# Fiscal Impact Analysis
# Evergreen Community

Independent Real Estate Intelligence

**July 16, 2015**

Altus Group

# Fiscal Impact Analysis
# Evergreen Community

Prepared for:

**Evergreen Community (Burlington) Ltd.**

Prepared by:


**Altus Group Economic Consulting**

33 Yonge Street Toronto Ontario M5E 1G4

Phone: (416) 641-9500 Fax: (416) 641-9501

economics@altusgroup.com

altusgroup.com


July 16, 2015

# EXECUTIVE SUMMARY

Altus Group Economic Consulting was commissioned by Evergreen Community (Burlington) Ltd. to prepare an updated fiscal impact analysis for a proposed mixed-use development in the City of Burlington.

A fiscal impact analysis regarding Evergreen's proposed development was provided to the City of Burlington in 2010. This updated fiscal impact analysis has been prepared to address the revised development concept prepared by Evergreen further to direction provided by City of Burlington Council in the fall of 2011 and 2012.

Evergreen is proposing to develop an eco-friendly community on lands that are currently undesignated in the Official Plan of the City of Burlington. The proposed mixed-use concept plan for the Evergreen Community provides for a mix of housing types including 374 single-detached houses, 173 townhouses, and 360 condominium apartment units, which will house approximately 2,162 persons when completed. In addition, the non-residential components of the plan will accommodate roughly 1,326 jobs.

Based on current development charge rates, the proposed development would generate $10 million in development charge revenues for the City of Burlington. Halton Region would receive approximately $37.2 million in development charges, and the school boards that serve the Region would receive approximately $6.4 million in education development charges.

Beyond these one-time revenues, there will also be a positive long-term fiscal impact as a result of development on the finances of the City. For the purposes of this study, the fiscal impact model developed for C.N. Watson's 2001 *Fiscal Impact Study re Alternative Scenarios for the Alton Community* has been updated to reflect 2013 financial information as contained in the City's 2013 *Financial Information Return*.

It is estimated that the development would generate annual non-tax revenues for the City of Burlington at a rate of $173.95 per capita and $173.95 per employee, or a total of $606,700 for the Evergreen Community. In addition, total annual property taxes generated by the proposed development, for City purposes, are projected to amount to $1,498,500 per year. Thus, the total additional annual revenues the City will receive from the proposed development are approximately $2,105,200.

Based on the estimated 2013 population and employment for Burlington, it is estimated that new mixed-use development in the Evergreen Community will add approximately $511.64 per person and $183.01 per employee to the City of Burlington's annual operating expenditures for services (except for internal roads), resulting in the addition of approximately $1,348,800 per year to the City's expenditures. Operating costs for internal roads are expected to be approximately $219,600 annually.

The Watson fiscal impact model included an allowance for capital financing from current revenues equal to 30% of incremental operating expenditures. For the Evergreen Community, this allowance would add approximately $470,500 to annual expenditures, bringing the total impact on the City of Burlington's expenditures to approximately $2,038,900.

The additional property taxes and non-tax revenues the City is estimated to receive from development at build-out (approximately $2,105,200) are projected to exceed the additional expenditures the City will incur (approximately $2,038,900) by approximately $66,300 annually.

Burlington's supply of vacant land designated for residential development could potentially be exhausted soon, which will result in a sharp slow-down in the construction of new houses. A slowdown in residential construction would result in a drop in development charge revenues, which may require the City to turn to increases in taxes, user charges and debentures to finance new facilities and infrastructure.

If the Evergreen Community lands are designated for mixed-use development, Burlington would be able to maintain its stream of development-related revenues for a few more years and the City would have time to adjust its expenditure patterns.

The residential component of the proposed mixed-use development will facilitate construction of the infrastructure and site improvements needed to attract development on the business corridor and mixed-use corridor lands provided for in the plan.

# TABLE OF CONTENTS

**Page**

**EXECUTIVE SUMMARY ..... i**

**INTRODUCTION ..... 1**

The Evergreen Community ..... 1

**ONE-TIME REVENUES ..... 3**

Development Charges ..... 3

Other Fees and Charges ..... 4

**FISCAL IMPACT STUDY APPROACH ..... 5**

**ASSESSMENT AND PROPERTY TAXES ..... 6**

Assessment Assumptions ..... 6

**CURRENT REVENUES ..... 9**

Non-Tax Revenues ..... 9

**IMPLICATIONS FOR EXPENDITURES ..... 10**

Capital Expenditures ..... 13

**NET OPERATING IMPACT ..... 13**

Comparison of Revenues and Expenditures ..... 13

**IMPLICATIONS FOR STREAM OF MUNICIPAL REVENUES ..... 14**

**APPENDIX A – CONCEPT PLAN, PARCEL MAP & DRAFT PLAN OF SUBDIVISION**

**APPENDIX B – PROJECT STATISTICS SUMMARY**

# INTRODUCTION

Altus Group Economic Consulting was commissioned by Evergreen Community (Burlington) Ltd. to prepare an updated fiscal impact analysis for a proposed mixed-use development in the City of Burlington. Attached as Appendix A is a copy of the concept plan and land use plan. Appendix B consists of a copy of the related mixed-use development plan statistics.

