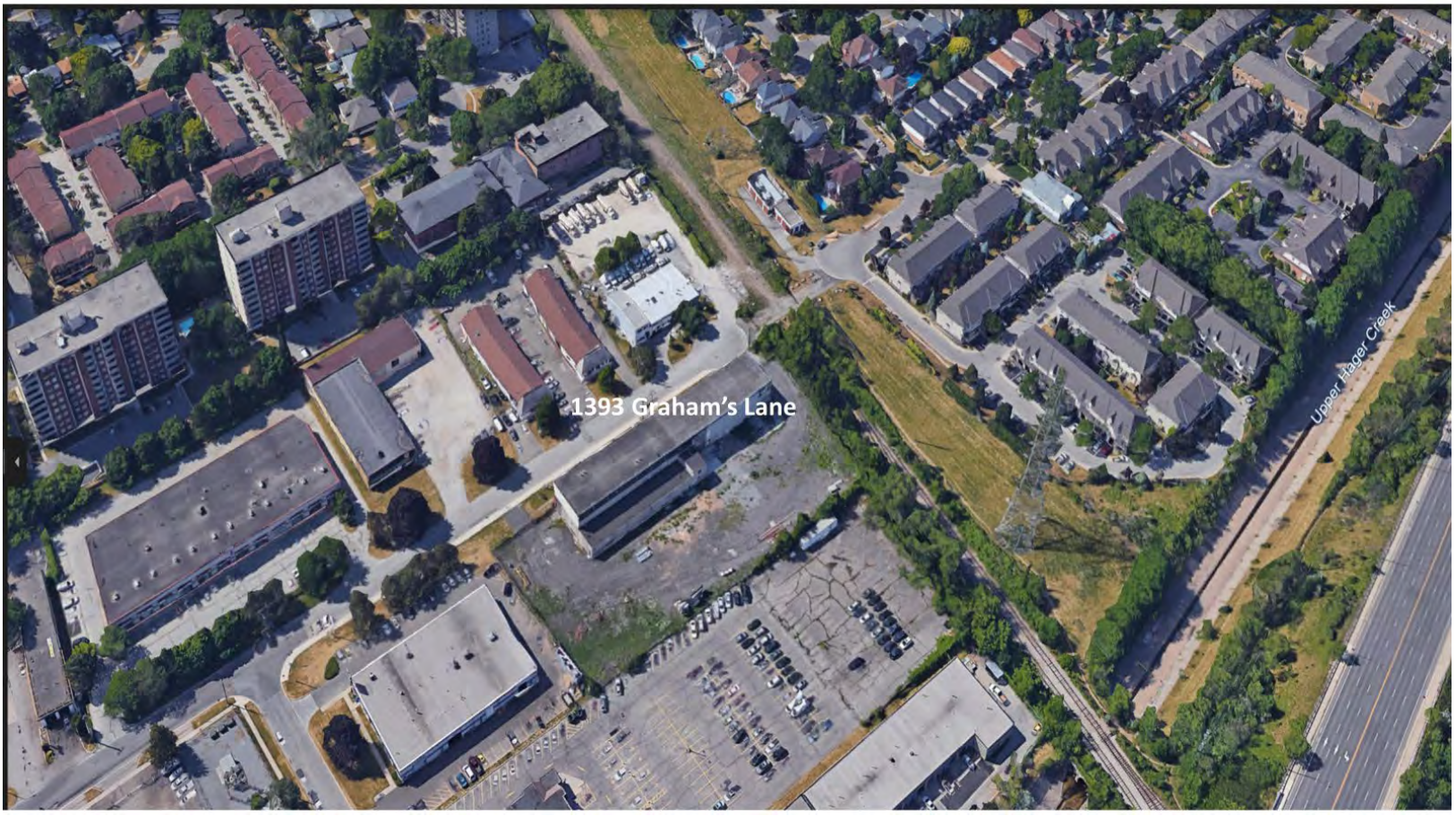
April 11, 2024

Altus Group

1393 Graham's Lane

Economic and Fiscal Impact Study



1393 Graham's Lane

Economic and Fiscal Impact Study

Prepared for:

Northstone Capital Partners (2621458 ONTARIO INC.)

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

April 11, 2024

Executive Summary

Altus Group Economic Consulting was retained by Northstone Capital Partners (2621458 ONTARIO INC.) (the Client) to prepare an economic and fiscal impact study for the redevelopment of 1393 Graham's Lane.

The Client is proposing to replace a low-rise storage facility currently on site with three (3) residential buildings for a total of 722 units. The redevelopment will include a mix of studio, 1-bedroom, 2-bedroom and 3-bedroom apartments. The total construction will require a $212 million in hard costs alone.

The proposed redevelopment is expected to provide significant positive economic and fiscal benefits to the City of Burlington, wider regional economy and province as a whole. Benefits are measured as direct, typically local impacts, as well as indirect and induced, which have more regional and province-wide economic effects. In aggregate, these three benefits are measured on wages, employment creation and government revenues.

The project is assessed to have the following benefits for the City of Burlington:

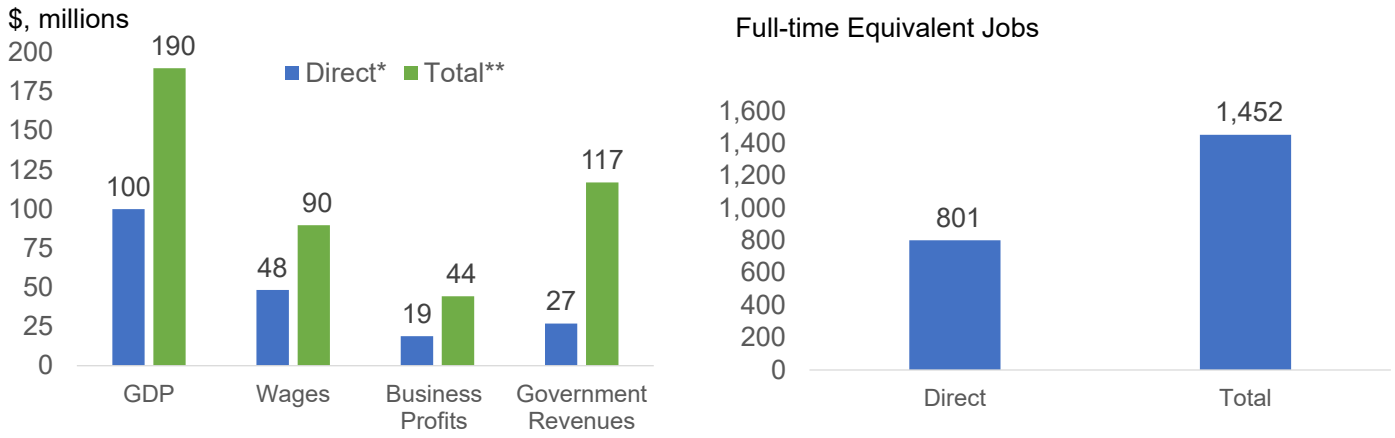
- $17 million in additional retail spending by the residents within the community supporting local businesses;
- An additional 552 persons added to the labour force;
- $25 million in estimated development charge revenues, including $5.4 million for the City of Burlington, $12.5 million for Halton Region and $7.3 million for School Boards;
- $1.7 million in value towards other community benefits, such as parkland; and
- $4.0 million in annual municipal property tax revenues, $1.9 million of which will be paid to the City of Burlington; and
- A net annual fiscal surplus of $1.2 million for the City of Burlington, or $1,133 per person added.

The potential economic benefit could be higher as the redevelopment will also result in 100 additional work-from-home jobs and will attract households with a higher average household income than those currently living in apartments in Burlington. A higher average household income would result in more consumer spending in the community.

