

**HALTON CATHOLIC DISTRICT  
SCHOOL BOARD**

**EDUCATION DEVELOPMENT  
CHARGES BY-LAW AMENDMENT  
2007**

May 25, 2007



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 **Planning for growth**

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# HALTON CATHOLIC DISTRICT SCHOOL BOARD

## PROPOSED EDC BY-LAW AMENDMENT 2007

### **Background**

Education Development Charges are a primary source of revenue available to the Board to fund site acquisition/site development needs related to anticipated enrolment growth. Under the *Education Act*, a Board may pass a by-law amending a current education development by-law. A Board can only amend a by-law once in a one year period if the amendment would cause any of the following:

- Increase the amount of an EDC
- Remove or reduce the scope of an exemption
- Extend the term of the by-law

On June 9, 2004 the Halton Catholic District School Board (HCDSB) passed an Education Development Charge (EDC) By-law that is applicable to development that occurs in the Region of Halton. The 2004 charge for the HCDSB was \$592 per residential dwelling unit. The 2004 non-residential charge was \$0.17 per square foot of gross floor area. This was based on 85% of the charge allocated to residential development and 15% to non-residential development.

Since the inception of the original by-law, the cost to acquire land in the Region of Halton has increased significantly. It had become evident to School Board staff that the cost to acquire land for new school sites in the Board's jurisdiction was greater than the per acre assumptions used in the 2004 EDC Background Study, even with the land escalation assumptions made at the time. A recommendation was made to amend the existing by-law to reflect the higher per acre values that the Board would be expected to pay and the Board amended the original by-law on June 21, 2005 to reflect the higher costs.

The original 2004 education development charge was amended in June 2005 to \$659 per residential unit and \$0.18 cents per square foot of gross floor area. At the time of the first amendment the Board also decided to examine the cost of land in the EDC once per year to determine if future amendments are necessary. In the spring of 2006 the Board revisited the land acquisition costs and determined that the EDC by-law should be amended once again to better reflect the current costs that the Board was experiencing.

The 2006 revisions to the by-law resulted in a new amended education development charge of \$808 per residential unit and \$0.23 per square foot of non-residential construction. According to the Board's process, the land values in the Region have been monitored over the past year and have continued to increase. It was decided by the Board to pursue an amendment to the EDC by-law to incorporate the current land values in the Region of Halton.

## **Methodology**

The first step in the Board's process to amend an EDC by-law is to determine the reason for amendment. In the case of the HCDSB the amendment is related to an increase in land values in the Region as compared to what was contained in the original 2004 EDC Background Study. To determine the new land values to be used, the Board hired a qualified appraiser to do a current appraisal of the sites contained within the original background study. The appraiser was also responsible for providing new land escalation rates as well.

Thus, the analysis undertaken in support of the proposed amendments involved revisions to the proposed per acre acquisition costs and land escalation rates only. All assumptions and calculations, exclusive of the aforementioned costs, have remained unchanged from the 2004 EDC Background Study and subsequent amendments. The following pages summarize the changes and the impact they have on the calculation of the charge.

Form G contains the revised per acre costs for each of the Board's approved sites as well as the total land costs for each panel. Form H1 outlines the actual net education land costs the Board's are eligible to collect as well as the residential/non residential allocations and the actual chargeable rates. As a result of the revisions, the total net education land costs for which the Board is eligible to collect EDCs have increased.

The increase in land costs has resulted in an increased Education Development Charge. The resulting proposed charge is **\$890** per residential unit for the HCDSB, an increase of \$82 (10%) from the existing 2006 amended charge of \$808 per unit. For non-residential development the charge increased from the current 2006 amended charge of \$0.23 per square foot to **\$0.25** per square foot, an increase of \$0.02 (9%) per square foot.

It is the Halton Catholic District School Board's intention to consider the proposed amendment at a Board meeting to be held at the Board Offices on Tuesday June 19, 2007 at 8 PM.

Watson & Associates Economists Ltd.

May 25, 2007

Jack Ammendolia, Senior Consultant

Halton Catholic District School Board  
 Education Development Charges Submission - Amendment 2007  
 Form G - Growth-Related Net Education Land Costs

