



# **Addendum to: Simpson Road (Phase 2 – from George Bolton Parkway Road to 125m North) Area-Specific Development Charges Background Study**

Town of Caledon

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For Public Circulation and Comment

September 8, 2020

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# 1. Summary of Revisions made to the May 22, 2020 Area-Specific Development Charges Background Study

## 1.1 Background

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Commensurate with the provisions of the *Development Charges Act* (D.C.A.), 1997, the Town of Caledon (Town) has undertaken an Area-Specific Development Charges (A.S.D.C.) Background Study for the Simpson Road (Phase 2) Development Area and has distributed the study and draft by-law to the public. The purpose of the May 22, 2020 A.S.D.C. background study was to provide the basis to recover the growth-related capital costs for the Simpson Road Phase 2 improvements from future development. The following provides a summary of the key dates in the Development Charges (D.C.) by-law process:

- Release of the A.S.D.C. Background Study – May 22, 2020;
- Statutory Public Meeting – to be determined; and
- Anticipated passage of A.S.D.C. By-law – to be determined.

Subsequent to the release of the A.S.D.C. background study, the Town in discussion with the landowners, requested revisions to the A.S.D.C. Background Study and draft by-law. The revisions included increased capital cost estimates for land expropriation and the preparation of the A.S.D.C. background study. The requested revisions require an amendment to the A.S.D.C. Background Study and draft By-law to be prepared prior to Council considering the by-law for adoption.

## 1.2 Discussion

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The purpose of the addendum to the May 22, 2020 D.C.B.S. is to provide for revisions to the charge reflective of changes in capital cost estimates. The proposed change to the draft A.S.D.C. Background Study includes increasing the land expropriation cost estimates by \$55,000, from \$460,630 to \$515,630, as well as adding \$20,000 in costs for the preparation of the A.S.D.C. Background Study. These capital cost revisions increase the total capital cost estimates by \$75,000 for a total of \$1,768,360. Accounting for the capital costs within the jurisdiction of the Town, the capital costs



recoverable under the proposed A.S.D.C. total \$1,450,045. Table 1-1 summarizes the impacts on the calculated charges presented in the May 22, 2020 A.S.D.C. Background Study and compares these with the revised charges.

**Table 1-1**  
**Town of Caledon**  
**South Simpson Industrial Secondary Plan - Simpson Rd. Phase 2**  
**Comparison of D.C. Recovery by Property**

RefNumber	Municipal Address	Developable Land Area (ha.)	May 22, 2020 A.S.D.C.B.S.	A.S.D.C.B.S. as amended
N-1	12485 COLERAINE DR	2.77	504,951	532,493
N-3	12465 COLERAINE DR	2.71	494,132	521,084
N-2	0 COLERAINE DR	1.03	188,191	198,455
N-4	0 COLERAINE DR	1.03	187,771	198,012
<b>TOTAL SIMPSON RD. PHASE 2 LANDS</b>		<b>7.55</b>	<b>1,375,045</b>	<b>1,450,045</b>

## 2. Changes to the Background Report

Based on the foregoing, the following revisions are made to the pages within the May 22, 2020 D.C.B.S. Accordingly, the revised pages are appended to this report:

- Pages 1-4, 3-1, 3-4, 3-5, 3-6, 4-4, and 4-5 – Revised to reflect this addendum; and
- Pages A-2 and A-18 - Revised reflect the amended draft A.S.D.C. By-Law.

## 3. Process for Adoption of the A.S.D.C. By-law

The revisions provided herein form the basis for the A.S.D.C. By-Law and will be incorporated into the A.S.D.C. Background Study to be provided to Council and the general public prior to Council's consideration and adoption of the proposed A.S.D.C. By-Law.

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

- Approve the capital project listing set out in Table 3-1 of the Town of Caledon Simpson Road (Phase 2 - from George Bolton Parkway Road to 125m North)



Area-Specific Development Charges Background Study dated May 22, 2020, as amended, subject to further annual review during the capital budget process;

- Approve the Town of Caledon Simpson Road (Phase 2 - from George Bolton Parkway Road to 125m North) Area-Specific Development Charges Background Study dated May 22, 2020, as amended;
- Determine that no further public meeting is required; and
- Approve the Area-Specific D.C. By-law.



