



Town of Caledon Growth Management Phasing Plan and Financial Impact Assessment

Planning and Development Committee

November 19, 2024

In association with:

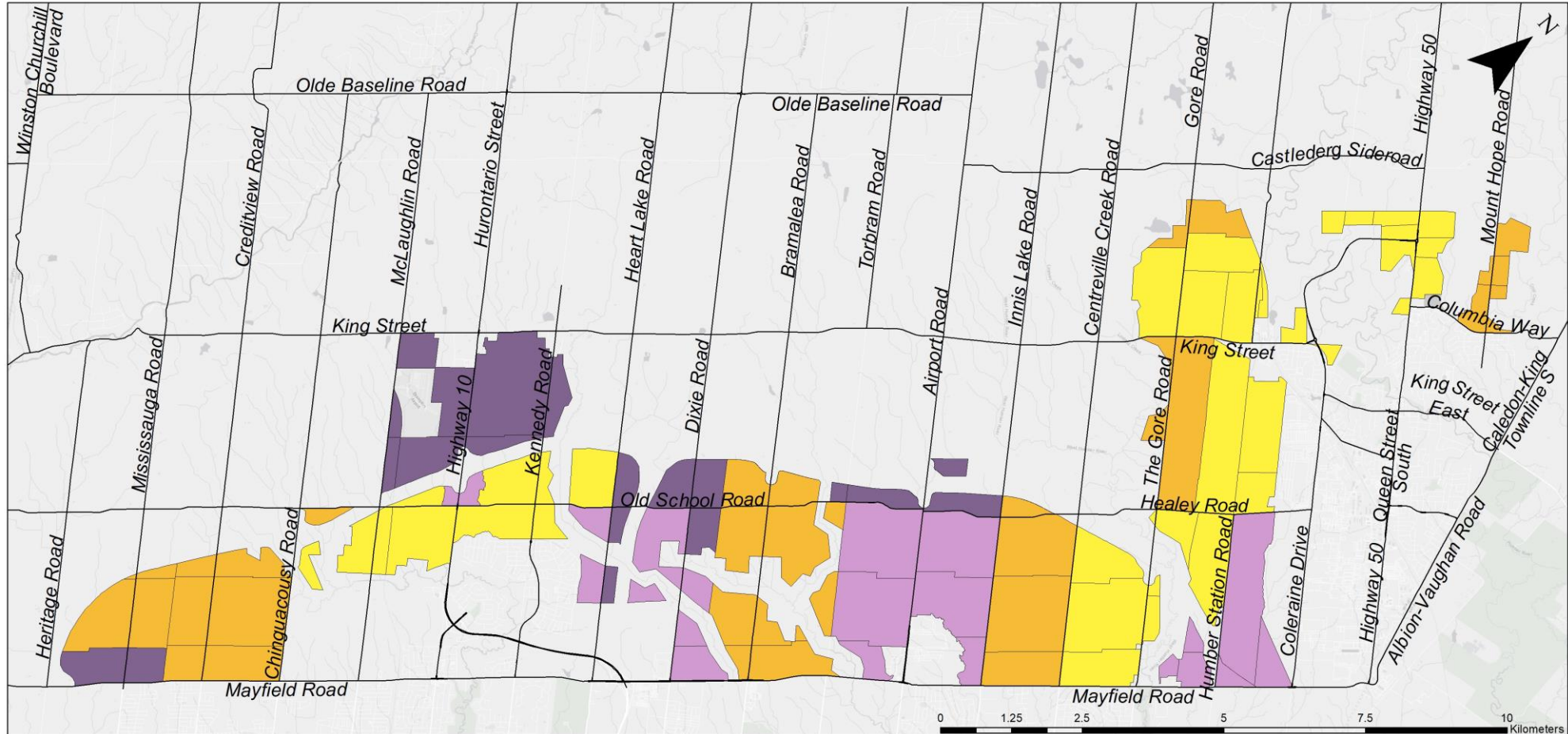


Introduction



- Watson & Associates (Watson), GEI Consultants Inc. (GEI), and HDR were retained to conduct a Growth Management and Phasing Plan (GMPP).
- Plan will prioritize and phase the growth optimally to ensure for a ‘Made in Caledon’ solution, guided by a set of phasing plan criteria.
- The plan includes analysis/modelling of infrastructure considerations related to water/wastewater and transportation/transit, including costing.
- A financial impact assessment (FIA) has now been conducted and is the focus of today’s presentation.
- Final GMPP to be implemented into the Official Plan as appropriate.