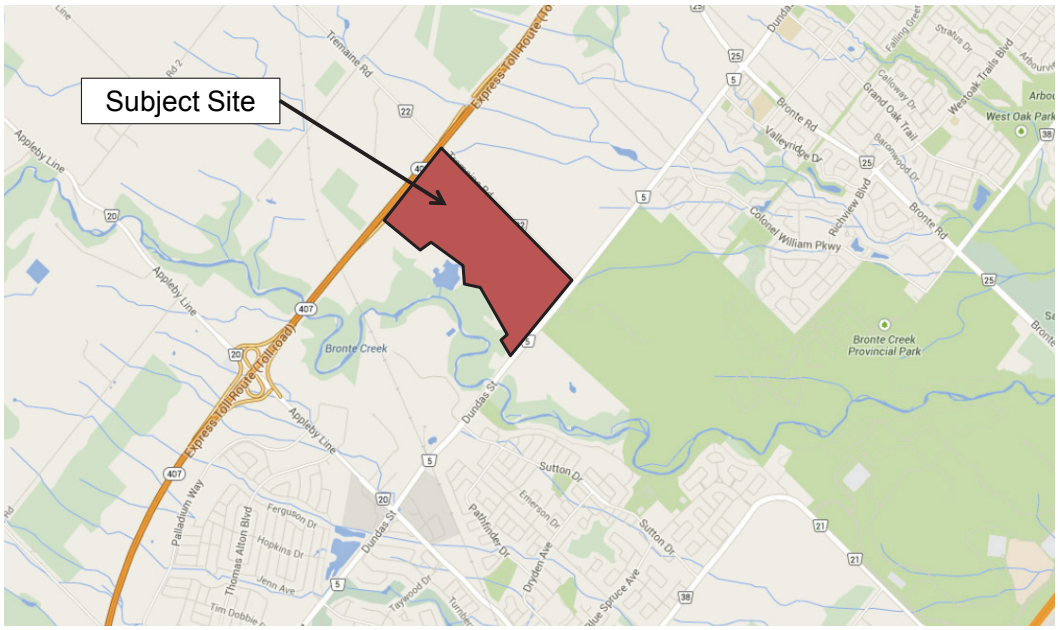
A fiscal impact analysis regarding Evergreen's proposed development was provided to the City of Burlington in 2010. This updated fiscal impact analysis has been prepared to address the revised development concept prepared by Evergreen further to direction provided by City of Burlington Council in the fall of 2011 and 2012. This report is prepared in accordance with City of Burlington Official Plan Part II, Section 2, and the associated Official Plan definition of "Financial Impact Analysis."

## THE EVERGREEN COMMUNITY

Evergreen is proposing to develop an eco-friendly community on lands that are currently designated as "Land Use Designation to be Determined" in the *City of Burlington Official Plan*. The subject lands are located east of the Alton Community, north of the Orchard Community and adjacent to Bronte Creek and Bronte Creek Provincial Park. Figure 1 shows the location of the Evergreen Community.

**Figure 1**

## Location of Subject Site




Source: Google Maps

The Evergreen Community will consist of approximately 4.9 hectares of business corridor lands, approximately 5.0 hectares of mixed-use corridor lands, and approximately 15.4 hectares of medium-density residential lands (not including the residential component of the mixed-use corridor lands). The proposed mixed-use concept plan for the Evergreen Community provides for a mix of housing types including:

- 374 detached houses;
- 173 townhouses; and
- 360 apartment units.

Based on the average household size estimates taken from the *City of Burlington 2014 Development Charges Background Study*, approximately 2,162 persons are projected to live in the Evergreen Community (see Figure 2).

**Figure 2**

**Residential Unit Mix and Population Projections, Evergreen Community**

| Unit Type | Residential Units<br>*Units* | Population Factor<br>*PPU* | Population<br>*Persons* |
|---|---|---|---|
| Detached Houses | 374 | 3.29 | 1,228 |
| Townhouses | 173 | 2.35 | 408 |
| Apartments | 360 | 1.46 | 526 |
| Total | 907 | | 2,162 |

Source: Altus Group Economic Consulting based on Urban Strategies, Evergreen Community Yields (July, 2015) and Watson & Associates, City of Burlington 2014 DC Background Study

In addition to the 2,162 persons to be accommodated in the residential portions of the plan, approximately 1,326 employees will be accommodated in the non-residential components of the mixed-use plan. Figure 3 provides an estimate of the amount of non-residential development on the business corridor and mixed-use corridor lands provided for in the Evergreen mixed-use community.

**Figure 3**

**Non-Residential Building Assumptions, Evergreen Community**

| Land Use | Development Type | Land Area<br>*Hectares* | Jobs / Ha | Employees<br>*Jobs* | Sq. M. of Non-Residential Building<br>*Sq. M.* |
|---|---|---|---|---|---|
| Mixed-Use Corridor - Employment | Office | 1.48 | 440 | 650 | 21,723 |
| Business Corridor | Office | 4.91 | 73 | 357 | 11,910 |
| Mixed-Use Corridor - General | Retail | 3.49 [1] | 92 | 319 | 16,577 |
| Total | | 9.88 | | 1,326 | 50,210 |

[1] 3.49 hectares is based on the assumption that 60% of mixed-use general lands will contain retail

Source: Altus Group Economic Consulting based on Urban Strategies, Evergreen Community Yields (July, 2015) and Watson & Associates, City of Burlington 2014 DC Background Study

# ONE-TIME REVENUES

## DEVELOPMENT CHARGES

Based on the current development charge rates for the City, the Region and the local school boards, working assumptions regarding the unit mix and proportion of small and large units within each type, and estimates of non-residential development, it is estimated that the City of Burlington would receive approximately $10 million in development charge revenues, Halton

Region would receive $37.2 million, and the public and Catholic school boards combined would receive $6.4 million (see Figure 4).

