



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

Town of Caledon

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**May 20, 2022**

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# 1. Introduction

## 1.1 Background

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The Town of Caledon (Town) imposes development charges (D.C.) to recover the increase in the needs for service arising from growth. Moreover, the Town imposes area-specific D.C.s to facilitate the completion of Phases 2 and 3 of the Simpson Road extension and to assist in cost sharing arrangements with front-ending parties. Two separate Area-Specific D.C. By-Laws were adopted by Council for each phase of these works respectively, i.e.:

- By-Law 2020-78 - Simpson Rd. (Phase 2) - 125m north of George Bolton Parkway; and
- By-Law 2021- 09 - Simpson Rd. (Phase 3) - from 228m south of Parr Blvd. to Mayfield Rd.

The purpose of this proposed D.C. by-law amendment is By-Law 2020-78, i.e. Simpson Rd. Phase 2.

The basis for the calculation of the Town's existing schedule of area-specific D.C.s for the Simpson Rd. Phase 2 project is documented in the Town's "Simpson Road (Phase 2 – from George Bolton Parkway Road to 125m North) Area-Specific Development Charges Background Study" dated May 22, 2020, as amended. This D.C. Background Study provides the supporting documentation for the Town's D.C. By-Law 2020-78. The current area-specific D.C.s by benefiting land parcel are summarized in Table 1-1. A corresponding map of the development area lands is included in Figure 1-1.



Table 1-1  
Town of Caledon  
Simpson Road (Phase 2) Schedule of Area-Specific D.C. by Land Parcel

RefNumber	Municipal Address	Developable Land Area (ha.)	A.S.D.C.B.S. as amended
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>

Figure 1-1  
Town of Caledon  
Simpson Road (Phase 2) Development Area





## 1.2 Existing Policies (Rules)

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The following subsections set out the rules governing the calculation, payment, and collection of area-specific D.C.s as provided in By-law 2020-78, in accordance with the *Development Charges Act* (D.C.A.), 1997.

### 1.2.1 *Payment in any Particular Case*

In accordance with the D.C.A., the area-specific D.C. shall be calculated, payable, and collected where the development requires one or more of the following:

- the passing of a zoning by-law or of an amendment to a zoning by-law under section 34 of the *Planning Act*;
- the approval of a minor variance under Section 45 of the *Planning Act*;
- a conveyance of land to which a by-law passed under section 50(7) of the *Planning Act* applies;
- the approval of a plan of subdivision under Section 51 of the *Planning Act*;
- a consent under Section 53 of the *Planning Act*;
- the approval of a description under section 9 of the *Condominium Act*, 1998, S.O. 1998, c. 19; or
- the issuing of a building permit under the *Building Code Act* in relation to a building.

### 1.2.2 *Determination of the Amount of the Charge*

The calculation of the area-specific D.C. is based on land parcel size within the benefiting area. The area-specific D.C. is fully imposed for the parcel of land when one of the actions provided in s.1.2.1 is triggered.

### 1.2.3 *Application to Land Redevelopment*

If a development involves the demolition and replacement of a building or structure on the same site, or the conversion from one principal use to another, the developer shall be allowed a credit equivalent to:

- the number of dwelling units demolished/converted multiplied by the applicable residential D.C. in place at the time the D.C. is payable; and/or



- the G.F.A. of the building demolished/converted multiplied by the current non-residential D.C. in place at the time the D.C. is payable.

The demolition credit is allowed only if the demolition permit related to the site was issued after November 6, 1991. The credit can, in no case, exceed the amount of D.C.s that would otherwise be payable.

#### **1.2.4 Exemptions (full or partial)**

The area-specific D.C. by-law applies to all lands defined in Figure 1-1, with the exception of the following lands which are exempt:

##### **Statutory exemptions**

- Industrial building additions of up to and including 50% of the existing G.F.A. (defined in O.Reg. 82/98, s.1) of the building; for industrial building additions which exceed 50% of the existing G.F.A., only the portion of the addition in excess of 50% is subject to D.C.s (s.4(3));
- Buildings or structures owned by and used for the purposes of any municipality, local board, or board of education (s.3); and
- Residential development that results in only the enlargement of an existing dwelling unit, or that results only in the creation of up to two additional dwelling units (based on prescribed limits set out in O.Reg. 82/98).

