

CITY OF WEYBURN

DEVELOPMENT COST CHARGE REVIEW

March, 2013





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EXECUTIVE SUMMARY

Introduction

The City of Weyburn ("Weyburn") has experienced very high levels of growth over the past decade and, considering its location in a region with tremendous resource development potential, this growth is forecast to continue for some time. Weyburn continues to receive significant interest from land developers to construct new housing and other developments, and could benefit from the implementation of a formal development cost charge ("DCC") policy and process to help ensure that development costs are being allocated fairly and equitably between new developers and taxpayers.

Presently, Weyburn collects development charges for new land development via Servicing Agreements with developers. The formal DCC process proposed in this report could be applied to all future land development (i.e., replacing the Servicing Agreements) or only to the development of existing areas (e.g., infill developments) to complement the Servicing Agreements.

A DCC is a common mechanism used by municipalities to help fund off-site costs of new development using the guiding principal: ***new growth should pay for itself, not be a burden on existing taxpayers***. DCCs are permitted in Saskatchewan by legislative authority in the Planning and Development Act (2007) Part VIII titled "Development Levies and Servicing Fees." As an approving authority, Weyburn City Council does not require ministerial approval to implement a DCC. The purpose of this report is to provide data and guidance for the City of Weyburn to prepare a DCC that will service the forecast growth infrastructure requirements to year 2027.

Findings

Population Growth

Stantec has used the mid-point annual growth assumption of 3.8% from the "City of Weyburn Housing Need and Demand Assessment" prepared by Saskatchewan Housing & Urban Development Council Saskatchewan Housing in 2011. This report states an estimated population of 11,782¹ in 2011. Population growth at 3.8% annually for the fifteen year period from 2013 to 2027 results in a population increase of **9,517** persons. At an average population density of 2.4 persons per dwelling, servicing the future population growth of 9,517 will require **3,965** new housing units by 2027.

¹ Estimate is based on data per Saskatchewan Health Coverage



Off-Site Capital Costs

Off-site capital costs were estimated by Stantec to the year 2027 for new roads, water, sanitary sewer, and storm sewer system infrastructure. Costs for new recreation facilities based on Weyburn's recently completed report² on future recreation and leisure facilities were also included. The following table summarizes the estimated off-site capital costs to year 2027 based on the growth levels discussed above.

Total Estimated Off-Site Capital Costs – 2013 to 2027 (2013 Dollars)								
LAND USE TYPE	YEARS 1 - 5 2013-2017		YEARS 6 - 10 2018-2022		YEARS 11 - 15 2023-2027		TOTAL	
	DCC	Taxpayer	DCC	Taxpayer	DCC	Taxpayer	DCC	Taxpayer
ROADS	\$0	\$1,136,520	\$10,712,783	\$4,659,743	\$3,005,783	\$1,235,483	\$13,718,565	\$7,031,745
WATER SYSTEM	\$4,725,000	\$6,037,500	\$18,375,000	\$18,375,000	\$1,050,000	\$1,050,000	\$24,150,000	\$25,462,500
SEWAGE SYSTEM	\$20,619,375	\$853,125	\$7,350,000	\$7,350,000	\$1,050,000	\$0	\$29,019,375	\$8,203,125
STORM SYSTEM	\$1,260,000	\$4,893,000	\$0	\$0	\$0	\$0	\$1,260,000	\$4,893,000
RECREATION	\$1,542,000	\$8,738,000	\$3,260,250	\$18,474,750	\$3,543,750	\$20,081,250	\$8,346,000	\$47,294,000
TOTAL	\$28,146,375	\$21,658,145	\$39,698,033	\$48,859,493	\$8,649,533	\$22,366,733	\$76,493,940	\$92,884,370
	\$49,804,520		\$88,557,525		\$31,016,265		\$169,378,310	

Total Estimated Off-Site Capital Costs – 2013 to 2027 (2013 Dollars)								
LAND USE TYPE	YEARS 1 - 5 2013-2017		YEARS 6 - 10 2018-2022		YEARS 11 - 15 2023-2027		TOTAL	
	DCC	Taxpayer	DCC	Taxpayer	DCC	Taxpayer	DCC	Taxpayer
ROADS	\$0	\$1,136,520	\$10,712,783	\$4,659,743	\$3,005,783	\$1,235,483	\$13,718,565	\$7,031,745
WATER SYSTEM	\$6,693,750	\$4,068,750	\$23,100,000	\$13,650,000	\$1,050,000	\$1,050,000	\$30,843,750	\$18,768,750
SEWAGE SYSTEM	\$10,972,500	\$0	\$18,480,000	\$6,720,000	\$1,050,000	\$0	\$30,502,500	\$6,720,000
STORM SYSTEM	\$1,260,000	\$4,893,000	\$0	\$0	\$0	\$0	\$1,260,000	\$4,893,000
RECREATION	\$1,542,000	\$8,738,000	\$3,260,250	\$18,474,750	\$3,543,750	\$20,081,250	\$8,346,000	\$47,294,000
TOTAL	\$20,468,250	\$18,836,270	\$55,553,033	\$43,504,493	\$8,649,533	\$22,366,733	\$84,670,815	\$84,707,495
	\$39,304,520		\$99,057,525		\$31,016,265		\$169,378,310	

The preceding table splits out the off-site capital costs between costs to be recovered from developers via DCC as well as those costs, deemed to be beneficial to all Weyburn citizens, recovered from taxpayers. For the fifteen year period from 2013 to 2027, the total off-site costs are \$169.4 Million of which an estimated \$84.7 Million is required from developers.

DCC Rate Calculations

DCC rates were calculated using methodologies that approximate the impact that each type of land use will have on the requirement for new infrastructure. The specific land use types used in the calculation include:

1. Residential – Low Density (Single family, up to 12 dwellings per hectare)
2. Residential – Medium Density (Townhouse, 13 to 36 dwellings per hectare)

² City of Weyburn Facility Advisory Committee Leisure Facility Plan, March 9, 2012



3. Residential – High Density (Low rise apartments, 37 to 60 dwellings per hectare)
4. Commercial (e.g., convenience stores, dentist office, small retail)
5. Industrial

Each of these land uses has a different impact on the required infrastructure. For example, a hectare of single residential development will have a much lower impact on new road requirements compared to a hectare of commercial development. The DCC calculations take into consideration how the land use development impacts the need to build new infrastructure and allocates the new infrastructure costs on that basis.

The DCC calculations in this report are prepared on a cost per hectare basis. For residential lands, the land use types are categorized by the unit density expressed as a range of minimum to maximum units permitted. For these land use types, the mid-point number of dwellings is used to represent the average unit density per hectare. Using a DCC per hectare collection methodology is advantageous in that it is simple and consistent with the current Servicing Agreement practice. Additionally, a residential DCC based on hectares instead of dwellings provides an incentive for developers to increase densities to reduce per unit costs. For these reasons, Stantec recommends that Weyburn collect all DCCs based on hectares.

The following table provides the DCC rates required to fund the estimated growth costs from 2013 to 2027 on a per hectare basis. Details of the calculations are provided in Section 2.

SUMMARY OF WEYBURN 2013 DEVELOPMENT COST CHARGE (2013 Dollars)									
LAND USE TYPE	Road System	Water System	Sewage System	Storm Sewer System	Recreation	Total \$DCC Rate per hectare	Total Hectares Developed	Total \$DCC Collected	Collection Basis
RESIDENTIAL - Low Density	\$6,184.58	\$52,415.38	\$43,890.10	\$2,222.28	\$24,555.16	\$129,267.51	173.48	\$22,425,893	per hectare of total site area
RESIDENTIAL - Medium Density	\$9,950.61	\$112,318.67	\$94,050.21	\$2,777.85	\$52,618.21	\$271,715.56	33.04	\$8,978,744	per hectare of total site area
RESIDENTIAL - High Density	\$23,425.40	\$134,782.40	\$112,860.26	\$3,611.21	\$63,141.85	\$337,821.12	37.18	\$12,558,576	per hectare of total site area
COMMERCIAL	\$73,727.05	\$84,239.00	\$100,768.09	\$5,000.13	\$0.00	\$263,734.27	42.26	\$11,145,410	per hectare of total site area
INDUSTRIAL	\$74,112.75	\$84,239.00	\$100,768.09	\$3,888.99	\$0.00	\$263,008.83	112.40	\$29,562,192	per hectare of total site area
Total							398.36	\$84,670,815	
Average \$DCC Rate:						\$212,546.22			

Conclusions

As shown in the preceding DCC table, the DCC amounts calculated for the different land use types in this report are a significant change over the current flat rate Servicing Agreement fee of **\$211,000**. However, the average DCC rate of \$212,546 is only \$1,546 higher than the current flat fee.

Where significant growth occurs in a short period of time as it has in Weyburn, it is not uncommon to see infrastructure funding requirements rapidly outpace the collection of development fees. Unfortunately, as other high growth municipalities can attest, this results in a dilemma where it is generally not possible to make up for the DCC shortfall quickly without



significantly impacting future growth. When faced with this dilemma, municipalities may opt instead to implement a more gradual DCC increase that reflects the benefit of new growth to the community. The City of Weyburn has proactively recognized the looming infrastructure funding deficit and taken recent action to increase Servicing Fees and initiate this study to quantify the capital growth requirements. Although the present Servicing Agreement Fee is sufficient to accommodate forecast growth, there are significant variations between the levies charged on different land use types. Currently, Weyburn has a single fee for all land use types whereas a more equitable and accepted approach is to charge off-site development fees based on the degree to which the various land use types will impact the future infrastructure requirements.



