Airport Employment Growth District Fiscal Impact Analysis

City of Hamilton

Watson & Associates Economists Ltd.
905-272-3600
info@watsonecon.ca

August 2026

Table of Contents

Table of Contents (Cont'd)

Page

List of Acronyms and Abbreviations

Acronym	Full Description of Acronym
A.E.G.D.	Airport Employment Growth District
D.C.	Development charge
G.F.A.	Gross floor area
F.I.R.	Financial Information Return
P.P.S.	Provincial Policy Statement
Sq.ft.	Square feet
T.M.P.	Transportation Master Plan
U.H.O.P.	Urban Hamilton Official Plan

Report

Chapter 1
Introduction

1. Introduction

1.1 Purpose of Study

The City of Hamilton ("City") is currently undergoing a process to review and update the Airport Employment Growth District (A.E.G.D.) Secondary Plan to reflect the recently updated A.E.G.D. Transportation Master Plan. As part of this update to the Secondary Plan, Watson & Associates Economists Ltd. ("Watson") has been retained to undertake a fiscal impact analysis to assess the impact of the development on services provided by the City and to determine the capital and operating expenditure implications, along with the anticipated revenues to be generated from the development of the Secondary Plan Area. Note: Watson undertook a fiscal impact analysis in 2010 as part of the work undertaken for the initial A.E.G.D. Secondary Plan. This study seeks to update the analysis to reflect new information as part of the update to the Secondary Plan.

1.2 Approach

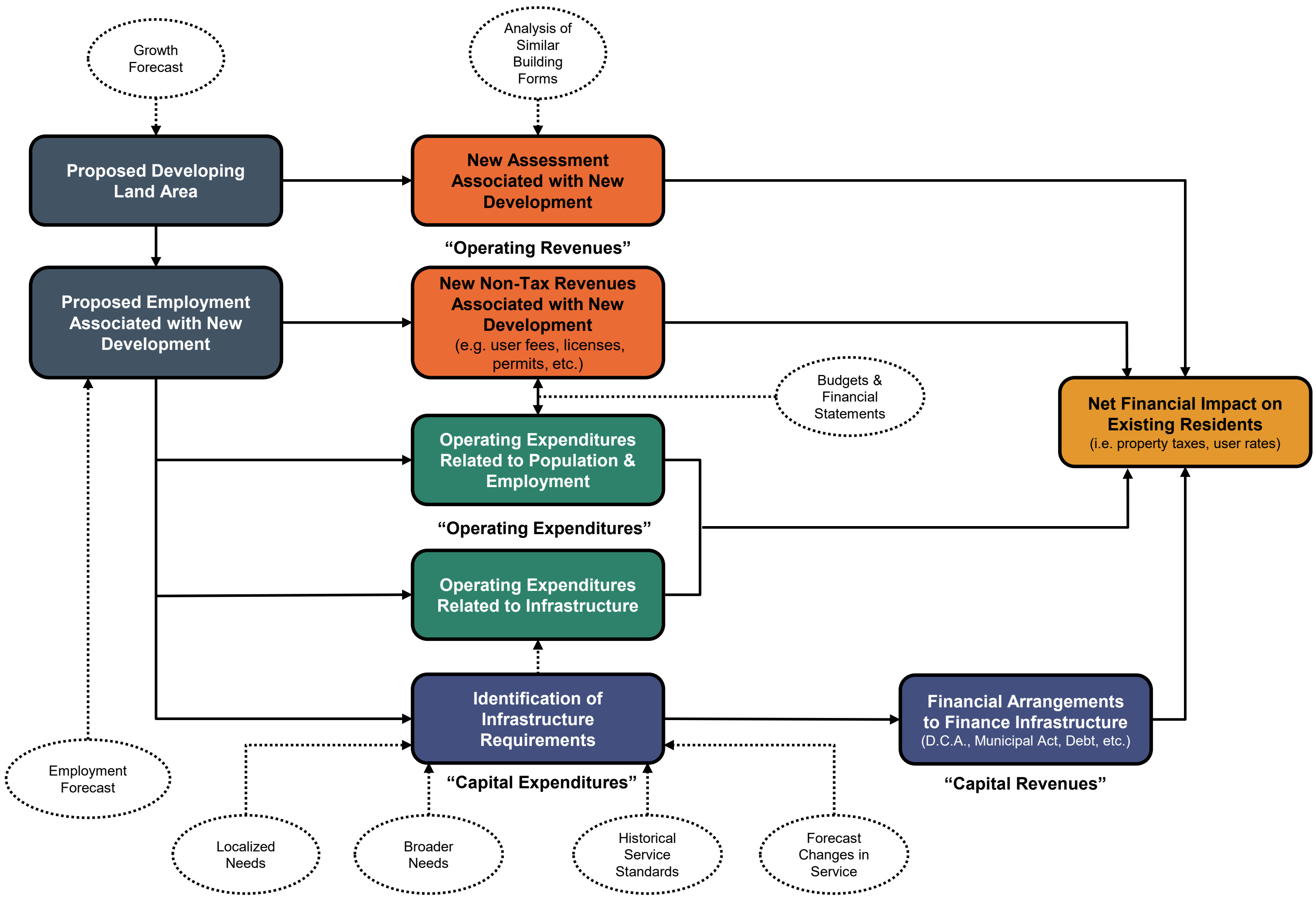
The approach utilized in this analysis is consistent with the methodology devised by the firm and used for over 42 years to evaluate the fiscal impacts for more than three dozen landowners, the Ministry of Municipal Affairs and Housing, the Ontario Land Corporation, Canada Mortgage and Housing Corporation, and municipalities such as Hamilton, York Region, Barrie, Oakville, Burlington, Milton, Caledon, Durham Region, and Halton Region.

Essentially, the methodology involves an operating and capital cost analysis. The operating cost analysis involves calculating the City's tax and non-tax figures with the addition of the proposed Secondary Plan development. Note that for the purposes of this analysis, we have used 2022 Financial Information Return (F.I.R.) data as it provides the most up-to-date data on actual spending and revenues received for the City. The data for existing population and employment is based on the City's development charge (D.C.) background study. For the evaluation, revenues and expenditures attributable to the development are estimated on an incremental basis. That is, revenue and expenditure dollars are assigned to the project, only in accordance with anticipated variations it would create from the 2022 base year, if it had been built out, as of that time. Sunk costs are ignored, and service levels are planned as remaining generally constant.

The capital cost analysis discusses the funding sources available to the City. The financing methods and the resultant charges involved are variable, depending on ultimate servicing solutions, municipal financial policy decisions and detailed benefiting area calculations. Figure 1-1 provides for a schematic of the fiscal impact calculation process. The following provides a further description of the steps undertaken:

- **Dark Blue Boxes** denote the anticipated development within the A.E.G.D. Secondary Plan. The lower box denotes the growth forecast which is detailed in Chapter 2.
- **Purple Boxes** denote the capital infrastructure needs and associated financing to service the anticipated development. The capital requirements to support the servicing needs for water, wastewater, and roads have been identified through master plans and the City's D.C. Background Study. Where capital costs have not been identified, high-level calculations were undertaken to determine potential capital costs for the purposes of this analysis. The resultant capital needs and financing methods for funding the infrastructure are detailed in Chapter 3.
- **Green Boxes** denote the additional operating expenditures anticipated over time. These costs have been assessed on two different bases: operating costs related to infrastructure and operating costs related to population/employment. The former identifies the specific operating costs anticipated to be incurred as additional infrastructure (i.e., roads, parks, watermains, sanitary sewers, etc.) is constructed. The latter identifies program expenditures which are linked to population and employment growth. These impacts are discussed in Chapter 4.
- **Dark Orange Boxes** denote anticipated operating revenues commensurate with growth. The upper box identifies the additional assessment anticipated as 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 employment growth. The non-tax revenues and assessment growth are discussed in Chapter 4.
- **Yellow Box** denotes the overall financial impact on property taxes and rates over the forecast period. This impact is discussed further in Chapter 6.

Figure 1-1
A.E.G.D. Secondary Plan Fiscal Impact Analysis
Fiscal Impact Calculation Process



Chapter 2
Overview of Development Area

2. Overview of Development Area

2.1 Introduction

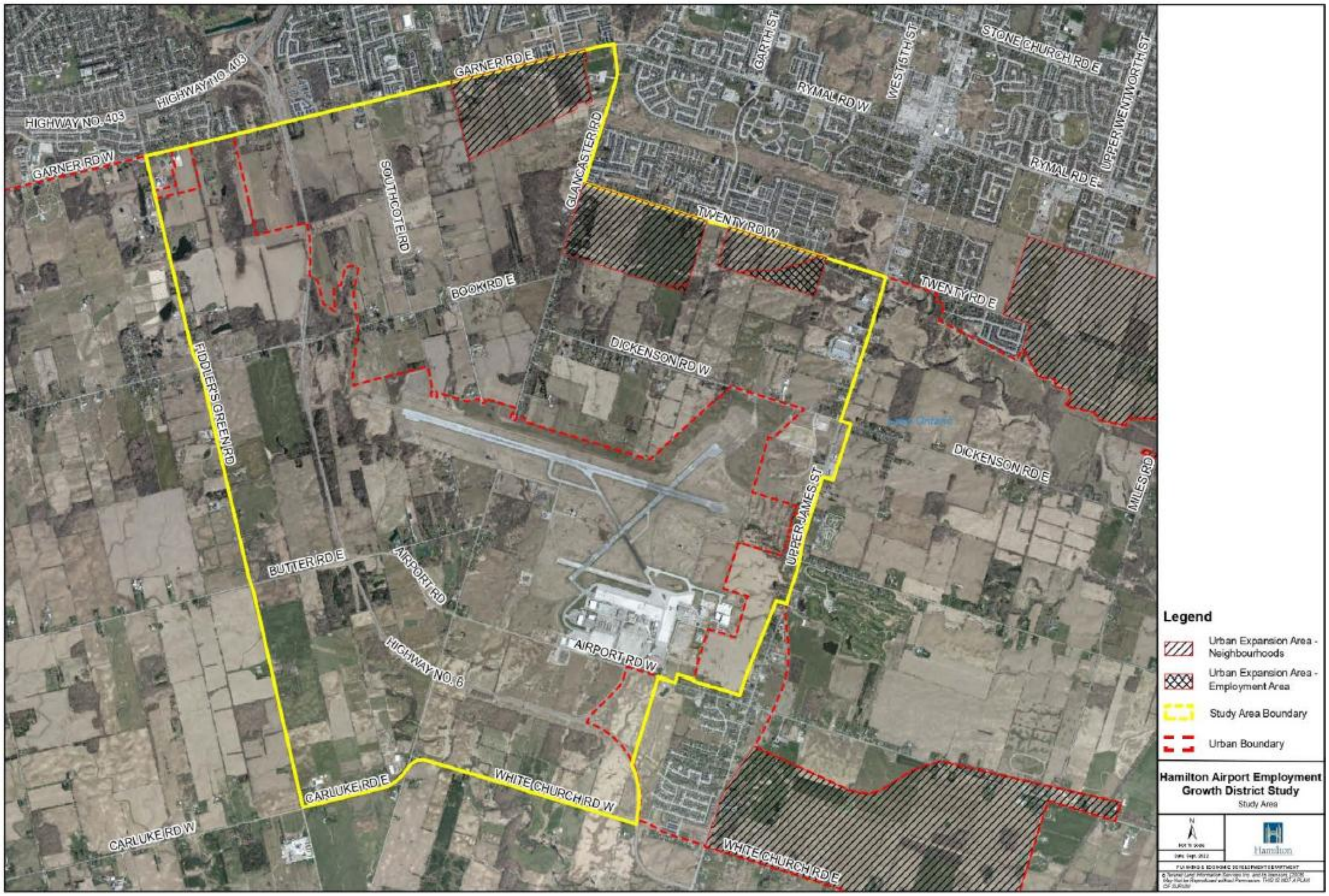
This chapter of the report describes the A.E.G.D development area with respect to matters most relevant to a fiscal impact assessment: land use, building area, number of employees and future property assessment.

2.2 Development Area

The A.E.G.D. is a Provincially significant employment zone located in the southwest area of the City and surrounding the John C. Munro Hamilton International Airport. Parts of the study area are within the existing urban boundary while lands located to the south and west of Highway 6 South are in the rural area.