Beyond impacts to the City, the proposed development will provide an initial investment with the following one-time economic benefits that will occur both locally and province-wide over the construction phase:

- The one-time investments will boost GDP by $190 million;
- Support the creation of 1,452 jobs and $90 million in wages and salaries for households;
- $44 million in profits for businesses; and
- $117 million in government revenue, from municipal fees, sales taxes and personal and income taxes paid throughout the construction phase.

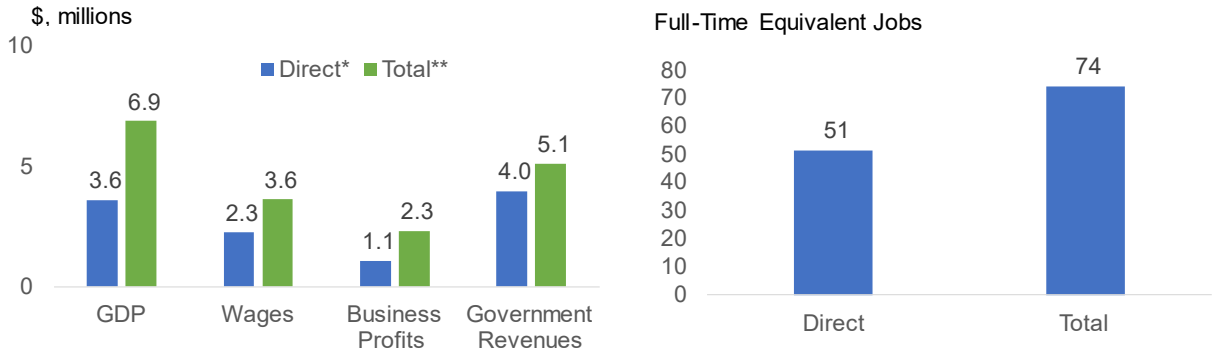
Figure ES1: Economic Impact of One-Time Investments, 1393 Graham's Lane, City of Burlington, ON



Note: *Direct reflects the investments and jobs needed to construct the development. Direct Government revenues reflects municipal fees paid for by the development. **Total reflects the combined, direct+indirect+induced impacts.
Source: Altus Group, based on Statistics Canada I/O Model and other sources

Once completed, the redevelopment will produce the following on-going and annual economic impact of $6.9 million in GDP, 74 jobs, $3.6 million in wages and salaries for households, and $2.3 million in corporate profits per year for the province overall.

Figure ES2: On-Going Economic Impact, 1393 Graham's Lane, City of Burlington, ON



Note: *Direct reflects the investments and jobs needed to construct the development. Direct Government revenues reflects municipal fees paid by the development. **Total reflects the combined, direct+indirect+induced impacts.

Table of Contents

Page

EXECUTIVE SUMMARY i

1 INTRODUCTION 1

1.1 Background 1

1.2 Economic Benefits Assessed 3

1.3 Fiscal Impact Assessed 6

1.4 Report Caveat 7

2 ECONOMIC IMPACT 8

2.1 One-time Economic Impact 8

2.2 One-Time Government Revenues 9

2.3 On-Going Economic Impact 10

2.4 Site Specific Local Benefits 11

2.5 Intangible Benefits 13

3 FISCAL IMPACT ANALYSIS 16

3.1 Development Charges and other Capital Cost Recovery 16

3.2 Annual Revenues 18

3.3 Annual Expenditures 20

3.4 Fiscal Impact – Conclusion 23

4 CONCLUSION 25

1 INTRODUCTION

Altus Group Economic Consulting was retained by Northstone Capital Partners (2621458 Ontario Inc.) (the "Client") to examine the potential economic and fiscal impacts of the proposed redevelopment of 1393 Graham's Lane ("subject site"). The analysis identifies the direct and spin-off benefits the redevelopment will have on the economy in Ontario and finances of the City of Burlington (the "City").

1.1 BACKGROUND

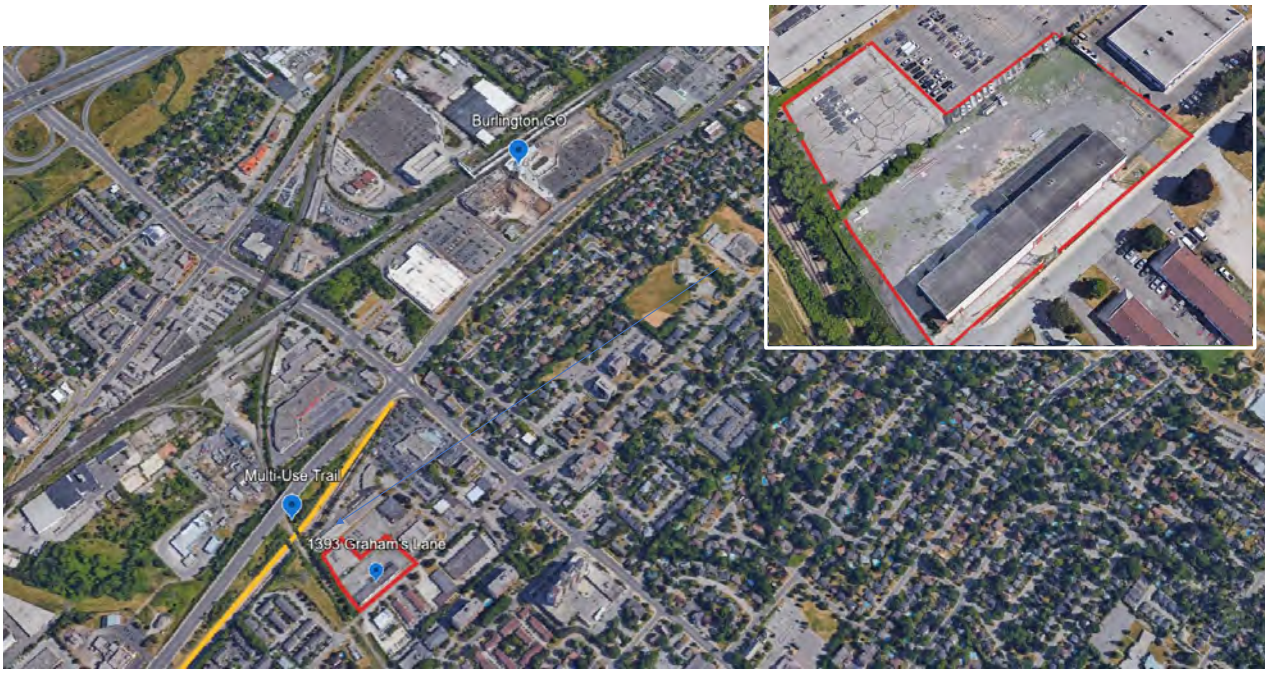
1.1.1 The development plan

Figure 1 shows the location of the subject site. The subject site is located at 1393 Graham's Lane in the City of Burlington, Ontario. The site fronts Graham's Lane to the Northwest, and is south-east of the City of Burlington Maple Trail and 1 km south of downtown Burlington and the Burlington GO train station.

The subject site is currently in a mixed-use employment area surrounded by a mix of light industrial uses and contains a storage facility and parking lot. The employment area is surrounded by residential uses to both the north and east.

The subject site is in the future Burlington GO Major Transit Station Area (MTSA), and the City of Burlington plans to alter planning permissions to allow for residential uses on Graham's Lane.

Figure 1: Overview of Subject Site, 1393 Graham's Lane, City of Burlington, ON



The Client is proposing to redevelop the land with residential uses. The redevelopment will require an Official Plan and Zoning By-Law Amendment.

The proposed development consists of three (3) high-density residential buildings with a total of 722 apartments consisting of:

- 103 Bachelors
- 389 1-Bedroom and 1-Bedroom + Den
- 188 2-Bedroom and 2-Bedroom + Den
- 42 3-Bedrooms

The redevelopment will include 597 parking spaces, with a mix of underground and above ground parking areas.

