

Municipality of Central Elgin

Port Stanley Secondary Plan – Fiscal Impact Analysis

June 25, 2018

Scope of Assignment

- ❑ The Fiscal Impact addresses the direct operating cost and revenues plus capital costs and revenues arising from the development of the lands.
- ❑ This assignment does not address the market and sales impact of the development (undertaken by Dillon).

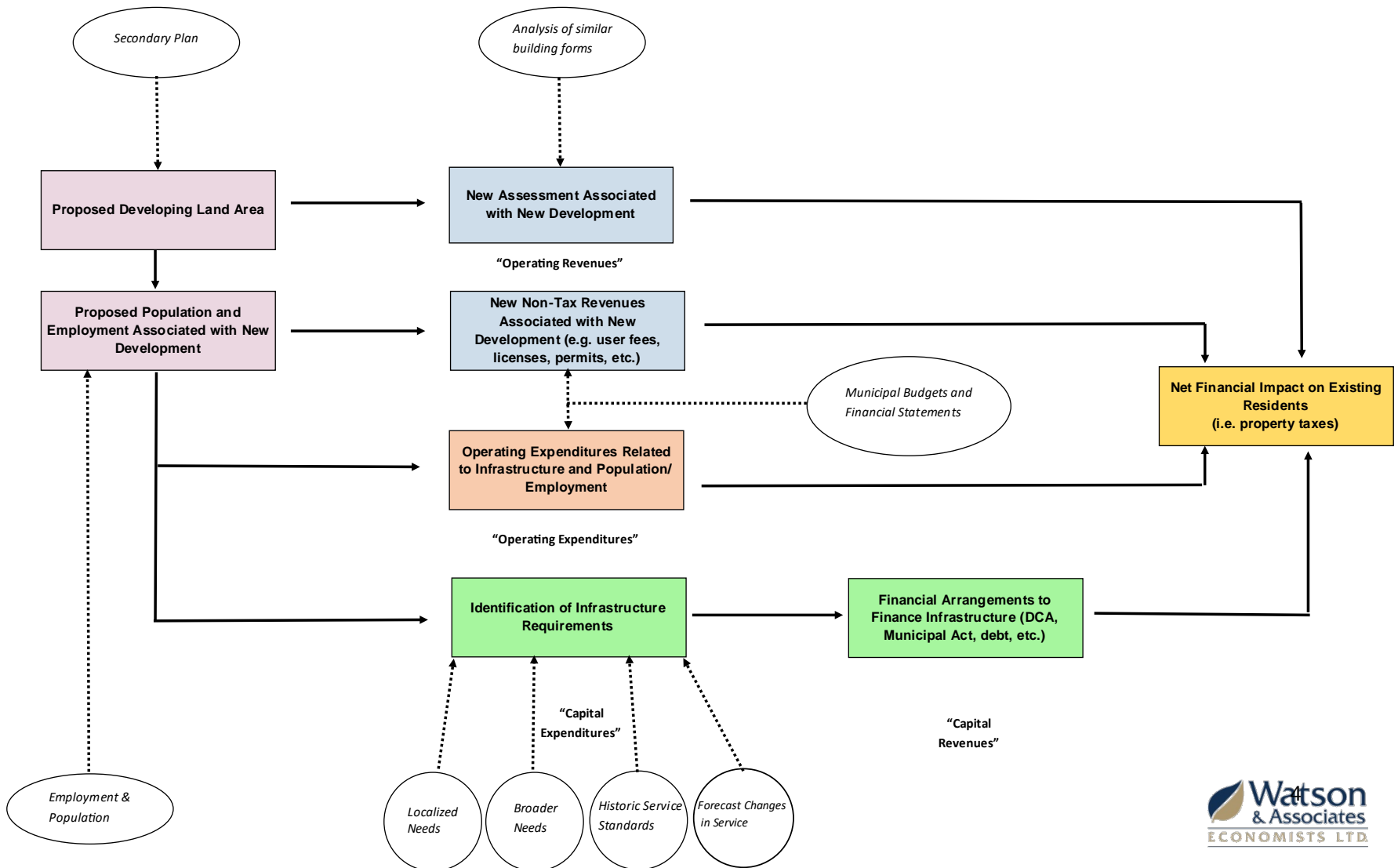
Scope of Assignment

- ❑ Estimate capital costs shared between funding responsibility (i.e. DC vs. Local Service vs. Taxes)
- ❑ Estimate the impact on the DC rate calculation
- ❑ Estimate the projected incremental operating costs by service for the Municipality.
- ❑ Estimate the projected incremental assessment, together with the tax and non-tax revenues that would be generated.
- ❑ Assess net impact of the development upon buildout.

Information Inputs

- ❑ Model has been developed with 2016 Financial Information Return and assessment data
- ❑ Assessment information collected based on survey of recent residential and non-residential developments in Central Elgin and surrounding municipalities
- ❑ Capital infrastructure needs provided by Dillon, through work with the Municipality

Approach to Analysis



Proposed Developing Lands – Population and Employment

Residential Units

Type of Units	Units Increment		
	West Lands	East Lands	Total
Townhouses	-	68	68
Apartments	178	627	805
Total	178	695	873

Population

Type of Units	Population Increment		
	West Lands	East Lands	Total
Townhouses	-	169	169
Apartments	308	1,085	1393
Total	308	1,254	1,562

Non-Residential Building Area (Ft²)

Non-Residential	Sq.ft. of Development		
	West Lands	East Lands	Total
Commercial	17,992	29,276	47,267
Hotel	2,733	-	2,733
Total	20,724	29,276	50,000

Employment

Non-Residential	Estimated Employment		
	West Lands	East Lands	Total
Commercial	26	42	68
Hotel	-	-	-
New Employment	26	42	68

Property Tax Assessment and Anticipated Revenue Assumptions