# Appendix A

## Amended Pages



## 1.3 Summary of the Process

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At the time of writing, the required Public Meeting under Section 12 of the D.C.A., 1997, has not been determined. The purpose of this meeting is to present the study to the public and to solicit public input on the proposed A.S.D.C. by-law. The meeting is held to answer any questions regarding the study's purpose, methodology and the proposed by-law. Figure 1-1 outlines the proposed schedule to be followed with respect to the D.C. by-law adoption process.

In accordance with the legislation, the background study and proposed A.S.D.C. by-law were made available for public review on May 22, 2020. An addendum to the background study was released on September 8, 2020 with minor adjustments to the capital cost estimates.

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; and
- finalization of the study and Council consideration of the A.S.D.C. on a date to be determined.

Process Steps	Dates
1. Data collection, staff interviews, preparation of D.C. calculations	November 2019 to February, 2020
2. Review of A.S.D.C. draft findings with Town staff	February/March 2020
3. Present A.S.D.C. draft findings with development community	March 9, 2020
4. Background study and proposed A.S.D.C. by-law available to public	May 22, 2020
5. Addendum to the A.S.D.C. background study	September 8, 2020



### 3. Simpson Road (Phase 2) Area-Specific Development Charge

#### 3.1 Increase in Need for Service

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The works identified to address in the increase in need for Roads and Related Services arising from future development within the Simpson Road (Phase 2) Development Area, include the extension of Simpson Road, 125 metres north of George Bolton Parkway. For clarification and alignment with titling in the costing table, the road extension is 125 metres in length requiring overall construction limits to complete the project of 221 metres. The capital costs include road, storm sewers, sanitary sewers, watermain, and associated costs and contingencies. The cost estimates for the Simpson Rd. Phase 2 extension has been prepared by the Wood Group. In addition, the Town has incurred capital costs related to the project, including design, expropriation, advertisement, project management fees, legal and studies, including the preparation of the A.S.D.C. background study.

Table 3-1 summarizes the detailed capital costs of the project by item. The estimated capital costs total approximately \$1.77 million, excluding taxes. Watermain and sanitary sewer components of the project are the jurisdictional responsibility of the Region of Peel, representing approximately \$0.32 million. As such, these Regional works can not be included in the Town's area-specific D.C. Therefore, the total potential area-specific D.C. recoverable costs included in the calculation of the charge total \$1.45 million.





**Table 3-1 (cont'd)**  
**Capital Cost Estimates for Simpson Road Phase 2 Extension**

Item No.	Spec. No.	Description of Item	Units	Column 1 Estimate Quantity	Column 2 Unit Price	Column 3 Extended Price	Column 4 D.C. Eligible Costs
Total for all materials, labour and equipment to be incorporated in Part A						\$62,300	\$62,300
Total for all materials, labour and equipment to be incorporated in Part B						\$438,365	\$438,365
Total for all materials, labour and equipment to be incorporated in Part C						\$86,600	\$86,600
Total for all materials, labour and equipment to be incorporated in Part D						\$133,250	\$0
Total for all materials, labour and equipment to be incorporated in Part E						\$114,000	\$0
Total for all materials, labour and equipment to be incorporated in Part F						\$16,350	\$16,350
Total for all materials, labour and equipment to be incorporated in Part G						\$30,000	\$30,000
Contingency Allowance					17.0%	\$150,000	\$102,788
Construction and Project Management					6.0%	\$61,900	\$38,046
<b>Grand Total</b>						<b>\$1,092,765</b>	<b>\$774,449</b>
<b>TOWN COSTS</b>							
1		Design-Road				\$ 26,974	\$ 26,974
2		Design- Road, SW				\$ 32,567	\$ 32,567
3		Expropriation				\$ 515,630	\$ 515,630
4		D.C. Background Study				\$ 20,000	\$ 20,000
5		Advertisement				\$ 6,833	\$ 6,833
6		PM Fees				\$ 24,225	\$ 24,225
7		Legal				\$ 49,366	\$ 49,366
<b>TOTAL TOWN COSTS</b>						<b>\$ 675,595</b>	<b>\$ 675,595</b>
<b>TOTAL CAPITAL COSTS</b>						<b>\$1,768,360</b>	<b>\$1,450,045</b>