The study area is currently characterized as predominantly agricultural and rural residential lands, although lands within the Secondary Plan are primarily zoned industrial in accordance with the approved Secondary Plan. Figure 2-1 provides a map of the study area.

Figure 2-1
A.E.G.D. Secondary Plan Fiscal Impact Analysis
Map of Study Area



Based on the approved A.E.G.D. Secondary Plan, the study area will consist of primarily industrial development, with supporting commercial and institutional uses. The approved Secondary Plan identified that the development will provide for growth of 43,200 additional employees. This assumption, along with the mix of employment identified in the 2010 Fiscal Impact Analysis have been utilized for the purposes of this study.

To determine the building area associated with this employment, floor space per worker assumptions from the City's 2024 Development Charges Background Study were utilized to reflect current trends. Based on Table 2-1 below, the development of the A.E.G.D. area is anticipated to result in 37.54 million square feet of non-residential building area.

Table 2-1
A.E.G.D. Secondary Plan Fiscal Impact Analysis
Summary of Development

Non-Residential Development Type	Employment Yield	Square Foot Per Employee Assumption	Gross Floor Area (sq.ft.)
Industrial	24,948	1,200	29,937,600
Commercial	17,172	400	6,868,800
Institutional	1,080	680	734,400
Total	**43,200**		**37,540,800**

2.3 Property Assessment Assumptions

Property assessment (i.e. Current Value Assessment) is the basis on which property taxes are paid to municipal government. As the A.E.G.D. Secondary Plan Area is developed, the City will receive additional assessment arising from the completion of the non-residential building construction which will in turn, increase the City's ability to raise tax revenue. Table 2-2 provides for the estimated new assessment to be generated from the development.

The assessment for non-residential development was based on a survey of recently constructed industrial and commercial development across the City. Based on an analysis of these buildings, the average assessment utilized is $79 per sq.ft. for industrial development and $234 per sq.ft. for commercial development. These average assessment values have been incorporated into the fiscal impact analysis.

The total property assessment value for the A.E.G.D. Secondary Plan area, which provides the basis for property tax revenues, is calculated utilizing the average assessment per square foot multiplied by the estimated gross floor area (G.F.A.). This calculation is provided in Table 2-2. Note: this analysis assumes that institutional development is related to public administration, therefore no tax revenues have been estimated for this type of development.

Table 2-2
A.E.G.D. Secondary Plan Fiscal Impact Analysis
New Assessment in Secondary Plan Area

Non-Residential Development Type	Average Assessment per Sq.ft.	Estimated Gross Floor Area (sq.ft.)	Assessed Value
Industrial	$79	29,937,600	$2,365,070,400
Commercial	$234	6,868,800	$1,607,299,200
Total		**36,806,400**	**$3,972,369,600**

In calculating property taxes, properties are grouped into four main categories: residential, commercial, industrial, and farmland. Tax ratios are then established for each property class. The *Municipal* Act states that:

> *"The tax ratios are the ratios that the tax rate for each property class must be to the tax rate for the residential property class where the residential property class tax ratio is 1".*

Municipalities in Ontario commonly utilize an enhanced tax ratio for commercial and industrial properties such that these categories pay a proportionately higher amount of property tax for the same property assessment value of a residential property. For the City of Hamilton, the tax ratio is 1.98 for commercial and 3.20 for industrial (i.e. 198% and 320% of residential, respectively).

As tax ratios are established to weight the property categories relative to the residential class, these tax ratios can be utilized to calculate the weighted assessment. The total weighted assessment in a municipality is divided into the amount of tax dollars that are required in order to calculate the residential tax rate. The tax ratio for each property class is then multiplied by the calculated residential tax rate to determine the tax rate for each property class. Table 2-3 below provides for the calculation for weighted assessment associated with development in the A.E.G.D. Secondary Plan Area. This weighted assessment is utilized to calculate the taxation revenues in Section 4.4 of this report.

Table 2-3
A.E.G.D. Secondary Plan Fiscal Impact Analysis
Weighted Assessment Increment

Type of Development		Tax Ratio	Assessment
Commercial	Annual Assessment		1,607,299,200
	Weighted	1.98	*3,182,452,416*
Industrial	Annual Assessment		2,365,070,400
	Weighted	3.20	*7,564,677,674*
Total Weighted Assessment			**10,747,130,090**

2.4 Planning for the Hamilton A.E.G.D. Within the Context of the Provincial Planning Statement (P.P.S.), 2024

2.4.1 Changing Provincial Planning Policy Direction Regarding Employment Areas

On August 19, 2024, the Province released the Provincial Planning Statement (P.P.S., 2024), which replaces the Provincial Policy Statement, 2020 (P.P.S., 2020) and a Place to Grow: Growth Plan for the Greater Golden Horseshoe, 2019 (the Growth Plan) as an integrated document. The P.P.S., 2024 came into effect on October 20, 2024, and was released in coordination with Bill 185, *Cutting Red Tape to Build More Homes Act*.

A key focus of the P.P.S., 2024 is that it recognizes that the approach to delivering housing needs and Employment Area land need requirements will vary by municipality and, as such, moves away from a prescriptive guideline-based approach. The P.P.S., 2024 includes an updated definition of Employment Area based on the amendment of the Planning Act on June 8, 2023. More specifically, under Section 1, sub (1) of the Planning Act, an "Area of Employment" means:

"An area of land designated in an official plan for clusters of business and economic uses, including, those being uses that meet the following criteria:

1 The uses consist of business and economic uses, other than uses referred to in paragraph 2, including any of the following:
   I. manufacturing.
   II. Uses related to research and development in connection with manufacturing anything.
   III. Warehousing uses, including uses related to the movement of goods.
   IV. Retail uses and office uses that are associated with uses mentioned in subparagraphs i to iii,
   V. Facilities that are ancillary to the uses mentioned in subparagraphs i to iv.
   VI. Any other prescribed business and economic uses.

2 The uses are not any of the following uses:
   I. Institutional uses.
   II. Commercial, including retail and office uses not referred to in subparagraph 1 iv."

According to the P.P.S., 2024, municipalities are to assess and update their respective Employment Areas identified in Official Plans (O.P.s) to ensure that this designation is appropriate to the planned function of Employment Areas.

2.4.2 Employment Area Removals

Changes to the designation of a site identified as "Employment" in the Urban Hamilton Official Plan (U.H.O.P.), to allow for uses not permitted under the revised and more narrowed definition of an Employment Area is considered an Employment Area removal in accordance with the PPS, 2024. Section 2.8.2.5 of the P.P.S., 2024 states:

> "Planning authorities may remove lands from employment areas only where it has been demonstrated that:

a) there is an identified need for the removal and the land is not required for employment area uses over the long term and where the proposed uses would not negatively impact the overall viability of the employment area by:
   1. avoiding, or where avoidance is not possible, minimizing and mitigating potential impacts to existing or planned employment area uses in accordance with policy 3.5;
   2. maintaining access to major goods movement facilities and corridors;

b) existing or planned infrastructure and public service facilities are available to accommodate the proposed uses; and

c) the municipality has sufficient employment lands to accommodate projected employment growth to the horizon of the approved official plan."

Under the new provincial definition of Employment Area, the City of Hamilton (along with all other Ontario municipalities) is required to plan for and protect industrial uses based on a more narrowly scoped definition of Employment Area and is limited to uses which are primarily industrial in nature, or other uses associated or ancillary to the primary use. Lands that do not meet the Employment Area definition would not be subject to provincial Employment Area protection policies and may allow opportunities for residential and other non-employment uses.[1] Under some circumstances an Employment Area removal may be justified for planning and economic reasons, provided such decisions are made using a systematic approach and methodology.

It is important to recognize that the provincial policy changes to Employment Areas will not result in a change to forecast demand for employment by sector in Hamilton. However, these policy changes do have an impact on the nature in which future jobs are accommodated by land use designation.

In contrast to the above, structural changes in the broader economy and the nature of how we work will continue to alter the nature of economic activities both within and outside of Employment Areas. These changes in economic and market conditions will potentially impact the demand for employment by sector, as well as built form, siting requirements and land needs for both Employment lands and other employment-generating lands. These impacts should be reviewed and considered by the City within the context of the City's Official Plan Review process.

2.4.3 Planning Implications for the Hamilton A.E.G.D.

In response to recent changes to provincial policy with respect to Employment Areas, this section provides a brief discussion as it relates to planning for the Hamilton A.E.G.D. This discussion recognizes that the key issues and policy approach to addressing the City's Employment Areas will differ when addressing the City's established Employment Areas, in contrast to the developing greenfield Employment Areas within the Hamilton A.E.G.D. While most of the City's designated Employment

[1] Provincial Planning Statement, 2024, definitions, p. 34.

Areas outside of the A.E.G.D. are largely developed, the subject lands have yet to be established.

For both established and establishing Employment Areas (such as the Hamilton A.E.G.D.), the current planning approach requires foresight to ensure that lands are appropriately protected and designated with the context of evolving industry trends, urban land requirements, and current planning policy. For the Hamilton A.E.G.D. lands, the planning and economic development approach should encourage adaptable policies, tools, and services which promote synergies between industrial and non-industrial uses with the goal of maximizing the competitiveness and functionality of the Employment Area over the long term.

Again, it is important to recognize that recent changes to provincial planning legislation and policy have not changed the broader growth outlook for employment by sector and associated urban land need more broadly within the City of Hamilton or specifically in the Hamilton A.E.G.D. Accordingly, no immediate changes are recommended to the Hamilton A.E.G.D. employment forecast in response to the above-noted provincial planning policy changes.

In contrast to the above, lower demand for new stand-alone office space resulting from increased work-at-home and hybrid office workers may impact the long-term demand for stand-alone office employment within the A.E.G.D. This impact should be recognized as distinct from the planning policy changes discussed above and warrants an assessment within the broader context of a City-wide Employment Area review.

2.4.4 Conclusions

In summary, the planned vision for the Hamilton A.E.G.D. no longer fully complies with the definition of an Employment Area under the P.P.S., 2024. Accordingly, it is recommended that the specific land use designations, and permitted uses within these specific designations, are reviewed and updated within the context of the P.P.S., 2024. An important consideration when planning for and establishing Employment Areas, such as the Hamilton A.E.G.D., is the displacement of stand-alone commercial and institutional operations that will no longer be permitted within Employment Area designation under the P.P.S., 2024.

As previously noted, the impacts of recent changes to provincial planning policy are not expected to result in changes to forecast demand for employment by major sector across the City, including the A.E.G.D. However, as noted above, potential changes to the employment forecast, specifically as it relates to future demand for stand-alone office uses, should be recognized as distinct from the planning policy changes discussed herein.

In light of recent changes to provincial policy regarding Employment Areas the City will need to review the extent of non-industrial uses currently permitted within the Hamilton A.E.G.D. and provide corresponding planning policy direction. For example, non-industrial Employment Area designations within the A.E.G.D. such as Airport-Related Commercial and Airport-Related Business should be reviewed to determine if these lands should be recommended for Employment Area removal. It is further recommended that the City provide an updated employment forecast and land demand analysis to support the need for these employment-generating lands which are recommended for removal from the City's Employment Area designation. Furthermore, it is recommended that the City introduce appropriate policies within the U.H.O.P. to support the protection of these employment-generating land uses outside of provincially protected Employment Areas.

For other industrial-focused designations within the Hamilton A.E.G.D., e.g. Light Industrial, consideration is required to identify the extent of Employment Area removals required (if any) to accommodate permitted non-industrial uses within this designation, such as stand-alone office, repair service, commercial schools and employment supportive uses such as local retail, restaurants and other personal service employment.

In light of the above, a key priority for the City of Hamilton will be to provide a revised planning policy framework for the City's Employment Areas, including the Hamilton A.E.G.D. lands in response to recent changes to provincial planning policy as well as evolving industry needs.

2.4.5 Impact on Fiscal Analysis

Based on the foregoing, although land use designations may require review and update, there are no changes required to the employment forecast within the A.E.G.D. As such, it is anticipated that there are no impacts to the fiscal impact analysis as a result of the planning framework changes.

Chapter 3

Impact on the City of Hamilton's Capital Program

3. Impact on the City of Hamilton's Capital Program

3.1 Introduction

This section provides an overview of the anticipated capital costs related to servicing the Secondary Plan Area along with the associated funding sources for the works. Note: where capital cost estimates are not currently available, high-level estimates have been utilized. Further analysis on the financial impacts will be required when detailed cost estimates are available through future master plans and detailed servicing assessments.

