

Town of Halton Hills

**Fiscal Impact Assessment
for the Vision Georgetown
Secondary Plan**

Final Report

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 **Planning for growth**

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1. Introduction

1.1 Background

The lands identified as the Vision Georgetown Secondary Plan Area have played an important role in the planning of future growth within the Town of Halton Hills (Town) and the Region of Halton (Region), in the ability of the municipalities to accommodate the projected population growth under the Regions Best Planning Estimates (2011). Meridian Planning Consultants have been retained by the Town as Project Manager for the preparation of the Secondary Plan, which requires the preparation of a number of supporting studies, including a Fiscal Impact Assessment (FIA) of development of the Secondary Plan Area on the Town.

The Town's Official Plan policies require that appropriate financing policies are in place to clearly and effectively guide future development within Secondary Plan Areas and that new Secondary Plans shall be based on "a Fiscal Impact Analysis that demonstrates development shall not negatively impact the Town's financial position".

Watson & Associates Economists Ltd. (Watson) has also been retained by the Town to prepare a Long Range Financial Plan (LRFP) for the Town. In preparing the LRFP, impacts were assessed on a municipal wide and area-specific basis (including the Vision Georgetown Secondary Plan Area). As such, this fiscal impact assessment builds on of the findings and assumptions that have been reviewed and refined with Town Staff during the preparation of the LRFP modeling.

The FIA is important from a municipal planning perspective, in that the Vision Georgetown Secondary Plan Area should be serviced and implemented in a manner that does not place a fiscal burden on Town taxpayers, either in terms of increased tax rates, debt, or reduction in service levels below levels acceptable to the Town.

1.2 Approach

This study has been prepared to address the long-range fiscal impacts of development within the Vision Georgetown Secondary Plan Area on the Town's costs of services from an operating and capital perspective. The study addresses the following areas on an annualized basis over the forecast period to 2031 and at buildout of the Secondary Plan Area:

- Residential and non-residential development by type and land use;
- Net operating expenditures;

- Capital expenditures and funding, including lifecycle capital replacement costs;
- Development Charge (D.C.) funding; and
- Tax and non-tax revenues.

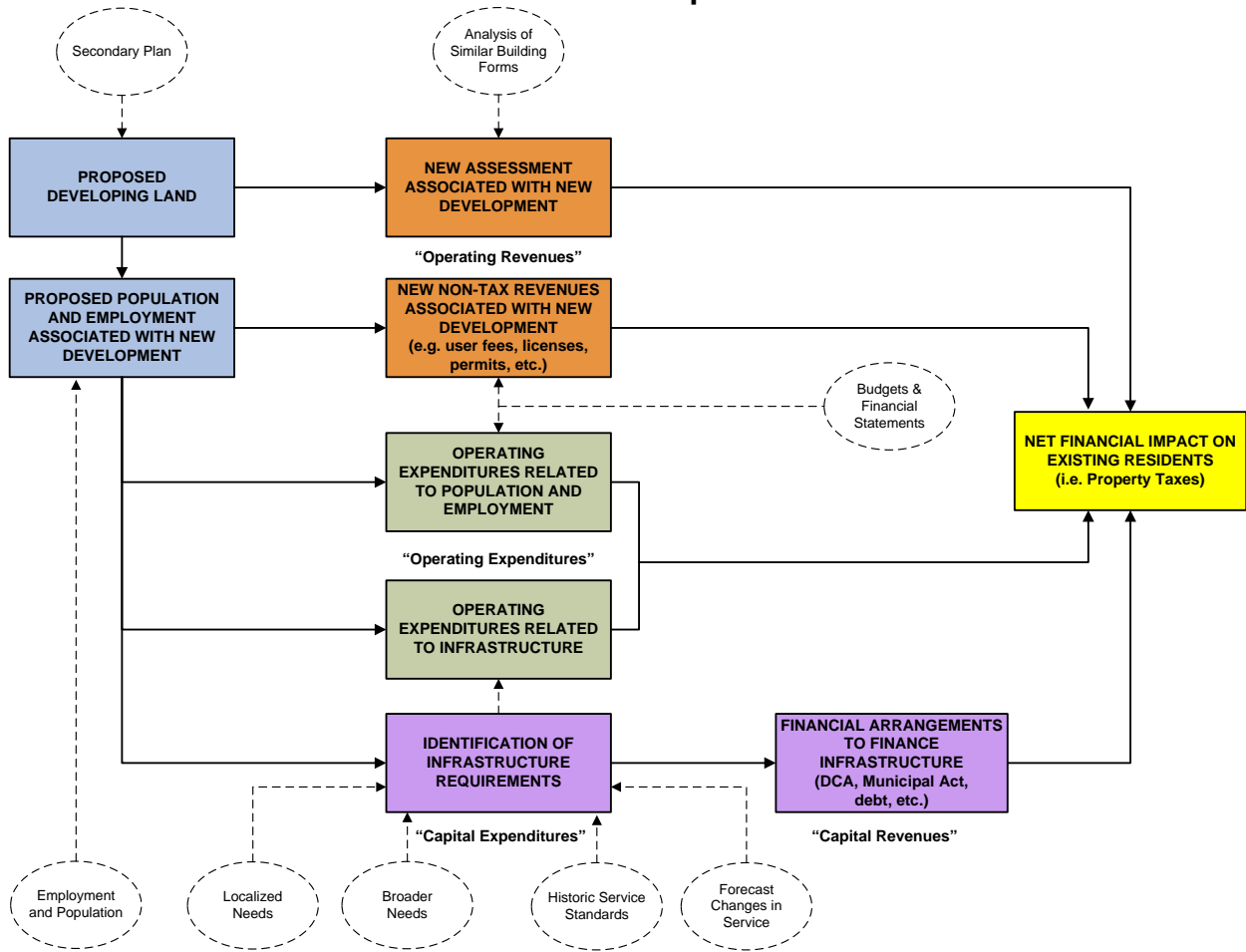
The fiscal impact assessment measures the developments projected impacts on the Town's property taxes, D.C. rates, debt capacity and reserve/reserve fund continuity over the buildout of the Vision Georgetown Secondary Plan Area.

1.3 Overview of Fiscal Impact Assessment

Figure 1-1 provides a schematic overview of the analysis undertaken herein, which is described as follows:

- Blue Boxes – denote the anticipated development within the Vision Georgetown Secondary Plan Area to the year 2031.
- Purple Boxes – denote the capital infrastructure needs to service the anticipated development. The capital requirements to support the servicing needs (transportation, fire, recreation and parks, library, etc.)
- Green Boxes – denote the additional operating expenditures anticipated over the forecast period. These costs have been assessed on two different bases: operating costs related to incremental capital assets, and operating costs related to service/program demands of additional population and employment. The former identifies the specific operating costs anticipated to be incurred as additional infrastructure (i.e. roads, facilities, etc.) is constructed or assumed. The latter identifies service/program expenditures which are linked to population and employment growth.
- Orange Boxes – denote anticipated operating revenues commensurate with growth. The upper box identifies the additional assessment anticipated as residential, and non-residential building activity occurs over the forecast period. This new assessment gives rise to additional property tax revenue. The lower box identifies non-tax revenues such as user fees, permits, licences, etc., which are anticipated to grow in concert with population and employment growth.
- Yellow Box – denotes the overall financial or fiscal impact on property taxes and the existing community over the forecast period.