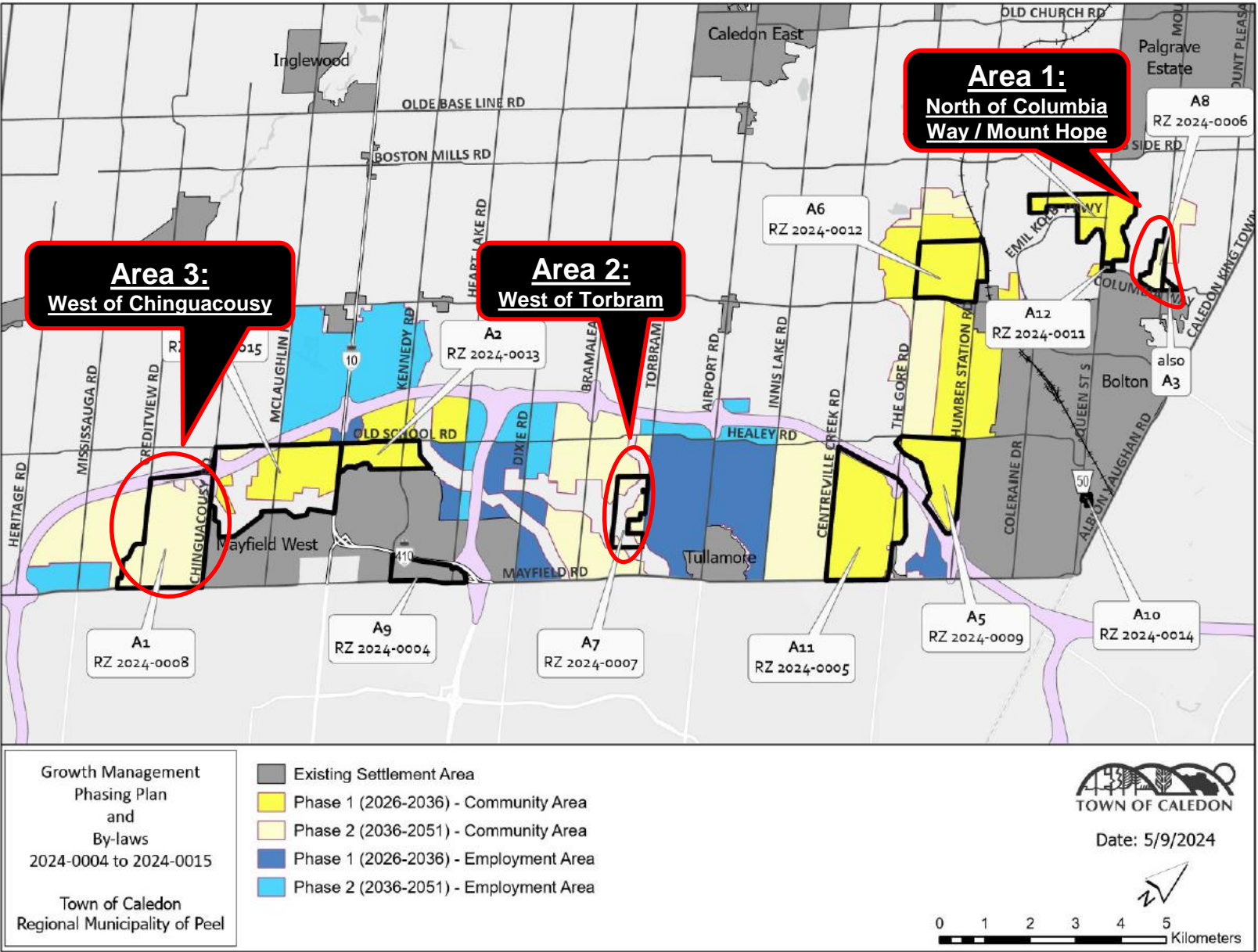
Town of Caledon - Proposed Growth Phasing: 2026 - 2051



Legend Phasing

- | | | | |
|-------------------------------------------------------------------------------------|------------------------------------------|---------------------------------------------------------------------------------------|-------------------------------------------|
|  | Phase 1 (2026-2036) - New Community Area |  | Phase 1 (2026-2036) - New Employment Area |
|  | Phase 2 (2036-2051) - New Community Area |  | Phase 2 (2036-2051) - New Employment Area |

Phasing Plan with Additional Phase 1 Lands through Council Rezoningings



Transportation Assessment for GMP Land Use

Transportation Analysis






Capital Costs for Roads

- Road network improvements and associated cost estimation were carried out for roads that are under both the Town's and Region's jurisdictions.
- The improvement needs for the Town's roads were presented earlier, and Regional Roads are presented in the following slides.

Road Improvement Phasing: Town's Roads



Road Improvements (Phasing)

-  Widening to 4 lanes (by 2031)
-  Widening to 4 lanes (by 2041)
-  Widening to 4 lanes (by 2051)



Capital Costs for Regional Roads (within Town)

- The improvement needs for the regional roads were identified using the Region's 2024 ten-year capital program and the Region's 2019 Long-Range Transportation Plan (LRTP).
- The ten-year capital program identifies the road network improvements up to 2033. The road improvement needs beyond 2033 were considered using LRTP and the Region's travel demand model.
- For regional roads proposed for widening by 2033, the capital costs were identified from the Region's 2024 ten-year capital program.
- For the regional roads planned for widening beyond 2033, the capital costs were estimated using the unit costs derived from the ten-year capital work plan.