3.2 Roads

Based on the recently approved A.E.G.D. Transportation Master Plan (T.M.P.) Update, the capital costs related to arterial and collector roads in the Secondary Plan area have been identified. The following table provides a summary of the projects included in the T.M.P. (note: the figures below are based on the T.M.P., however the exact values and the nature of the works may change over time):

Table 3-1
A.E.G.D. Secondary Plan Fiscal Impact Analysis
Summary of A.E.G.D. T.M.P. Capital Project Listing

Project ID	Roadway Link	From	To	Description	Length (km)	Total Cost ($)	Benefit to Existing (%)	D.C.	Non-D.C.
North-South Arterials									
R1	Southcote Road	Garner Road East	Hydro Corridor	2r-5u	0.95	$9,750,000	0%	$9,750,000	$0
R63	Southcote Road	Hydro Corridor	Collector 2N	2r-5u	1.27	$13,040,000	0%	$13,040,000	$0
R3	Glancaster Road	Garner Road Easat	Dickenson Road	2r-3u	2.67	$19,470,000	15%	$16,549,500	$2,920,500
R24	Glancaster Road	Dickenson Road	Arterial 1N	2r-4u	0.39	$4,150,000	0%	$4,150,000	$0
R4	Upper James Street	Alderlea Avenue	Highway 6 South	4r-6u	6.45	$78,870,000	0%	$78,870,000	$0
R5	Garth Street	Twenty Road	Dickenson Road	5u	1.46	$15,010,000	0%	$15,010,000	$0
North-South Collectors									
R22	Smith Road	Garner Road East	Book Road East	3u	1.89	$16,480,000	0%	$16,480,000	$0
R25	Collector 1E	Twenty Road West	Dickenson Road	3u	1.40	$10,680,000	0%	$10,680,000	$0
R26	Collector 6E	Twenty Road West	Dickenson Road	3u	1.34	$10,290,000	0%	$10,290,000	$0
R31	Collector 2W	Garner Road East	Hydro Corridor	4u	0.77	$7,390,000	0%	$7,390,000	$0
R32	Collector 2W	Hydro Corridor	Dickenson Road Extension	4u	1.40	$13,410,000	0%	$13,410,000	$0
R27	Collector 5W	Collector 2N	Collector 7N	3u	0.74	$7,040,000	0%	$7,040,000	$0
R42	Glancaster Road	Arterial 1N	Airport Boundary	2r-2u	0.48	$3,210,000	0%	$3,210,000	$0
R64	Smith Road	Book Road East	Arterial 1N	2r-3u	0.81	$7,110,000	0%	$7,110,000	$0
R67	Collector 8W	Garner Road East	Collector 5N	2u	1.50	$9,990,000	0%	$9,990,000	$0
R68	Collector 9W	Garner Road East	Collector 11N	3u	0.33	$2,850,000	0%	$2,850,000	$0
R78	Smith Road	Arterial 1N	Airport Boundary	2r-2u	0.12	$1,840,000	0%	$1,840,000	$0
R43	Collector 1W	Garner Road East	Collector 10N	3u	0.39	$3,380,000	0%	$3,380,000	$0
East-West Arterials									
R78	Book Road East	Highway 6	Southcote Road	2r-5u	1.05	$10,190,000	15%	$8,661,500	$1,528,500
R10	Book Road East	Southcote Road	Smith Road	2r-5u	0.45	$4,400,000	15%	$3,740,000	$660,000
R8	Garner Road East	Fiddlers Green Road	Glancaster Road	2r-5u	4.45	$43,250,000	15%	$36,762,500	$6,487,500
R9	Dickenson Road	Glancaster Road	Upper James Street	2r-5u	2.89	$28,140,000	15%	$23,919,000	$4,221,000
R11	Dickenson Road Extension	Smith Road	Glancaster Road	5u	0.83	$5,880,000	0%	$5,880,000	$0
R12	Twenty Road West	Glancaster Road	Upper James Street	2r-4u	2.91	$26,410,000	0%	$26,410,000	$0

Table 3-1 (Cont'd)

Project ID	Roadway Link	From	To	Description	Length (km)	Total Cost ($)	Benefit to Existing (%)	D.C.	Non-D.C.
R13	Twenty Road Extension	Collector 2W	Glancaster Road	2u	1.06	$7,080,000	0%	$7,080,000	$0
R14	Airport Road	East Cargo Road	Upper James Street	2r-3u	1.08	$8,800,000	40%	$5,280,000	$3,520,000
R14b	Airport Road	Terminal Access Road	East Cargo Road	2r-4u	0.32	$2,870,000	40%	$1,722,000	$1,148,000
R15	Airport Road	Glancaster Road	Terminal Access Road	2u	1.71	$12,590,000	40%	$7,554,000	$5,036,000
R16	Arterial 1N	Collector 2N	Dickenson Road	5u	2.97	$30,500,000	0%	$30,500,000	$0
East-West Arterials									
R17	Book Road East	Collector 2W	Glancaster Road	2r-3u	0.87	$8,280,000	0%	$8,280,000	$0
R18	Collector 6N	Glancaster Road	Collector 6E	4u	1.95	$18,840,000	0%	$18,840,000	$0
R19	Collector 6N	Collector 6E	Upper James Road	5u	0.95	$9,120,000	0%	$9,120,000	$0
R20	Collector 10N	Garner Road East	Smith Road	3u	1.17	$10,190,000	0%	$10,190,000	$0
R21	Collector 10N	Smith Road	Collector 1W	3u	1.47	$12,860,000	0%	$12,860,000	$0
R33	Collector 7N	Collector 5W	Southcote Road	3u	0.48	$4,210,000	0%	$4,210,000	$0
R40	Collector 7N	Southcote Road	Collector 2W	3u	0.84	$7,360,000	0%	$7,360,000	$0
R59	Collector 5N	Fiddlers Green Road	Collector 8W	2r	0.84	$4,930,000	0%	$4,930,000	$0
R69	Collector 2N	Collector 5W	Southcote Road/Arterial 1N	3u	0.42	$3,640,000	0%	$3,640,000	$0
R43	Collector 11N	Fiddlers Green Road	Collector 9W	2u	0.35	$2,350,000	0%	$2,350,000	$0
Total						**$495,850,000**		**$470,328,500**	**$25,521,500**

Based on the capital project listing, the total capital cost is approximately $495.85 million (2023 dollars). Approximately $470.33 million of these costs are anticipated to be funded with D.C.s, whereas the remaining $25.52 million (i.e. the portion of costs related to benefit to the existing development) would need to be funded by the City through other sources such as existing reserves or taxes.

In addition to arterial and collector roads, local roads will also need to be constructed to accommodate new development in the area. Although these roads will be fully funded and constructed by developing landowners, the costs related to maintenance and replacing the infrastructure at the end of its useful life will be the City's responsibility. These "lifecycle" replacement costs (discussed further in Section 5) are an important consideration in determining the fiscal impact of development, and as such, the capital costs related to these local roads has been estimated for the purposes of this analysis.

Based on Watson's experience and a review of similar development areas, it is assumed that 16% of the total land related to the development of industrial lands would be allocated to all roads (i.e. arterial, collector, and local roads). Based on the total overall development area of 2,899 acres, this results in approximately 464 acres of land for roads. The total acres related to the arterial and collector roads in the T.M.P. was estimated utilizing a right of way (R.O.W.) assumption of 26 metres for industrial roads. This results in a total area of 343 acres related to arterial and collector roads. The remaining 121 acres would then be related to local roads, which equates to 18.8 kilometres of roads. Based on the City's Proposed Levels of Service Asset Management Plan, the capital cost estimate for a 2-lane urban local road is $1.80 million per kilometre (2024 dollars). Applying this cost to the 18.8 kilometres of local roads results in a total capital cost estimate of $33.80 million. These calculations are summarized in the table below:

Table 3-2
A.E.G.D. Secondary Plan Fiscal Impact
Calculation of Local Roads Capital Cost Estimate

Total Acres of Development Land	2,899
Assumption of Total Land for Roads	16%
Total Land for Roads (Acres)	463.84

Total Metres of Roads in A.E.G.D. T.M.P.	53,417
Total R.O.W. Width for Industrial Roads	26
Total Square Metres of Roads in T.M.P.	1,388,842
Total Acres of Roads in T.M.P.	343

Total Land Required for Local Roads (acres)	120.6
Ttotal sq.km of Land for Local Roads	0.49
Total km of Local Roads	**18.8**

Cost per km (2024$)	$1,800,000
Total Kilometres of Local Roads	18.8
Total Cost of Local Roads	**$33,800,000**

3.3 Water and Wastewater

3.3.1 Capital Costs Identified in D.C. Background Study

Certain capital costs related to development within the A.E.G.D. have been identified as part of the City's 2023 D.C. Background Study. Discussions were held with City staff to determine the share of these projects related to development within the A.E.G.D Secondary Plan area.

With respect to water, $27.31 million (2024 dollars) in capital costs related to A.E.G.D were identified. Of this amount, $21.58 million is anticipated to be funded through D.C.s, and $5.73 million will be directly funded by the developing landowners as per the City's Local Service Policy.

With respect to wastewater, $172.08 million in capital costs have been identified of which $164.16 million is to be funded by D.C.s, and the remaining $7.92 million is to be constructed and funded by developing landowners.

3.3.2 Additional Capital Costs Required to Buildout

Given that the D.C. Background Study only identifies growth and associated capital needs to 2031, additional capital needs were estimated to accommodate the growth in the A.E.G.D. lands to buildout. Based on the total capital costs identified in the D.C.

Background Study related to A.E.G.D., it is assumed that 15% of the total non-residential growth identified in the D.C. Background Study is related to the A.E.G.D. Secondary Plan. This equates to approximately 2,320 employees. In addition, approximately 70 acres of land in the A.E.G.D has been developed, which equates to approximately 2% of the total land area. This percentage was applied to the employment growth in the Secondary Plan to determine the existing employment of approximately 1,043 employees. In total, approximately 3,360 employees are anticipated in the A.E.G.D area by 2031. As a result, capital costs associated with the additional 39,840 employees has been estimated utilizing the D.C. capital cost per employee identified in the D.C. Background Study. The table below summarizes these incremental expenditures for water and wastewater which would be funded by D.C.s. Note: these are high-level estimates for the purposes of estimating lifecycle costs for the fiscal impact analysis.

Table 3-3
A.E.G.D. Secondary Plan Fiscal Impact
Calculation of Incremental Water and Wastewater Expenditures 2031-Buildout

Service	D.C. Eligible Cost per employee	Incremental Employment (2031-buildout)	Incremental Expenditures
Water	$3,010	39,837	$119,900,000
Wastewater	$7,797	39,837	$310,600,000

*D.C. eligible cost per employee is based on the total non-residential D.C. capital costs divided by total employment growth in the 2023 D.C. (indexed to 2024 dollars)

3.3.3 Local Service Costs

Based on the estimate of local roads identified in Section 3.2, an estimate of local watermains and sanitary sewer costs was calculated utilizing unit costs from the D.C. Background Study. These estimates are utilized in the lifecycle replacement cost analysis in Section 5. The following table summarizes the calculation of the estimated local costs:

Table 3-4
A.E.G.D. Secondary Plan Fiscal Impact
Calculation of Local Watermains and Sanitary Sewers Capital Cost Estimates

Description	Watermains	Sanitary Sewers
Cost per kilometre (2023$)	$650,000	$791,000
Cost per kilometre (2024$)	$680,000	$820,000
Total kilometres	18.8	18.8
Total Cost (2024$)	**$12,800,000**	**$15,400,000**

Note: cost for watermains is based on 300mm watermain in greenfield area, cost for sanitary sewer is based on 375mm sanitary sewer in greenfield area.

3.4 Summary of Capital Costs

Table 3-5 summarizes the capital costs and associated funding sources for water, wastewater, and roads.

Capital cost estimates for other services have not been estimated for the purposes of this analysis. It is anticipated that capital costs for these services will be identified through future D.C. background studies. Although capital cost estimates have not been estimated, lifecycle replacement costs related to services other than water, wastewater, and roads have also been factored into the fiscal impact (see Section 5 for further discussion).

