

FINANCIAL IMPACT STATEMENT

1010 Downsview Drive & 355 Plains Road East

City of Burlington

Date:
May 2022

Prepared for:
335 Plains Holdings Inc. & 355 Plains Holdings Inc.
(Coletara Development)

Prepared by:
MacNaughton Hermsen Britton Clarkson
Planning Limited (MHBC)

442 Brant Street, Suite 204
Burlington, ON L7R 2G4
T: 905 639 8686
F: 905 761 5589

File: 20391A

Executive Summary

1. MacNaughton Hermsen Britton Clarkson Planning Limited ("MHBC") has been retained by 335 Plains Holdings Inc. & 355 Plains Holdings Inc. (the "Applicant") to seek planning approvals to redevelop the properties located on the north side of Plains Road East on either side of Downsview Drive, municipally addressed as 1010 Downsview Drive & 355 Plains Road East, in the City of Burlington (the "Subject Lands").

2. The proposed mixed-use development of the Subject Lands is to include two mid-rise residential buildings and townhome units and will provide for a total of 584 new residential units which will intensify the site, in comparison to the existing commercial plaza uses. A total of 628.6 square metres of new commercial/retail space will be provided at-grade in the buildings.

3. The proposed new development is anticipated to yield 978 new residents and 17 new jobs.

4. Based on the current City of Burlington Development Charge rates, the proposed development will generate over $4.3 million in DC revenue for the City of Burlington. The City can use these revenues to fund all growth-related capital costs related to infrastructure and services.

5. Based on the Region of Halton's current Development Charge rates, the proposed development will generate over $9.8 million in DC revenue for the Region of Halton. These DC revenues will be used to fund all growth related costs for water and wastewater infrastructure and other Regional capital servicing costs.

6. All other development costs for servicing and infrastructure are to be funded entirely by the developer. The long term operating costs for site services will all be assumed by the future owners.

7. The proposed development will generate substantial new assessment value and property tax revenue for the City. At buildout, the annual property tax revenue is estimated to be $1,537,255 per year, or $1,609 per capita.

8. Based on the significant amounts of new property tax revenue generated by the development, without the need to construct new infrastructure, the City will see an annual surplus and financial benefit from the development. This outcome is consistent with the benefits of intensification from the efficient use of land and resources and reflects the objectives of Provincial, Regional and City policies for growth.

© 2022 Google

Table of **Contents**

1.0 Introduction 4
1.1 Proposal 4
1.2 Unit and Population Yield 6
2.0 Capital Revenues and Expenditures 7
2.1 Development Charge Revenues 7
3.0 Capital Infrastructure Requirements and Costs 9
4.0 Ongoing Revenue and Costs 9
4.1 Tax Assessment and Revenues 9
5.0 Conclusion 10

List of **Figures**

Figure **1** Site Plan

List of **Tables**

Table **1** Summary of Proposed Redevelopment Statistics

Table **2** Unit and Population Yield for Proposed Redevelopment

Table **3** Estimated DC Revenue for the City of Burlington

Table **4** Estimated DC Revenue for the Region of Halton

Table **5** Tax Assessment Revenue

1.0 Introduction

MacNaughton Hermsen Britton Clarkson Planning Limited ("MHBC") has been retained by 335 Plains Holdings Inc. & 355 Plains Holdings Inc. (the "Applicant") to seek planning approvals to redevelop the properties located on the north side of Plains Road East on either side of Downsview Drive, municipally addressed as 1010 Downsview Drive & 355 Plains Road East, in the City of Burlington (the "Subject Lands").

Through the pre-consultation process for the proposed redevelopment, the City of Burlington identified the need to prepare a Financial Impact Study in accordance with Section 6.5.2(i) of the new Official Plan (currently under appeal).

Section 6.5.2(i) of the new Official Plan states:

> *i) A Financial Impact Study may be required for, and considered in the evaluation of, a City-initiated area-specific plan or a major development application which meet one or more of the following criteria, in order to understand potential financial impacts on the City:*
> *(i) The land area affected is greater than ten (10) ha;*
> *(ii) The amount of retail floor spaces is greater than fifty thousand (50,000) sq. m;*
> *(iii) The number of dwelling units is greater than five hundred (500);*
> *(iv) The conversion of land within Employment Areas, as identified on Schedule B: Urban Structure of the Plan;*
> *(v) An expansion to the Urban Boundary; or*
> *(vi) Any other development or initiative which is deemed to have potential impact on the City's financial sustainability, as determined by the City.*

In order to assist the staff with this information, although not an approved requirement, MHBC has summarized current financial information available in relation to the potential revenue (assessment and fees) associated with the proposed development and any known additional costs to the City not otherwise achieved through Development Charges (DCs) and future assessment. It should be noted that the only criteria applicable under Section 6.5.2 (i) for the proposed development is (iii) as the proposed number of units is 584.

