

REPORT

PREPARED BY HEMSON FOR PETERBOROUGH UTILITIES COMMISSION (PUC)

2024 DEVELOPMENT CHARGE BACKGROUND STUDY

April 25, 2024



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EXECUTIVE SUMMARY

Hemson Consulting Ltd. was retained by the Peterborough Utilities Commission (PUC) to complete a Development Charges (DC) Background Study. This background study provides the basis for updating the PUC's development charges to accurately reflect the water servicing needs of new development in the City of Peterborough.

The following summarizes the findings of the Development Charges Background Study.

- The study calculates development charges for the PUC under an approach that combines a City-wide with an area-specific cost recovery approach within various designated planning areas. This approach complies with the provisions of the *Development Charges Act, 1997 (DCA)* and its associated regulations, including amendments that came into force through the *More Homes, More Choice Act, 2019*, the *COVID-19 Economic Recovery Act, 2020*, and the *More Homes Built Faster Act, 2022 (Bill 23)*.
- It is noted that the Government's proposed *Cutting Red Tape to Build More Homes Act, 2024 (Bill 185)*, introduced on April 10, 2024, is not in force. Should the provisions of this legislation be granted Royal Assent prior to City Council passing a new DC by-law, appropriate changes to the by-law will be made.
- The PUC currently levies development charges for the recovery of water services under By-law 19-065. In order to continue levying development charges, a new by-law will need to be passed by the City of Peterborough.
- Area-specific development charges are calculated for the recovery of water services in the City. This approach results in ten different charges that vary by planning area. The area-specific approach more closely aligns costs and benefits for services where benefits are more localized and can be identified.
- The PUC needs to continue implementing DCs to help fund capital projects throughout Peterborough so that development continues to be serviced in a fiscally responsible manner. The calculated changes to the development charges rates are required to reflect the revised costs associated with the infrastructure requirements.
- The development forecast for the City of Peterborough projects an increase of 16,825 units from the present time to 2051. The population arising from these newly constructed units is anticipated to be 35,340 persons. The development forecast also projects growth of 921,400 m² in new non-residential building space, including 43,200 m² in Chemong West, 115,200 m² in Coldsprings, and 763,000 m² in the remainder of the City.

- The development-related capital program for all areas provides for a Southwest City reservoir, a low lift pump, and various trunk watermains and oversizing mains over the period to full build-out of the planning areas.
- The total cost of the water projects in program is \$46.8 million, including \$8.9 million in City-wide costs, \$31.3 million in pressure zone-related costs, and \$6.6 million in planning area-specific costs. Additional financing costs add another \$14.4 million to the total program cost.
- A share of the total program cost, equivalent to \$6.6 million, has been removed from the DC calculation as a “benefit to existing” or “non-growth” share. The total DC recoverable amount brought forward to the development charges calculation is therefore \$54.6 million.
- The calculated development charges provide for the full recovery of all eligible development-related costs. The calculated charges are the maximum charges City Council could impose under the provisions of the *DCA*. Should Council elect to pass lower charges, any revenue shortfall arising from the lower charges will require funding from non-DC sources, most likely water utility rates.
- The calculated residential charges are recommended to vary by unit type, reflecting differences in occupancy patterns anticipated in various unit types and the associated differences in demand that would be placed on water services.
- Historically, the non-residential development charge for water services was uniform across all areas. Additional non-residential development has been identified in the Chemong West and Coldsprings planning areas and is set out in their respective non-residential development charges calculations.
- Based on the development forecast and development-related capital program contained in this study, the following development charges for residential and non-residential development have been calculated, and are shown below:

Water Services Planning Area	Residential Development Charges (1)				Non-Residential Charges (\$/square metre)
	Charge Per Capita	Residential A Singles & Semis	Residential B Other Multiples	Residential C Apartments	
1. Auburn North	\$ 1,348	\$ 3,706	\$ 2,695	\$ 2,358	\$ 10.58
2. Jackson	\$ 2,467	\$ 6,784	\$ 4,934	\$ 4,317	\$ 10.58
3. Carnegie West	\$ 1,303	\$ 3,584	\$ 2,607	\$ 2,281	\$ 10.58
4. Chemong West	\$ 1,157	\$ 3,181	\$ 2,313	\$ 2,024	\$ 18.73
5. Lily Lake	\$ 2,250	\$ 6,187	\$ 4,500	\$ 3,937	\$ 10.58
6. Liftlock	\$ 1,130	\$ 3,107	\$ 2,260	\$ 1,977	\$ 10.58
7. Coldsprings	\$ 1,354	\$ 3,724	\$ 2,709	\$ 2,370	\$ 20.93
8. Outside Planning Areas	\$ 855	\$ 2,351	\$ 1,710	\$ 1,496	\$ 10.58
9. Carnegie East	\$ 423	\$ 1,163	\$ 846	\$ 740	\$ 10.58
10. Chemong East	\$ 423	\$ 1,163	\$ 846	\$ 740	\$ 10.58

(1) Based on Persons Per Unit of:

2.75

2.00

1.75

1. INTRODUCTION

The PUC retained Hemson Consulting Ltd. to complete a development charges background study for the Peterborough Utilities Commission (PUC) to recover the development-related capital costs associated with the provision of water services in the City of Peterborough. This PUC Background Study is presented as part of a process to approve a new development charge by-law in compliance with the *Development Charges Act, 1997* (DCA) and *Ontario Regulation 82/98* (O.Reg. 82/98).

The DCA and O. Reg. 82/98 require that a development charges background study be prepared in which development charges are determined with reference to:

- A forecast of the amount, type and location of development anticipated in the municipality;
- A review of future capital projects, including an analysis of gross expenditures, funding sources and net expenditures incurred or to be incurred by the PUC to provide for the expected development. This includes the determination of the development and non-development-related components of the capital projects;
- An examination of the long-term capital and operating costs for the infrastructure required for each service to which the development charge by-laws relate; and
- An asset management plan to deal with all assets whose capital costs are proposed to be funded under the DC by-law, demonstrating that all assets included in the capital program are financially sustainable over their full life cycle.

The main objective of the study is to calculate PUC's development charge rates for the provision of water services in the City as a whole as well as eight planning service areas of the City, in compliance with the provisions of the DCA and associated regulations. This study identifies the development-related net capital costs that are forecast to occur in the City and the planning areas to build-out. The costs are apportioned to types of development (residential and non-residential) in a manner that reflects the increase in the need for service attributable to each type of development. The study therefore calculates development charges for each type of development.

The DCA provides for a period of public review and comment regarding the calculated development charges. This process includes considering and responding to comments received by members of the public about the calculated charges. Following the completion of this process, and in accordance with the DCA and Council's review of this study, it is intended that Council will pass a new DC by-law for the PUC.

The remainder of the study sets out the information and analysis upon which the calculated development charges are based.

Section 2 sets out the planning areas of the City to which the area-specific DCs would apply and reviews the methodology used to calculate the charges.

Section 3 outlines the residential and non-residential development forecasts for each planning area over planning period to build out.

Section 4 summarizes the future development-related capital costs associated with the PUC.

Section 5 details the calculated new development charges rates for the PUC and describes the impact of the calculated rates on future capital and operating costs.

Section 6 includes an Asset Management Plan for the PUC, demonstrating the financial sustainability of assets over the life cycle of the 2024 DC By-law and satisfying the requirements of the DCA.