Recommendations

Based on the findings contained in this report, Stantec provides the following recommendations.

1. Transition Development Levies

Stantec recommends that Weyburn transition their DCC levies (Servicing Agreement Fees) to a model that associates the fees with the associated impacts of the different land use types as presented in this report. Weyburn has already taken significant measures to address the future infrastructure funding requirements via the recent Servicing Fee increase to \$211,000 which exceeds the amount required, based on forecast capital requirements over the next fifteen years. Future levies from 2013 onward should be transitioned to the rates per this report, based on different land use types as calculated in this report.

2. Update the Official Community Plan

Weyburn's Official Community Plan (2003) requires updating to align with the DCC. With the demand of new development, the absence of a relevant Official Community Plan may result in growth that is shaped by developers, rather than the City.

Weyburn has identified the desired growth levels for residential, commercial, and industrial land uses that are the basis for the future DCC levies. The Official Community Plan can now be updated to reflect these land use zonings, which will enable developers to adapt their development planning accordingly. The vetting of the Plan by both the community and developers will alert taxpayers and developers to the municipality's future growth plans and the associated financial impacts. Most importantly, this process will equip Council and Administration with information to make decisions regarding the bearing of future development costs.

3. Prepare a Front-End Infrastructure Development Policy

Although Weyburn will have a desired development program specified in the updated Official Community Plan, there may be instances where developers propose growth that is outside of the specified timeframes (i.e. developing a site prior to when the required off-site infrastructure has been budgeted). When these situations arise, it is common for the developer to "front-end" the cost of providing the required infrastructure. This can be done via a developer loan to Weyburn to construct the infrastructure to be repaid to the developer at the time the infrastructure was originally budgeted to be constructed. Weyburn should prepare a policy to inform developers of the opportunity and costs to be incurred if they should choose to front end unscheduled infrastructure.

4. Prepare and Approve the DCC

After the updated Official Community Plan and Financial Plan are approved, Weyburn can implement a DCC to recover revenues for future growth based on the known timing and cash requirements. Public consultation with taxpayers and developers will be integral to this process and may have significant influence on Council's decisions in setting the DCC rate.



5. Monitor and Update the DCC Capital Financial Plan

The DCC Capital Financial Plan provided in this report is the starting block for a process of proactive development growth management. To derive the greatest benefit, this initial Financial Plan must be reviewed and updated annually as part of Weyburn's capital budgeting process. The timing of cash flows is the key outcome of the Financial Plan and will help Weyburn prevent infrastructure deficits that arise from unplanned growth. By regularly reviewing the forecast development to actual development, the DCC rates and any required borrowings can be adjusted as needed to match funding to the re-forecast capital expenditures. Performing this process regularly (e.g., annually) will help to level DCC rate increases, provide greater predictability, and generally be more fair and equitable for all parties.



1.0 PROJECT DESCRIPTION

1.1 Background

The City of Weyburn, as with many municipalities in Saskatchewan, has experienced higher levels of growth over the past decade than in previous history. Weyburn is located in a region with tremendous resource development potential. As a result of this growth, Weyburn is now experiencing significant interest from land developers to construct new housing and other developments. With the Saskatchewan economy projected to grow continually and steadily from resource development, the demand for development lands and related infrastructure services will need to be addressed in a well-planned, fair, and fiscally responsible manner.

1.2 Problem

Presently, the City of Weyburn does not have a formal development charge policy. As growth and related infrastructure costs increase, there is a greater risk that these costs are incorrectly allocated to new developments, which increases the burden on existing taxpayers. There is a critical and urgent need to establish a sound, fair, and equitable development charge policy, indicated by current and ongoing requests from developers to purchase and develop significant parcels of land.

1.3 Project Scope

The scope of this project is to prepare a development cost charge methodology for the City of Weyburn. The project will analyse growth projections to approximately year 2027 and estimate the related capital infrastructure requirements to service the forecast growth. From this information, appropriate development cost unit rates will be calculated for consideration by the City of Weyburn in 2013.

Additionally, the report will discuss the methodology for annual review and update, which is critical to mitigate the risk of rapidly rising future infrastructure costs being borne inequitably by taxpayers and utility ratepayers.

2.0 DEVELOPMENT COST CHARGES

2.1 Definition

A Development Cost Charge (“DCC”) is a common mechanism used by municipalities to help fund off-site costs of new development. Other terminologies for DCC include ‘development charges’, ‘development levies’, ‘off-site levies’ or other variations. Regardless of the terminology used, the guiding principal remains the same: **new growth should pay for itself, not be a burden on existing taxpayers.**

2.2 Legislative Authority

In Saskatchewan, legislative authority for DCCs is found in the Planning and Development Act (2007) (“the Act”) Part VIII titled “Development Levies and Servicing Fees”. Specifically, this legislation permits per sub-section 169(2):

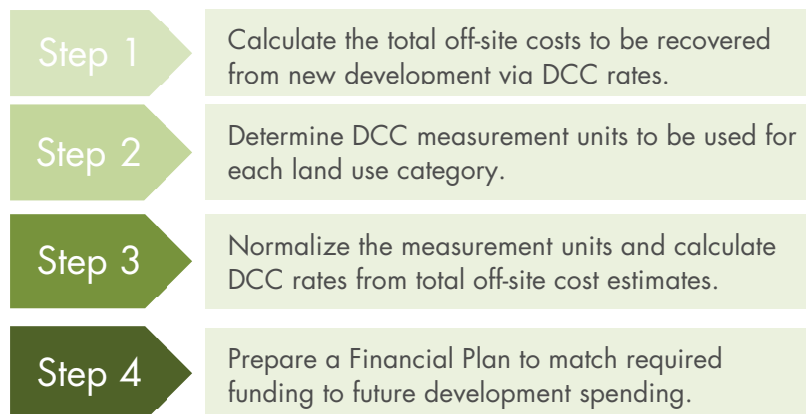
“A council may impose development levies for the purpose of recovering all or a part of the municipality’s capital costs of providing, altering, expanding or upgrading the following services and facilities associated, directly or indirectly, with a proposed development:

- (a) sewage, water or drainage works;*
- (b) roadways and related infrastructure;*
- (c) parks;*
- (d) recreational facilities.”*

The Act stipulates that all costs for construction, planning, engineering and legal services that pertain directly to capital costs may be recovered.

2.3 DCC Methodology

Calculating the DCC rates to be levied on new developments is a four-step process:



These steps are discussed further in the following sections.



2.3.1 Step 1 – Total Off-Site Costs to Be Recovered From DCC

The calculation of development charge rates encompasses information and variables from documents such as Weyburn’s Official Community (Growth) Plan, capital infrastructure plans, and financial plans. The process of calculating the DCC begins with determining the dollar amount of off-site costs, then adjusting the total for other sources of funds, benefit of off-site costs to existing taxpayers, and any development subsidy that the municipality might deem appropriate. A depiction of the calculation of off-site costs to be recovered from developers via a DCC is as follows:



A short description of each of these DCC calculation components follows.

Total Off-Site Capital Costs

Off-site costs refer to the infrastructure requirements not directly provided by private developers when developing new residential communities, commercial, or industrial lands. Generally speaking, these off-site requirements are new infrastructure adjacent to new developments, or the expansion of existing infrastructure required to service additional demands that arises from the new developments. As noted in Section 2.2, total off-site costs may include the direct and indirect costs of sewer, water and drainage systems, roadways, parks, and recreational facilities.

Government Grants and Developer Contributions

Other sources of funds may be available to assist with the construction of off-site infrastructure, including government grants or other related contributions received directly from developers. Additionally, any contributions provided by the Rural Municipality (Division No. 2) for specific capital projects would be deducted. These other funding sources are deducted from the estimated off-site costs prior to calculating the DCC to ensure that rates are based on the net cost to the municipality.

Off-Site Costs Benefiting Existing Taxpayers

With most off-site infrastructure, a portion will benefit the municipality at large, while a portion will specifically benefit the new development. For example, if an existing roadway is widened to facilitate increased traffic volume although the widening is required due to future development, there is also benefit to the entire municipality who have used the roadway in the past and will continue to use it in the future. To ensure that DCCs are fair, it is critical to estimate the benefit of off-site costs to existing taxpayers, and deduct this benefit from the total off-site costs before calculating the DCC rates.



Municipal Assist

Municipal assist is an optional “subsidy” for new development, determined solely by a municipal Council. The “assist” is a pre-determined percentage of the net off-site costs applicable to new development that will be funded by general revenues (taxpayers), as determined by Council. The “assist” encourages new development that Council deems to be in the municipality’s long term interests, and also eases developers into a significant DCC rate increase so as not to unfairly burden them. It may also be used for specific circumstances and/or major infrastructure projects such as water treatment facilities which, being prohibitively expensive, could seriously increase DCC rates to a level that would discourage investment in the community versus neighboring communities with similar infrastructure already in place.

Total Off-Site Costs Recovered From DCC

After deducting the additional funding sources, off-site costs benefiting existing taxpayers, and any municipal assist, the remainder is recovered from developers using DCC rates. The DCC rates will be based on a common denominator and applied to each land use type representative of the demand that each land use places on the category of infrastructure. This methodology is explained in greater detail in Section 4.0 and Section 5.0.

2.3.2 Step 2 – DCC Measurement Units

Land Use Types and Infrastructure Types

There are two areas measured as part of a DCC calculation: land use type and infrastructure type.

