Town of Rosetown

Development Levy Study

Prepared by:

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November, 2016

Project Number: 604829657 (402.19)

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Revision History

Revision #	Date	Revised By:	Revision Description
A	2016/09/29	TFW	Draft Version – Review
B	2016/11/21	TFW	Final Version

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November 21, 2016

Michele Schmidt
Town Administrator
Town of Rosetown
Box 398
Rosetown, SK S0L 2V0

Dear Michele:

Project No: **60482957 (402.19)**

Regarding: **Development Levy Study**
Final Report Submission

AECOM is pleased to submit this Final version of the Development Levy Study for your consideration.

We look forward to your review of the document and we are willing to assist with any presentations and implementation tasks which the Town deems necessary. It has been a pleasure working with the Town on this project and we look forward to continuing to work with the Town in the future. If you have any questions, please contact the undersigned at (306) 657-8873.

Sincerely,
AECOM Canada Ltd.

Trevor Woiden, P.Eng.
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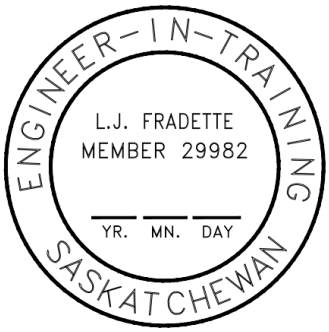
TW:lf
Encl.

Quality Information

Report Prepared By:

Trevor Woiden, P.Eng.
Civil Engineer



Lance Fradette, Engineer-in-Training
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Ryan King, Engineering Licensee
Municipal Infrastructure Manager

Executive Summary

The Town of Rosetown retained AECOM to assess the Town's current and future development areas, growth forecast and future capital cost requirements in order to establish a new Development Levy policy and guidelines to apply to proposed developments within the town boundaries. Fundamental to the study is establishing a growth development horizon, an accurate existing population and a population growth projection for the future.

Two fundamental decisions form the basis for executing this study 1) Growth Development Horizon (25 years) and 2) Growth Development Areas. Based on a 25 year medium population growth forecast the number of residential units, commercial land and industrial land could be identified. From these numbers the growth Development Areas were identified for the 25 year development horizon. They are identified in Section 4 (Figure 4.1).

A system wide development levy study was calculated which would be applied to all development (regardless of location or land use) within the Town. The system wide levy is considered the simplest form of tariff to administer. The system wide charge resulted in a unit rate charge of $68,851.91 per hectare. Three area specific charges were also presented in the study for comparisons purposes, but are not recommended for further study or implementation. The system wide charge of $68,851.91/ha is similar but slightly lower than the Town of Kindersley's development levy but substantially lower than large municipalities of Regina, Yorkton, Prince Albert.

It should be highlighted that infrastructure such as Arterial roadways, primary water mains and trunk sanitary sewers are 100% funded by the development levy. This is somewhat unique although not completely uncommon. The staging of the growth areas within the 25 year development horizon was not established at this time and will proceed based on Market demands. Because some of capital infrastructure identified in the growth development areas is 100% funded by the development levy, the Town will have to be aware of potential cash flow within the development levy accounts as developments are presented and proceed to construction.

Of the capital costs identified in these areas, assumptions were made as to the size and potential inclusion or exclusion in the development levy study. It will be important for the Town to consider undertaking future infrastructure studies to better refine the costs identified in this study and also for guidance and reference as development proceeds in these areas over the next 25 years. The development levy study should be revisited and updated as gaps in information are eliminated.

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1. Introduction

1.1 Terms of Reference

The terms of reference for this study are as outlined in the following sections.

1.1.1 Development Levy Calculation

Establish a logical and appropriate Development Levy calculation methodology that is transparent and defendable, considering:

a) Land area subject to the development charge including future growth areas;

b) The use of uniform charges vs. area-specific (land use) charges;

c) Neighbourhood or development staging; and

d) Infrastructure Servicing Model.

1.1.2 Capital Cost Recovery

Establish the net growth-related capital costs to be recovered by the Development Charges differentiating between "offsite" and "onsite" infrastructure, the latter being entirely developer-funded. The costs are to be segregated between growth/non-growth and residential/non-residential benefits.

1.1.3 Development Levy Comparison

Compare Rosetown's theoretical Servicing Fees and other related forms of servicing cost recovery in a representative sample of similar-sized or neighbouring municipalities in the region.

1.2 Statutory Requirements

The statutory requirements for Development Levies and Servicing Fees are set out in *The Planning and Development Act, 2007*. This study considers the implementation of charges under the provisions of both Servicing Fees and Development Levies to provide the Town with an ability to equally recover costs from greenfield and infill development, as permitted under the statute.

Part VIII of the Act covers "Development Levies and Servicing Fees" in one Part, under sections 168-176. In the previous Act (i.e. *The Planning and Development Act, 1983*), sections 55.1-55.6 addressed development levies and Section 143 addressed Servicing Agreements. Within the current Act, references to levies and fees are combined, where appropriate, in order to eliminate duplication. Moreover, "capital cost" has the same definition for both development levies and servicing fee, i.e. "the municipality's estimated cost of providing construction, planning, engineering and legal services that are directly related to the matters for which development levies and servicing agreement fees are established pursuant to Sections 169 and 172…".

1.2.1 Development Levies

Town Council can establish Development Levy bylaws where:

a) An official community plan has been adopted that is not subject to an application for subdivision of land and authorizes the use of development levies

b) The specific proposed development was not previously the subject of a s.172 servicing agreement

c) In Council's opinion, the municipality will incur additional capital costs as a result of the development

d) The levies are based on study of municipal servicing and recreational requirements

e) Consideration has been given by Council of future land use patterns and development and the phasing of public works

f) The bylaw specifies the levies, potentially varying them with regard to defined areas, land uses, capital costs as they relate to different classes of development in the bylaw or the size or number of lots or units in a development

g) Land uses, classes of development of defined areas may be exempted by the bylaw

h) The bylaw provides that similar levies be imposed for developments that impose similar capital costs to the municipality

i) Adoption of the bylaw must be in accordance with the public participation requirements of Part X, unless Council (where it has been declared an approving authority) has adopted provisions related to development levy bylaws in a public notice bylaw pursuant to s.24

j) A Council that has been declared an approving authority is not required to obtain the Minister's approval of the adoption, amendment or repeal of a development levy bylaw

Where Council has passed a development levy bylaw, it may require a development permit applicant to pay any applicable levies or to enter into an agreement with respect to the payment thereof, assuming no more than one development levy is paid per development.

1.2.2 Servicing Fees

Where there is a proposed subdivision of land, the municipality involved may require the applicant to enter into a Servicing Agreement to provide services and facilities that directly or indirectly serve the subdivision. An executed Servicing Agreement is required for a subdivision applicant to receive a certificate of approval from the approving authority for the subdivision.

Servicing Agreements may provide for:

a) The applicant's undertaking to install/construct within the proposed subdivision, any specified works such as:

- storm sewers
- sanitary sewers
- sub-drains
- water mains and laterals
- fire hydrants
- sidewalks
- boulevards, curbs, gutters

- street lights
- graded, gravelled or paved streets and lanes
- connections to existing services
- area grading and levelling of land
- street name signs
- connecting and boundary streets
- landscaping of parks and boulevards
- public recreational facilities
- other works that Council may deem required

b) Payment of fees established by Council, as payment in whole or in part for the capital cost (as defined in s.168) of:

- providing, altering, expanding or upgrading
- sewage, water, drainage and other utility services, public highway facilities, or parks and recreational space and facilities
- located within or outside the proposed subdivision
- that directly or indirectly serve the proposed subdivision

c) Time limits for the completion of any work or the payment of any specified fees (extendable based on mutual agreement)

d) Provisions for the municipality and the applicant to share the cost of any work specified in the agreement

e) Any performance assurances required as necessary by Council

Servicing Agreements shall not provide for the completion of work or fee payments by an applicant that were previously addressed by s.171 development levies, unless the municipality will incur additional capital costs as a result of the proposed subdivision. If required to do so by the municipality, an applicant for subdivision approval shall enter into a Servicing Agreement within 90 days of municipal receipt of the subdivision application, unless such time is extended by mutual agreement.