- It is assumed that 100% of apartments will be condominium (vs. rental)
- Residential Assessment per unit:
 - Townhouses - \$245,000
 - Apartments – Condo - \$225,000
- Non-residential Assessment per sq.ft.
 - Commercial - \$90
 - Hotel - \$100

Property Tax - Anticipated Revenue

Property Tax Class	Property Tax Revenue (2016\$)		
	West Lands	East Lands	Total
1. Property Tax¹			
Residential Growth			
<i>Residential Assessment (RT)</i>	40,050,000	157,735,000	197,785,000
Property Tax Revenue 0.7870%	315,177	1,241,311	1,556,489
Total Residential Property Tax Revenue	315,177	1,241,311	1,556,489
Non-residential Growth			
<i>Commercial Assessment</i>	1,892,502	2,634,824	4,527,327
Property Tax Revenue 1.2887%	24,389	33,956	58,345
Total Commercial Property Tax Revenue	24,389	33,956	58,345
TOTAL PROPERTY TAX REVENUE	339,566	1,275,267	1,614,834

Non-tax Operating Revenues

Tax-Supported

Category	Revenue Per Capita	Revenue Per Employee	Incremental Expenditures (2016 \$)		
			West Lands	East Lands	Total
2. Revenues					
2.1 <u>Service Specific Non-Tax Revenues</u>					
General Government	2.37	2.37	792	3,072	3,863
Fire	5.53	5.53	1,847	7,167	9,014
Building Permit and Inspection Services	0.08	0.08	27	104	130
Roadways & Winter Control	12.30	12.30	4,108	15,941	20,049
Parking	13.92	13.92	4,649	18,040	22,690
Street Lighting	0.57	0.57	190	739	929
Solid Waste Collection	0.59	0.36	191	755	946
Solid Waste Disposal	0.29	0.30	97	376	473
Waste Diversion	7.96	4.82	2,577	10,184	12,761
Parks	1.38	0.40	435	1,747	2,183
Recreation Facilities	34.92	10.03	11,016	44,211	55,227
Planning and Zoning	1.81	1.81	605	2,346	2,950
2.2 <u>Other Non-Tax Revenues</u>	-	-	-	-	-
Licenses, Permits, Rents etc.	39.31	39.31	13,130	50,946	64,075
Fines and Penalties	26.02	26.02	8,691	33,722	42,413
Investment Income	8.20	8.20	2,739	10,627	13,366
Interest Earned on Reserves and Reserve Funds	15.67	15.67	5,234	20,308	25,542
Gain/Loss on sale of land & Capital Assets	(26.86)	(26.86)	(8,971)	(34,811)	(43,782)
TOTAL	144.06	114.83	47,356	185,474	232,830