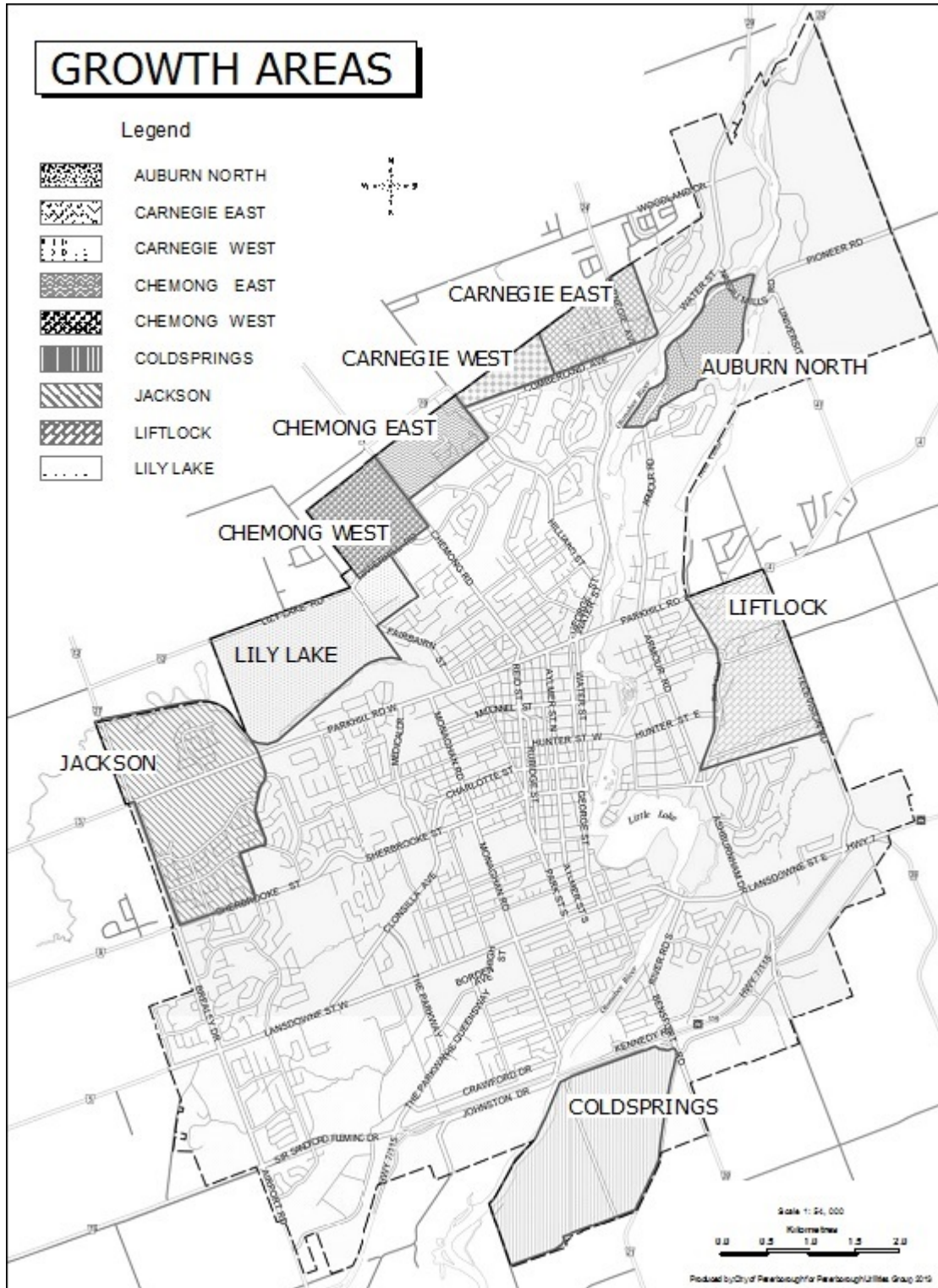
Section 7 provides the approach and requirements for administering an additional development charges by-law, including local services definitions for water services.

2. AREA-SPECIFIC DEVELOPMENT CHARGES METHODOLOGY

Several key steps are required when calculating a development charge. However, specific circumstances arise in each municipality which must be reflected in the calculation. In this study, we have tailored our approach to the PUC's unique circumstances. The approach to the proposed development charges is focused on providing a reasonable alignment of development-related costs with the development that necessitates them. This background study combines a City-wide approach with an area-specific approach for the residential rates. The development charge applicable to non-residential development has been calculated as a City-wide uniform charge for the majority of service areas considered. Within the Chemong West and Coldsprings planning areas, anticipated non-residential development has been identified and an additional non-residential charge has been calculated for each area.

The planning areas (or "growth areas") are shown in Map 1.

**MAP 1
MAP OF PLANNING AREAS**



A. BOTH CITY-WIDE AND AREA-SPECIFIC CHARGES HAVE BEEN CALCULATED

The DCA provides municipalities with the flexibility to define services that will be included in development charges by-laws, provided that the other provisions of the DCA and Regulation are met. The DCA also requires that by-laws designate the areas within which the by-laws shall be imposed. Development charges may apply to all lands in the municipality or to other designated development areas as specified in the by-laws.

i. Development Charge Based on a Combined City-Wide and Area-Specific Approach

A widely accepted method for sharing the development-related capital costs for such City services is to apportion them over all new growth anticipated in the City. The resulting development charge for services would be imposed against all development anywhere in the City. A share of the development-related capital cost for the provision of water services such as water supply, storage and major trunk distributions benefits growth throughout the City and is therefore most appropriately recovered on a City-wide basis.

ii. Area-Specific Charges are Proposed

For some of the infrastructure the PUC provides, the need for development-related capital additions to support anticipated development is more localized. In the eight planning areas, the water distribution systems require additional, identifiable and independent projects in order to service anticipated development in each area. For such infrastructure, an alternative methodology – based on an area-specific approach – is employed. This approach is consistent with the PUC's existing development charges for such works.

With regard to the PUC, a share of the development-related water infrastructure costs can be triggered either by needs in specific planning areas or needs in specific water pressure zones.

The area-specific approach also facilitates front-end financing agreements for designated services if the PUC chooses to use the front-ending provisions of the DCA. As an alternative, the area-specific charges can also facilitate the use of developer group agreements.

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

Several key steps are required when calculating development charges for future development-related projects. These are summarized below.

i. Development Forecast

The first step in the methodology requires a development forecast to be prepared for the study period, in this case from mid-year 2024 to build-out. The forecast of the future residential development potential of approved and potential units was provided by the City's planning department. The total number of units was then translated into a forecast population in the new dwelling units. Anticipated growth in new employees was also provided, which was then translated into growth in non-residential development as expressed in new gross floor area (GFA) of building space based on floor space per worker (FSW) assumptions.

For each planning area, future housing units are forecasted based on built form (low, medium, and high density) to build-out of each area. When calculating the residential development charges, the development-related net capital costs are divided by the additional population that will occupy the new housing units. As such, the population in each type of dwelling unit in each planning area is forecasted using occupancy factors based on Census data.

For two planning areas – Chemong West and Coldsprings – a non-residential forecast estimates the amount of building space to be developed over the planning period build out. The forecast is based on the projected increase in employment in each area and the anticipated amount of new building space required to accommodate it.

ii. Service Categories and Historical Service Levels

The DCA stipulates that development charges cannot be recovered for the shares of the capital program that exceed the historical 15-year average service level for each service. However, this provision does not apply to water servicing as engineering standards and provincial health and environmental requirements take precedent.

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

A development-related capital program has been prepared by PUC staff as part of the background study. The capital program identifies development-related projects required to service growth in the City. There are no capital grants, subsidies or other contributions that require deductions. The capital program includes some projects that provide a benefit to existing residents of the City, and this portion, as identified by the PUC, has been excluded from the calculation of the development charges.

The capital program provides another cornerstone upon which development charges are based. The DCA requires that the increase in the need for service attributable to the anticipated development may include an increase:

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

The development-related capital forecast prepared for this study ensures that development charges are only imposed to pay for projects that have been or are intended to be purchased or built in order to accommodate future anticipated development. There must also be a demonstrated commitment to continue to install facilities or infrastructure in the future. In this regard, *Ontario Regulation 82/98*, s.3 states that:

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

iv. **Attribution to Types of Development**

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

Where reasonable data exist, the apportionment is based on the expected demand for, and use of, the service by each sector as well as a consideration of other factors affecting the demand for specific municipal services.

Finally, the residential component of the City-wide development charge is applied to different housing types on the basis of average occupancy factors. The non-residential component is applied on the basis of gross floor area of building space in square metres. This unit breakdown is consistent with the City's current development charges by-law.

v. Final Adjustments

The final determination of the development charge results from adjustments made to development-related net capital costs for each project to reflect growth-related studies in each service area as well as the cost of borrowing the City as anticipated to incur. Financing costs are therefore accounted for in the calculations as allowed under the DCA.

3. DEVELOPMENT FORECAST

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

This section provides the basis for the development forecasts used to calculate the development charges and summarizes the forecast results. The forecast has been prepared by the City of Peterborough’s Planning Department and reflects building and development activity in the City to mid-2024.

A. RESIDENTIAL FORECAST DEVELOPMENT FORECAST BY PLANNING AREA

In this study, water services are categorized by water pressure zone as well as planning service area. To be consistent with the City’s current DC by-law, the City’s planning areas have been assigned to the PUC-defined water pressure zones for the purposes of calculating the development charges for each planning area.

- The PUC Water Pressure Zone 1 costs have been allocated to the Auburn North, Coldsprings, Liftlock planning areas and the area defined as “Outside the Planning Areas”. It is noted that the area designated as “Outside the Planning Areas” encompasses development that takes place outside all of the other planning areas, but still within the City’s municipal boundaries.
- Water Pressure Zone 3W covers the Lily Lake and Jackson planning areas.
- The costs in Water Pressure Zone 3N are shared between the Carnegie West, Chemong East and Chemong West planning areas.
- Water Pressure Zone 2 costs are treated as City-wide. Although the Carnegie East planning area is located within this zone, it is not allocated Water Pressure Zone 2 costs due to its small proportionate share. The Carnegie East development charge will therefore only recover its own planning area-specific costs as well as the City-wide uniform charge. The planning areas in the City are shown on Map 1.

Table 1 summarizes the residential and non-residential forecasts for all of the planning areas within the City. The planning period for the forecast is from mid-2024 to build-out.

