

City of Ottawa

Draft 2025 Amendment to Stormwater Management

Development Charges Background Study:

Riverside - South Urban Centre (SWM Area S-1)

October 20, 2025

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EXECUTIVE SUMMARY

A. 2025 SWM Area S-1

The stormwater management development charges (DCs) listed within this study are intended to update the assumptions included in the City's 2024 SWM Provisional Development Charges Background Study (2024 SWM Study). The review presented in this amendment, undertaken in advance of the legislative requirement to review and update DC By-laws every 10-years, is related to the underlying assumptions, development-related costs and growth forecasts identified for Riverside - South Urban Centre (SWM Area S-1). The underlying calculation methodology used to calculate the revised development charges are similar to the approach presented in previous studies.

According to the current Area-Specific Development Charge (ASDC) for all the stormwater works within SWM Area 1, the previous cost schedule no longer captures recent updates approved relating to the future stormwater works. The proposed amendment is to reflect the addition and deletion of stormwater infrastructure approved by the 2021 Master Drainage Plan and the 2023 Infrastructure Serviceability Study Update.

As part of the 2025 amendment for SWM Area S-1, the development forecast has been revised, which has resulted in adjustments to the residential and non-residential cost allocations. The recoverable capital cost estimates are compatible with the analysis included in the 2024 SWM DC Study dated March 15, 2024 with various growth-related capital project additions.

B. Calculated SWM Area S-1 Rates

A summary of the proposed residential and non-residential SWM Area S-1 rates by development type is shown below.

Riverside - South Urban Centre (SWM Area S-1)				
Rates	Single Detached & Semi-Detached + Duplex	Rowhouse & Townhome	Stacked Row & Apartment	Non-residential Rate per sq. ft.
Proposed	\$6,620	\$5,525	\$2,202	\$5.79

C. Policy Considerations

1. Consideration of Area Rating

As required by the *Development Charges Act (DCA)*, consideration was given to the use of area rating. In line with the City's historical practice, the infrastructure identified for the various existing SWM areas is deemed to provide a localized benefit and is therefore recovered for on an area-specific basis.

2. Local Service Guidelines

The City has Local Service Guidelines related to SWM infrastructure. The purpose of establishing these definitions is to determine the eligible capital costs for inclusion in the DC calculation for the City of Ottawa. Functions or services deemed to be local in nature are not to be included in the determination of the development charge rates. The provision of local services is a direct developer responsibility under s.59 of the DCA and will (or may) be recovered under other agreement(s) with the landowner or developer.

3. Draft SWM Area S-1 DC By-law

The draft SWM Area S-1 DC By-law will be made available under separate cover at least two weeks in advance of the statutory public meeting in accordance with the requirements of the DCA.

D. Cost of Growth Analysis

Long-term operating impacts and asset management requirements have been examined as part of this analysis. It is expected that the City will incur increased operating costs as additional infrastructure has yet to be constructed. In particular, it is recognized that the increase in rate funding associated with new development is anticipated to partially or fully offset the increased costs identified, depending on the nature of the new development.

The calculated provisions identified are considered to be financially sustainable, as it is expected that the increased capital asset management requirements can be absorbed by the rate base over the long-term.

Importantly, the City's ongoing review of asset management policies and long-range financial planning analysis will allow staff to continue to monitor and implement mitigating measures should the program become less sustainable.

E. Consultation on 2025 SWM Area S-1 DC Study

Prior to and following the release of the revised DC Study for SWM Area S-1, consultation will continue to occur with the development industry and stakeholders prior to the passage of the 2025 DC By-law, including a formal statutory public meeting as required by the DCA. Any person who attends the statutory public meeting may make representations related to the proposed by-law.

I INTRODUCTION

A. Background

Starting in 2004, the city established ASDCs for stormwater management ponds and drainage infrastructure where the costs are more localized and do not benefit development external to the

drainage area. For stormwater management infrastructure that is intended to meet the increase in need for service arising from development on a broader basis (e.g., city-wide or large area), a city-wide development charge is calculated.

The city passed and enacted the current area-specific by-law 2024-228 on May 15th, 2024, based on a previously approved Master Drainage Plan and Infrastructure Servicing Study dated September 2008. This allows the landowners to construct the stormwater works, which permits development to proceed in the area and subsequently supports the payback from all benefitting owners when they develop their land holdings.

