
June 27, 2024

Phelps Homes Ltd and JTG Holdings
Attention: Mr. Jon Whyte, Director, Land Development

Dear Jon,

In response to your email dated May 27, 2024 please see below responses to your inquires.

REVIEW QUESTIONS:

Questions regarding the population, housing, and employment forecasts (see Figure 2):

1. Why does the 2024 DC Study include a higher population, household and employment growth forecast than is embedded in the West Lincoln Official Plan? Will the Township be planning to accommodate high demographic growth?

Response:

The 2022 Niagara Region Official Plan (ROP) and technical work informing it has identified population, housing and employment growth for the Township of West Lincoln to 2051. The Township of West Lincoln Official Plan Amendment (OPA) No. 62 and No. 63 establishes the ROP 2051 growth targets and Smithville urban expansion area. The ROP growth forecast forms the basis for the Township's 2024 Development Charges Background Study (DCBS) growth forecast.

2. Why does the current report include a lower estimate of square feet per employee than the 2019 DC Study?

Response:

The floor space per worker (FSW) assumptions are based on data from a number of Municipal Comprehensive Review Studies and Employment Area Studies that Watson has undertaken in the Greater Golden Horseshoe, which provide comparable data to West Lincoln and serve as an appropriate basis. It is also important to note the Niagara Region 2022 DC Background Study utilized a FSW assumptions of 1,200 sq.ft. per industrial, 500 sq.ft. per commercial and 680 sq.ft. per institutional employee. The FSWs in the West Lincoln 2024 DC Study of 1,300 sq.ft. per industrial, 500 sq.ft. per commercial and 690 sq.ft. per institutional employee are consistent with the Niagara Region's DC.

Questions regarding the service level (see Figures 3 and 4):

3. There was a more than 50% increase in service levels per capita between the 2019 and 2024 DC Studies, without significant changes in quantities per capita, while the non-construction price index rose by only 37% between. What accounts for such a significant increase in service levels? Particularly, what accounts for the rise in service levels tied to highways, fire protection, recreation, and library facilities?

Response:

The DC index (Non-Residential Building Construction Price Index) has increased by approximately 45% from 2019 to 2024. However, the Township, as well as other municipalities in Ontario, have been experiencing higher tender costs and higher costs of construction beyond the DC Index. For the Township, recent examples of these increases have been observed through the following projects:

- The 2019 DC Study identified a LeisurePlex Pavilion Project for \$52,000. The project was tendered in 2021 and awarded the project for \$199,693 (excluding HST).
 - The 2019 DC Study identified a Sanitary Sewer upsizing projects on Wade Road (\$210,000) and West Street (\$575,000). These projects were included in the 2024 approved capital budget and will be tendered shortly. The approved budget was \$2,350,000 for both projects.
 - The 2019 DC Study identified a Watermain project on West Street for \$610,000. This project is included in the 2024 approved capital budget and will be tendering the project shortly. The approved budget was \$2,000,000.
4. West Lincoln seems to have a significant service level per capita on roads and related infrastructure and bridges and culverts when compared to nearby municipalities with recently completed DC Background Studies. Is there some excess capacity in these items that is not being accounted for in the 2024 DC Study?

Response:

The Roads, Bridges, and Culvert inventories are based on the Township's OSIM reports. A number of these assets were originally constructed by the Region or Province and have since been reassigned as the responsibility of the Township. The road infrastructure is primarily rural and requires urbanization to service the anticipated growth within the Township. Any benefit to existing developments or excess capacity has been reviewed and adjusted on a project by project basis.

Questions regarding inclusion of projects also included in past DC Studies (see Figure 5):

5. We have identified almost 20 infrastructure investments included in the 2024 DC Study that were also included in the 2019 Study and 2022 Update. These investments would also benefit almost 600 residential units that were built between 2019 and 2023, yet the benefit-to-existing has not changed and remains zero in some cases. Why has the benefit-to-existing not been updated?

Response:

The amount of residential units that paid DCs and received a building permit between

2019 and 2024 is 233, not 600.

The DC collections from those new residential units have been used to fund projects from the 2019 DC study that are no longer identified in the 2024 DC study. Any remaining DC funds that have been collected are contained within the reserve funds, which are then applied towards the overall capital program as a reduction to recognize the contribution from the constructed units.

6. Why did the benefit-to-existing for the Wellandport Community Centre Park & Shoreline Enhancements (shaded in salmon in the figure) drop from 90% in the 2019/2022 Study, to 65% in the current study?

Response:

These are two different projects.

The Wellandport Community Centre project from the previous DC was to renovate the building but has been removed (no longer planned).

The new project titled "Wellandport Community Centre Park & Shoreline Enhancements" for a new Park. The benefit to existing amount is with respect to the Shoreline works.