1.2.3 Development Levies and Servicing Fees

Servicing and development levy agreements may contain provisions:

a) Authorizing instalment payment of levies or fees

b) Applying a variable rate for phased development

c) Providing for various forms of payment assurance considered necessary by Council

d) Providing for reimbursement of development levies or servicing fees (plus accrued interest on money collected) when other subsequent owners in the benefiting area specified in the agreement are required to pay levies or fees for development/subdivision in the benefiting area

e) Any other matter Council considers necessary to facilitate the agreement

The aforementioned development levies and servicing fees are to be deposited into one or more accounts separate from other municipal funds. Such funds, plus any accrued interest, are to be used only to pay: the capital costs referenced above, or debt incurred by the municipality as a result of such expenditures; or to reimburse an owner for frontend investment under s.s.173(d). A municipality may register an interest based on a Development Levy or Servicing Agreement in the land registry.

Unless an extension is mutually agreed to, within 30 days after Council's written request for payment of development levies or Servicing Fees, an applicant or owner may appeal to the Saskatchewan Municipal Board (S.M.B.) as to the application of the levies or fees or the factors considered in the calculation thereof. If the parties have been unable to enter into an agreement with the 90 day limit (subject to mutual agreement as to an extension), the applicant or owner may appeal to the S.M.B. to determine whether an agreement is necessary and the terms and conditions thereof.

1.3 Rosetown's Servicing Fee/Development Levy History

The Town of Rosetown currently does not have any Development Levy bylaws in place in order to recover a portion of the capital costs associated with land development.

Establishment of a clearly defined and defensible servicing fee/development levy policy that fully complies with the Planning and Development Act and regulations is one of the primary objectives of the study.

1.4 Study Approach

Figure 1-1 sets out the methodology utilized in developing the Servicing Fee/Development Levy policy review process, as follows:

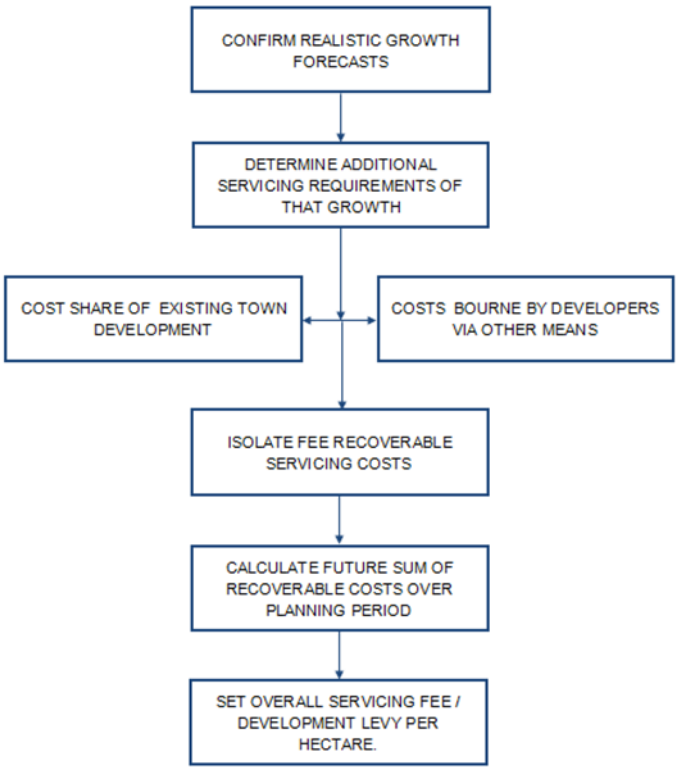


Figure 1-1: Key Steps in Servicing Fee/Development Levy Policy Review

- Step 1 involves establishing the growth forecasts for the Town. The growth forecasts considered integration of population, housing units, employment and industrial/commercial floor area projections, as well as the associated amount of land area to be developed to accommodate noted projections. The growth forecasts were broken down by land use and by area of the Town;
- Step 2 involves the determination of the additional servicing requirements of that growth. The services for which Servicing Fee/Development Levy funding is authorized by the Act are:
    - sewage
    - water
    - drainage works
    - public highways
    - parks and recreation

  Other facilities for fire, police, libraries, administration, transit, homes for the aged, etc., also generate growth-related requirements, but are not authorized for inclusion in the fee and have therefore not been addressed. While these services are excluded, the Province is currently considering amendments to the Act to permit some service inclusions (e.g. fire protection). As such the servicing fee/development levy policy may be amended to incorporate any statutory changes at some future date.
- Step 3 involves removing from the capital program any costs or projects which are to be developer-funded via other development agreement provisions. This is to ensure that there is no overlap between different forms of cost recovery.
- Step 4 involves the deduction of costs from the growth-related projects, in order to remove any cost components which are not growth-related. These include those which provide a specific benefit to existing development.
- Step 5 is the result of this costing process and isolates the Servicing Fee/Development Levy recoverable costs which relate to new development anticipated over the planning period for this particular calculation.
- Step 6 involves calculating the future sum of the Servicing Fee/Development Levy recoverable costs over the established planning period. This is done by applying an annual inflation rate for each year between 2016 and the year when the capital cost will be required.
- Step 7 involves translating those costs into Servicing Fees/Development Levies. This entails dividing the total eligible costs by total benefiting development, measured in terms of hectares, number of units, or population equivalents, etc.

1.5 Servicing Fee/Development Levy Principles

The following set of Servicing Fee principles were proposed as a further elaboration on the Study Approach:

- The calculation is to be based on realistic growth assumptions. Historical population data was highly variable between the Statistics Canada Census information and the Saskatchewan Health covered population reports. This Study will be completed based on a 2015 population of 2,700 people and a projected future growth rate of 1.0%.

- The calculation is based on a servicing program which reflects reasonable service levels, construction cost, timing and phasing assumptions.
- The Town's cost share of the servicing program is to include the cost of:
  - Benefits to the existing population
  - Any significant benefits to development beyond the 25 year planning horizon
- At the same time, the servicing program is to be affordable to the Town in terms of tax rate contributions, debt funding and fee/levy cashflow.
- The Servicing Fee/Development Levy should not be so substantial that it creates tangible negative impacts on the Town's housing or industrial/commercial markets.
- Differentiated charges may be imposed on industrial land vs. commercial land vs. low density residential land vs. medium/high density residential land, in order to reflect clear differences in servicing requirements. This study will present both a system wide charge and land use specific charge for the Town's consideration.

1.6 Report Organization

The balance of this report is organized into five sections, as follows:

- "Section 2 – Growth Forecast" addresses the growth for which infrastructure requirements are to be assessed, the cost of which is to be partially or fully borne by such growth.
- "Section 3 – Capital Cost Attributions" covers the methodology and conventions to be used in isolating growth-related costs in a fair and equitable fashion.
- "Section 4 – Servicing Fee Calculation" shows the capital costs attributable to growth and development and spreads them out over the growth forecast in Section 2, which gives rise to those requirements.
- "Section 5 – Policy Considerations" addresses a number of Servicing Fee policy matters, including exemptions, credits, payment timing and other matters.

2. Growth Forecast

2.1 Growth Forecast Basis for the Town of Rosetown

The Servicing Fee/Development Levy calculations are premised on several documents including the Official Community Plan (OCP) completed in 2014 and East Neighbourhood Study completed in 2015.

The recommendations of the OCP include:

- The Town of Rosetown anticipates reaching a population of 5,000 people by the year 2039.
- The Town has planned future residential development on the east side of town (East Neighbourhood) as well as a smaller development between Marshall Avenue and Railway Avenue North (a land development concept plan has not been completed at this time).
- Future Commercial development is planned on the west side of town on both the north and south sides of Highway No. 7.
- Future Industrial development is proposed on the west side of town, just north of the existing Industrial development containing Industrial Drive and Saskatchewan Drive.
- Rosetown had a surplus capacity of 500-750 at the time the OCP was issued.

Findings within the East Neighbourhood study include:

- The East Neighbourhood comprises an area of 49 ha and is expected to contain a population of 1600 people.
- The preliminary design for the development of the East Neighbourhood includes 453 single family lots and 52 multi-family units for condos and townhomes.
- The preliminary design for the development of the East Neighbourhood includes 5.03 ha of commercial development alongside Highway No. 7.
- Full development of the East Neighborhood does not present any concerns or trigger a need for upgrades in the existing town water distribution infrastructure nor will it require any additional water storage infrastructure to meet WSA storage requirements.
- The gravity collection system within the East Neighbourhood will drain to a new combined sewage and storm water pumping station. From this facility sewage will be pumped through a new force main to the existing gravity conveyance system on Sixth Avenue. Once Stage 4 of the East Neighbourhood is complete, an additional force main will need to be constructed from the new pumping station to the lagoon.
- A storm retention pond with a total footprint of 18,300 m^2 and an active storage volume of 25,316 m^3 will need to be constructed to accommodate the storm sewer system within the proposed development. From the pond, storm water will drain into the pumping station to be pumped into the existing storm water management system west of the new development.