The first is the *land use type* which categorizes municipal land by the types of development permitted in the area(s) for which the DCC will be levied. The following land use types have been used to prepare the Weyburn DCCs:

1. Residential – Low Density (Single family, up to 12 dwellings per hectare)
2. Residential – Medium Density (Townhouse, 13 to 36 dwellings per hectare)
3. Residential – High Density (Low rise apartments, 37 to 60 dwellings per hectare)
4. Commercial
5. Industrial

The second measure is the *infrastructure type* which is simply the types of capital infrastructure required to service the area(s) where the DCC will be levied. The major infrastructure types include the road system, water system, sewage system, storm system and recreation.



Measurement Criteria

Measurement criteria are used to estimate the impact of new development on the infrastructure requirements. The land use types will usually impact new infrastructure differently. For example, a hectare of single residential development will have a much lower impact on the new road requirements than a hectare of commercial development. Therefore, the objective is to use criteria that most closely reflect the capital requirements of each infrastructure type based on the growth in each land use type. Accordingly, the criteria may be different depending on the infrastructure type that is analyzed. The following commonly accepted measurement criteria have been selected for preparing the Weyburn DCC.

Infrastructure Type	Measurement Criteria	Rationale
Road System	Average number of vehicle trips	The number of vehicle trips is different for different land use types and has a strong correlation to the road requirements.
Water System	Average water consumption	The amount of water consumed varies depending on the land use type and is directly related to the infrastructure requirements to provide water.
Sewage System	Average wastewater produced	The amount of wastewater produced, similar to water consumed, varies depending on the land use type and is directly related to the infrastructure requirements to treat wastewater.
Storm System	Imperviousness of the site (i.e. how much run-off into the storm system)	The amount of storm water flow is strongly correlated to the land use type based on the imperviousness of the sites which is directly related to the storm water infrastructure requirements.
Recreation	Number of new residents	The number of new residents in the new development is primarily what will drive the requirements for additional recreation facilities and refurbishment of existing facilities.

2.3.3 Step 3 – Calculate DCC Rates

Dividing the total infrastructure costs for each infrastructure type by the total measurement units, also referred to as “*equivalent units*” (EUs), produces a \$ per EU. Multiplying this \$ per EU by the total EUs calculated for each land type results in the \$DCC to be recovered for each land use type.

Collection Basis

After calculating the total amounts to be recovered for each land use type, the basis for collecting these costs from developers must be determined. Various methods are used by municipalities for this purpose with the more common methods shown in the following table.

	Land Use Category	Common DCC Unit
1.	Residential property	<ul style="list-style-type: none"> • Lots • Dwelling units • Floor space • Site area
2.	Commercial property	<ul style="list-style-type: none"> • Floor space • Site area
3.	Industrial property	<ul style="list-style-type: none"> • Floor space • Site area

Although it is not uncommon for municipalities to collect residential DCC levies based on the number of dwellings, the calculations in this report are converted to express all DCCs as a cost per hectare. The cost per hectare is calculated based on the mid-point densities of each residential land use type. Using a DCC per hectare collection methodology is advantageous in that it is simple and consistent with Weyburn’s current Servicing Agreement practice. Additionally, a residential DCC based on hectares instead of dwellings provides an incentive for developers to increase densities. For these reasons, Stantec recommends that Weyburn collect all DCCs based on site area (hectares).

2.4.4 Step 4 – Prepare a Financial Plan

Once the overall DCC rates have been determined for the total growth requirements, it is imperative that a detailed financial plan be prepared. The purpose of the financial plan is to match the cash flow timing of capital expenditures and the collection of DCC revenues. This plan, which is reviewed annually, will inform the municipality of any possible cash shortfalls (where DCC collections to date are inadequate to fund capital expenditures) so that other funding sources such as debt financing can be arranged. The Financial Plan is discussed in Section 6.0.

3.0 GROWTH PROJECTIONS

Growth information used for the DCC calculations has been referenced from the “City of Weyburn Housing Need and Demand Assessment” prepared by Saskatchewan Housing & Urban Development Council (“SHUDC”) in 2011. In this report, SHUDC provides three growth forecast scenarios. These growth projections are based on Weyburn’s growth over the past decade (1.1%), a mid-level projection based on more recent growth from 2006 to 2010 (3.8%), and finally a high growth projection using a growth rate of 5.65%.

2013-2027 Population Projection

Stantec has used SHUDC’s mid-level annual growth assumption of 3.8% to forecast out population growth starting from SHUDC’s 2010 population estimate of 11,782. From this data, the estimated population increase for the fifteen year period from 2013 to 2027 is **9,517** persons.

2013-2027 Residential Housing Unit Projection

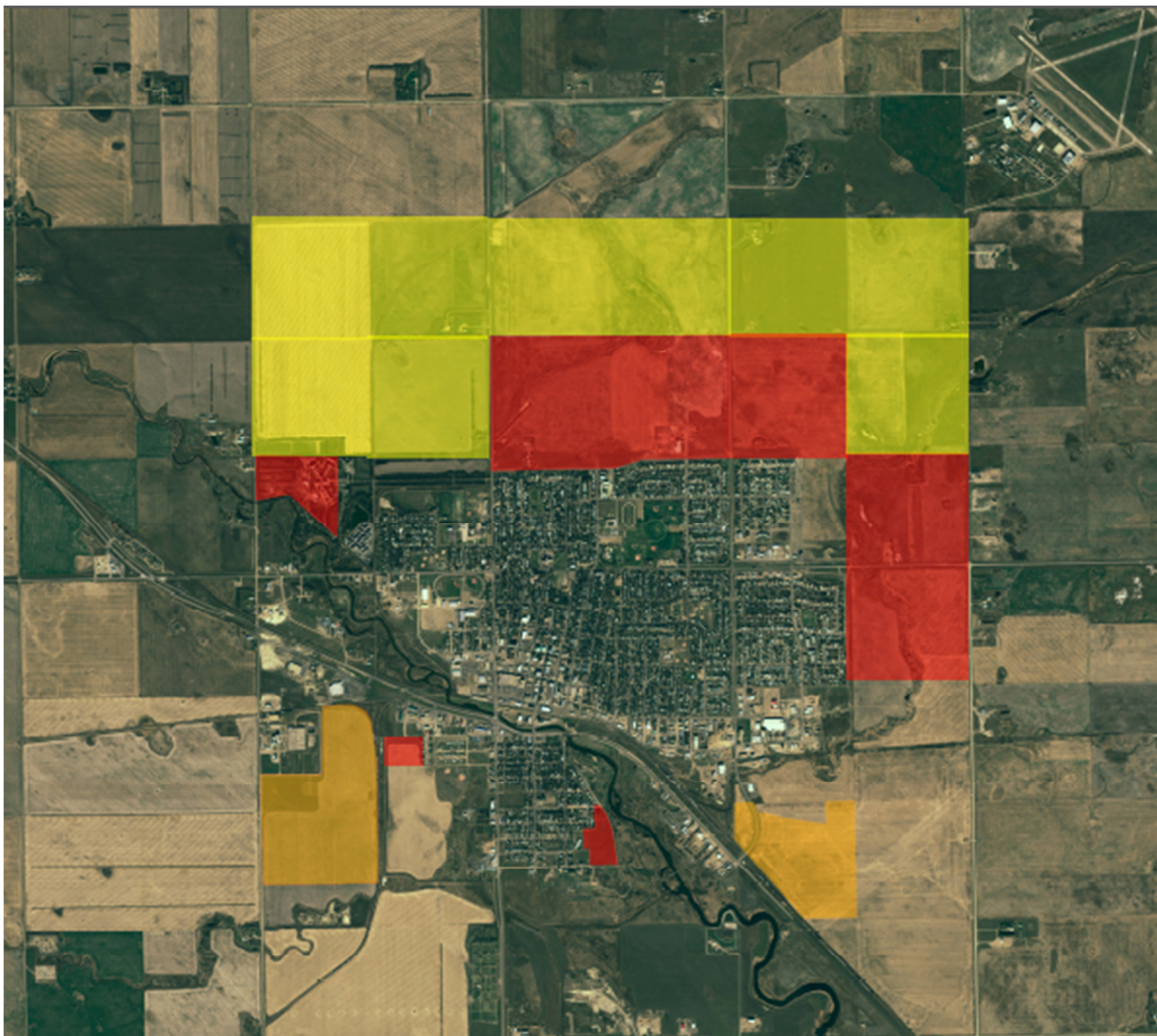
According to the SHUDC report, the average housing density in Weyburn is approximately 2.5 persons per dwelling. Based on discussions with Weyburn, a housing mix of future development to 2027 has been estimated to be 35% single family dwellings, 20% medium density dwellings (e.g. townhome units), and 45% high density dwellings (e.g. low rise apartments/condominiums). Based on this density level, the number of new dwellings required to accommodate the forecast 2013-2027 population growth is approximately **3,965** dwellings with an average density of 2.4 persons per dwelling. The following table illustrates these calculations as well as the approximate split of these units by different residential density.

Weyburn 2013-2017 Residential Housing Growth Projection									
	Col 1	Col 2	Col 3	Col 4	Col 5	col 4 * 5 Col 6	col 5 * b Col 7	col 4 * 7 Col 8	col 7 / 2 Col 9
LAND USE TYPE	DENSITY GRADIENT Average Dwelling Units per Hectare			Average Occupancy per Dwelling	Forecast Percentage of Total Growth	Unit Ratio	Estimated New Dwelling Units	Estimated Population Growth	Estimated Hectares Required
	Low	Mid	High						
Residential - Low	4	8.0	12	3.50	35%	1.23	1,388	4,858	173.5
Residential - Medium	13	24.0	36	2.50	20%	0.50	793	1,983	33.0
Residential - High	37	48.0	60	1.50	45%	0.68	1,784	2,677	37.2
Total						2.40	3,965	9,517	243.7
Projected 15 Year Population Growth						9,517	(a)		
Projected Total Residential Units Required						3,965	(b)		

Future Growth Areas

Several areas surrounding existing development in Weyburn have been identified as areas for future development in years 2013 to 2027. The total useable land area in these identified sites is estimated to be 556.5 hectares, of which an estimated 398.4 hectares is targeted for development in this report. The following map illustrates the areas that have been identified by Weyburn for future development to year 2027. Areas in red are presently identified for near term growth, areas in yellow for longer term future growth and areas in orange for future industrial growth.