**Figure 1-1
Overview of the Fiscal Impact Assessment**



2. Anticipated Development

The Vision Georgetown Secondary Plan Area comprises 405 hectares, bounded by 15 Side Road to the north, Trafalgar Road to the west, 10 Side Road to the south, and Eighth Line/Main Street to the east, as illustrated in Figure 2-1

Figure 2-1
Map of Vision Georgetown Secondary Plan Area



The Vision Georgetown Secondary Plan Area is anticipated to accommodate an additional 17,800 residents, and approximately 1,840 commercial and institutional employment jobs by 2031. This is anticipated at a density of approximately 60 residents and jobs per hectare (net of the natural heritage system and stormwater conveyance channel). To achieve the population and employment targets for the area, the Vision Georgetown Secondary Plan anticipates that the mix and built form of development will differ from recent developments in the Town. This will be achieved, in part, by the mix of residential development being comprised of a greater share of medium density and high density developments, smaller lot sizes for low density residential developments, and more integration of commercial and residential uses, to provide more dwelling units and a more efficient use of land. The total number of residential units has also decreased compared to estimates used in the preparation of the Town's 2017 D.C. Background Study, which were based on draft 2014 estimates¹.

Based on the June 28, 2018 land budget provided for the Vision Georgetown Secondary Plan Area, Tables 2-1 and 2-2 summarize the residential and non-residential development anticipated to 2031. The following mix of low, medium and high density development is anticipated for the 6,516 new residential units over the forecast period:

- 44% low density
- 39% medium density
- 15% high density

The employment growth within the Vision Georgetown Secondary Plan Area is anticipated to yield approximately 795,600 sq.ft. of additional non-residential gross floor area, based on the following average floor space per worker assumptions:

- Commercial Retail: 510 sq.ft. per employee
- Commercial Office: 300 sq.ft. per employee
- Institutional: 500 sq.ft. per employee

Development within the Vision Georgetown Secondary Plan Area is anticipated to commence in 2021, achieving full buildout by 2031.

¹ Vision Georgetown Discussion Paper – Draft – 2014, Meridian Planning

Table 2-1
Summary of Population and Household Forecast

Time Period	Population ¹	Population with Undercount (4%) ¹	Households				Household PPU			
			Low-Density	Medium-Density	High-Density	Total	Low-Density	Medium-Density	High-Density	Total
2016 - 2031	17,800	18,500	2,925	2,705	1,016	6,646	3.254	2.466	1.730	2.700

Source: Meridian Planning Consultants, 2018

1. Population figures are rounded. Population undercount estimated by Watson & Associates Economists Ltd. 2018

Table 2-2
Summary of Employment and Non-Residential Gross Floor Area in Square Feet

Population	Employment Sector	Employment ¹	Employment Activity Rate ²	GFA (sq.ft.) ³
18,500	Commercial - Retail	595	3.2%	303,200
	Commercial - Office	653	3.5%	195,900
	Institutional	593	3.2%	296,500
	Total	1,841	9.9%	795,600

Source: Meridian Planning Consultants, 2018. Non-residential GFA derived by Watson & Associates Economists Ltd. 2018

1. Excludes 184 Work From Home and No Fixed Place of Work (NFPOW) jobs.

2. Employment Activity Rate represents the ratio of jobs to population.

3. Average floor space per worker (FSW) assumptions:

Commercial - Retail = 510 sq.ft.

Commercial - Office = 300 sq.ft.

Total Commercial - 400 sq.ft.

Institutional = 500 sq.ft.

3. Capital Funding and Development Charge Impacts

3.1 Introduction

The Town's growth-related capital needs are primarily identified within the Town's 2017 D.C. Background Study and ten-year capital forecast. In addition to these municipal capital expenditures, the Town also acquires growth-related capital assets through the assumption of works directly emplaced by developers as conditions of development.

The services contained in the Town's D.C. Background Study include:

- Transportation Services;
- Stormwater Management Services;
- Parking Services;
- Fire Services;
- Recreation and Parks Services;
- Library Services;
- Administration Services; and
- Transit Services.

With the exception of Parking Services, which are included in the D.C. to fund outstanding capital commitments for works previously constructed, development within the Vision Georgetown Secondary Plan Area will impact the requirements for these services. Section 3.2 of this study outlines the capital projects which are wholly or partially attributable to the development of Vision Georgetown Secondary Plan Area. The occupants of the developments can be expected to make use of existing and new assets throughout the Town, however, the focus herein is on those capital projects where a direct requirement of the Secondary Plan Area is evident.

As noted above, local service assets (e.g. local roads, sidewalks, streetlights, intersection improvements, trails, stormwater management, and related services internal to a subdivision, or within the area to which the plan relates) are not included in the Vision Georgetown Secondary Plan Area capital program below, as these works are emplaced directly by the developers pursuant to conditions of development agreements. However, these works are addressed in the lifecycle capital analysis, as the Town is responsible for maintaining these assets over their lifecycle once these assets are

assumed, and these costs should be assigned to development within the Vision Georgetown Secondary Plan Area.

3.2 Vision Georgetown Secondary Plan Area Capital Program

Through the development of the Town's LRFP, Town staff identified specific capital projects that are wholly or partially attributable to development within the Vision Georgetown Secondary Plan Area. Summarized in Table 3-1 are the capital projects that have been identified as having a direct benefit (either wholly or partially) to development within the Secondary Plan Area.

Table 3-1 summarizes specific capital projects for Fire Services, Library Services, Recreation and Parks Services, Transportation Services, and Stormwater Management Services that were identified as directly benefitting the Vision Georgetown Secondary Plan Area.

The timing for the capital projects is based on the Town's D.C. Background Study assumptions, with timing adjustments for the anticipated pace of growth within the Secondary Plan Area and the Town more broadly. Capital cost estimates are presented in 2018\$ values, and reflect costs estimates from the Town's 2018 Capital Budget, 10-Year Capital Budget Forecast and D.C. Background Study with indexing. Moreover, further adjustments have been made to the capital program as follows:

- For Recreation and Parks Service, property acquisition costs for the Vision Georgetown Community Centre have been updated from \$1 million, within the Town's D.C. Background Study, to \$5 million based on updated estimates from Town staff. Due to the D.C. imposed historical level of service cap for Recreation and Parks Services, the increase in capital cost is not eligible to be funded under the Town's current D.C. by-law and will be interim financed from non-D.C. sources (e.g. property tax supported sources).
- In addition to the 13 parks projects identified in the D.C. Background Study for the Vision Georgetown Secondary Plan Area, through the development of the land use concept plan, an additional park has been identified that would have Town funding requirements. The Town Square Park has been added to the program at a capital cost of \$1 million. As with the additional land costs for the Vision Georgetown Community Centre as identified above, due to the historical level of service cap, the increase in cost resulting from the Town Square Park will require interim financing.