2.2 Historical Population Trends

Table 2-1 contains historical population data collected from Statistics Canada and Saskatchewan Health. The census population is reported by Statistics Canada every five years between 1981 and 2011. The covered population reported by Saskatchewan Health has reported an annual population starting in 1995 until the most recent report was released in 2015. These two sources not only report drastically different population numbers (differences as high as 27%), but also drastically different growth trends. When comparing the growth rates between 1996 and 2011, Statistics Canada reported an average annual growth rate of -0.50% (population decrease of 179 persons) while Saskatchewan Health reported an increase in population during this period with an average annual growth rate of 1.10% (population increase of 563 persons).

Table 2-1: Historical Population

Covered Population -Saskatchewan Health				Census - Statistics Canada			
Year	Population	Population Change	Annual Growth Rate	Year	Population	Population Change	Average Annual Growth Rate
1995	2,546			1981	2664		
1996	2,571	25	0.98%	1986	2663	-1	-0.01%
1997	2,699	128	4.98%	1991	2,519	-144	-1.11%
1998	2,741	42	1.56%	1996	2,496	-23	-0.18%
1999	2,750	9	0.33%	2001	2,471	-25	-0.20%
2000	2,735	-15	-0.55%	2006	2,277	-194	-1.63%
2001	2,723	-12	-0.44%	2011	2,317	40	0.35%
2002	2,714	-9	-0.33%				
2003	2,644	-70	-2.58%				
2004	2,623	-21	-0.79%				
2005	2,611	-12	-0.46%				
2006	2,625	14	0.54%				
2007	2,592	-33	-1.26%				
2008	2,704	112	4.32%				
2009	2,656	-48	-1.78%				
2010	2,972	316	11.90%				
2011	3,175	203	6.83%				
2012	3,113	-62	-1.95%				
2013	3,095	-18	-0.58%				
2014	3,163	68	2.20%				
2015	3,134	-29	-0.92%				
				1981-1996		-168	-0.43%
1996-2011		604	1.45%	1996-2011		-179	-0.50%
1996-2015		563	1.10%	1981-2011		-347.0	-0.46%

Table 2-2 is a projection of the Town's population with a medium growth rate scenario over the next 45 years. Considering the historical population trends presented in the table above, it was challenging to determine both a present day population as well as a realistic future growth rate.

The 2011 population varies 27% in Table 2-1. Statistics Canada reports a population of 2,317 while Saskatchewan Health reports a population of 3,175. The significant difference between these numbers can be attributed to several things. First of all, it is not unusual for Saskatchewan Health numbers to be higher than Statistics Canada numbers. In AECOM's experience, this is the case for a large majority of communities within Saskatchewan. The variation between the two population reports, however, does seem to be higher than AECOM has observed in other communities. This can likely be attributed to a number of transient residents working in the Rosetown area which would be not be accounted for in the Census. Rosetown and other surrounding communities have experienced a notable influx of temporary residents who work either in the agricultural or oil and gas sectors. This demographic stays in a community for the length of a particular project but will not commit to buying a home or becoming a permanent resident of the town. As a result, the Saskatchewan Health report is believed to be over reporting population while Statistics Canada is believed to be on the low side. With that said, AECOM determined that a 2015 population of 2,700 was a realistic population with which to proceed with the calculations of this Study.

2.3 Projected Future Growth Rate

The OCP states that the Town could reach a population of 5,000 as early as the year 2039. When comparing this predicted population with the 2011 Census population of 2,317, the Rosetown will have to average an annual growth rate of 2.8%. Likewise, the 2015 Sask Health population of 3,134 would require Rosetown to average an annual growth rate of 2.0% to reach a population of 5,000 people by 2039. AECOM does not believe growth rates that high are sustainable long term. The historical average annual growth rates reported by Saskatchewan Health are likely also on the high side for same reasons given in the preceding paragraph. Statistics Canada growth rates were negative for each Census period until 2006-2011 which had a growth rate of 0.35%. This is also not a likely growth rate which could be projected for the projected growth of Rosetown. A future growth rate of 1.0% has been used in other communities of similar size and was deemed reasonable for this study.

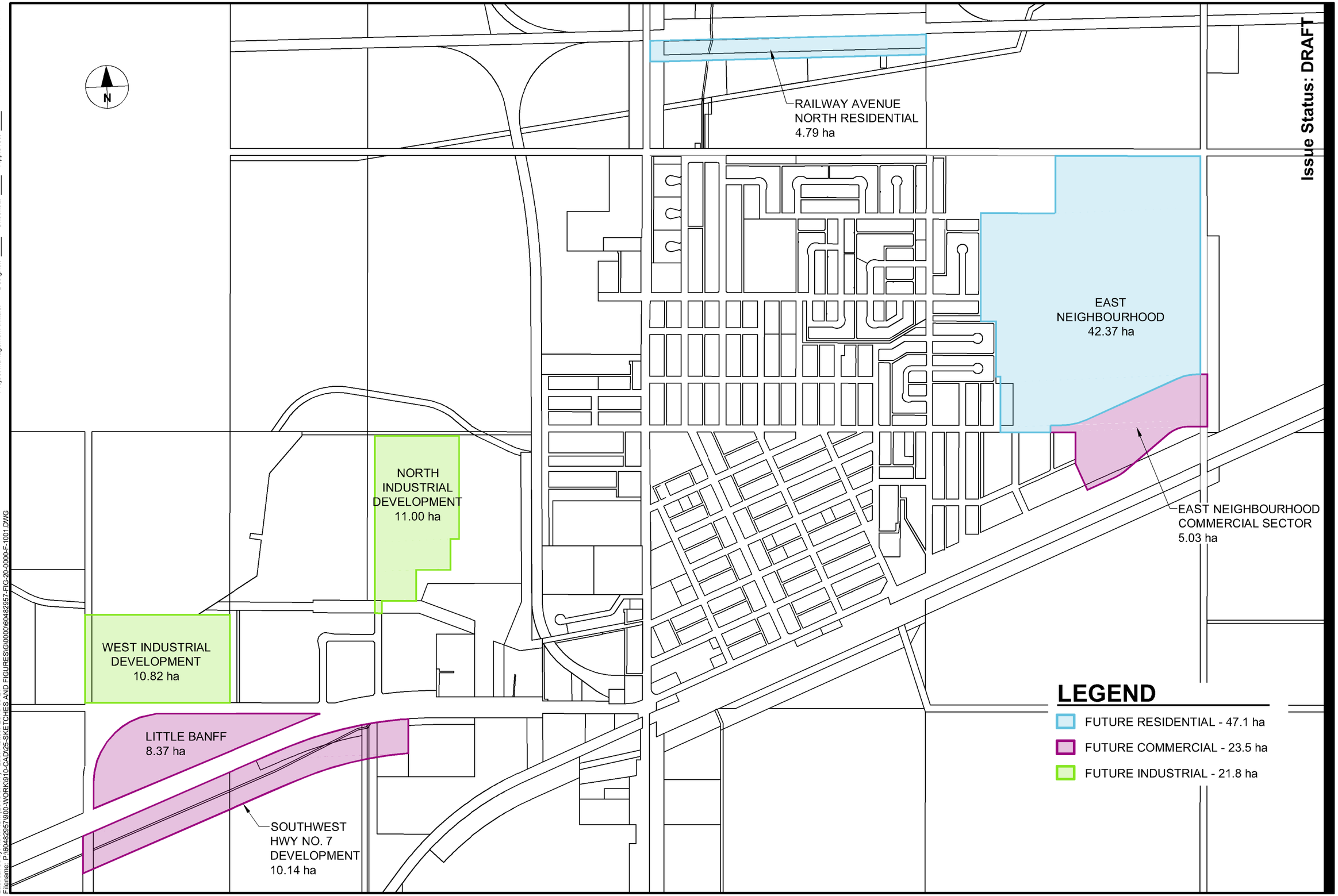
As shown in Table 2-2 on the following page, a 2015 population of 2,700 people and a projected annual growth rate of 1.0% would estimate that the East Neighbourhood (additional 1600 residents) would fill be the year 2062.