##### **Non-statutory exemptions**

- No non-statutory exemptions are to be provided within the area-specific D.C. by-law.

#### **1.2.5 Indexing**

The area-specific by-law provides for mandatory indexing annually on February 1st and August 1st in each year, in accordance with the Statistics Canada Quarterly Construction Price Statistics (catalogue number 62-007).



### **1.2.6 Timing of Payment**

Development charges shall be calculated and payable in full in money, on the earlier of:

- Prior to final approval of a plan of subdivision or a plan of condominium for the land that is to be developed;
- Prior to a certificate being issued for a consent for the land that is to be developed; or
- Prior to a building permit being issued for the construction of a building or structure on the land that is to be developed.

### **1.2.7 By-law Duration**

The by-law will expire at 12:01 AM on May 29, 2024 unless it is repealed by Council at an earlier date.

## **1.3 Basis for Area-Specific D.C. By-law Update**

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This area-specific D.C. Update Study provides an amendment to the Town's Area-Specific D.C. By-Law 2020-78. The purpose of this Update Study is to amend the Simpson Road (Phase 2 – from George Bolton Parkway Road to 125m North) Area-Specific Development Charges Background Study to revise capital cost estimates based on updated information. That the Update Study and amending D.C. by-law be prepared and be made available to the public 60 days prior to Council adoption.

The following Chapters of this Update Study include:

- Chapter 2 – Anticipated Development
- Chapter 3 – Revisions to the Anticipated Capital Needs Listing to Reflect the Change in Estimates
- Chapter 4 – Revised area-specific D.C. Calculation and Schedule of Charges
- Chapter 5 – D.C. Policy Recommendations and D.C. By-law Rules
- Chapter 6 – Asset Management Plan and Long-Term Capital and Operating Costs



- Chapter 7 – Process for Adoption of the Amending the Area-Specific Development Charges By-law
- Appendix A – Draft Amending D.C. By-law

The notice of the Public Meeting will be advertised in accordance with the requirements of the D.C.A., i.e. 20 clear-days prior to the public meeting. This background study document will be released for public review and posted on the Town's website in accordance with provisions of the D.C.A. by May 20, 2022 (i.e. 60 days before intended passage of the amending by-law). The statutory public meeting will be held in Council Chambers, at the Town of Caledon Municipal Offices on June 14, 2022. A presentation will be made to the public regarding the recommendations of this report, and Council will receive oral and written comments on the matter. It is anticipated that Council will consider for adoption the proposed amending area-specific D.C. by-law on July 19, 2022.





## 2. Anticipated Development

The Simpson Road (Phase 2 – from George Bolton Parkway Road to 125m North) Area-Specific Development Charges Background Study provided for the anticipated development for the Simpson Road (Phase 2) project. The geographic area that was been determined to benefit from the works is outlined on Figure 2-1. The benefiting lands include the four highlighted land parcels, denoted as parcels N-1 through N-4.

Figure 2-1  
Town of Caledon  
Simpson Road (Phase 2) Development Area





The developable land area for the benefiting area was prepared in consultation with Town staff and review of the Town's GIS Boundary File, development activity, building permit data and employment survey. The developable land hectares considered the aerial imagery and parcel fabric data for the area, with deductions for infrastructure servicing. Table 2-1 summarizes the land parcel reference number, municipal address and developable land area in hectares. The benefiting lands comprise a total developable land area of 7.55 hectares.

Table 2-1  
Summary of Developable Land Area  
within Simpson Road (Phase 2) Development Area

RefNumber	Municipal Address	Developable Land Area (ha.)
N-1	12485 COLERAINE DR	2.77
N-3	12465 COLERAINE DR	2.71
N-2	0 COLERAINE DR	1.03
N-4	0 COLERAINE DR	1.03
<b>TOTAL SIMPSON RD. PHASE 2 LANDS</b>		<b>7.55</b>

For the purpose of this Study, the Simpson Road (Phase 2 – from George Bolton Parkway Road to 125m North) Area-Specific Development Charges Background Study growth forecast remains unchanged. The area-specific D.C. calculation for will be calculated over the buildout forecast period. The revised capital needs estimates and adjustments to the area-specific D.C. calculations have been considered in the context of this growth forecast.