Road Improvement Phasing: Regional Roads within the Town by 2033



Road Improvements

- Widening from 2 to 4 Lanes
- Widening from 2 to 5 Lanes
- Widening from 2 to 6 Lanes
- Widening from 4 to 6 Lanes
- Widening from 5 to 6 Lanes

Road Improvement Phasing for Regional Roads within the Town by 2041



Road Improvements

- Widening from 2 to 4 Lanes
- Widening from 2 to 5 Lanes
- Widening from 2 to 6 Lanes
- Widening from 4 to 6 Lanes
- Widening from 5 to 6 Lanes

O&M + Life Cycle Costs for Regional Roads



- Routine operation and maintenance costs for the Region's road network were retained consistent with the Town roadways' cost estimates.
- A 10% higher life cycle cost was assumed for regional roads compared to the Town's streets, considering regional roads typically accommodate higher truck traffic volumes and require higher design standards and more frequent pavement repair/replacement.
- Life cycle costs for structures were estimated based on the Region's 2024 ten-year capital program.
- The total life cycle costs are expected to increase from \$16.08 million in 2024 to about \$17.77 million in 2051 (estimated in 2024 \$ value). This results in total requirements of about \$488.0 million for the Region's road network within the Town (from 2024 to 2051).

Fiscal Requirements for Transportation within the Town from 2024 to 2051 (in \$ 2024 value)



Description	Cost (\$-million)
Town's Road Network	
Capital Costs	\$756.8 M
Operational and Maintenance Costs	\$944.0 M
Life Cycle Costs	\$1,373.1 M
Total Costs for Town' Road Network	\$3,073.9 M
Regional Road Network	
Capital Costs	\$388.1 M
Operational and Maintenance Costs	\$244.1 M
Life Cycle Costs	\$488.0 M
Total Costs for Regional Road Network	\$1,120.2 M
Total Cost for Roads	\$4,194.1 M
Total Cost for Transit (Capital, O&M)	\$236.4 M
Total Transportation Costs	\$4,430.5M