**TABLE 1
PETERBOROUGH UTILITIES COMMISSION
RESIDENTIAL DEVELOPMENT POTENTIAL**

Planning Service Area	Approved Units	Potential Units	Total Units	Population in New Units ¹	Share of Water Pressure Zone 1 Growth
Auburn North Planning Area					
Low Density Units	0	237	237	652	10.20%
Medium Density Units	0	427	427	854	
High Density Units	<u>0</u>	<u>356</u>	<u>356</u>	<u>623</u>	
Total Auburn North Planning Area	0	1,020	1,020	2,129	
Liftlock Planning Area					
Low Density Units	501	232	733	2,016	15.51%
Medium Density Units	56	271	327	654	
High Density Units	<u>150</u>	<u>174</u>	<u>324</u>	<u>567</u>	
Total Liftlock Planning Area	707	677	1,384	3,237	
Coldsprings Planning Area					
Low Density Units	0	1,089	1,089	2,995	31.06%
Medium Density Units	0	1,225	1,225	2,450	
High Density Units	<u>0</u>	<u>594</u>	<u>594</u>	<u>1,040</u>	
Total Coldsprings Planning Area	0	2,908	2,908	6,484	
Outside the Planning Areas					
Low Density Units	0	5	5	14	43.23%
Medium Density Units	0	122	122	244	
High Density Units	<u>793</u>	<u>4,216</u>	<u>5,009</u>	<u>8766</u>	
Total Outside the Planning Areas	793	4,343	5,136	9,024	

Planning Service Area	Approved Units	Potential Units	Total Units	Population in New Units ¹	Share of Water Pressure Zone 3W Growth
Lily Lake Planning Area					
Low Density Units	912	45	957	2,632	61.08%
Medium Density Units	484	160	644	1,288	
High Density Units	<u>442</u>	<u>140</u>	<u>582</u>	<u>1019</u>	
Total Lily Lake Planning Area	1,838	345	2,183	4,938	
Jackson Planning Area					
Low Density Units	163	435	598	1,645	38.92%
Medium Density Units	40	424	464	928	
High Density Units	<u>0</u>	<u>328</u>	<u>328</u>	<u>574</u>	
Total Jackson Planning Area	203	1,187	1,390	3,147	

**TABLE 1
PETERBOROUGH UTILITIES COMMISSION
RESIDENTIAL DEVELOPMENT POTENTIAL**

Planning Service Area	Approved Units	Potential Units	Total Units	Population in New Units ¹	Share of Water Pressure Zone 3 Growth
Carnegie East Planning Area					
Low Density Units	0	172	172	473	0.00%
Medium Density Units	0	194	194	388	
High Density Units	<u>96</u>	<u>147</u>	<u>243</u>	<u>425</u>	
Total Carnegie East Planning Area	96	513	609	1,286	
Carnegie West Planning Area					
Low Density Units	0	201	201	553	27.06%
Medium Density Units	0	290	290	580	
High Density Units	<u>0</u>	<u>140</u>	<u>140</u>	<u>245</u>	
Total Carnegie West Planning Area	0	631	631	1,378	
Chemong East Planning Area					
Medium Density Units	0	0	0	0	3.13%
High Density Units	0	0	0	0	
Total Lily Lake Planning Area	<u>91</u>	<u>0</u>	<u>91</u>	<u>159</u>	
Total Chemong East Planning Area	91	0	91	159	
Chemong West Planning Area					
Low Density Units	0	876	876	2,409	69.82%
Medium Density Units	0	420	420	840	
High Density Units	<u>0</u>	<u>175</u>	<u>175</u>	<u>306</u>	
Total Chemong West Planning Area	0	1,471	1,471	3,555	
Total	3,728	13,095	16,823	35,337	

1) Based on persons per unit of:

Low	2.75
Medium	2.00
High	1.75

Over the planning period from mid-2024 to build-out, the total number of new residential units in the planning areas will increase by approximately 16,820 units which translates into a population in new units of approximately 35,340. The planning area with the greatest amount of development is Coldsprings, with about 2,910 new units.

Of the 16,820 new units, about 3,730 units have already been approved by the City while the remainder represent potential new units. The potential units are predominantly high density (47%), while 24% are forecast to be medium density and 29% low-density units. The forecast of new units is translated into a population in new units forecast by applying a persons per unit (PPU) factors of 2.75, 2.00, and 1.75 to low, medium and high density units respectively. These factors are based on a 2021 Census data Special Run showing the occupancy patterns of recently constructed units in the City by unit type.

B. NON-RESIDENTIAL FORECAST

The non-residential space forecast is the basis for the non-residential development charge calculation. About 921,400 m² of building space is forecast to be constructed over the planning period to build-out. This includes new non-residential building space of 43,200 m² in Chemong West, 115,200 m² in Coldsprings, and 763,000 m² in other areas of the City outside the planning areas. In total, 22,270 new City employees are forecast over the planning period to build-out.

4. DEVELOPMENT-RELATED CAPITAL PROGRAM

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

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

The development-related capital program has been compiled by PUC staff. The capital costs to be recovered through the development charges are consistent with the PUC capital budget and its long-term servicing plans and objectives. The costs are summarized in Table 2.

Table 2 shows that the PUC's capital works projects are separated into three components: City-wide capital projects; PUC-designated water pressure zone-specific costs; and planning-area-specific costs. The total cost of the capital program including financing costs is \$61.2 million, including:

- \$8.9 million for City-wide water pumping works;
- \$31.3 million for water pressure zone-specific costs that are largely trunk watermains works related to servicing to the proposed Southwest Reservoir;
- \$6.6 million for planning area-specific water distribution works; and
- financing costs of \$14.4 million.

A share of the capital forecast is deemed to benefit the existing development within the City, including portions of the Southwest Reservoir (\$3.0 million), the trunk main along Sir Sandford Fleming Drive (\$2.2 million), and the trunk main on Sherbrooke (\$1.5 million). In total, \$6.6 million is identified as a “benefit to existing” or “non-growth” share and this has been removed from the development charges calculation. After this reduction, the development charge recoverable share is \$54.6 million.

All of the individual projects, costing, financing assumptions and non-growth share assumptions are set out in Table 2.

TABLE 2
PETERBOROUGH UTILITIES COMMISSION
SUMMARY OF DEVELOPMENT-RELATED CAPITAL COSTS

PUC Capital Projects	Gross Project Cost	Financing Cost	Benefit to Existing or Non-Growth Share	DC Recoverable Share
CITY-WIDE COSTS				
Projects				
SW Reservoir	\$ 8,872,000	\$ 3,096,000	\$ 2,957,000	\$ 9,011,000
Total City-Wide Costs	\$ 8,872,000	\$ 3,096,000	\$ 2,957,000	\$ 9,011,000
WATER PRESSURE ZONE COSTS				
Water Pressure Zone 1				
Cameron PI W to SW Reservoir via SS Fleming Dr	\$ 5,365,000	\$ 1,872,000	\$ 1,788,000	\$ 5,449,000
Guthrie - Neal Dr/Bensfort - River	\$ 1,993,000	\$ 695,000	\$ -	\$ 2,688,000
Across the river - Johnston to east side	\$ 876,000	\$ -	\$ -	\$ 876,000
Subtotal Water Pressure Zone 1	\$ 8,234,000	\$ 2,567,000	\$ 1,788,000	\$ 9,013,000
Water Pressure Zone 2				
Cameron PI W to SW Reservoir via SS Fleming Dr	\$ 1,790,000	\$ 625,000	\$ 380,000	\$ 2,035,000
Reservoir to Lansdowne @ Spillsbury	\$ 4,183,000	\$ 1,459,000	\$ -	\$ 5,642,000
SW Reservoir BPS	\$ 1,168,000	\$ 407,000	\$ -	\$ 1,575,000
Subtotal Water Pressure Zone 2	\$ 7,141,000	\$ 2,491,000	\$ 380,000	\$ 9,252,000
Water Pressure Zone 3N				
Cameron PI W to SW Reservoir via SS Fleming Dr	\$ 1,787,000	\$ 623,000	\$ -	\$ 2,410,000
SW Reservoir BPS	\$ 583,000	\$ 203,000	\$ -	\$ 786,000
Subtotal Water Pressure Zone 3N	\$ 2,370,000	\$ 826,000	\$ -	\$ 3,196,000
Water Pressure Zone 3W				
Cameron PI W to SW Reservoir via SS Fleming Dr	\$ 1,787,000	\$ 623,000	\$ -	\$ 2,410,000
SW Reservoir to Sherbrooke/Brealey	\$ 6,200,000	\$ 2,163,000	\$ -	\$ 8,363,000
Sherbrooke - Brealey to Storage Tank	\$ 2,154,000	\$ 752,000	\$ 1,513,000	\$ 1,393,000
Parkhill Rd - Brealey to Ravenwood	\$ 2,864,000	\$ 999,000	\$ -	\$ 3,863,000
SW Reservoir BPS	\$ 583,000	\$ 203,000	\$ -	\$ 786,000
Subtotal Water Pressure Zone 3W	\$ 13,588,000	\$ 4,740,000	\$ 1,513,000	\$ 16,815,000
Total Water Pressure Zone Costs	\$ 31,333,000	\$ 10,624,000	\$ 3,681,000	\$ 38,276,000

