.82	\$1.82	\$0.82	\$1.90	\$1.90
Urban Services:						
Wastewater Services	0.38	3.67	3.63	0.40	3.82	3.78
Water Services	0.32	1.01	1.00	0.33	1.05	1.04
Land Acquisition*			0.02			0.02
Total Urban Services	\$0.70	\$4.68	\$4.65	\$0.73	\$4.87	\$4.84
Grand Total - Urban Area	\$1.48	\$6.50	\$6.47	\$1.55	\$6.77	\$6.74

* Previously recovered through wastewater and water services

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
Municipal Wide Services/Class of Service:								
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
Total Municipal Wide Services/Class of Services	\$7,100	\$4,351	\$4,291	\$2,911	\$2,739	\$2,809	\$0.15	\$1.82
Urban Services								
Wastewater Services	8,788	5,387	5,313	3,602	3,392	-	-	3.63
Water Services	2,423	1,485	1,465	993	935	-	-	1.00
Land Acquisition	49	30	30	20	19	-	-	0.02
Total Urban Services	\$11,260	\$6,902	\$6,808	\$4,615	\$4,346	\$0	\$0.00	\$4.65
GRAND TOTAL RURAL AREA	\$7,100	\$4,351	\$4,291	\$2,911	\$2,739	\$2,809	\$0.15	\$1.82
GRAND TOTAL - PARTIALLY SERVICED (WATER ONLY)	\$9,541	\$5,847	\$5,767	\$3,911	\$3,681	\$2,809	\$0.15	\$2.83
GRAND TOTAL URBAN AREA	\$18,360	\$11,253	\$11,099	\$7,526	\$7,085	\$2,809	\$0.15	\$6.47



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
Municipal Wide Services/Class of Service:								
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
Total Municipal Wide Services/Class of Services	\$7,398	\$4,533	\$4,472	\$3,033	\$2,854	\$2,927	\$0.15	\$1.90
Urban Services								
Wastewater Services	9,157	5,613	5,536	3,753	3,534	-	-	3.78
Water Services	2,525	1,547	1,527	1,035	974	-	-	1.04
Land Acquisition	51	31	31	21	20	-	-	0.02
Total Urban Services	\$11,733	\$7,191	\$7,094	\$4,809	\$4,528	\$0	\$0.00	\$4.84
GRAND TOTAL RURAL AREA	\$7,398	\$4,533	\$4,472	\$3,033	\$2,854	\$2,927	\$0.15	\$1.90
GRAND TOTAL - PARTIALLY SERVICED (WATER ONLY)	\$9,942	\$6,091	\$6,010	\$4,075	\$3,835	\$2,927	\$0.15	\$2.95
GRAND TOTAL URBAN AREA	\$19,131	\$11,724	\$11,566	\$7,842	\$7,382	\$2,927	\$0.15	\$6.74



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
Page iii	Revised to update the total gross capital costs over the by-law term.
Page iv	Updated the text and Table ES-2 to reflect the revised gross capital cost, deductions, and D.C.-recoverable amounts.
Page vi	Amended Table ES-3 – Calculated Schedule of development charges, to reflect the updated rates.
Page vii	Updated the text to reflect the revised calculated D.C.s.
Page viii	Updated Tables ES-5 and ES-6 to reflect the revised calculated residential and agricultural D.C. rates and include the Land Acquisition class of service.
Page ix	Updated Table ES-7 to reflect the revised calculated non-residential D.C. rates and include the Land Acquisition class of service.
Pages 1-2 and 1-3	Revised Figure 1-1 to reflect this addendum report and the revised timeline anticipated for Council’s consideration of the by-law.
Page 4-8	Updated Table 4-2 to reflect the revised Wastewater Services D.C. reserve fund balance.
Page 5-6	Revised the cost allocations of growth-related studies to services due to the change in the eligible wastewater growth-related costs.
Page 5-9	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 5-10	Amended to reflect the revised proportionate share of growth-related studies, due to the change in the wastewater D.C. eligible costs.



Page Reference	Description of Revisions
Page 5-11	Updated the text to reflect the revised water capital program after removing land acquisition costs.
Page 5-12	Updated the text to reflect the revised wastewater capital program.
Page 5-12 to 5-13	Added Section 5.3.3 Land Acquisition Class of Services to provide a summary of the gross capital costs, deductions, and D.C.-recoverable amounts.
Page 5-14	Updated Table 5-7, which provides the revised capital program for water services.
Page 5-15	Updated Table 5-7, which provides the revised capital program for wastewater services.
Page 5-16	Added Table 5-8, which provides the revised capital program for land acquisition class of service.
Page 6-1	Updated text to include the land acquisition class of service.
Page 6-2	Updated text in relation to revised D.C. calculations resulting from the changes described above.
Page 6-3	Updated Table 6-1 to reflect revised D.C.-eligible costs for water and wastewater services and include those for land acquisition.
Page 6-4	Updated Table 6-2 to reflect the revised residential and non-residential allocations of D.C.-eligible costs for growth-related studies.
Page 6-5	Updated Table 6-3 to reflect the revised schedule of calculated D.C.s for services and classes of services.
Page 6-6	Updated Tables 6-4 and 6-5 to reflect the revised D.C. rates.
Page 6-7	Update Table 6-6 to include the land acquisition class of service.
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 Reference	Description of Revisions
Page 7-9	Revised by-law in-force date to January 1, 2027.
Page 7-10	Revised text to reflect the issuance of Addendum reports, which amended the D.C. Background Study dated December 31, 2025.
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 from future growth-related capital infrastructure.
Page F-5	Updated Table F-1 to reflect the changes to the capital programs.
Page G-25	Updated the effective date of the by-law to January 1, 2027. Updated the date of by-law passage to June 15, 2026.
Page G-27	Revised Schedule B to the draft by-law to reflect the revised calculated D.C.s.