The purpose for amending the by-law at this time is to revise the estimated costs for the uncompleted projects and to revise the list of remaining works based on a recently completed and approved Master Drainage Plan and Infrastructure Serviceability Study. A new secondary plan was approved in June 2024 to reflect the new Official Plan approved on November 22, 2022, including the revised alignment of the Trillium Line south of Earl Armstrong. The impact of the new secondary plan with the revised alignment resulted in a higher density and unit count (an additional 5,000 units) from the previously approved Community Design Plan in part to support high order transit and meet new Official Plan density targets. The Phase 2 construction of the Trillium Line opened in January 2025 with a new station east of Limebank Road in the centre of the future Riverside South Town Center. The new light rail line going north connects the Riverside South community to the downtown core via the Confederation Line at the Bayview Station.

The proposed amendment is to reflect the addition and deletion of stormwater management works approved by the 2021 Master Drainage Plan and the 2023 Infrastructure Serviceability Study Update. Staff have reviewed and accepted the revised stormwater costs and updated the project information. The recalculation of the ASDC SWM rates is based on the following updates and adjustments to the estimated on-going development-related capital requirements.

B. New Rates Have Been Calculated for SWM Area S-1

Following the enactment of the SWM DC By-laws as part of the City's 2024 DC Study update, comments from stakeholders were received in relation to enacted rates for SWM Area S-1. Upon further review by City staff, it was determined that adjustments to certain project costs were warranted and that a new By-law be brought forward.

As part of this study the development forecast has been revised to reflect updated information resulting in revisions to the residential and non-residential allocation of costs. In addition, the DC recoverable cost estimates have been changed from the previous DC Study dated March 15, 2024 for the Mud Creek Channel Improvements.

C. Study Structure

This study includes a summary of the detailed calculation inputs used to arrive at the SWM Area S-1 DC rate. An overview of the tables included in this study is provided below:

Table 1: Projected Growth to Build-Out (Development Forecast)

Table 1 provides a summary of the residential and non-residential development forecast in SWM Area S-1. The forecast identifies the total net developable land area as well as the anticipated residential dwelling unit mix and non-residential gross floor area (GFA) by sector (e.g., industrial, commercial and institutional).

Overall, the City will continue collection of ASDCs from all properties, excluding the various school boards, within the benefitting area to ensure the costs associated with these capital investments are fully funded by development charge revenues when future growth occurs

Table 2: Development-Related Capital Program

Table 2 identifies the recoverable capital costs required to service development occurring within SWM Area S-1 over the planning period. The table provides a brief description of the projects, the identified development charge recoverable costs (*excluding annual indexing of outstanding amounts based on the annual DC price index*), available project balances or ineligible costs not included in the calculation and any post-period benefit.

Table 3: Summary of Unadjusted Residential and Non-Residential Development Charges

Table 3 summarizes the residential and non-residential development charge calculations. The process used to calculate the SWM Area S-1 rates is the same as the 2024 SWM DC Study whereby the residential and non-residential cost allocations are based on the remaining net developable land. Furthermore, allocation of costs between the various residential unit types (e.g., single and semi-detached, row/townhome and stacked row/apartments) are based on the total amount of unbuilt hectares and the related run-off coefficient.

Similar to the approach employed in the 2024 SWM DC Study, the non-residential charge is calculated on a uniform basis per square foot of gross floor area.

Map of Benefitting Area

A map of SWM Area S-1 benefitting area has been provided. The map will also be included in the revised DC By-law.



II SWM CALCULATION METHODOLOGY

The overall approach utilized in the SWM Area S-1 2025 update has remained unchanged from the City's past development charge processes. The calculation methodology presented in this DC Study is compatible to the requirements of the *DCA*.

A discussion of the additional infrastructure needs for, including the identification of relevant studies and other analyses can be found in Appendix A.

A. Development Forecast

The DCA requires that a development forecast be prepared, which identifies the anticipated amount, type and location of development. In line with historical practice, the development forecast for each SWM area is based on the potential development of the area from 2025 to build-out. Consistent with historical practice, the development forecast identifies the amount of net developable land area and related residential (number of dwelling units) and non-residential (gross floor area) growth potential over the planning period.