## 3.2 Area-Specific Development Charge Calculations

The calculation of the area-specific D.C. for the Simpson Road (Phase 2) Area is contained in Tables 3-2 and 3-3. The calculation takes into account the following:

- The net capital cost of the works to be recovered from future development is \$1,450,045. This includes the D.C. eligible capital costs are summarized in Table 3-1. As the works are designed to address the buildout development of the benefiting lands, no deduction is required for post-period development capacity or uncommitted excess capacity.
- These capital costs are in accordance with the Town's engineering guidelines, defining the level of service for local service infrastructure. Moreover, the D.C.A. requires that this increase in service be measured relative to the historic 10-year average level of service. In this regard, the Town's 2019 D.C. Background Study identified a historic level of service equal to \$48,668 per employee. Applying this level of service to the forecast employment for the benefiting land area (i.e. 186 employees), this results in a maximum D.C. eligible amount of \$9.1 million. As the D.C. recoverable capital costs identified herein are within this maximum amount no reduction to the capital cost is required.
- As per the Town's local service policy, minor collector roads are the direct funding responsibility of the developer. As these works would commonly be



emplaced by the developers at their cost, and the area-specific D.C. is attempting to facilitate the cost sharing of this infrastructure emplacement, no benefit to existing deductions are required in the calculation of the charge.

- The D.C.A. requires that the capital costs relating to the service be allocated between those costs that would benefit new development and costs that would benefit existing development, and the capital costs that will be incurred during the term of the proposed development charge by-law. As noted above, the capital costs will solely benefit new development and it is anticipated that the projects will be undertaken during the 5-year term of this A.S.D.C. by-law.

As summarized in Table 3-3, the calculated D.C. rate is \$192,091 per hectare of developable area. Applied to each land parcel within the defined benefiting area, Table 3-4 summarizes the total A.S.D.C. that would be imposed on each property.

**Table 3-2  
Simpson Road (Phase 2) Area-Specific D.C. Calculation**

Description	Capital Costs	
	Gross Capital Cost	Town D.C. Eligible Capital Cost
<b><u>Phase 2 - Simpson Rd.</u></b>		
<b><u>Construction Costs</u></b>		
Part A - General Items	\$ 62,300	\$ 62,300
Part B - Road Works	\$ 438,365	\$ 438,365
Part C - Storm Sewer	\$ 86,600	\$ 86,600
Part D - Sanitary Sewer	\$ 133,250	\$ -
Part E - Watermain	\$ 114,000	\$ -
Part F - Electrical	\$ 16,350	\$ 16,350
Part G - Landscaping	\$ 30,000	\$ 30,000
Contingency (17.0%)	\$ 150,000	\$ 102,788
Construction and Project Management (6.0%)	\$ 61,900	\$ 38,046
Town Costs	\$ 675,595	\$ 675,595
<b>TOTAL CAPITAL COSTS</b>	<b>\$1,768,360</b>	<b>\$1,450,045</b>
<b>Developable Land Area (ha.)</b>		<b>7.55</b>
<b>Development Charge per hectare</b>		<b>\$192,091</b>



**Table 3-4**  
**Simpson Road (Phase 2) Area-Specific D.C. by Land Parcel**

RefNumber	Municipal Address	Developable Land Area (ha.)	D.C. per Property
N-1	12485 COLERAINE DR	2.77	532,493
N-3	12465 COLERAINE DR	2.71	521,084
N-2	0 COLERAINE DR	1.03	198,455
N-4	0 COLERAINE DR	1.03	198,012
<b>TOTAL SIMPSON RD. PHASE 2 LANDS</b>		<b>7.55</b>	<b>1,450,045</b>

### **3.3 Long Term Capital, Operating Cost Examination and Asset Management Plan**

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#### **3.3.1 Long Term Operating Cost Examination**

As a requirement of the D.C.A., 1997 under subsection 10(2)(c), an analysis must be undertaken to assess the long-term capital and operating cost impacts for the capital infrastructure projects identified within the D.C. With over 870 kilometres of existing roads to maintain, the proportionately small additional road length created by the Simpson Road Phase 2 extension (125 metres) are not expected to markedly increase the overall road-related operating cost of the Town.