Table 2-2: Town of Rosetown – 45 Year Growth Rate Scenario

Year	Growth Rate (%)	Population	Year	Growth Rate (%)	Population
3	1.0	2700	2039	1.0	3428
2016	1.0	2727	2040	1.0	3463
2017	1.0	2754	2041	1.0	3497
2018	1.0	2782	2042	1.0	3532
2019	1.0	2810	2043	1.0	3567
2020	1.0	2838	2044	1.0	3603
2021	1.0	2866	2045	1.0	3639
2022	1.0	2895	2046	1.0	3676
2023	1.0	2924	2047	1.0	3712
2024	1.0	2953	2048	1.0	3749
2025	1.0	2982	2049	1.0	3787
2026	1.0	3012	2050	1.0	3825
2027	1.0	3042	2051	1.0	3863
2028	1.0	3073	2052	1.0	3902
2029	1.0	3104	2053	1.0	3941
2030	1.0	3135	2054	1.0	3980
2031	1.0	3166	2055	1.0	4020
2032	1.0	3198	2056	1.0	4060
2033	1.0	3230	2057	1.0	4101
2034	1.0	3262	2058	1.0	4142
2035	1.0	3295	2059	1.0	4183
2036	1.0	3327	2060	1.0	4225
2037	1.0	3361	2061	1.0	4267
2038	1.0	3394	2062	1.0	4310

2.4 Growth Areas

Potential growth areas for residential, commercial and industrial development have been identified within the Town. Figure 2-1 on the following page provides a mapped illustration of the geographic location of Rosetown's growth areas.



Issue Status: DRAFT

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Figure 2-1

TOWN OF ROSETOWN
FUTURE LAND DEVELOPMENT AREAS

DEVELOPMENT LEVY STUDY
TOWN OF ROSETOWN, ROSETOWN, SK
Project No.: 60482957 Date: 2016-07-07

2.4.1 Commercial Development Growth Areas

OCP- “The Town has an advantage being located along three highways. This is realized by the Town and we would like to further encourage larger commercial development along these corridors.”

East Neighbourhood Commercial Development

- Area size – 5.03 ha
- Located along Highway 7 on the east side of Town. Servicing of the development requires shared/critical utilities and features (SPS and storm pond) with the East Neighbourhood residential development.

Little Banff Commercial Development

- Area Size – 8.37 ha
- Commercial development located on Highway 7. Five commercial properties ranging in sized are accessed from Loken Road. Land is owed by a private developer. Servicing requires extension of services on Loken Road.

Southwest Highway 7 Commercial Development

- Area Size – 10.14 ha
- Potential commercial development on south side of Highway 7 on the west end of town. Site located across from Little Banff development. Land is privately owned. Servicing would require highway crossing.

Industrial Development Growth Areas

North Industrial Development

- Area Size – 11.00 ha
- Located north of existing Industrial Park, east of the lagoon. Access to site is restricted due to drainage channel. Servicing would require small scale sewage pumping station and force main to lagoon.

West Industrial Development

- Area Size – 10.82 ha
- Potential industrial development located west of existing Industrial Park, directly south of the lagoon. Land currently owned by Town of Rosetown. Servicing within site required, and connection to mains servicing Little Banff development.

Residential Development Growth Areas

East Neighbourhood Residential Development

- Area Size – 18.60 ha-25 year (43.37 ha total)
- Future development on east side of Town. Requires major sanitary and storm sewer infrastructure required.

Railway Avenue North Development

- Area Size – 4.79 ha
- Located North of current Town developments, access from Highway 4. Servicing of water available from existing mains. Sanitary and storm sewer servicing restricted to site with no connection to existing system available.

3. Capital Cost Attributions

3.1 Introduction

This Section discusses the Servicing Fee/Development Levy calculation methodology in general terms, with respect to the capital cost attributions which need to be made. In developing a fee/levy a key requirement of the methodology is the delineation of internal works (constructed or installed within the proposed plan of subdivision) and external works, the latter of which will require payment of levies/fees for internal service oversizing or external capital costs of providing, altering, expanding or upgrading.

Once these costs have been determined, the most fundamental attribution is between the requirements of growth and the requirements of existing development. The latter costs are funded via taxation, user rates and related sources and not by means of Servicing Fees. It is also necessary to ensure that the costs of the growth-related servicing requirements are reasonably matched to the servicing needs of development during the defined calculation period. The cost of major oversizing beyond the needs of development to occur during that planning period should be funded by subsequent developments and would therefore not form part of the current Servicing Fee/Development Levy calculation. This is commonly referred to as a post-period deduction.

The Servicing Fee must be applied on a geographic basis, which can take the form of a uniform Town-wide charge, or charges specific to the use or zoning of the land being developed (residential, commercial or industrial). In addition, the way in which the charge addresses greenfield versus brownfield developments, infill or expansions, should be considered.

Each of these items is discussed further in the following Sections.

3.2 Town of Rosetown Projected 25 Year Capital Requirements

A substantial amount of engineering and planning was completed ahead of this Study. The Town had commissioned several important studies which analysed the condition and capacity of the Town's capital assets and infrastructure. They were relied upon to provide information concerning the remaining service life and replacement value of assets needing replacement. A list of the previously completed studies which were utilized for the Development Levy/Service Fee calculation is listed below:

- Rosetown Waterworks System Assessment-Round Three (AECOM - 2016)
- Rosetown Sanitary System Analysis (AECOM - 2014)
- Rosetown Storm System Analysis (AECOM - 2013)
- East Neighbourhood Study (AECOM - 2015)
- Sewage Pumping Station No. 1 Upgrades and Lagoon Expansion Memorandum (AECOM - 2015)
- A.C. Water Main Replacement Memorandum (AECOM - 2015)
- SPS No 1 Assessment (AECOM - 2016)

All the future capital requirements that AECOM is aware of at this time are shown below in Table 3-1. These are projects that benefit future and/or existing areas of town. The capital cost and projected year of commencement of each of these projects is shown for the Town's convenience. A year of 2017 was given to the capital requirements that are presently known to be past their service life.

Table 3-1: Capital Requirements Planned for Rosetown

Capital Requirement	Year	Present Cost (2016)
Water Supply and Treatment		
Reservoir No. 1, 2, & 3 Replacement	2020	$ 179,000.00
Water Supply Line Replacement	2025	$ 1,080,000.00
EDR System Upgrades	2025	$ 2,320,000.00
WTP Expansion	2025	$ 2,850,000.00
Well No. 5 Pump House HVAC	2025	$ 30,000.00
Well No. 5 Pump replacement	2025	$ 45,000.00
Reservoir No. 4 Replacement	2025	$ 700,000.00
Water Distribution		
A.C. Water Main Replacement	2020	$ 5,591,500.00
Distribution Pump Replacement	2025	$ 160,000.00
Wastewater Treatment		
Lagoon Expansion	2017	$ 2,127,500.00
Wastewater Collection		
SPS No. 1 Replacement	2017	$ 2,550,000.00
SPS No. 1 Force Main Replacement	2017	$ 285,000.00
SPS No. 5 Construction	2017	$ 1,250,000.00
SPS No. 5 Force Main to 6th Ave	2017	$ 115,000.00
SPS No. 2 Decommission*	2020	$ 180,000.00
SPS No. 3 Upgrade*	2031	$ 210,000.00
SPS No. 3 Force Main to Lagoon*	2031	$ 80,100.00
SPS No. 5 Upgrade*	2033	$ 500,000.00
SPS No. 5 Force Main to Lagoon*	2040	$ 805,000.00
Stormwater		
Storm Pond Stage 1	2017	$ 300,000.00
West Rosetown Drainage Ditch Restoration*	2017	$ 150,000.00
Storm Pond Stage 2	2033	$ 200,000.00
Transportation		
There are presently no known Transportation infrastructure upgrades required		$ 0.00
Miscellaneous		
Administration Costs**		$ 105,138.00
Total Capital Costs		**$ 21,813,238.00**

** Costs were not taken from an existing study but were estimated for this exercise*

*** Based on estimated administration cost of $2,200/ha explained in further detail in Section 4*

3.3 Local Service vs. Servicing Fee/Development Levy Recovery

The criteria used to determine whether a project cost shown in Table 3-1 above was a direct subdivision agreement matter (i.e. local service) or a potential Servicing Fee/Development Levy inclusion are set out as follows:

3.3.1 Roads

- Local and collector roads direct developer responsibility.
- Arterial roads internal to plan of subdivision, incremental cost from collector to arterial standard roads will be included in the Levy/Fee. Developer directly responsible for collector-equivalent cost.
- Intersection/entrance ways to plan of subdivision direct developer responsibility, except where intersection is arterial to arterial, which will be included in the Levy/Fee.