WEYBURN LAND DEVELOPMENT - 2013 to 2027



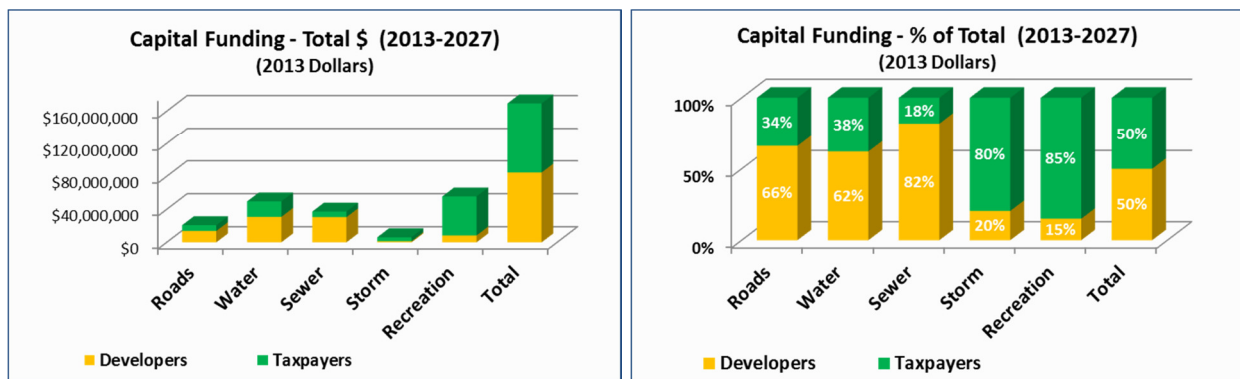


4.0 CAPITAL GROWTH REQUIREMENTS

Working with the City of Weyburn engineering group, Stantec has prepared order of magnitude capital cost estimates of the roads, water, sanitary sewer, and storm sewer infrastructure required to support growth to approximately 2027. Each individual project was also reviewed to approximate the percentage benefit received by the new development as well as for the remainder of Weyburn communities (to determine how the costs should be shared). The following table summarizes this information by each service type. A detailed listing at a project-by-project level is also provided in Appendix B.

CAPITAL FUNDING SUMMARY		Benefit Allocation		TOTAL CAPITAL COST	DCC Recoverable Amount	Total Municipal Responsibility
#	Project Name	% to New Dev.	% to City-Wide			
1	Total Road System Capital Costs	66%	34%	\$20,750,310	\$13,718,565	\$7,031,745
2	Total Water System Capital Costs	62%	38%	\$49,612,500	\$30,843,750	\$18,768,750
3	Total Sewage System Capital Costs	82%	18%	\$37,222,500	\$30,502,500	\$6,720,000
4	Total Storm System Capital Costs	20%	80%	\$6,153,000	\$1,260,000	\$4,893,000
5	Total Recreation Capital Costs	15%	85%	\$55,640,000	\$8,346,000	\$47,294,000
		50%	50%	\$169,378,310	\$84,670,815	\$84,707,495

As depicted in the summary table, \$169.4 Million in capital infrastructure will be required to year 2027. Of this amount, one-half (\$84.7 Million) has been determined to be attributable to new development with the remainder of \$84.7 Million deemed to benefit Weyburn taxpayers as a whole. The following graphics illustrate the magnitude of the capital infrastructure requirements to 2027 as well as the percentages of funding attributable to developers via the DCC and from Weyburn ratepayers and taxpayers via utility rates and property taxes.



5.0 DCC RATE CALCULATIONS

The following table summarizes the calculated DCC rates for each of the land use types and infrastructure types.

SUMMARY OF WEYBURN 2013 DEVELOPMENT COST CHARGE (2013 Dollars)									
LAND USE TYPE	Road System	Water System	Sewage System	Storm Sewer System	Recreation	Total \$DCC Rate per hectare	Total Hectares Developed	Total \$DCC Collected	Collection Basis
RESIDENTIAL - Low Density	\$6,184.58	\$52,415.38	\$43,890.10	\$2,222.28	\$24,555.16	\$129,267.51	173.48	\$22,425,893	per hectare of total site area
RESIDENTIAL - Medium Density	\$9,950.61	\$112,318.67	\$94,050.21	\$2,777.85	\$52,618.21	\$271,715.56	33.04	\$8,978,744	per hectare of total site area
RESIDENTIAL - High Density	\$23,425.40	\$134,782.40	\$112,860.26	\$3,611.21	\$63,141.85	\$337,821.12	37.18	\$12,558,576	per hectare of total site area
COMMERCIAL	\$73,727.05	\$84,239.00	\$100,768.09	\$5,000.13	\$0.00	\$263,734.27	42.26	\$11,145,410	per hectare of total site area
INDUSTRIAL	\$74,112.75	\$84,239.00	\$100,768.09	\$3,888.99	\$0.00	\$263,008.83	112.40	\$29,562,192	per hectare of total site area
Total							398.36	\$84,670,815	
Average \$DCC Rate:						\$212,546.22			

As illustrated in the table above, the DCC rate per hectare varies significantly depending on the intended land use. These variations reflect the considerable difference that each land use has on the required infrastructure. For example, the roads system DCC is significantly higher per hectare for commercial properties which attract higher traffic volumes.

Overall, the average DCC rate for 2013 to 2027 is \$212,546 per hectare which is only \$1,542 higher than the present Servicing Agreement Fee of \$211,000 per hectare. However, there are different variations when examining individual land use types. For example, the proposed DCC fee for high density residential exceeds the current levy by \$126,821 whereas the proposed DCC fee for low density residential is \$81,732 lower than the current fee. As part of updating the Official Community Plan, Weyburn should engage in open communication with developers to gauge their response to the proposed fees, which ensures that the rates will result in the behaviour desired by Weyburn. For example, if the high density residential DCC is viewed as too high, thereby causing developers to build more low density housing, it may be necessary to adjust the DCC rates to produce the desired development behaviour. However, the principle of fairness and equitable cost distribution should always be the overarching goal in setting the DCC rates.

The subsequent sections discuss the DCC calculations individually for each infrastructure type.

5.1 Roads System

Total capital infrastructure requirements for roads systems from 2013 to 2027 have been estimated to be \$20.8 Million, of which \$13.7 Million has been designated as directly recoverable from developers. Details of these costs are available in Appendix B.

The measurement unit used to allocate the costs among the land types is the "Trip End", defined as a single one-directional vehicle trip. Trip end data is commonly used for modelling transportation and road requirements and most closely reflects how development in different land use types affect road system requirements. Using data from the Institute of Transportation Engineers "Trip Generation Manual" (2012), average morning and afternoon peak use trip ends have been collected for each land use type on a hectare basis. These trip ends, multiplied by the estimated hectares of development for each land use type, results in the total forecast trip ends for all 393 hectares of development. A total of 15,882 trip ends are forecast for the new development which, divided into the \$13.7 Million of infrastructure requirements, results in a roads system development cost of \$864 per trip end.

As shown in the following table, multiplying the number of trip ends per hectare for each land use type by the calculated roads system development \$ per trip end rate provides the DCC rate per hectare.

CITY OF WEYBURN - ROADS				Col 1 * 2	Col 2 * c
DCC CALCULATION	Col 1	Col 2	Col 3		
LAND USE TYPE	New Growth (hectares)	Vehicle Trip Ends per Hectare ¹	Equivalent Units (Trip Ends ²)		\$ DCC
Residential - Low	173.5	7.160	1,242.1		\$6,184.58 per gross hectare
Residential - Medium	33.0	11.520	380.7		\$9,950.61 per gross hectare
Residential - High	37.2	27.120	1,008.2		\$23,425.40 per gross hectare
Commercial	42.3	85.355	3,607.1		\$73,727.05 per gross hectare
Industrial	112.4	85.802	9,644.1		\$74,112.75 per gross hectare
Total	398.4				
	(a) Total EU (Trip Ends)		15,882.2		
	(b) Total \$DCC Recoverable		\$13,718,565		
	(c) \$ per EU (b / a)		\$863.77		

Note 1 : "Trip Generation Manual", Institute of Transportation Engineers (ITE, 2012)
 Note 2 : A 'trip end' represents a single (one directional) vehicle movement

5.2 Water System

Total capital infrastructure requirements for water systems from 2013 to 2027 have been estimated to be \$49.6 Million, of which \$30.8 Million has been designated as directly recoverable from developers. Details of these costs are available in Appendix B.

The measurement unit used to allocate the costs among the land types is estimated consumption in litres of water. Engineering studies provide data on typical consumption for persons (500 litres per person) and for non-residential land uses (22,500 litres per hectare) which can be extrapolated into average litres of consumption per hectare per day. For the 398 hectares of new development, it is estimated that 8.2 Million litres per day of water will be consumed. Based on the forecast \$30.8 Million of infrastructure costs, this translates into a water infrastructure cost per litre/hectare/day of \$3.74.

As shown in the following table, multiplying the cost per litre per hectare for each land use type by the calculated roads system development \$ litre/hectare/day by the applicable consumption rate per hectare for each land use type provides the DCC rate per hectare.

