

## Proposed Treatment Grant Offsetting within Development Charges Calculations

The 50% grant offsetting assumption in the proposed rate calculations only apply to water and wastewater treatment infrastructure as grants have historically been more readily available for treatment as opposed to network infrastructure.

This grant assumption is a risk to both the City and the Development community in attempts to maintain housing affordability to support growth in Brandon. The City will endeavor to pursue grant funding; however, there is potential that without grants, the treatment projects will not proceed and development will be delayed or halted without a source of additional funds. Future Development Charges (DC) will be impacted should the funding received vary from the assumed grant allocations.

During the consultation period, Administration was asked to evaluate the impacts to DC rates for three funding scenarios: 0%, 50% and 67% grant offsetting. The results of the analysis can be found in the tables and sections below.

### *Emerging Area Rate Comparison for Treatment Grant Options*

Treatment Grant Percentage	Residential DC (per dwelling unit)		Non-residential DC (per Sq. Ft.)
	Low Density	High Density	
0% Treatment Grant	\$24,096	\$17,806	\$9.79
50% Treatment Grant (Proposed in Rates)	\$21,193	\$15,660	\$8.62
67% Treatment Grant	\$20,225	\$14,945	\$8.22

*Table 16: Established Rate Comparison for Treatment Grant Options*

Rates	Residential DC (per dwelling unit)		Non-residential DC (per Sq. Ft.)
	Low Density	High Density	
0% Treatment Grant	\$15,709	\$11,608	\$6.38
50% Treatment Grant (Proposed in Rates)	\$12,805	\$9,462	\$5.21
67% Treatment Grant	\$11,837	\$8,747	\$4.81

### 0% Grant Offsetting Assumption:

- Low risk option
- Assumes no third-party funding until grants are awarded
- Net Recoverable DC Costs = \$66.8 Million
- Rates in this scenario are approximately 13.7% and 22.7% **higher** than the proposed rates for the Emerging and Established growth areas, respectively.

50% Grant Offsetting Assumption:

- Medium risk option
- Currently recommended in the report
- Net Recoverable DC Costs = \$51.7 Million
- Collecting \$15.1 Million **less** over the 20-year forecast compared to **0%** scenario or approximately less \$756,000 annually

67% Grant Offsetting Assumption:

- High risk option
- Assumes Federal and Provincial funding matches DC contributions
- Net Recoverable DC Costs = \$46.7 Million
- Collecting \$20.2 Million **less** over the 20-year forecast compared to **0%** scenario or approximately \$1.0 Million less annually
- Collecting \$5.0 Million **less** over the 20-year forecast compared to **50%** scenario or approximately \$252,000 less annually
- Rates in this scenario are approximately 4.6% and 7.6% **less** than the proposed rates for the Emerging and Established growth areas, respectively.

It should be noted that the above annual and 20-year forecasted amounts assume that growth projections are met each year over the 20-year forecast period.