It should be noted that the DC revenue estimates presented in Figure 4 are based on current DC rates (as of June 2015). However, as the development of the Evergreen Community will not be completed within the timeframes of the various current DC by-laws, actual DC revenues may vary from those presented in this report.

**Figure 4**

**Estimated Development Charge Revenues, Evergreen Community**

| | Development Charge Rates as of June 8, 2015 | | | |
|---|---|---|---|---|
| | City | Region (Recovery Area) | Education | Total |
| **Residential** | | *Dollars / Unit* | | |
| Single Family & Semi-Detached | 8,359.00 | 40,987.54 | 6,145.00 | 55,491.54 |
| Multiples - 3 or more Bedrooms | 6,019.00 | 30,173.49 | 6,145.00 | 42,337.49 |
| Apartments - Bachelor or 1 Bedroom | 3,084.00 | 20,538.94 | 6,145.00 | 29,767.94 |
| Apartments - 2 or more Bedrooms | 4,153.00 | 20,538.94 | 6,145.00 | 30,836.94 |
| **Non-Residential** | | *Dollars / Square Metre* | | |
| Non-Retail | 75.32 | 138.12 | 17.01 | 230.45 |
| Retail | 117.68 | 277.93 | 17.01 | 412.62 |

| | Projected Development Charge Revenues | | | |
|---|---|---|---|---|
| | City | Region | Education | Total |
| **Residential** | | *Dollars* | | |
| Single Family Detached | 3,126,266 | 15,329,340 | 2,298,230 | 20,753,836 |
| Townhouses (Multiples) | | | | |
| 3 or more Bedrooms | 1,041,287 | 5,220,014 | 1,063,085 | 7,324,386 |
| Apartments | | | | |
| Bachelor or 1 Bedroom | 333,072 | 2,218,206 | 663,660 | 3,214,938 |
| 2 or more Bedrooms | 1,046,556 | 5,175,813 | 1,548,540 | 7,770,909 |
| Total Residential | 5,547,181 | 27,943,372 | 5,573,515 | 39,064,068 |
| **Non-Residential** | | | | |
| Office | 2,533,238 | 4,645,390 | 572,097 | 7,750,725 |
| Retail | 1,950,781 | 4,607,246 | 281,975 | 6,840,002 |
| Total Non-Residential | 4,484,019 | 9,252,636 | 854,072 | 14,590,727 |
| **Grand Total** | 10,031,200 | 37,196,008 | 6,427,587 | 53,654,795 |

Note: All townhouse units will have 3 or more bedrooms. Apartment units are assumed to be 30% bachelor/1-bedroom and 70% 2-bedroom or more

Source: Altus Group Economic Consulting based on City of Burlington and Region of Halton Development Charge Rates and Education Development Charge Rates as of June 8, 2015

## OTHER FEES AND CHARGES

Based on the proposed mixed-use concept plan and current rates, the Evergreen Community would generate approximately:

- $676,500 in development application fees for the City;

- Over $500,000 in cash-in-lieu of parkland contributions (over and above the 2.02 hectares of parks included in the concept plan)[1]; and
- $2.5 million in building permit fees.

## FISCAL IMPACT STUDY APPROACH

The approach and methodology used for the fiscal impact analysis have been adapted from a fiscal impact study undertaken by C.N. Watson and Associates Ltd. for the City of Burlington in January 2001 for the Alton Community (*Fiscal Impact Study re Alternative Scenarios for the Alton Community*). The Watson analysis focused primarily on potential impacts on the City's expenditures and revenues. Expenditures were estimated using a modified average cost model, based on data from the City of Burlington's *1999 Financial Information Return*.

For the purposes of this study, the Watson model has been updated to reflect 2013 financial information as contained in the City's *2013 Financial Information Return*. The Watson report had used the City of Burlington's *1999 Development Charges Background Study* to allocate expenditures to the residential and non-residential sectors. The allocation in this report has been updated based on the 2013 population estimates from the City's Financial Information return and employment estimates found in the City of Burlington *2014 Development Charges Background Study*.[2] For additional details regarding the methodology and assumptions, refer to C.N. Watson and Associates Ltd., City of Burlington *Fiscal Impact Study re Alternative Land Use Scenarios for the Alton Community*.

[1] Based on an assumed land value of $350,000 per acre for industrial land taken from Burlington Employment Lands Study, Phase 2, Figure 3-13. If for purposes of CIL contribution calculation, land is appraised on a residential basis, the value of parkland contributions may be higher.

[2] For Recreation and Cultural services, 95% was allocated to residential. 100% of Health Services and 100% of Social and Family services were allocated to residential. For Protection, Transportation (excluding transit), Environmental Services, Transit and Planning and Development, 64.9% was allocated to residential as per the 2013 population from the City's 2013 Financial Information Return and employment estimates found in the 2014 Burlington DC Study for early 2014, which were factored down to be consistent with a mid-2013 estimate (94,229 jobs which is 1.1% less than the early 2014 estimate of 95,316 jobs in the 2014 DC Study).

# ASSESSMENT AND PROPERTY TAXES

## ASSESSMENT ASSUMPTIONS

The residential assessment assumptions used for financial evaluation purposes are based on the City of Burlington 2013 property tax rates and a sample of property tax estimates made available by the City of Burlington for the 2014 tax year.[3] The sampled property tax assessments were factored down to reflect the 2013 tax year to be consistent with the information from 2013 available through the 2013 *Financial Information Return*.