Based on persons per unit (PPU) estimates taken from the City's 2019 Development Charges Background Study ("2019 DC Study"), it is estimated that the residential units will accommodate roughly 1,031 persons.

Figure 2 provides details of the unit breakdown by building and by type, as well as population estimates for the redevelopment.

Figure 2: Proposed Units and Population Estimates

	Bachelor	1 Bedroom	2 Bedroom	3 Bedroom	Total
Building			*Units*		
Building A	47	173	80	16	316
Building B	17	64	32	7	120
Building C	39	152	76	19	286
Total	103	389	188	42	722

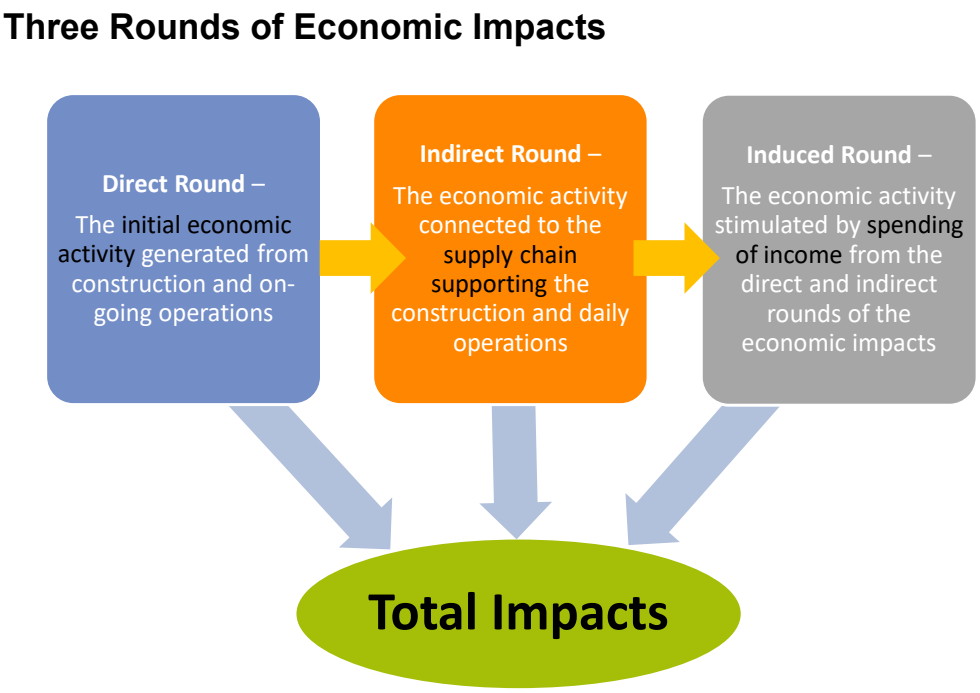
Housing Type	Units	Persons Per Unit	Population
Bachlor	103	1.28	132
1 Bedroom	389	1.28	499
2 Bedroom	188	1.74	327
3 Bedroom	42	1.74	73
Total	**722**		**1,031**

Note: Inclusive of apartments with dens
Source: Altus Group based on Kohn Partnership Architects Inc. Feb 26 2024 Site Plan and City of Bulrington 2019 DC Background Study

1.2 ECONOMIC BENEFITS ASSESSED

This report presents the estimated economic impacts from the construction and operation of the new residential space built. All impacts shown are captured in Ontario, unless otherwise stated. These measures are estimated using the Input-Output Multiplier Model developed and maintained by Statistics Canada.

Figure **3**: Illustration of an Economic Impact Analysis



Source: Altus Group Economic Consulting

The benefits are generated by:

- **The one-time planning and construction impacts of the project**: The planning, design and construction of the proposed facility would generate employment and economic activity across Ontario, and generate substantial "spinoff" benefits; and
- **The on-going day-to-day operations of the project**: This includes the economic benefits supported by the spending of new households, the property-management needed for upkeep of the apartments built and the additional property tax revenue generated for the City of Burlington.

The impact of the construction and on-going operation of the proposed redevelopment will take three forms:

- The **Direct** Production and Jobs Generated by the investment made in the redevelopment, and those related to the on-going operation of the development;

- The **Indirect** Production and Jobs Generated from the demand for materials and services used in the direct round of activities. These indirect impacts also include the subsequent rounds of indirect impacts; and
- The **spin-off** economic benefits of the direct and indirect impacts. This third round of impacts acknowledges that the increased production in the direct and indirect rounds will spur further positive economic effects by stimulating personal consumption, through the labour income it generates. For example, people directly employed (such as construction workers) will spend part of their income on consumption items such as food, rent or recreation, thus supporting jobs in the economy.

Several measures of economic benefits are assessed in this report:

- **Economic Activity:** the volume of goods and services consumed related to the proposed redevelopment, including indirect and induced benefits;
- **Contribution to GDP:** the value-added component of the economic activities, a measure of the contribution to Gross Domestic Product from the construction and on-going activities of the proposed redevelopment;
- **Jobs:** The number of jobs (person-years of employment) directly and indirectly tied to the development, including induced jobs;
- **Income:** business income generated through the construction and operation of the proposed development and income earned by households through wages and other earnings;
- **Taxes, levies and charges:** Estimated taxes, levies and charges generated through construction and on-going operations of the development for all levels of government. Government revenues created from the construction of the development including sales taxes, land transfer taxes, labour and business income taxes, development charges and building permit fees. Government revenues generated from the on-going operations of the facility include taxes collected from labour and business income taxes; and
- **Other related benefits.**

The jobs referenced in this analysis refer to full-time, full-year equivalents (FTE), which are a measure of the total hours worked divided by the average annual hours worked in a full-time job. If an employer considers full-time to be 40 hours per week, and an employee works 20 hours per week, that employee is counted as 0.5 FTE. The duration of employment is also considered in this figure. For example, a plumber may be involved on the project for a six-month duration for full time hours, which would account for 0.5 FTE, whereas a site manager may be contracted to provide services full-time for the duration of a two-year construction process, which would account for 2 FTEs.