**Table 3-1
Capital Projects Directly Benefiting
Vision Georgetown Secondary Plan Area (2018\$)**

Increased Service Needs Attributable to Vision Georgetown Secondary Plan Area	Year	Gross Cost Estimate (2018\$)	Less: Benefit to Existing	Less: Post Period Benefit	Less: 10% Statutory Deduction	D.C. Recoverable Share
2018-2031						
Fire Services						
Facilities						
New Station #4 in Steeles Corridor	2027	2,300,000				2,300,000
Equipment						
Outfit New Full Time Fire Fighters (20)	2027	120,000				120,000
Vehicles						
Aerial (752)	2027	1,240,000				1,240,000
Support Unit (715)	2027	60,000				60,000
Tanker	2027	630,000				630,000
Fire Services Total		4,350,000	-	-	-	4,350,000
Library Services						
Facilities						
Georgetown South Branch	2025	8,190,000		5,927,136	226,286	2,036,578
Materials						
Georgetown South Branch Opening Collection	2025	600,000			60,000	540,000
Georgetown South Branch Collection Development	2027	100,000			10,000	90,000
Georgetown South Branch Collection Development	2028	100,000			10,000	90,000
Library Services Total		8,990,000	-	5,927,136	306,286	2,756,578
Recreation and Parks						
Facilities						
Community Centre (Vision Georgetown)	2025	5,000,000		5,000,000		-
Property Acquisition	2023	5,000,000		4,000,000	100,000	900,000
Outdoor Recreation						
Vision Georgetown Parks - Neighborhood Park (NP #1)	2023	450,000			45,000	405,000
Vision Georgetown Parks - Parkette (PK #1)	2023	270,000			27,000	243,000
Vision Georgetown Parks - Parkette (PK #2)	2024	270,000			27,000	243,000
Vision Georgetown Parks - Parkette (PK #3)	2025	225,000			22,500	202,500
Vision Georgetown Parks - Neighborhood Park (NP #2)	2024	420,000			42,000	378,000
Vision Georgetown Parks - Community Park (CP #1)	2026	4,575,000		4,575,000		-
Vision Georgetown Parks - Parkette (PK #4)	2026	200,000		200,000		-
Vision Georgetown Parks - Neighborhood Park (NP #3)	2025	450,000			45,000	405,000
Vision Georgetown Parks - Parkette (PK #5)	2028	405,000		405,000		-
Vision Georgetown Parks - Neighborhood Park (NP #4)	2027	480,000		480,000		-
Vision Georgetown Parks - Neighborhood Park (NP #5)	2029	450,000		450,000		-
Vision Georgetown Parks - Parkette (PK #6)	2029	225,000		225,000		-
Vision Georgetown Parks - Parkette (PK #7)	2029	200,000		200,000		-
Town Square Park	2029	1,000,000		1,000,000		-
Recreation and Parks Total		19,620,000	-	16,535,000	308,500	2,776,500
Transportation						
Road Reconstruction Projects						
Eighth Line, Main Street, Steeles to Maple EA	2022	519,000				519,000
Eighth Line Steeles South EA/Engineering	2026	144,000	15,840			128,160
Eighth Line Steeles South Construction (0.6km)	2029	960,000	105,600			854,400
Tenth Line Steeles South EA/Engineering	2026	132,000	40,362			91,638
Tenth Line Steeles South Construction (0.55km)	2029	880,000	269,071			610,929
Eighth line, Steeles to 10 Side Road Property	2022	830,000	41,500			788,500
Eighth line, Steeles to 10 Side Road Engineering	2023	1,556,000	77,800			1,478,200
Widening of Eighth Line (2 to 4 Lanes) from 15 Side Road to 10 Side Road	2023	14,210,000	710,500			13,499,500
Studies						
Vision Georgetown Detailed Analysis	2021	207,000	20,700			186,300
Traffic Signals						
8th Line-Miller Drive	2022	406,000	81,200			324,800
8th Line-Argyll Drive	2023	364,000	72,800			291,200
8th Line and Danby Road	2022	406,000	81,200			324,800
Vision Georgetown - 5 Traffic Signals	2023	1,820,000	364,000			1,456,000
15 Side Road & Belmont Blvd. (West Intersection)	2023	280,000	56,000			224,000
Transportation Services Total		22,714,000	1,936,573	-	-	20,777,427
Stormwater Management						
16 Mile Creek Modelling for Vision Georgetown	2021	52,000				52,000
Stormwater Management Total		52,000	-	-	-	52,000
Total - All Services		57,159,000	1,936,573	22,462,136	758,086	32,002,205

- Reconstruction of Eighth Line, from Steeles Ave. to 15 Side Road was included in the 2018 Capital Budget at a cost estimate of \$10.4 million, and the D.C.

Background Study at \$16.8 million. A shorter road segment, i.e. Eighth Line - 10 Side Road to 15 Side Road, has been included in this analysis at an updated cost estimates of \$14.2 million.

- Updated cost estimates were provided the streetlighting program, increasing the capital cost from \$1.4 million to \$3.3 million.

The gross capital costs for the projects in Table 3-1 total \$57.2 million. The *Development Charges Act* requires that capital costs be reduced for benefits to existing development and by 10% for soft services. As such, deductions of \$1.9 million for the benefit to existing development and \$0.8 million for the 10% statutory deduction (for Recreation and Parks Services and Library Services) have been made. These costs will be required to be funded from non-D.C. sources. Moreover, a further \$22.5 million has been deducted from the gross capital cost estimates reflecting benefits to growth beyond the 10-year D.C. planning period for Recreation and Parks Services and Library Services (i.e. post-period benefit). Although these post period benefit capital costs are potentially eligible for recovery in subsequent D.C. by-laws, there is an interim financing obligation for these costs until such time that the determination can be made. The funding of the non-D.C. recoverable share and interim financing of the capital costs are addressed in the subsequent section of this chapter. The resultant D.C. recoverable capital costs for projects directly benefitting the Vision Georgetown Secondary Plan total \$32.0 million.

Tables 3-2 to 3-6 compare the forecast cashflows of D.C. revenues from development within the Vision Georgetown Secondary Plan Area, with the D.C. recoverable capital costs identified above (i.e. D.C. Recoverable Share in Table 3-1). In regards to these D.C. cashflows, the following assumptions have been used:

- Future D.C. background studies and by-laws will identify sufficient capital needs, such that D.C.s will remain relatively constant (plus inflation) over the forecast period;
- Institutional development is assumed to be public (e.g. municipal, provincial, board of education) and exempt from payment of D.C.s.;
- Where D.C. expenditures exceed available D.C. funds, it assumed that shortfalls will be funded though D.C.s collected from other areas of the Town, managed internally through interim financing from other D.C. reserve funds or other internal sources, or deferred timing of capital needs though the annual capital budget process. External debt financing has not been assumed for the purpose of this analysis;

- Annual inflation assumed at 2% annually, consistent with assumptions in the Town's D.C. Background Study; and
- Interest on positive and negative balances is charged at 3.68%, consistent with assumptions in the Town's D.C. Background Study.

3.2.1 Transportation Services

Table 3-2
Transportation Services D.C. Capital Expenditures and Reserve Fund Continuity Statement

	2018-2031	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Capital Expenditures															
Gross Capital Costs	25,297,386	-	-	-	219,670	2,339,136	20,127,393	-	-	323,378	-	-	2,287,809	-	-
D.C.A. Deductions	2,188,818	-	-	-	21,967	220,708	1,414,438	-	-	65,849	-	-	465,857	-	-
D.C. Recoverable Share	23,108,567	-	-	-	197,703	2,118,428	18,712,955	-	-	257,529	-	-	1,821,952	-	-
Reserve Fund Continuity															
Opening Balance			-	-	-	1,617,756	3,230,839	(11,922,364)	(8,500,228)	(4,874,939)	(1,299,745)	2,749,620	7,029,946	9,695,895	14,400,681
D.C. Revenue		-	-	-	1,786,230	3,643,909	3,716,787	3,791,123	3,866,945	3,944,284	4,023,170	4,103,633	4,185,706	4,269,420	4,354,808
Transfers to Capital		-	-	-	197,703	2,118,428	18,712,955	-	-	257,529	-	-	1,821,952	-	-
Closing Balance		-	-	-	1,588,527	3,143,236	(11,765,329)	(8,131,241)	(4,633,283)	(1,188,184)	2,723,424	6,853,253	9,393,700	13,965,315	18,755,489
Interest		-	-	-	29,229	87,602	(157,035)	(368,986)	(241,657)	(111,561)	26,196	176,693	302,195	435,366	610,074

Summary

- Temporary D.C. capital funding shortfall peaks at \$11.8 million in 2023.
- \$18.8 million in funds available by 2031 to support D.C. eligible projects outside of the Vision Georgetown Secondary Plan Area.
- Total benefit to existing deductions of \$1.9 million to be funded through property tax sources over period to 2031.