An assumed assessment value of $467,000 was used for single-detached houses, based on a sample of single-detached homes located north of Dundas Street in the City of Burlington. An assumed assessment value of $324,000 was used for town houses, based on the review of units located north of Dundas Street. For apartment units, $232,000 was used, based on a sampling of units generally located in the northern part of the City (around or north of Upper Middle Road).

The 2001 Watson study derived its non-residential assessment assumptions from a sample of existing Burlington properties. In updating the Watson analysis for the impact of the mixed-use Evergreen Community, this report uses the assessments for the 2013 tax year for the same sampling of non-residential properties found in Appendix A of the Watson study.[4] Based on the per square metre assessment for the 2013 tax year of the properties sampled by Watson in their 2001 study, this report uses $1,300 per square

[3] Halton Region 2014 Property Tax Estimator.

[4] For each property, both 2008 and 2012 assessment values were reviewed to estimate the phased-in 2013 assessment value: (1) when assessment value increased between 2008 and 2012: 25% of the increase were added in to reflect the first year of the four-year cycle; and (2) when assessment value decreased between 2008 and 2012: 2012 assessment value was used as 2013 assessment value. Municipal Property Assessment Corporation (MPAC) uses this method to determine the assessment value for the four years (2013, 2014, 2015 and 2016) following the year 2012.

metre for the business corridor lands, and $1,100 per square metre for the mixed-use corridor lands.[5]

The location of the Evergreen Community adjacent to Bronte Creek and the Bronte Creek Provincial Park provides a unique opportunity for the development of a compact, high quality and desirable mixed-use community. This will be reflected in relatively high assessment values for the homes within the community.

The 2013 City of Burlington property tax rate for urban properties was used to forecast the annual residential property tax revenues that will be generated by the Evergreen Community. Figure 5 shows the calculation of residential property tax revenues generated by the Evergreen Community. Based on a total residential assessment value of approximately $314 million, total annual property taxes for City purposes are projected to amount to approximately $1.2 million per year. An additional $1.1 million will be generated for the Region of Halton and $666,200 will be generated for education purposes.

[5] The Watson study, based on assessment for the 1999 tax year, based their assumptions of $435 per square metre for general industrial and $570 per square metre for mixed-use employment on a sampling of employment properties in the City. In generating our assessment values, we used the 2013 tax year assessment values for the same properties used in the Watson report. The median value for office properties was $1,264/sq.m., while the weighted average was $1,302/sq.m. For retail, the median value was $1,120/sq.m., while the weighted average was $1,098/sq.m.

**Figure 5** **Projected Residential Property Tax Revenues, Evergreen Community**

| | Detached Houses | Townhouses | Apartments | Total |
|---|---|---|---|---|
| | | *Units* | | |
| Residential Units | 374 | 173 | 360 | 907 |
| | | *Dollars per Unit* | | |
| Estimated 2013 CVA | 467,000 | 324,000 | 232,000 | |
| | | *Dollars* | | |
| Total Assessment | 174,658,000 | 56,052,000 | 83,520,000 | 314,230,000 |
| 2013 Tax Rates | | *Percent* | | |
| City of Burlington | 0.382280 | 0.382280 | 0.382280 | |
| Halton Region | 0.345320 | 0.345320 | 0.345320 | |
| Education | 0.212000 | 0.212000 | 0.212000 | |
| Total | 0.939600 | 0.939600 | 0.939600 | |
| Estimated Tax Revenues | | *Dollars* | | |
| City of Burlington | 667,683 | 214,276 | 319,280 | 1,201,238 |
| Halton Region | 603,129 | 193,559 | 288,411 | 1,085,099 |
| Education | 370,275 | 118,830 | 177,062 | 666,168 |
| Total | 1,641,087 | 526,665 | 784,754 | 2,952,505 |

Source: Altus Group Economic Consulting based on City of Burlington 2013 tax rates

As seen in Figure 6, the non-residential component of the Evergreen mixed-use plan will generate approximately $62 million of assessment value. Using the City's 2013 tax rates for commercial properties, the non-residential component of the plan will generate approximately $297,300 for the City. An additional $309,100 will be generated for the Region of Halton, and $600,800 will be generated for education purposes.

**Figure 6**

**Projected Non-Residential Property Tax Revenues, Evergreen Community**

| | Office | Retail | Total |
|---|---|---|---|
| | | *Square Metres* | |
| Building Space | 33,633 | 16,577 | 50,210 |
| | *Dollars per Square Metre* | | |
| Estimated 2013 Assessment Value | 1,300 | 1,100 | |
| | | *Dollars* | |
| Total Assessment | 43,722,900 | 18,234,700 | 61,957,600 |
| 2013 Tax Rates | | *Percent* | |
| City of Burlington | 0.479772 | 0.479772 | |
| Halton Region | 0.498890 | 0.498890 | |
| Education | 0.969644 | 0.969644 | |
| Total | 1.948306 | 1.948306 | |
| Estimated Tax Revenues | | *Dollars* | |
| City of Burlington | 209,770 | 87,485 | 297,255 |
| Halton Region | 218,129 | 90,971 | 309,100 |
| Education | 423,956 | 176,812 | 600,768 |
| Total | 851,856 | 355,268 | 1,207,124 |

Source: Altus Group Economic Consulting based on City of Burlington 2013 tax rates

# CURRENT REVENUES

## NON-TAX REVENUES

Based on the City of Burlington 2013 *Financial Information Return*, in 2013, the City received approximately $85.3 million in non-tax revenue. Following Watson's approach in eliminating revenues that are not likely to increase with residential growth, and apportioning revenues to residential and non-residential development based on the 2013 ratio of population and employment for most revenue sources, it is estimated that the City's annual non-tax revenues can ultimately be expected to increase in the order of $173.95 per capita and per employee (see Figure 7).[6]

User fees and service charges are excluded from this analysis, as they are instead deducted from operating expenditures on a service-by-service basis.