**ELEMENTARY PANEL**

Review Area	Site Status (Optioned, Purchased, Reserved, Etc.)	Proposed Year Of Acquisition	Site Location	Net Growth-Related Pupil Place Requirements	Proposed School Capacity	Percent of Capacity Attributed to Net Growth-Related Pupil Place Requirements	Total Number of Acres Required (Footnote Oversized Sites)	Acreage To Be Funded in EDC By-Law Period	Cost Per Acre	Education Land Costs	Eligible Site Preparation Costs	Land Escalation Costs	Less Previously Financed From Current EDC	Financing Costs	Total Education Land Costs
CEB2		2017	Grindstone Creek	20	400	5.00%	4.00	0.20	\$ 450,000	\$ 90,000	\$ 13,393	\$ 30,192		\$ 14,240	\$ 147,825
CEB5		2006	Alton Site	531	600	88.50%	6.00	5.31	\$ 625,000	\$ 3,318,750	\$ 256,882	\$ 248,906		\$ 407,687	\$ 4,232,225
CE01			Students accommodated in existing facilities	212											\$ -
CE03		2004	West Oak Trails #3	575	575	100.00%	5.98	5.98	\$ 403,679	\$ 2,414,000	\$ 272,688	\$ -		\$ 286,395	\$ 2,973,083
CE03		2005	West Oak Trails #4	450	450	100.00%	4.00	4.00	\$ 700,000	\$ 2,800,000	\$ 187,872	\$ -		\$ 318,500	\$ 3,306,372
CE03		2010	West Oak Trails Extension	334	400	83.50%	4.00	3.34	\$ 700,000	\$ 2,338,000	\$ 181,859	\$ 784,327		\$ 352,219	\$ 3,656,405
CE04		2010	Oakville North of Hwy. 5	550	550	100.00%	6.00	6.00	\$ 575,000	\$ 3,450,000	\$ 326,693	\$ 1,157,369		\$ 525,960	\$ 5,460,022
CE04		2014	Oakville North of Hwy. 5	450	450	100.00%	5.00	5.00	\$ 575,000	\$ 2,875,000	\$ 306,413	\$ 964,474		\$ 441,942	\$ 4,587,829
CE04		2017	Oakville North of Hwy. 5	221	450	49.11%	5.00	2.46	\$ 575,000	\$ 1,411,944	\$ 164,437	\$ 473,664		\$ 218,530	\$ 2,268,575
CE07		2006	Iroquois Ridge #2	254	450	56.44%	5.00	2.82	\$ 800,000	\$ 2,257,778	\$ 136,531	\$ 169,333		\$ 273,278	\$ 2,836,920
CEM2		2004	Guardian Angels	280	600	46.67%	6.20	2.89	\$ 284,000	\$ 821,707	\$ -	\$ -	\$ 821,707	\$ -	\$ -
CEM2		2005	Milton Urban Expansion #2	550	550	100.00%	6.00	6.00	\$ 314,796	\$ 1,888,776	\$ 281,808	\$ -		\$ 231,379	\$ 2,401,963
CEM2		2007	Milton Urban Expansion #3	525	525	100.00%	6.00	6.00	\$ 429,167	\$ 2,575,002	\$ 298,970	\$ -		\$ 306,359	\$ 3,180,331
CEM2		2008	Milton Urban Expansion #4	361	500	72.20%	5.00	3.61	\$ 525,000	\$ 1,895,250	\$ 185,277	\$ 254,534		\$ 248,912	\$ 2,583,973
CEH1		2005	Georgetown (Site To Be Determined)	596	596	100.00%	5.95	5.95	\$ 257,420	\$ 1,531,649	\$ 279,460	\$ -			\$ 1,811,109
CEH1			Students accommodated in existing facilities	299											\$ -
<b>Total:</b>				<b>6,208</b>	<b>7,096</b>		<b>74.13</b>	<b>59.56</b>		<b>\$ 29,667,856</b>	<b>\$ 2,892,283</b>	<b>\$ 4,082,799</b>		<b>\$ 3,625,400</b>	<b>\$ 39,446,631</b>

**SECONDARY PANEL**

Review Area	Site Status (Optioned, Purchased, Reserved, Etc.)	Proposed Year Of Acquisition	Facility Type	Net Growth-Related Pupil Place Requirements	Proposed School Capacity	Percent of Capacity Attributed to Net Growth-Related Pupil Place Requirements	Total Number of Acres Required (Footnote Oversized Sites)	Acreage To Be Funded in EDC By-Law Period	Cost Per Acre	Education Land Costs	Eligible Site Preparation Costs	Land Escalation Costs	Less Previously Financed From Current EDC	Financing Costs	Total Education Land Costs
CS01		2017	Burlington Secondary - Site to be determined	332	1120	29.64%	14.00	4.15	\$ 575,000	\$ 2,386,250	\$ 542,403	\$ 800,513		\$ 397,520	\$ 4,126,886
CS03		2005	Addition at St. Thomas Aquinas Secondary	300	300	100.00%	1.00	1.00	\$ 2,200,000	\$ 2,200,000	\$ 91,670	\$ -		\$ 244,287	\$ 2,535,957
CS03		2017	New secondary facility - location to be determined	680	1120	60.71%	14.00	8.50	\$ 575,000	\$ 4,887,500	\$ 1,110,946	\$ 1,639,605		\$ 814,198	\$ 8,452,249
CS04		2017	New secondary facility - location to be determined	268	1120	23.93%	14.00	3.35	\$ 525,000	\$ 1,758,750	\$ 437,843	\$ 461,631		\$ 283,360	\$ 2,941,584
CS04			Accommodated through addition to Bishop Redding	336											\$ -
CS05			Students accommodated in existing facilities (Christ the King)	210											\$ -
<b>Total:</b>				<b>2,126</b>	<b>3,660</b>		<b>43.00</b>	<b>17.00</b>		<b>\$ 11,232,500</b>	<b>\$ 2,182,862</b>	<b>\$ 2,901,749</b>		<b>\$ 1,739,366</b>	<b>\$ 18,056,477</b>