TABLE 2
PETERBOROUGH UTILITIES COMMISSION
SUMMARY OF DEVELOPMENT-RELATED CAPITAL COSTS

PUC Capital Projects	Gross Project Cost	Financing Cost	Benefit to Existing or Non-Growth Share	DC Recoverable Share
PLANNING AREA COSTS				
Auburn North				
250m Trunk Watermain	\$ 625,000	\$ -	\$ -	\$ 625,000
1,000m Oversizing Main	\$ 300,000	\$ -	\$ -	\$ 300,000
Subtotal Auburn North	\$ 925,000	\$ -	\$ -	\$ 925,000
Carnegie West				
1,160m Oversizing Main	\$ 348,000	\$ -	\$ -	\$ 348,000
Subtotal Carnegie West	\$ 348,000	\$ -	\$ -	\$ 348,000
Chemong West				
1,930m Oversizing Main	\$ 579,000	\$ -	\$ -	\$ 579,000
Subtotal Chemong West	\$ 579,000	\$ -	\$ -	\$ 579,000
Coldsprings				
800m Trunk Watermain	\$ 2,000,000	\$ 698,000	\$ -	\$ 2,698,000
75m Trunk Watermain (River Crossing)	\$ 600,000	\$ -	\$ -	\$ 600,000
1,400m Oversizing Main	\$ 420,000	\$ -	\$ -	\$ 420,000
Subtotal Coldsprings	\$ 3,020,000	\$ 698,000	\$ -	\$ 3,718,000
Jackson				
2,200m Oversizing Main	\$ 660,000	\$ -	\$ -	\$ 660,000
Subtotal Jackson	\$ 660,000	\$ -	\$ -	\$ 660,000
Liftlock				
2,400m Oversizing Main	\$ 720,000	\$ -	\$ -	\$ 720,000
Subtotal Liftlock	\$ 720,000	\$ -	\$ -	\$ 720,000
Lily Lake				
1,200m Oversizing Main	\$ 360,000	\$ -	\$ -	\$ 360,000
Subtotal Lily Lake	\$ 360,000	\$ -	\$ -	\$ 360,000
Total Planning Area Costs	\$ 6,612,000	\$ 698,000	\$ -	\$ 7,310,000
GRAND TOTAL PUC PROJECTS	\$ 46,817,000	\$ 14,418,000	\$ 6,638,000	\$ 54,597,000

5. CALCULATED DEVELOPMENT CHARGES

This section summarizes the calculation of the development charges and the resulting total development charge by type of development. For City-wide and planning areas, the calculation of the per capita (residential) and per square metre (non-residential) charges is established. For residential development, the per capita amount is translated into a charge for different housing types on the basis of average occupancy factors. For non-residential development, the calculated development charges rates are based on gross floor area (GFA) of building space.

The PUC has brought forward development-related capital costs which can be linked to specific planning areas that trigger these costs. The proposed development charges combine City-wide and area-specific development charges for the recovery of all development-related capital costs.

A. CALCULATED DEVELOPMENT CHARGES FOR CITY-WIDE COSTS

A share of the capital costs has been identified as providing a broad City-wide benefit and is proposed to be recovered by a City-wide uniform charge. The balance of the development-related costs is triggered by, or provides direct benefit to, development within specific planning areas or water pressure zones. These costs are proposed to be recovered on an area-specific basis which will yield a different development charge in each of the planning areas.

The costs to be recovered on a City-wide basis are shown in Table 3. The total cost of the works is \$26.0 million. The cost is comprised of three types of works. Planned infrastructure works comprise the bulk of the cost at \$21.2 million, or 82% of the total cost. Also included in the calculation are studies that the PUC will undertake within the planning horizon. Finally, the recovery of an existing deficit of \$4.3 million in the City-wide water development charge reserve fund balance is included in the calculation of the charge. This deficit relates to previously constructed infrastructure and is recovered as committed excess capacity under the DCA that is available to meet a share of the needs of future development. Of the total \$26.0 million cost, \$3.0 million has been identified as a benefit to existing share and as such is removed from the development charges calculation.

TABLE 3
PETERBOROUGH UTILITIES COMMISSION
SUMMARY OF RESIDENTIAL AND NON-RESIDENTIAL DEVELOPMENT CHARGES
CITY-WIDE DEVELOPMENT CHARGES CAPITAL FORECAST

Development Potential:	
Growth in Population in New Units	35,337
Growth in Number of New Units	16,823
Growth in Square Metres	763,000

	Growth-Related Capital Forecast				Residential Share		Non-Residential Share	
	Total	Non-Growth	Available	Total	%	\$	%	\$
	Gross Costs	Share	DC Reserves	DC Eligible Costs				
PROJECTS								
SW Reservoir	\$ 11,968,000	\$ 2,957,000	\$ -	\$ 9,011,000	65%	\$ 5,851,299	35%	\$ 3,159,701
City-wide Water Pressure Zone 2 Costs	\$ 9,252,000	\$ -	\$ -	\$ 9,252,000	65%	\$ 6,007,792	35%	\$ 3,244,208
STUDIES								
Development Charges Studies	\$ 100,000	\$ -	\$ -	\$ 100,000	65%	\$ 64,935	35%	\$ 35,065
Capacity Study	\$ 175,000	\$ -	\$ -	\$ 175,000	65%	\$ 113,636	35%	\$ 61,364
Master Servicing Study	\$ 175,000	\$ -	\$ -	\$ 175,000	65%	\$ 113,636	35%	\$ 61,364
RECOVERY OF NEGATIVE RESERVE FUND BALANCE								
City-wide Balance	\$ 4,308,965	\$ -	\$ -	\$ 4,308,965	65%	\$ 2,798,029.11	35%	\$ 1,510,936
TOTAL COSTS	\$ 25,978,965	\$ 2,957,000	\$ -	\$ 23,021,965		\$ 14,949,328		\$ 8,072,637
Development Charge Per Capita (\$)						\$ 423.06		
Development Charge Per Square Metre (\$)							\$ 10.58	

Water: Residential	Charge Per Capita	Charge By Unit Type (1)		
		Residential A Singles/Semi	Residential B Other Multiples	Residential C Apartments
Calculated Water Charge	\$ 423.06	\$ 1,163	\$ 846	\$ 740

Water: Non-Residential	
Calculated Charge	
Per Square Metre of GFA	\$ 10.58
Per Square Foot of GFA	\$ 0.98

Notes:

1) Based on Persons Per Unit Of: 2.75 2.00 1.75



The remaining \$23.0 million of City-wide costs is considered development-related and has been allocated \$14.9 million to residential development and \$8.1 million to non-residential development. The cost allocation is based on the ratio of future growth in population in new units and employment growth, which is assumed to reflect proportional future new water demand.

The residential development charge is calculated by dividing the total cost of the residential share of cost (\$14.9 million) by the growth in population in the new units anticipated in the planning areas (37,975). This results in a charge per capita of \$423.06. This value is then multiplied by the persons per unit factors to each residential unit type. The resulting residential City-wide charges range from a high of \$1,161 per single or semi-detached unit to a low of \$669 per apartment unit. The variation in DC rates reflect the different occupancy patterns of each unit type.

The non-residential development charge is calculated by dividing the total non-residential share of costs (\$8.1 million) by the non-residential growth in square metres (820,000 square metres). The resulting non-residential charge is \$10.58 per square metre.

B. ALLOCATION OF WATER PRESSURE ZONE COSTS

The next category of costs that is recovered are the PUC-designated water pressure zone costs. To calculate the water pressure zone area-specific charges, the pressure zone costs have been allocated to planning areas to be consistent with the recovery of other planning area-specific charges.

The allocation to the planning areas is based upon each area's share of population growth in new units within their respective water pressure zone (see Table 1). The allocation of these costs is shown in Table 4. For example, the planning areas that lie within Water Pressure Zone 1 are Auburn North, Liftlock, Coldsprings, and "Outside the Planning Area". The population in new dwellings is used to determine each of the planning area's share of the Water Pressure Zone 1 costs. Given that more of the planning area-specific development in Water Pressure Zone 1 is occurring in Coldsprings, more of the pressure zone costs are allocated to this planning area.