1.1 Proposal

As shown on **Figure 1**, the Subject Lands consist of two parcels on the north side of Plains Road East, separated by Downsview Drive in the City of Burlington. The Subject Lands are municipally addressed as 1010 Downsview Drive and 355 Plains Road East. The two parcels have a total site area of 1.48 ha (3.67 acres) consisting of 1010 Downsview Drive which is 0.73 ha (1.81 ac) with 48 m of frontage on Plains Road East and a depth of 105 m and 355 Plains Road East which is 0.75 ha (1.86 ac) with 70 m of frontage on Plains Road East and a depth of 105 m.

Each parcel is currently occupied by a one-storey commercial plaza and surface parking area. As of May 18, 2022, Lot A, 1010 Downsview Drive, contains 7 occupied units with restaurant, financial services, mattress store, day care and residential sales centre uses. Lot B, 355 Plains Road East, contains 11 occupied units, including a coffee shop, patio furniture store karate studio, financial services, place of worship, plant/flower store and a jewelry store. There is currently 1 vacant unit.

Pedestrian access is provided from both Plains Road East and Downsview Drive. Vehicular access and parking for 355 Plains Road East is currently provided from Plains Road East and Downsview Drive. Vehicular access and parking for 1010 Downsview Drive is currently provided from Downsview Drive. There is a signalized intersection at Plains Road East and Downsview Drive.

The proposed development on 1010 Downsview (Building A) is for one 8-storey residential building, with a total gross floor area of 15,109.8 m^2. The building will provide for a total of 141 apartment units. There are 56 townhome units proposed along the northern lot line. The 8-storey building and the townhomes will provide for a mix of 1-bedroom and 2-bedroom units.

The proposed development on 355 Plains Road East (Building B) is for a residential apartment building with two mid-rise towers of 9 and 11 storeys, connected by a 6-storey podium, with a total gross floor area of 33,585.7 m^2. The apartment building consists of a total of 347 apartment units and provides for a mix of 1-bedroom and 2-bedroom units. There are 40 townhome units to be provided along the rear of the site.

The table below provides a detailed breakdown of the proposed development site statistics:

Table 1: Summary of Proposed Redevelopment Statistics

CHARACTERISTIC	DESCRIPTION	
	LOT A	LOT B
Total Site Area	7294.74 m^2	7,500.47 m^2
Proposed Total Gross Floor Area	15,109.8 m^2	33,585.7 m^2
Proposed Residential Units	197	387
Townhouse	56	40
Apartment	141	347
Proposed Density	270.1 units / hectare	516.0 units / hectare
Floor Area Ratio	2.07 : 1	4.48 : 1
Total Parking Spaces	262 Spaces	489 Spaces (Including 48 tandem parking spaces)
Residential	252	477
Commercial/Retail	10	12
Accessible	8	15
Short Term Bicycle Spaces	21 Spaces	31 Spaces
Commercial Bicycle Parking Spaces	4 Spaces	8 Spaces