**Halton Catholic District School Board  
 Education Development Charges Submission - Amendment 2007  
 Form H1 - EDC Calculation - Uniform Residential and Non-Residential**

**Determination of Total Growth-Related Net Education Land Costs**

Total:	Education Land Costs	\$	57,503,108
Add:	EDC Financial Obligations	\$	7,401,504
<b>Subtotal:</b>	<b>Net Education Land Costs</b>	<b>\$</b>	<b>64,904,612</b>
Less:	Operating Budget Savings		
	Positive EDC Reserve Fund Balance		
<b>Subtotal:</b>	<b>Growth-Related Net Education Land Costs</b>	<b>\$</b>	<b>64,904,612</b>
Add:	EDC Study Costs	\$	465,000
<b>Total:</b>	<b>Growth-Related Net Education Land Costs</b>	<b>\$</b>	<b>65,369,612</b>

**Apportionment of Total Growth-Related Net Education Land Costs**

Total Growth-Related Net Education Land Costs to be Attributed to Non-Residential Development (Maximum 40%)	15%	\$	9,805,442
Total Growth-Related Net Education Land Costs to be Attributed to Residential Development	85%	\$	55,564,170

**Calculation of Uniform Residential Charge**

Residential Growth-Related Net Education Land Costs	\$	55,564,170
Net New Dwelling Units		62,454
Uniform Residential EDC per Dwelling Unit	\$	890

**Calculation of Non-Residential Charge - Use Either Board Determined GFA or Declared Value**

Non-Residential Growth-Related Net Education Land Costs	\$	9,805,442
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GFA Method:	Non-Exempt Board-Determined GFA		39,330,018
	Non-Residential EDC per Square Foot of GFA	\$	0.25

<b>Scenario Comments:</b>	
<b>HALTON CDSB</b>	
<b>BOTH PANELS</b>	

**Halton Catholic District School Board  
Cashflow Analysis for Both Panels (Total Jurisdiction)  
Assuming a 5 Year Short Term Borrowing Period**

<b>Sensitivity Analysis</b>		
<i>Non-res Share</i>	<i>Res Rate</i>	<i>Non-Res Rate</i>
0%	\$1,047	\$0.000
5%	\$994	\$0.083
10%	\$942	\$0.166
15%	\$890	\$0.249
20%	\$837	\$0.332
25%	\$785	\$0.416
40%	\$628	\$0.665

<b>Cashflow Assumptions</b>	
A. Reserve fund interest earnings (per annum):	<b>3.50%</b>
B. L/T Debenture Rate	<b>7.00%</b>
C. S/T Borrowing Rate	<b>5.75%</b>
D. L/T Debenture Term (years)	<b>10</b>
E. S/T Borrowing Term (years)	<b>5</b>