### 3. Revisions to the Anticipated Capital Needs Listing to Reflect the Change in Estimates

The Simpson Road (Phase 2 – from George Bolton Parkway Road to 125m North) Area-Specific Development Charges Background Study adopted by Council in the passing of the area-specific D.C. by-law justified the amount that could be charged for the development of the benefiting lands. The study and by-law reflect the anticipated capital needs for recovery through an area-specific D.C.s for Services Related to a Highway (i.e. Roads and Related Services).

Other than the revisions included herein, all other capital needs and determination of D.C. recoverable costs contained in the Simpson Road (Phase 2 – from George Bolton Parkway Road to 125m North) Area-Specific Development Charges Background Study remain unchanged.

#### 3.1 Services Related to a Highway

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The works identified to address in the increase in need for 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<sup>1</sup>. The capital costs in the 2020 background study included road, storm sewers, sanitary sewers, watermains, and associated costs and contingencies. The estimated capital costs total approximately \$1.77 million. Watermain and sanitary sewer components of the project are the jurisdictional responsibility of the Region of Peel and were removed from the calculations (i.e. \$0.32 million). As such, the area-specific D.C. recoverable costs included in the calculation of the charge totalled \$1.45 million.

The Town has provided updated capital cost estimates for the Simpson Road (Phase 2) project. The capital costs included those invoiced and incurred to date, as well as estimates for project completion. Table 3-1 summarizes the total D.C. eligible capital costs for inclusion in the revised calculations. In total, the D.C. eligible capital costs are approximately \$1.84 million. As the works are designed to address the buildout

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<sup>1</sup> For clarification the road extension is 125 metres in length requiring overall construction limits to complete the project of 221 metres.

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development of the benefiting lands, no deduction is required for post-period development capacity or uncommitted excess capacity.

The 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 area-specific D.C. by-law.



Table 3-1  
Capital Cost Estimates for Simpson Rd. (Phase 2) Project

Description	Capital Costs		
	Approved Capital Costs Incurred to May 2022	Anticipated Capital Costs to Completion	Town D.C. Eligible Capital Cost
<b><u>Phase 2 - Simpson Rd.</u></b>			
Alpine Sodding	\$ 22,275	\$ 50,000	\$ 72,275
Beacon Environmental	\$ 7,502	\$ -	\$ 7,502
DiVona Law	\$ 24,843	\$ -	\$ 24,843
Fellmore Electric	\$ 21,867	\$ -	\$ 21,867
Great North Drain	\$ 813,139	\$ 29,100	\$ 842,239
R-PE Surveying	\$ 3,847	\$ -	\$ 3,847
RTG Systems	\$ 5,135	\$ -	\$ 5,135
SBK Landscape Architect	\$ 1,164	\$ -	\$ 1,164
Schaeffers Consulting	\$ 51,274	\$ 25,000	\$ 76,274
Soil Engineers	\$ 29,196	\$ -	\$ 29,196
Management Fee (6%, incl. HST)	\$ 66,460	\$ 7,058	\$ 73,518
Town Costs (incl. DC Amendment)	\$ 671,540	\$ 7,500	\$ 679,040
<b>TOTAL CAPITAL COSTS</b>	<b>\$1,718,241</b>	<b>\$118,658</b>	<b>\$1,836,899</b>



## 4. Revised Area-Specific D.C. Calculation and Schedule of Charges

Based on the proposed revisions to the D.C. eligible costs included in the Simpson Road (Phase 2 – from George Bolton Parkway Road to 125m North) Area-Specific Development Charges Background Study detailed in in Chapter 3 herein, Table 4-1 presents the revised area-specific D.C. calculation for Services Related to a Highway over the buildout forecast horizon.