TABLE 4
PETERBOROUGH UTILITIES COMMISSION
ALLOCATION OF PRESSURE ZONE COSTS TO PLANNING AREAS

	Allocation of Pressure Zone Costs to Planning Areas ¹												
	Pressure Zone 1				Pressure Zone 2		Pressure Zone 3N			Pressure Zone 3W			
	Auburn North	Liftlock	Coldsprings	Outside Planning Area	City-Wide	Carnegie East	Carnegie West	Chemong East	Chemong West	Jackson	Lily Lake		
Pressure Zone 1 Costs	\$ 9,013,000	\$ 919,187	\$ 1,397,618	\$ 2,799,878	\$ 3,896,317	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pressure Zone 2 Costs	\$ 9,252,000	\$ -	\$ -	\$ -	\$ -	\$ 9,252,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pressure Zone 3N Costs	\$ 3,196,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 864,704	\$ 99,949	\$ 2,231,347	\$ -	\$ -	\$ -
Pressure Zone 3W Costs	\$ 16,815,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,544,222	\$ 10,270,778	\$ -
TOTAL COSTS	\$ 38,276,000	\$ 919,187	\$ 1,397,618	\$ 2,799,878	\$ 3,896,317	\$ 9,252,000	\$ -	\$ 864,704	\$ 99,949	\$ 2,231,347	\$ 6,544,222	\$ 10,270,778	\$ -
1) Based on Development Potential of:	10.20%	15.51%	31.06%	43.23%		100.00%	0.00%	27.06%	3.13%	69.82%	38.92%	61.08%	

C. CALCULATED DEVELOPMENT CHARGES FOR THE PLANNING AREAS

The PUC designated water pressure zone costs are then added to the planning area-specific costs to determine the development charge. The development charge is expressed on a per capita basis, and is then translated into a charge for each unit type. The residential unit types are singles/semi-detached, other multiples, and apartments, and they are based on a persons per unit of 2.75, 2.00 and 1.75, respectively. The calculated area-specific development charges can be found in Appendix A, Tables 2-11.

The City-wide charges combined with the planning area charges are summarized below in Table 5. The total development charge is the sum of the City-wide and area-specific charges. The total development charges for residential and non-residential development is shown in Table 6.

D. COMPARISON OF CURRENT AND CALCULATED DEVELOPMENT CHARGES

The development charges brought forward are supportable and defensible under the DCA. The calculated development charges are the maximum permissible charges under the DCA and provide for full growth-related cost recovery.

The calculated development charges rates are shown in Tables 7 and 8 below. The tables also compare the calculated charges with those that are currently in force in the City. With the exception of Chemong East, all the calculated area-specific charges are higher than the current charges. The higher charges generally reflect higher construction costs for water projects that have occurred since 2019. The Jackson and Lily Lake planning areas include changes to the development-related capital program over and above inflationary increases. In Chemong East, there are no planning service area-specific costs and a substantial amount of pressure zone costs can be funded from existing DC reserve funds.

Non-residential rate increases can also be attributed to the rising construction costs since the previous DC study was completed in 2019. Additional non-residential charges are levied for Chemong West and Coldsprings to account for the expected non-residential developments in those areas.

**TABLE 5
PETERBOROUGH UTILITIES COMMISSION
SUMMARY OF RESIDENTIAL DEVELOPMENT CHARGES**

Planning Area	Charge Per Capita		
	City-Wide Charge	Planning Area Charge	Total Charge Per Capita
1. Auburn North	\$ 423.06	\$ 924.53	\$ 1,347.59
2. Jackson	\$ 423.06	\$ 2,043.90	\$ 2,466.96
3. Carnegie West	\$ 423.06	\$ 880.21	\$ 1,303.27
4. Chemong West	\$ 423.06	\$ 733.60	\$ 1,156.66
5. Lily Lake	\$ 423.06	\$ 1,826.76	\$ 2,249.82
6. Liftlock	\$ 423.06	\$ 706.90	\$ 1,129.96
7. Coldsprings	\$ 423.06	\$ 931.21	\$ 1,354.27
8. Outside Planning Areas	\$ 423.06	\$ 431.80	\$ 854.86
9. Carnegie East	\$ 423.06	\$ -	\$ 423.06
10. Chemong East	\$ 423.06	\$ -	\$ 423.06

**TABLE 6
PETERBOROUGH UTILITIES COMMISSION
SUMMARY OF DEVELOPMENT CHARGES**

Water Services Planning Area	Residential Development Charges (1)				Non-Residential Charges (\$/square metre)
	Charge Per Capita	Residential A Singles & Semis	Residential B Other Multiples	Residential C Apartments	
1. Auburn North	\$ 1,348	\$ 3,706	\$ 2,695	\$ 2,358	\$ 10.58
2. Jackson	\$ 2,467	\$ 6,784	\$ 4,934	\$ 4,317	\$ 10.58
3. Carnegie West	\$ 1,303	\$ 3,584	\$ 2,607	\$ 2,281	\$ 10.58
4. Chemong West	\$ 1,157	\$ 3,181	\$ 2,313	\$ 2,024	\$ 18.73
5. Lily Lake	\$ 2,250	\$ 6,187	\$ 4,500	\$ 3,937	\$ 10.58
6. Liftlock	\$ 1,130	\$ 3,107	\$ 2,260	\$ 1,977	\$ 10.58
7. Coldsprings	\$ 1,354	\$ 3,724	\$ 2,709	\$ 2,370	\$ 20.93
8. Outside Planning Areas	\$ 855	\$ 2,351	\$ 1,710	\$ 1,496	\$ 10.58
9. Carnegie East	\$ 423	\$ 1,163	\$ 846	\$ 740	\$ 10.58
10. Chemong East	\$ 423	\$ 1,163	\$ 846	\$ 740	\$ 10.58

(1) Based on Persons Per Unit of: 2.75 2.00 1.75

**TABLE 7
PETERBOROUGH UTILITIES COMMISSION
DEVELOPMENT CHARGES RATE COMPARISONS**

Development Charges by Planning Area	Charge Per Single & Semi-Detached Unit - Residential A				
	Calculated Charge	Existing Charge (Jan 1/24)	% Difference		
			\$	%	
1. Auburn North	\$ 3,706	\$ 3,274	\$ 432	13%	
2. Jackson	\$ 6,784	\$ 3,834	\$ 2,950	77%	
3. Carnegie West	\$ 3,584	\$ 3,179	\$ 405	13%	
4. Chemong West	\$ 3,181	\$ 2,528	\$ 653	26%	
5. Lily Lake	\$ 6,187	\$ 3,741	\$ 2,446	65%	
6. Liftlock	\$ 3,107	\$ 2,561	\$ 546	21%	
7. Coldsprings	\$ 3,724	\$ 3,221	\$ 503	16%	
8. Outside Planning Areas	\$ 2,351	\$ 2,068	\$ 283	14%	
9. Carnegie East	\$ 1,163	\$ 982	\$ 181	18%	
10. Chemong East	\$ 1,163	\$ 1,492	\$ (329)	-22%	

**TABLE 8
PETERBOROUGH UTILITIES COMMISSION
DEVELOPMENT CHARGES RATE COMPARISONS**

Development Charges by Planning Area	Non-Residential (\$/square metre)				
	Calculated Charge	Existing Charge (Jan 1/24)	% Difference		
			\$	%	
1. Auburn North	\$ 10.58	\$ 8.46	\$ 2.12	25%	
2. Jackson	\$ 10.58	\$ 8.46	\$ 2.12	25%	
3. Carnegie West	\$ 10.58	\$ 8.46	\$ 2.12	25%	
4. Chemong West	\$ 18.73	\$ 8.46	\$ 10.27	121%	
5. Lily Lake	\$ 10.58	\$ 8.46	\$ 2.12	25%	
6. Liftlock	\$ 10.58	\$ 8.46	\$ 2.12	25%	
7. Coldsprings	\$ 20.93	\$ 8.46	\$ 12.47	147%	
8. Outside Planning Areas	\$ 10.58	\$ 8.46	\$ 2.12	25%	
9. Chemong East	\$ 10.58	\$ 8.46	\$ 2.12	25%	
10. Chemong East	\$ 10.58	\$ 8.46	\$ 2.12	25%	

6. COST OF GROWTH ANALYSIS

The DCA requires that a cost of growth analysis (including asset management and operating cost impacts) be completed before the passing of a development charges by-law. A key purpose of the Asset Management Plan is to demonstrate that all assets proposed to be funded under the development charges by-law are financially sustainable over their full life cycle.

A. ASSET MANAGEMENT PLANNING

Table 9 summarizes the annual capital provision required to replace the development eligible and ineligible costs associated with the capital infrastructure identified in the DC Background Study. This estimate is based on information obtained through discussions with PUC staff regarding useful life assumptions and the capital cost of acquiring and/or replacing each assets.

Table 9 illustrates that by build-out, the PUC will need to fund an additional \$867,500 per year in order to properly fund the full life cycle costs of the new assets supported under the proposed DC by-law.

The calculated annual funding provision should be considered within the context of the City's projected growth. From now until build-out, the City is projected to increase by 35,340 people. The City will also add approximately 20,840 new employees over this time period. This results in approximately 921,400 square metres of additional non-residential building space.

The calculated annual provisions identified are considered to be financially sustainable as it is expected that the increased capital asset requirements can be absorbed by the user base over the long-term.

B. CAPITAL AND OPERATING IMPACT ANALYSIS

The long-term operating cost impacts for water services are determined and funded as part of the existing utility rate model and associated rates. The operating cost impact on property tax funded budgets is therefore assumed to be negligible.

With respect to long-term capital funding, approximately \$6.6 million will need to be funded from non-DC revenue sources as it relates to the ineligible/benefit to existing shares of the project.