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

Amended Pages



Table ES-1
Municipality of South Huron
Summary of Anticipated Municipal-wide D.C. Residential and
Non-Residential Development

Measure	Municipality- Wide 10 Year 2025 to 2034	Urban Area Mid-2025 to Urban Buildout
(Net) Population Increase	2,063	12,258
(Gross) Population Increase in New Households*	2,171	12,621
Residential Unit Increase	1,001	5,592
Non-Residential Employment Increase	552	2,917
Non-Residential Gross Floor Area Increase (sq.ft.)	494,000	2,513,700

* Growth includes population in both permanent and institutional households.

5. The capital needs arising from the anticipated development, including the gross capital costs, applicable deductions, and D.C.-recoverable costs are discussed in detail in Chapter 5.
6. The D.C.A. requires that the background study identify the total capital costs for each service to be incurred over the term of the proposed by-law (i.e., 10 years) as well as the allocation of these costs to existing and future development. Table ES-2 provides a summary the capital costs and allocation to existing and future development aggregated for all services over the term of the by-law. A summary of the costs and allocation, by service, is provided in Table 6-7 of this D.C. Background Study.

In total, gross capital costs of approximately \$55.32 million are forecast for the 10-year by-law term. These capital costs have been identified through discussion with the Municipality, as well as through master plans, and capital budgets/forecasts. A portion of these 10-year capital costs, approximately \$2.11 million, relate to the needs of growth beyond the forecast period (i.e., are related to growth in the post forecast periods). These costs are not included in the D.C. calculation, however, will be considered in future D.C. studies. Other deductions



in the determination of the D.C. recoverable costs include approximately \$15.27 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 \$14.89 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 \$23.04 million, of which \$19.08 million is attributed to the forecast residential development and \$3.96 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	\$55,317,715
Less: benefit to existing development	\$15,272,382
Less: post planning period benefit	\$2,113,700
Less: costs associated with D.C.-ineligible services	\$7,000
Less: Grants, subsidies, and other contributions	\$14,887,643
Net costs to be recovered from D.C.s. over the term of the by-law	\$23,036,990

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
Municipal Wide Services/Class of Service:								
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
Total Municipal Wide Services/Class of Services	\$7,100	\$4,351	\$4,291	\$2,911	\$2,739	\$2,809	\$0.15	\$1.82
Urban Services								
Wastewater Services	8,788	5,387	5,313	3,602	3,392	-	-	3.63
Water Services	2,423	1,485	1,465	993	935	-	-	1.00
Land Acquisition	49	30	30	20	19	-	-	0.02
Total Urban Services	\$11,260	\$6,902	\$6,808	\$4,615	\$4,346	\$0	\$0.00	\$4.65
GRAND TOTAL RURAL AREA	\$7,100	\$4,351	\$4,291	\$2,911	\$2,739	\$2,809	\$0.15	\$1.82
GRAND TOTAL - PARTIALLY SERVICED (WATER ONLY)	\$9,541	\$5,847	\$5,767	\$3,911	\$3,681	\$2,809	\$0.15	\$2.83
GRAND TOTAL URBAN AREA	\$18,360	\$11,253	\$11,099	\$7,526	\$7,085	\$2,809	\$0.15	\$6.47



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 \$18,360 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 \$6.47 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 (2025\$)

Service/Class of Services	Existing	Calculated
Municipal Wide Services/Class of Services:		
Services Related to a Highway	895	1,405
Fire Protection Services	294	1,066
Parks and Recreation Services	2,642	4,291
Growth-Related Studies	149	338
Total Municipal Wide Services/Class of Services	\$3,980	\$7,100
Urban Services:		
Wastewater Services	925	8,788
Water Services	1,301	2,423
Land Acquisition*		49
Total Urban Services	\$2,226	\$11,260
Grand Total - Urban Area	\$6,206	\$18,360

* Previously recovered through wastewater and water services

Table ES-6
Municipality of South Huron
Agriculture Non-Residential D.C. Comparison per sq.ft. of Gross Floor Area (2025\$)

Service/Class of Services	Current	Calculated
Municipal Wide Services/Class of Services:		
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
Total Municipal Wide Services/Class of Services	\$0.33	\$0.15
Urban Services:		
Wastewater Services	0.17	-
Water Services	0.13	-
Land Acquisition*		-
Total Urban Services	\$0.30	\$0.00
Grand Total - Urban Area	\$0.63	\$0.15

* Previously recovered through wastewater and water services



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
Municipal Wide Services/Class of Services:		
Services Related to a Highway	0.39	0.69
Fire Protection Services	0.13	0.52
Parks and Recreation Services	0.19	0.42
Growth-Related Studies	0.07	0.19
Total Municipal Wide Services/Class of Services	\$0.78	\$1.82
Urban Services:		
Wastewater Services	0.38	3.63
Water Services	0.32	1.00
Land Acquisition*		0.02
Total Urban Services	\$0.70	\$4.65
Grand Total - Urban Area	\$1.48	\$6.47

* Previously recovered through wastewater and water services

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
 - considering reductions in the charges (obtained by removing certain services or capital costs on which the charge is based and/or by a general reduction in the charge).

The D.C.A. does not allow for D.C. revenue foregone as a result of an exemption or reduction in the charge to be made up through higher D.C.s on other development. As such, any decision to provide further exemptions or reductions should consider alternative funding sources to address the foregone revenue.