Table 3-5
A.E.G.D. Secondary Plan Fiscal Impact
Summary of Capital Costs and Funding Sources

Capital Works - Tax Supported	Total Replacement Cost 2024$	Anticipated Funding Source				Annual Lifecycle Cost
		D.C.	Non-D.C.	Local Service	Grants/Other Subsidies	
Roads						
Road Works - TMP Capital Listing	516,680,000	490,090,000	26,590,000			10,333,590
Road Works - Local Service Costs	33,800,000			33,800,000		675,985
Total Tax-Supported	**550,480,000**	**490,090,000**	**26,590,000**	**33,800,000**	**-**	**11,009,575**

Capital Works - Rate Supported	Total Replacement Cost 2024$	Anticipated Funding Source				Annual Lifecycle Cost
		D.C.	Non-D.C.	Local Service	Grants/Other Subsidies	
Water						
Water DC Projects - to 2031	27,310,000	21,580,000		5,730,000		273,114
Water DC Projects - 2031 to buildout	119,900,000	119,900,000				1,198,996
Wastewater Local Service Costs	12,800,000			12,800,000		128,002
Wastewater						
Wastewater DC Projects - to 2031	172,080,000	164,160,000		7,920,000		1,720,788
Wastewater DC Projects - 2031 to buildout	310,600,000	310,600,000				3,106,012
Wastewater - Local Service Costs	15,400,000			15,400,000		153,990
Total Rate Supported	**658,090,000**	**616,240,000**	**-**	**41,850,000**	**-**	**6,580,903**

Chapter 4
Impact on the City of Hamilton's Operating Budget

4. Impact on the City of Hamilton's Operating Budget

4.1 Introduction

This chapter examines the potential impact of the A.E.G.D. Secondary Plan Area development (at buildout) on the City's operating budget. This is done by examining the revenue and expenditure implications separately, and then together with reference to net operating position. In the analysis below, the resultant impact on water and wastewater services in the City is calculated separately given that these services are not included in the tax-supported budgets. Note: although the City will be implementing a stormwater rate in 2027, the 2022 F.I.R. does not reflect this change (i.e. rate revenues for stormwater are recovered through the wastewater rate). As a result, the stormwater operating expenditures and non-tax revenues are included in the rate-supported analysis, similar to how wastewater is treated.

4.2 Operating Expenditure Implications

Figure 4-1 summarizes the City's "Revenue Fund" or "Operating Fund" transactions for 2022 (based on the City's Financial Information Return (F.I.R.)). This represents a simple "model" of the City's financial position for the operating fund and provides the structure of the financial impact analysis contained in this chapter.

Figure 4-2 modifies the operating expenditures shown in Figure 4-1 by netting "Interest on Long Term Debt", "External Transfers", and "Amortization" from the total. The debt charges are for "sunk" investments, unaffected by growth. The external transfers can vary significantly from year to year and relate largely to capital expenditures and general reserves, which are addressed separately in this analysis. Further, amortization is an accounting allocation which seeks to capture annual replacement costs. As this is based on historical costs, a separate analysis on lifecycle expenditures (based on future replacement cost) is conducted later in this report. It is therefore appropriate to remove these three classes of expenditures from the spending base, before determining incremental loss and/or average operating fund spending levels per capita and employee.

Figure 4-3 allocates the City's existing operating expenditure components between the needs of residential development and non-residential development (i.e. industrial, commercial, and institutional), based on differences in the amount of such development and the need for particular types of services in each case. The expenditure allocation is then presented on a per capita/per employee basis. The expenditures are divided between residential and non-residential development based on varying proportions for each service. Most expenditures have been shared on a population-to-employment basis. As the 2022 total population was 547,876 and the 2022 employment was 189,806, these costs are split 74%/26%. With respect to the following services, to acknowledge some usage by the non-residential sector, a minor allocation has been provided to non-residential development:

- solid waste collection;
- waste diversion
- public health;
- ambulance;
- cemeteries;
- child care;
- social and family services;
- parks and recreation;
- libraries; and

Public housing services have been fully allocated to the residential sector.

Water and wastewater/stormwater services expenditures have been calculated on a per capita/per employee basis, similar to the analysis mentioned above.

Figure 4-4 assesses each of the City's key service components in relation to the proposed development to determine how the operating costs are likely to be impacted, based on the characteristics and location of the subject development.

Table 4-1
A.E.G.D. Secondary Plan Fiscal Impact Analysis
Summary of Consolidated Expenditures
2022 F.I.R. Data ('000's $)

Summary of Consolidated Expenditures and Revenues	General Levy
1. GROSS EXPENDITURES	
1.1 General Government	84,263.0
1.2 Fire	112,438.2
1.3 Police	196,167.9
1.4 Court Security	6,893.0
1.5 Prisoner Transportation	0.0
1.5 Conservation Authority	7,980.5
1.6 Protective Inspection and Control	20,971.9
1.7 Building Permit and Inspection Services	15,842.5
1.8 Emergency Measures	0.0
1.9 Provincial Offences Act (POA)	4,967.3
1.10 Roadways & Winter Control	184,679.2
1.11 Transit	154,626.1
1.12 Parking	13,324.3
1.13 Street Lighting	7,501.6
1.14 Air Transportation	175.8
1.15 Other: Other Transportation Services	1.2
1.16 Wastewater Collection/Conveyance	55,444.4
1.17 Wastewater Treatment & Disposal	38,478.6
1.18 Urban Storm Sewer System	27,851.2
1.19 Rural Storm Sewer System	4,521.4
1.20 Water Treatment	36,806.0
1.21 Water Distribution/Transmission	60,099.0
1.22 Solid Waste Collection	19,332.0
1.23 Solid Waste Disposal	20,072.2
1.24 Waste Diversion	39,711.9
1.25 Other: Infastructure Planning	2,576.7
1.26 Public Health Services	75,320.5
1.27 Ambulance Services	70,242.3
1.28 Cemeteries	5,725.0
1.29 General Assistance	182,655.3
1.30 Assistance to Aged Persons	67,528.2
1.31 Child Care	107,649.9
1.32 Other: Social And Family Services Facility	0.2
1.33 Public Housing	49,867.8
1.34 Non-Profit/Cooperative Housing	56,122.7
1.35 Rent Supplement Programs	6,920.8
1.36 Other: Admin. And Misc	16,452.6
1.37 Parks	54,884.6
1.38 Recreation Programs	34,271.8
1.39 Recreation Facilities	41,985.7
1.40 Libraries	34,805.3
1.41 Museums and Cultural Services	17,320.2
1.42 Other: Other Facilities	5,772.3
1.43 Planning and Zoning	35,175.4
1.44 Commercial and Industrial	16,982.5
1.45 Residential Development	2,958.3
1.46 Agricultural and Reforestation	20,054.4
Total Gross Expenditures	**2,017,421.8**

Table 4-1 (Cont'd)

Summary of Consolidated Expenditures and Revenues	General Levy
2. REVENUES	
2.1 Payment in Lieu of Taxes	16,377.7
2.2 Unconditional Grants	15,380.4
2.3 Specific Grants	496,296.8
2.4 Revenue from Other Municipalities	3,685.5
2.5 Total User Fees and Service Charges	385,731.7
2.6 Licenses, Permits, Rents etc.	75,643.3
2.7 Fines and Penalties	29,027.6
2.8 Investment Income	12,011.9
2.9 Interest Earned on Reserves and Reserve Funds	32,723.0
2.10 Gain/Loss on sale of land & Capital Assets	36,165.7
2.11 Deferred Revenue Earned	37,373.4
2.12 Donations & Donated Tangible Capital Assets	22,076.2
2.13 Sale of Publications, Equipment, etc.	74.0
2.14 Gaming and Casino Revenues	5,680.4
2.15 Other: Other Revenue	19,417.1
2.16 Increase/Decrease in Government Business Enterprise Equity	6,057.0
2.17 Total of all supplementary taxes (Supps, Omits, Section 359)	13,726.8
2.18 Business improvement area	1,654.0
2.19 Adjustments for properties, shared as if Payment-In-Lieu (Hydro properties RTQ = H, J, K)	417.6
2.20 Railway rights-of-way (RTC = W)	282.7
2.21 Utility transmission and utility corridors (RTC = U)	2,946.8
2.22 Local improvements	278.2
2.23 Sewer and water connection charges	165.1
2.24 Cap,Sen Credits,Loan Pgm,Own Chg,Ent grant	(280.9)
2.25 Tax Adjustments Applied to Taxation	(7,048.1)
2.26 (Surplus) / Deficit	(183,103.4)
Total Revenues	**1,022,760.4**
NET EXPENDITURES	**994,661.4**
3. PROPERTY TAXATION	**994,661.4**

Table 4-2
A.E.G.D. Secondary Plan Fiscal Impact Analysis
Summary of Net Operating Expenditures for 2022

Category	Total Gross Expenditures	Interest on Long Term Debt	External Transfers	Amortization	Net Operating Expenditures
1.1 General Government	84,262,954	1,218,550	65,723	10,080,796	72,897,885
1.2 Fire	112,438,236	350,015	6,500	6,102,734	105,978,987
1.3 Police	196,167,888	-	15,012	4,666,419	191,486,457
1.4 Court Security	6,893,012	-	-	-	6,893,012
1.5 Conservation Authority	7,980,512	-	7,968,211	-	12,301
1.6 Protective Inspection and Control	20,971,875	-	45	215,637	20,756,193
1.7 Building Permit and Inspection Services	15,842,534	-	-	30,879	15,811,655
1.8 Emergency Measures	1	-	67,870	-	(67,869)
1.9 Provincial Offences Act (POA)	4,967,305	-	-	-	4,967,305
1.1 Roadways & Winter Control	184,679,245	2,035,357	864	65,526,904	117,116,120
1.11 Transit	154,626,066	52,882	1,130	15,400,104	139,171,950
1.12 Parking	13,324,329	-	-	1,367,429	11,956,900
1.13 Street Lighting	7,501,588	-	-	2,478,979	5,022,609
1.14 Air Transportation	175,844	-	-	24,403	151,441
1.15 Other: Other Transportation Services	1,190	-	-	-	1,190
1.16 Wastewater Collection/Conveyance	55,444,406	746,553	159,015	20,232,282	34,306,556
1.17 Wastewater Treatment & Disposal	38,478,552	746,553	136,002	5,946,606	31,649,391
1.18 Urban Storm Sewer System	27,851,184	668,882	730,483	8,244,181	18,207,638
1.19 Rural Storm Sewer System	4,521,434	-	-	282,968	4,238,466
1.20 Water Treatment	36,805,980	718,441	14,383	5,401,856	30,671,300
1.21 Water Distribution/Transmission	60,098,986	718,441	14,383	24,339,094	35,027,068
1.22 Solid Waste Collection	19,331,994	-	156	942,902	18,388,936
1.23 Solid Waste Disposal	20,072,177	241,887	6,043	3,084,532	16,739,715
1.24 Waste Diversion	39,711,853	40,995	2,514	3,418,517	36,249,827
1.25 Other: Infastructure Planning	2,576,715	-	27,703	27,691	2,521,321
1.26 Public Health Services	75,320,512	371,178	210,004	701,424	74,037,906
1.27 Ambulance Services	70,242,275	-	-	2,295,015	67,947,260
1.28 Cemeteries	5,724,976	-	-	629,721	5,095,255
1.29 General Assistance	182,655,342	-	-	71,490	182,583,852
1.30 Assistance to Aged Persons	67,528,216	45,182	79,969	2,445,103	64,957,962
1.31 Child Care	107,649,880	-	22,842,513	146,618	84,660,749
1.32 Other: Social And Family Services Facility	175	-	-	-	175
1.33 Public Housing	49,867,826	18,655	14,403,409	8,268,203	27,177,559
1.34 Non-Profit/Cooperative Housing	56,122,734	918,497	9,542,863	-	45,661,374
1.35 Rent Supplement Programs	6,920,803	-	5,608,980	-	1,311,823
1.36 Other: Admin. And Misc	16,452,564	-	3,904,348	-	12,548,216
1.37 Parks	54,884,647	148,183	531	13,630,917	41,105,016
1.38 Recreation Programs	34,271,838	-	1,048,884	-	33,222,954
1.39 Recreation Facilities	41,985,708	723,140	937	12,347,383	28,914,248
1.40 Libraries	34,805,329	191,491	6,000	5,243,685	29,364,153
1.41 Museums and Cultural Services	17,320,210	-	4,577,856	1,112,264	11,630,090
1.42 Other: Other Facilities	5,772,347	-	-	-	5,772,347
1.43 Planning and Zoning	35,175,374	-	108,939	635,420	34,431,015
1.44 Commercial and Industrial	16,982,479	10,252	742,234	2,220,417	14,009,576
1.45 Residential Development	2,958,320	-	15,937	-	2,942,383
1.46 Agricultural and Reforestation	20,054,399	40,146	-	389,836	19,624,417
TOTAL	**2,017,421,814**	**10,005,280**	**72,309,441**	**227,952,409**	**1,707,154,684**