TABLE 9
PETERBOROUGH UTILITIES COMMISSION
SUMMARY OF ASSET MANAGEMENT REQUIREMENTS

Service Area	2024 - Build Out Capital Program		Calculated AMP Annual Provision by Build-out	
	DC Recoverable	Non-DC Funded	DC Related	Non-DC Related
City-Wide Costs	\$ 24,253,900	\$ 7,959,026	\$ 178,886	\$ 58,702
Water Pressure Zone Costs	\$ 139,446,226	\$ 16,254,690	\$ 599,089	\$ 45,061
<i>Water Pressure Zone 1</i>	\$ 39,799,925	\$ 7,895,514	\$ 110,332	\$ 21,888
<i>Water Pressure Zone 2</i>	\$ 28,411,416	\$ 1,678,017	\$ 168,183	\$ 4,652
<i>Water Pressure Zone 3N</i>	\$ 12,757,752	\$ -	\$ 45,106	\$ -
<i>Water Pressure Zone 3W</i>	\$ 58,477,133	\$ 6,681,159	\$ 275,469	\$ 18,521
Planning Area Costs	\$ 32,279,757	\$ -	\$ 89,485	\$ -
<i>Auburn North</i>	\$ 4,084,648	\$ -	\$ 11,323	\$ -
<i>Carnegie West</i>	\$ 1,536,711	\$ -	\$ 4,260	\$ -
<i>Chemong West</i>	\$ 2,556,769	\$ -	\$ 7,088	\$ -
<i>Coldsprings</i>	\$ 16,418,076	\$ -	\$ 45,514	\$ -
<i>Jackson</i>	\$ 2,914,451	\$ -	\$ 8,079	\$ -
<i>Liftlock</i>	\$ 3,179,402	\$ -	\$ 8,814	\$ -
<i>Lily Lake</i>	\$ 1,589,701	\$ -	\$ 4,407	\$ -
Total	\$ 195,979,883	\$ 24,213,716	\$ 867,460	\$ 103,763

7. DEVELOPMENT CHARGES ADMINISTRATION & LOCAL SERVICES DEFINITIONS

This section provides recommendations on updating the City’s water service DC by-law as well as guidelines for defining water local services under the DCA.

A. DEVELOPMENT CHARGES BY-LAW ADMINISTRATION

As the City currently has a development charge by-law in force on behalf of the PUC and the proposed by-law is identical with respect to policies, practices and exemptions, no changes to the existing by-law administration are required. However, the current by-law should be reviewed to ensure that changes to the DCA that have occurred since 2019 are appropriately reflected.

As of November 28, 2022, there are several changes to the DCA due to the enactment and Royal Assent of Bill 23. A list of the changes that are now in force is provided below in Table 10.

Table 10
Bill 23 – DCA Changes in Force as of November 28, 2022

Section	Description
Section 2(1)	Exemptions for existing rental residential buildings and a range of residential units in existing and new houses.
Section 2(4)	Housing services are ineligible for DC funding (repeal of paragraph 17 of ss.2(4) of the DCA). Existing by-laws are deemed to be “amended” and no development charges can be collected for housing services from November 28, 2022 onward.
Section 4.2	Exemptions for non-profit housing development. This does not apply with respect to a DC payable before November 28, 2022.
Section 4.3	Exemption for inclusionary zoning residential units. This does not apply with respect to a DC payable before November 28, 2022.
Section 5(1)	Historical service level calculation period extended from 10 years to 15 years. Does not apply to by-laws in force prior to November 28, 2022.

Section	Description
Section 5(4)	<p>Studies, including DC studies, are no longer a DC-eligible capital cost. Does not apply retroactively to by-laws that were in force prior to November 28, 2022.</p> <p>Note. Bill 185 proposes to reintroduce growth-related studies as a DC-eligible cost.</p>
Section 5(6) and Section 5(7)	<p>DC by-laws passed on or after November 28, 2022 must be phased-in according to a prescribed schedule. The phase-in also applies retroactively to by-laws passed on or after January 1, 2022 as well as to the DCs “frozen” under s.26.2 of the DCA.</p> <p>Note. Bill 185 proposes to rescind the mandatory phase-in set out in this section of the DCA.</p>
Section 9(1)	<p>Maximum life of a DC by-law extended from 5 years to 10 years. This does not apply to by-laws in-force before November 28, 2022.</p>
Section 26.1	<p>Deferral payments now apply to rental housing and institutional development. Interest on deferral payments is now capped at prime plus 1% in accordance with s.26.3.</p>
Section 26.2	<p>DCs for rental housing development are now discounted based on the number of bedrooms proposed. Interest on DC freeze now capped at prime plus 1% in accordance with section 26.3.</p>
Section 26.3	<p>Maximum interest rates are capped at prime plus 1%. This does not apply with respect to a DC that was payable before November 28, 2022.</p>
Section 35	<p>Municipalities are now required to spend or allocate at least 60% of reserve balances each year for Water Supply, Wastewater, and services related to a highway beginning in 2023.</p>
Section 60(1)(s.4)	<p>Additional services for which municipalities are required to spend or allocate at least 60% of reserve fund balances may be prescribed through Regulations (none are proposed as of yet).</p>

Table 11 summarizes the DCA changes that will take effect at a date to be determined. It is noted that section 60(1)(l) of the DCA allows for future regulations to identify services for which land will be an ineligible capital cost. No regulations have been released in this regard.

Table 11
Bill 23 – DCA Changes Not Currently In Force

Section	Description
DCA, Section 4.1	Exemptions for affordable and attainable residential units. Note: Implementation is contingent on the Minister developing a definition of “attainable residential unit” as well as bulletins to establish eligibility and (possibly) standard forms of agreement to assist with administration. Bill 185 proposes that affordable housing exemptions come into force as of June 1, 2024.
DCA, Section 44(4)	Rules for front ending agreements as they relate to affordable and attainable residential units.
DCA, Section 60(1)(d.2) and 9d.3)	Prescribes developments and criteria related to attainable residential units (section 4.1).

B. LOCAL SERVICE DEFINITIONS

The following provides the definition of “local service”, under the DCA, for the services provided by the PUC. The purpose of establishing these definitions is to determine the eligible capital costs for inclusion in the development charges calculation for the provision of water services in the City of Peterborough. The functions or services deemed to be local in nature are not to be included in the determination of the development charges rates. The provision of local services is considered to be a direct developer responsibility under s.59 of the DCA and will (or may) be recovered under other agreement(s) with the landowner or developer. The issue of “local services” is being specifically considered for water services since it is the only service relevant to this background study.

1. All water supply, storage and treatment facilities as well as booster pumping stations are to be included in the development charges calculation.
2. Watermains within the development that are larger than 300 mm are to be included in the development charges calculation. The amount of cost contribution for watermains within a development shall be calculated using tendered unit prices and shall be the difference between the cost of the actual pipe diameter and the cost of a 300 mm pipe diameter.

3. Watermains 300 mm and under are deemed to be a local service and are a direct funding responsibility of the developer.
4. Connections to trunk mains and pumping stations to service specific areas are to be a direct developer responsibility.
5. Trunk watermains, generally outside the development area, identified by a Class Environmental Assessment, Servicing Study or by City staff will be included in the development charges calculation.

APPENDIX A
AREA SPECIFIC DEVELOPMENT CHARGE
CALCULATIONS

APPENDIX A

TABLE 1

PETERBOROUGH UTILITIES COMMISSION
SUMMARY OF RESIDENTIAL AND NON-RESIDENTIAL DEVELOPMENT CHARGES
CITY-WIDE DEVELOPMENT CHARGES CAPITAL FORECAST

Development Potential:	
Growth in Population in New Units	35,337
Growth in Number of New Units	16,823
Growth in Square Metres	763,000

	Growth-Related Capital Forecast				Residential Share		Non-Residential Share	
	Total	Non-Growth	Available	Total				
	Gross Costs	Share	DC Reserves	DC Eligible Costs	%	\$	%	\$
PROJECTS								
SW Reservoir	\$ 11,968,000	\$ 2,957,000	\$ -	\$ 9,011,000	65%	\$ 5,851,299	35%	\$ 3,159,701
City-wide Water Pressure Zone 2 Costs	\$ 9,252,000	\$ -	\$ -	\$ 9,252,000	65%	\$ 6,007,792	35%	\$ 3,244,208
STUDIES								
Development Charges Studies	\$ 100,000	\$ -	\$ -	\$ 100,000	65%	\$ 64,935	35%	\$ 35,065
Capacity Study	\$ 175,000	\$ -	\$ -	\$ 175,000	65%	\$ 113,636	35%	\$ 61,364
Master Servicing Study	\$ 175,000	\$ -	\$ -	\$ 175,000	65%	\$ 113,636	35%	\$ 61,364
RECOVERY OF NEGATIVE RESERVE FUND BALANCE								
City-wide Balance	\$ 4,308,965	\$ -	\$ -	\$ 4,308,965	65%	\$ 2,798,029.11	35%	\$ 1,510,936
TOTAL COSTS	\$ 25,978,965	\$ 2,957,000	\$ -	\$ 23,021,965		\$ 14,949,328		\$ 8,072,637
Development Charge Per Capita (\$)						\$ 423.06		
Development Charge Per Square Metre (\$)								\$ 10.58