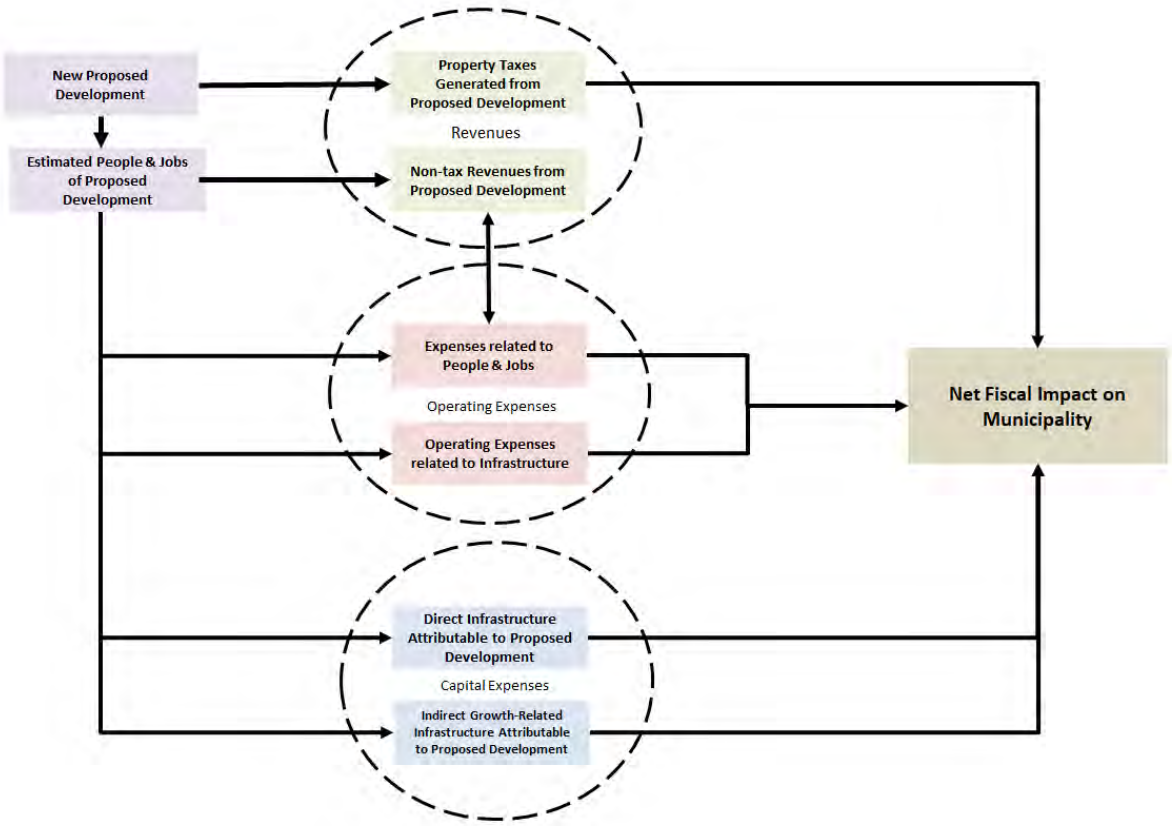
1.3 FISCAL IMPACT ASSESSED

The fiscal impact analysis estimates the expected one-time and on-going revenues and expenditures generated for the City of Burlington, and an overall estimate of the development's impact on the City's finances.

The analysis consists of estimating revenues generated from the proposed development based on property taxes and non-tax revenues. This is followed by estimates of both operating and capital expenditures required to support the forecasted population of the redevelopment and any infrastructure requirements that are directly and indirectly attributable to the proposed development.

The analysis is concluded by examining the net of the proposed revenues and expenditures to generate the fiscal impact on the City of Burlington. Figure 3 provides an outline of the Fiscal Impact Study Methodology.

Figure 3: Fiscal Impact Study Methodology



Source: Altus Group Economic Consulting

1.4 REPORT CAVEAT

This analysis has been prepared based on the information and assumptions set forth in the text. However, it is not possible to fully document all factors or account for all the changes that may occur in the future.

This report relies on information from a variety of secondary sources. While every effort is made to ensure the accuracy of the data, we cannot guarantee the complete accuracy of the information used in this report from these secondary sources.

This report has been prepared solely for the purposes outlined herein and is not to be relied upon or used for any other purposes or by any other party without the prior written authorization of Altus Group Limited.

2 ECONOMIC IMPACT

This section reviews the one-time and on-going economic impact of the redevelopment.

2.1 ONE-TIME ECONOMIC IMPACT

The redevelopment of the subject site will require an investment of $212 million dollars in hard construction costs for the three buildings and parking spaces over the course of the construction period.

The economic benefits are presented in Figure 4. The one-time economic benefits will include:

- **$373 million** in investment activity, both through the direct $212 million needed to complete the project, $104 investments made by suppliers to the project and $57 million from near-by businesses benefiting from the spin-off benefits of the project.
- **1,452 jobs**, 801 of which will be directly linked to the construction of the three buildings; and
- **$90 million** in wages and salaries for households; and
- **$44 million** in business profits.

Figure 4: Economic Impact from One-Time Investments, Graham's Lane, Burlington

	Direct	Indirect	Induced	Total
Economic Activity (Gross Output) (Millions of C$)	212	104	57	**373**
Gross Domestic Product (Millions of C$)	100	52	38	**190**
Number of Jobs (Person Years-of-Employment)	801	465	186	**1,452**
Wages (Millions of C$)	48	28	90	**166**
Business Earnings ($millions)	19	14	12	**44**

Source: Altus Group Economic Consulting based on Input / Output Model and Other Sources

2.2 ONE-TIME GOVERNMENT REVENUES

The construction phase will generate $117 million in government revenue for all levels of government. This includes:

- **$27 million** in revenues for the City of Burlington and Halton Region**,** including: $25 million in development charges, $1.1 million in parkland dedication; $41,000 in community benefits and $600,000 in building permit fees.
- **$43 million** in provincial taxes, including **$7.8 million** in land transfer tax revenue and $27.8 million in provincial sales tax following the sale of the 722 units and **$7.1 million** in provincial personal income and corporate profit taxes tied to the creation of direct, indirect and induced jobs and business activity; and
- **$47.4 million** in federal sales taxes, personal income and corporate profit taxes tied to the creation of direct, indirect, and induced jobs and business activity.

Figure 5: Government Revenue from One-Time Investments, 1393 Graham's Lane, Burlington

	Millions of C$
Municipal Fees	
Development Charges	25.1
**Parkland Dedication	1.1
Community Benefit Contributions	0.0
Building Permit Fees	0.6
Total Municpal Fees	**26.8**
Provincial Tax Revenue	
Personal Income Taxes	3.8
Corporate Profit Taxes	3.3
PST on New Construction	27.8
Land Transfer Taxes	7.8
Total Provincial Taxes	**42.7**
Federal Tax Revenue	
Personal Income Taxes	13.9
Corporate Profit Taxes	5.3
GST on New Construction	28.2
Total Federal Taxes (Incldуing CPP and EI Premiums)	**47.4**
Total Government Revenues (Millions of C$)	**117.0**

*Taxes reflect expected price of residenital units at time of completion, and tax rates based on current 2024 charge and tax rates

**Represents what value of parkland dedication would be at current land values. ActualParkland dedication will be determined at time of building permit

Source: Altus Group Economic Consulting based on Input / Output Model and Other Sources

2.3 ANNUAL ON-GOING ECONOMIC IMPACT

The on-going economic impact will be generated by the residents that will fill the 722 residential units built. This includes the property management services needed to upkeep the buildings and spending by the residents in the community.

It is estimated that:

- Upkeep of the building will support 9 full-time employees per year; and
- Households will generate $4.4 million in retail spending in the near-by community supporting local businesses.

The economic benefits of these activities are presented in Figure 6, on page 11.

Figure 6: Annual On-Going Economic Impact, 1393 Graham's Lane, Burlington

	Direct	Indirect	Induced	Total
Economic Activity (Gross Output) (Millions of C$)	6.2	3.0	2.3	**11.5**
Gross Domestic Product (Millions of C$)	3.6	1.7	1.5	**6.9**
Number of Jobs (Years-of-Employment)	51	13	10	**74**
Wages (Millions of C$)	2.3	0.8	0.5	**3.6**
Business Earnings ($millions)	1.1	0.6	0.6	**2.3**
Municipal Property Taxes* (Millions of C$)				**4.0**
Provincial Tax Revenue (Millions of C$)				
Personal Income Taxes				0.15
Corporate Profit Taxes				0.17
Total Provincial Taxes				**0.32**
Federal Tax Revenue (Millions of C$)				
Personal Income Taxes				0.6
Corporate Profit Taxes				0.3
Total Federal Taxes (Incldu ing CPP and EI Premiums)				**0.8**
Total Government Revenues				**5.1**

* Based on current market values. Annual taxes w ill ultimately relflect assessment values at time of completion
Source: Altus Group Economic Consulting based on Input / Output Model and Other Sources

Once complete, the day-to-day spending by residents and upkeep of the buildings will generate the following economic benefits per year:

- $11.5 million in investment activity;
- $6.9 million in GDP;
- 74 full-time equivalent jobs;
- $3.6 million in wages and salaries for households;
- $4 million in municipal annual property taxes;
- $1.1 million in federal and provincial personal income and corporate profit taxes tied to the creation of jobs and business activity.

2.4 SITE SPECIFIC LOCAL BENEFITS

Other economic benefits include the direct impact the future population of 1393 Graham's Lane will have on the labour market in the City of Burlington.

The additional population attracted to the City of Burlington by the redevelopment will help grow the labour force by 552 persons.