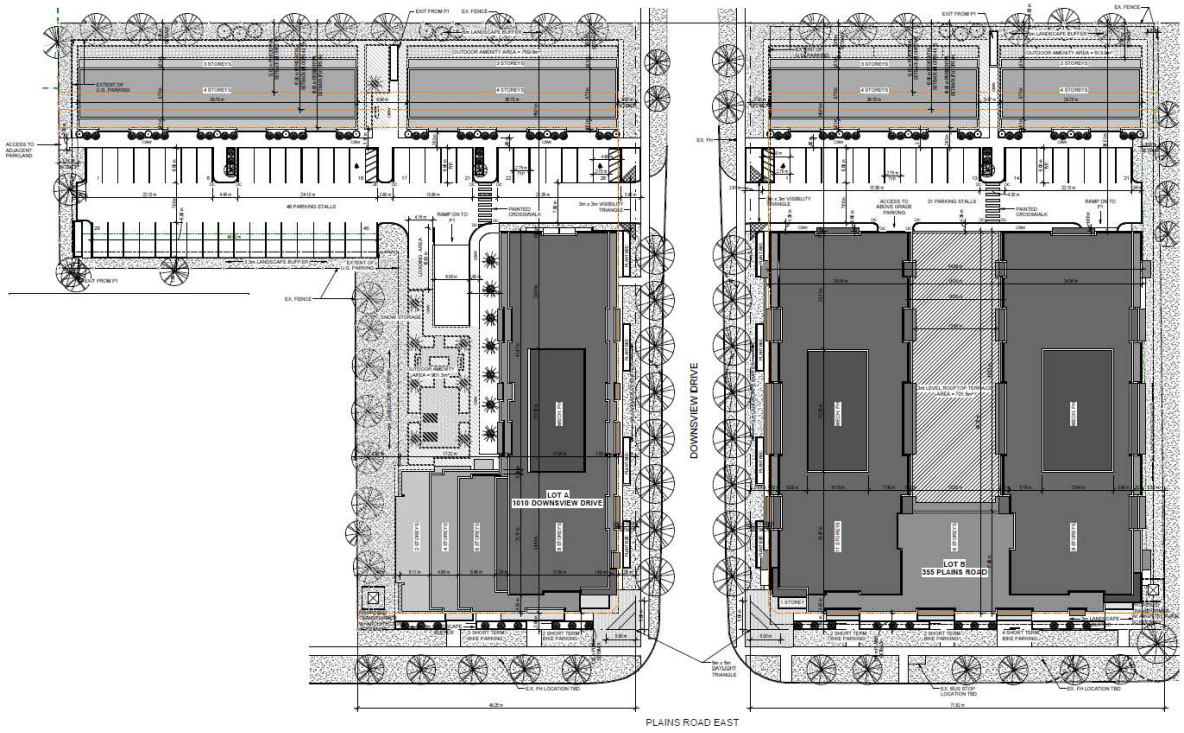


Figure 1: Proposed Site Plan

1.2 Unit and Population Yield

The redevelopment is proposed to contain a total of 584 dwelling units in the form of 1-bedroom apartment, 2-bedroom apartment and townhouse-style units. Based on the Person per Unit (PPU) Job Creation factors identified in the 2019 City of Burlington's Development Charges Background Study, the proposed development has the potential to generate a total of 978 residents. This is based on the factors for new apartments units by bedroom size, and townhouse units.

Table 2: Unit and Population Yield for Proposed Redevelopment

		Proposed Plan	
Proposed Units	People per Unit (PPU)*	Units	Population
Lot A			
1-Bedroom Apartment	1.282	98	126
2-Bedroom Apartment	1.740	43	75
Townhouse	2.305	56	130
Lot B			
1-Bedroom Apartment	1.282	111	143
2-Bedroom Apartment	1.740	236	411
Townhouse	2.305	40	93
		584	978

		Proposed Plan	
Proposed Units	Jobs per GFA	GFA (m^2)	Jobs
Lot A			
Retail	1 job per 39.7m^2	286.8 m^2	8
Lot B			
Retail	1 job per 39.7m^2	341.8 m^2	9
		628.6 m^2	17

2.0 Capital Revenues and Expenditures

This section of the report outlines the capital revenues and expenditures anticipated to support the proposed redevelopment, as well as the sources of funding and the impact on the City's capital budgets.

2.1 Development Charge Revenues

Table 3 shows the DC revenue that would be generated by the proposed development for the City of Burlington. In total, at the current DC rates (in effect as of March 22, 2022), the proposed development would generate the City of Burlington a total of **$4,311,361**, including:

- $2,134,857 for transportation;
- $435,124 for storm drainage;
- $44,834 for fire;
- $172,109 for transit;
- $1,232,895 for parks and recreation;
- $197,320 for library;
- $7,532 for studies; and
  $86,690 for commercial/retail space

These DC revenues can be used by the City to fund growth-related capital works for each of the development charge services identified. This can include works necessitated directly by the development of the Subject Lands, as well as other growth-related capital projects around the City.

Table 3: Estimated DC Revenue for the City of Burlington

Unit Type	Proposed Units
Apartment -1-Bedroom	209
Apartment - 2-Bedroom	279
Townhouse	96

	584

	DC Rates by Service			Propose Plan
DC Service	Apartment – 1-Bedroom	Apartment - 2-Bedroom	Townhouse	**DC Revenues**
	Dollars per Unit			
Transportation	$2,910	$3,949	$4,426	**$2,134,857**
Storm Drainage	$593	$805	$902	**$435,124**
Fire	$61	$83	$93	**$44,834**
Transit	$235	$318	$357	**$172,109**
Parks and Recreation	$1,680	$2,281	$2,556	**$1,232,895**
Library	$269	$365	$409	**$197,320**
Studies	$10	$14	$16	**$7,532**
Total	$5,758	$7,815	$8,759	**$4,224,671**
Commercial/Retail at $137.91/square metre				**$86,690**

** Rates taken from City of Burlington By-law 26-2022*

Table 4 shows the DC revenue that would be generated by the proposed development for the Region of Halton. In total, at the current DC rates (in effect as of April 1, 2022), the proposed development would generate the City of Burlington a total of **$9,800,873**, including:

- $1,132,130 for general services;
- $6,012,733 for roads;
- $979,610 for water;
- $1,412,809 for wastewater; and
- $263,590 for commercial/retail space.