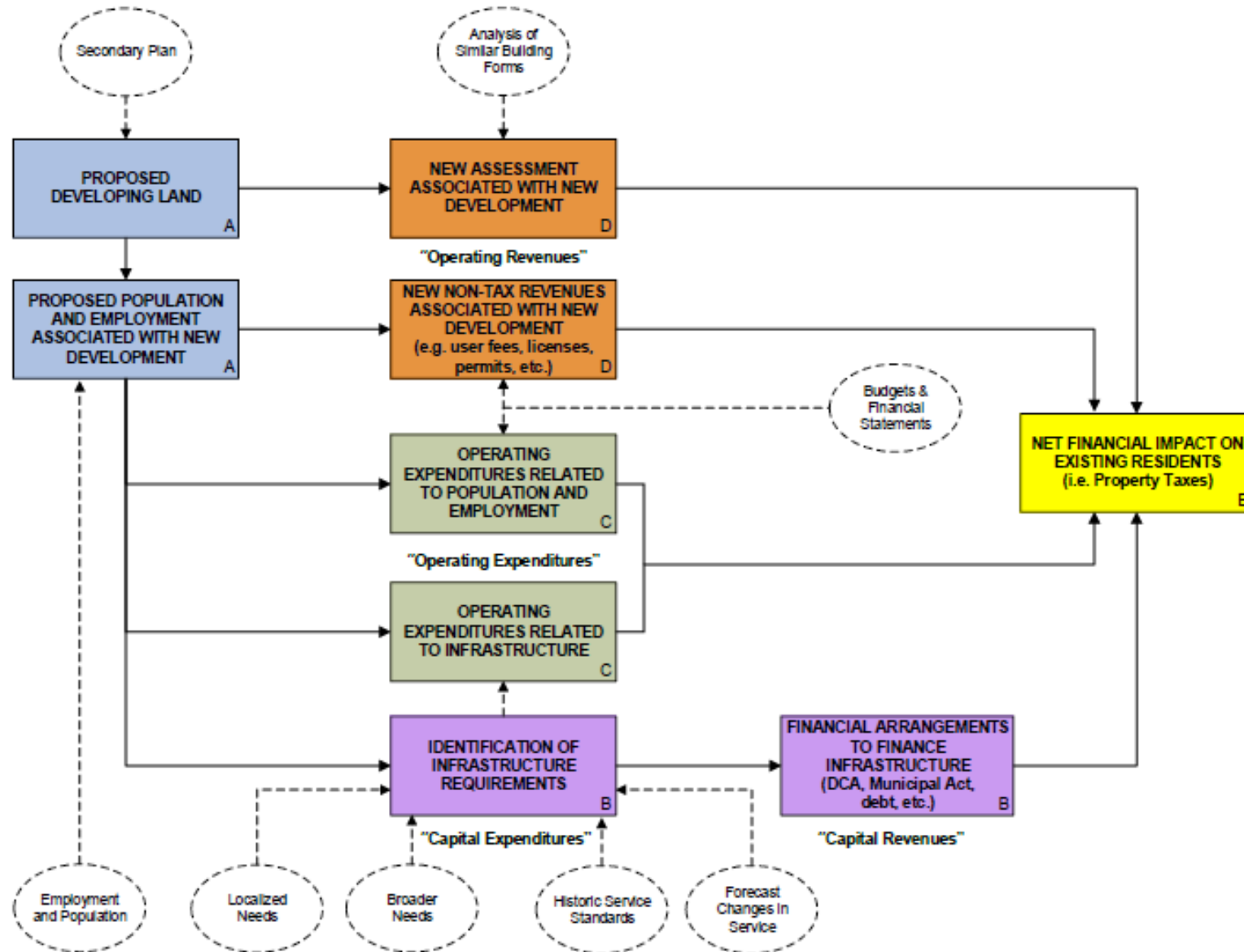
Fiscal Impact Analysis

Fiscal Impact Analysis - Overview



- The Fiscal Impact Analysis (FIA) was undertaken to evaluate the annual and cumulative financial impacts of residential and non-residential development over the 2024-2051 period on the Town
- When assessing whether the forecast development will occur in a manner that does not place a fiscal burden on the Town (i.e., increased debt, tax rates, or reduction in the levels of service below acceptable levels), the following inputs were considered:
 - Property assessment growth resulting from the forecast residential and non-residential development;
 - Net operating expenditures;
 - Capital expenditures and funding sources (Town infrastructure only), including the total cost of ownership (i.e., operating, maintenance, and capital lifecycle replacement costs); and
 - Tax and non-tax revenues.

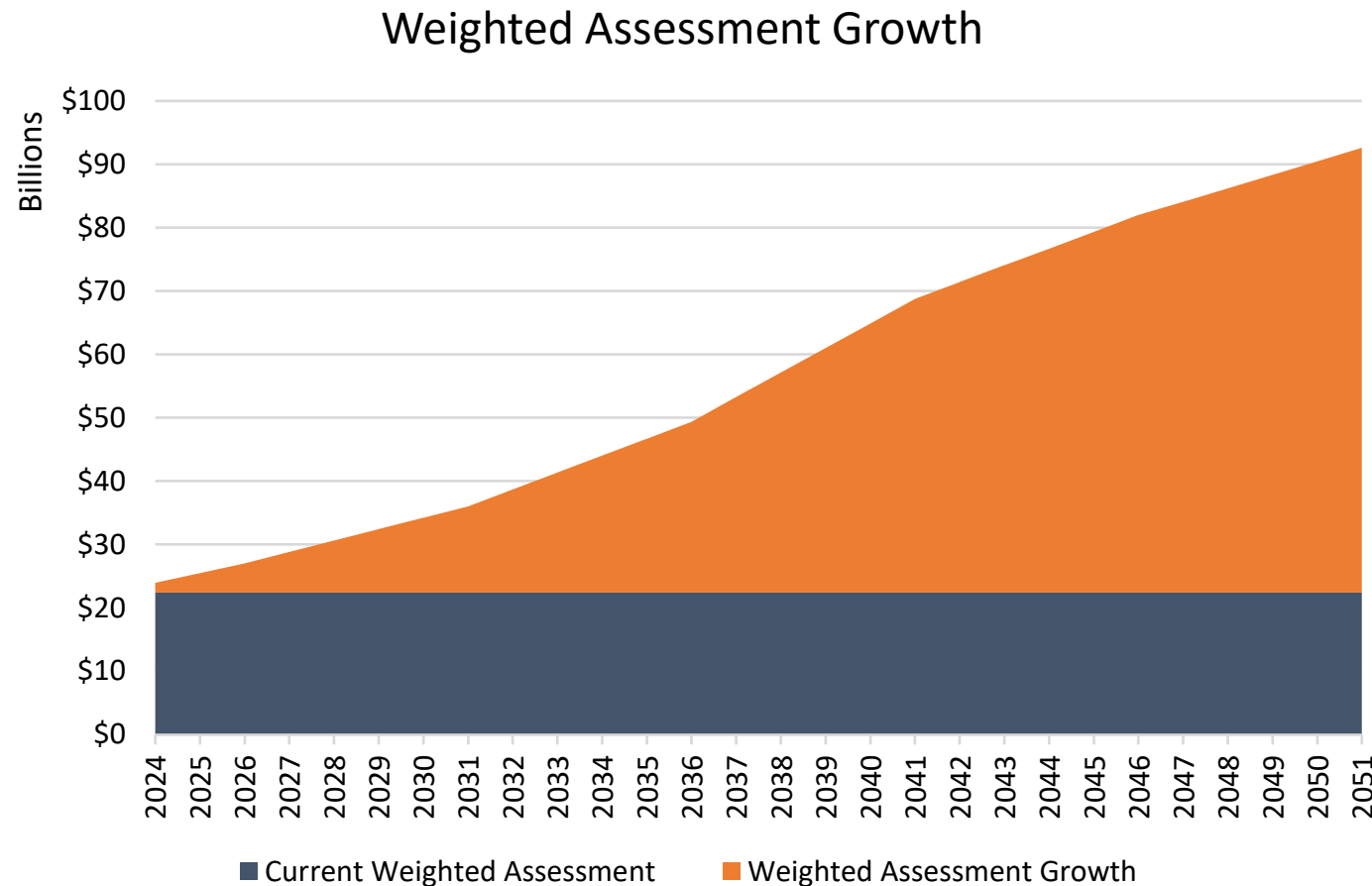
Approach & Methodology



Property Assessment Forecast



- Growth over the 2024-2051 period will produce incremental property assessment growth of \$61.6 billion (of which 72% relates to residential development)