Table 4-3a
A.E.G.D. Secondary Plan Fiscal Impact Analysis
Operating Expenditure Summary – Average Cost per Capita and Employee

Tax-Supported Services

Category		Total Net Operating Expenditure	Residential Share %	Residential Share $	Cost Per Capita	Non-Residential Share %	Non-Residential Share $	Cost Per Employee
1. **Expenditures**								
1.1	General Government	72,897,885	74%	54,141,242	98.82	26%	18,756,643	98.82
1.2	Fire	105,978,987	74%	78,710,569	143.66	26%	27,268,418	143.66
1.3	Police	191,486,457	74%	142,216,948	259.58	26%	49,269,510	259.58
1.4	Court Security	6,893,012	74%	5,119,438	9.34	26%	1,773,574	9.34
1.5	Conservation Authority	12,301	74%	9,136	0.02	26%	3,165	0.02
1.6	Protective Inspection and Control	20,756,193	74%	15,415,620	28.14	26%	5,340,573	28.14
1.7	Building Permit and Inspection Services	15,811,655	74%	11,743,313	21.43	26%	4,068,343	21.43
1.8	Emergency Measures	(67,869)	74%	(50,406)	(0.09)	26%	(17,463)	(0.09)
1.9	Provincial Offences Act (POA)	4,967,305	74%	3,689,216	6.73	26%	1,278,089	6.73
1.1	Roadways & Winter Control	117,116,120	74%	86,982,115	158.76	26%	30,134,005	158.76
1.11	Transit	139,171,950	74%	103,362,975	188.66	26%	35,808,975	188.66
1.12	Parking	11,956,900	74%	8,880,387	16.21	26%	3,076,513	16.21
1.13	Street Lighting	5,022,609	74%	3,730,291	6.81	26%	1,292,319	6.81
1.14	Air Transportation	151,441	74%	112,475	0.21	26%	38,966	0.21
1.15	Other: Other Transportation Services	1,190	74%	884	0.00	26%	306	0.00
1.22	Solid Waste Collection	18,388,936	90%	16,550,042	30.21	10%	1,838,894	9.69
1.23	Solid Waste Disposal	16,739,715	90%	15,065,744	27.50	10%	1,673,972	8.82
1.24	Waste Diversion	36,249,827	90%	32,624,844	59.55	10%	3,624,983	19.10
1.25	Other: Infastructure Planning	2,521,321	74%	1,872,585	3.42	26%	648,737	3.42
1.26	Public Health Services	74,037,906	90%	66,634,115	121.62	10%	7,403,791	39.01
1.27	Ambulance Services	67,947,260	90%	61,152,534	111.62	10%	6,794,726	35.80
1.28	Cemeteries	5,095,255	95%	4,840,492	8.84	5%	254,763	1.34
1.29	General Assistance	182,583,852	100%	182,583,852	333.26	0%	0	0.00
1.30	Assistance to Aged Persons	64,957,962	100%	64,957,962	118.56	0%	0	0.00
1.31	Child Care	84,660,749	90%	76,194,674	139.07	10%	8,466,075	44.60
1.32	Other: Social And Family Services Facility	175	90%	158	0.00	10%	18	0.00
1.33	Public Housing	27,177,559	100%	27,177,559	49.61	0%	0	0.00
1.34	Non-Profit/Cooperative Housing	45,661,374	100%	45,661,374	83.34	0%	0	0.00
1.35	Rent Supplement Programs	1,311,823	100%	1,311,823	2.39	0%	0	0.00
1.36	Other: Admin. And Misc	12,548,216	74%	9,319,557	17.01	26%	3,228,659	17.01
1.37	Parks	41,105,016	95%	39,049,765	71.27	5%	2,055,251	10.83
1.38	Recreation Programs	33,222,954	95%	31,561,806	57.61	5%	1,661,148	8.75
1.39	Recreation Facilities	28,914,248	95%	27,468,536	50.14	5%	1,445,712	7.62
1.40	Libraries	29,364,153	95%	27,895,945	50.92	5%	1,468,208	7.74
1.41	Museums and Cultural Services	11,630,090	95%	11,048,586	20.17	5%	581,505	3.06
1.42	Other: Other Facilities	5,772,347	74%	4,287,121	7.82	26%	1,485,226	7.82
1.43	Planning and Zoning	34,431,015	74%	25,571,907	46.67	26%	8,859,108	46.67
1.44	Commercial and Industrial	14,009,576	0%	0	0.00	100%	14,009,576	73.81
1.45	Residential Development	2,942,383	100%	2,942,383	5.37	0%	0	0.00
1.46	Agricultural and Reforestation	19,624,417	74%	14,575,050	26.60	26%	5,049,367	26.60
TOTAL		**1,553,054,265**		**1,304,412,616**	**2,380.85**		**248,641,649**	**1,309.97**

Table 4-3b
A.E.G.D. Secondary Plan Fiscal Impact Analysis
Operating Expenditure Summary – Average Cost per Capita and Employee

Rate-Supported Services

Category		Total Net Operating Expenditure	Residential Share		Cost Per Capita	Non-Residential Share		Cost Per Employee
			%	$		%	$	
1. **Expenditures**								
1.16	Wastewater Collection/Conveyance	34,306,556	74%	25,479,471	46.51	26%	8,827,085	46.51
1.17	Wastewater Treatment & Disposal	31,649,391	74%	23,505,995	42.90	26%	8,143,396	42.90
1.18	Urban Storm Sewer System	18,207,638	74%	13,522,809	24.68	26%	4,684,830	24.68
1.19	Rural Storm Sewer System	4,238,466	74%	3,147,908	5.75	26%	1,090,558	5.75
1.20	Water Treatment	30,671,300	74%	22,779,567	41.58	26%	7,891,733	41.58
1.21	Water Distribution/Transmission	35,027,068	74%	26,014,595	47.48	26%	9,012,473	47.48
TOTAL		**154,100,419**			**208.90**			**208.90**

Table 4-4a
A.E.G.D. Secondary Plan Fiscal Impact Analysis
Operating Expenditures – Growth Sensitivity Analysis (2022$)

Tax-Supported Services

Expenditure Category			NON-RESIDENTIAL Net Expenditure per Employee	NON-RESIDENTIAL Growth Share %	NON-RESIDENTIAL Net Expenditure Recast
1.1	General Government		98.82	25%	24.71
1.2	Protection to Person and Property				
	1.2.1	Fire	143.66	100%	143.66
	1.2.2	Police	259.58	100%	259.58
	1.2.3	Court Security	9.34	100%	9.34
	1.2.4	Conservation Authority	0.02	75%	0.02
	1.2.5	Protective Inspection and Control	28.14	100%	28.14
	1.2.6	Building Permit and Inspection Services	21.43	100%	21.43
	1.2.7	Emergency Measures	(0.09)	100%	(0.09)
	1.2.8	Provincial Offences Act (POA)	6.73	100%	6.73
1.3	Transportation Services				
	1.3.1	Roadways & Winter Control	158.76	100%	158.76
	1.3.2	Transit	188.66	100%	188.66
	1.3.3	Parking	16.21	100%	16.21
	1.3.4	Street Lighting	6.81	100%	6.81
	1.3.5	Air Transportation	0.21	100%	0.21
	1.3.6	Other: Other Transportation Services	-	100%	-
1.4	Environmental Services				
	1.4.1	Solid Waste Collection	9.69	100%	9.69
	1.4.2	Solid Waste Disposal	8.82	100%	8.82
	1.4.3	Waste Diversion	19.10	100%	19.10
	1.4.4	Other: Infastructure Planning	3.42	100%	3.42
1.5	Health Services				
	1.5.1	Public Health Services	39.01	100%	39.01
	1.5.2	Ambulance Services	35.80	100%	35.80
	1.5.3	Cemeteries	1.34	50%	0.67
1.6	Social and Family Services				
	1.6.1	General Assistance	-	100%	-
	1.6.2	Assistance to Aged Persons	-	100%	-
	1.6.3	Child Care	44.60	100%	44.60

Table 4-4a (Cont'd)

Expenditure Category			NON-RESIDENTIAL Net Expenditure per Employee	Growth Share %	Net Expenditure Recast
	1.6.4	Other: Social And Family Services Facility	-	100%	-
	1.6.5	Public Housing	-	100%	-
	1.6.6	Non-Profit/Cooperative Housing	-	100%	-
	1.6.7	Rent Supplement Programs	-	100%	-
	1.6.8	Other: Admin. And Misc	17.01	100%	17.01
1.7	Recreation and Cultural Services				
	1.7.1	Parks	10.83	100%	10.83
	1.7.2	Recreation Programs	8.75	100%	8.75
	1.7.3	Recreation Facilities	7.62	100%	7.62
	1.7.4	Libraries	7.74	100%	7.74
	1.7.5	Museums and Cultural Services	3.06	100%	3.06
	1.7.6	Other: Other Facilities	7.82	100%	7.82
1.8	Planning and Development				
	1.8.1	Planning and Zoning	46.67	100%	46.67
	1.8.2	Commercial and Industrial	73.81	100%	73.81
	1.8.3	Residential Development	-	0%	-
	1.8.4	Agricultural and Reforestation	26.60	100%	26.60
TOTAL			**1,309.97**		**1,235.19**

Figure 4-4b
A.E.G.D. Secondary Plan Fiscal Impact Analysis
Operating Expenditures – Growth Sensitivity Analysis (2022$)

Rate-Supported Services

	NON-RESIDENTIAL		
Expenditure Category	**Net Expenditure per Employee**	**Growth Share %**	**Net Expenditure Recast**
1.9 Water and Wastewater/Stormwater Services			
1.9.1 Wastewater Collection/Conveyance	46.51	73%	34.08
1.9.2 Wastewater Treatment & Disposal	42.90	100%	42.90
1.9.3 Urban Storm Sewer System	24.68	100%	24.68
1.9.4 Rural Storm Sewer System	5.75	100%	5.75
1.9.5 Water Treatment	41.58	100%	41.58
1.9.6 Water Distribution/Transmission	47.48	63%	30.13
TOTAL	**208.90**		**179.12**

The "Growth Share %" column denotes a particular percentage factor in each case. This factor reflects any variation from the current overall average per employee expenditure level, which is called for in dealing with a development increment. For instance, if the average existing expenditure for a service is $100 per employee, economies of scale or other efficiencies, may indicate that service costs for the growth increment alone are likely to be lower than average, say 90% (or $90 per employee), while being unaltered for the base population/employment. This determination has been based on analysis of the City's budget, measurement of current levels of service, practice elsewhere, and the consultant's experience. The provisions made are considered to be adequate with respect to the proposed development and maintain the existing level of service capacity in the City.

These percentage attributions are used to compute average incremental operating costs on a per employee basis for non-residential (a per capita cost is not shown as the proposed development only relates to non-residential growth), which is reflected in the "Net Expenditure" column. The per employee expenditure averages are utilized, subsequently, to estimate the incremental expenditure requirement generated by growth.

Based on the analysis provided in Table 4-4, the forecast of annual expenditures has been undertaken. Table 4-5 provides for the per capita amount multiplied by the assumed growth as provided in Table 2-1. The total line provides for the product of this calculation. For the purposes of the calculation of the net impact, expenditures have been indexed to 2024 dollars, to align with 2024 tax rates.