As summarized in Table 4-1, the calculated D.C. rate is \$243,338 per hectare of developable area. Applied to each land parcel within the defined benefiting area, Table 4-1 summarizes the total area-specific D.C. that would be imposed on each property.

Table 4-1  
Simpson Road (Phase 2) Area-Specific D.C. Calculation

Description	Capital Costs		
	Approved Capital Costs Incurred to May 2022	Anticipated Capital Costs to Completion	Town D.C. Eligible Capital Cost
<b>Phase 2 - Simpson Rd.</b>			
Alpine Sodding	\$ 22,275	\$ 50,000	\$ 72,275
Beacon Environmental	\$ 7,502	\$ -	\$ 7,502
DiVona Law	\$ 24,843	\$ -	\$ 24,843
Fellmore Electric	\$ 21,867	\$ -	\$ 21,867
Great North Drain	\$ 813,139	\$ 29,100	\$ 842,239
R-PE Surveying	\$ 3,847	\$ -	\$ 3,847
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Schaeffers Consulting	\$ 51,274	\$ 25,000	\$ 76,274
Soil Engineers	\$ 29,196	\$ -	\$ 29,196
Management Fee (6%, incld. HST)	\$ 66,460	\$ 7,058	\$ 73,518
Town Costs (incld. DC Amendment)	\$ 671,540	\$ 7,500	\$ 679,040
<b>TOTAL CAPITAL COSTS</b>	<b>\$1,718,241</b>	<b>\$118,658</b>	<b>\$1,836,899</b>
<b>Developable Land Area (ha.)</b>			<b>7.55</b>
<b>Development Charge per hetare</b>			<b>\$243,338</b>



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

Ref. Number	Municipal Address	Developable Land Area (ha.)	D.C. per Property
N-1	12485 COLERAINE DR	2.77	674,555
N-3	12465 COLERAINE DR	2.71	660,103
N-2	0 COLERAINE DR	1.03	251,401
N-4	0 COLERAINE DR	1.03	250,840
<b>TOTAL SIMPSON RD. PHASE 2 LANDS</b>		<b>7.55</b>	<b>1,836,899</b>

Table 4-3 provides a comparison of the revised charges provided in Table 4-2 with those contained in By-Law 2020-78.

Table 4-3  
Comparison of Current and Amended Schedule of Area-Specific Development Charges

Ref. Number	Municipal Address	Developable Land Area (ha.)	By-Law 2020-78 D.C. per Property	Amended D.C. per Property
N-1	12485 COLERAINE DR	2.77	532,493	674,555
N-3	12465 COLERAINE DR	2.71	521,084	660,103
N-2	0 COLERAINE DR	1.03	198,455	251,401
N-4	0 COLERAINE DR	1.03	198,012	250,840
<b>TOTAL SIMPSON RD. PHASE 2 LANDS</b>		<b>7.55</b>	<b>1,450,045</b>	<b>1,836,899</b>



## 5. D.C. Policy Recommendations and Area-Specific D.C. By-law Rules

By-Law 2020-78 provides for the area-specific recovery of growth-related costs for Services Related to a Highway from the Simpson Road (Phase 2) Development Area. An area-specific D.C. is imposed for this increase in need for service through one by-law. The rules within the By-Law 2020-73 effectively assess the charges appropriately for the imposition of the area-specific D.C.s within the defined benefiting area. The intent of the amendment does not alter the Town's policy for the imposition of an area-specific for this purpose on the Simpson Road (Phase 2) Development Area. As a result, it is not recommended that separate by-laws be implemented through this amendment process, and that the proposed revisions be considered as an amendment to D.C. By-Law 2020-73.

Moreover, there are no further amendments to the rules of By-Law 2020-73 other than revised schedule of charges presented in the amending by-law herein. All rules and policies contained within By-law 2020-73 remain unchanged.





## 6. Asset Management Plan and Long-Term Capital and Operating Costs

### 6.1 Introduction

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The D.C.A. 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.**

The A.M.P. analysis included in the Simpson Road (Phase 2 – from George Bolton Parkway Road to 125m North) Area-Specific Development Charges Background Study, which found that the capital plan was deemed to be financially sustainable, has been updated to account for the capital cost revisions described herein.