Rate-Supported

Category	Revenue Per Capita	Revenue Per Employee	Incremental Expenditures (2016 \$)		
			West Lands	East Lands	Total
2. Revenues					
Wastewater Collection/Conveyance	104.00	104.00	34,736	134,784	169,520
Wastewater Treatment & Disposal	-	-	-	-	-
Water Treatment	-	-	-	-	-
Water Distribution/Transmission	125.33	125.33	41,860	162,428	204,288
TOTAL	229.33	229.33	76,596	297,212	373,808

Non-tax Operating Expenditures

Tax-Supported

Category	Cost Per Capita	Cost Per Employee	Incremental Expenditures (2016 \$)		
			West Lands	East Lands	Total
1. Expenditures					
1.1 General Government	2.88	2.88	962	3,732	4,694
1.2 Fire	98.10	98.10	32,765	127,138	159,903
1.3 Police	137.67	137.67	45,982	178,420	224,402
1.4 Court Security	5.62	5.62	1,877	7,284	9,161
1.5 Conservation Authority	0.95	0.95	317	1,231	1,549
1.6 Protective Inspection and Control	4.47	4.47	1,493	5,793	7,286
1.7 Building Permit and Inspection Services	22.86	22.86	7,635	29,627	37,262
1.8 Emergency Measures	0.04	0.04	13	52	65
1.90 Roadways & Winter Control	255.02	255.02	85,177	330,506	415,683
1.10 Parking	6.59	6.59	2,201	8,541	10,742
1.11 Street Lighting	7.72	7.72	2,578	10,005	12,584
1.14 Urban Storm Sewer	40.21	40.21	13,430	52,112	65,542
1.17 Solid Waste Collection	35.27	21.38	11,419	45,127	56,546
1.18 Solid Waste Disposal	15.98	15.98	5,337	20,710	26,047
1.19 Waste Diversion	21.47	13.01	6,951	27,470	34,421
1.20 Public Health Services	1.34	0.81	434	1,714	2,148
1.21 Cemeteries	0.39	0.11	123	494	617
1.22 Public Housing	11.30	-	3,480	14,170	17,651
1.23 Parks	45.31	13.01	14,294	57,365	71,659
1.24 Recreation Facilities	129.46	37.17	40,840	163,904	204,744
1.25 Libraries	1.53	0.44	483	1,937	2,420
1.26 Other: Harbour Operations	14.23	14.23	4,753	18,442	23,195
1.27 Planning and Zoning	13.20	13.20	4,409	17,107	21,516
1.28 Commercial and Industrial	-	30.66	797	1,288	2,085
1.29 Agricultural and Reforestation	2.80	2.80	935	3,629	4,564
Total	874.41	744.93	288,686	1,127,797	1,416,484

Rate-Supported

Category	Cost Per Capita	Cost Per Employee	Incremental Expenditures (2016 \$)		
			West Lands	East Lands	Total
1. Expenditures					
1.12 Wastewater Collection/Conveyance	31.11	31.11	10,391	40,319	50,709
1.13 Wastewater Treatment & Disposal	42.46	42.46	14,182	55,028	69,210
1.15 Water Treatment	39.56	39.56	13,213	51,270	64,483
1.16 Water Distribution/Transmission	57.81	57.81	19,309	74,922	94,230
Total	170.94	170.94	57,094	221,538	278,632

Summary of Capital Costs Required for Secondary Plan (2016 \$)