Following the release of the 2024 SWM DC Study dated March 15, 2024, and the subsequent passing of the 2024 DC By-law, the development forecast has been reviewed and updated. The new 2025 forecast lists the total residential net developable land area at (Net HA) and non-residential at (Net HA) for a remaining total of (Net HA). A revised development forecast for this amendment has been prepared and is shown as **Table 1**.

TABLE 1
CITY OF OTTAWA
STORMWATER MANAGEMENT POND/DRAINAGE SYSTEM
RIVERSIDE - SOUTH URBAN CENTRE (AREA S-1)
PROJECTED GROWTH

Development Type	Projected Growth 2025-Buildout
Residential Units	
Single Detached	4,872
Semi-Detached	1,083
Row/Town	5,441
Stacked Row	4,200
Apartment	6,304
Total	21,900
Developed Residential Land Area (Net HA)	
Single Detached	162.4
Semi-Detached	36.1
Row/Town	120.9
Stacked Row	42.0
Apartment	39.4
Total	400.8
Developed Non-Residential Land Area (Net HA)	
Industrial	151.0
Commercial	36.7
Institutional	-
Total	187.7
Non-Residential Employment	
Industrial	6,289
Commercial	3,274
Institutional	-
Total	9,563
Non-Residential GFA (sq.ft.)	
Industrial	6,226,110
Commercial	1,260,490
Institutional	-
Total	7,486,600

	Net Ha	Allocation
Residential	400.8	68%
Non-Residential	187.7	32%
Total	588.5	100%

B. Development-related Capital Program

The development-related capital program includes pond and drainage infrastructure for the SWM S-1 servicing area. This expenditure forecast, however, is a point-in-time analysis and may be subject to revisions based on development timing, scope and capital project costs.

1. Identification of Capital Costs

The capital costs identified are similar to the amounts listed in the 2024 SWM DC Study dated March 15, 2024, and adjusted to reflect expenditures incurred to date. In addition, capital works involving upgrades to have been identified in the development-related capital program under Item No. in Table 2. Appendix A of this study provides a project description of the Mud Creek Channel Improvements and required gross capital project costs.

Based on the current average cost calculations, the growth-related infrastructure is anticipated to provide services to development occurring over the planning period to build-out. A cash-flow model, which factors in the anticipated timing of expenditures, inflation, interest earnings and long-term debt has not been used as the calculation methodology. As a result, net financing costs and any potential indexing of outstanding amounts have not been incorporated in the calculation of the charges given the variability that exists in terms of when anticipated development will occur over the planning period.

2. Deductions for Ineligible Costs

In accordance with the requirements of the DCA, deductions have been made to the identified gross capital project costs. This includes adjustments for capital grants, subsidies or other contributions as

required by the DCA (s. 5. (2)) and the portion of projects that confer benefits to existing (BTE) residents (s.5.(1)6). These portions of projects and their associated net costs are the funding responsibility of the city. The required contribution for non-growth shares of projects is identified as part of the preparation of the development-related capital forecast. These deductions are shown in Table 2.

3. Adjustments for Uncommitted Excess Capacity

There is also a requirement in the DCA to reduce the applicable development charge by the amount of any “uncommitted excess capacity” that is available for a service. Such capacity is available to partially meet the future servicing requirements. The individual projects identified in the capital program are related to the increase in need for servicing arising from development occurring within the benefitting area. As such, no uncommitted excess capacity has been identified for SWM Area S-1.

4. Adjustments for Prior Growth

Consistent with the City’s historical practice, reserve fund balances have been incorporated into the rate calculation. The negative development charge reserve fund balance of approximately \$15,000,045 for SWM Area S-1 has been deemed to be committed excess capacity and has been included in the calculation.

C. Attribution to Types of Development

The next step in the determination of the SWM is the allocation of development-related net eligible capital costs between the residential and non- residential sectors. Where reasonable data exist, the apportionment is based on the expected demand for, and use of, the service by each sector.

In accordance with the City’s historical approach and for the purposes of the SWM Area S-1 development charges calculation, total residential and non-residential land area is used to determine the apportionment of costs between residential and non-residential development. For the purposes of SWM infrastructure, this is a reasonable approach to base the allocation of costs between benefitting sectors.