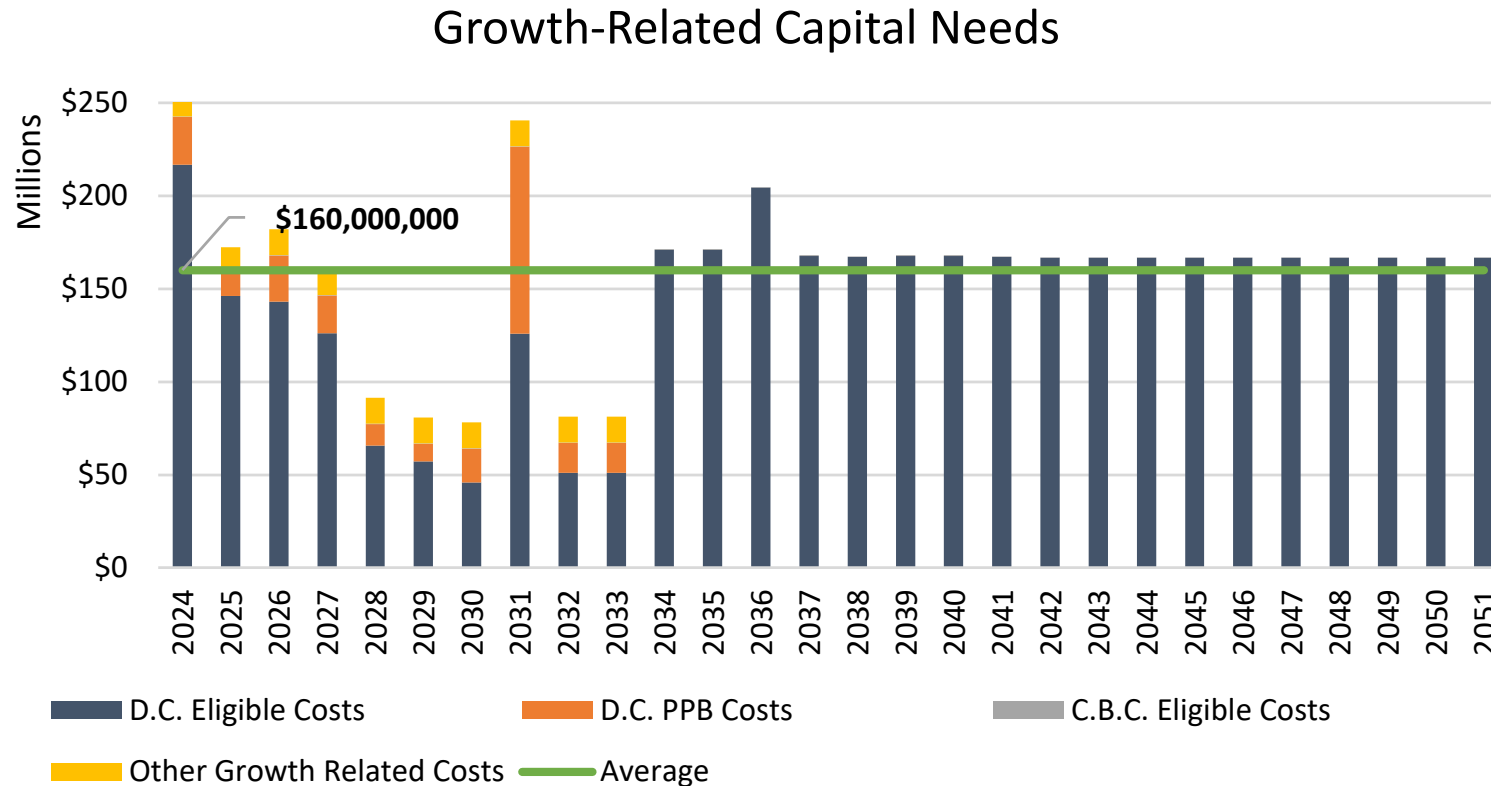


- After applying the Town's current tax ratios, the incremental assessment growth of \$70.1 billion represents an increase of 312% over the Town's current assessment base



Capital Expenditure Forecast

- Capital needs to accommodate development are based on the Town's 2024 Development Charges (D.C.) Background Study and 2024 Community Benefit Charges (C.B.C.) Strategy for the 2024-2033 period