3.3.2 Water

- Water mains to, or within a plan of subdivision, of 250 mm diameter or less in size are direct developer responsibility.
- Water main to, or within a plan of subdivision, greater than 250 mm diameter in size, incremental cost is included in the Levy/Fee.
- Trunk water mains external to a plan of subdivision are included in the Levy/Fee. Trunk water mains are primary distribution network mains of any size with no service connections permitted.

3.3.3 Sanitary Sewer

- Sanitary sewers to, or within a plan of subdivision, of 300 mm diameter or less in size are direct developer responsibility.
- Sanitary sewers to, or within a plan of subdivision greater than 300 mm diameter, incremental cost is included in the Levy/Fee.
- Sanitary sewer force mains external to a plan of subdivision are included in the Levy/Fee.
- Trunk sanitary sewers external to a plan of subdivision are included in the Levy/Fee. Trunk sanitary sewers are primary collection mains of any size with no service connections permitted.

3.3.4 Drainage

- Storm sewers to, or within a plan of subdivision, of 675 mm diameter or less in size, are direct developer responsibility.
- Storm sewers to, or within a plan of subdivision greater than 675 mm diameter, incremental cost is included in the Levy/Fee.
- Trunk storm sewers external to a plan of subdivision are included in the Levy/Fee. Trunk storm sewers are primary collection mains of any size with no service connections permitted.
- Minimum design size for regional service detention/retention pond outlet sewer included in the Levy/Fee. Incremental cost for larger sewer to handle local drainage is direct developer responsibility.

3.3.5 Additional Levy/Fee Considerations

- Capital construction costs were assumed based on our knowledge of the infrastructure required for each category. It should be noted that in some cases our knowledge and the available master plans or background studies were not available, therefore, in order to identify the infrastructure required we roughly estimated the necessary infrastructure and costs and input these coarse estimates into the model. There were several projects in which costing was not available to input into the charge model and they are indicated at the bottom of Table 3-1.
- An existing benefit has been applied to capital projects where the improvement will benefit existing users. The rationale for allocating benefit between future and existing developments is explained in the following section.
- The uncommitted reserve balance is not known
- Areas for the 25 year growth period (2041) have been established and are shown on Figure 4-1.

3.3.6 Parks and Recreation

- Subdivision entrances are direct responsibility of developer.
- Neighbourhood parks are direct responsibility of developer, however some new park components may be funded by the Town.
- On-street and off-street Greenways (e.g. park-to-park linkages, park-to-facility linkages, pathways) are included in the Levy/Fee.

3.4 Growth-related vs. Existing Development Benefit

The infrastructure costs to be funded by Servicing Fees/Development Levies are legislatively restricted to defined types of capital costs for defined services that directly or indirectly serve each subdivision which is subject to the charge (“growth-related costs”). Moreover, the servicing needs of new developments exclude the requirements of pre-existing development, as of the commencement of the defined time period for the first fee/levy calculation which is related to the work. The Servicing Fee/Development Levy calculation time period would typically be 10 years, 20 years or build-out of the Official Community Plan. The selection of an appropriate planning period involves considerations such as the following:

- The period for which an adequate capital and growth forecast is available, consistent with the Town’s Official Community Plan.
- A period long enough to ensure that development is contributing to the cumulative long term need for major new facilities and works.

In this case, the calculation relates to the anticipated residential and non-residential growth over the 2016-2041 forecast period.

The requirements of existing development are those where existing development benefits from:

- the repair or unexpanded replacement of existing assets
- an increase in overall average service level or existing operational efficiency
- the elimination of a chronic servicing problem not primarily created by growth

- providing services where none previously existing (e.g. water service, roadway improvements)
- alterations in service requirements (e.g. recreation) primarily due to the change in needs due to aging, etc., of the existing population base
- alterations in service requirement primarily due to changes in regulatory requirements

Under the uniform charge approach, all development within the Servicing Fee/Development Levy recovery area applicable to the charge, should absorb an equitable share of the growth-related costs of servicing that area, based on average servicing requirements. However in defining fee implementation policies to align with other Town initiatives, where a particular type or location of development is fully or partially exempt as a result of a Town policy decision, that development is not removed from the denominator and the fee/levy calculation is unaffected; however, the Town's anticipated cost recovery potential is diminished accordingly, i.e. growth-related costs are spread over all new development, whether exempt or not.

3.5 Service Levels

The Town has been providing capital works to developments at particular service levels. In some cases, those service levels may be increasing over time. Future service provision and the Servicing Fee/Development Levy calculation is assumed to be on the basis of these up-to-date service levels. Where the Town's long term capital program implicitly seeks to augment per capita service levels for services such as recreation, for example, any such increases largely represent a benefit to existing development, as noted above, and are therefore deducted from the fee/levy calculation.

3.6 Grants and Other Contributions

The Town may be successful in receiving grants for other contributions (e.g. federal/provincial funding, fundraising, private donor contributions, etc.) to offset the cost of growth-related capital costs. Although the Town may make every effort to apply for available grants to growth-related projects, funding is not a predictable or reliable source of funding and therefore excluded from the calculation.

3.7 Servicing Fees/Development Levies Differentiated by Use

Servicing Fees are commonly levied on a gross development hectare basis, irrespective of the amount or type of development potential for each hectare of land involved. This approach means that a medium-high density residential hectare, which is likely to involve higher servicing costs than a low density hectare, both pay the same charge. It also means that retail development, which generates additional road and water/sewer requirements in comparison with light industrial development, both pay the same amount per hectare. As a result, this approach only serves to provide a match between servicing costs and funding responsibility on an overall average basis. In order to more closely attribute growth-related costs to different types of development, it is first necessary to allocate such costs between the needs of residential and non-residential development. The latter class includes industrial, commercial and institutional development. Some services largely or solely benefit residential development, for example parks and recreation; however, there typically is some non-residential benefit relating to the use of such facilities by students, corporate teams or events, lunch time usage, etc., and the cost of this service is typically allocated 95% to residential development and 5% to non-residential development.

Most municipal services provide amenities to both residential and non-residential development. Different measures are employed to allocate costs proportionately, including:

- The relationship between incremental growth in population and employment, with each weighted at one and employment embodying use by customers and suppliers, as well as employees.
- Average water consumption per capita and per employee
- Peak AM trip generation models with trips with a home origin weighted at 50% and the work/school destination also weighted at 50%

If the decision is made to differentiate the Servicing Fee/Development Levies on a per hectare basis, in order to reflect servicing cost variations by development type and amount, the calculation should reflect average differences in need by residential unit type. This is commonly done on an average occupancy basis. For example, assume that a new single detached unit is expected to have an average occupancy of 3.0 persons and a new apartment unit is expected to have an occupancy of 1.5 persons. On this basis, the average servicing cost of the apartment unit and hence the Servicing Fee/Development Levy payable, would be 50% of the single detached unit. By extension, a hectare of land expected to accommodate 50 persons would pay 50% of the Servicing Fee payable by a hectare expected to accommodate 100 persons, as a result of differences in non-developable land and the number and type of planned dwelling units. This approach could be further refined by noting that high density housing typically has only approximately 60% of the per capita water demand of low density housing. Higher density housing may also have fewer automobiles per capita.

In order to establish Servicing Fees which reflect the variable servicing needs of different amounts and types of development on a hectare or hectares of land, it is necessary to express the various types of non-residential development in terms of “population-equivalent” servicing requirements. This can best be done based on average water flows for water/sanitary sewer services, trip generation rates for roads, and employment to reflect a small demand for parks and recreation. If this approach were employed by the Town, it would make it possible to calculate a land area-specific Servicing Fee/Development Levies for every hectare of development land at the subdivision agreement stage, considering potential residential, industrial, commercial and institutional use. Doing so would add to the complexity of the process and may involve the need for an updating procedure, but would have the benefit of providing a more precise allocation of costs.

It is recommended that the Town utilize the fee structure of per hectare charges.