D. Calculation of Development Charges

1. Residential Share

In accordance with the methodology used in past studies, the residential development charges are calculated based on the run-off coefficient specific to each type of unit (e.g., single-detached and semi-detached, row/towns and stacked rows/apartments). The run-off coefficients are based on the City of Ottawa Sewer Design Guidelines.

The residential development charges are calculated by multiplying the unbuilt land area associated with residential development by the corresponding run-off coefficient. The costs attributed to each type of development is then divided by the remaining units to be constructed over the identified planning period (2025 to build-out). Residential development charges are calculated based on the following units:

- Single and Semi-detached.
- Row/Townhome; and
- Stacked Row/Apartments.

2. Non-Residential Share

The non-residential development charge continues to be calculated on a uniform development type basis. The charge is established by dividing the applicable non-residential costs by the total amount of gross floor area identified over the planning period (2025 to build-out).

III SUMMARY OF CAPITAL COSTS AND CALCULATED DEVELOPMENT CHARGE RATES

A. Summary of DC Eligible and Ineligible Costs

Table 2 below provide a summary of the DC eligible and ineligible costs for SWM Area S-1 and the residential and non-residential cost allocations.

As shown, \$38,248,853 is related to the recovery of a committed negative reserve fund balance. This balance is proposed to be recovered from future residential and non-residential development occurring in SWM Area S-1.

B. 2025 Calculated SWM Area S-1 Rates

Table 3 provides a summary of the calculated residential and non-residential SWM rates by benefiting area.

For, example, the calculated residential development charges for residential dwelling units amounts to \$6,620 per single and semi-detached unit and the non-residential rates have been calculated on a uniform basis at \$5.79 per square foot.

TABLE 2**STORMWATER MANAGEMENT POND/DRAINAGE SYSTEM
RIVERSIDE – SOUTH URBAN CENTRE (SWM AREA S-1)
DEVELOPMENT-RELATED CAPITAL PROGRAM**

Item No.	Project Description	2025 DC Recoverable Costs	Replacement & BTE Shares		Prior Growth	DC Eligible Costs	Post-Period Benefit
			%	\$			
S1-1	Pond 1 Storm Sewers - Oversizing	\$ -	0%	\$ -	\$ -	\$ -	\$ -
S1-2	Stormwater Pond 2	\$ 445,000	0%	\$ -	\$ -	\$ 445,000	\$ -
S1-3	Pond 2 Storm Sewers - Oversizing	\$ -	0%	\$ -	\$ -	\$ -	\$ -
S1-4	Stormwater Pond 3	\$ 9,106,776	0%	\$ -	\$ -	\$ 9,106,776	\$ -
S1-5	Pond 3 Storm Sewers - Oversizing	\$ 9,654,406	0%	\$ -	\$ -	\$ 9,654,406	\$ -
S1-6	Stormwater Pond 4	\$ 19,705,246	0%	\$ -	\$ -	\$ 19,705,246	\$ -
S1-7	Pond 4 Storm Sewers - Oversizing	\$ -	0%	\$ -	\$ -	\$ -	\$ -
S1-8	Stormwater Pond 5	\$ 2,197,000	0%	\$ -	\$ -	\$ 2,197,000	\$ -
S1-9	Pond 5 Storm Sewers - Oversizing	\$ 6,500,826	0%	\$ -	\$ -	\$ 6,500,826	\$ -
S1-10	Stormwater Pond 6A	\$ 7,318,125	0%	\$ -	\$ -	\$ 7,318,125	\$ -
S1-11	Pond 6A Storm Sewers - Oversizing	\$ 4,904,843	0%	\$ -	\$ -	\$ 4,904,843	\$ -
S1-12	Site Specific Treatment Units 2, 3, 8	\$ -	0%	\$ -	\$ -	\$ -	\$ -
S1-13	Tributary 2, 3, 4, 7A, 7B, 8, 10 On-Site and Off-Site Fish	\$ -	0%	\$ -	\$ -	\$ -	\$ -
S1-14	On-Site and Off-Site Fish Compensation	\$ 540,000	0%	\$ -	\$ -	\$ 540,000	\$ -
S1-15	New Pond 2A	\$ 14,116,130	0%	\$ -	\$ -	\$ 14,116,130	\$ -
S1-16	Stormwater Oversizing for Pond 2A	\$ 4,775,665	0%	\$ -	\$ -	\$ 4,775,665	\$ -
S1-17	Stormwater Pond 2 Upgrade (inlet and outlet)	\$ 675,000	0%	\$ -	\$ -	\$ 675,000	\$ -
S1-18	Culvert - Mosquito Creek at Collector Road I	\$ 520,425	0%	\$ -	\$ -	\$ 520,425	\$ -
S1-19	New Storm Pond 2B	\$ 5,846,603	0%	\$ -	\$ -	\$ 5,846,603	\$ -
S1-20	Stormwater Oversizing for Pond 2B	\$ 1,037,954	0%	\$ -	\$ -	\$ 1,037,954	\$ -
S1-21	Erosion Mitigation & Monitoring - Mosquito Creek	\$ 6,389,550	0%	\$ -	\$ -	\$ 6,389,550	\$ -
S1-22	Studies (MDP, ISSU)	\$ 4,000,000	0%	\$ -	\$ -	\$ 4,000,000	\$ -
246	Reserve Fund Balance - Committed'	\$ 38,248,853	0%	\$ -	\$ -	\$ 38,248,853	\$ -
TOTAL RIVERSIDE - SOUTH URBAN CENTRE (AREA S-1)		\$ 135,982,401		\$ -	\$ -	\$ 135,982,401	\$ -