[6] The Watson report was based on new non-tax revenue provisions of $165.15 per capita.

**Figure 7**

**City of Burlington, Non-Tax Revenue Impact**

| Revenue Category | Total Revenues | Growth Related New Revenue Provision | | | | Per Capita | Per Employee | Total Evergreen Community |
|---|---|---|---|---|---|---|---|---|
| | | Residential | | Non-Residential | | | | |
| | *$ (000)* | *Percent* | *$ (000)* | *Percent* | *$ (000)* | *$ / Capita* | *$ / Employee* | *Dollars* |
| Payment in Lieu of Taxes | 2,825.81 | 64.9 | 1,834.69 | 35.1 | 991.12 | 10.52 | 10.52 | 36,684 |
| Unconditional Grants | - | - | - | - | - | - | - | - |
| Conditional Grants | 2,959.51 | - | - | - | - | - | - | - |
| Revenue from Other Municipalities for Tangible Capital Assets | 6,521.18 | - | - | - | - | - | - | - |
| Revenue from Other Municipalities | 2,392.39 | - | - | - | - | - | - | - |
| Licences, Permits, Rents, etc. | 11,099.79 | 64.9 | 7,206.68 | 35.1 | 3,893.11 | 41.32 | 41.32 | 144,096 |
| Fines and Penalties | 10,929.15 | 64.9 | 7,095.89 | 35.1 | 3,833.26 | 40.68 | 40.68 | 141,881 |
| Investment Income | 6,678.65 | 64.9 | 4,336.20 | 35.1 | 2,342.45 | 24.86 | 24.86 | 86,702 |
| Other Revenue | 15,200.27 | 64.9 | 9,868.97 | 35.1 | 5,331.30 | 56.58 | 56.58 | 197,328 |
| Total | 58,606.76 | | 30,342.45 | | 16,391.23 | 173.95 | 173.95 | 606,691 |

| | |
|---|---|
| 2013 Population Estimate | 174,431 |
| 2013 Employment Estimate:[1] | 94,229 |
| Projected Population, Evergreen Community: | 2,162 |
| Projected Employment, Evergreen Community: | 1,326 |

[1] Extrapolated from City of Burlington 2014 Development Charges Background Study

Source: City of Burlington, 2013 Financial Information Return, CN Watson & Associates, Fiscal Impact Study re Alternative Scenarios for the Alton Community, (January 2001)

In total, the non-tax revenue impact of the Evergreen Community will be approximately $606,700 annually.

# IMPLICATIONS FOR EXPENDITURES

Figure 8 is an analysis of the City of Burlington's "revenue fund" expenditures from the 2013 *Financial Information Return*. The first column shows total revenue fund expenditures by category of service.

As in the Watson model, net long term debt charges and own fund transfers are removed from total expenditures. The debt charges are for "sunk" investments and are unaffected by growth. The own fund transfers generally relate to capital expenditures and vary significantly from year to year.

We have also deducted user fees and service charges from operating expenditures on a service-by-service basis. For example, while recreation programs have a cost to the City of $8.2 million per year, after deducting the $4.7 million users paid for recreation programs, the net operating expenditure to be made up through other revenue sources is $3.4 million.

The net expenditures were allocated based on residential or non-residential requirements. For many categories, the Watson model for the Alton Community used the percentages developed for capital expenditures as part of the City's 1999 development charge study process. In this analysis, for these categories, the residential / non-residential allocation percentages are based on the split between 2013 population and employment based on estimates from the 2013 *Financial Information Return* and 2014 DC Background Study.