CITY OF WEYBURN - WATER							Col 2 * 3 * 4	Col 1 * 5	Col 5 * c
DCC CALCULATION	Col 1	Col 2	Col 3	Col 4	Col 5	Col 6			
LAND USE TYPE	Total Hectares	Equivalence Factors			Consumption (L/ hectare/day)	Total Consumption Units (L/day)			\$ DCC
Residential - Low	173.5	8.0 dwellings/hectare	3.50 persons per dwelling	500 L/person	14,000	2,428,781.3			\$52,415.38 per hectare
Residential - Medium	33.0	24.0 dwellings/hectare	2.50 persons per dwelling	500 L/person	30,000	991,339.3			\$112,318.67 per hectare
Residential - High	37.2	48.0 dwellings/hectare	1.50 persons per dwelling	500 L/person	36,000	1,338,308.1			\$134,782.40 per hectare
Commercial	42.3	1.0 hectare/hectare	1.00 hectare	22,500 L/hectare	22,500	950,850.0			\$84,239.00 per hectare
Industrial	112.4	1.0 hectare/hectare	1.00 hectare	22,500 L/hectare	22,500	2,529,000.0			\$84,239.00 per hectare
	398.4								
					(a) Total Consumption Units - L per day	8,238,278.7			
					(b) Total \$DCC Recoverable	\$30,843,750			
					(c) \$ per Consumption EU (Litre) (b / a)	\$3.74			

5.3 Sewage System

Total capital infrastructure requirements for sewage systems from 2013 to 2027 have been estimated to be \$37.2 Million, of which \$30.5 Million has been designated as directly recoverable from developers. Details of these costs are available in Appendix B.

The measurement unit used to allocate the costs among the land types is estimated consumption in litres of water that ends up in the sewage system. Engineering studies provide data on typical sewage consumption for persons (350 litres per person) and for non-residential land uses (22,500 litres per hectare) which can be extrapolated into average litres of consumption per hectare per day. For the 398 hectares of new development, an estimated 6.8 Million litres per day of water will enter the sewage system. Based on the forecast \$30.5 Million of infrastructure costs, this translates into a sewage infrastructure cost per litre/hectare/day of \$4.48.

As shown in the following table, multiplying the cost per litre/hectare for each land use type by the calculated roads system development \$ litre/hectare/day by the applicable consumption rate per hectare for each land use type, provides the DCC rate per hectare.

CITY OF WEYBURN - SEWAGE							
DCC CALCULATION	Col 1	Col 2	Col 3	Col 4	Col 2 * 3 * 4	Col 1 * 5	Col 5 * c
LAND USE TYPE	Total Hectares	Equivalence Factors			Consumption (L/ hectare/day)	Total Consumption Units (L/day)	\$ DCC
Residential - Low	173.5	8.0 dwellings/hectare	3.50 persons per dwelling	350 L/person	9,800	1,700,146.9	\$43,890.10 per hectare
Residential - Medium	33.0	24.0 dwellings/hectare	2.50 persons per dwelling	350 L/person	21,000	693,937.5	\$94,050.21 per hectare
Residential - High	37.2	48.0 dwellings/hectare	1.50 persons per dwelling	350 L/person	25,200	936,815.6	\$112,860.26 per hectare
Commercial	42.3	1.0 hectare/hectare	1.00 hectare	22,500 L/hectare	22,500	950,850.0	\$100,768.09 per hectare
Industrial	112.4	1.0 hectare/hectare	1.00 hectare	22,500 L/hectare	22,500	2,529,000.0	\$100,768.09 per hectare
	398.4						
					(a) Total Consumption Units - L per day	6,810,750.1	
					(b) Total \$DCC Recoverable	\$30,502,500	
					(c) \$ per Consumption EU (Litre) (b / a)	\$4.48	



5.4 Storm System

Total capital infrastructure requirements for the storm systems from 2013 to 2027 have been estimated to be \$6.2 Million, of which \$1.3 Million has been designated as directly recoverable from developers. Details of these costs are available in Appendix B.

The measurement unit used to allocate the costs among the land types is the site imperviousness directly impacting storm water run-off. Engineering studies provide “run-off coefficient” data which estimates the soil imperviousness for each land use type. The portion of the \$1.3 Million storm system infrastructure allocated to each land use type is then calculated as the ratio of each land use hectares of impervious soil to the total hectares of impervious soil.

CITY OF WEYBURN - STORM SEWER					
DCC CALCULATION		Col. 1	Col. 2	Col. 3	Col. 4
LAND USE TYPE	Total Development in hectares	Land Type Runoff Coefficient (Note 1)	Total Impervious Hectares	Weighted Average DCC Recoverable	\$ DCC
Residential - Low	173.5	40%	69.4	\$385,531.09	\$2,222.28 per gross hectare
Residential - Medium	33.0	50%	16.5	\$91,793.12	\$2,777.85 per gross hectare
Residential - High	37.2	65%	24.2	\$134,247.43	\$3,611.21 per gross hectare
Commercial	42.3	90%	38.0	\$211,305.62	\$5,000.13 per gross hectare
Industrial	112.4	70%	78.7	\$437,122.74	\$3,888.99 per gross hectare
Total	398.4	(a)	226.8	(b)	
Total \$DCC Recoverable	\$1,260,000	(c)			
Note 1 : The runoff coefficient represents the estimated percentage of the site that is impervious (e.g. buildings, parking pads, sidewalks etc.)					



5.5 Recreation

Total capital infrastructure requirements for recreation from 2013 to 2027 have been estimated to be \$55.6 Million, of which \$8.3 Million has been designated as directly recoverable from developers. Details of these costs are available in Appendix B.

The measurement unit used to allocate the costs among the land types is the number of persons as the increasing population is closely related to the need for new recreation facilities. For the recreation calculation, only the residential land types are included as commercial and industrial land development has negligible impact on new facility requirements. Dividing the \$8.3 Million capital costs by the estimated total population increase of 9,517 results in a per person cost of \$877.

As shown in the following table, multiplying the \$877 cost per person by the average persons per hectare results in the DCC cost per hectare for each land use type.

CITY OF WEYBURN - RECREATION					
DCC CALCULATION	Col 1	Col 2	Col 3	Col 6	Col 1 * 5
LAND USE TYPE	Total Hectares	Equivalence Factors		Total Population	\$ DCC
Residential - Low	173.5	8.0 dwellings/hectare	3.50 persons per dwelling	4,857.6	\$24,555.16 per hectare
Residential - Medium	33.0	24.0 dwellings/hectare	2.50 persons per dwelling	1,982.7	\$52,618.21 per hectare
Residential - High	37.2	48.0 dwellings/hectare	1.50 persons per dwelling	2,676.6	\$63,141.85 per hectare
Commercial	42.3	1.0 hectare/hectare	not applicable	0.0	\$0.00 per hectare
Industrial	112.4	1.0 hectare/hectare	not applicable	0.0	\$0.00 per hectare
	398.4	(a) Total Population Units		9,516.9	
		(b) Total \$DCC Recoverable		\$8,346,000	
		(c) \$ per Person (b / a)		\$876.97	

6.0 FINANCIAL PLAN

In addition to DCCs, funding for off-site development costs may be provided from various sources including the following:

- Capital grants from federal and provincial governments
- Developer contributions/reserves
- Municipal taxes, via Council approved “Municipal Assist” contributions

These financing sources are deducted from the off-site development costs applicable to DCC prior to calculating the appropriate DCC rates. Presently, no additional sources of capital financing for off-site costs have been identified. Although it is anticipated that external sources of funding will be available for some recreation projects, these funds will be used to offset the municipal funding requirements. Accordingly, the DCC rates calculated in this report are based on recovering 100% of the identified off-site infrastructure costs attributable to new growth from developers of residential and commercial land. This is not unprecedented. In Manitoba, for example, some municipalities require that all new growth to be funded by developers.

Timing of Development and Collection of DCCs

The DCC rates in this report cover all of the projected growth to the year 2027. The following table provides a summary of the estimated capital expenditures in five year periods.

Total Estimated Off-Site Capital Costs – 2013 to 2027 (2013 Dollars)								
LAND USE TYPE	YEARS 1 - 5 2013-2017		YEARS 6 - 10 2018-2022		YEARS 11 - 15 2023-2027		TOTAL	
	DCC	Taxpayer	DCC	Taxpayer	DCC	Taxpayer	DCC	Taxpayer
ROADS	\$0	\$1,136,520	\$10,712,783	\$4,659,743	\$3,005,783	\$1,235,483	\$13,718,565	\$7,031,745
WATER SYSTEM	\$6,693,750	\$4,068,750	\$23,100,000	\$13,650,000	\$1,050,000	\$1,050,000	\$30,843,750	\$18,768,750
SEWAGE SYSTEM	\$10,972,500	\$0	\$18,480,000	\$6,720,000	\$1,050,000	\$0	\$30,502,500	\$6,720,000
STORM SYSTEM	\$1,260,000	\$4,893,000	\$0	\$0	\$0	\$0	\$1,260,000	\$4,893,000
RECREATION	\$1,542,000	\$8,738,000	\$3,260,250	\$18,474,750	\$3,543,750	\$20,081,250	\$8,346,000	\$47,294,000
TOTAL	\$20,468,250	\$18,836,270	\$55,553,033	\$43,504,493	\$8,649,533	\$22,366,733	\$84,670,815	\$84,707,495
	\$39,304,520		\$99,057,525		\$31,016,265		\$169,378,310	

It is very likely that the capital outlays required to provide new infrastructure will not match the collection of DCCs from developers. In periods where DCC collections are not sufficient to finance the capital outlays, additional financing will be required via municipal working capital or long term debt issues. With either of these funding sources, real or imputed financing charges should be included in the capital balance to be recovered from DCCs.