The economic benefit of residential investments has risen since the COVID-19 pandemic and the resulting trends in work-from-home. It is estimated that over 14% of persons employed in the City of Burlington will work exclusively from home.

Another 12% will work remotely at least part of the week. It is estimated that hybrid workers will work an average of 2.4 days from home.

The shift to more working from home means that spending that would have otherwise occurred at or near a place of employment will now occur in their place of residence.

Figure 7 shows that the subject site will attract:

- 552 persons to the City of Burlington's labour force, providing much needed support for nearby small businesses; and
- 100 work-from home equivalent full-time jobs that will generate additional daytime spending within the community.

Figure 7: Labour Force Characteristics, City of Burlington (2021) and Subject Site

	City of Burlington (2021 Census)	Subject Site
Total Population*	186,948	1,031
Labour Force	100,160	552
% of the population in the job market	54%	54%
Employment	89,485	494
Work-From-Home Full-Time Equivalent Jobs	18,042	100

* 2021 Census basis
Source: Altus Group, based on Statistics Canada and Client Material

The income level of the expected households living on the subject site will also result in higher-than-expected economic impact of the redevelopment.

The average sale price of new apartments in and around the surrounding area of 1393 Graham's Lane has exceeded $1,000 a square foot. The overall average sale price for newly constructed apartments in Burlington was $1,145 in the first three months of 2024.

The units at 1393 Graham's Landing will have an average size of 683 square feet, with the average potential sale price of $781,000. This would make these units affordable to households with approximately $117,000[1] in annual income.

This income level is significantly higher than the average income level of households who currently live in apartments in the City of Burlington (Figure 8).

The amount of consumer spending generated in the community per household could be almost $7,355 higher per year, than it has been in the past.

Figure 8: Income and Consumption, Households in Apartments, City of Burlington,

	Graham's Lane Development	City of Burlington
Average Household Income ($)	117,422	76,400
Average After-Tax Income	83,598	64,900
Estimate of Average Consumption	80,699	73,344
Estimate of Consumption within Community of Residents	30,666	27,871

*Based on assumption that on average, young professional households in Ontario spend 96% of their income

Source: Altus Group Economic Consulting based on Statistics Canada census data

2.5 INTANGIBLE BENEFITS

It should be noted that the subject site is directly abutting a recognized bike path that links it to a wider cycling network. The City of Burlington's Cycling Plan notes that:

> *The primary purpose of this plan is to develop a cycling network for everyday purposes, such as going to school or work, when running errands, attending appointments, visiting friends, or going shopping, whether people are cycling for their whole trip or cycling to or from transit… (page 9)*

[1] Based on a 5-year fixed rate mortgage, with an interest rate of 3.5%. The average 5-year fixed rate was over 5% at the time of writing this report, but the expectation was for a decline in interest rates starting in late 2024. Represents income level for which monthly mortgage payment will not exceed 30% of income.

Figure 9 provides a map of the subject site in relation to the City's wider bike network.

Figure 9: Cycling Network, Subject Site, City of Burlington



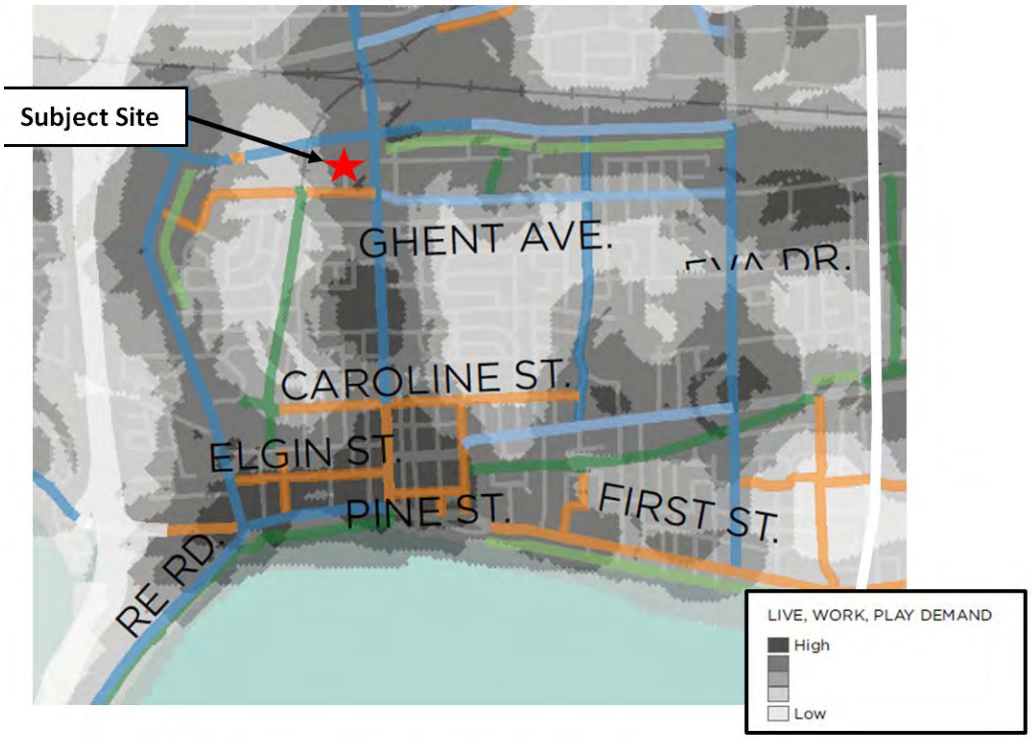
Source: Altus Group Economic Consulting based on City of Burlington's Cycling Plan

With regard to demand for cycling around the subject site, the City's Cycling Plan notes that:

> *The demand analysis shows that there are pockets of high demand throughout Burlington on both sides of the QEW/403 highway. Large areas of demand are located around the four mobility hubs. Some roads have continuous high demand along their length, such as Plains Road and Fairview Street, while other roads, such as New Street have some sections of concentrated demand, but it is not as consistent along the whole road. The results of the demand analysis help to direct and prioritize strategically where new or upgraded cycling facilities are needed. Areas with high demand are likely to have a higher number of trips to, from, and within them, and therefore more opportunity for some of those trips to be made by bicycle if there are appropriate and connected cycling facilities in these areas. (pages 44-45)*

Figure 10 provides a map of biking demand conducted by the City of Burlington, highlighting that the subject site is located in a 'high demand' area and located nearby very high demand 'live, work, play' areas.

Figure 10: Cycling Demand, Subject Site, City of Burlington



Source: Altus Group Economic Consulting based on City of Burlington's Cycling Plan

The proposed development's proximity to established cycling infrastructure provides future residents opportunities to meet trip generation demand through alternative means, such as cycling. This provides many benefits to residents, allowing them to lead more active and healthy lifestyles, as well as help the City deal with issues such as traffic congestion and lowering the financial cost of wear-and-tear on roads automative use imposes.[2]

[2] Gössling, S. and Choi, A. Transport transitions in Copenhagen: Comparing the cost of cars and bicycles. Ecological Economics. 2015

3 FISCAL IMPACT ANALYSIS

3.1 DEVELOPMENT CHARGES AND OTHER CAPITAL COST RECOVERY

The redevelopment will result in $25 million in DC fees, for the 722 residential units constructed. The breakdown by service is provided in Figure 11, page 17.

The redevelopment will generate:

- **$5.4 million** in on-time DC revenue for the City of Burlington, evenly split between engineering services ($3.3 million) and general services ($2.1 million);
- **$12.5 million** in development charge revenues for Halton Region, mostly to support roads, water and wastewater services ($11.6 million); and
- **$7.3 million** in development charge revenues for the Halton District School Board and the Halton Catholic District School Board.

The City of Burlington also has Parkland Dedication and Community Benefits Contribution By-laws in place. The redevelopment will also result in one-time payments of:

- $1.1 million for parkland (0.11 hectares); and
- $42,000 for community benefit contributions.