3.2.2 Fire Services

Table 3-3
Fire Services D.C. Capital Expenditures and Reserve Fund Continuity Statement

	2018-2031	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Capital Expenditures															
Gross Capital Costs	5,198,653	-	-	-	-	-	-	-	-	-	5,198,653	-	-	-	-
D.C.A. Deductions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D.C. Recoverable Share	5,198,653	-	-	-	-	-	-	-	-	-	5,198,653	-	-	-	-
Reserve Fund Continuity															
Opening Balance			-	-	-	137,742	423,804	726,013	1,045,076	1,381,728	1,736,732	(3,183,425)	(2,984,131)	(2,771,174)	(2,543,924)
D.C. Revenue		-	-	-	135,253	275,917	281,435	287,064	292,805	298,661	304,634	310,727	316,941	323,280	329,746
Transfers to Capital		-	-	-	-	-	-	-	-	-	5,198,653	-	-	-	-
Closing Balance		-	-	-	135,253	413,658	705,239	1,013,077	1,337,881	1,680,389	(3,157,287)	(2,872,698)	(2,667,190)	(2,447,894)	(2,214,179)
Interest		-	-	-	2,489	10,146	20,774	31,999	43,846	56,343	(26,138)	(111,433)	(103,984)	(96,031)	(87,549)

Summary

- D.C. capital funding shortfall peaks at \$3.2 million in 2027, with funding shortfall of \$2.2 million in 2031. This funding shortfall is reduced by approximately \$1.8 million in Fire Services D.C. revenues from non-residential development within the Premier Gateway 401 corridor, which also benefits significantly from the capital projects.

3.2.3 Recreation and Parks Services

Table 3-4
Recreation and Parks Services D.C. Capital Expenditures and Reserve Fund Continuity Statement

	2018-2031	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Capital Expenditures															
Gross Capital Costs	22,465,229	-	-	-	-	-	7,419,423	777,052	6,518,791	5,594,674	573,644	493,693	1,087,953	-	-
D.C.A. Deductions	19,358,939	-	-	-	-	-	5,710,306	77,705	5,820,965	5,594,674	573,644	493,693	1,087,953	-	-
D.C. Recoverable Share	3,106,290	-	-	-	-	-	1,709,117	699,347	697,827	-	-	-	-	-	-
Reserve Fund Continuity															
Opening Balance			-	-	-	2,227,061	6,852,222	9,997,888	14,380,346	19,020,162	24,637,815	30,560,552	36,801,567	43,374,579	50,293,852
D.C. Revenue		-	-	-	2,186,824	4,461,120	4,550,343	4,641,350	4,734,177	4,828,860	4,925,437	5,023,946	5,124,425	5,226,914	5,331,452
Transfers to Capital		-	-	-	-	-	1,709,117	699,347	697,827	-	-	-	-	-	-
Closing Balance		-	-	-	2,186,824	6,688,182	9,693,448	13,939,891	18,416,696	23,849,022	29,563,252	35,584,498	41,925,992	48,601,493	55,625,304
Interest		-	-	-	40,238	164,040	304,440	440,455	603,466	788,793	997,300	1,217,069	1,448,587	1,692,360	1,948,912

Summary

- \$0.4 million for the 10% statutory deduction to be funded from property tax sources.
- \$55.6 million available by 2031 to contribute towards outstanding D.C. debt obligations and for Town-wide projects outside of the Vision Georgetown Secondary Plan Area, and to fund post period benefit costs (\$19.1 million) included in future D.C. by-laws.

3.2.4 Library Services

Table 3-5
Library Services D.C. Capital Expenditures and Reserve Fund Continuity Statement

	2018-2031	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Capital Expenditures															
Gross Capital Costs	10,338,356	-	-	-	-	-	-	-	10,096,947	-	119,509	121,899	-	-	-
D.C.A. Deductions	7,161,410	-	-	-	-	-	-	-	7,137,269	-	11,951	12,190	-	-	-
D.C. Recoverable Share	3,176,946	-	-	-	-	-	-	-	2,959,678	-	107,558	109,709	-	-	-
Reserve Fund Continuity															
Opening Balance			-	-	-	295,261	908,459	1,556,269	2,240,207	(52,290)	597,770	1,175,254	1,785,100	2,542,682	3,341,981
D.C. Revenue		-	-	-	289,926	591,450	603,279	615,344	627,651	640,204	653,008	666,068	679,390	692,978	706,837
Transfers to Capital		-	-	-	-	-	-	-	2,959,678	-	107,558	109,709	-	-	-
Closing Balance		-	-	-	289,926	886,711	1,511,738	2,171,614	(91,820)	587,915	1,143,220	1,731,613	2,464,489	3,235,660	4,048,818
Interest		-	-	-	5,335	21,748	44,532	68,593	39,530	9,855	32,034	53,486	78,192	106,321	135,991

Summary

- Minor D.C. capital funding shortfall of \$0.1 million in 2025.
- \$0.4 million in deductions for the 10% statutory deduction to be funded from property tax sources
- \$4.0 million available by 2031 to contribute towards outstanding D.C. debt obligations and for Town-wide projects outside of the Vision Georgetown Secondary Plan Area, and fund post period benefit costs included in future D.C. by-laws.

3.2.5 Stormwater Management

Table 3-6
Stormwater Management D.C. Capital Expenditures and Reserve Fund Continuity Statement

	2018-2031	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Capital Expenditures															
Gross Capital Costs	55,183	-	-	-	55,183	-	-	-	-	-	-	-	-	-	-
D.C.A. Deductions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D.C. Recoverable Share	55,183	-	-	-	55,183	-	-	-	-	-	-	-	-	-	-
Reserve Fund Continuity															
Opening Balance			-	-	-	(874)	111,956	231,195	357,124	490,036	630,235	778,036	933,768	1,097,773	1,270,407
D.C. Revenue		-	-	-	54,325	110,823	113,039	115,300	117,606	119,958	122,357	124,804	127,300	129,846	132,443
Transfers to Capital		-	-	-	55,183	-	-	-	-	-	-	-	-	-	-
Closing Balance		-	-	-	(858)	109,949	224,995	346,495	474,730	609,994	752,592	902,840	1,061,068	1,227,620	1,402,850
Interest		-	-	-	(16)	2,007	6,200	10,629	15,306	20,241	25,444	30,928	36,705	42,787	49,188

Summary

- \$1.4 million available by 2031 to fund outstanding D.C. debt obligations projects outside of the Vision Georgetown Secondary Plan Area.

3.3 Town Capital and D.C. Funding Summary

D.C. revenues are generally sufficient to fund the D.C. eligible capital costs for the Vision Georgetown Secondary Plan Area to 2031. While the timing of D.C. eligible capital costs for Transportation Services and Fire Services present funding shortfalls in the near-term (i.e. 2023), surplus D.C. revenues anticipated in other D.C. services would be sufficient to manage interim financing requirements. Moreover, if D.C. rates were maintained at current rates over the forecast period to 2031, it is estimated that development in the Vision Georgetown Secondary Plan Area would provide approximately \$61.8 million in funding towards additional needs beyond the forecast, i.e. for soft services limited by the 10-year forecast period (i.e. 2027) and the level of service cap. As such, it is reasonable to assume that these surplus D.C. revenues would fund the post period benefit deductions for Recreation and Parks Services and Library Services of \$22.5 million plus additional financing costs, subject to any future level of service cap restrictions.