7. Projects where the estimated construction costs have risen by more than the non-residential construction costs index are shaded in blue in Figure 5. Why does it appear that construction costs increased significantly for the following projects?

o Leisureplex - New soccer field - no lighting / irrigation (+233%)

The amount of this soccer field is based on the Township's capital budget.

o TMP Capital Project ID TWL-Trail-14 North Creek Trail: Between South Grimsby Road 6 and Streamside Park (+150%)

The scope of the project changed as the standard for the trail construction has been revised since the last DC study. All trails identified in the TMP will be 3m wide asphalt trails with proper granular base and drainage. This trail was previously identified in the Township's Trails and Corridors Master Plan as a 2.4m wide trail with a limestone screening surface.

o Wellandport Community Centre Park & Shoreline Enhancements (+50%)

As discussed in question 6, this is a different project from 2019/2022 DC.

o Urban Boundary Expansion TWL-Road-01 Spring Creek Rd Extension: west limit of existing Spring Creek Rd allowance to the New Western Link (+691%)

This is a new project, the alignment of Spring Creek Rd was changed in the TMP to head north and connect to a new road (New Western Link) rather than connecting to an extension of South Grimsby Rd 6 and ultimately to Hwy 20 in the south. The South Grimsby Rd 6 extension project was previously identified in the 2019 study and has been removed.

o TWL-Road-07 Spring Creek Rd: Spring Creek Rd Extension to Hornak Rd (+3,206%)

This road extension was classified as a Collector road in the TMP with a revised right-of-way width of 22m and a wider pavement width. A Collector road will have sidewalks on both sides, this cost which was included within the overall road project cost whereas the 2019 DC study had sidewalks on this road listed as separate projects.

o New Smithville Depot (with salt dome and storage) (+626%)

The new Smithville Depot is anticipated to replace the existing Smithville Depot, the Salt Depot, and the Storage building. The following table provides for the breakdown of the existing vs proposed building, as well as the associated capital cost.

Description	Current Sq.ft.	New Sq.ft.	Cost per sq.ft.	Total Amount (rounded)
Smithville Depot	10,529	21,058	\$500	\$ 10,500,000
Salt Depots	3,176	6,352	\$100	\$ 600,000
Storage Building	601	1,202	\$175	\$ 200,000
Total	14,306	28,612		\$ 11,300,000

o Industrial Park Rd Water Main - from: Pearson Rd to New Urban Boundary (+237%)
This is a new project, the Industrial Park Rd watermain project in the 2019 study was from Spring Creek Rd to Pearson St and that project has been completed.

Questions regarding infrastructure projects needed to support the new urban boundary expansion (see Figure 6). Capital investments embedded in the proposed new DC rate rely on capital investments recommended in the Smithville Master Community Master Plan. A list of projects from the Master Plan embedded in the proposed DC rate can be found in Figure 6:

8. The Smithville Master Community Plan identified a high and low range for each project. Why did Watson assume the high cost for each project when determining DCs?

The estimates in the DC study are based on the high figures to account for the increasing costs of tenders relative to a municipality's budget, which has been observed across Ontario.

Moreover, the costs in the Smithville Master Community Plan are presented in 2022 dollars. In lieu of indexing/inflating the values to 2024 dollars, the values for the high range, as well as the values without a cost range, were utilized as part of the 2024 DC calculations.

9. Table 11-2 of the Smithville Community Plan identified \$230 million in recommended road and transportation capital projects to support the urban boundary expansion. But the 2024 DC Background Study only assumes \$177 million in spending. A substantial number of projects excluded from the 2024 DC Study include junctions. How will these projects be funded?

There are a number of reasons for the difference between the \$230 million total (this total was not verified by staff) for all projects in the Master Community Plan and the \$177 million for projects included in the DC study and outlined on page 7 of the memo from Altus Group:

- o Transportation Master Plan: 1. Regional road and junction upgrade (includes any junction with a Regional road) projects are not included in the DC study; 2. the Regional truck by-pass project is not included in the DC study (the alignment is dependent on an EA study to be completed by the Region, if another alignment is selected, new roads (i.e. Northern Connector) and existing Township roads (i.e. Industrial Park Rd) that were identified as the by-pass route will then become Township road projects and will be re-evaluated); 3. Trails internal to a development are considered a local service and are not included in the DC study; 4. Other items identified related to programs (safety, traffic calming) are not included in the DC study.
- o Water & Wastewater Master Servicing Plan: Certain water and wastewater projects identified in the master plan are classified either a local service and a

developer responsibility or a Regional project and therefore not included in the Township's DC study.

- It was also noted that the DC project list shown on page 7 totalling \$177 million did not include trails which are projects identified in the TMP but are included in the DC study under the Parks & Recreation section.

If you require any additional information, please do not hesitate to contact the undersigned.

Sincerely,

A handwritten signature in blue ink that reads "Donna DeFilippis". The signature is written in a cursive style.

Donna DeFilippis
Interim CAO