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 first Addendum to the D.C. Background Study and proposed by-law	March 10, 2026
Council Meeting to present and consider public comments	April 13, 2026
Public release of second Addendum to the D.C. Background Study	June 17, 2026



Process Steps	Dates
Council considers adoption of background study and passage of by-law	July 13, 2026
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*

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 statues, 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.:



applicable development-related projects, which are required but have not yet been undertaken, as a way of directing the funds to the benefit of the development which contributed them (rather than to future development, which will generate the need for additional facilities directly proportionate to future growth).

The Municipality's D.C. reserve fund balance by service as of December 31, 2024, is provided in Table 4-2. The balances have been adjusted to recognize outstanding commitments against the D.C. reserve funds for water services and services related to a highway, related to growth-related capital costs and annual debt payments, that the Municipality has cash flowed from other sources. These balances have been considered in the D.C. calculations:

Table 4-2
Municipality of South Huron
Projected Development Charge Reserve Fund Balances
As of December 31, 2024

Services	Balance Dec. 31, 2024	Commitments	Adjusted Balance Dec. 31/2024
Services Related to a Highway	444,668	-	444,668
Fire Protection Services	109,069	-	109,069
Parks and Recreation Services	658,855	-	658,855
Growth-Related Studies	37,174	-	37,174
Wastewater Services	238,929	1,420,099	(1,181,170)
Water Services	87,467	1,671,495	(1,584,028)
Total	\$1,576,161	\$3,091,594	(\$1,515,433)

4.9 Deductions

The D.C.A. potentially requires that four deductions be made to the increase in the need for service. These relate to:

- the historical level of service ceiling;
- uncommitted excess capacity;
- benefit to existing development; and
- anticipated grants, subsidies, and other contributions.

The requirements behind each of these reductions are addressed below.



- Services Related to a Highway – 2.01%
- Fire Protection Services – 1.53%
- Parks and Recreation Services – 5.11%
- Wastewater Services – 71.56%
- Water Services – 19.80%

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	29,231	7,769
3	Official Plan	2024-2025	All Services	35,000	-	3,500	31,500	15,700	-	15,800	12,483	3,317
4	Zoning By-law	2025-2026	All Services	35,000	-	3,500	31,500	15,700	-	15,800	12,483	3,317
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)	(8,473)
	Total			\$539,131	\$0	\$7,000	\$532,131	\$198,074	\$0	\$334,057	\$257,915	\$76,142



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

Services	Total	Residential Share	Non-Residential Share
Water Services	16,717	13,241	3,477
Wastewater Services	60,237	47,708	12,529
Stormwater Services	99,885	63,568	36,316
Services Related to a Highway	1,723	1,365	358
Fire Protection Services	101,242	80,185	21,057
Parks and Recreation Services	54,253	51,849	2,404
Total	\$334,057	\$257,915	\$76,142
Overall Growth Studies Class of Services Residential/Non-Residential %		77%	23%



5.3 Urban Services D.C. Calculation

This section evaluates the development-related capital requirements for services within the Municipality's urban serviced areas. The forecast period for the anticipated development is to build out of the urban (i.e., water and wastewater) serviced areas. These services are not subject to the historical level of service ceiling, and as a result, only the capital needs listing has been provided. The capital needs are based on the most recent Council approved Water and Wastewater Master plan, which extends beyond a 10-year forecast period, as well as other works identified by Municipal staff, outstanding growth-related debt, and future growth studies.

5.3.1 Water Services

The anticipated capital needs that have been identified for Water Services are summarized in Table 5-6. The projects within the D.C. capital program, including the outstanding growth-related principal and interest costs of the Exeter-Hensall Pipeline, which will expire in 2034, provide an estimated gross cost of approximately \$34.72 million. Additionally, the outstanding commitments against the D.C. reserve fund, for past projects undertaken, resulting in a negative year-end 2024 reserve fund balance of approximately \$1.58 million have been included. The list of projects contained within Table 5-6 include Watermain extensions, looping, and upsizing of existing mains, a new elevated tank, as well as future master plans.

Deductions for the benefit to existing development have been made totaling approximately \$6.36 million. Additionally, deductions for the portion of costs that are considered the direct developer responsibility as a local service requirement of their development have been made in the amount of approximately \$16.70 million. Therefore, approximately \$13.25 million in net growth-related capital costs 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 anticipated over the buildout forecast period for the current urban boundary. In total, approximately \$10.73 million (81%) of the total D.C. recoverable costs are allocated to residential development, with approximately \$2.52 million (19%) allocated to non-residential development.



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 \$72.51 million. Additionally, outstanding commitments against the D.C. reserve fund for past projects undertaken have been included, resulting in a negative year-end 2024 reserve fund balance of approximately \$1.18 million. Deductions for the benefit to existing development have been made, totalling approximately \$24.20 million, and grant funding of approximately \$1.44 million. Therefore, approximately \$48.04 million in net capital costs has 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 \$38.92 million (81%) of the total D.C. recoverable costs are allocated to residential development, with approximately \$9.13 million (19%) allocated to non-residential development.

5.3.3 Land Acquisition Class of Services

Land costs are considered a class of services under the D.C.A. and comprises land acquisition costs related to D.C. eligible services.

The land costs in this subsection are related to water and wastewater services which are not restricted to a 10-year forecast period.