In aggregate, growth-related capital cost deductions under the D.C. for benefit to existing and the statutory 10% deduction total \$2.7 million. These costs will be required to be funded through non-D.C. sources (i.e. property tax sources). These costs have been included in the subsequent chapter assessing the net operating expenditures and property tax impacts of development within the Vision Georgetown Secondary Plan Area.

4. Net Operating Expenditures and Property Tax Impacts

4.1 Introduction

The analysis to follow provides a detailed review of the operating expenditures and revenues arising from development within the Vision Georgetown Secondary Plan Area. The product of the analysis is to assess whether the Town's current property tax rates would be sufficient to fund the costs of service of future development within the Secondary Plan Area.

Operating expenditures have been assessed on two different bases: (1) operating costs related to the incremental capital assets identified in the previous chapter, and (2) service/program operating costs required to service the incremental population and employment-related demands. The former identifies the specific operating costs anticipated to be incurred as additional capital assets (i.e. roads, facilities, etc.) are constructed or assumed, based on current maintenance cost of assets (e.g. \$/facility square foot, \$/lane km of road, etc.). The latter identifies service/program expenditures which are linked to population and employment growth at anticipated service levels. In addition to these projections of operating costs, additional capital-related operating expenditures for non-growth capital expenditures identified in the previous chapter and lifecycle capital costs for all incremental assets acknowledged herein are also identified.

Operating revenues are assessed for property tax and non-property tax sources. Incremental weighted property assessment, anticipated as a result of residential and non-residential building activity over the forecast period, gives rise to additional property tax revenues. Non-property tax revenues, such as user fees, permits, licences, etc., are generally anticipated to grow in concert with population and employment growth to offset some of the incremental program costs.

The result of the sufficiency of property tax and non-property tax revenues to support the incremental operating costs determines the fiscal impact of the proposed development within the Vision Georgetown Secondary Plan Area.

It should be noted, that for the purposes of the net operating expenditure forecast, operating expenditures and revenues have been forecast assuming 2% annual inflation.

4.2 Operating Expenditure Impacts

The operating expenditure impacts of the development within the Vision Georgetown Secondary Plan Area have been considered with regard for:

- Service/Program related operating costs;
- Capital-related operating costs;
- Non-growth related capital funding; and
- Lifecycle capital costs for incremental capital assets.

With regard to the capital-related and service/program related operating costs, the Town's 2018 Operating Budget was assessed to determine whether operating expenditures were service/program related and driven by population and employment growth, or capital-related and required to maintain the incremental assets as constructed or assumed. Moreover, capital-related items, such as debt payments and transfers to reserves/reserve funds were removed from the analysis as these items are addressed directly for the Vision Georgetown Secondary Plan Area.

4.2.1 Service/Program Related Operating Costs

Table 4-1 summarizes the operating expenditures for each service category as defined in the Town's LRFP modeling, based on population and employment-related benefits. The cost per capita and per employee have been adjusted based on anticipated economies of scale and anticipated changes in service levels over the forecast period. It should be noted that for study purposes it is assumed that the Town would maintain Activan Transit services at current levels for the forecast period. Annual operating expenditures are forecast at approximately \$354 per capita and \$268 per employee.

Furthermore, staff have identified adjustments to the base 2018 Operating Budget that were included in the calculations. These adjustments include reductions to the funding of fire communications from entering into a contractual agreement with the Town of Milton, additional Activan operating costs resulting from the Town assuming operations of the service, and other minor changes. These adjustments result in a nominal reduction in projected service/program related operating costs of 0.2% or \$67,300 annually.

Applying the per capita and per employee operating assumptions to the anticipated population and employment growth within the Vision Georgetown Secondary Plan Area,

the incremental program related operating costs at 2031 total \$6.5 million (2018\$) values as reference in Table 4-1.

**Table 4-1
Program Related Operating Expenditures (2018\$)**

Category	Expenditure						
	Program Related						Per Employee
	2018 Costs	Growth Related Adj. %	\$	Per Capita %	\$	\$	
Administration	11,308,925	90%	10,168,121	78%	128.37	22%	128.37
Corporate Revenues	8,500	95%	8,075	78%	0.10	22%	0.10
Long Term Planning	-		-	78%	-	22%	-
Recreation & Culture	6,124,990	91%	5,581,777	95%	86.01	5%	15.90
Library Services	23,500	100%	23,500	95%	0.36	5%	0.07
Fire Services	1,830,874	41%	746,737	78%	9.43	22%	9.43
Transportation & Transit	5,622,162	93%	5,215,833	78%	65.85	22%	65.85
Planning & Development	4,568,736	55%	2,491,749	78%	31.46	22%	31.46
Parks & Open Space	1,639,821	73%	1,199,924	95%	18.49	5%	3.42
Environmental Services	1,463,118	75%	1,097,164	78%	13.85	22%	13.85
Total	32,590,627		26,532,881		353.92		268.45
Adjustment					(0.71)		(0.54)
					353.21		267.91
2018-2031 Population & Employment Growth					17,092		1,841
2018-2031 Incremental Operating Costs					6,037,202		493,224

4.2.2 Capital-Related Operating Costs

To support the incremental capital assets identified in Table 3-1, as well as the infrastructure that would be installed as a local service emplaced directly by developers (e.g. local roads), the following annual operating costs per unit have been assumed based on the Town's 2018 Operating Budget:

- Library facility space – \$91.87/sq.ft.
- Recreation facility space - \$11.90/sq.ft.
- Fire vehicles – \$3,875/vehicle
- Fire facility space – \$4.68/sq.ft.
- Fire equipment (staff) – \$115,431/FTE
- Roads and related – \$10,000/lane km
- New parks – \$10,000/ha
- Trails – \$2,000/km
- Storm ponds - \$3,000/pond

It is noted that the facility costs per sq.ft. differ somewhat between categories of service. This is primarily due to the attribution of salary, wage and benefit costs to facilities and services/programs. The unit costs are based on current service levels or in some cases have been provided by staff where budgeted operating costs for new infrastructure is greater than the current average. This occurs where the physical form of the new

infrastructure requires a greater maintenance service level that currently provided on average (e.g. roads, trails, parks).

Table 4-2 summarizes the 2018-2031 capital-related operating costs, inflated at 2% annually. The timing of parks, trails and collector roads within the Vision Georgetown Secondary Plan Area have been forecast based on the take-up of population growth within the area. Moreover, it is noted that although the collector roads within the Secondary Plan Area have been estimated, local road requirements have not been finalized. As such, the operating impacts for local roads have been estimated based on 78.18 hectares conveyed for roads in the Vision Georgetown Secondary Plan Land Budget and a 16m right-of-way road width for local roads.¹ After deducting approximately 17 ha for the collector roads already identified, approximately 76 lane kms of local roads have been included in this analysis.

In total, incremental capital-related operating costs represent \$6.6 million by the end of the forecast period to 2031.

4.2.3 Non-Growth Related Capital Funding

Chapter 3 discussed the one-time capital cost ineligible for D.C. funding as a result of the provisions of the *Development Charges Act*. These capital costs must be funded through other non-D.C. sources and by extension are assessed against the incremental revenues forecast from the Vision Georgetown Secondary Plan Area. These capital funding obligations total \$2.7 million (2018\$), comprising capital costs for benefit to existing development, and the 10% statutory deduction. It is assumed that these costs would be funded through non-D.C sources. As such, these costs have been included in the fiscal impact assessment for funding from property taxes.

4.2.4 Lifecycle Capital Costs of Incremental Capital Assets

From a full cost perspective, annual reserve contributions are required in order to make adequate provision for the future lifecycle costs of incremental assets identified in Chapter 3. These lifecycle costs include the ultimate repair and replacement of the incremental capital assets, inclusive of growth-related capital projects included in the Town's D.C. Background Study and local services emplaced directly by the developers and subsequently assumed by the Town.