Capital Works	Total Replacement Cost 2016 \$	DC	Non-DC	Local Service	Annual Lifecycle Cost
Transportation Improvements					
New Roads/Realignments					
East Harbour New Collector Roads - Main St Extension	\$ 343,100	\$ 343,100	\$ -	\$ -	\$ 14,000
East Harbour New Collector Roads - East Harbour Loop	\$ 1,504,200	\$ 1,504,200	\$ -	\$ -	\$ 61,500
West Harbour New Collector Roads	\$ 538,800	\$ 538,800	\$ -	\$ -	\$ 22,000
William Street Right-of-Way Changes (one-way traffic)	\$ 541,200	\$ -	\$ 541,200	\$ -	\$ 22,200
Intersection Improvements					
Main Street and Bridge Street Intersection Improvements	\$ 98,000	\$ 98,000	\$ -	\$ -	\$ 7,200
Carlow Road and Bridge Street Intersection Improvements ¹	\$ 196,100	\$ -	\$ -	\$ -	\$ 14,400
Stormwater²					
East Harbour Lands - Sewer Extension (Drainage for Roads)	\$ 232,400	\$ 232,400	\$ -	\$ -	\$ 5,700
West Harbour Lands - Sewer Extension (Drainage for Roads)	\$ 132,400	\$ -	\$ -	\$ 132,400	\$ 3,200
Water					
East Harbour Lands - Watermain Extension	\$ 199,000	\$ -	\$ -	\$ 199,000	\$ 4,700
West Harbour Lands - Watermain Extension	\$ 79,400	\$ -	\$ -	\$ 79,400	\$ 1,900
Wastewater					
East Harbour Lands - Sewer Extension	\$ 264,700	\$ -	\$ -	\$ 264,700	\$ 6,500
East Harbour Lands - Pump Station	\$ 794,100	\$ -	\$ -	\$ 794,100	\$ 25,300
West Harbour Lands - Sewer Extension	\$ 79,400	\$ -	\$ -	\$ 79,400	\$ 1,900
West Harbour Lands - Pump Station	\$ 661,800	\$ -	\$ -	\$ 661,800	\$ 21,100
Environmental Soils Costs					
RSC for West Harbour Lands	\$ 490,200	\$ -	\$ -	\$ 490,200	\$ -
Streetscape Improvements					
Main Street Extension	\$ 1,083,300	\$ -	\$ 1,083,300	\$ -	\$ 31,200
Carlow Road Secondary Main Street	\$ 607,800	\$ -	\$ 607,800	\$ -	\$ 17,500
William Street Local Street	\$ 196,100	\$ -	\$ 196,100	\$ -	\$ 5,600
Bridge Street	\$ 392,200	\$ -	\$ 392,200	\$ -	\$ 11,300
Gateway Features - Apply as park amenities					
Main Street and Bridge Street	\$ 98,000	\$ -	\$ 98,000	\$ -	\$ 3,100
Main Street and new East Harbour Loop Street	\$ 117,600	\$ -	\$ 117,600	\$ -	\$ 3,700
Carlow Road and Bridge Street	\$ 49,000	\$ -	\$ 49,000	\$ -	\$ 1,600
Trails - Parks					
Extension of Trails in East Harbour Lands	\$ 245,100	\$ 220,590	\$ 24,510	\$ -	\$ 9,000
Extension of Trails in West Harbour Lands	\$ 24,500	\$ 22,050	\$ 2,450	\$ -	\$ 900
Promenade along west side of East Harbour Lands	\$ 358,800	\$ 322,920	\$ 35,880	\$ -	\$ 13,100
Public Space - Parks					
New Public Space in East Harbour Lands	\$ 245,100	\$ -	\$ 245,100	\$ -	\$ 9,000
Public Space Improvement at Little Beach	\$ 294,100	\$ -	\$ 294,100	\$ -	\$ 10,800
Public Space Improvement at Hofhius Park	\$ 343,100	\$ -	\$ 343,100	\$ -	\$ 12,500
Total	\$ 10,209,500	\$ 3,282,060	\$ 4,030,340	\$ 2,701,000	\$ 340,900

Capital Costs by Area - Total

Total By Area	DC	Non-DC	Local Service	County Funded
East	2,721,210	1,898,490	1,257,800	-
West	560,850	2,131,850	1,443,200	196,100
Total	3,282,060	4,030,340	2,701,000	196,100