**Figure 8**

**Summary of Net Operating Expenditures, City of Burlington, 2013**

| | Total Operating Expenses After Adjustments | Residential Share | | Non-Residential Share | |
|---|---|---|---|---|---|
| **General government** | | *Percent* | *Dollars (000)* | *Percent* | *Dollars (000)* |
| Governance | 3,070.65 | 64.9 | 1,993.66 | 35.1 | 1,076.99 |
| Corporate Management | 11,027.41 | 64.9 | 7,159.69 | 35.1 | 3,867.72 |
| Program Support | 14,991.31 | 64.9 | 9,733.30 | 35.1 | 5,258.01 |
| Total | 29,089.37 | 64.9 | 18,886.65 | 35.1 | 10,202.72 |
| **Protection services** | | | | | |
| Fire | 27,692.34 | 64.9 | 17,979.61 | 35.1 | 9,712.73 |
| Protective Inspection and control | 1,846.76 | 64.9 | 1,199.03 | 35.1 | 647.73 |
| Building permit and inspection services | 2,487.26 | 64.9 | 1,614.88 | 35.1 | 872.37 |
| Provincial Offences Act (POA) | 6,702.06 | 64.9 | 4,351.40 | 35.1 | 2,350.66 |
| Total | 38,728.42 | 64.9 | 25,144.93 | 35.1 | 13,583.49 |
| **Transportation services** | | | | | |
| Roads - Paved | 29,727.67 | 64.9 | 19,301.08 | 35.1 | 10,426.59 |
| Roads - Bridges and Culverts | 891.42 | 64.9 | 578.77 | 35.1 | 312.65 |
| Roads - Traffic Operations & Roadside | 5,936.26 | 64.9 | 3,854.20 | 35.1 | 2,082.07 |
| Winter Control - Except sidewalks, Parking Lots | 4,341.88 | 64.9 | 2,819.02 | 35.1 | 1,522.86 |
| Winter Control - Sidewalks, Parking Lots Only | 472.37 | 64.9 | 306.69 | 35.1 | 165.68 |
| Transit - Conventional | 11,037.88 | 64.9 | 7,166.49 | 35.1 | 3,871.39 |
| Transit - Disabled & special needs | 1,170.49 | 64.9 | 759.95 | 35.1 | 410.53 |
| Parking | 1,593.16 | 64.9 | 1,034.38 | 35.1 | 558.78 |
| Street lighting | 1,789.75 | 64.9 | 1,162.02 | 35.1 | 627.73 |
| Total | 56,960.88 | 64.9 | 36,982.59 | 35.1 | 19,978.29 |
| **Environmental services** | | | | | |
| Urban storm sewer system | 3,465.56 | 64.9 | 2,250.06 | 35.1 | 1,215.50 |
| Rural storm sewer system | 587.65 | 64.9 | 381.54 | 35.1 | 206.11 |
| Water treatment | 7.23 | 60.0 | 4.34 | 40.0 | 2.89 |
| Total | 4,060.44 | 64.9 | 2,635.94 | 35.1 | 1,424.50 |
| **Health services** | | | | | |
| Cemeteries | 458.84 | 100.0 | 458.84 | - | - |
| Total | 458.84 | 100.0 | 458.84 | - | - |
| **Recreation and cultural services** | | | | | |
| Parks | 7,611.24 | 98.0 | 7,459.02 | 2.0 | 152.22 |
| Recreation programs | 3,463.87 | 98.0 | 3,394.59 | 2.0 | 69.28 |
| Recreation Facilities - Golf, Marina, Ski | 240.18 | 98.0 | 235.38 | 2.0 | 4.80 |
| Recreation Facilities - Other | 13,653.16 | 98.0 | 13,380.10 | 2.0 | 273.06 |
| Libraries | 10,284.97 | 98.0 | 10,079.27 | 2.0 | 205.70 |
| Museums | 765.69 | 98.0 | 750.37 | 2.0 | 15.31 |
| Cultural Services | 4,077.21 | 98.0 | 3,995.67 | 2.0 | 81.54 |
| Total | 40,096.32 | 98.0 | 39,294.39 | 2.0 | 801.93 |
| **Planning and development** | | | | | |
| Planning and zoning | 3,133.00 | 64.9 | 2,034.14 | 35.1 | 1,098.86 |
| Commercial and Industrial | 2,242.70 | 64.9 | 1,456.10 | 35.1 | 786.60 |
| Total | 5,375.70 | 64.9 | 3,490.25 | 35.1 | 1,885.46 |
| Total | 174,769.97 | 72.6 | 126,893.59 | 27.4 | 47,876.38 |

Source: City of Burlington, 2013 Financial Information Return, CN Watson & Associates, Fiscal Impact Study re Alternative Scenarios for the Alton Community, (January 2001)

The result is a net operating expenditure of $174.8 million, of which approximately $126.9 million is attributable to residential development, and $47.9 million is attributable to non-residential development.

Figure 9 summarizes the basis for forecasting the incremental expenditures for each service over the long term. These allocations provide for several different assumptions regarding impacts of development on service delivery, including services where the Watson study found there would be no additional growth-related operating expenditures for the Alton Community (i.e. fire protection where existing fire stations can serve all of Burlington south of Highway 407)[7] and others where economies of scale are likely to result in incremental costs which are lower than average costs.

**Figure 9**

**Net Operating Expenditure Impact Per Capita and Per Employee**

| | |
|---|---|
| City of Burlington Population Estimate (2013) | 174,431 |
| City of Burlington Employment Estimate (2013): | 94,229 |
| Projected Population - Evergreen: | 2,162 |
| Projected Employment - Evergreen: | 1,326 |