¹ Anticipated right-of-way road width for local roads in Vision Georgetown Secondary Plan Area.

The following table summarizes the capital infrastructure costs and annual reserve fund contributions for the lifecycle replacement costs. Local service infrastructure has been included based on the following capital cost estimates:

- Local roads – \$1.0 million per centre-line km
- Collector roads - \$53 million total (2018\$)
- Trails - \$1 million (2018\$)
- Stormwater Management ponds - \$31.3 million

As summarized in Table 4-3, by 2031 with all infrastructure fully emplaced, the reserve fund contributions for lifecycle sustainability total approximately \$2.3 million annually.

**Table 4-2
Capital Related Operating Costs (Inflated)**

	Quant.	Cost per/Unit 2018\$	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<u>Library Services</u>																
Vision Georgetown Facility (sq.ft.)	15,000	91.87								15,000						
Annual Operating Cost			-	-	-	-	-	-	-	1,583,013	1,614,673	1,646,966	1,679,906	1,713,504	1,747,774	1,782,729
<u>Recreation and Culture</u>																
Facilities	16,556	11.90								16,556						
Annual Operating Cost			-	-	-	-	-	-	-	226,345	230,872	235,489	240,199	245,003	249,903	254,901
<u>Fire Services</u>																
Fire Vehicles	3	3,875	-	-	-	-	-	-	-	-	-	3				
Fire Facilities	7,904	4.68	-	-	-	-	-	-	-	-	-	7,904				
Fire Suppression (20)	20	115,431										20				
Annual Operating Cost			-	-	-	-	-	-	-	-	-	2,817,076	2,873,418	2,930,886	2,989,504	3,049,294
<u>Transportation & Transit</u>																
Collector Rds (Lane kms)	15	10,000	-	-	-	0.4	1.1	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Local Roads (Lane kms)	73	10,000	-	-	-	1.8	5.5	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3
Annual Operating Cost			-	-	-	23,439	95,633	195,091	298,489	405,946	517,581	633,519	753,887	878,817	1,008,442	1,142,901
<u>Parks & Open Space</u>																
New Parks (ha)	20	10,000	-	-	-	-	-	4.3	2.0	2.0	6.4	1.6	0.9	2.3	-	-
Vision Georgetown Trails (km)	8	2,000				0.3	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Annual Operating Cost			-	-	-	741	2,268	51,576	76,704	102,816	181,495	205,916	222,708	257,496	264,418	271,513
<u>Environmental Services</u>																
Vision Georgetown Storm Ponds (count)	15	3,000				1	1	1	1	1	1	1	1	1	1	1
Annual Operating Cost			-	-	-	2,274	6,958	11,829	16,892	22,153	27,618	33,292	39,182	45,294	51,636	58,212
Total Annual Capital Related Operating Cost			-	-	-	26,455	104,859	258,497	392,086	2,340,272	2,572,238	5,572,258	5,809,299	6,071,000	6,311,676	6,559,551

**Table 4-3
Annual Lifecycle Replacement Costs**

	2018-2031	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Library Services															
Vision Georgetown Facility	8,354,374								8,354,374						
Useful Life	40														
Annual Lifecycle Replacement Cost	50,387	-	-	-	-	-	-	-	50,387	-	-	-	-	-	-
Recreation and Culture															
Facilities	5,100,350								5,100,350						
Useful Life	40														
Annual Lifecycle Replacement Cost	30,761	-	-	-	-	-	-	-	30,761	-	-	-	-	-	-
Fire Services															
Fire Vehicles	1,968,774										1,968,774				
Useful Life	15														
Annual Lifecycle Replacement Cost	64,695	-	-	-	-	-	-	-	-	-	64,695	-	-	-	-
Fire Facilities	2,346,207										2,346,207				
Useful Life	40														
Annual Lifecycle Replacement Cost	14,150	-	-	-	-	-	-	-	-	-	14,150	-	-	-	-
Fire Suppression (20)	122,411										122,411				
Useful Life	15														
Annual Lifecycle Replacement Cost	4,022	-	-	-	-	-	-	-	-	-	4,022	-	-	-	-
Transportation & Transit															
D.C. Eligible Infrastructure	25,297,386	-	-	-	219,670	2,339,136	20,127,393	-	-	323,378	-	-	2,287,809	-	-
Useful Life	20														
Annual Lifecycle Replacement Cost	541,041	-	-	-	4,698	50,028	430,469	-	-	6,916	-	-	48,930	-	-
Collector Roads	54,089,998	-	-	-	1,352,177	4,056,572	5,408,815	5,408,868	5,408,922	5,408,975	5,409,028	5,409,081	5,409,134	5,409,187	5,409,240
Useful Life	20														
Annual Lifecycle Replacement Cost	1,156,836	-	-	-	28,919	86,759	115,680	115,681	115,682	115,683	115,684	115,685	115,686	115,688	115,689
Local Roads	36,110,769	-	-	-	902,769	2,708,308	3,611,077	3,611,077	3,611,077	3,611,077	3,611,077	3,611,077	3,611,077	3,611,077	3,611,077
Useful Life	20														
Annual Lifecycle Replacement Cost	772,310	-	-	-	19,308	57,923	77,231	77,231	77,231	77,231	77,231	77,231	77,231	77,231	77,231
Parks & Open Space															
New Parks	11,201,397	-	-	-	-	-	1,899,019	777,052	775,363	5,594,674	573,644	493,693	1,087,953	-	-
Useful Life	30														
Annual Lifecycle Replacement Cost	120,075	-	-	-	-	-	20,357	8,330	8,312	59,973	6,149	5,292	11,662	-	-
Vision Georgetown Trails	1,086,938	-	-	-	46,575	95,013	96,913	98,851	100,828	102,845	104,902	107,000	109,140	111,323	113,549
Useful Life	30														
Annual Lifecycle Replacement Cost	11,652	-	-	-	499	1,019	1,039	1,060	1,081	1,102	1,125	1,147	1,170	1,193	1,217
Environmental Services															
Vision Georgetown Storm Ponds	37,001,234	-	-	-	1,585,489	3,234,397	3,299,085	3,365,067	3,432,368	3,501,015	3,571,036	3,642,456	3,715,306	3,789,612	3,865,404
Useful Life	80														
Annual Lifecycle Replacement Cost	34,587	-	-	-	1,482	3,023	3,084	3,145	3,208	3,273	3,338	3,405	3,473	3,542	3,613
Annual Lifecycle Replacement Cost	2,228,713	-	-	-	50,208	148,724	217,390	205,447	286,662	257,262	286,395	202,760	209,223	197,654	197,750
Cumulative Annual Lifecycle Replacement Cost	2,228,713	-	-	-	50,208	198,932	416,322	621,769	908,431	1,165,692	1,452,087	1,654,847	1,864,070	2,061,724	2,259,474

4.3 Revenue Impacts

The revenue impacts of the development of the Vision Georgetown Secondary Plan Area have been considered with regard for:

- Service/Program related non-tax revenues;
- Capital-related non-tax revenues; and
- Property tax revenues.

Similar to the assessment presented in Section 4.2, the Town's 2018 Operating Budget was assessed to determine whether operating revenues were service/program related and driven by population and employment growth, or capital-related and driven by increases in revenue producing infrastructure. Moreover, capital-related items, such as grants and transfers from reserves/reserve funds were removed from the analysis as these items are addressed directly for the Vision Georgetown Secondary Plan Area.

4.3.1 Service/Program Related Non-Tax Revenues

Non-tax service/program revenues (e.g. user fees, licenses, etc.) are presented in the same format as service/program related operating expenditures in Section 4.2.1. Table 4-4 details the service/program related operating revenues per capita and per employee.