The gross capital cost estimate for land acquisition totals \$410,800. A deduction of \$70,600 has been made related to the portion of the project that will benefit the existing development. Additionally, \$63,000 has been deducted for the portion of costs that are considered the direct developer responsibility as a local service requirement of their development, as well as \$7,700 in grant funding. As a result, the total D.C.-recoverable cost to be included in the calculations is \$269,400.



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 \$218,200 (81%) of the total D.C. recoverable costs are allocated to residential development, with approximately \$51,200 (19%) allocated to non-residential development.



Table 5-6
Municipality of South Huron
Infrastructure Costs Included in the Development Charge Calculation
For Water Services

Proj. No.	Increased Service Needs Attributable to Anticipated Development	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%
2025 to Urban Build Out - Water												
1	Rosemount Dr & Kalisch Ave: South of Thames Rd to Hazelton Ave	n/a	2034	862,000	-	-	862,000	-	862,000	-	-	-
2	Eastern Ave: Sanders St to Huron	n/a	2025	394,000	-	-	394,000	-	394,000	-	-	-
Exeter												
3	Thames Road East Watermain (McConnell Street to new North Exeter ET)	E-W-M-42	2034-2039	2,090,400	-	-	2,090,400	1,149,700	-	940,700	761,967	178,733
4	Morrison Line Watermain (Thames Road East to Huron Street)	E-W-M-43	2034-2039	3,885,100	-	-	3,885,100	194,300	-	3,690,800	2,989,548	701,252
5	CVD Subdivision Watermain Looping (Walper Street to Pickard Road)	E-W-M-44	2025-2029	1,243,180	-	-	1,243,180	-	1,243,180	-	-	-
7	Rasenber Watermain Looping (Rosemount Avenue to Hazelton Lane)	E-W-M-45	2029-2034	490,690	-	-	490,690	-	490,690	-	-	-
6	Stoney Ridge Watermain Looping (Taylor Blvd and Eastern Avenue)	E-W-M-46	2025-2029	587,590	-	-	587,590	-	587,590	-	-	-
8	Pooley Watermain Looping (Simcoe Street to Abbey Lane)	E-W-M-47	2029-2034	785,480	-	-	785,480	-	785,480	-	-	-
9	Ondrejicka Lower Watermain Looping (Sanders Street to Ondrejicka Looping - Upper)	E-W-M-48	2029-2034	1,424,500	-	-	1,424,500	-	1,424,500	-	-	-
10	Ondrejicka Upper Watermain Looping (Wellington Street, Victoria Street and Ondrejicka Lower Watermain Looping)	E-W-M-49	2029-2034	1,048,200	-	-	1,048,200	-	1,048,200	-	-	-
11	HDC Lands Watermain Looping (Church Street to Nelson Street)	E-W-M-50	2029-2034	1,043,280	-	-	1,043,280	-	1,043,280	-	-	-
12	North Exeter Elevated Tank	E-W-ET-03	2034-2039	8,934,900	-	-	8,934,900	3,829,200	-	5,105,700	4,135,617	970,083
Stephen												
13	Huron Park Industrial Watermain Looping (North leg of Canada Avenue to Airport Line)	S-W-M-34	2029-2034	1,337,200	-	-	1,337,200	-	1,337,200	-	-	-
14	Victoria Drive Watermain (Melbourne Street to Exi-Plast Custom Moulding / former Dashwood Industries)	S-W-M-36	2029-2034	1,716,200	-	-	1,716,200	933,200	-	783,000	634,230	148,770
15	Highway 21 to Grand Bend Line Watermain Looping	S-W-M-39	2034-2039	4,016,100	-	-	4,016,100	-	4,016,100	-	-	-
16	Grand Bend Line Watermain (B-Line to POG)	S-W-M-40	2025-2029	574,900	-	-	574,900	230,000	-	344,900	279,369	65,531
17	Grand Bend Line Watermain (B-Line to Mollard Line)	S-W-M-41	2029-2034	1,651,700	-	-	1,651,700	-	1,651,700	-	-	-
18	Victoria Avenue East to Parr Line Watermain Loop	S-W-M-42	2029-2034	1,293,700	-	-	1,293,700	-	1,293,700	-	-	-
19	Mollard Line Watermain (Grand Bend Line to Development)	S-W-M-48	2025-2029	521,300	-	-	521,300	-	521,300	-	-	-
Outstanding Debt:												
20	Exeter-Hensall Pipeline Debt (Growth-Related Principal)	n/a	2025-2034	631,404	-	-	631,404	-	-	631,404	511,438	119,967
21	Exeter-Hensall Pipeline Debt (Growth-Related Interest - Discounted)	n/a	2025-2034	106,764	-	-	106,764	-	-	106,764	86,479	20,285
Studies:												
22	Water Master Plan	n/a	2025	11,308	-	-	11,308	2,800	-	8,508	6,891	1,617
23	Water Master Plan	n/a	2030	67,500	-	-	67,500	16,900	-	50,600	40,986	9,614
Adjustments:												
24	Reserve Fund Adjustment	n/a		1,584,028	-	-	1,584,028	-	-	1,584,028	1,283,063	300,965
Total				\$36,301,425	\$0	\$0	\$36,301,425	\$6,356,100	\$16,698,920	\$13,246,405	\$10,729,588	\$2,516,817