Residential Share of DC Eligible Cost	\$ 92,617,589
Non-Residential Share of DC Eligible Cost	\$ 43,364,812

Outstanding Available Capital Project Funding	\$ 57,883,850
Cash Balance (Surplus)	\$ (19,634,997)
Total Balance (Negative)	\$ 38,248,853

TABLE 3

**STORMWATER MANAGEMENT POND/DRAINAGE SYSTEM
RIVERSIDE – SOUTH URBAN CENTRE (SWM AREA S-1)
SUMMARY OF UNADJUSTED RESIDENTIAL AND NON-RESIDENTIAL DEVELOPMENT CHARGES**

Net Residential Cost	\$ 92,617,589
Net Non-Residential Cost	\$ 43,364,812

RESIDENTIAL SHARE								
Development Type	Unbuilt Hectares	Run-off Coefficient	Hectares x Coefficient	% of Total	Net Cost	Remaining Units	Calculated Rates per Unit	Current Rates per Unit (April 1, 2025)
Single Detached	162.4	0.6	89.3	34%	\$ 31,728,620	4,872	\$ 6,620	\$ 5,382
Semi-Detached	36.1	0.6	21.7	8%	\$ 7,694,155	1,083		
Row/Town	120.9	0.7	84.6	32%	\$ 30,062,619	5,441	\$ 5,525	\$ 4,320
Stacked Row	42.0	0.8	33.6	13%	\$ 11,935,531	4,200	\$ 2,202	\$ 2,127
Apartment	39.4	0.8	31.5	12%	\$ 11,196,665	6,304		
TOTAL	400.8		260.7	100%	\$ 92,617,589	21,900		

NON-RESIDENTIAL SHARE				
Development Type	Net Cost	Remaining GFA (sq. ft.)	Calculated Rates per Sq. Ft.	Current Rates per Sq. Ft. (April 1, 2025)
Non-Residential	\$ 43,364,812	7,486,600	\$ 5.79	\$ 5.17

C. Comparison of Current vs. Calculated Area-Specific SWM Rates

Table 4 provides a comparison of the calculated residential and non-residential rates compared to the rates drafted under the 2025 SWM Area S-1 update, and the current rates implemented as part of the 2024 SWM Area S-1 DC By-law, indexed to current dollars. As stated in Section I of this report, the proposed rates for SWM Area S-1 reflect better information related to the development cost assumptions.

As shown, the proposed residential rates represent an increase from the current SWM Area S-1 rates. For example, the proposed rate of \$6,620 per single and semi-detached unit represents an increase of \$1,238 over the current enacted rate of \$5,382 per unit.

For the non-residential rates the proposed rate of \$5.79 per square foot represents an increase of \$0.62 per square foot from the current calculated rate.