Figure 11: Estimated Development Charges, by Service, 1393 Graham's Lane, City of Burlington

	Apartments - 2+ Bdr	Apartments - 1 Bdr or Bachelor	Total
Development Statistics	*Units*		
Number of Units / Amount of Space - Less Exemptions	230	492	722
	Development Charges Payable (000 $)		
City of Burlington			
Fire	20	40	60
Transit	90	140	230
Parks & Recreation	620	980	1,600
Library	100	160	260
Studies	0	0	0
General Services (Sub-total)	**830**	**1,310**	**2,140**
Transportation	1,080	1,690	2,770
Storm Drainage	220	350	570
Engineered Services (Sub-total)	**1,290**	**2,040**	**3,330**
Total Charge:	**2,120**	**3,350**	**5,470**
Halton Region			
Growth Studies	0	0	0
Police	70	110	180
Paramedics	30	50	80
Facilities	10	20	30
Social Housing	110	170	280
Waste Diversion	10	20	30
Waterfront Parks	20	40	60
Recovery DC Area Charge	0	0	0
General Services (Sub-total)	**250**	**400**	**650**
Engineered Services (Sub-total)	4,500	7,100	11,600
Total Charge:	**4,750**	**7,500**	**12,250**
Education Development Charges			
Halton District School Board	1,400	3,000	4,400
Halton Catholic District School Board	940	2,000	2,940
DCs Payable	**9,210**	**15,850**	**25,060**

Note: 1.Education development charges for "Special Care without Kitchen or Bathroom" units are calculated based on non-residential rates

Source: Altus Economic Consulting, based on City of Burlington and Halton Region DC rates. Subject to change.

Figure 12: Estimated Value of Parkland Dedication, 1393 Graham's Lane, Burlington

	Development Land Area (ha)	Avg. Land Value ($ per Hectare)[1]	Parkland Dedication (ha)	Parkland Dedication - Cash-in-Lieu ($)
Total Parkland Dedication	1.08	10,812,800	0.11	1,093,300

Notes: [1] Average land values are based on values referred to in the City of Burlington Parkland Dedication By-Law Review Background Study (Watson & Associates, May 10, 2023)

[2] For medium- or high density development, a requirement of 10% applies if the site is five hectare or less, otherwise 15%

[3] For medium- or high density development, the lesser of the cash-in-lieu requirement or alternative rate payment shall be paid

Source: Altus Group Economic Consulting based on City of Burlington and Provincial parkland rates and provisions

Figure 13: Estimated Community Benefits Contribution, 1393 Graham's Lane, Burlington

	Number of Units	Rate ($ per unit)	Total Charge ($)
Apartments - 2-Bedrooms or More	63	488	30,557
Apartments - Bachelor or 1-Bedroom	31	362	11,334
CBC Payable			**41,891**

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

3.2 ANNUAL REVENUES

As previously overviewed in section 2.4, it is estimated that the proposed development will generate $3,967,522 in annual property taxes (Figure 14) for the City of Burlington, Halton Region and School Boards. Of these fees, $1,940,000 will be paid to the City of Burlington.

Figure 14: Estimate of Annual Property Taxes, 1393 Graham's Lane, City of Burlington

Estimated Annual Property Tax Revenues
1393 Graham's Lane

	Residential		
	Avg. Assessment Value / Unit [1]	Homes	Total Assessment
Type	*Dollars*	Units	*Dollars*
Bachlor & 1 Bedroom	451,815	492	222,293,028
2 Bedroom	973,250	188	182,971,000
3+ Bedroom	1,316,750	42	55,303,500
Total		**722**	**460,567,528**

	Tax Revenue					
	City of Burlington	Ciyt of Burlington Urban Service Area Charge	Region - General+Police	Region - Waste Management	Education	Total
Tax Rate			*Percent*			
Bachlor & 1 Bedroom	0.37%	0.05%	0.27%	0.02%	0.15%	0.861442%
2 Bedroom	0.37%	0.05%	0.27%	0.02%	0.15%	0.861442%
3+ Bedroom	0.37%	0.05%	0.27%	0.02%	0.15%	0.861442%
Tax Revenue			*Dollars*			
Bachlor & 1 Bedroom	815,818	120,581	595,732	42,687	340,108	1,914,926
2 Bedroom	671,505	99,251	490,351	35,136	279,946	1,576,189
3+ Bedroom	202,964	29,999	148,210	10,620	84,614	476,408
Total	**1,690,287**	**249,830**	**1,234,293**	**88,443**	**704,668**	**3,967,522**

Note: Retrieved from StatsCan data on 2021 average assessment values for construction between 2011 to 2015, the latest period with available data
Source: Altus Group, based on City of Burlington 2023 Property Tax By-Law

In addition to the property tax revenues generated annually by the proposed development, the units and residents will also generate a variety of annual non-tax revenues for the City. These non-tax revenues include City fees for items such as licenses, permits (excluding building permits), fines and donations.

Figure 15 provides a breakdown of the calculation for non-tax revenues for the proposed development. After making provisions for non-tax revenues that would increase along with residential growth, it is estimated that the proposed development would add approximately $51.24 per capita to the City's annual non-tax revenues.

Figure 15: Estimate of Non-Tax Revenue 1393 Graham's Lane, City of Burlington

	Non-Tax Revenues	Less	Net Non-Tax Revenues	Growth Factor	Res. Share	Non-Res Share	Residential Growth Related Non-Tax Revenues	Non-Residential Growth Related Non-Tax Revenues	Total
Licenses, Permits, Rents, etc.		*Dollars*							
Licenses and Permits	10,234,326	5,117,163 [1]	5,117,163	95%	69%	31%	3,333,333.27	1,527,971.58	4,861,305
Rents, Concessions, etc.	6,009,745	-	6,009,745	25%	69%	31%	1,030,200.92	472,235.33	1,502,436
Subtotal	**16,244,071**	**5,117,163**	**11,126,908**				**4,363,534.19**	**2,000,206.91**	**6,363,741**
Fines and Penalties									
Other Fines	1,448,370	-	1,448,370	95%	69%	31%	943,471.98	432,479.52	1,375,952
Penalties and Interest on Taxes	2,364,653	-	2,364,653	95%	69%	31%	1,540,341.10	706,079.25	2,246,420
Subtotal	**3,813,023**	**-**	**3,813,023**				**2,483,813.08**	**1,138,558.77**	**3,622,372**
Other Revenue									
Investment Income	4,618,724	-	4,618,724	0%	69%	31%	-		
Interest Earned on Reserves and Reserve Funds	3,742,628	-	3,742,628	95%	69%	31%	2,437,957.60	1,117,539.00	3,555,497
Sale of Publications, Equipment, Etc.	-	-	-	95%	69%	31%	-	-	-
Gaming and Casino Revenues	-	-	-	95%	95%	5%	-	-	-
Donations	1,029,527	-	1,029,527	95%	69%	31%	670,636.56	307,414.09	978,051
Subtotal	**9,390,879**	**-**	**9,390,879**				**3,108,594.16**	**1,424,953.09**	**4,533,547**
Total	**29,447,973**	**5,117,163**	**24,330,810**				**9,955,941.43**	**4,563,718.77**	**14,519,660.20**
Population Estimate	194,179								
Employment Estimate	89,010								
Total People and Jobs	283,189								
$ Per Capita People & Jobs	51.27								

1 Assumed that 50% of Licenses and Permit fees are from building permits
Source: Altus Group Economic Consulting based on City of Burlington FIR 2022

3.3 ANNUAL EXPENDITURES

3.3.1 Annual Net Operating Costs

Water, wastewater and stormwater management services are provided by the Halton Region. The net operating costs associated with higher population in the City of Burlington will result from residential uses for services such as recreation, cultural services, and fire protection. These costs are calculated using the following steps.