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	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	Non-Residential Share
2025 to Urban Build Out - Wastewater												
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
Exeter												
3	Alexander Street West Sewer (McConnell Street to Francis Street)	E-WW-SS-06	2025-2029	335,200	-	-	335,200	184,400	-	150,800	122,148	28,652
4	McConnell Street Sewer (Alexander Street to south end)	E-WW-SS-07	2025-2029	347,000	-	-	347,000	190,900	-	156,100	126,441	29,659
5	Church Street Sewer (Main Street to William Street)	E-WW-SS-17	2029-2034	264,100	-	-	264,100	26,400	-	237,700	192,537	45,163
6	Ausable River Crossing Twinned Sewer	E-WW-SS-43	2025-2029	2,939,500	-	-	2,939,500	1,175,800	-	1,763,700	1,428,597	335,103
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	3,642,400	-	-	3,642,400	-	-	3,642,400	2,950,344	692,056
9	William Street SPS Forcemain Twinning (from GEXR to Lagoons)	E-WW-FM-02	2029-2034	1,118,800	-	-	1,118,800	-	816,724	302,076	244,682	57,394
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
Stephen												
15	"Possible" twinning of Huron Park Forcemain	S-WW-FM-01	2034-2039	5,317,700	-	-	5,317,700	-	-	5,317,700	4,307,337	1,010,363
16	Separate forcemain for Crediton SPS or coordinated control system with Huron Park SPS	S-WW-FM-02	2034-2039	97,700	-	-	97,700	-	-	97,700	79,137	18,563
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	-	-	-	-	-	-	-	-	-
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	3,808,700	-	-	3,808,700	2,288,400	-	1,520,300	1,231,443	288,857
	Financing for Huron Park SPS Upgrades (Growth Share Only)			445,919	-	-	445,919	-	-	445,919	361,195	84,725
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
Adjustments:												
23	Reserve Fund Adjustment	n/a		1,181,170	-	-	1,181,170			1,181,170	956,748	224,422
	Total			\$73,688,898	\$0	\$0	\$73,688,898	\$24,203,500	\$1,440,655	\$48,044,743	\$38,916,242	\$9,128,501



Table 5-8
Municipality of South Huron
Infrastructure Costs Included in the Development Charge Calculation
For Land Acquisition Class of Service

Proj. No.	Increased Service Needs Attributable to Anticipated Development	Master Plan Project #	Timing (year)	Gross Capital Cost Estimate (2025\$)	Post Period Benefit	Other Deductions	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 81%	Non-Residential Share 19%
2025 to Urban Build Out - Water and Wastewater												
Exeter - Water												
1	Thames Road East Watermain (McConnell Street to new North Exeter ET)	E-W-M-42	2034-2039	15,600	-	-	15,600	8,600	-	7,000	5,670	1,330
2	Morrison Line Watermain (Thames Road East to Huron Street)	E-W-M-43	2034-2039	28,900	-	-	28,900	1,400	-	27,500	22,275	5,225
3	CVD Subdivision Watermain Looping (Walper Street to Pickard Road)	E-W-M-44	2025-2029	820	-	-	820	-	820	-	-	-
5	Rasenberg Watermain Looping (Rosemount Avenue to Hazelton Lane)	E-W-M-45	2029-2034	310	-	-	310	-	310	-	-	-
4	Stoney Ridge Watermain Looping (Taylor Blvd and Eastern Avenue)	E-W-M-46	2025-2029	410	-	-	410	-	410	-	-	-
6	Pooley Watermain Looping (Simcoe Street to Abbey Lane)	E-W-M-47	2029-2034	520	-	-	520	-	520	-	-	-
7	Ondrejicka Lower Watermain Looping (Sanders Street to Ondrejicka Looping - Upper)	E-W-M-48	2029-2034	2,500	-	-	2,500	-	2,500	-	-	-
8	Ondrejicka Upper Watermain Looping (Wellington Street, Victoria Street and Ondrejicka Lower Watermain Looping)	E-W-M-49	2029-2034	3,800	-	-	3,800	-	3,800	-	-	-
9	HDC Lands Watermain Looping (Church Street to Nelson Street)	E-W-M-50	2029-2034	720	-	-	720	-	720	-	-	-
10	North Exeter Elevated Tank	E-W-ET-03	2034-2039	96,100	-	-	96,100	41,200	-	54,900	44,469	10,431
Stephen - Water												
11	Huron Park Industrial Watermain Looping (North leg of Canada Avenue to Airport Line)	S-W-M-34	2029-2034	7,800	-	-	7,800	-	7,800	-	-	-
12	Victoria Drive Watermain (Melbourne Street to Exi-Plast Custom Moulding / former Dashwood Industries)	S-W-M-36	2029-2034	12,800	-	-	12,800	7,000	-	5,800	4,698	1,102
13	Highway 21 to Grand Bend Line Watermain Looping	S-W-M-39	2034-2039	22,900	-	-	22,900	-	22,900	-	-	-
14	Grand Bend Line Watermain (B-Line to POG)	S-W-M-40	2025-2029	2,100	-	-	2,100	800	-	1,300	1,053	247
15	Grand Bend Line Watermain (B-Line to Mollard Line)	S-W-M-41	2029-2034	12,300	-	-	12,300	-	12,300	-	-	-
16	Victoria Avenue East to Parr Line Watermain Loop	S-W-M-42	2029-2034	7,300	-	-	7,300	-	7,300	-	-	-
17	Mollard Line Watermain (Grand Bend Line to Development)	S-W-M-48	2025-2029	3,700	-	-	3,700	-	3,700	-	-	-
Exeter - Wastewater												
18	Alexander Street West Sewer (McConnell Street to Francis Street)	E-WW-SS-06	2025-2029	1,400	-	-	1,400	800	-	600	486	114
19	McConnell Street Sewer (Alexander Street to south end)	E-WW-SS-07	2025-2029	3,200	-	-	3,200	1,800	-	1,400	1,134	266
20	Church Street Sewer (Main Street to William Street)	E-WW-SS-17	2029-2034	2,800	-	-	2,800	300	-	2,500	2,025	475
21	Ausable River Crossing Twinned Sewer	E-WW-SS-43	2025-2029	21,800	-	-	21,800	8,700	-	13,100	10,611	2,489
22	South Exeter SPS Forcemain - New Forcemain from South Exeter SPS to Exeter WWTP	E-WW-FM-01	2034-2039	38,800	-	-	38,800	-	-	38,800	31,428	7,372
23	William Street SPS Forcemain Twinning (from GEXR to Lagoons)	E-WW-FM-02	2029-2034	10,600	-	-	10,600	-	7,738	2,862	2,318	544
Stephen - Wastewater												
24	"Possible" twinning of Huron Park Forcemain	S-WW-FM-01	2034-2039	56,800	-	-	56,800	-	-	56,800	46,008	10,792
25	Separate forcemain for Crediton SPS or coordinated control system with Huron Park SPS	S-WW-FM-02	2034-2039	56,800	-	-	56,800	-	-	56,800	46,008	10,792
Total				410,780	-	-	410,780	70,600	70,818	269,362	218,183	51,179