Table 4-5a
A.E.G.D. Secondary Plan Fiscal Impact Analysis
Operating Expenditure Summary

Tax-Supported Services

CATEGORY		Cost Per Capita	Cost Per Employee	Incremental Expenditures (2022$)
1.	**Expenditures**			
1.1	General Government	24.71	24.71	1,067,472
1.2	Fire	143.66	143.66	6,206,112
1.3	Police	259.58	259.58	11,213,856
1.4	Court Security	9.34	9.34	403,488
1.5	Conservation Authority	0.02	0.02	864
1.6	Protective Inspection and Control	28.14	28.14	1,215,648
1.7	Building Permit and Inspection Services	21.43	21.43	925,776
1.8	Emergency Measures	(0.09)	(0.09)	(3,888)
1.9	Provincial Offences Act (POA)	6.73	6.73	290,736
1.10	Roadways & Winter Control	158.76	158.76	6,858,432
1.11	Transit	188.66	188.66	8,150,112
1.12	Parking	16.21	16.21	700,272
1.13	Street Lighting	6.81	6.81	294,192
1.14	Air Transportation	0.21	0.21	9,072
1.15	Other: Other Transportation Services	-	-	-
1.22	Solid Waste Collection	30.21	9.69	418,608
1.23	Solid Waste Disposal	27.50	8.82	381,024
1.24	Waste Diversion	59.55	19.10	825,120
1.25	Other: Infastructure Planning	3.42	3.42	147,744
1.26	Public Health Services	121.62	39.01	1,685,232
1.27	Ambulance Services	111.62	35.80	1,546,560
1.28	Cemeteries	8.84	0.67	28,944
1.29	General Assistance	333.26	-	-
1.30	Assistance to Aged Persons	118.56	-	-
1.31	Child Care	139.07	44.60	1,926,720
1.32	Other: Social And Family Services Facility	-	-	-
1.33	Public Housing	49.61	-	-
1.34	Non-Profit/Cooperative Housing	83.34	-	-
1.35	Rent Supplement Programs	2.39	-	-
1.36	Other: Admin. And Misc	17.01	17.01	734,832

Table 4-5a (Cont'd)

CATEGORY	Cost Per Capita	Cost Per Employee	Incremental Expenditures (2022$)
1.37 Parks	71.27	10.83	467,856
1.38 Recreation Programs	57.61	8.75	378,000
1.39 Recreation Facilities	50.14	7.62	329,184
1.40 Libraries	50.92	7.74	334,368
1.41 Museums and Cultural Services	20.17	3.06	132,192
1.42 Other: Other Facilities	7.82	7.82	337,824
1.43 Planning and Zoning	46.67	46.67	2,016,144
1.44 Commercial and Industrial	-	73.81	3,188,592
1.45 Residential Development	5.37	-	-
1.46 Agricultural and Reforestation	26.60	26.60	1,149,120
TOTAL (2022$)	**2,306.74**	**1,235.19**	**53,360,208**
TOTAL (2024$)	**4,588.77**	**1,392.93**	**60,174,607**

Table 4-5b
A.E.G.D. Secondary Plan Fiscal Impact Analysis
Operating Expenditure Summary

Rate-Supported Services

CATEGORY	Cost Per Residential Customer	Cost Per Emplotee	Incremental Expenditures (2022$)
1. Expenditures			
1.16 Wastewater Collection/Conveyance	46.51	34.08	1,472,256
1.17 Wastewater Treatment & Disposal	42.90	42.90	1,853,280
1.18 Urban Storm Sewer System	24.68	24.68	1,066,176
1.19 Rural Storm Sewer System	5.75	5.75	248,400
1.20 Water Treatment	41.58	41.58	1,796,256
1.21 Water Distribution/Transmission	47.48	30.13	1,301,616
TOTAL (2022$)	**208.90**	**179.12**	**7,737,984**
TOTAL (2024$)	**303.71**	**201.99**	**8,726,168**

4.3 Operating Revenue Implications

Table 4-6 sets out the 2022 non-tax revenues for the City as outlined in Table 4-1. The figure distinguishes the revenues by service specific revenues and those being of a general nature. The user fees, service charges and conditional grant revenue from this table (summarized in the second last column) are pulled forward to Table 4-7 to further assess non-tax revenues that future growth may affect.

Table 4-7 assesses the 2022 non-tax revenues as to those which may be directly affected by growth. Generally, any grants and subsidies have been eliminated and the residual amounts are assessed as to their applicability to growth. The costs are then allocated between the residential population and employees to provide per capita/per employee revenue amounts.

Table 4-8 assesses the estimated proportionate share of growth in a similar manner as provided in Table 4-5. Table 4-9 then determines the forecast non-tax revenue to be generated annually based on the growth to buildout provided in Table 2-1.

Table 4-6
A.E.G.D. Secondary Plan Fiscal Impact Analysis
Operating Revenue Summary
(2022$)

CATEGORY	NON-TAX OPERATING REVENUES (2022$)							
	Ontario Conditional Grants	Canada Conditional Grants	Other Municipalities	User Fees and Service Charges	Ontario Grants - Tangible Capital Assets	Canada Grants - Tangible Capital Assets	User Fees, Service Charges, and Grants	Total Revenue - FIR
2. <u>Revenues</u>								
2.1 <u>Service Specific Non-Tax Revenues</u>								
General Government	1,475,128	6,000	-	4,527,175	267,131	457,452	6,008,303	6,732,886
Fire	-	-	-	659,798	-	-	659,798	659,798
Police	5,144,460	740,147	-	3,752,585	-	-	9,637,192	9,637,192
Court Security	4,895,063	-	-	-	-	-	4,895,063	4,895,063
Prisoner Transportation	16,204	-	-	-	-	-	16,204	16,204
Conservation Authority	-	-	-	-	-	-	-	-
Protective Inspection and Control	301,850	-	-	2,429,501	-	-	2,731,351	2,731,351
Building Permit and Inspection Services	-	-	-	2,343	-	-	2,343	2,343
Emergency Measures	-	-	-	-	-	-	-	-
Provincial Offences Act (POA)	-	-	-	-	-	-	-	-
Roadways & Winter Control	-	-	-	6,540,188	-	-	6,540,188	6,540,188
Transit	1,943	-	-	38,105,511	-	1,341,633	38,107,454	39,449,087
Parking	-	-	-	7,179,149	-	-	7,179,149	7,179,149
Street Lighting	-	-	-	45,510	-	-	45,510	45,510
Air Transportation	-	-	-	-	-	-	-	-
Other:	-	-	-	-	-	-	-	-
Wastewater Collection/Conveyance	-	-	-	66,831,525	-	11,759	66,831,525	66,843,284
Wastewater Treatment & Disposal	-	-	-	66,800,542	-	9,667,000	66,800,542	76,467,542
Urban Storm Sewer System	-	-	-	77,316	-	-	77,316	77,316
Rural Storm Sewer System	-	-	-	-	-	-	-	-
Water Treatment	-	-	1,842,752	60,617,194	-	-	60,617,194	62,459,946
Water Distribution/Transmission	-	-	1,842,752	60,708,782	-	-	60,708,782	62,551,534
Solid Waste Collection	-	-	-	3,556	-	-	3,556	3,556
Solid Waste Disposal	-	-	-	4,765,119	-	-	4,765,119	4,765,119
Waste Diversion	7,032,432	-	-	5,817,821	-	-	12,850,253	12,850,253

Table 4-6 (Cont'd)

CATEGORY	NON-TAX OPERATING REVENUES (2022$)							
	Ontario Conditional Grants	Canada Conditional Grants	Other Municipalities	User Fees and Service Charges	Ontario Grants - Tangible Capital Assets	Canada Grants - Tangible Capital Assets	User Fees, Service Charges, and Grants	Total Revenue - FIR
Other: Infrastructure Planning	-	-	-	5,945	-	-	5,945	5,945
Public Health Services	56,151,807	165,222	-	1,602,871	123,743	-	57,919,900	58,043,643
Ambulance Services	37,670,996	-	-	301,748	-	-	37,972,744	37,972,744
Cemeteries	-	-	-	2,739,651	-	-	2,739,651	2,739,651
General Assistance	141,051,856	8,926,810	-	1,367,388	-	-	151,346,054	151,346,054
Assistance to Aged Persons	34,275,063	-	-	10,880,840	-	-	45,155,903	45,155,903
Child Care	96,200,522	-	-	3,439,473	392,651	-	99,639,995	100,032,646
Other:	-	-	-	-	-	-	-	-
Public Housing	1,964,666	11,754,187	-	-	9,575,239	-	13,718,853	23,294,092
Non-Profit/Cooperative Housing	-	12,665,365	-	-	-	-	12,665,365	12,665,365
Rent Supplement Programs	464,962	336,855	-	-	-	-	801,817	801,817
Other: Admin & Misc	29,500	-	-	459,403	-	-	488,903	488,903
Parks	-	8,700	-	3,352,504	173,000	1,003,775	3,361,204	4,537,979
Recreation Programs	53,602	9,524	-	3,104,172	-	-	3,167,298	3,167,298
Recreation Facilities	-	-	-	14,005,552	170,305	326,791	14,005,552	14,502,648
Libraries	949,451	351,486	-	611,128	-	75,942	1,912,065	1,988,007
Museums and Cultural Services	216,129	-	-	977,063	171,865	536,524	1,193,192	1,901,581
Other: Other Facilities	-	-	-	2,214,324	-	-	2,214,324	2,214,324
Planning and Zoning	1,513,308	-	-	9,557,320	40,736	65,966	11,070,628	11,177,330
Commercial and Industrial	292,401	10,250	-	1,392,513	-	-	1,695,164	1,695,164
Residential Development	-	-	-	72	-	-	72	72
Agricultural and Reforestation	-	-	-	856,160	-	-	856,160	856,160
2.2 Other Non-Tax Revenues								
Payment in Lieu of Taxes								16,377,696
Unconditional Grants								15,380,381
Specific Grants								496,296,770
Revenue from Other Municipalities								3,685,504
Total User Fees and Service Charges								385,731,742
Licenses, Permits, Rents etc.								75,643,281
Fines and Penalties								29,027,566
Investment Income								12,011,936

Table 4-6 (Cont'd)

CATEGORY	NON-TAX OPERATING REVENUES (2022$)							
	Ontario Conditional Grants	Canada Conditional Grants	Other Municipalities	User Fees and Service Charges	Ontario Grants - Tangible Capital Assets	Canada Grants - Tangible Capital Assets	User Fees, Service Charges, and Grants	Total Revenue - FIR
Interest Earned on Reserves and Reserve Funds								32,722,997
Gain/Loss on sale of land & Capital Assets								36,165,658
Deferred Revenue Earned								37,373,353
Donations & Donated Tangible Capital Assets								22,076,199
Sale of Publications, Equipment, etc.								74,042
Gaming and Casino Revenues								5,680,383
Other: Other Revenue								19,417,137
Increase/Decrease in Government Business Enterprise Equity								6,057,000
Total of all supplementary taxes (Supps, Omits, Section 359)								13,726,765
Business improvement area								1,653,993
(Surplus) / Deficit								(183,103,436)
TOTAL	**389,701,343**	**34,974,546**	**3,685,504**	**385,731,742**	**10,914,670**	**13,486,842**	**810,407,631**	**1,864,493,614**

Table 4-7a
A.E.G.D. Secondary Plan Fiscal Impact Analysis
Non-Tax Operating Revenue Summary – Average Revenue Per Capita/Employee