Table 4 shows the DC revenue that would be generated by the proposed development for the Region of Halton.

Table 4: Estimated DC Revenue for the Region of Halton

Unit Type	Proposed Units
Apartment -1-Bedroom	209
Apartment - 2-Bedroom	279
Townhouse	96
	584

	DC Rates by Service			Propose Plan
DC Service	Apartment – 1-Bedroom	Apartment - 2-Bedroom	Townhouse	DC Revenues
	Dollars per Unit			
General Services	$1,536	$2,095	$2,360	**$1,132,130**
Roads	$8,365	$10,858	$12,866	**$6,012,733**
Water	$1,364	$1,770	$2,090	**$979,610**
Wastewater	$1,968	$2,555	$3,007	**$1,412,809**

Total	$13,233	$17,278	$20,323	**$9,537,283**
Commercial/Retail at $419.33 per square metre				**$263,590**

** Rates taken from Halton Region By-law 36-17*

Depending on the timing for the future Community Benefits Charge, additional revenue may be collected through the new charges.

3.0 Capital Infrastructure Requirements and Costs

The proposed development will be serviced through existing infrastructure. The Functional Servicing Report prepared for the proposed development sets out the detailed servicing and infrastructure to serve the redevelopment. All additional capital costs for the required for connections to existing watermains, sanitary sewers and storm sewers will be funded entirely by the developer. The growth-related costs for roads and other services are supported through the DCs.

There are no long-term operating, maintenance or ongoing operating costs for the Subject Lands that will be required of the City as they will be the responsibility of the future owners.

It should be noted that planning and building permit fees associated with the development are significant with the planning fees amounting to $417,356 and building permit fees at $1,117,851. These fees together would represent a substantial amount.

4.0 Ongoing Revenue and Costs

4.1 Tax Assessment and Revenues

For the new units to be constructed, the potential assessed values have been based on a conservative value per unit for condominium units and the current multi-residential use tax rate. This assumes an overall average value and does not add value for the townhome units which would have an increased value. This conservative estimate would yield an average of **$1,537,255** per year starting in 2026 or **$1,609** per capita. This revenue does not include the integrated at-grade retail use tax revenue. Over the long term this revenue is assumed to increase.

Table 5: Tax Assessment Revenue

2022 Burlington Tax Rate - New Multi-Residential	0.00389792
2026 Burlington Estimated Tax Rate (Assuming 3% per annum tax rate increase)	0.00438714
Proposed Number of Units	584
Estimated Average Property Value	$600,000
Annual Revenue	**$1,537,255**

2022 Burlington Tax Rate - New Multi-Residential	0.00389792
2046 Burlington Estimated Tax Rate (Assuming 3% per annum tax rate increase)	0.00792367
Proposed Number of Units	584
Estimated Average Property Value	$600,000
Cumulative Revenue (2026 - 2046)	**$41,306,618**

2022 Burlington Tax Rate - New Multi-Residential	0.00389792
2056 Burlington Estimated Tax Rate (Assuming 3% per annum tax rate increase)	0.01064875
Proposed Number of Units	584
Estimated Average Property Value	$600,000
Cumulative Revenue (2026 - 2056)	**$73,135,546**

We acknowledge that there will be ongoing operating costs that will result from the proposed development; however, these are assumed to be offset by taxation as well as water and sewer use rate revenue.

5.0 Conclusion

The costs for infrastructure and services associated with the new growth from the development will be accounted for through the DCs. All additional new servicing and infrastructure costs associated with the development will be provided by the developer with the longer-term operating costs assumed by the unit/condominium owners.

Summary of Anticipated One-Time Revenue for City:

- Development Charges:
    - City of Burlington: **$4,311,361**
    - Region of Halton: **$9,800,873**

Summary of Reoccurring Tax Revenue:

- Annual Revenue: **$1,537,255**
- Cumulative Revenue over 20 Years: **$41,306,618**
- Cumulative Revenue over 30 Years: **$73,135,546**

In total, it is estimated that the proposed development will generate a total of **$87,247,780** in Development Charges and tax revenue for the City of Burlington and the Region of Halton over a 30-year period.

Based on the significant amounts of new property tax revenue generated by the development, without the need to construct new infrastructure, the City will see an annual surplus and financial benefit from the development. This outcome is consistent with the benefits of intensification from the efficient use of land and resources and reflects the objectives of Provincial, Regional and City policies for growth.

Respectfully submitted,
MHBC



Dana Anderson, MA, FCIP, RPP
Partner



Jillian Sparrow, BA
Planner