**Table 4-4
Program Related Operating Revenues (2018\$)**

Category	Revenue						
	Program Related						Per Employee
	2018 Revenue	Growth Related Adj.	Per Capita		Per Employee		
	%	\$	%	\$	%	\$	
Administration	1,132,995	100%	1,132,995	78%	14.30	22%	14.30
Corporate Revenues	990,000	100%	990,000	78%	12.50	22%	12.50
Long Term Planning	-		-	78%	-	22%	-
Recreation & Culture	2,359,734	100%	2,359,734	95%	36.36	5%	6.72
Library Services	2,600	100%	2,600	95%	0.04	5%	0.01
Fire Services	15,074	100%	15,074	78%	0.19	22%	0.19
Transportation & Transit	1,345,689	100%	1,345,689	78%	16.99	22%	16.99
Planning & Development	2,594,236	100%	2,594,236	78%	32.75	22%	32.75
Parks & Open Space	584,395	100%	584,395	95%	9.00	5%	1.66
Environmental Services	322,708	100%	322,708	78%	4.07	22%	4.07
Total	9,347,431		9,347,431		126.21		89.20
Adjustment					4.54		3.21
					130.76		92.41
2018-2031 Population & Employment Growth					17,092		1,841
2018-2031 Incremental Non-Tax Revenues					2,234,937		170,135

Non-tax revenues of \$126 per capita and \$89 per employee are anticipated based on the Town's 2018 Operating Budget. As with service/program related operating

expenditures, staff have identified additional non-tax revenue impacts not captured in the 2018 Operating Budget that have been considered herein. These increases include minor changes in payment in lieu of taxation (PIL) revenues, recreation service use fees, and planning application fees. In total, these increases are anticipated to produce a nominal increase in non-tax revenues of 3.6%.

As referenced in Table 4-4, applying the per capita and per employee non-tax revenue assumptions to the anticipated population and employment growth within the Vision Georgetown Secondary Plan Area produces non-tax revenues of \$2.4 million by 2031.

4.3.2 Capital Related Non-Tax Revenues

While the majority of non-tax revenues are anticipated to occur as a result of population and employment growth increasing demands for services, some non-tax revenues are more attributable to the availability of assets (e.g. facility space or parkland) for rentals and bookings. As such, the following annual operating revenues per unit per unit have been assumed:

- Library facility space – \$1.58/sq.ft.
- Recreation facility space - \$7.93/sq.ft.
- New parks – \$2,070/ha

As summarized in Table 4-5, the capital-related revenues that will be produced as a result of increases in incremental assets and their use (e.g. rental revenues, etc.) will total \$253,000 by 2031.

4.3.3 Property Tax Revenues

The Vision Georgetown Secondary Plan Area property tax revenues are calculated based on the incremental increase in weighted taxable assessment and current tax rates (i.e. 2018). The forecast increment in weighted taxable assessment is determined by multiplying market assessed values per unit by the anticipated development by type for the Vision Georgetown Secondary Plan Area. This increase in market value assessment is then weighted based on the Town's 2018 tax ratios to determine the incremental weighted assessment for tax purposes.

To determine the typical market assessment per residential unit and per non-residential square metre of gross floor area of development, the following assumptions were derived from municipal assessment records (MPAC) and reviewed with Town staff through the development of the Long Range Financial Plan modeling.

**Table 4-5
Capital Related Operating Revenues (Inflated)**

	Quant.	Revenue per/Unit 2018\$	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<u>Library Services</u>																
Vision Georgetown Facility (sq.ft.)	15,000	1.58								15,000						
Annual Operating Revenue			-	-	-	-	-	-	-	27,196	27,740	28,295	28,861	29,438	30,027	30,627
<u>Recreation and Culture</u>																
Facilities	16,556	7.93								16,556						
Annual Operating Revenue			-	-	-	-	-	-	-	150,768	153,783	156,859	159,996	163,196	166,460	169,789
<u>Parks & Open Space</u>																
New Parks (ha)	20	2,070		-	-	-	-	4.3	2.0	2.0	6.4	1.6	0.9	2.3	-	-
Annual Operating Revenue			-	-	-	-	-	9,877	14,736	19,786	35,702	40,374	43,452	50,240	51,244	52,269
Total Annual Capital Related Operating Revenue			-	-	-	-	-	9,877	14,736	197,750	217,225	225,527	232,309	242,874	247,731	252,686

**Table 4-6
Market Value Assumptions for New Development**

<u>RESIDENTIAL</u>		<u>NON-RESIDENTIAL</u>	
Average Assessment per Unit		Average Assessment per sq.m.	
Low Density	655,287	Industrial	2,218
Medium Density	377,736	Commercial	3,514
High Density	295,774	Institutional	-

Applying the Town's 2018 tax ratios by tax class produces incremental weighted assessment of \$3.3 billion by 2031. The details of the weighted assessment forecast for the period are shown in Table 4-7. The forecast of assessment assumes a six-month lag between occupancy and assessment for residential development and a one-year lag for non-residential development, consistent with the assumptions in the Town's LRFP modeling.

Applying the current tax rates to the weighted assessment forecast produces annual property taxation revenues of \$11.9 million by 2031 (Table 4-8). If taxes were increased at 2% annually, equal to operating and capital inflation assumptions herein, (i.e. maintaining real property tax rates) the incremental tax revenues to 2031 would total \$15.4 million (Table 4-9).

4.4 Net Operating Impact

The net operating impact of development within the Vision Georgetown Secondary Plan Area can be shown by assessing net operating expenditures against the incremental revenues forecast. Net operating expenditures have been measured by assessing the incremental operating costs, lifecycle costs, non-growth related capital expenditures, and non-tax revenues.

The annual and cumulative operating impacts of development of the Vision Georgetown Secondary Plan Area are shown in Table 4-10. Maintaining current tax rates results in a cumulative operating deficit by 2031 of \$12.7 million (\$2.0 million annual deficit in 2031).

However, increasing tax rates by 2% consistent with cost inflation (0% real tax rate increase) results in a cumulative operating surplus by 2031 of \$1.6 million (\$1.5 million annual surplus in 2031). While there will be minor annual shortfalls anticipated under this scenario, these shortfalls relate to capital timing and would be recovered over the period to 2031 with minimal financing impacts.

**Table 4-7
Weighted Assessment Forecast**

			Weighted Assessment Forecast													
Type of Development	Tax Ratio	Assessment Increment 2018 - 2031	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Residential																
Residential RT	1.0000	2,798,562,406	-	-	-	69,964,060	209,892,180	279,856,241	279,856,241	279,856,241	279,856,241	279,856,241	279,856,241	279,856,241	279,856,241	279,856,241
New Multi-Residential NT	1.0000	286,196,127	-	-	-	7,154,903	21,464,710	28,619,613	28,619,613	28,619,613	28,619,613	28,619,613	28,619,613	28,619,613	28,619,613	28,619,613
Non-Residential																
Commercial - Occupied CT 98.4%	1.4565	200,084,673	-	-	-	-	5,557,908	16,673,723	22,231,630	22,231,630	22,231,630	22,231,630	22,231,630	22,231,630	22,231,630	22,231,630
Commercial - Excess Land CU 1.6%	1.0196	2,323,153	-	-	-	-	64,532	193,596	258,128	258,128	258,128	258,128	258,128	258,128	258,128	258,128
Total Annual Weighted Assessment Growth		3,287,166,359	-	-	-	77,118,963	236,979,330	325,343,172	330,965,612	330,965,612	330,965,612	330,965,612	330,965,612	330,965,612	330,965,612	330,965,612
Cumulative Assessment Growth		3,287,166,359	-	-	-	77,118,963	314,098,293	639,441,465	970,407,077	1,301,372,688	1,632,338,300	1,963,303,912	2,294,269,524	2,625,235,135	2,956,200,747	3,287,166,359