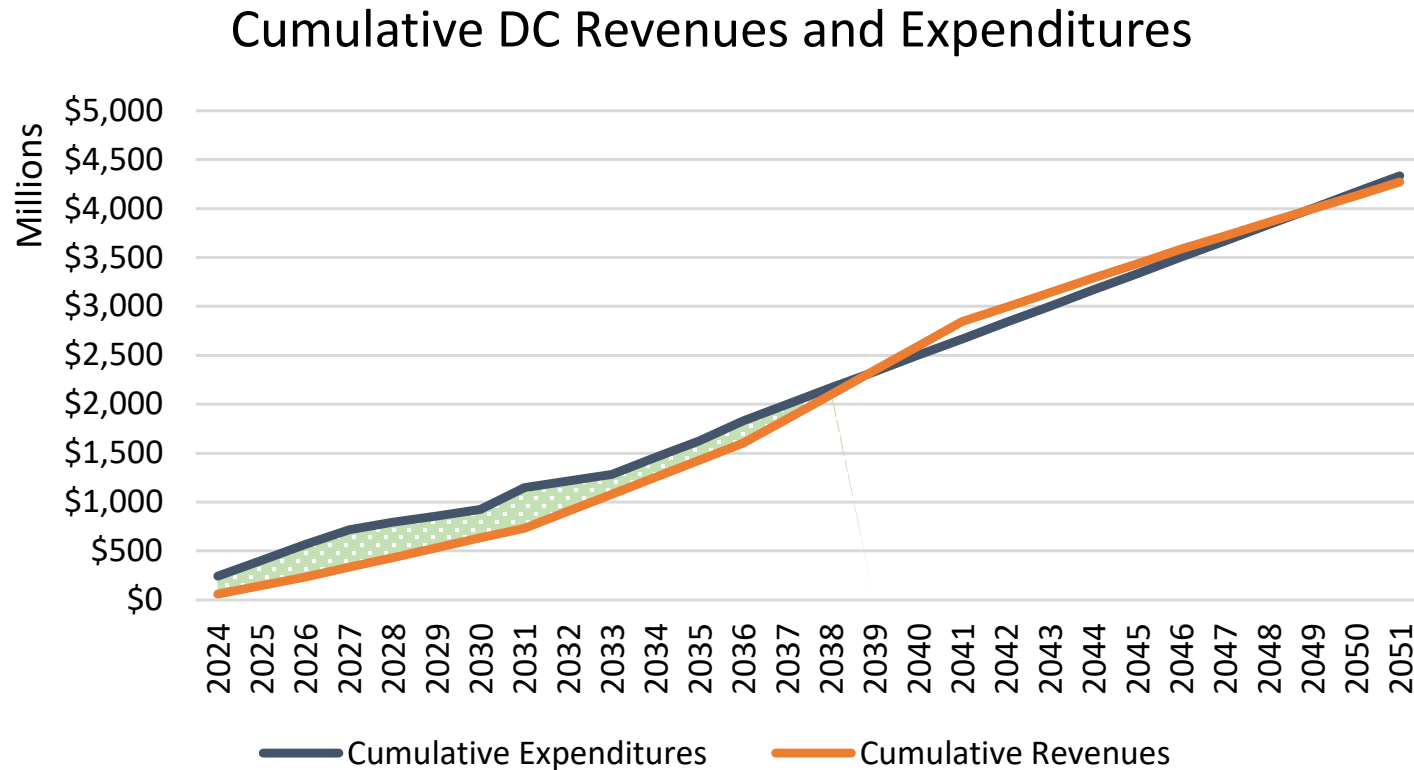


- Average annual capital needs total \$160 million

D.C. Capital Expenditure & Revenue Impacts



- Based on the timing of development and infrastructure requirements, cumulative D.C. revenues and expenditures have been forecast