| | Residential Share | | Non-Residential Share | | Potential Impact | Per Capita Impact | Per Employee Impact | Incremental Costs for Evergreen |
|---|---|---|---|---|---|---|---|---|
| **General government** | *Percent* | *Dollars (000)* | *Percent* | *Dollars (000)* | | *$ / Capita* | *$ / Employee* | *Dollars* |
| Governance | 64.9 | 1,993.66 | 35.1 | 1,076.99 | 50% | 5.71 | 5.71 | 19,931.43 |
| Corporate Management | 64.9 | 7,159.69 | 35.1 | 3,867.72 | 50% | 20.52 | 20.52 | 71,578.29 |
| Program Support | 64.9 | 9,733.30 | 35.1 | 5,258.01 | 50% | 27.90 | 27.90 | 97,307.72 |
| Total | 64.9 | 18,886.65 | 35.1 | 10,202.72 | | 54.14 | 54.14 | 188,817.44 |
| **Protection services** | | | | | | | | |
| Fire | 64.9 | 17,979.61 | 35.1 | 9,712.73 | 0% | - | - | - |
| Building permit and inspection services | 64.9 | 1,199.03 | 35.1 | 647.73 | 100% | 6.87 | 6.87 | 23,974.39 |
| Protective Inspection and control | 64.9 | 4,351.40 | 35.1 | 647.73 | 100% | 24.95 | 6.87 | 63,046.72 |
| Provincial Offences Act (POA) | 64.9 | 25,144.93 | 35.1 | 2,350.66 | 100% | 144.15 | 24.95 | 344,732.58 |
| Total | 64.9 | - | 35.1 | 13,583.49 | | 175.97 | 38.69 | 431,753.69 |
| **Transportation services** | | | | | | | | |
| Roadw ays | 64.9 | 19,301.08 | 35.1 | 10,426.59 | 10% | 11.07 | 11.07 | 38,592.12 |
| Winter control | 64.9 | 7,166.49 | 35.1 | 3,871.39 | 90% | 36.98 | 36.98 | 128,963.24 |
| Transit | 64.9 | 759.95 | 35.1 | 410.53 | 100% | 4.36 | 4.36 | 15,195.10 |
| Parking | 64.9 | 1,034.38 | 35.1 | 558.78 | 90% | 5.34 | 5.34 | 18,613.95 |
| Street lighting | 64.9 | 1,162.02 | 35.1 | 627.73 | 90% | 6.00 | 6.00 | 20,910.86 |
| Total | 64.9 | 36,982.59 | 35.1 | 19,978.29 | | 63.73 | 63.73 | 222,275.28 |
| **Environmental services** | | | | | | | | |
| Storm sew er system | 64.9 | 2,250.06 | 35.1 | 1,215.50 | 100% | 12.90 | 12.90 | 44,989.45 |
| Other | 60.0 | 4.34 | 40.0 | 2.89 | 100% | 0.02 | 0.03 | 94.48 |
| Total | 64.9 | 2,635.94 | 35.1 | 1,424.50 | | 12.92 | 12.93 | 45,083.93 |
| **Health services** | | | | | | | | |
| Cemeteries | 100.0 | 458.84 | - | - | 0% | - | - | - |
| Total | 100.0 | 458.84 | - | - | | - | - | - |
| **Recreation and cultural services** | | | | | | | | |
| Parks | 98.0 | 7,459.02 | 2.0 | 152.22 | 90% | 38.49 | 1.45 | 85,133.76 |
| Recreation programs | 98.0 | 3,394.59 | 2.0 | 69.28 | 90% | 17.51 | 0.66 | 38,744.26 |
| Recreation Facilities - Golf, Marina, Ski | 98.0 | 235.38 | 2.0 | 4.80 | 90% | 1.21 | 0.05 | 2,686.47 |
| Recreation Facilities - Other | 98.0 | 13,380.10 | 2.0 | 273.06 | 90% | 69.04 | 2.61 | 152,714.25 |
| Libraries | 98.0 | 10,079.27 | 2.0 | 205.70 | 90% | 52.01 | 1.96 | 115,040.19 |
| Cultural Services | 98.0 | 3,995.67 | 2.0 | 81.54 | 90% | 20.62 | 0.78 | 45,604.73 |
| Total | 98.0 | 39,294.39 | 2.0 | 801.93 | | 198.87 | 7.51 | 439,923.65 |
| **Planning and development** | | | | | | | | |
| Planning and zoning | 64.9 | 2,034.14 | 35.1 | 1,098.86 | 30% | 3.50 | 3.50 | 12,201.69 |
| Commercial and Industrial | 64.9 | 1,456.10 | 35.1 | 786.60 | 30% | 2.50 | 2.50 | 8,734.34 |
| Total | 64.9 | 3,490.25 | 35.1 | 1,885.46 | | 6.00 | 6.00 | 20,936.03 |
| Total | 72.6 | 126,893.59 | 27.4 | 47,876.38 | | 511.64 | 183.01 | 1,348,790.02 |

Source: City of Burlington, 2013 Financial Information Return
CN Watson & Associates, Fiscal Impact Study re Alternative Scenarios for the Alton Community, (January 2001)
CN Watson & Associates, City of Burlington 2014 Development Charges Background Study

[7] The City's 2014 DC Background Study does not include any provision for new fire stations or equipment for additional fire fighters.

We have separately modelled the operating costs of the actual road network to be built, based on per lane kilometre operating costs from the City's 2013 *Financial Information Return*. Based on 13.8 lane kilometres (1.1 km of collector roads, 10.8 km of local roads, 0.95 km of minor local roads and 0.66 km of laneways), and an operating cost of $16,176 per lane km, the resulting annual road operating costs are $219,600. We have however, still retained a 10% share of City-wide average road operating costs in the net operating expenditure calculation (as was done in the 2001 Watson study).

The combined operating expenditures generated by development of the Evergreen Community is estimated to add approximately $574.60 per person to the City of Burlington's annual operating expenditures.[8] The non-residential components of the mixed-use development will add approximately $245.97 per employee to the City's annual operating expenditure. The total incremental operating costs for the estimated 2,162 residents and 1,326 employees of the Evergreen Community amount to approximately $1,568,400 per year.

### CAPITAL EXPENDITURES

The Watson fiscal impact model included an allowance for capital financing from current revenues equal to 30% of incremental operating expenditures. For the Evergreen Community, this allowance would add approximately $471,900 to annual expenditures, bringing the total impact on the City of Burlington's expenditures to approximately $2,038,900.

## NET OPERATING IMPACT

### COMPARISON OF REVENUES AND EXPENDITURES

The above projections for both expenditures and revenues are summarized and combined into the table below, see Figure 10. The additional property taxes and non-tax revenues the City will receive each year as a result of the development (approximately $2,105,200) are projected to exceed the additional annual expenditures the City will incur as a result of the development (approximately $2,038,900) by approximately $66,300 per year.

[8] The Watson report was based on incremental operating expenditures of $197.41 per capita and additional road maintenance costs amounting to $4,500 per lane kilometer of additional City roadway.