**Table 4-8
Property Tax Revenue Forecast (0% annual increase)**

			Tax Revenue Forecast													
Taxation Revenue	Tax Ratio	Taxation Increment 2018 - 2031	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Cumulative Revenue	0.00361129	11,870,911	-	-	-	278,499	1,134,300	2,309,209	3,504,421	4,699,634	5,894,847	7,090,060	8,285,273	9,480,485	10,675,698	11,870,911

**Table 4-9
Property Tax Revenue Forecast (2% annual increase)**

			Tax Revenue Forecast													
Taxation Revenue	Tax Ratio	Taxation Increment 2018 - 2031	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Cumulative Revenue	0.00361129	15,356,289	-	-	-	295,545	1,227,803	2,549,553	3,946,548	5,398,402	6,906,753	8,473,278	10,099,701	11,787,792	13,539,367	15,356,289

4.5 Debt Capacity Impacts

With respect to the increased demands for debt financing arising from development of the Vision Georgetown Secondary Plan Area, it is important to consider that \$22.5 million (2018\$) in post period benefit growth related costs for Recreation and Parks Services and Library Services, identified in Chapter 3. As noted earlier, if D.C.s were to be maintained at current levels throughout the forecast period to 2031, sufficient revenue would be generated from the Secondary Plan Area to fully recover these post-period benefit deductions and corresponding financing costs. However, these costs would not be funded until post-2027 and would require interim financing. The following measures the debt capacity impacts of these additional interim financing costs.

Assuming the \$22.5 million in post period benefit costs were financed through the issuance of external debt at 3% annual interest over a 20-year term (consistent with assumptions used in the Town's LRFP modeling), annual debt payments of principal and interest would total approximately \$1.7 million. With regard to limitations on external borrowing, the Town established a policy for annual debt payment limits of 10% of the net levy. Based on the projected 2031 net levy of \$11.9-\$15.4 million (as summarized in Table 4-10), the annual debt repayments would represent 11-15% of net levy. As such, interim financing of the growth-related capital needs for the period 2023-2027 would exceed this policy, if measured on an area-specific basis.

**Table 4-10
Summary Impacts**

	2018-2031	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Expenditures															
Program Operating Costs (per capita/employee)	44,139,907	-	-	-	185,093	729,755	1,462,769	2,224,811	3,016,750	3,839,476	4,693,905	5,580,975	6,501,651	7,456,921	8,447,801
Capital Operating Costs (Table 4-2)	36,018,192	-	-	-	26,455	104,859	258,497	392,086	2,340,272	2,572,238	5,572,258	5,809,299	6,071,000	6,311,676	6,559,551
Lifecycle Replacement Reserve Contributions	12,653,558	-	-	-	50,208	198,932	416,322	621,769	908,431	1,165,692	1,452,087	1,654,847	1,864,070	2,061,724	2,259,474
Development Charge Deductions															
Benefit to Existing Development	2,188,818	-	-	-	21,967	220,708	1,414,438	-	-	65,849	-	-	465,857	-	-
10% Statutory Exemptions	850,208	-	-	-	152,071	-	189,902	77,705	406,389	-	11,951	12,190	-	-	-
Gross Expenditures	95,850,684	-	-	-	435,794	1,254,254	3,741,927	3,316,371	6,671,842	7,643,256	11,730,201	13,057,312	14,902,578	15,830,322	17,266,827
Non-Tax Revenues															
Non-Tax Program Revenues (per capita/employee)	16,253,070	-	-	-	67,891	268,225	538,235	818,937	1,110,653	1,413,709	1,728,443	2,055,201	2,394,339	2,746,219	3,111,217
Non-Tax Capital Related Revenues (Table 4-5)	1,640,715	-	-	-	-	-	9,877	14,736	197,750	217,225	225,527	232,309	242,874	247,731	252,686
Total Non-Tax Revenues	17,893,785	-	-	-	67,891	268,225	548,112	833,673	1,308,403	1,630,934	1,953,971	2,287,510	2,637,212	2,993,951	3,363,903
Net Operating Expenditures	77,956,899	-	-	-	367,903	986,029	3,193,816	2,482,697	5,363,440	6,012,322	9,776,231	10,769,802	12,265,366	12,836,371	13,902,923
Tax Revenue (Table 4-8)															
0% Annual Tax Rate Increase	65,223,337	-	-	-	278,499	1,134,300	2,309,209	3,504,421	4,699,634	5,894,847	7,090,060	8,285,273	9,480,485	10,675,698	11,870,911
Annual Surplus/(Deficit)	(12,733,562)	-	-	-	(89,404)	148,271	(884,607)	1,021,724	(663,805)	(117,475)	(2,686,171)	(2,484,529)	(2,784,880)	(2,160,673)	(2,032,012)
Cumulative Surplus/(Deficit)	(12,733,562)	-	-	-	(89,404)	58,867	(825,740)	195,984	(467,821)	(585,296)	(3,271,467)	(5,755,997)	(8,540,877)	(10,701,550)	(12,733,562)
Tax Revenue (Table 4-9)															
2% Annual Tax Rate Increase	79,581,030	-	-	-	295,545	1,227,803	2,549,553	3,946,548	5,398,402	6,906,753	8,473,278	10,099,701	11,787,792	13,539,367	15,356,289
Annual Surplus/(Deficit)	1,624,131	-	-	-	(72,357)	241,774	(644,263)	1,463,850	34,963	894,431	(1,302,953)	(670,101)	(477,574)	702,995	1,453,366
Cumulative Surplus/(Deficit)	1,624,131	-	-	-	(72,357)	169,416	(474,846)	989,004	1,023,967	1,918,398	615,445	(54,656)	(532,230)	170,765	1,624,131

5. Observations and Conclusions

The analysis provided herein has considered the fiscal impact of the Vision Georgetown Secondary Plan Area on the Town. The FIA considered operating and capital costs of development, relative to the anticipated amount and type of development with buildout to 2031.

Town's 2018 Capital Budget, 10-Year Capital Budget Forecast, and 2017 D.C. Background Study, with modifications, address the infrastructure needs for future development in the Vision Georgetown Secondary Plan Area. From a capital cost perspective, the anticipated development in the Vision Georgetown Secondary Plan Area would be sufficient to fund the growth-related capital costs to 2031, including post-period allocations and interim financing for soft services restricted by historic level of service limitation. It is noted however that the timing of the capital program will require interim financing for D.C. eligible costs from other D.C. services during the period and short-term financing for interim financing of the post-period benefit cost shares.

Net operating expenditures arising from the demands of the Vision Georgetown Secondary Plan Area considered service/program related operating costs of additional population and employment growth (based the Town's 2018 Operating Budget, with modifications), capital-related maintenance operating costs for incremental capital assets, non-growth related capital funding for ineligible D.C. costs, and lifecycle capital costs for incremental capital assets (both funded through D.C.s or installed by developers as a condition of local services). By 2031, it is estimated that annual net operating costs would increase by approximately \$13.9 million (inflated).

Based on the analysis, maintaining tax rates at current levels would produce property tax revenues of \$11.9 million by 2031, resulting in an operating deficit \$2.0 million. Cumulatively over the forecast period this deficit would total \$12.7 million.

However, increasing tax rates at inflationary levels of 2% (0% real tax rate increase), would produce property tax revenues of \$15.4 million by 2031, resulting in an operating surplus of \$1.5 million. Cumulatively over the forecast period this surplus would total \$1.6 million.