6. Development Charge Calculation

Table 6-1 calculates the proposed D.C.s to be imposed for water and wastewater services, as well as the land acquisition class of service in the municipally serviced area over the urban buildout forecast period. Table 6-2 calculates the proposed D.C.s for all remaining services and class of services to be imposed on anticipated development in the Municipality over the 10-year forecast period.

The calculation for residential development is generated on a per capita basis and is based upon five forms of housing types (singles and semi-detached, apartments 2+ bedrooms, apartments bachelor and 1-bedroom, special care/special dwelling units and all other multiples). The non-residential D.C. has been calculated on a per sq.ft. of G.F.A. basis for agriculture and non-agriculture (i.e. industrial, commercial, and institutional) types of development. A wind turbine is deemed to be equivalent to a residential single detached unit as it relates to Services Related to a Highway, Fire Protection Services and Growth-Related Studies only.

With respect to non-residential development, the total costs in the differentiated charge (i.e. industrial/commercial/institutional and agricultural) are based on allocating the non-residential costs by the incremental employment growth anticipated in the agricultural vs. non-agricultural sectors and then dividing the differentiated charges by the anticipated development by type over the planning period to calculate a cost per sq.ft of G.F.A.

The D.C.-eligible costs for each service component were developed in Chapter 5 for all Municipal services based on their proposed capital programs.

For the residential calculations, the total cost is divided by the “gross” (new resident) population to determine the per capita amount. The residential D.C.-recoverable capital cost calculations set out in Chapter 5 are based on the net anticipated population increase (the forecast new unit population less the anticipated decline in existing units). The cost per capita is then multiplied by the average occupancy of the new units (Appendix A, Schedule 7) to calculate the charges in Tables 6-1 and 6-2.

With respect to non-residential development, the total costs (based on need for service) have been divided by the anticipated development over the planning period to calculate a cost per sq.ft. of gross floor area.



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 \$18,360, 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 \$6.47 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 its D.C.s on January 1st 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 6-1
Municipality of South Huron
Calculation of Development Charges
within the Urban Serviced Area
2025-Urban Buildout (Based on Urban Boundary)

Service	2025\$ D.C.-Eligible Cost		2025\$ D.C.-Eligible Cost		2025\$ D.C.-Eligible Cost		2025\$ D.C.-Eligible Cost	
	Residential	Non-Residential	Residential Single Detached Unit	Non-Residential per sq.ft.	Agricultural	Industrial, Commercial, Institutional	Agricultural per sq.ft.	Industrial, Commercial, Institutional per sq.ft.
1. <u>Wastewater Services</u> Treatment plants & Sewers	\$ 38,916,242	\$ 9,128,501	\$ 8,788	\$ 3.63	\$ -	\$ 9,128,501	\$ -	\$ 3.63
2. <u>Water Services</u> Treatment, storage and distribution systems	10,729,588	2,516,817	2,423	1.00	-	2,516,817	-	1.00
3. <u>Land Acquisition</u>	218,183	51,179	49	0.02	-	51,179	-	0.02
TOTAL	49,864,013	\$11,696,497	\$11,260	\$4.65	\$0.00	\$11,696,497	\$0.00	\$4.65
D.C.-Eligible Capital Cost	49,864,013	\$11,696,497			\$0.00	\$11,696,497		
Buildout Gross Population/GFA Growth (sq.ft.)	12,621	2,513,700			-	2,513,700		
Cost Per Capita/Non-Residential GFA (sq.ft.)	\$3,950.88	\$4.65			\$0.00	\$4.65		
By Residential Unit Type								
<u>P.P.U.</u>								
Single and Semi-Detached Dwelling		2.850	\$11,260					
Other Multiples		1.747	\$6,902					
Apartments - 2 Bedrooms +		1.723	\$6,807					
Apartments - Bachelor and 1 Bedroom		1.168	\$4,615					
Special Care/Special Dwelling Units		1.100	\$4,346					



Table 6-2
Municipality of South Huron
Calculation of Development Charges
for Municipal-Wide Services
2025-2034