Tax-Supported Services

CATEGORY	Total Net Operating Revenue and Grants	Residential Share		Revenue Per Capita	Non-Residential Share		Revenue Per Employee
		%	$		%	$	
2. Revenues							
2 Service Specific Non-Tax Revenues							
General Government	6,008,303	74%	4,462,365	8.14	26%	1,545,938	8.14
Fire	659,798	74%	490,032	0.89	26%	169,766	0.89
Police	9,637,192	74%	7,157,540	13.06	26%	2,479,652	13.06
Court Security	4,895,063	74%	3,635,562	6.64	26%	1,259,501	6.64
Conservation Authority	-	74%	-	-	26%	-	-
Protective Inspection and Control	2,731,351	74%	2,028,574	3.70	26%	702,777	3.70
Building Permit and Inspection Services	2,343	74%	1,740	-	26%	603	-
Emergency Measures	-	74%	-	-	26%	-	-
Provincial Offences Act (POA)	-	74%	-	-	26%	-	-
Roadways & Winter Control	6,540,188	74%	4,857,396	8.87	26%	1,682,792	8.87
Transit	38,107,454	74%	28,302,397	51.66	26%	9,805,057	51.66
Parking	7,179,149	74%	5,331,952	9.73	26%	1,847,197	9.73
Street Lighting	45,510	74%	33,800	0.06	26%	11,710	0.06
Air Transportation	-	74%	-	-	26%	-	-
Other:	-	74%	-	-	26%	-	-
Solid Waste Collection	3,556	90%	3,200	0.01	10%	356	-
Solid Waste Disposal	4,765,119	90%	4,288,607	7.83	10%	476,512	2.51
Waste Diversion	12,850,253	90%	11,565,228	21.11	10%	1,285,025	6.77
Other: Infrastructure Planning	5,945	74%	4,415	0.01	26%	1,530	0.01
Public Health Services	57,919,900	90%	52,127,910	95.15	10%	5,791,990	30.52
Ambulance Services	37,972,744	90%	34,175,470	62.38	10%	3,797,274	20.01
Cemeteries	2,739,651	95%	2,602,669	4.75	5%	136,983	0.72
General Assistance	151,346,054	100%	151,346,054	276.24	0%	-	-
Assistance to Aged Persons	45,155,903	100%	45,155,903	82.42	0%	-	-
Child Care	99,639,995	90%	89,675,996	163.68	10%	9,964,000	52.50
Other:	-	90%	-	-	10%	-	-
Public Housing	13,718,853	100%	13,718,853	25.04	0%	-	-
Non-Profit/Cooperative Housing	12,665,365	100%	12,665,365	23.12	0%	-	-
Rent Supplement Programs	801,817	100%	801,817	1.46	0%	-	-
Other: Admin & Misc	488,903	74%	363,108	0.66	26%	125,795	0.66
Parks	3,361,204	95%	3,193,144	5.83	5%	168,060	0.89
Recreation Programs	3,167,298	95%	3,008,933	5.49	5%	158,365	0.83
Recreation Facilities	14,005,552	95%	13,305,274	24.29	5%	700,278	3.69
Libraries	1,912,065	95%	1,816,462	3.32	5%	95,603	0.50
Museums and Cultural Services	1,193,192	95%	1,133,532	2.07	5%	59,660	0.31
Other: Other Facilities	2,214,324	74%	1,644,578	3.00	26%	569,746	3.00
Planning and Zoning	11,070,628	74%	8,222,153	15.01	26%	2,848,475	15.01
Commercial and Industrial	1,695,164	0%	-	-	100%	1,695,164	8.93
Residential Development	72	100%	72	-	0%	-	-
Agricultural and Reforestation	856,160	74%	635,870	1.16	26%	220,290	1.16
2 Other Non-Tax Revenues							
Payment in Lieu of Taxes	16,377,696	74%	12,163,711	22.20	26%	4,213,985	22.20
Unconditional Grants	15,380,381	74%	11,423,005	20.85	26%	3,957,376	20.85
Specific Grants[1]	496,296,770	n/a	-	-	n/a	-	-
Revenue from Other Municipalities	3,685,504	74%	2,737,223	5.00	26%	948,281	5.00
Total User Fees and Service Charges	385,731,742	n/a	-	-	n/a	-	-
Licenses, Permits, Rents etc.	75,643,281	74%	56,180,247	102.54	26%	19,463,034	102.54
Fines and Penalties	29,027,566	74%	21,558,767	39.35	26%	7,468,799	39.35
Investment Income	12,011,936	74%	8,921,262	16.28	26%	3,090,674	16.28
Interest Earned on Reserves and Reserve Funds	32,722,997	74%	24,303,362	44.36	26%	8,419,635	44.36
Gain/Loss on sale of land & Capital Assets	36,165,658	74%	26,860,226	49.03	26%	9,305,432	49.03
Deferred Revenue Earned	37,373,353	74%	27,757,181	50.66	26%	9,616,172	50.66
Donations & Donated Tangible Capital Assets	22,076,199	74%	16,395,988	29.93	26%	5,680,211	29.93

Table 4-7a (Cont'd)

CATEGORY	Total Net Operating Revenue and Grants	Residential Share		Revenue Per Capita	Non-Residential Share		Revenue Per Employee
		%	$		%	$	
Sale of Publications, Equipment, etc.	74,042	74%	54,991	0.10	26%	19,051	0.10
Gaming and Casino Revenues	5,680,383	74%	4,218,819	7.70	26%	1,461,564	7.70
Other: Other Revenue	19,417,137	74%	14,421,103	26.32	26%	4,996,034	26.32
Increase/Decrease in Government Business Enterprise Equity	6,057,000	74%	4,498,533	8.21	26%	1,558,467	8.21
Total of all supplementary taxes (Supps, Omits, Section 359)	13,726,765	74%	10,194,865	18.61	26%	3,531,900	18.61
Business improvement area	1,653,993	74%	1,228,420	2.24	26%	425,573	2.24
(Surplus) / Deficit	(183,103,436)	74%	###########	(248.21)	26%	(47,112,556)	(248.21)
TOTAL	**1,581,355,035**	**-**	**614,682,796**	**1,121.95**	**-**	**84,643,727**	**445.94**

Table 4-7b
A.E.G.D. Secondary Plan Fiscal Impact Analysis
Non-Tax Operating Revenue Summary – Average Revenue Per Capita/Employee

Rate-Supported Services

CATEGORY	Total Net Operating Revenue and Grants	Residential Share		Revenue Per Capita	Non-Residential Share		Revenue Per Employee
		%	$		%	$	
2. Revenues							
2 Service Specific Non-Tax Revenues							
Wastewater Collection/Conveyance	66,831,525	74%	49,635,758	90.60	26%	17,195,767	90.60
Wastewater Treatment & Disposal	66,800,542	74%	49,612,747	90.55	26%	17,187,795	90.55
Urban Storm Sewer System	77,316	74%	57,423	0.10	26%	19,893	0.10
Rural Storm Sewer System	-	74%	-	-	26%	-	-
Water Treatment	60,617,194	74%	45,020,376	82.17	26%	15,596,818	82.17
Water Distribution/Transmission	60,708,782	74%	45,088,398	82.30	26%	15,620,384	82.30
TOTAL	**255,035,359**			**345.72**			**345.72**

Table 4-8a
A.E.G.D. Secondary Plan Fiscal Impact Analysis
Non-Tax Operating Revenue – Growth Sensitivity Analysis

Tax-Supported Services

	REVENUE CATEGORY	NON-RESIDENTIAL		
		Net Revenue per Employee	Growth Share %	Net Revenue Recast
2.1	Service Specific Non-Tax Revenues			
	General Government	8.14	25%	2.04
	Fire	0.89	100%	0.89
	Police	13.06	100%	13.06
	Court Security	6.64	100%	6.64
	Conservation Authority	-	75%	-
	Protective Inspection and Control	3.70	100%	3.70
	Building Permit and Inspection Services	-	100%	-
	Emergency Measures	-	100%	-
	Provincial Offences Act (POA)	-	100%	-
	Roadways & Winter Control	8.87	100%	8.87
	Transit	51.66	100%	51.66
	Parking	9.73	100%	9.73
	Street Lighting	0.06	100%	0.06
	Air Transportation	-	100%	-
	Other:	-	100%	-
	Solid Waste Collection	-	100%	-
	Solid Waste Disposal	2.51	100%	2.51
	Waste Diversion	6.77	100%	6.77
	Other: Infrastructure Planning	0.01	100%	0.01
	Public Health Services	30.52	100%	30.52
	Ambulance Services	20.01	100%	20.01
	Cemeteries	0.72	50%	0.36
	General Assistance	-	100%	-
	Assistance to Aged Persons	-	100%	-
	Child Care	52.50	100%	52.50
	Other:	-	100%	-
	Public Housing	-	100%	-

Table 4-8a (Cont'd)

REVENUE CATEGORY		NON-RESIDENTIAL		
		Net Revenue per Employee	Growth Share %	Net Revenue Recast
	Non-Profit/Cooperative Housing	-	100%	-
	Rent Supplement Programs	-	100%	-
	Other: Admin & Misc	0.66	100%	0.66
	Parks	0.89	100%	0.89
	Recreation Programs	0.83	100%	0.83
	Recreation Facilities	3.69	100%	3.69
	Libraries	0.50	100%	0.50
	Museums and Cultural Services	0.31	100%	0.31
	Other: Other Facilities	3.00	100%	3.00
	Planning and Zoning	15.01	100%	15.01
	Commercial and Industrial	8.93	100%	8.93
	Residential Development	-	0%	-
	Agricultural and Reforestation	1.16	100%	1.16
	Sub-total	**250.77**		**244.31**
2.2	Other Non-Tax Revenues			
	Payment in Lieu of Taxes	22.20	n/a	-
	Unconditional Grants	20.85	n/a	-
	Specific Grants1	-	n/a	-
	Revenue from Other Municipalities	5.00	0%	-
	Total User Fees and Service Charges	-	n/a	-
	Licenses, Permits, Rents etc.	102.54	100%	102.54
	Fines and Penalties	39.35	100%	39.35
	Investment Income	16.28	100%	16.28
	Interest Earned on Reserves and Reserve Funds	44.36	100%	44.36
	Gain/Loss on sale of land & Capital Assets	49.03	100%	49.03
	Deferred Revenue Earned	50.66	0%	-
	Donations & Donated Tangible Capital Assets	29.93	0%	-
	Sale of Publications, Equipment, etc.	0.10	0%	-
	Gaming and Casino Revenues	7.70	0%	-
	Other: Other Revenue	26.32	50%	13.16
	Increase/Decrease in Government Business Enterprise Equity	8.21	50%	4.11
	Total of all supplementary taxes (Supps, Omits, Section 359)	18.61	n/a	-
	Business improvement area	2.24	n/a	-
	(Surplus) / Deficit	(248.21)	n/a	-
	Sub-total	**195.17**		**268.83**
TOTAL		**445.94**		**513.14**

Table 4-8b
A.E.G.D. Secondary Plan Fiscal Impact Analysis
Non-Tax Operating Revenue – Growth Sensitivity Analysis

Rate-Supported Services

REVENUE CATEGORY		NON-RESIDENTIAL		
		Net Revenue per Employee	Growth Share %	Net Revenue Recast
2.1	Service Specific Non-Tax Revenues			
	Wastewater Collection/Conveyance	90.60	73%	66.40
	Wastewater Treatment & Disposal	90.55	100%	90.55
	Urban Storm Sewer System	0.10	100%	0.10
	Rural Storm Sewer System	-	100%	-
	Water Treatment	82.17	100%	82.17
	Water Distribution/Transmission	82.30	63%	52.22
TOTAL		**345.72**		**291.44**

Table 4-9a
A.E.G.D. Secondary Plan Fiscal Impact Analysis
Non-Tax Operating Revenue Summary

Tax-Supported Services

CATEGORY	Revenue Per Employee	Incremental Revenues (2022$)
2. Revenues		
2.1 Service Specific Non-Tax Revenues		
General Government	2.04	88,128
Fire	0.89	38,448
Police	13.06	564,192
Court Security	6.64	286,848
Conservation Authority	-	-
Protective Inspection and Control	3.70	159,840
Building Permit and Inspection Services	-	-
Emergency Measures	-	-
Provincial Offences Act (POA)	-	-
Roadways & Winter Control	8.87	383,184
Transit	51.66	2,231,712
Parking	9.73	420,336
Street Lighting	0.06	2,592
Air Transportation	-	-
Other:	-	-
Solid Waste Collection	-	-
Solid Waste Disposal	2.51	108,432
Waste Diversion	6.77	292,464
Other: Infrastructure Planning	0.01	432
Public Health Services	30.52	1,318,464
Ambulance Services	20.01	864,432
Cemeteries	0.36	15,552
General Assistance	-	-
Assistance to Aged Persons	-	-
Child Care	52.50	2,268,000
Other:	-	-
Public Housing	-	-
Non-Profit/Cooperative Housing	-	-
Rent Supplement Programs	-	-
Other: Admin & Misc	0.66	28,512
Parks	0.89	38,448
Recreation Programs	0.83	35,856
Recreation Facilities	3.69	159,408
Libraries	0.50	21,600
Museums and Cultural Services	0.31	13,392

Table 4-9a (Cont'd)