3.7.1 Area-specific Charges

In the majority of municipal developments, water, sewer and roads fee/levies are imposed on a uniform, jurisdiction-wide basis, but there are some exceptions. The vast majority of the exceptions fall into the following categories:

a) A number of larger municipalities use area-specific charges for water and sewer purposes for individual sectors which are served by an individual treatment plant/purification plant or related service area. This normally occurs where the sectors are geographically detached and have different circumstances concerning the financing of growth. In some cases these municipalities may also have different user rates for each system, either as a result of being recently amalgamated or pursuant to municipal policy.

b) In some cases, municipalities have exempted areas such as downtowns and designated centres from Servicing Fees/Development Levies. The justification for doing so typically relates to defined municipal policy to encourage economic development at that location, consistent with Official Community Plan policy or equivalent, and the belief that the exemption of a sizeable fee/levy would tangibly contribute thereto and would outweigh the revenue loss involved. It may also relate to the fact that growth in the area requires limited additional services.

c) Municipalities sometimes impose area-specific surcharges on areas that are seeking development approvals where servicing costs are above-average, because those areas are outside of the designated urban service area and require uncharacteristically costly works, or are advancing a municipality's development sequence.

By comparison, the use of a uniform Town-wide charge is often recommended for the following reasons:

a) Town-wide charges are easier to administer and maintain, as it is less impacted by changes in servicing arrangements, costs and development rates, types and quantities;

b) area-specific charges tend to be more contentious in terms of benefiting areas and related matters and are subject to appeal;

c) the use of area-specific charges is restricted to the purpose for which the charge was imposed, which reduces the Town's flexibility to fund new works from a consolidated reserve fund early in the planning period, prior to full fee/levy collections having been made;

d) a Town-wide charge is consistent with Town policies which apply uniform tax rates, user charges and service levels.

Uniform Town-wide and area-specific charges are provided herein for the Town's consideration.

4. Development Levy Calculation

4.1 Calculation Assumptions

The Development Levy/Service Fee calculation contains varying deductions and associated percentages as shown on Tables 4-2 to 4-4. How these percentages were determined are summarized below:

The initial steps taken to establish the growth-related benefit versus the existing development benefit that certain capital requirements confer during the 25 year growth horizon is by determining the population and the area which the future developments will encompass. As discussed in Section 2 and shown on Table 2-2, the Town of Rosetown has a projected annual growth rate of 1.0% and is estimated to reach a population of approximately 3500 by the year 2041.

Table 4-1 below shows the cumulative developed area along with the projected town population for each consecutive stage of the East Neighbourhood. The table indicates that the Town of Rosetown will reach a population of 3500 after the buildout of East Neighbourhood stage 5. So Rosetown is expected to grow by 800 persons by the year 2041. The first 5 stages of East Neighbourhood will total 23.63 ha of land development. Since the 5.03 ha of stage 1 is entirely commercial, it is estimated that Rosetown will have 18.60 ha of residential development in the next 25 years.

Table 4-1: East Neighbourhood Staged Population

Stage	Area (Ha)	Cumulative Area (Ha)	Stage Population	Projected Town Population	Year
1	5.03	5.03	0	2,727	2017
2	3.47	8.50	119	2,846	2020
3	4.92	13.42	208	3,054	2027
4	4.44	17.86	182	3,235	2033
5	5.77	23.63	231	3,466	2040
6	4.80	28.43	175	3,641	2045
7	3.33	31.76	251	3,892	2051
8	3.13	34.89	145	4,038	2055
9	5.90	40.79	271	4,308	2062

There is also a small residential development planned on the north side of town, just east of Highway No. 4. The development covers a relatively large area considering it will only be comprised of 13 single family lots. The area which this development covers (4.79 ha) will be taken into consideration for the Development Levy/Service Fee calculation; however, expected population of 30-40 people which it will house was considered to be negligible.

Figure 4-1 on the following page details the 25 year growth forecast development areas.

N

RAILWAY AVENUE
NORTH RESIDENTIAL
4.79 ha

EAST
NEIGHBOURHOOD
18.60 ha

EAST NEIGHBOURHOOD
COMMERCIAL SECTOR
5.03 ha

NORTH
INDUSTRIAL
DEVELOPMENT
11.00 ha

LITTLE BANFF
8.37 ha

LEGEND

- FUTURE RESIDENTIAL - 23.4 ha
- FUTURE COMMERCIAL - 13.4 ha
- FUTURE INDUSTRIAL - 11.0 ha

Issue Status: DRAFT

AECOM

Figure 4-1

TOWN OF ROSETOWN
25 YEAR DEVELOPMENT AREAS

DEVELOPMENT LEVY STUDY
TOWN OF ROSETOWN, ROSETOWN, SK
Project No.: 60482957 Date: 2016-09-26

With the exception of SPS No. 3 Upgrade and Force Main to Lagoon (required for the north industrial development), all of the growth related capital projects benefit both the existing areas of town and future land development. When calculating the growth-related benefit versus existing development benefit of the capital projects which benefit the entire town, the growth related share of the servicing fee contribution will be in proportion to the population increase that will be housed and employed by the 25 year land development.

25 year Rosetown Population Increase ÷ Projected 2041 Rosetown Population = Percent of Total Growth Related Benefit

800 persons ÷ 3500 persons = ***22.9%***

For the land use charge scenario, the percent of the growth related benefit of capital projects which benefit both existing areas of town and future land development need to be further allocated to residential and non-residential benefit. This is done through comparing the size of the 25 year residential growth area with the 25 year commercial and industrial growth areas as demonstrated in the formula below

(25 Year Residential Land Development Area ÷ Total 25 Year Land Development Area) x Percent of Total Growth Related Benefit = Percent of Residential Growth Related Benefit

(23.39 ha ÷ 47.79 ha) x 0.229 = ***11.2%***

(25 Year Non-Residential Land Development Area ÷ Total 25 Year Land Development Area) x Percent of Total Growth Related Benefit = Percent of Residential Growth Related Benefit

(24.40 ha ÷ 47.79 ha) x 0.229 = ***11.7%***

The growth related share of the serving fee contribution for future SPS No. 3 Upgrade and Force Main to Lagoon requires the comparison of the future land development areas (North Industrial and Little Banff Commercial) with total future area which SPS No. 3 will service. This is shown in the formula below.

North Industrial and Little Banff Area ÷ Total Future Area Serviced by SPS No. 3 = Percent of Growth Related Benefit

19.4 ha ÷ 180.7 ha = ***10.7%***

An annual inflation rate of 2.0% was used to cover future cost of capital improvements which is consistent with the previous 25 years (1991-1996) as reported by the Bank of Canada. In addition to capital requirement cost, a charge of $2,200/hectare for administration was established which is somewhat arbitrary but consistent with the City of Regina's charge for administration of the DC. The Town may want to adjust this upon review and reflection.

4.2 Average Cost Calculation – System Wide Charge

Table 4-2: System-Wide Servicing Fee Contribution from Growth-Related Development

Capital Requirement	Year	Present Cost (2016)	Future Cost	Growth Related Portion of Cost	Servicing Fee Contribution
Water Supply and Treatment					
Reservoir No. 1, 2, & 3 Replacement	2020	$ 179,000.00	$ 193,320.00	22.9%	$ 44,270.28
Water Supply Line Replacement	2025	$ 1,080,000.00	$ 1,274,400.00	22.9%	$ 291,837.60
EDR System Upgrades	2025	$ 2,320,000.00	$ 2,737,600.00	22.9%	$ 626,910.40
WTP Expansion	2025	$ 2,850,000.00	$ 3,363,000.00	22.9%	$ 770,127.00
Well No. 5 Pump House HVAC	2025	$ 30,000.00	$ 35,400.00	22.9%	$ 8,106.60
Well No. 5 Pump replacement	2025	$ 45,000.00	$ 53,100.00	22.9%	$ 12,159.90
Reservoir No. 4 Replacement	2025	$ 700,000.00	$ 826,000.00	22.9%	$ 189,154.00
Water Distribution					
Distribution Pump Replacement	2025	$ 160,000.00	$ 188,800.00	22.9%	$ 43,235.20
Wastewater Treatment					
Lagoon Expansion	2017	$ 2,127,500.00	$ 2,170,050.00	22.9%	$ 496,941.45
Wastewater Collection					
SPS No. 1 Replacement	2017	$ 2,550,000.00	$ 2,601,000.00	22.9%	$ 595,629.00
SPS No. 1 Force Main Replacement	2017	$ 285,000.00	$ 290,700.00	22.9%	$ 66,570.30
SPS No. 3 Upgrade	2031	$ 210,000.00	$ 273,000.00	10.7%	$ 29,211.11
SPS No. 3 Force Main to Lagoon	2031	$ 80,100.00	$ 104,130.00	10.7%	$ 11,141.91
Miscellaneous					
Administration Service Fees*					$ 105,138.00
Total Charge					**$ 3,290,432.75**

** Based on a rate of $2,200 per ha of development*

The simple average cost calculation of the Town's development levy is set out in Table 4-2 along with a 25 year land development area of 47.79 ha results in an average system wide charge of **$ 68,851.91/ha**.