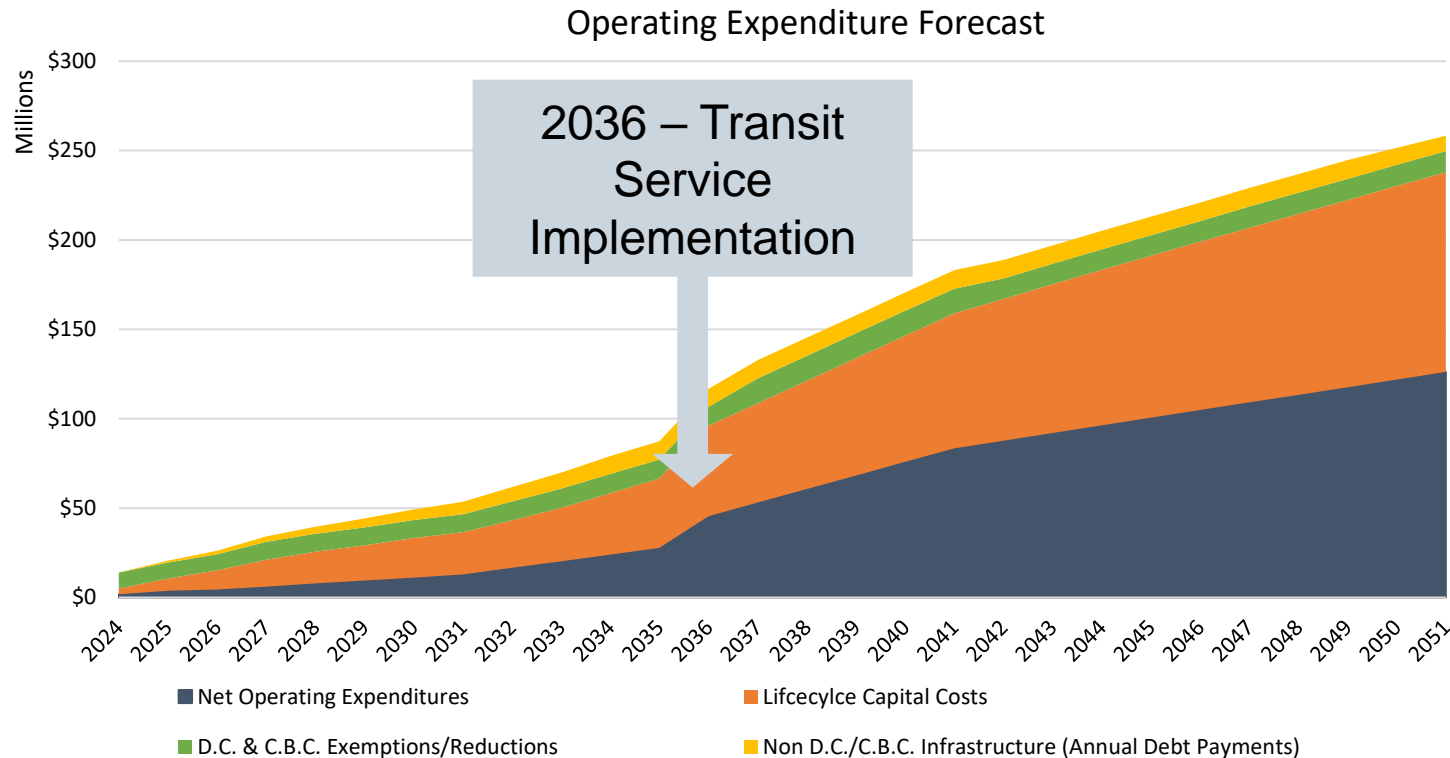


- Near term expenditures would exceed revenues, requiring interim funding needs to peak at \$416.7 million in 2031
- Interim funding sources include long-term debt, other internal reserves (considering other Town funding priorities), and front-end financing assistance from developers



Operating Expenditure Forecast

- Incremental net annual operating expenditures would increase to \$117 million by 2036 and \$258 million by 2051

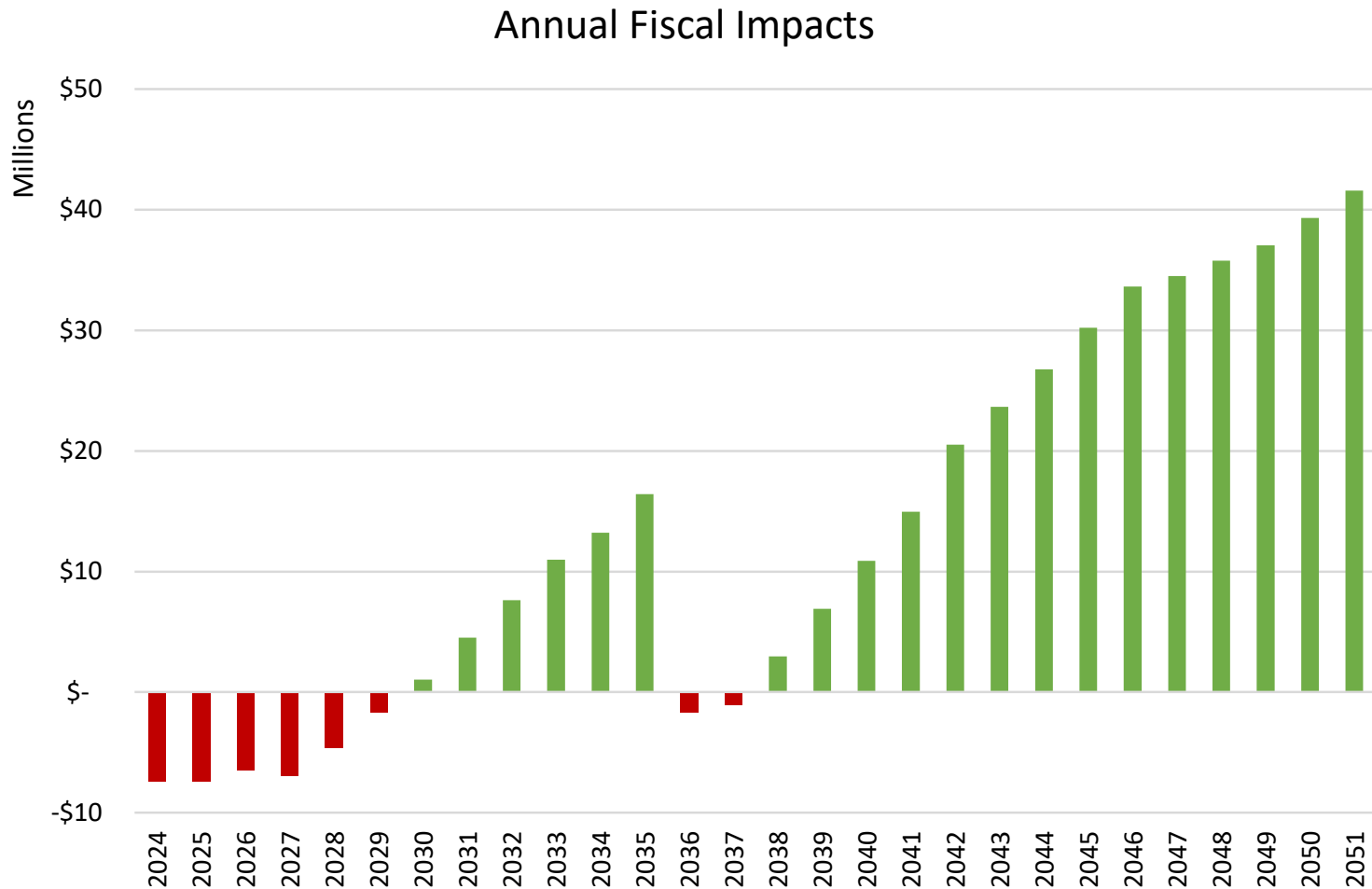


- Average annual capital lifecycle contributions represent 43% of the annual expenditures at 2051