**Figure 10**

**City of Burlington, Annual Operating Fund Surplus Potential for the Evergreen Community**

| | Total Revenues / Expenditures |
|---|---|
| **Incremental Revenues** | *Dollars* |
| Taxation Revenues | 1,498,494 |
| Non-Tax Revenues | 606,691 |
| Total Revenues | 2,105,185 |
| | |
| **Incremental Expenditures** | |
| Operating Costs (excl. Roads) | 1,348,790 |
| Operating Costs - Roads | 219,583 |
| Capital Costs (30% of Operating) | 470,512 |
| Total Costs | 2,038,885 |
| | |
| Surplus / (Deficit) | 66,300 |

Source: Altus Group Economic Consulting based on 2013 City of Burlington Financial Information Return & CN Watson & Associates, *Fiscal Impact Study re Alternative Scenarios for the Alton Community* (January 2001)

# IMPLICATIONS FOR STREAM OF MUNICIPAL REVENUES

According to the Malone Given Parsons Ltd. *Employment and Residential Assessment* for the Evergreen Community, at current rates of production, Burlington's supply of housing, excluding the Evergreen lands, could potentially be exhausted within the next 5 years, while the low density supply will be exhausted within a year.

A slowdown in residential construction will result in a drop in development charge revenues, which may require the City to turn to increases in taxes, user charges and debentures to finance new facilities and infrastructure.

The residential component of the proposed mixed-use development will facilitate construction of infrastructure for water supply, wastewater, storm water management, roads and other site improvements needed to attract development on the business corridor and mixed-use corridor lands provided for in the plan. This mixed-use plan allows Burlington to maintain its stream of development-related revenues for a few more years and the City would have time to adjust its expenditure patterns.

# Appendix A

# Concept Plan,
# Parcel Map &
# Draft Plan of Subdivision

**Figure A- 1**


JULY 2015
Evergreen Concept
legend
subject property
office
mixed use - condominium
townhouses
single family houses
natural heritage feature
natural heritage buffer, linkage or enhancement
park
stormwater management or naturalized area
primary intersection
special road narrowing through linkage
note: drawings not to scale
HIGHWAY 407
Future 407 Transitway
Central Woodland
Existing Pond
Heritage House
Southern Woodland
DUNDAS STREET

JULY 2015

# Evergreen **Parcel Map**




DRAFT PLAN
OF SUBDIVISION
CITY OF BURLINGTON
REGIONAL MUNICIPALITY OF HALTON
KEY PLAN
SUBJECT SITE
NOT TO SCALE
PLANNING APPROVAL
OWNER'S AUTHORIZATION
June 4, 2015
SURVEYOR'S CERTIFICATE
ADDITIONAL INFORMATION
LAND USE SCHEDULE
R.O.W. SCHEDULE
NOTES
PREPARED BY
URBAN STRATEGIES INC.
GERRARD DESIGN ASSOCIATES INC
SCALE: 1:2000
DRG DATE: July 09, 2015
HIGHWAY 407
CITY OF BURLINGTON
TOWN OF OAKVILLE
UTILITY SERVICES
OPEN SPACE
OPEN SPACE
OPEN SPACE
DEVELOPMENT ZONE
EXISTING AGRICULTURAL
EXISTING AGRICULTURAL
TREMAINE ROAD
DUNDAS STREET
DUNDAS STREET
OPEN SPACE
(BRONTE CREEK PROVINCIAL PARK)
PARKWAY BELT
CITY OF BURLINGTON
TOWN OF OAKVILLE

# Appendix B

# Project Statistics Summary

**Figure B - 1**

**Evergreen Community Project Statistics Summary**

| Evergreen Community | Site Area *Hectares* |
|---|---|
| Gross Site Area | 67.4 |
| Roads | 13.7 |
| Site Area (Excluding Natural Features) | 47.8 |

| | | Non-Residential GFA | | Residential Units | | | |
|---|---|---|---|---|---|---|---|
| Land Use Characteristics | Site Area *Hectares* | Office | Retail | Single Family | Townhouse | Apartment | Total |
| Residential - Medium Density | 15.38 | - | - | 374 | 123 | - | 497 |
| Mixed Use Corridor - General | 5.81 | - | 16,577 | - | 50 | 360 | 410 |
| Mixed Use Corridor - Employment | 1.48 | 21,723 | - | - | - | - | - |
| Business Corridor | 4.91 | 11,910 | - | - | - | - | - |
| Total | | 33,633 | 16,577 | 374 | 173 | 360 | 907 |

| Residential | No. of Units | PPU Assumption *Persons Per Unit* | No. of People in Units *Persons* |
|---|---|---|---|
| Single Family Detached | 374 | 3.29 | 1,228 |
| Townhouses (Multiples) | 173 | 2.35 | 408 |
| Apartments | 360 | 1.46 | 526 |
| Total | 907 | | 2,162 |

| Non-Residential | Site Area *Hectares* | Non-Residential GFA *Square Metres* | Floor Space per Job Factor *Sq. M. / Job* | No. of Employees *Jobs* |
|---|---|---|---|---|
| Mixed Use Corridor - Employment | 1.48 | 21,723 | 33.4 | 650 |
| Business Corridor | 4.91 | 11,910 | 33.4 | 357 |
| Mixed Use Corridor - General | 3.49 | 16,577 | 51.9 | 319 |
| | 9.88 | 50,210 | | 1,326 |

[1] 3.49 hectares assumes that 60% of the 5.81 hectares contains non-residential at grade

Source: Altus Group Economic Consulting based on Urban Strategies, Evergreen Community Yields (July, 2015)