4.3 Average Cost Calculation – Land Use Charge Scenario

The land use charge scenario was prepared to provide a comparative perspective to the Town-wide charge. scenario. The 25 year build out was divided into residential and non-residential development areas.

Table 4-3: Residential Servicing Fee Contribution from Growth-Related Development

Capital Requirement	Year	Present Cost (2016)	Future Cost	Growth Related Portion of Cost	Servicing Fee Contribution
Water Supply and Treatment					
Reservoir No. 1, 2, & 3 Replacement	2020	$ 179,000.00	$ 193,320.00	11.2%	$ 21,651.84
Water Supply Line Replacement	2025	$ 1,080,000.00	$ 1,274,400.00	11.2%	$ 142,732.80
EDR System Upgrades	2025	$ 2,320,000.00	$ 2,737,600.00	11.2%	$ 306,611.20
WTP Expansion	2025	$ 2,850,000.00	$ 3,363,000.00	11.2%	$ 376,656.00
Well No. 5 Pump House HVAC	2025	$ 30,000.00	$ 35,400.00	11.2%	$ 3,964.80
Well No. 5 Pump replacement	2025	$ 45,000.00	$ 53,100.00	11.2%	$ 5,947.20
Reservoir No. 4 Replacement	2025	$ 700,000.00	$ 826,000.00	11.2%	$ 92,512.00
Water Distribution					
Distribution Pump Replacement	2025	$ 160,000.00	$ 188,800.00	11.2%	$ 21,145.60
Wastewater Treatment					
Lagoon Expansion	2017	$ 2,127,500.00	$ 2,170,050.00	11.2%	$ 243,045.60
Wastewater Collection					
SPS No. 1 Replacement	2017	$ 2,550,000.00	$ 2,601,000.00	11.2%	$ 291,312.00
SPS No. 1 Force Main Replacement	2017	$ 285,000.00	$ 290,700.00	11.2%	$ 32,558.40
Miscellaneous					
Administration Service Fees*					$ 51,458.00
Total Charge					**$ 1,589,595.44**

The simple average cost calculation of the Town's development levy is set out in Table 4-3 along with a 25 year residential development area of 23.39 ha results in an average residential land use charge of **$ 67,960.47/ha**.

Table 4-4: Commercial and Industrial Servicing Fee Contribution from Growth-Related Development

Capital Requirement	Year	Present Cost (2016)	Future Cost	Growth Related Portion of Cost	Servicing Fee Contribution
Water Supply and Treatment					
Reservoir No. 1, 2, & 3 Replacement	2020	$ 179,000.00	$ 193,320.00	11.7%	$ 22,618.44
Water Supply Line Replacement	2025	$ 1,080,000.00	$ 1,274,400.00	11.7%	$ 149,104.80
EDR System Upgrades	2025	$ 2,320,000.00	$ 2,737,600.00	11.7%	$ 320,299.20
WTP Expansion	2025	$ 2,850,000.00	$ 3,363,000.00	11.7%	$ 393,471.00
Well No. 5 Pump House HVAC	2025	$ 30,000.00	$ 35,400.00	11.7%	$ 4,141.80
Well No. 5 Pump replacement	2025	$ 45,000.00	$ 53,100.00	11.7%	$ 6,212.70
Reservoir No. 4 Replacement	2025	$ 700,000.00	$ 826,000.00	11.7%	$ 96,642.00
Water Distribution					
Distribution Pump Replacement	2025	$ 160,000.00	$ 188,800.00	11.7%	$ 22,089.60
Wastewater Treatment					
Lagoon Expansion	2017	$ 2,127,500.00	$ 2,170,050.00	11.7%	$ 253,895.85
Wastewater Collection					
SPS No. 1 Replacement	2017	$ 2,550,000.00	$ 2,601,000.00	11.7%	$ 304,317.00
SPS No. 1 Force Main Replacement	2017	$ 285,000.00	$ 290,700.00	11.7%	$ 34,011.90
SPS No. 3 Upgrade	2031	$ 210,000.00	$ 273,000.00	13.5%	$ 36,855.00
SPS No. 3 Force Main to Lagoon	2031	$ 80,100.00	$ 104,130.00	13.5%	$ 14,057.55
Miscellaneous					
Administration Service Fees*					$ 53,680.00
Total Charge					**$ 1,711,396.84**

The simple average cost calculation of the Town's development levy is set out in Table 4-4 along with a 25 year commercial and industrial development area of 24.4 ha results in an average commercial/industrial land use charge of **$ 70,139.21/ha**.

5. Policy Considerations

5.1 Servicing Fee/Development Levy Implementation

The Servicing Fee/Development Levy as calculated and presented in the previous Section is a drastic departure from the current practice of not charging servicing fees or levies. As a result, the Town is faced with the policy issue as to whether it intends to fully recover all of these costs from new development, or instead to increase the fee/levy on a phased basis over a period of months or years. Alternatively, the Town may decide to establish a cap on the magnitude of the fee/levy, below the full cost recovery amount and fund the balance via taxes and user rates. An important consideration relates to the significance of the housing industry to the Rosetown economy and the perceived impact that a significant increase in the Servicing Fee could have on new home purchasers, as well as on construction industry and supporting businesses, through the economic multiplier.

Moreover, the following charts summarize the calculated fees/levies for Rosetown with those in other jurisdictions. These charts include a Town-wide and area-specific servicing fee/development levy, and compares these charges with other jurisdictions on a per capita and per resale housing price measure.

Table 5-1: Comparison of Calculated Town-Wide and Area-Specific Servicing Fees/Development Levies on a Per Capita Basis

Municipality	Servicing Fee $/ha	Population Est.	Servicing Fee per Capita
Regina – Residential (2016)	$ 346,000.00	223,000	$ 1.55
Weyburn (2013)	$ 212,420.00	10,484	$ 20.26
Yorkton – Commercial (2014)	$ 171,474.00	19,042	$ 9.01
Yorkton – Industrial (2014)	$ 170,119.00	19,042	$ 8.93
Prince Albert (2014)	$ 98,372.00	34,140	$ 2.88
Yorkton – Residential (2014)	$ 88,390.00	19,042	$ 4.64
Kindersley – Residential (2016)	$ 70,966.28	5,357	$ 13.25
Kindersley – Commercial (2016)	$ 70,802.38	5,357	$ 13.22
Rosetown – Commercial (calculated)	$ 70,193.21	2,700	$ 26.00
Rosetown – Industrial (calculated)	$ 70,193.21	2,700	$ 26.00
Rosetown (calculated system wide)	$ 68,851.91	2,700	$ 25.50
Rosetown – Residential (calculated)	$ 67,960.47	2,700	$ 25.17
Kindersley – Industrial (2016)	$ 46,238.00	5,357	$ 8.63
Lumsden (2016)	$ 39,400.00	1,631	$ 24.16
Estimated Charge based on Average $/capita	**$ 113,670.03**	**25,232**	**$ 14.94**

Legend
- Area Specific Levy - Residential
- Area Specific Levy – Commercial
- Area Specific Levy – Industrial

Based on the per capita summary in Table 5.1:

- Town-wide quantum and area-specific charges are lower than those municipalities surveyed;
- Positions the Town favourably for economic development purposes, but may have fiscal implications (tax base share of growth-related costs);
- On per capita basis, economies of scale are witnessed in underlying servicing costs;
- A servicing fee/development levy derived by average charge/capita within the survey would produce a Rosetown charge of approximately $40,338/ha.