SERVICE/CLASS OF SERVICES	2025\$ D.C.-Eligible Cost		2025\$ D.C.-Eligible Cost		2025\$ D.C.-Eligible Cost		2025\$ D.C.-Eligible Cost	
	Residential	Non-Residential	Residential Single Detached Unit	Non-Residential per sq.ft.	Agricultural	Industrial, Commercial, Institutional	Agricultural per sq.ft.	Industrial, Commercial, Institutional per sq.ft.
4. <u>Services Related to a Highway</u> Roads and Related including Public Woks Facilities, Fleet & Equipment	\$ 1,070,001	\$ 284,431	\$ 1,405	\$ 0.58	\$ 5,153	\$ 279,278	\$ 0.06	\$ 0.69
5. <u>Fire Protection Services</u> Fire facilities, vehicles & equipment	811,829	215,803	1,066	0.44	3,909	211,893	0.04	0.52
6. <u>Parks and Recreation Services</u> Park development, amenities, trails, recreation facilities, vehicles, and equipment	3,269,088	172,057	4,291	0.35	3,117	168,940	0.03	0.42
7. Growth-Related Studies	257,915	76,142	338	0.15	1,379	74,762	0.02	0.19
TOTAL	\$5,408,833	\$748,432	\$7,100	\$1.52	\$13,559	\$734,874	\$0.15	\$1.82
D.C.-Eligible Capital Cost	\$5,408,833	\$748,432			\$13,559	\$734,874		
10-Year Gross Population/GFA Growth (sq.ft.)	2,171	494,000			90,000	404,000		
Cost Per Capita/Non-Residential GFA (sq.ft.)	\$2,491.40	\$1.52			\$0.15	\$1.82		
<u>By Residential Unit Type</u>	<u>P.P.U.</u>							
Single and Semi-Detached Dwelling	2.850	\$7,100						
Other Multiples	1.747	\$4,352						
Apartments - 2 Bedrooms +	1.723	\$4,293						
Apartments - Bachelor and 1 Bedroom	1.168	\$2,910						
Special Care/Special Dwelling Units	1.100	\$2,741						



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
Municipal Wide Services/Class of Service:								
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
Total Municipal Wide Services/Class of Services	\$7,100	\$4,351	\$4,291	\$2,911	\$2,739	\$2,809	\$0.15	\$1.82
Urban Services								
Wastewater Services	8,788	5,387	5,313	3,602	3,392	-	-	3.63
Water Services	2,423	1,485	1,465	993	935	-	-	1.00
Land Acquisition	49	30	30	20	19	-	-	0.02
Total Urban Services	\$11,260	\$6,902	\$6,808	\$4,615	\$4,346	\$0	\$0.00	\$4.65
GRAND TOTAL RURAL AREA	\$7,100	\$4,351	\$4,291	\$2,911	\$2,739	\$2,809	\$0.15	\$1.82
GRAND TOTAL - PARTIALLY SERVICED (WATER ONLY)	\$9,541	\$5,847	\$5,767	\$3,911	\$3,681	\$2,809	\$0.15	\$2.83
GRAND TOTAL URBAN AREA	\$18,360	\$11,253	\$11,099	\$7,526	\$7,085	\$2,809	\$0.15	\$6.47



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

Service/Class of Services	2025 \$		Indexed 2026 \$	
	Existing	Calculated	Existing	Calculated
Municipal Wide Services/Class of Services:				
Services Related to a Highway	895	1,405	933	1,464
Fire Protection Services	294	1,066	306	1,111
Parks and Recreation Services	2,642	4,291	2,753	4,471
Growth-Related Studies	149	338	155	352
Total Municipal Wide Services/Class of Services	\$3,980	\$7,100	\$4,147	\$7,398
Urban Services:				
Wastewater Services	925	8,788	964	9,157
Water Services	1,301	2,423	1,356	2,525
Land Acquisition*		49		51
Total Urban Services	\$2,226	\$11,260	\$2,320	\$11,733
Grand Total - Urban Area	\$6,206	\$18,360	\$6,467	\$19,131

* Previously recovered through wastewater and water services
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 \$	
	Existing	Calculated	Existing	Calculated
Municipal Wide Services/Class of Services:				
Services Related to a Highway	0.39	0.69	0.41	0.72
Fire Protection Services	0.13	0.52	0.14	0.54
Parks and Recreation Services	0.19	0.42	0.20	0.44
Growth-Related Studies	0.07	0.19	0.07	0.20
Total Municipal Wide Services/Class of Services	\$0.78	\$1.82	\$0.82	\$1.90
Urban Services:				
Wastewater Services	0.38	3.63	0.40	3.78
Water Services	0.32	1.00	0.33	1.04
Land Acquisition*		0.02		0.02
Total Urban Services	\$0.70	\$4.65	\$0.73	\$4.84
Grand Total - Urban Area	\$1.48	\$6.47	\$1.55	\$6.74

* Previously recovered through wastewater and water services
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
Municipal Wide Services/Class of Services:				
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
Total Municipal Wide Services/Class of Services	\$0.33	\$0.15	\$0.34	\$0.15
Urban Services:				
Wastewater Services	0.17	-	0.18	-
Water Services	0.13	-	0.14	-
Land Acquisition*		-		-
Total Urban Services	\$0.30	\$0.00	\$0.32	\$0.00
Grand Total - Urban Area	\$0.63	\$0.15	\$0.66	\$0.15

* Previously recovered through wastewater and water services
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 Deductions	Benefit to Existing	Other Funding		Residential	Non-Residential
1. Wastewater Services Treatment plants & Sewers	16,247,641	0	5,999,417	1,440,655	0	7,134,131	1,673,438
2. Water Services Treatment, storage and distribution systems	26,391,063	0	5,236,100	13,352,170	0	6,320,262	1,482,531
3. Land Acquisition	410,780	0	70,600	70,818	0	218,183	51,179
4. 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
5. Fire Protection Services Fire facilities, vehicles & equipment	5,775,000	0	2,633,669	0	2,113,700	811,829	215,803
6. 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
7. Growth Studies	539,131	7,000	198,074	0	0	257,915	76,142
Total Expenditures & Revenues	\$55,317,715	\$7,000	\$15,272,382	\$14,887,643	\$2,113,700	\$19,081,410	\$3,955,580



- Services Related to a Highway;
- Fire Protection Services;
- Parks and Recreation Services;
- Water Services;
- Wastewater Services; and
- Growth-Related Studies (Class of Services).