Lifecycle Cost - Total

Area	Lifecycle Cost
East	204,800
West	136,100
Total	340,900

Capital Costs by Area - Tax Supported

Total By Area	DC	Non-DC	Local Service	County Funded
East	2,721,210	1,898,490	463,700	-
West	560,850	2,131,850	622,600	199,000
Total	3,282,060	4,030,340	1,086,300	199,000

Lifecycle Cost - Tax Supported

Area	Lifecycle Cost
East	168,300
West	111,200
Total	279,500

Capital Costs by Area - Rate Supported

Total By Area	DC	Non-DC	Local Service	County Funded
East	-	-	794,100	-
West	-	-	820,600	-
Total	-	-	1,614,700	-

Lifecycle Cost - Rate Supported

Area	Lifecycle Cost
East	36,500
West	24,900
Total	61,400

Replacement costs are based on amounts identified by Dillon

¹ to be funded by the County

²Stormwater works are anticipated to be included in an Area-specific D.C. as the municipality does not currently impose D.C.s for stormwater

Broader Lifecycle Impacts (2016 \$)

Broader Lifecycle Impacts from DC - Tax-supported

Service	Annual Lifecycle Contribution	Forecast Period	Share of Growth	Proportionate Share of Annual Lifecycle costs for this Development
Roads and Related	301,700	17 Year	31.42%	94,788
Fire Protection Services	92,097	17 Year	31.42%	28,935
Parks and Recreation	25,100	10 yr	46.36%	11,636
Library Services	500	10 yr	46.36%	232
Administration Studies	-	10 yr	46.36%	-
Total	419,397			135,591

Broader Lifecycle Impacts from DC - Rate Supported

Service	Annual Lifecycle Contribution	Forecast Period	Share of Growth	Proportionate Share of Annual Lifecycle costs for this Development
Water	4,600	Urban buildout	19.04%	876
Wastewater	208,504	Urban buildout	19.04%	39,689
Administration Studies (Urban)	-	Urban buildout	19.04%	-
Total	213,104			40,564

Development Charge Impacts – Updated Municipal-wide DC for Roads & Parks and Recreation (2017\$)

Services	Residential				Non-residential	
	Multiple (Current)	Multiple (Calculated)	Apartments (Current)	Apartments (Calculated)	Current (per sq.ft.)	Calculated (per sq.ft.)
Municipal-wide Charges						
Roads and Related	858	1,744	597	1,212	0.73	1.28
Parks and Recreation	1,297	1,433	901	996	0.14	0.17

Note: Calculated Rate excludes interest on new growth-related debt.