The updated A.M.P. analysis contained in Table 6-1 identifies \$130,000 in total annualized expenditures; and incremental operating revenues of \$142,000 and existing operating revenues of \$96.5 million, totalling \$96.6 million by the end of the period.

In consideration of the above changes, the capital plan still deemed to be financially sustainable.



Table 6-1  
2021 D.C. Amendment  
Asset Management – Future Expenditures and Associated Revenues

	Assumption Total
<b>Expenditures (Annualized)</b>	
Annual Lifecycle	\$129,481
Incremental Operating Costs (for D.C. Services)	-
<b>Total Expenditures (Net of Interim Funding of Post Period Benefit)</b>	<b>\$129,481</b>
<b>Revenue (Annualized)</b>	
Total Existing Revenue	\$96,503,567
Incremental Tax and Non-Tax Revenue (User Fees, Fines, Licences, etc.)	\$141,942
<b>Total Revenues</b>	<b>\$96,645,509</b>

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.



## 7. Process for Adoption of the Amending Area-Specific Development Charges By-law

If approved, the changes provided herein will form part of the Simpson Road (Phase 2 – from George Bolton Parkway Road to 125m North) Area-Specific Development Charges Background Study. Appendix A to this Area-Specific D.C. Update Study includes the draft Amending Area-Specific D.C. By-law being presented for Council’s consideration. The Area-Specific D.C. Update Study and draft amending Area-Specific D.C. By-law will be presented to the public at a public meeting of Council to solicit public input on the proposed Area-Specific D.C. by-law.

It is anticipated that Council will consider for adoption the proposed amending by-law at a subsequent meeting of Council (July 19, 2022), witnessing the 60-day period between the release of the Area-Specific D.C. Background Study and the passage of the Area-Specific D.C. By-law. If Council is satisfied with the proposed changes to the Area-Specific D.C. Background Study and Area-Specific D.C. By-Law, it is recommended that Council:

“Approve the Area-Specific Development Charges Update Study dated May 20, 2022, as amended, subject to further annual review during the capital budget process;”

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

“Approve the Amending Area-Specific Development Charge By-law as set out herein”



# Appendix A – Draft Amending Area- Specific Development Charge By-law

The Corporation of the Town of Caledon

By-law No. 2022-\_\_

Being a By-law Regarding Development Charges to amend By-law 2020-78 to make revisions to the Town's area-specific development charges for the Simpson Rd. (Phase 2) Development Area to reflect amendments to the *Development Charges Act*.

**WHEREAS** Section 19 of the Development Charges Act, 1997, S.O. 1997, c27 ("the Act") provides for amendments to be made to development charges by-laws;

**AND WHEREAS** the Council of the Corporation of the Town of Caledon (hereinafter called "the Council") has determined that amendments should be made to the Area-Specific Development Charge By-law of the Corporation of the Town of Caledon, being By-law 2020-78;

**AND WHEREAS**, in accordance with the Act, a development charges background study has been completed in respect of the proposed amendment;

**AND WHEREAS** the Council of the Corporation of the Town of Caledon has given notice and held a public meeting in accordance with the Act; and

Now therefore the Council of The Corporation of the Town of Caledon hereby enacts as follows:

1. Schedule "B" is deleted, and the attached Schedule "B" substitutes therefor.
2. This by-law shall come into force on July 20, 2022.

By-law passed this 19<sup>th</sup> day of July 2022

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Mayor

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Clerk

Schedule "B" to By-law 2020-78 of the Corporation of the Town of Caledon  
 Schedule of Development Charges

Ref. Number	Municipal Address	Developable Land Area (ha.)	D.C. per Property
N-1	12485 COLERAINE DR	2.77	674,555
N-3	12465 COLERAINE DR	2.71	660,103
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<b>TOTAL SIMPSON RD. PHASE 2 LANDS</b>		<b>7.55</b>	<b>1,836,899</b>