Water: Residential	Charge Per Capita	Charge By Unit Type (1)		
		Residential A Singles/Semi	Residential B Other Multiples	Residential C Apartments
Calculated Water Charge	\$ 423.06	\$ 1,163	\$ 846	\$ 740

Water: Non-Residential	
Calculated Charge	
Per Square Metre of GFA	\$ 10.58
Per Square Foot of GFA	\$ 0.98

Notes:

1) Based on Persons Per Unit Of:

2.75

2.00

1.75

APPENDIX A
TABLE 2

**PETERBOROUGH UTILITIES COMMISSION
SUMMARY OF PLANNING AREA SPECIFIC RESIDENTIAL DEVELOPMENT CHARGES
AUBURN NORTH PLANNING AREA**

Total Approved & Potential Units	1,020
Population Growth in New Units	2,129

AUBURN NORTH PLANNING AREA	Growth-Related Capital Forecast			
	Total Gross Cost	Non-Growth Share	Available DC Reserves	Total DC Eligible Costs
Projects				
1 250m Trunk Watermain	\$ 625,000	\$ -	\$ -	\$ 625,000
2 1,000m Oversizing Main	\$ 300,000	\$ -	\$ -	\$ 300,000
Allocation of Water Pressure Zone 1 Costs	\$ 919,187	\$ -	\$ -	\$ 919,187
Recovery of Negative Reserve Fund Balance	\$ 123,911	\$ -	\$ -	\$ 123,911
TOTAL AUBURN NORTH PLANNING AREA	\$ 1,968,098	\$ -	\$ -	\$ 1,968,098
Development Charge Per Capita				\$ 924.53

AUBURN NORTH PLANNING AREA	Development Charge Per Capita	Charge By Unit Type (1)		
		Residential A Singles/Semi	Residential B Other Multiples	Residential C Apartments
AUBURN NORTH PLANNING AREA	\$ 924.53	\$ 2,542	\$ 1,849	\$ 1,618

(1) Based on Persons Per Unit Of:

2.75

2.00

1.75

APPENDIX A
TABLE 3

**PETERBOROUGH UTILITIES COMMISSION
SUMMARY OF PLANNING AREA SPECIFIC RESIDENTIAL DEVELOPMENT CHARGES
CARNEGIE WEST PLANNING AREA**

Total Approved & Potential Units	631
Population Growth in New Units	1,378

CARNEGIE WEST PLANNING AREA	Growth-Related Capital Forecast			
	Total Gross Cost	Non-Growth Share	Available DC Reserves	Total DC Eligible Costs
Projects				
1 1,160m Oversizing Main	\$ 348,000	\$ -	\$ -	\$ 348,000
Allocation of Water Pressure Zone 3N Costs	\$ 864,704	\$ -	\$ -	\$ 864,704
Recovery of Negative Reserve Fund Balance	\$ 283,547	\$ -	\$ -	\$ 283,547
TOTAL CARNEGIE WEST PLANNING AREA	\$ 1,212,704	\$ -	\$ -	\$ 1,212,704
Development Charge Per Capita				\$ 880.21

CARNEGIE WEST PLANNING AREA	Development Charge Per Capita	Charge By Unit Type (1)		
		Residential A Singles/Semi	Residential B Other Multiples	Residential C Apartments
CARNEGIE WEST PLANNING AREA	\$ 880.21	\$ 2,421	\$ 1,760	\$ 1,540

(1) Based on Persons Per Unit Of:

2.75

2.00

1.75

APPENDIX A

TABLE 4

PETERBOROUGH UTILITIES COMMISSION
SUMMARY OF PLANNING AREA SPECIFIC RESIDENTIAL DEVELOPMENT CHARGES
CHEMONG WEST PLANNING AREA

Total Approved & Potential Units	1,471
Population Growth in New Units	3,555
Growth in Square Metres	43,200

CHEMONG WEST PLANNING AREA	Growth-Related Capital Forecast				Residential Share		Non-Residential Share	
	Total Gross Cost	Non-Growth Share	Available DC Reserves	Total DC Eligible Costs	%	\$	%	\$
Projects								
1 1,930m Oversizing Main	\$ 579,000	\$ -	\$ -	\$ 579,000	88%	\$ 510,127	12%	\$ 68,873.06
Allocation of Water Pressure Zone 3N Costs	\$ 2,231,347	\$ -	\$ -	\$ 2,231,347	88%	\$ 1,965,925	12%	\$ 265,422.66
Recovery of Negative Reserve Fund Balance	\$ 149,911	\$ -	\$ -	\$ 149,911	88%	\$ 132,078	12%	\$ 17,832.12
TOTAL CHEMONG WEST PLANNING AREA	\$ 2,810,347	\$ -	\$ -	\$ 2,810,347		\$ 2,608,130		\$ 352,128
Development Charge Per Capita						\$ 733.60		
Development Charge Per Square Metre (\$)								\$ 8.15

CHEMONG WEST PLANNING AREA	Development Charge Per Capita	Charge By Unit Type (1)		
		Residential A Singles/Semi	Residential B Other Multiples	Residential C Apartments
CHEMONG WEST PLANNING AREA	\$ 733.60	\$ 2,017	\$ 1,467	\$ 1,284

Water: Non-Residential (Chemong West)	
Calculated Charge	
Per Square Metre of GFA	\$ 8.15
Per Square Foot of GFA	\$ 0.76

(1) Based on Persons Per Unit Of:

2.75

2.00

1.75

**APPENDIX A
TABLE 5**

**PETERBOROUGH UTILITIES COMMISSION
SUMMARY OF PLANNING AREA SPECIFIC RESIDENTIAL DEVELOPMENT CHARGES
CARNEGIE EAST PLANNING AREA**

Total Approved & Potential Units	609
Population Growth in New Units	1,286

CARNEGIE EAST PLANNING AREA	Growth-Related Capital Forecast			
	Total Gross Cost	Non-Growth Share	Available DC Reserves	Total DC Eligible Costs
Allocation of Water Pressure Zone 2 Costs	\$ -	\$ -	\$ -	\$ -
TOTAL CARNEGIE EAST PLANNING AREA	\$ -	\$ -	\$ -	\$ -
Development Charge Per Capita				\$ -

CARNEGIE EAST PLANNING AREA	Development Charge Per Capita	Charge By Unit Type (1)		
		Residential A Singles/Semi	Residential B Other Multiples	Residential C Apartments
CARNEGIE EAST PLANNING AREA	\$ -	\$ -	\$ -	\$ -

(1) Based on Persons Per Unit Of:

2.75

2.00

1.75

**APPENDIX A
TABLE 6**

**PETERBOROUGH UTILITIES COMMISSION
SUMMARY OF PLANNING AREA SPECIFIC RESIDENTIAL DEVELOPMENT CHARGES
CHEMONG EAST PLANNING AREA**

Total Approved & Potential Units	91
Population Growth in New Units	159

CHEMONG EAST PLANNING AREA	Growth-Related Capital Forecast			
	Total Gross Cost	Non-Growth Share	Available DC Reserves	Total DC Eligible Costs
Allocation of Water Pressure Zone 3N Costs	\$ 99,949	\$ -	\$ 99,949	\$ -
TOTAL CHEMONG EAST PLANNING AREA	\$ 99,949	\$ -	\$ 99,949	\$ -
Development Charge Per Capita			\$ -	

CHEMONG EAST PLANNING AREA	Development Charge Per Capita	Charge By Unit Type (1)		
		Residential A Singles/Semi	Residential B Other Multiples	Residential C Apartments
CHEMONG EAST PLANNING AREA	\$ -	\$ -	\$ -	\$ -

(1) Based on Persons Per Unit Of: 2.75 2.00 1.75

APPENDIX A

TABLE 7

PETERBOROUGH UTILITIES COMMISSION
SUMMARY OF PLANNING AREA SPECIFIC RESIDENTIAL DEVELOPMENT CHARGES
COLDSPRINGS PLANNING AREA

Total Approved & Potential Units	2,908
Population Growth in New Units	6,484
Growth in Square Metres	115,200

COLDSPRINGS PLANNING AREA	Growth-Related Capital Forecast				Residential Share		Non-Residential Share	
	Total Gross Cost	Non-Growth Share	Available DC Reserves	Total DC Eligible Costs	%	\$	%	\$
	Projects							
1 800m Trunk Watermain	\$ 2,698,000	\$ -	\$ -	\$ 2,698,000	84%	\$ 2,253,212.67	16%	\$ 444,787.33
2 75m Trunk Watermain (River Crossing)	\$ 600,000	\$ -	\$ -	\$ 600,000	84%	\$ 501,085.10	16%	\$ 98,914.90
3 1,400m Oversizing Main	\$ 420,000	\$ -	\$ -	\$ 420,000	84%	\$ 350,759.57	16%	\$ 69,240.43
Allocation of Water Pressure Zone 1 Costs	\$ 2,799,878	\$ -	\$ -	\$ 2,799,878	84%	\$ 2,338,294.92	16%	\$ 461,582.68
Recovery of Negative Reserve Fund Balance	\$ 712,303	\$ -	\$ -	\$ 712,303	84%	\$ 594,874.16	16%	\$ 117,428.99
TOTAL COLDSPRINGS PLANNING AREA	\$ 7,230,181	\$ -	\$ -	\$ 7,230,181		\$ 6,038,226		\$ 1,191,954
Development Charge Per Capita						\$ 931.21		\$ 10.35