DCC Reserves

Where DCC collections exceed the present capital outlay requirements, the surplus DCC funds should be placed in a reserve for withdrawal in the future. A separate reserve is required for each infrastructure type; however, it is acceptable to transfer funds between reserves as temporary loans. All interest income earned on reserve balances must also be retained in the reserve for future use. In the event that a temporary loan is made between reserve funds, an acceptable rate of loan interest should also be applied and accrued to the lending reserve.

DCC Financial Plan

To help mitigate excessive cash shortfalls or surpluses, a detailed DCC financial plan should be prepared and updated annually. The financial plan will require detailed analysis of actual and projected development activity, and capital infrastructure requirements, culminating in a long term year-by-year cash flow projection. Commonly the financial plan will forecast capital expenditures and associated funding in five-year increments similar to a capital budget. This financial plan will help identify any future cash shortfalls requiring the attention and possible actions of civic management. Depending on the reasons for the cash shortfalls, civic management may have to provide temporary financing to the DCC fund and/or re-evaluate the DCC rates and adjust accordingly.

The DCC financial plan is the municipality's greatest asset in preventing large swings in DCC rates which may have undesirable development repercussions, and should become an integral component of the annual capital budgeting process.

2013-2027 Plan

Stantec has prepared a high level fifteen year financial plan for the capital expenditures and DCC collections calculated for this report. The following assumptions were used to prepare the financial plan:

Financial Plan Assumptions:

- Capital expenditures are assumed to occur evenly throughout each five-year period. (i.e. total 5 year expenditures divided by 5 equals annual expenditure)
- Land development and associated DCC levy collection are assumed to occur evenly throughout each five-year period.
- A single DCC Reserve is used for simplicity.
- Debt financing is assumed to be short term, interest payments only

A summary of the fifteen year financial plan summarized by each five-year period is provided on the following page. A detailed schedule of the fifteen years is provided in Appendix C.

WEYBURN DCC - CAPITAL FINANCIAL PLAN				
DCC CASH FLOW	Year 1 - 5 2013 - 2017	Year 6 - 10 2018 - 2022	Year 12 - 15 2023 - 2027	TOTAL 2013 - 2027
Capital expenditures				
Roads System	\$ -	\$ 10,712,783	\$ 3,005,783	\$ 13,718,565
Water System	\$ 6,693,750	\$ 23,100,000	\$ 1,050,000	\$ 30,843,750
Sewage System	\$ 10,972,500	\$ 18,480,000	\$ 1,050,000	\$ 30,502,500
Storm System	\$ 1,260,000	\$ -	\$ -	\$ 1,260,000
Recreation	\$ 1,542,000	\$ 3,260,250	\$ 3,543,750	\$ 8,346,000
Total capital expenditures	\$ 20,468,250	\$ 55,553,033	\$ 8,649,533	\$ 84,670,815
Add: Interest on short-term borrowing	\$ -	\$ 1,036,955	\$ 2,793,421	\$ 3,830,376
Total cash out flows	\$ 20,468,250	\$ 56,589,987	\$ 11,442,954	\$ 88,501,191
DCC Levies collected	\$ 28,223,605	\$ 28,223,605	\$ 28,223,605	\$ 84,670,815
Net cash surplus (shortfall)	\$ 7,755,355	\$ (28,366,382)	\$ 16,780,651	\$ (3,830,376)
Funding Allocations:				
Short term debt				
Add: Short term borrowings	\$ -	\$ 20,416,281	\$ -	\$ 20,416,281
Less: Lump sum debt payments	\$ -	\$ -	\$ (16,780,651)	\$ (16,780,651)
Reserves				
Allocation (to) DCC Reserves	\$ (7,755,355)	\$ -	\$ -	\$ (7,755,355)
Allocation from DCC Reserves	\$ -	\$ 7,950,098	\$ -	\$ 7,950,098
	\$ -	\$ -	\$ -	\$ -

SHORT TERM BORROWINGS	Year 1 - 5 2013 - 2017	Year 6 - 10 2018 - 2022	Year 12 - 15 2023 - 2027	TOTAL 2013 - 2027
Opening Balance	\$ -	\$ -	\$ 20,416,281	\$ -
Additions	\$ -	\$ 20,416,281	\$ -	\$ 20,416,281
Lump sum payments	\$ -	\$ -	\$ (16,780,651)	\$ (16,780,651)
Closing Balance	\$ -	\$ 20,416,281	\$ 3,635,630	\$ 3,635,630
Interest rate: 4.0%				

DCC RESERVES	Year 1 - 5 2013 - 2017	Year 6 - 10 2018 - 2022	Year 12 - 15 2023 - 2027	TOTAL 2013 - 2027
Opening Balance	\$ -	\$ 7,931,605	\$ 0	\$ -
Allocations from DCC	\$ 7,755,355	\$ -	\$ -	\$ 7,755,355
Allocations to DCC	\$ -	\$ (7,950,098)	\$ -	\$ (7,950,098)
Interest earned	\$ 176,250	\$ 18,493	\$ 0	\$ 194,743
Closing Balance	\$ 7,931,605	\$ 0	\$ 0	\$ 0
Interest rate: 1.5%				

Note: This financial plan assumes all DCC shortfalls are funded by short term borrowings. The ending short term borrowing balance (\$3.6 Million) in the example above represents the total interest charges incurred. As part of the annual review process, interest charges should be forecast and included in the revised DCC rates in addition to other capital expenditure and new development timings.



7.0 CONCLUSIONS & RECOMMENDATIONS

Conclusions

This report has discussed the methodology behind the use of Development Cost Charge levies to address municipal development. The report has shown the necessity for carefully estimating and funding future growth. Many municipalities have fallen into the trap of not addressing future growth requirements on a proactive basis. This leaves the municipality in a state where the development levy increases that are required to fund future growth may be too onerous, unreasonable, and unfair for developers to fully bear. Weyburn has recognized the rapid growth and has taken measures to mitigate funding shortfalls by recently increasing the Servicing Agreement fees. Although this increase exceeds the average DCC fee calculated in this report, there are significant discrepancies between the present rates charged and the DCC rates calculated when viewed by each land use type.

Recommendations

Based on the findings contained in this report, Stantec provides the following recommendations.

1. Transition Development Levies

Stantec recommends that Weyburn transition their DCC levies (Servicing Agreement Fees) to a model that associates the fees with the associated impacts of the different land use types as presented in this report. Weyburn has already taken significant measures to address the future infrastructure funding requirements via the recent Servicing Fee increase to \$211,000 which is very near the amount required based on forecast capital requirements over the next fifteen years. Future levies from 2013 onward should be transitioned to the rates per this report, based on different land use types as calculated in this report.

2. Update the Official Community Plan

Weyburn's Official Community Plan (2003) requires updating to align with the DCC. With the demand of new development, the absence of a relevant Official Community Plan may result in growth that is shaped by developers, rather than the City.

Weyburn has identified the desired growth levels for residential, commercial, and industrial land uses that are the basis for the future DCC levies. The Official Community Plan can now be updated to reflect these land use zonings, which will enable developers to adapt their development planning accordingly. The vetting of the Plan by both the community and developers will alert taxpayers and developers to the municipality's future growth plans and the associated financial impacts. Most importantly, this process will equip Council and Administration with information to make decisions regarding the bearing of future development costs.



3. Prepare a Front-End Infrastructure Development Policy

Although Weyburn will have a desired development program specified in the updated Official Community Plan, there may be instances where developers propose growth that is outside of the specified timeframes (i.e. developing a site prior to when the required off-site infrastructure has been budgeted). When these situations arise, it is common for the developer to “front-end” the cost of providing the required infrastructure. This can be done via a developer loan to Weyburn to construct the infrastructure to be repaid to the developer at the time the infrastructure was originally budgeted to be constructed. Weyburn should prepare a policy to inform developers of the opportunity and costs to be incurred if they should choose to front end unscheduled infrastructure.

4. Prepare and Approve the DCC

After the updated Official Community Plan and Financial Plan are approved, Weyburn can implement a DCC to recover revenues for future growth based on the known timing and cash requirements. Public consultation with taxpayers and developers will be integral to this process and may have significant influence on Council’s decisions in setting the DCC rate.

5. Monitor and Update the DCC Capital Financial Plan

The DCC Capital Financial Plan provided in this report is the starting block for a process of proactive development growth management. To derive the greatest benefit, this initial Financial Plan must be reviewed and updated annually as part of Weyburn’s capital budgeting process. The timing of cash flows is the key outcome of the Financial Plan and will help Weyburn prevent infrastructure deficits that arise from unplanned growth. By regularly reviewing the forecast development to actual development, the DCC rates and any required borrowings can be adjusted as needed to match funding to the re-forecast capital expenditures. Performing this process regularly (e.g., annually) will help to level DCC rate increases, provide greater predictability, and generally be more fair and equitable for all parties.