CATEGORY		Revenue Per Employee	Incremental Revenues (2022$)
	Other: Other Facilities	3.00	129,600
	Planning and Zoning	15.01	648,432
	Commercial and Industrial	8.93	385,776
	Residential Development	-	-
	Agricultural and Reforestation	1.16	50,112
2.2	Other Non-Tax Revenues		-
	Payment in Lieu of Taxes	-	-
	Unconditional Grants	-	-
	Specific Grants1	-	-
	Revenue from Other Municipalities	-	-
	Total User Fees and Service Charges	-	-
	Licenses, Permits, Rents etc.	102.54	4,429,728
	Fines and Penalties	39.35	1,699,920
	Investment Income	16.28	703,296
	Interest Earned on Reserves and Reserve Funds	44.36	1,916,352
	Gain/Loss on sale of land & Capital Assets	49.03	2,118,096
	Deferred Revenue Earned	-	-
	Donations & Donated Tangible Capital Assets	-	-
	Sale of Publications, Equipment, etc.	-	-
	Gaming and Casino Revenues	-	-
	Other: Other Revenue	13.16	568,512
	Increase/Decrease in Government Business Enterprise Equity	4.11	177,552
	Total of all supplementary taxes (Supps, Omits, Section 359)	-	-
	Business improvement area	-	-
	(Surplus) / Deficit	-	-
TOTAL (2022$)		**513.14**	**22,167,648**
TOTAL (2024$)		**578.67**	**24,998,581**

Table 4-9b
A.E.G.D. Secondary Plan Fiscal Impact Analysis
Non-Tax Operating Revenue Summary

Rate-Supported Services

CATEGORY	Revenue Per Employee	Incremental Revenues (2022$)
2. Revenues		
2.1 Service Specific Non-Tax Revenues		
Wastewater Collection/Conveyance	66.40	2,868,480
Wastewater Treatment & Disposal	90.55	3,911,760
Urban Storm Sewer System	0.10	4,320
Rural Storm Sewer System	-	-
Water Treatment	82.17	3,549,744
Water Distribution/Transmission	52.22	2,255,904
TOTAL (2022$)	**291.44**	**12,590,208**
TOTAL (2024$)	**328.66**	**14,198,048**

4.4 Taxation Revenue

Based on the estimated assessment value of the proposed development provided in Table 2-2, a forecast of the taxation revenue to be generated at buildout was undertaken utilizing the 2024 tax rates. Table 4-10 provides for this calculation to buildout. It is recognized that the existing properties would pay property taxes, however, no reduction for existing property tax revenue has been assumed given that development would occur predominantly on vacant land/farmland, which provides for minimal tax revenues. It is anticipated that this loss in property tax revenues would not change the results of the fiscal impact analysis. This assumption is consistent with the fiscal analysis undertaken in 2010.

Table 4-10
A.E.G.D. Secondary Plan Fiscal Impact Analysis
Property Tax Revenue

Property Tax Classes		Municipal Property Tax Revenue (2024$)
1. Property Tax		
Non-residential Growth		
Commercial Assessment (CT)		*1,607,299,200*
Property Tax Revenue	**3.1795%**	51,104,361
Total Commercial Property Tax Revenue		51,104,361
Non-residential Growth		
Industrial Assessment (IT)		*2,365,070,400*
Property Tax Revenue	**4.3718%**	103,396,060
Total Industrial Property Tax Revenue		103,396,060
TOTAL PROPERTY TAX REVENUE		**154,500,421**

*Consistent with the previous analysis, no reduction for existing property tax revenue has been assumed, as the development would occur predominantly on vacant land/farmland, which provides minimal tax revenues

Chapter 5
Lifecycle Analysis

5. Lifecycle Analysis

5.1 Summary of Analysis

Table 5-1 provides for an analysis on the anticipated annual lifecycle costs associated with the direct (internal) capital works identified for this development (discussed in Chapter 3) for roads, water, and wastewater. Some of the works are a direct developer responsibility as per the City's Local Service Policy, however once these works are assumed, the City will incur lifecycle costs associated with the future replacement of the works at the end of their useful life. As new development gives rise to new capital assets, whether a direct developer responsibility or paid through D.C.s, the City will eventually assume these capital assets as well as the future costs to repair and replace the infrastructure. Although there is an immediate benefit to the City in terms of incremental revenue through property tax as well as rate revenue, there will be an eventual cost when aging infrastructure must be replaced. This replacement of capital is often referred to as asset management or lifecycle cost. The method selected in this analysis to assess future asset replacement costing is the sinking fund method which provides that money will be contributed annually and invested, so that those funds will grow over time to equal the amount required for future replacement. The following factors were utilized to calculate the annual replacement cost of the capital projects (annual contribution = factor X capital asset cost) and are based on an annual growth rate of 2% (net of inflation) over the average useful life of the asset. These costs are included in the net impact calculations in Chapter 6.

Table 5-2 provides for an analysis of potential lifecycle costs for services other than water, wastewater, and roads based on the City's D.C. study. Although specific capital needs have not been identified, potential annual lifecycle costs have been estimated for inclusion in the fiscal impact analysis. The City's D.C. Background Study identified growth-related infrastructure, for which annual lifecycle contributions can be calculated. Note, the lifecycle costs in the City's D.C. background study (Appendix C) have been adjusted to remove the share of the costs related to post-period benefit. Based on the non-residential share of those lifecycle costs and the total forecasted employees in the D.C. calculation, the annual lifecycle contribution for these services was calculated as $222 per employee. This per employee amount has been applied to the 43,200 additional employees anticipated in the A.E.G.D. Secondary Plan area to provide an estimated annual lifecycle cost of $9.60 million. These costs are included in the net impact calculations in Chapter 6.

Table 5-1
A.E.G.D. Secondary Plan Fiscal Impact Analysis
Annual Asset Replacement Costing Forecast – New Infrastructure

Service	Capital Cost	% of Cost	Asset Useful Life (years)	Lifecycle Factor	Annual Contribution Total
Tax-Supported Services					
Roads					
Road Works - TMP Capital Listing	516,680,000	100%	50	0.0118	10,333,590
Road Works - Local Service Costs	33,800,000	100%	50	0.0118	675,985
					-
Total Tax-Supported	**550,480,000**				**11,009,575**
Rate-Supported Services					
Water					
Water DC Projects - to 2031	27,310,000	100%	100	0.0032	273,114
Water DC Projects - 2031 to buildout	119,900,000	100%	100	0.0032	1,198,996
Wastewater Local Service Costs	12,800,000	100%	100	0.0032	128,002
Wastewater					
Wastewater DC Projects - to 2031	172,080,000	100%	100	0.0032	1,720,788
Wastewater DC Projects - 2031 to buildout	310,600,000	100%	100	0.0032	3,106,012
Wastewater - Local Service Costs	15,400,000	100%	100	0.0032	153,990
Total Rate-Supported	**658,090,000**				**6,580,903**
Total	**1,208,570,000**				**17,590,477**

Table 5-2
A.E.G.D. Secondary Plan Fiscal Impact Analysis
Indirect Annual Lifecycle Costs

Service	Annual Lifecycle Contribution	Non-Residential Share of Costs	Non-Residential Annual Lifecycle Contribution - Flat Rate Method	D.C. Forecast Employees	Annual Lifecycle Contribution Per Employee	Lifecycle costs for this Development
Stormwater Drainage and Control Services (Separated Sewer System)	$1,203,887	27%	$325,049	9,386	$35	$1,496,073
Public Works (Facilities and Fleet)	$2,284,000	27%	$616,680	23,500	$26	$1,133,641
Fire Protection Services	$1,830,596	27%	$494,261	23,500	$21	$908,599
Policing Services	$1,333,480	27%	$360,040	23,500	$15	$661,860
Transit Services	$7,450,002	27%	$2,011,501	23,500	$86	$3,697,737
Parks and Recreation	$10,718,978	5%	$535,949	23,500	$23	$985,234
Library Services	$2,030,213	5%	$101,511	23,500	$4	$186,607
Long-term Care Services	$630,333	10%	$63,033	23,500	$3	$115,874
Public Health Services	$42,000	10%	$4,200	23,500	$0	$7,721
Ambulance	$1,231,429	10%	$123,143	23,500	$5	$226,373
Waste Diversion	$1,987,385	5%	$99,369	23,500	$4	$182,670
Total	**$30,742,304**		**$4,734,736**		**$222**	**$9,602,389**

Chapter 6
Net Impact of the Proposed Development on the City of Hamilton

6. Net Impact of the Proposed Development on the City of Hamilton

6.1 Summary of Net Impact

Table 6-1 summarizes the foregoing analysis provided in Chapter 4 over the buildout period for tax-supported services. This table calculates the operating expenditures non-tax revenues, taxation revenues and capital spending to be funded by the City to provide the net annual financial position. Note: capital expenditures are related to the non-D.C. component of the roads identified in the T.M.P., to be funded by the City. This capital cost has been assumed to be debt financed based on a 15-year term and an interest rate of 4.5%. Although this expenditure has been included in the fiscal impact summary below, this is not a recurring cost that will extend beyond the term of the debt.

Based on the results provided in Table 6-1 for tax-supported services, development in the A.E.G.D. Secondary Plan area would provide a net positive contribution at an amount of $97.73 million per year at buildout. The commercial and industrial tax rates in the City of Hamilton are 198% and 320% higher than the residential tax rate, respectively. This higher relative tax revenue impact of non-residential development, along with a relatively lower demand for certain services (e.g., parks, social services, public health, etc.), provides for a greater positive impact on the tax-supported budget, relative to that of a residential development. This positive impact can assist in reducing the need for tax rate increases or funding other non-growth-related needs.

The summary of the fiscal impact for rate-supported services is provided in Table 6-2. development in the A.E.G.D. Secondary plan area would provide a minor deficit of $1.13 million annually by buildout. Given that the City's 2024 projected actual budget for rate-supported services (including stormwater) is approximately $300 million, this deficit would likely not significantly affect the rates.

6.2 Additional Policy Considerations

Although the fiscal impact analysis identifies a positive annual fiscal impact at buildout, there may be cashflow constraints as the A.E.G.D. lands are built out. Given that capital expenditures related to water and wastewater are required in advance of development, the City should monitor balances in the D.C. reserve funds to manage cash flows. Debt financing for certain D.C.-related projects may be required given that expenditures are required in advance of growth and the associated D.C. revenues.

The City's current D.C. study does not fully identify the capital expenditures and the associated growth in the A.E.G.D. Secondary Plan area to buildout. Once the City has updated its master plans to reflect this growth, the D.C. study should be updated to incorporate these capital needs to ensure that capital costs are being recovered from development.

Table 6-1
A.E.G.D. Secondary Plan Area
Summary and Tax Supported Impact

Summary of Fiscal Impact	2024$ At Buildout
1. Revenues	
1.1 Property Tax	
Non-residential Growth	154,500,421
Total Property Tax Revenue	**154,500,421**
1.2 Non-Tax	
Non-residential Growth	24,998,581
Total Non-Tax Revenue	**24,998,581**
1.3 Total Revenue	
Non-residential Growth	179,499,002
Total Revenue	**179,499,002**
2. Expenditures	
2.1 Operating	
Non-residential Growth	60,174,607
Total Operating Expenditures	60,174,607
2.2 Lifecycle	
Total Internal Lifecycle Expenditures	11,009,575
Broader City-wide Lifecycle impacts	8,106,317
Total Lifecycle Expenditures	19,115,891
2.3 Capital	
Non-Growth Related Debt Payments	2,475,896
Total Expenditures	**81,766,394**
3. Surplus (Deficit)	**97,732,608**

Table 6-2
A.E.G.D. Secondary Plan Area
Summary and Rate Supported Impact

Summary of Fiscal Impact	2024$ At Buildout
1. Revenues	
1.1 Operating Revenue	
Water Revenue	6,547,062
Wastewater Revenue	7,646,115
Total Revenue	**14,193,177**
2. Expenditures	
2.1 Operating	
Water Expenditure	3,493,488
Wastewater Expenditure	3,750,226
Total Operating Expenditures	7,243,713
2.2 Lifecycle	
Direct Lifecycle Expenditures	6,580,903
Broader City-wide Lifecycle impacts	1,496,073
Total Lifecycle Expenditures	8,076,975
Total Expenditures	**15,320,689**
3. Surplus (Deficit)	**(1,127,512)**