	Year 1 2004/ 2005	Year 2 2005/ 2006	Year 3 2006/ 2007	Year 4 2007/ 2008	Year 5 2008/ 2009	Year 6 2009/ 2010	Year 7 2010/ 2011	Year 8 2011/ 2012	Year 9 2012/ 2013	Year 10 2013/ 2014	Year 11 2014/ 2015	Year 12 2015/ 2016	Year 13 2016/ 2017	Year 14 2017/ 2018	Year 15 2018/ 2019
<b>Revenues:</b>															
1 Alternative Accommodation Arrangements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2 Operating Budget Surplus	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 Assumed Debenture Financing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 S/T Borrowing Requirement	\$5,350,000	\$5,950,000	\$4,750,000	\$2,750,000	\$2,350,000	\$300,000	\$7,310,000	\$0	\$0	\$0	\$0	\$0	\$0	\$2,300,000	\$0
5 Subtotal (1 through 4)	\$5,350,000	\$5,950,000	\$4,750,000	\$2,750,000	\$2,350,000	\$300,000	\$7,310,000	\$0	\$0	\$0	\$0	\$0	\$0	\$2,300,000	\$0
6 EDC Revenue (Residential)	\$4,175,702	\$3,921,512	\$3,651,704	\$3,254,431	\$3,749,860	\$4,169,426	\$4,053,157	\$4,062,219	\$3,964,198	\$4,040,215	\$3,814,668	\$3,555,542	\$3,314,434	\$3,000,308	\$2,836,793
7 EDC Revenue (Non-residential)	\$653,696	\$653,696	\$653,696	\$653,696	\$653,696	\$653,696	\$653,696	\$653,696	\$653,696	\$653,696	\$653,696	\$653,696	\$653,696	\$653,696	\$653,696
8 Subtotal EDC Revenue (6 + 7)	\$4,829,399	\$4,575,208	\$4,305,400	\$3,908,127	\$4,403,556	\$4,823,122	\$4,706,853	\$4,715,915	\$4,617,894	\$4,693,911	\$4,468,364	\$4,209,238	\$3,968,130	\$3,654,004	\$3,490,490
9 Total Revenue (5 + 8)	\$10,179,399	\$10,525,208	\$9,055,400	\$6,658,127	\$6,753,556	\$5,123,122	\$12,016,853	\$4,715,915	\$4,617,894	\$4,693,911	\$4,468,364	\$4,209,238	\$3,968,130	\$5,954,004	\$3,490,490
<b>Expenditures:</b>															
10 Site acquisition costs (escalated at 5%-7.5% per annum for the period 2004-2009) <sup>1</sup>	\$2,414,000	\$8,420,425	\$5,994,767	\$2,575,002	\$2,257,273	\$0	\$7,729,696	\$0	\$0	\$0	\$3,839,474	\$0	\$0	\$13,940,049	\$0
11 Site preparation costs (escalated at 3.0% per annum to date of acquisition) <sup>1</sup>	\$272,688	\$840,810	\$393,413	\$298,970	\$185,277	\$0	\$508,552	\$0	\$0	\$0	\$306,413	\$0	\$0	\$2,269,022	\$0
12 Study Costs	\$0	\$0	\$0	\$0	\$0	\$155,000	\$0	\$0	\$0	\$155,000	\$0	\$0	\$0	\$0	\$155,000
13 Debenture Carrying Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14 Short Term Borrowing Costs	\$0	\$1,261,445	\$2,664,361	\$3,784,335	\$4,432,742	\$4,986,834	\$3,796,125	\$4,116,791	\$2,996,816	\$2,348,410	\$1,794,317	\$1,723,582	\$0	\$0	\$542,304
15 Total Expenditures (10 through 14)	\$2,686,688	\$10,522,680	\$9,052,541	\$6,658,307	\$6,875,292	\$5,141,834	\$12,034,373	\$4,116,791	\$2,996,816	\$2,348,410	\$6,095,204	\$1,723,582	\$0	\$16,209,071	\$697,304
<b>Cashflow Analysis:</b>															
16 Revenues Minus Expenditures (9 - 15)	\$7,492,711	\$2,528	\$2,860	-\$180	-\$121,736	-\$18,713	-\$17,520	\$599,124	\$1,621,078	\$2,345,501	-\$1,626,840	\$2,485,656	\$3,968,130	-\$10,255,067	\$2,793,186
17 Opening Balance	\$0	-\$7,401,504	\$91,207	\$97,016	\$103,372	\$106,804	-\$14,932	-\$33,645	-\$51,165	\$567,138	\$2,264,804	\$4,771,666	\$3,254,895	\$5,941,470	\$10,256,436
18 Sub total (16 + 17)	\$0	\$91,207	\$93,735	\$99,876	\$103,192	-\$14,932	-\$33,645	-\$51,165	\$547,959	\$2,188,216	\$4,610,305	\$3,144,826	\$5,740,551	\$9,909,600	\$1,369
19 Interest Earnings (12 months on Sub-total)	\$0	\$3,281	\$3,496	\$3,612	\$0	\$0	\$0	\$19,179	\$76,588	\$161,361	\$110,069	\$200,919	\$346,836	\$48	\$97,811
20 Closing Balance <sup>2</sup> (18 + 19)	-\$7,401,504	\$91,207	\$97,016	\$103,372	\$106,804	-\$14,932	-\$33,645	-\$51,165	\$567,138	\$2,264,804	\$4,771,666	\$3,254,895	\$5,941,470	\$10,256,436	\$2,892,414

<sup>1</sup> No escalation applied beyond the term of the by-law (2009).

<sup>2</sup> Includes any reserve fund surplus/deficit accruing from the Board's existing EDC by-law.

**Total L/T debt issued:** \$0  
**Total short term borrowing:** \$31,060,000  
**Total debenture payments (current \$):** \$36,617,276  
**Residual debt payment as of end of forecast period:** \$2,169,214  
**Year in which outstanding debt is fully funded:** 2022