APPENDIX A - ASSUMPTIONS

City of Weyburn 2013 Development Cost Charge				
Standard Assumptions		Value		Source/Comment
Total area developed (includes land reserve)	hectares	398.4	calculated	
Average population per dwelling	#	2.40	per Sask Housing CHBA report	
Total projected population increase	#	9,517	calculated - 15 year growth at 3.8% per CHBA report (2011)	
Total New Residential Dwellings	#	3,965	calculated	
Total area developed for residential (includes reserve)	hectares	243.7	calculated	
Percentage of new growth to be Low Density	hectares	173.5	35%	Per Weyburn
Percentage of new growth to be Medium Density	hectares	33.0	20%	Per Weyburn
Percentage of new growth to be High Density	hectares	37.2	45%	Per Weyburn
Total New Commercial space	hectares	42.3	per G. Tsougrianis memo, confirmed by Weyburn	
Percentage of land for building footprint	%	20%	The percentage of site covered by building only	
Average square metres building footprint per hectare	m ²	2,000	1 hectare = 10,000 m ² * 30% = 3,000 m ²	
Percentage of total site coverage	%	70%	Is the percentage of site covered by building + asphalt/concrete parking etc.	
Total New Industrial lands	hectares	112.4	per G. Tsougrianis memo, confirmed by Weyburn	
Percentage of site coverage	%	70%	Is the percentage of site covered by building, asphalt/concrete parking etc.	
Total New Institutional space	m ²	0	Assume no institutional	
Institutional growth - as a % of residential	%	0%		
Percentage of land for building footprint	%	n/a	Is the percentage of site covered by building only	
Percentage of total site coverage	%	n/a	Is the percentage of site covered by building + asphalt/concrete parking etc.	
Municipal Assist Factors				
Municipal Assist - Road System	%	0%	Assumes zero Municipal Assist factor	
Municipal Assist - Water System	%	0%		
Municipal Assist - Storm System	%	0%		
Municipal Assist - Sewage System	%	0%		
Municipal Assist - Sewage System	%	0%		
Other				
2012 inflation (construction)	%	5%	Used to escalate 2012 capital expenditures to 2013 costs	
Short term borrowing rate	%	4%		
Short term investment rate	%	1.5%		

APPENDIX B – CAPITAL EXPENDITURE FORECASTS

ROAD SYSTEM CAPITAL COSTS (2013 Dollars)			Benefit Allocation		TOTAL CAPITAL COST	Total Recoverable From DCC	Total Municipal Responsibility
#	Description	Target Year	% to New Dev.	% to City-Wide			
1	Signalized Intersection optimization	2014	0%	100%	\$ 20,475	\$0	\$20,475
2	Hwy 13 & 5th Street intersection restriping	2014	0%	100%	\$ 13,965	\$0	\$13,965
3	Hwy 13 & 16th Street stop control & intersection restriping	2014	0%	100%	\$ 3,150	\$0	\$3,150
4	Hwy 35 restriping for dual NB/SB lanes	2014	0%	100%	\$ 36,750	\$0	\$36,750
5	Hwy 35 at Hwy 39 intersection detection equipment & retiming	2014	0%	100%	\$ 50,820	\$0	\$50,820
6	Hwy 35 at Railway Ave traffic signal control	2014	0%	100%	\$ 317,625	\$0	\$317,625
7	3rd St at Railway Ave restriping	2014	0%	100%	\$ 12,600	\$0	\$12,600
8	3rd St & Hwy 39 restriping	2014	0%	100%	\$ 10,710	\$0	\$10,710
9	Highway Connectors advance warning lights	2014	0%	100%	\$ 3,150	\$0	\$3,150
10	Dangerous Goods Route - signage	2014	0%	100%	\$ 5,775	\$0	\$5,775
11	16th St & Warren Ave pedestrian crossings	2014	0%	100%	\$ 6,930	\$0	\$6,930
12	16th St & Warren Ave - ped crossings - push button activation	2014	0%	100%	\$ 50,820	\$0	\$50,820
13	Pedestrian Crossings standard details for 20 locations	2014	0%	100%	\$ 126,000	\$0	\$126,000
14	Sims/Murton Avenue multi use path - 1760m long	2014	0%	100%	\$ 420,000	\$0	\$420,000
15	Signal head lighting replacements various locations	2014	0%	100%	\$ 57,750	\$0	\$57,750
16	Signal controller replacement	2019	50%	50%	\$ 289,800	\$144,900	\$144,900
17	Signal controller upgrades	2019	50%	50%	\$ 203,700	\$101,850	\$101,850
18	Hwy 13 & 35 - paint striping	2019	50%	50%	\$ 12,075	\$6,038	\$6,038
19	Hwy 13 11th st to 16th st widening , excludes property acquisition	2019	50%	50%	\$ 556,500	\$278,250	\$278,250
20	Moore St Extension - 3rd Ave SW to future 16th St extension	2019	80%	20%	\$ 1,748,250	\$1,398,600	\$349,650
21	6th Ave SW Extension - Hwy 35 to Moore Street	2019	80%	20%	\$ 813,750	\$651,000	\$162,750
22	5th Ave N Extension - Hwy 35 to Queen Street, excludes property	2019	80%	20%	\$ 2,640,750	\$2,112,600	\$528,150
23	Queen Street - Hwy 39 to 5th Ave N, excludes property	2019	80%	20%	\$ 1,674,750	\$1,339,800	\$334,950
24	Aylmer Street Extension - Hwy 13 to 5th Ave N, excludes property	2019	80%	20%	\$ 1,207,500	\$966,000	\$241,500
25	9th Ave N - Hwy 35 to 5th St Extension, excludes property acquisition	2019	80%	20%	\$ 1,354,500	\$1,083,600	\$270,900
26	Hwy 35 - 5th Ave N to 9th Ave N	2019	50%	50%	\$ 609,000	\$304,500	\$304,500
27	Hwy 35 - 7th Ave SE to 16th St	2019	50%	50%	\$ 762,300	\$381,150	\$381,150
28	16th St Extension - Hwy 39 to Hwy 35 - does not include bridge	2019	50%	50%	\$ 2,850,750	\$1,425,375	\$1,425,375
29	5th St Extension - 5th Ave N to 9th Ave N	2019	80%	20%	\$ 648,900	\$519,120	\$129,780
30	Signalized Intersections - Retime Signals	2024	50%	50%	\$ 20,475	\$10,238	\$10,238
31	Hwy 39 at Moore Street - restriping	2024	50%	50%	\$ 3,150	\$1,575	\$1,575
32	Hwy 13 at 16th Street - restriping	2024	50%	50%	\$ 10,815	\$5,408	\$5,408
33	Hwy 13 at 16th Street - signage	2024	50%	50%	\$ 6,825	\$3,413	\$3,413
34	Hwy 13 - 16th Street to city limits	2024	50%	50%	\$ 1,249,500	\$624,750	\$624,750
35	16th Street Extension - Hwy 35 to Queen Street	2024	80%	20%	\$ 2,950,500	\$2,360,400	\$590,100
TOTAL			66%	34%	\$ 20,750,310	\$13,718,565	\$7,031,745

Note: The costs for bridges are not included in the above Roads capital cost estimates

WATER SYSTEM CAPITAL COSTS (2013 Dollars)			Benefit Allocation		TOTAL CAPITAL COST	Total Recoverable From DCC	Total Municipal Responsibility
#	Description	Target Year	% to New Dev.	% to City-Wide			
1	Booster Pump Station for South Hill	2013	40%	60%	\$ 1,050,000	\$420,000	\$630,000
2	Watermain loop - Hwy 39 commercial area	2013	0%	100%	\$ 262,500	\$0	\$262,500
3	Ethanol Plant water loop	2013	50%	50%	\$ 525,000	\$262,500	\$262,500
4	East Side Trunk Watermain	2013	85%	15%	\$ 1,050,000	\$892,500	\$157,500
5	Reservoir increase to total of 20,000 m3 starting in 2014 to meet future demand to near 20,000 pop.	2014	65%	35%	\$ 7,875,000	\$5,118,750	\$2,756,250
6	New reservoir & pump stn at 1st Ave N	2020	50%	50%	\$ 5,250,000	\$2,625,000	\$2,625,000
7	Raw water intake to Rafferty, pumpstation and pipeline	2020	65%	35%	\$ 31,500,000	\$20,475,000	\$11,025,000
8	Water Treatment Plant Upgrades	2025	50%	50%	\$ 2,100,000	\$1,050,000	\$1,050,000
TOTAL			62%	38%	\$49,612,500	\$30,843,750	\$18,768,750

SEWAGE SYSTEM CAPITAL COSTS (2013 Dollars)			Benefit Allocation		TOTAL CAPITAL COST	Total Recoverable From DCC	Total Municipal Responsibility
#	Description	Target Year	% to New Dev.	% to City-Wide			
1	5th St, 1st Ave and 4th St pipe replace w 300 mm diam, 900 m total	2013	100%	0%	\$ 1,050,000	\$1,050,000	\$0
2	New 200 mm diam from intersection of Coteau Ave & Eaglesham St to East Ave	2013	100%	0%	\$ 787,500	\$787,500	\$0
3	Replace existing DS w/ 300 diam Coteau	2013	100%	0%	\$ 787,500	\$787,500	\$0
4	Replace existing DS w/ 300 diam along King St to 1st Ave	2013	100%	0%	\$ 787,500	\$787,500	\$0
5	New East Sector Trunk Sewer (Phase 1 - 1800m)	2013	100%	0%	\$ 2,100,000	\$2,100,000	\$0
6	LS upgrades for Souris Valley Development	2014	100%	0%	\$ 210,000	\$210,000	\$0
7	New NE Sector Trunk Sewer (Phase 2 - 1200m)	2014	100%	0%	\$ 2,100,000	\$2,100,000	\$0
8	New NW/NE Sector Trunk Sewer (Phase 3 - 2000m)	2015	100%	0%	\$ 2,100,000	\$2,100,000	\$0
9	New NE Sector Trunk Sewer (Phase 4 - 900m)	2016	100%	0%	\$ 1,050,000	\$1,050,000	\$0
10	WWTP Enhancements	2018	50%	50%	\$ 10,500,000	\$5,250,000	\$5,250,000
11	New PS for Assiniboia Park beyond Phase 2 w/ storage (1,000 m3)	2018	100%	0%	\$ 10,500,000	\$10,500,000	\$0
12	Main Pump Station & forcemain enhancements	2018	65%	35%	\$ 4,200,000	\$2,730,000	\$1,470,000
13	New NW sector trunk sewer (Phase 4 - 1000 m)	2023	100%	0%	\$ 1,050,000	\$1,050,000	\$0
TOTAL			82%	18%	\$37,222,500	\$30,502,500	\$6,720,000