1) Obtain the operating expenditures of the City in 2022, from Schedule 40 of the City's 2022 Financial Information Return ("FIR");
2) Expenditures for each service relating to long-term debt interest, amortization, and any user fee and service charge revenues associated with each service are deducted to reach net operating expenditures;
3) To estimate the degree to which the net operating expenditures will increase in step with growth, a "growth-related factor" is applied to the net operating expenditures, to reach net growth-related operating expenditures. In most cases, the need for services will generate a nearly proportional increase in operating costs, with a small allowance made for efficiencies and economies of scale. Other services will grow at a much slower pace than population growth, such as government and planning department costs.
4) A share of the net growth-related operating expenditures is allocated to residential growth, by applying residential/non-residential factors to each

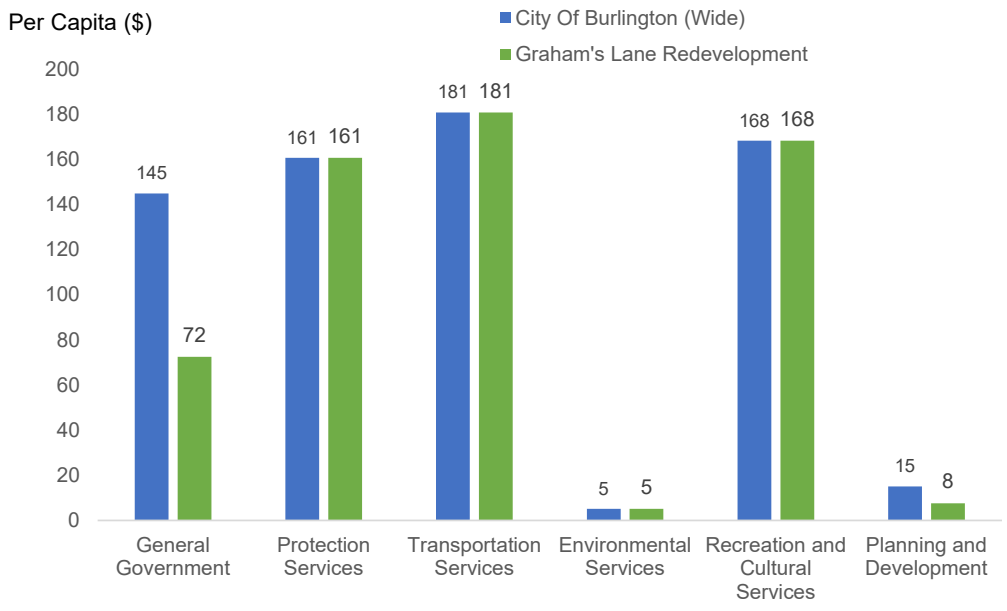
service based on typical usage and/or the prevailing residential/non-residential split in the City. The result of this calculation is known as the net residential growth-related operating expenditures.

Figure 16 provides a breakdown of the estimate for net operating expenditures by capita, by service for the City of Burlington in 2022. Full details of the calculation are available in Appendix A.

In total, we have estimated that the Proposal would represent an additional annual operating cost to the City of approximately of $595 per capita for new residents.

The average operating and lifecycle costs relating to roads and stormwater system are excluded from this part of the analysis and are calculated separately in the next section.

Figure 16: Estimate of Annual Net Operating Expenditures Per Capita by Service, City of Burlington and 1393 Gramham's Landing



Source: Altus Group, based on FIR for City of Burlington

3.3.2 Annual Operating Costs for Required Infrastructure Works to be Installed

There are no expected impacts on operating costs to the city from required infrastructure works as none are proposed to be necessary to directly support the development.

3.3.3 Annual Lifecycle Funding for Required Infrastructure Works to be Installed

There are no expected impacts on capital costs to the city from required infrastructure works as none are proposed to be necessary to directly support the development.

3.3.4 Annual Indirect Lifecycle Costs

The redevelopment at 1393 Graham's Lane will rely on existing municipal infrastructure. The use of this infrastructure will generate wear and tear, which will represent additional annual cost to the City of Burlington. This section estimates what those costs will be.

The City's 2022 DC Update Background Study included numerous proposed capital works that benefit growth areas across the City, including the subject sites, once developed. Future growth such as that of the subject development is contributing to the need for these works, and the associated annual lifecycle expenditures need to be factored into the estimation of net annual fiscal impact of development.

Figure 17 provides the estimates of annual lifecycle costs contributions based on the long-term capital and operating analysis found in the 2022 DC Update Study and accounting for proportionate share of the proposed developments of future growth. It is estimated that the subject development's share of these annual costs would be approximately $211,000.

Figure 17: Estimate of Annual Indirect Lifecycle Costs, 1393 Graham's Lane, City of Burlington

				Residential Share		
	Annual Lifecycle Contribution	Forecast Period	Residential Share	Residential Share of ALC	Development Share of Pop. Growth	Development Share of ALC
Engineered Service						
Transporation	2,939,071	2019-2031	44%	1,293,325	8.4%	108,147
Storm Drainage	343,225	2019-2031	70%	241,951	8.4%	20,232
Subtotal	3,282,296			1,535,276		128,379
General						
Transit	155,546	2019-2028	47%	73,107	9.8%	7,168
Parks & Rec	795,852	2019-2028	84%	665,736	9.8%	65,278
Library	113,635	2019-2028	95%	107,953	9.8%	10,585
Subtotal	1,065,033			846,796		83,032
Total - Tax Supported	4,347,329			2,382,072		211,411

	Population	Employment	Total
	Persons	*Jobs*	*Persons & Jobs*
Subject Development	1,031	-	1,031
10-Year Growth	10,514	7,483	17,997
Subject Development as % of 10-Year Growth	9.8%	0.0%	5.7%
13-Year Growth	12,329	9,001	21,330
Subject Development as % of 13-Year Growth	8.4%	0.0%	4.8%

Source: Altus Group Economic Consulting based on City of Burlington 2022 DC Background Update Study

3.4 FISCAL IMPACT – CONCLUSION

Figure 18 shows the calculation of the net annual fiscal impact of the proposed redevelopment.

The subject proposal is estimated to generate a positive fiscal impact for the City with an overall surplus of approximately $1.2 million annually or $1,133 per capita.

Figure 18: Estimate of Net Annual Fiscal Impact, 1393 Graham's Lane, City of Burlington

Units	722
Persons	1,031
Jobs	-
People and Jobs	1,031

	City of Burlington	
	Dollars	Dollars per Capita
Revenues		
Property Taxes	1,940,118	1,882
Non-Tax Revenues	52,859	51
Total Revenues	**1,992,976**	**1,933**
Expenditures		
Net Operating Expenditures	613,390	595
Operating Expenditures	-	-
Indirect Lifecycle Costs	211,411	205
Direct Annual Lifecycle Costs	-	-
Total Expenditures	**824,801**	**800**
Net Annual Fiscal Surplus / (Deficit)	1,168,175	1,133

Source: Altus Group Economic Consulting based on municipal sources and FIR data

4 CONCLUSION

Altus Group Economic Consulting was retained by Northstone Capital (the Client) to prepare an economic and fiscal impact study for a redevelopment of 1393 Graham's Lane.

The Client is proposing to replace a low-rise storage facility currently on site with three (3) residential buildings for a total of 722 units. The redevelopment will include a mix of studio, 1-bedroom, 2-bedroom and 3-bedroom apartments. The total construction will require a $212 million in hard costs alone.

The initial investment will provide the following one-time economic benefits over the construction phase:

- The one-time investments will boost GDP by $190 million;
- Support the creation of 1,452 jobs and $90 million in wages and salaries for households;
- $44 million in profits for businesses; and
- $117 million in government revenue, from municipal fees, sales taxes and personal and income taxes paid throughout the construction phase.