Long-term capital costs are examined in the asset management section below.

#### **3.3.2 Asset Management**

The recent changes to the D.C.A. (new section 10(c.2)) require that the background study must include an Asset Management Plan (A.M.P) related to new infrastructure. Section 10 (3) of the D.C.A. provides:

**The A.M.P. shall,**

- a.) deal with all assets whose capital costs are proposed to be funded under the development charge by-law;**
- b.) demonstrate that all the assets mentioned in clause (a) are financially sustainable over their full life cycle;**
- c.) contain any other information that is prescribed; and**
- d.) be prepared in the prescribed manner.**



- Prior to a building permit being issued for the construction of a building or structure on the land that is to be developed.

### **4.3.7 Indexing**

All D.C.s will be subject to mandatory indexing annually on February 1<sup>st</sup> and August 1<sup>st</sup> in each year, commencing on 1 February 2021, in accordance with the Statistics Canada Quarterly Construction Price Statistics (catalogue number 62-007).

## **4.4 Other D.C. By-law Provisions**

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### **4.4.1 Categories of Services for Reserve Fund and Credit Purposes**

The development charge collections shall be allocated into a Simpson Road (Phase 2 - from George Bolton Parkway Road to 125m North) Development Area Reserve Fund for Roads and Related Services.

### **4.4.2 By-law In-force Date**

The proposed by-law under D.C.A., 1997 will come into force on the date of by-law passage.

### **4.4.3 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 comes into force (as per s.11 of O.Reg. 82/98).

## **4.5 Other Recommendations**

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**It is recommended that Council:**

“Approve the capital project listing set out in Table 3-1 of the Town of Caledon Simpson Road (Phase 2 - from George Bolton Parkway Road to 125m North) Area-Specific Development Charges Background Study dated May 22, 2020, as amended, subject to further annual review during the capital budget process;”



“Approve the Town of Caledon Simpson Road (Phase 2 - from George Bolton Parkway Road to 125m North) Area-Specific Development Charges Background Study dated May 22, 2020, as amended ”

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

“Approve the Area-Specific D.C. By-law as set out in Appendix A”



# CORPORATION OF THE TOWN OF CALEDON

## BY-LAW 2020-\_\_

### **A By-law to Impose and Provide for the Payment of Area Specific Development Charges for Roads and Related Services on Simpson Road (Phase 2- from George Bolton Parkway Road to 125m North)**

**WHEREAS** Subsection 2(1) of the Development Charges Act, 1997 provides that the council of a municipality may by by-law impose development charges against land to pay for increased capital expenditures required because of the increased need for services arising from development in the area to which the by-law applies;

**AND WHEREAS** at the direction of the Council of The Corporation of the Town of Caledon, Watson & Associates Economists Ltd. has prepared a Background Study entitled "Simpson Road (Phase 2 - from George Bolton Parkway Road to 125m North) Area Specific Development Charges Background Study" dated May 22, 2020, as amended;

**AND WHEREAS** notice of a public meeting was given during \_\_\_\_\_ as required by Paragraph 12(1)(b) of the Development Charges Act, 1997 and in accordance with Ontario Regulation 82/98;

**AND WHEREAS** the Council of The Corporation of the Town of Caledon made the Background Study available to the public as of May 22, 2020 as required by Paragraph 12(1)(c) of the Development Charges Act, 1997;

**AND WHEREAS** the Council of The Corporation of the Town of Caledon held a public meeting on \_\_\_\_\_ at which all persons in attendance were provided with an opportunity to make representations relating to the draft version of this by-law as required by Subsection 12(2) of the Development Charges Act, 1997;

**AND WHEREAS** by resolution passed on \_\_\_\_\_, the Council of The Corporation of the Town of Caledon:

- a) adopted the foregoing Background Study, and;
- b) determined that it was not necessary to hold any further public meetings with respect to this by-law.



**SCHEDULE “B”**  
**TO BY-LAW NO. 2020-\_\_\_\_**

RefNumber	Municipal Address	Developable Land Area (ha.)	D.C. per Property
N-1	12485 COLERAINE DR	2.77	532,493
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