STORM SYSTEM CAPITAL COSTS (2013 Dollars)			Benefit Allocation		TOTAL CAPITAL COST	Total Recoverable From DCC	Total Municipal Responsibility
#	Description	Target Year	% to New Dev.	% to City-Wide			
1	Douglas Rd & McLelland St - DBDF in Jubilee Park	2013	0%	100%	\$ 787,500	\$0	\$787,500
2	Ash Drive - 1050 diam pipe N to drainage channel - 550 m OR: Elks Park DBDF, max A = 1.4 ha, approx 400 m of pipe	2013	0%	100%	\$ 1,050,000	\$0	\$1,050,000
3	Gov. Rd & Railway, upgrade to High Cap CB's - 4 total	2013	0%	100%	\$ 63,000	\$0	\$63,000
4	9th St & Railway, 1500 diam to Souris River, 150m, crosses railway & hwy	2014	0%	100%	\$ 315,000	\$0	\$315,000
5	Hartney Bay, DBDF at St. Michael - 1.5ha, approx 120m of pipe	2014	0%	100%	\$ 787,500	\$0	\$787,500
6	Eaglesham Ave - DBDF at Park on Eaglesham Ave - 0.8 ha, ~100m of pipe	2014	0%	100%	\$ 787,500	\$0	\$787,500
7	Lang Cres - DBDF in park - 0.3 ha, ~130m of pipe or u/g storage 1400 m3	2015	0%	100%	\$ 787,500	\$0	\$787,500
8	Gov. Rd & Sims Ave, 1500 diam to river, approx 150m of pipe	2015	0%	100%	\$ 315,000	\$0	\$315,000
9	Douglas Road storm water extension - Detension	2015	100%	0%	\$ 1,260,000	\$1,260,000	\$0
TOTAL			20%	80%	\$6,153,000	\$1,260,000	\$4,893,000

RECREATION CAPITAL COSTS (2013 Dollars)			Benefit Allocation		TOTAL CAPITAL COST	Total Recoverable From DCC	Total Municipal Responsibility
#	Description	Target Year	% to New Dev.	% to City-Wide			
1	New Performing Arts Centre	2013	15%	85%	\$ 6,500,000	\$975,000	\$5,525,000
2	Build new spray pad - River Park	2013	15%	85%	\$ 420,000	\$63,000	\$357,000
3	Renovate Don Mitchell paddling pool	2014	15%	85%	\$ 210,000	\$31,500	\$178,500
4	New football field - west of community track	2016	15%	85%	\$ 105,000	\$15,750	\$89,250
5	Build new spray pad - new residential area	2017	15%	85%	\$ 420,000	\$63,000	\$357,000
6	New Visual Art Centre and Gallery - location to be determined	2017	15%	85%	\$ 1,312,500	\$196,875	\$1,115,625
7	Build new museum - location to be determined	2017	15%	85%	\$ 1,312,500	\$196,875	\$1,115,625
8	Resurface community track - Weyburn Comp.	2020	15%	85%	\$ 78,750	\$11,813	\$66,938
9	Build new field house - new multi-purpose facility	2020	15%	85%	\$ 14,175,000	\$2,126,250	\$12,048,750
10	Build third ice facility - Jubilee or Multi-use facility	2020	15%	85%	\$ 7,350,000	\$1,102,500	\$6,247,500
11	Resurface tennis courts - Jubilee Park	2022	15%	85%	\$ 131,250	\$19,688	\$111,563
12	Renovate or build new indoor pool - At Leisure Centre or Multi-use facility	2027	15%	85%	\$ 23,625,000	\$3,543,750	\$20,081,250
TOTAL			15%	85%	\$55,640,000	\$8,346,000	\$47,294,000

Note: Government and other external funding anticipated for future recreation facilities will be applied entirely to the Municipal portion of funding.



APPENDIX C – FINANCIAL PLAN DETAIL

DCC CASH FLOW	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Capital expenditures															
Roads System	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,142,557	\$ 2,142,557	\$ 2,142,557	\$ 2,142,557	\$ 2,142,557	\$ 601,157	\$ 601,157	\$ 601,157	\$ 601,157	\$ 601,157
Water System	\$ 1,338,750	\$ 1,338,750	\$ 1,338,750	\$ 1,338,750	\$ 1,338,750	\$ 4,620,000	\$ 4,620,000	\$ 4,620,000	\$ 4,620,000	\$ 4,620,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000
Sewage System	\$ 2,194,500	\$ 2,194,500	\$ 2,194,500	\$ 2,194,500	\$ 2,194,500	\$ 3,696,000	\$ 3,696,000	\$ 3,696,000	\$ 3,696,000	\$ 3,696,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000
Storm System	\$ 252,000	\$ 252,000	\$ 252,000	\$ 252,000	\$ 252,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recreation	\$ 308,400	\$ 308,400	\$ 308,400	\$ 308,400	\$ 308,400	\$ 652,050	\$ 652,050	\$ 652,050	\$ 652,050	\$ 652,050	\$ 708,750	\$ 708,750	\$ 708,750	\$ 708,750	\$ 708,750
Total capital expenditures	\$ 4,093,650	\$ 4,093,650	\$ 4,093,650	\$ 4,093,650	\$ 4,093,650	\$ 11,110,607	\$ 11,110,607	\$ 11,110,607	\$ 11,110,607	\$ 11,110,607	\$ 1,729,907	\$ 1,729,907	\$ 1,729,907	\$ 1,729,907	\$ 1,729,907
Add: Interest on short-term borrowing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 119,267	\$ 342,673	\$ 575,015	\$ 816,651	\$ 692,725	\$ 563,841	\$ 429,802	\$ 290,402
Total cash out flows	\$ 4,093,650	\$ 4,093,650	\$ 4,093,650	\$ 4,093,650	\$ 4,093,650	\$ 11,110,607	\$ 11,110,607	\$ 11,229,873	\$ 11,453,279	\$ 11,685,622	\$ 2,546,558	\$ 2,422,631	\$ 2,293,748	\$ 2,159,709	\$ 2,020,308
DCC Levies collected	\$ 5,644,721	\$ 5,644,721	\$ 5,644,721	\$ 5,644,721	\$ 5,644,721	\$ 5,644,721	\$ 5,644,721	\$ 5,644,721	\$ 5,644,721	\$ 5,644,721	\$ 5,644,721	\$ 5,644,721	\$ 5,644,721	\$ 5,644,721	\$ 5,644,721
Net cash surplus (shortfall)	\$ 1,551,071	\$ 1,551,071	\$ 1,551,071	\$ 1,551,071	\$ 1,551,071	\$ (5,465,886)	\$ (5,465,886)	\$ (5,585,152)	\$ (5,808,558)	\$ (6,040,901)	\$ 3,098,163	\$ 3,222,090	\$ 3,350,973	\$ 3,485,012	\$ 3,624,413
Funding Allocations:															
Short term debt															
Add: Short term borrowings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,981,670	\$ 5,585,152	\$ 5,808,558	\$ 6,040,901					
Less: Lump sum debt payments	\$ -	\$ -	\$ -	\$ -	\$ -						\$ (3,098,163)	\$ (3,222,090)	\$ (3,350,973)	\$ (3,485,012)	\$ (3,624,413)
Reserves															
Allocation (to) DCC Reserves	\$ (1,551,071)	\$ (1,551,071)	\$ (1,551,071)	\$ (1,551,071)	\$ (1,551,071)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Allocation from DCC Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,465,886	\$ 2,484,212	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET CASH FLOW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SHORT TERM BORROWINGS															
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,981,670	\$ 8,566,822	\$ 14,375,381	\$ 20,416,281	\$ 17,318,118	\$ 14,096,028	\$ 10,745,055	\$ 7,260,043
Additions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,981,670	\$ 5,585,152	\$ 5,808,558	\$ 6,040,901	\$ -	\$ -	\$ -	\$ -	\$ -
Lump sum payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,098,163)	\$ (3,222,090)	\$ (3,350,973)	\$ (3,485,012)	\$ (3,624,413)
Closing Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,981,670	\$ 8,566,822	\$ 14,375,381	\$ 20,416,281	\$ 17,318,118	\$ 14,096,028	\$ 10,745,055	\$ 7,260,043	\$ 3,635,630
Interest rate: 4.0%															
DCC RESERVES															
Opening Balance	\$ -	\$ 1,562,704	\$ 3,137,128	\$ 4,723,361	\$ 6,321,490	\$ 7,931,605	\$ 2,484,212	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Allocations from DCC	\$ 1,551,071	\$ 1,551,071	\$ 1,551,071	\$ 1,551,071	\$ 1,551,071	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Allocations to DCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,465,886)	\$ (2,484,212)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest earned	\$ 11,633	\$ 23,353	\$ 35,161	\$ 47,058	\$ 59,044	\$ 18,493	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Closing Balance	\$ 1,562,704	\$ 3,137,128	\$ 4,723,361	\$ 6,321,490	\$ 7,931,605	\$ 2,484,212	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Interest rate: 1.5%															