Annual Fiscal Impacts



- Annual fiscal impacts consider annual property tax revenue at current tax rates less forecast operating expenditures

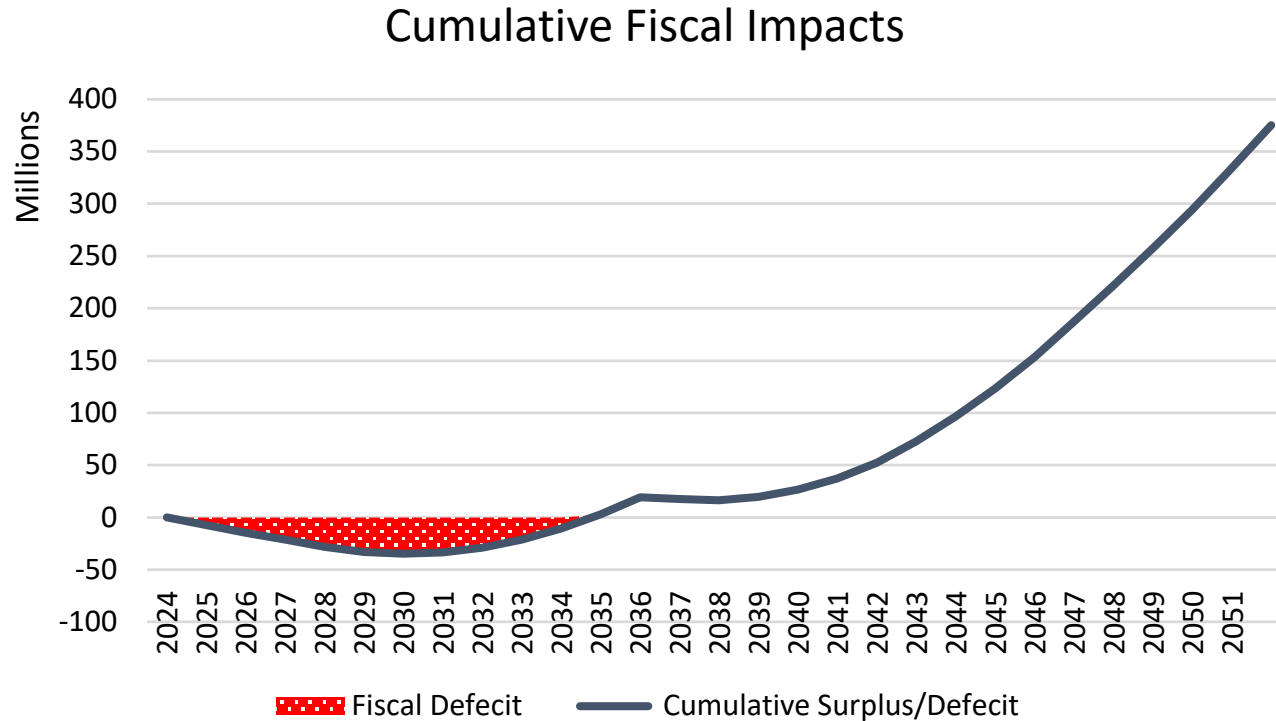


- Deficits anticipated between 2024-2029 and 2036-2037
- All remaining years have an annual fiscal surplus, increasing to \$42 million in 2051

Cumulative Fiscal Impacts



- Annual deficits between 2024 to 2029 would total \$35 million
- Surpluses in future years would repay the deficit by 2034



- Near term shortfalls could be addressed by deferring capital lifecycle contributions for new infrastructure until later in the forecast period when surpluses are available
 - 2029 to 2029 lifecycle contributions total \$73 million

Fiscal Impact Analysis – Key Assumptions/Risks



- Key assumptions/risks to the FIA include:
 - **Pace of growth.** Decreased/delayed development reduces capital funding sources (e.g. D.C. revenue) and taxation revenue to pay for capital construction and operating costs of new infrastructure
 - **Property assessment assumptions.** Decreased property assessment growth will reduce forecast property tax revenue to fund future operating costs
 - **Long-term capital costs.** Accelerated timing or greater than inflationary cost increases will place upward pressure on capital and operating costs
 - **Operating cost and non-tax revenue assumptions.** Assumptions on economies of scale that exist for different operating cost/revenue sources have been made. Where economies of scale are not realized, pressure will be placed on funding sources
 - **Total cost of ownership assumptions for new infrastructure.** Changes in asset management strategies or costs to maintain infrastructure at desired service levels could increase/decrease the forecast lifecycle costs

Next Steps



- The FIA is the final component of the Caledon GMPP project
- Next steps include:
 - The integration of the GMPP into the Town's Official Plan
 - Consider the establishment of a monitoring framework to guide the GMPP development (e.g., timing and location of development approvals, servicing requirements and infrastructure planning, fiscal impacts and capital funding sources)