Water: Residential (Coldsprings)	Development Charge Per Capita	Charge By Unit Type (1)		
		Residential A Singles/Semi	Residential B Other Multiples	Residential C Apartments
COLDSPRINGS PLANNING AREA	\$ 931.21	\$ 2,561	\$ 1,862	\$ 1,630

Water: Non-Residential (Coldsprings)	
Calculated Charge	
Per Square Metre of GFA	\$ 10.35
Per Square Foot of GFA	\$ 0.96

(1) Based on Persons Per Unit Of:

2.75

2.00

1.75

**APPENDIX A
TABLE 8**

**PETERBOROUGH UTILITIES COMMISSION
SUMMARY OF PLANNING AREA SPECIFIC RESIDENTIAL DEVELOPMENT CHARGES
JACKSON PLANNING AREA**

Total Approved & Potential Units	1,390
Population Growth in New Units	3,147

JACKSON PLANNING AREA	Growth-Related Capital Forecast			
	Total Gross Cost	Non-Growth Share	Available DC Reserves	Total DC Eligible Costs
Projects				
1 2,200m Oversizing Main	\$ 660,000	\$ -	\$ 660,000	\$ -
Allocation of Water Pressure Zone 3W Costs	\$ 6,544,222	\$ -	\$ 113,094	\$ 6,431,128
TOTAL JACKSON PLANNING AREA	\$ 7,204,222	\$ -	\$ 773,094	\$ 6,431,128
Development Charge Per Capita				\$ 2,043.90

JACKSON PLANNING AREA	Development Charge Per Capita	Charge By Unit Type (1)		
		Residential A Singles/Semi	Residential B Other Multiples	Residential C Apartments
JACKSON PLANNING AREA	\$ 2,043.90	\$ 5,621	\$ 4,088	\$ 3,577

(1) Based on Persons Per Unit Of:

2.75

2.00

1.75

APPENDIX A
TABLE 9

**PETERBOROUGH UTILITIES COMMISSION
SUMMARY OF PLANNING AREA SPECIFIC RESIDENTIAL DEVELOPMENT CHARGES
LIFTLOCK PLANNING AREA**

Total Approved & Potential Units	1,384
Population Growth in New Units	3,237

LIFTLOCK PLANNING AREA	Growth-Related Capital Forecast			
	Total Gross Cost	Non-Growth Share	Available DC Reserves	Total DC Eligible Costs
Projects				
1 2,400m Oversizing Main	\$ 720,000	\$ -	\$ -	\$ 720,000
Allocation of Water Pressure Zone 1 Costs	\$ 1,397,618	\$ -	\$ -	\$ 1,397,618
Recovery of Negative Reserve Fund Balance	\$ 170,431	\$ -	\$ -	\$ 170,431
TOTAL LIFTLOCK PLANNING AREA	\$ 2,288,049	\$ -	\$ -	\$ 2,288,049
Development Charge Per Capita				\$ 706.90

LIFTLOCK PLANNING AREA	Development Charge Per Capita	Charge By Unit Type (1)		
		Residential A Singles/Semi	Residential B Other Multiples	Residential C Apartments
LIFTLOCK PLANNING AREA	\$ 706.90	\$ 1,944	\$ 1,414	\$ 1,237

(1) Based on Persons Per Unit Of:

2.75

2.00

1.75

APPENDIX A
TABLE 10

**PETERBOROUGH UTILITIES COMMISSION
SUMMARY OF PLANNING AREA SPECIFIC RESIDENTIAL DEVELOPMENT CHARGES
LILY LAKE PLANNING AREA**

Total Approved & Potential Units	2,183
Population Growth in New Units	4,938

LILY LAKE PLANNING AREA	Growth-Related Capital Forecast			
	Total Gross Cost	Non-Growth Share	Available DC Reserves	Total DC Eligible Costs
Projects				
1 1,200m Oversizing Main	\$ 360,000	\$ -	\$ 360,000	\$ -
Allocation of Water Pressure Zone 3W Costs	\$ 10,270,778	\$ -	\$ 1,249,768	\$ 9,021,011
TOTAL LILY LAKE PLANNING AREA	\$ 10,630,778	\$ -	\$ 1,609,768	\$ 9,021,011
Development Charge Per Capita				\$ 1,826.76

LILY LAKE PLANNING AREA	Development Charge Per Capita	Charge By Unit Type (1)		
		Residential A Singles/Semi	Residential B Other Multiples	Residential C Apartments
LILY LAKE PLANNING AREA	\$ 1,826.76	\$ 5,024	\$ 3,654	\$ 3,197

(1) Based on Persons Per Unit Of:

2.75

2.00

1.75

**APPENDIX A
TABLE 11**

**PETERBOROUGH UTILITIES COMMISSION
SUMMARY OF PLANNING AREA SPECIFIC RESIDENTIAL DEVELOPMENT CHARGES
OUTSIDE THE PLANNING AREAS**

Total Approved & Potential Units	5,136
Population Growth in New Units	9,024

OUTSIDE THE PLANNING AREAS	Growth-Related Capital Forecast			
	Total Gross Cost	Non-Growth Share	Available DC Reserves	Total DC Eligible Costs
Allocation of Water Pressure Zone 1 Costs	\$ 3,896,317	\$ -	\$ -	\$ 3,896,317
TOTAL OUTSIDE THE PLANNING AREAS	\$ 3,896,317	\$ -	\$ -	\$ 3,896,317
Development Charge Per Capita				\$ 431.80

OUTSIDE THE PLANNING AREAS	Development Charge Per Capita	Charge By Unit Type (1)		
		Residential A Singles/Semi	Residential B Other Multiples	Residential C Apartments
OUTSIDE THE PLANNING AREAS	\$ 431.80	\$ 1,187	\$ 864	\$ 756

(1) Based on Persons Per Unit Of:

2.75

2.00

1.75

APPENDIX A

TABLE 12

PETERBOROUGH UTILITIES COMMISSION
SUMMARY OF RESIDENTIAL DEVELOPMENT CHARGES

Planning Area	Charge Per Capita		
	City-Wide Charge	Planning Area Charge	Total Charge Per Capita
1. Auburn North	\$ 423.06	\$ 924.53	\$ 1,347.59
2. Jackson	\$ 423.06	\$ 2,043.90	\$ 2,466.96
3. Carnegie West	\$ 423.06	\$ 880.21	\$ 1,303.27
4. Chemong West	\$ 423.06	\$ 733.60	\$ 1,156.66
5. Lily Lake	\$ 423.06	\$ 1,826.76	\$ 2,249.82
6. Liftlock	\$ 423.06	\$ 706.90	\$ 1,129.96
7. Coldsprings	\$ 423.06	\$ 931.21	\$ 1,354.27
8. Outside Planning Areas	\$ 423.06	\$ 431.80	\$ 854.86
9. Carnegie East	\$ 423.06	\$ -	\$ 423.06
10. Chemong East	\$ 423.06	\$ -	\$ 423.06

Water Services Planning Area	Residential Development Charges (1)				Non-Residential Charges (\$/square metre)
	Charge Per Capita	Residential A Singles & Semis	Residential B Other Multiples	Residential C Apartments	
1. Auburn North	\$ 1,348	\$ 3,706	\$ 2,695	\$ 2,358	\$ 10.58
2. Jackson	\$ 2,467	\$ 6,784	\$ 4,934	\$ 4,317	\$ 10.58
3. Carnegie West	\$ 1,303	\$ 3,584	\$ 2,607	\$ 2,281	\$ 10.58
4. Chemong West	\$ 1,157	\$ 3,181	\$ 2,313	\$ 2,024	\$ 18.73
5. Lily Lake	\$ 2,250	\$ 6,187	\$ 4,500	\$ 3,937	\$ 10.58
6. Liftlock	\$ 1,130	\$ 3,107	\$ 2,260	\$ 1,977	\$ 10.58
7. Coldsprings	\$ 1,354	\$ 3,724	\$ 2,709	\$ 2,370	\$ 20.93
8. Outside Planning Areas	\$ 855	\$ 2,351	\$ 1,710	\$ 1,496	\$ 10.58
9. Carnegie East	\$ 423	\$ 1,163	\$ 846	\$ 740	\$ 10.58
10. Chemong East	\$ 423	\$ 1,163	\$ 846	\$ 740	\$ 10.58

(1) Based on Persons Per Unit of:

2.75

2.00

1.75