Development Charge Impacts

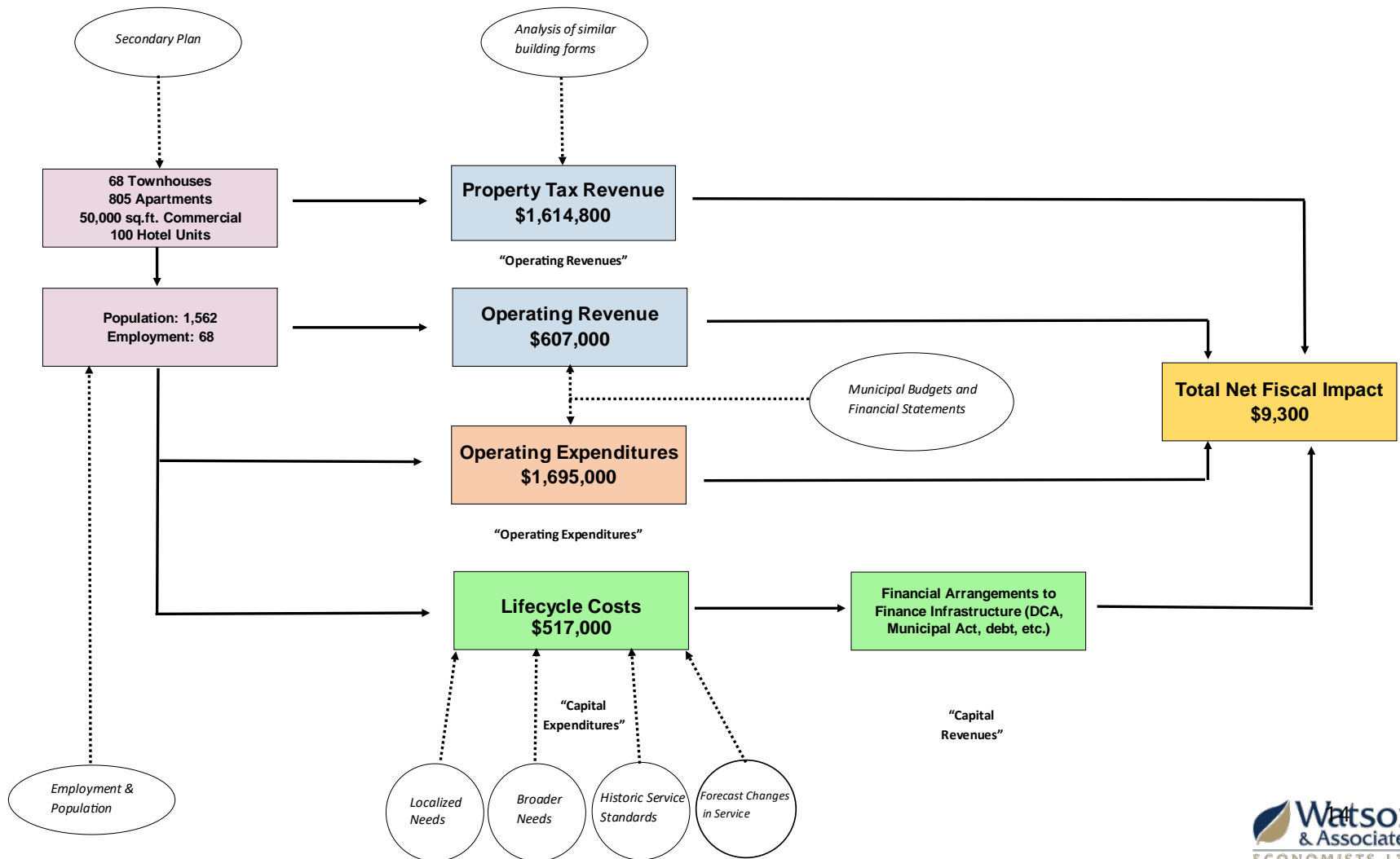
– Area-Specific DC (2017\$)

Service	DC Growth Costs (2017\$)	Residential Cost*	Non-residential Cost*	Residential DC per capita	Non-residential DC per GFA
Stormwater	237,000	227,520	9,480	146	0.19
Total	237,000	227,520	9,480	146	0.19

**based on pop/emp*

Service	Residential DC (Townhouses)	Residential DC (Apartments)	Non-residential DC (per sq.ft. of GFA)
Stormwater	363	252	0.19
Total	363	252	0.19

Fiscal Impact Results



Matters to be Considered which would impact that Fiscal Analysis

- Updates to the Municipality's Local Service Policy may be required to define what is a developer direct cost vs. a D.C. cost
- Incentive programs which reduce the revenue potential from taxes, rates and/or D.C.s would impact the fiscal analysis negatively
- Cost of the Municipality undertaking the works up front could impact cash flow and require additional debt

Other Matters - Dredging

- ❑ Current information indicates dredging is required every 10 years at a cost of approximately \$1.5 million per dredge.
- ❑ The municipality has approximately \$2.5 million in uncommitted contribution funding from the Divestiture that can be put towards these future costs. This would allow the Municipality to address approx. 1.7 dredges or more with investment income.
- ❑ If additional revenue materialized as a result of land sales, the number of dredges could be enhanced.
 - Additional \$500,000 would increase this to 2 dredges
 - Additional \$1 million would increase this to 2.3 dredges
 - \$2 million would increase this to 3 dredges

Questions