7.4.2 By-law In-force Date

The by-law will come into force on January 1, 2027, unless Council determines an alternative date for enactment.

7.4.3 Minimum Interest Rate Paid on Refunds and Charged for Inter-Reserve Fund Borrowing

The minimum interest rate is the Bank of Canada rate on the day on which the by-law come into force (as per section 11 of O. Reg. 82/98).

7.5 Other Recommendations

It is recommended that Council:

“Whenever appropriate, request that grants, subsidies and other contributions be clearly designated by the donor as being to the benefit of existing development or new development, as applicable;”

“Adopt the assumptions contained herein as an ‘anticipation’ with respect to capital grants, subsidies, and other contributions;”

“Adopt the D.C. approach to calculate the charges on a uniform Municipal-wide basis for all services and classes of service, except Water Services, and Wastewater Services;”

“Adopt the D.C. approach to calculate the charges on an area specific basis for Water Services and Wastewater Services to be imposed in the urban serviced areas of the Municipality;”

“Approve the capital project listing set out in Chapter 5 of the D.C. Background Study dated December 31, 2025, subject to further annual review during the capital budget process;”



“Approve the D.C. Background Study dated December 31, 2025, as amended;”

“Approve the Local Service Policy set out in Appendix E;”

“Determine that no further public meeting is required;” and

“Approve the D.C. By-law as set out in Appendix G.”



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
1. Wastewater Services				
Treatment plants & Sewers	49,485,398	960,272	933,995	1,894,267
2. Water Services				
Treatment, storage and distribution systems	29,945,325	351,651	2,846,017	3,197,668
3. Land Acquisition	340,180	-	-	-
4. Services Related to a Highway				
Roads and Related including Public Woks Facilities, Fleet & Equipment	1,378,432	106,017	634,382	740,399
5. Fire Protection Services				
Fire facilities, vehicles & equipment	3,141,331	59,098	257,059	316,157
6. Parks and Recreation Services				
Park development, amenities, trails, recreation facilities, vehicles, and equipment	3,441,145	279,167	472,230	751,397
7. Growth Studies	341,057	-	-	-
Total	\$88,072,868	\$1,756,204	\$5,143,683	\$6,899,887



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 \$9.49 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)
Expenditures (Annualized)	
Annual Debt Payment on Non-Growth Related Capital ¹	\$2,431,494
Annual Debt Payment on Post Period Capital ²	\$155,530
Annual Lifecycle	\$1,756,204
Incremental Operating Costs (for D.C. Services)	\$5,143,683
Total Expenditures	\$9,486,911
Revenue (Annualized)	
Total Existing Revenue ³	\$31,862,327
Incremental Tax and Non-Tax Revenue (User Fees, Fines, Licences, etc.)	\$23,259,383
Total Revenues	\$55,121,710

¹ Non-Growth Related component of Projects

² Interim Debt Financing for Post Period Benefit

³ As per Sch. 10 of FIR



of the actions described in subsection 3, an additional development charge in respect of the development permitted by the action shall be calculated, payable and collected in accordance with the provisions of this By-law if the development has the effect of increasing the need for services, unless such agreement provides otherwise.

Severability

37. If, for any reason, any provision of this By-law is held to be invalid, it is hereby declared to be the intention of Council that all the remainder of this By-law shall continue in full force and effect until repealed, re-enacted, amended or modified.

Effective Date

38. This By-law shall come into force and effect January 1, 2027.

Date By-law Expires

39. This By-law shall continue in force and effect for a term not exceeding ten years unless it is repealed at an earlier date by a subsequent By-law.

Short Title

40. This By-law may be cited as the Development Charges By-law for the Municipality of South Huron.

Repeal of Previous By-laws

41. By-law No. 17-2020, as amended, is hereby repealed effective January 1, 2027.
READ a first and second time this 13th day of July, 2026.

READ a third time and passed this 13th day of July, 2026.

Mayor

Clerk



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
Municipal Wide Services/Class of Service:								
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
Total Municipal Wide Services/Class of Services	\$7,398	\$4,533	\$4,472	\$3,033	\$2,854	\$2,927	\$0.15	\$1.90
Urban Services								
Wastewater Services	9,157	5,613	5,536	3,753	3,534	-	-	3.78
Water Services	2,525	1,547	1,527	1,035	974	-	-	1.04
Land Acquisition	51	31	31	21	20	-	-	0.02
Total Urban Services	\$11,733	\$7,191	\$7,094	\$4,809	\$4,528	\$0	\$0.00	\$4.84
GRAND TOTAL RURAL AREA	\$7,398	\$4,533	\$4,472	\$3,033	\$2,854	\$2,927	\$0.15	\$1.90
GRAND TOTAL - PARTIALLY SERVICED (WATER ONLY)	\$9,942	\$6,091	\$6,010	\$4,075	\$3,835	\$2,927	\$0.15	\$2.95
GRAND TOTAL URBAN AREA	\$19,131	\$11,724	\$11,566	\$7,842	\$7,382	\$2,927	\$0.15	\$6.74