Table 5-2: Comparison of Calculated Town-Wide and Area-Specific Servicing Fees/Development Levies On a Per Resale House Price

Municipality	Servicing Fee $/ha	Median. Sale House $ (2016)	Servicing Fee as % of House $
Regina – Residential (2016)	$346,000.00	$294,300	9.80%
Weyburn (2013)	$212,420.00	$269,900	6.56%
Prince Albert (2014)	$98,372.00	$239,900	3.42%
Yorkton – Residential (2014)	$88,390.00	$215,500	3.42%
Kindersley – Residential (2016)	$70,966.28	$349,000	1.69%
Rosetown (calculated system wide)	$68,851.91	$212,500	2.70%
Rosetown – Residential (calculated)	$67,960.47	$212,500	2.67%
Estimated Charge based on Average $/capita	**$136,137.24**	**$256,228.57**	**4.32%**

Legend
Area Specific Levy - Residential

Based on the per resale house price summary in Table 5.2:

- Town-wide quantum and area-specific charges are positioned lower but comparable to similar sized municipalities (Kindersley) and lower than the larger municipalities of Regina and Prince Albert;
- Servicing Fee/Development Levy calculated based on median charge/house price for surveyed municipalities would result in a Town of Rosetown charge of approximately $110,160/ha.
- The servicing fee/hectare conversion to % as House price assumed 12 single family units per hectare as a density.

5.2 Fee Exemptions

At present, the Town Servicing Fees Bylaw does not provide for any exemptions. Servicing Fee/Development Levy Bylaws may provide for exemptions to be consistent with the Town's economic development initiatives. Exemptions may be applied in total or partially (e.g. service based or reduction). They are commonly implemented based on development characteristics, such as:

- Location (e.g. downtown core, industrial park)
- Type of development (e.g. industrial, retail)
- Development form (e.g. high density apartments)

Exempt servicing fee/development levy revenues would be recovered from traditional financial sources (e.g. taxes, user fees, etc.). It is recommended that Council consider the use of exemptions to promote economic development initiatives for inclusion in the Servicing Fee/Development Levy Bylaw.

5.3 Servicing Fee Credits

Where a developer, by agreement with the Town, constructs infrastructure which was included in the Servicing Fee/Development Levy calculation, the developer should be entitled to a commensurate set-off against the fee/levy otherwise payable. However, investment in interim and redundant facilities would not be compensated.

A developer may also request the Town to accelerate the timing of a capital work from the date within the Town's capital forecast, in order to facilitate subdivision approval and development. In this situation, the developer may fully fund the work and receive compensation, at such future time as the Town was scheduled to proceed with the project as capital plan. For example, this compensation could be in the form of the lower of:

a) The actual cost of the work, indexed at the Town's actual reserve fund earnings rate

b) The value of the work contained in the fee/levy calculation, indexed to the repayment date, in accordance with the inflationary increase in the fee/levy

6. References

1. Statistics Canada. 2013. *Rosetown, Saskatchewan. National Household Survey Profile.* 2011 National Household Survey. Statistics Canada Catalogue no. 99-004-XWE. Ottawa. Released June 26 2013. http://www12.statcan.gc.ca/nhs-enm/2011/dp-pd/prof/index.cfm?Lang=E (accessed February 8, 2016)

2. Statistics Canada. 2012. *Rosetown, Saskatchewan (Code 4712006) and Canada (Code 01)* (table). *Census Profile*. 2011 Census. Statistics Canada Catalogue no. 98-316-XWE. Ottawa. Released October 24, 2012. http://www12.statcan.gc.ca/census-recensement/2011/dp-pd/prof/index.cfm?Lang=E (accessed February 8, 2016).

3. Statistics Canada. 2007. *Rosetown, Saskatchewan (Code4712006)* (table). *2006 Community Profiles*. 2006 Census. Statistics Canada Catalogue no. 92-591-XWE. Ottawa. Released March 13, 2007. http://www12.statcan.ca/census-recensement/2006/dp-pd/prof/92-591/index.cfm?Lang=E (accessed February 8, 2016).

4. Statistics Canada. 2002. *Rosetown, Saskatchewan. 2001 Community Profiles.* 2001 Census. Statistics Canada Catalogue no. 93F0053XIE. Ottawa. Released June 27, 2002. Last modified: 2005-11-30. http://www12.statcan.ca/english/Profil01/CP01/Index.cfm?Lang=E (accessed February 8, 2016).

Appendix A

Calculation Modifications

Average Cost Calculation – System Wide Charge (REMOVAL OF LITTLE BANFF)

North Industrial ÷ Total Future Area Serviced by SPS No. 3 = Percent of Growth Related Benefit

*11.0 ha ÷ 180.7 ha = **6.1%***

Table A-1: System-Wide Servicing Fee Contribution from Growth-Related Development

Capital Requirement	Year	Present Cost (2016)	Future Cost	Growth Related Portion of Cost	Servicing Fee Contribution
Water Supply and Treatment					
Reservoir No. 1, 2, & 3 Replacement	2020	$179,000.00	$193,320.00	22.9%	$44,270.28
Water Supply Line Replacement	2025	$1,080,000.00	$1,274,400.00	22.9%	$291,837.60
EDR System Upgrades	2025	$2,320,000.00	$2,737,600.00	22.9%	$626,910.40
WTP Expansion	2025	$2,850,000.00	$3,363,000.00	22.9%	$770,127.00
Well No. 5 Pump House HVAC	2025	$30,000.00	$35,400.00	22.9%	$8,106.60
Well No. 5 Pump replacement	2025	$45,000.00	$53,100.00	22.9%	$12,159.90
Reservoir No. 4 Replacement	2025	$700,000.00	$826,000.00	22.9%	$189,154.00
Water Distribution					
Distribution Pump Replacement	2025	$160,000.00	$188,800.00	22.9%	$43,235.20
Wastewater Treatment					
Lagoon Expansion	2017	$2,127,500.00	$2,170,050.00	22.9%	$496,941.45
Wastewater Collection					
SPS No. 1 Replacement	2017	$2,550,000.00	$2,601,000.00	22.9%	$595,629.00
SPS No. 1 Force Main Replacement	2017	$285,000.00	$290,700.00	22.9%	$66,570.30
SPS No. 3 Upgrade	2031	$210,000.00	$273,000.00	6.1%	$16,653.00
SPS No. 3 Force Main to Lagoon	2031	$80,100.00	$104,130.00	6.1%	$6,351.93
Miscellaneous					
Administration Service Fees*					$105,138.00
Total Charge					**$3,273,084.66**

* Based on a rate of $2,200 per ha of development

The simple average cost calculation of the Town's development levy is set out in Table 4-2 along with a 25 year land development area of 47.79 ha results in an average system wide charge of **$ 68,488.90/ha**.

Average Cost Calculation – System Wide Charge (WEST INDUSTRIAL)

West Industrial ÷ Total Future Area Serviced by SPS No. 3 = Percent of Growth Related Benefit

*10.8 ha ÷ 180.7 ha = **5.9%***

Table A-1: System-Wide Servicing Fee Contribution from Growth-Related Development

Capital Requirement	Year	Present Cost (2016)	Future Cost	Growth Related Portion of Cost	Servicing Fee Contribution
Water Supply and Treatment					
Reservoir No. 1, 2, & 3 Replacement	2020	$179,000.00	$193,320.00	22.9%	$44,270.28
Water Supply Line Replacement	2025	$1,080,000.00	$1,274,400.00	22.9%	$291,837.60
EDR System Upgrades	2025	$2,320,000.00	$2,737,600.00	22.9%	$626,910.40
WTP Expansion	2025	$2,850,000.00	$3,363,000.00	22.9%	$770,127.00
Well No. 5 Pump House HVAC	2025	$30,000.00	$35,400.00	22.9%	$8,106.60
Well No. 5 Pump replacement	2025	$45,000.00	$53,100.00	22.9%	$12,159.90
Reservoir No. 4 Replacement	2025	$700,000.00	$826,000.00	22.9%	$189,154.00
Water Distribution					
Distribution Pump Replacement	2025	$160,000.00	$188,800.00	22.9%	$43,235.20
Wastewater Treatment					
Lagoon Expansion	2017	$2,127,500.00	$2,170,050.00	22.9%	$496,941.45
Wastewater Collection					
SPS No. 1 Replacement	2017	$2,550,000.00	$2,601,000.00	22.9%	$595,629.00
SPS No. 1 Force Main Replacement	2017	$285,000.00	$290,700.00	22.9%	$66,570.30
SPS No. 3 Upgrade	2031	$210,000.00	$273,000.00	5.9%	$16,298.10
SPS No. 3 Force Main to Lagoon	2031	$80,100.00	$104,130.00	5.9%	$6,216.56
Miscellaneous					
Administration Service Fees*					$105,138.00
Total Charge					**$3,272,594.39**

* Based on a rate of $2,200 per ha of development

The simple average cost calculation of the Town's development levy is set out in Table 4-2 along with a 25 year land development area of 47.79 ha results in an average system wide charge of **$ 68,478.64/ha**.

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