Once completed, the redevelopment will produce the following annual on-going economic benefits:

  - 1,031 persons added to the population;
  - 552 persons added to the labour force in the City of Burlington;
  - $17 million in additional retail spending made in the community supporting local businesses;
  - 9 jobs related to property management of the buildings; and
  - These activities will support an overall on-going economic impact of $6.9 million in GDP, 74 jobs, $3.6 million in wages and salaries for households, $2.3 million in corporate profits and $5.1 million in government revenues, per year.

The potential economic benefit could be higher as the redevelopment will also result in 100 additional work-from-home jobs and will attract households with a higher average household income than those currently living in apartments in the City of Burlington. A higher average household income would result in more consumer spending in the community.

Appendix A – Calculation of Net Operating Expenditures

Estimate of Net Operating Expenditures

	Expenditures	Less: Interest on Long Term Debt	Less: User Fees and Service Charges	Less: External Transfers	Less: Amortization	Less: Other Municipal Recoveries	Net Expenditures	Growth Factor	Net Operating Expenditures	Res. Share	Non-Res Share
General Government											
Governance	7,054,578	881,228	-	-	-	-	6,173,350	50%	3,086,675	69%	31%
Corporate Management	13,121,826	-	-	96,229	1,907,485	-	11,118,112	50%	5,559,056	69%	31%
Program Support	23,759,626	-	-	-	-	-	23,759,626	50%	11,879,813	69%	31%
Subtotal	**43,936,030**	**881,228**	**-**	**96,229**	**1,907,485**	**-**	**41,051,088**		**20,525,544**	**69%**	**31%**
Protection Services											
Fire	37,260,462	40,574	383,675	-	1,640,695	1,518,098	33,677,420	100%	33,677,420	69%	31%
Police	-	-	-	-	-	-	-	100%	-	69%	31%
Court Security	-	-	-	-	-	-	-	100%	-	69%	31%
Prisoner Transportation	-	-	-	-	-	-	-	100%	-	69%	31%
Conservation Authority	-	-	-	-	-	-	-	100%	-	69%	31%
Protective Inspection and Control	2,961,373	-	53,526	-	84,545	94,512	2,728,790	100%	2,728,790	69%	31%
Building Permit and Inspection Service	3,663,322	-	32,820	-	-	-	3,630,502	100%	3,630,502	69%	31%
Emergency Measures	-	-	-	-	-	-	-	100%	-	69%	31%
Provincial Offences Act	7,192,409	-	-	1,653,337	-	66,666	5,472,406	100%	5,472,406	69%	31%
Other	-	-	-	-	-	-	-	100%	-	69%	31%
Subtotal	**51,077,566**	**40,574**	**470,021**	**1,653,337**	**1,725,240**	**1,679,276**	**45,509,118**		**45,509,118**	**69%**	**31%**
Transportation Services											
Roads - Paved	46,830,752	579,653	2,914,305	8,223	13,612,224	10,345,616	19,370,731	100%	19,370,731	69%	31%
Roads - Unpaved	-	-	-	-	-	-	-	100%	-	69%	31%
Roads - Bridges and Culverts	1,204,120	-	-	-	932,585	-	271,535	100%	271,535	69%	31%
Roads - Traffic Operations & Roadside	6,975,717	-	172,468	-	465,417	771,060	5,566,772	100%	5,566,772	69%	31%
Winter Control - Except Sidewalks, Parking Lots	2,709,654	-	11,910	-	1,857	961,154	1,734,733	100%	1,734,733	69%	31%
Winter Control - Sidewalks, Parking Lots Only	903,309	-	-	-	-	543	902,766	100%	902,766	69%	31%
Transit - Conventional	26,039,117	4,098	4,803,301	-	3,374,203	-	17,857,515	100%	17,857,515	69%	31%
Transit - Disabled & Special Needs	1,974,419	-	36,389	-	146,864	-	1,791,166	100%	1,791,166	69%	31%
Parking	2,682,376	1,752	94,125	-	175,033	-	2,411,466	100%	2,411,466	69%	31%
Street Lighting	1,389,869	-	8,238	-	84,026	-	1,297,605	100%	1,297,605	69%	31%
Subtotal	**90,709,333**	**585,503**	**8,040,736**	**8,223**	**18,792,209**	**12,078,373**	**51,204,289**		**51,204,289**	**69%**	**31%**
Environmental Services											
Wastewater Collection / Conveyance	-	-	-	-	-	-	-	100%	-	69%	31%
Wastewater Treatment & Disposal	-	-	-	-	-	-	-	100%	-	69%	31%
Urban Storm Sewer System	6,031,137	11,145	681,642	-	3,881,947	-	1,456,403	100%	1,456,403	69%	31%
Rural Storm Sewer System	-	-	-	-	-	-	-	100%	-	69%	31%
Water Treatment	-	-	-	-	-	-	-	100%	-	69%	31%
Water Distribution / Transmission	-	-	-	-	-	-	-	100%	-	69%	31%
Solid Waste Collection	-	-	-	-	-	-	-	100%	-	69%	31%
Solid Waste Disposal	-	-	-	-	-	-	-	100%	-	69%	31%
Waste Diversion	-	-	-	-	-	-	-	100%	-	69%	31%
Other	-	-	-	-	-	-	-	100%	-	69%	31%
Subtotal	**6,031,137**	**11,145**	**681,642**	**-**	**3,881,947**	**-**	**1,456,403**		**1,456,403**	**69%**	**31%**
Health Services											
Public Health Services	-	-	-	-	-	-	-	0%	-	69%	31%
Hospitals	-	-	-	-	-	-	-	0%	-	69%	31%
Ambulance Services	-	-	-	-	-	-	-	0%	-	69%	31%
Ambulance Dispatch	-	-	-	-	-	-	-	0%	-	69%	31%
Cemeteries	454,790	-	75,774	-	15,400	-	363,616	0%	-	69%	31%
Other	-	-	-	-	-	-	-	0%	-	69%	31%
Subtotal	**454,790**	**-**	**75,774**	**-**	**15,400**	**-**	**363,616**		**-**	**69%**	**31%**
Recreation and Cultural Services											
Parks	13,671,256	134,549	1,000,548	430,000	2,880,884	418,930	8,806,345	100%	8,806,345	69%	31%
Recreation Programs	8,917,121	-	3,340,651	243,650	-	-	5,332,820	100%	5,332,820	69%	31%
Recreation Facilities - Golf, Marina, Ski	1,361,966	-	1,112,284	-	465,753	-	(216,071)	100%	(216,071)	69%	31%
Recreation Facilities - All Other	32,933,070	281,809	4,046,248	-	5,749,511	-	22,855,502	100%	22,855,502	69%	31%
Libraries	10,725,794	-	32,297	-	1,593,671	-	9,099,826	100%	9,099,826	69%	31%
Museums	1,246,203	-	193,356	-	29,921	-	1,022,926	100%	1,022,926	69%	31%
Cultural Services	5,339,329	-	1,841,438	972,269	1,765,364	-	760,258	100%	760,258	69%	31%
Subtotal	**74,194,739**	**416,358**	**11,566,822**	**1,645,919**	**12,485,104**	**418,930**	**47,661,606**		**47,661,606**	**69%**	**31%**
Planning and Development											
Planning and Zoning	6,901,371	-	3,958,863	(1,858)	1,731	-	2,942,635	50%	1,471,318	69%	31%
Commercial and Industrial	1,924,576	-	177,267	420,900	-	-	1,326,409	50%	663,205	69%	31%
Subtotal	**8,825,947**	**-**	**4,136,130**	**419,042**	**1,731**	**-**	**4,269,044**		**2,134,522**	**69%**	**31%**
Total	**275,229,542**	**1,934,808**	**24,971,125**	**3,822,750**	**38,809,116**	**14,176,579**	**191,515,164**		**168,491,482**	**69%**	**31%**
Population Estimate	194,179										
Employment Estimate	89,010										
People and Jobs	283,189										
$ Per Capita People and Jobs	594.98										