TABLE 4
STORMWATER MANAGEMENT POND/DRAINAGE SYSTEM
RIVERSIDE – SOUTH URBAN CENTRE (SWM AREA S-1)
COMPARISON OF PROPOSED AND CURRENT RESIDENTIAL AND NON-RESIDENTIAL
DEVELOPMENT CHARGE RATES

Riverside - South Urban Centre (SWM Area S-1)				
Rates	Single Detached & Semi-Detached + Duplex	Rowhouse & Townhome	Stacked Row & Apartment	Non-residential Rate per sq. ft.
Current	\$5,382	\$4,320	\$2,127	\$5.17
Proposed	\$6,620	\$5,525	\$2,202	\$5.79

IV DEVELOPMENT CHARGE POLICY CONSIDERATIONS

A. Consideration of Area Rating

As required by the *DCA*, consideration was given to the use of area rating. Consistent with the City's historical practice, the infrastructure identified for various SWM areas is deemed to provide a localized benefit and is therefore recovered for on an area-specific basis. This practice is aligning with the charges calculated for SWM Area S-1.

For stormwater management infrastructure that is intended to meet the increase in need for service arising from development on a broader basis (e.g., city-wide or large area), a city-wide development charge is calculated.

B. Local Service Guidelines

The city also has Local Service Guidelines related to SWM infrastructure. The purpose of establishing these definitions is to determine the growth-related capital costs for inclusion in the development charges calculation for the City of Ottawa. Functions or services deemed to be local in nature are not to be included in the determination of the development charge rates. The provision of local services is a direct developer responsibility under s.59 of the *DCA* and will (or may) be recovered under other agreement(s) with the landowner or developer. Local Service Guidelines for SWM infrastructure is based on the City's prevailing practices.

C. Draft SWM Area S-1 DC By-law

The draft SWM Area S-1 DC By-law will be made available under separate cover at least two weeks in advance of the statutory public meeting in accordance with the requirements of the *DCA*. Once the City carries out the public process and passes a new by-law, the emphasis shifts to implementation matters. These include notice of passage, potential appeals, complaints, front-ending agreements, subdivision agreement conditions, various payment provisions in advance of building permit issuance, and the funding of growth-related recoverable costs.

V COST OF GROWTH ANALYSIS

This section provides an examination of the long-term capital and operating costs as well as the asset management related annual provisions for the capital facilities and infrastructure to be included in the By-law. This examination is required as one of the provisions of the *DCA*.

A. Asset Management Plan Requirements

The *DCA* now requires that municipalities complete an Asset Management Plan before passing a development charges by-law. A key function of the Asset Management Plan is to demonstrate that all assets proposed to be funded under the By-law are financially sustainable over their full life cycle.

1. Calculated Annual Provision

When assets require rehabilitation or are due for replacement, the source of funds is limited to reserves or contributions from operating. Capital expenditures to carry out the rehabilitation and replacement of aging infrastructure are not growth-related and are therefore not eligible for funding through development charge revenues or other developer contributions.

Based on the information obtained from City staff regarding useful life assumptions and the capital cost of acquiring and/or emplacing each asset, a provision for infrastructure replacement has been calculated. Provisions for infrastructure replacement are initially calculated for each asset based on their useful life and the anticipated cost of replacement. The aggregate of all individual provisions from the required annual capital provision. In calculating the annual provisions, several assumptions are made to account for inflation and interest. In total, the annual provision at build out for DC eligible shares of infrastructure amounts to \$3.7 million.

2. Assets are Deemed to be Financially Sustainable

The City has internal asset management policies and practices which are supported through the City's Comprehensive AMP, long range financial plan and annual budgeting exercises.

The assets identified in this Study are deemed to be financially sustainable as it is expected that the increased capital asset management requirements can be absorbed by the tax and user rate base over the long-term. Importantly, the City's ongoing review of asset management policies will allow staff to continue to monitor and implement mitigating measures should the program become less financially sustainable.

B. Long-Term Capital and Operating Impacts

The City has incurred increased operating costs since the infrastructure in SWM Area S-1 was constructed. Increases in user rate revenues associated with new development are anticipated to offset partially or fully operating costs, depending on the nature of the new development. The financial plan analysis indicates that the City's SWM rates have been structured to align with current and anticipated operating expenditures. Importantly, Council is required to review and adopt operating budgets on an annual basis which ensures the financial sustainability of the program.