URBAN SOLUTIONS
PLANNING & LAND DEVELOPMENT

FINANCIAL IMPACT ANALYSIS

Prepared By:	UrbanSolutions Planning & Land Development Consultants Inc.
Prepared For:	Official Plan Amendment Application
Site Location:	White Church Urban Expansion Area – Glanbrook, Hamilton
Owner:	Whitechurch Landowners Group Inc.
Date:	**December 7th, 2023**

1.0 Introduction

UrbanSolutions Planning & Land Development Consultants Inc. (UrbanSolutions) has been retained as the authorized planning consultant acting on behalf of Whitechurch Landowners Group Inc., an ownership group representing a large portion of the White Church Urban Expansion Area (the "subject site") bounded by Upper James Street to the West, Miles Road to the East, Airport Road East to the North and White Church Road East to the South, in the City of Hamilton as shown on **Figure 1** below.

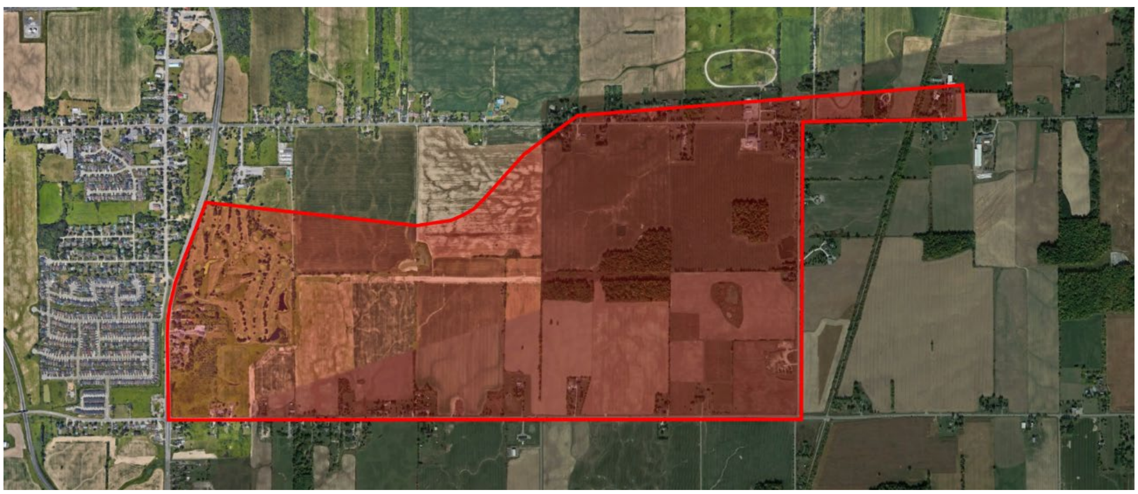

Figure 1: Aerial Perspective of Subject Lands

On January 27th, 2023, a request for Formal Consultation was submitted to the City for review, intended to confirm required deliverables for an Official Plan Amendment to implement a new Secondary Plan within the White Church Urban Expansion Area. The Formal Consultation meeting was held on March 22nd, 2023, with the Formal Consultation Document being issued on April 23rd, 2023. As per the Formal Consultation Document, Financial Impact Assessment Report is required. This assessment outline the financial implications the White Church Secondary Plan will have.

1.2 Proposed Development

Once the development approvals process is complete, more details about the concept will become available. Therefore, all the assumptions presented in this report reflect the best estimates that could be made at this stage.

Much of the proposed urban expansion development plan consists of residential land use. The total estimated number of units to be developed within the Whitechurch Secondary Plan area is 4,846 when a density of 22 Units per Hectare (UPH) is applied to the lands. It is noted that the total residential unit count could be higher when development occurs as the lands designated as Mixed-Use Medium Density have not been included in the estimated residential calculation. The ultimate tenure of the residential dwellings in the Secondary Plan area will be at the discretion of individual landowners through planning applications in the future. However, it is anticipated that the tenure of proposed dwellings will be dictated by existing market conditions and vary from freehold ownership to purpose built rental and condominium units in a range of housing types. For the purpose of this Financial Impact Analysis, the estimated unit mix will consist of 715 single-detached (15%), 1,260 semi-detached (26%), 1,283 townhouses (27%), 263 arterial-fronting condo townhouses (5%), and 1,326 apartment condominium units (27%). In addition to the residential lands, this development aims to incorporate zones dedicated to commercial purposes.

The projected population for this development is expected to reach approximately 16,961 individuals. This calculation is derived from the proposed net density of 22 people per hectare, with an estimation of 3.5 people per household as outlined in the table below.

Table 1.1: Projected Residential Units and Population.

	Gross Area (ha)	Estimated Net Area (ha)	Net Density (UPH)	Estimated Number of Units	Estimated Population	People Per Hectare
Proposed	326.27	287.91	22	4,846	16,961	77 people/hectare
UHOP Targeted Greenfield Density			20	4,405	15,419	70 people/hectare

The dedicated employment and commercial lands are anticipated to generate approximately 1,444 jobs within the development. Table 1.2 below shows that most jobs will be within the commercial developments.

Table 1.2: Projected Non-Residential Mix and Employment Yield.

Land Use	Development Type	Land area (ha)	Built Area (ft²)	Employee Density (Employee/ft²)	Employees
Retail	Commercial	14.29	540,000	450	1,200
Business Employment	Office	2.09	110,000	450	244
TOTAL		**16.38**	**650,000**		**1,444**

- *Built areas are rounded to nearest ten thousand.*
- *Built areas are estimated to cover 33% of total land area.*

2.0 Planning Policy Context

2.1 Provincial Policy Statement, 2020

The PPS, 2020 works together with other recent changes to the land use planning system which collectively support key government priorities of increasing housing supply, supporting job creation and reducing red tape.

The PPS, 2020 policies took effect on May 1, 2020 and replaced the PPS, 2014. In accordance with Section 3 of the Planning Act, all decisions affecting land use planning matters made after this date shall be consistent with the PPS, 2020. Recognizing that, this proposal has been prepared in accordance with this new policy framework.

In line with the Provincial Policy Statement 2014, the PPS 2020 continues the mandate of building strong healthy communities. The vision of the PPS 2020 includes the long-term prosperity and social well-being of Ontario which depends on wisely managing change and promoting efficient land use and development patterns.

Section 1.7 of the Provincial Policy Statement lists a number of policies which support the promotion of opportunities for economic development and investment while securing the long-term economic prosperity of the Province and its municipalities. The proposed secondary plan is consistent with the Provincial Policy Statement, particularly with the policy direction provided in Section 1.7.

2.2 A Place to Grow: Growth Plan for the Greater Golden Horseshoe, 2020

The Greater Golden Horseshoe (GGH) is one of the fastest growing regions in North America. In order to accommodate such growth, the Province of Ontario adopted the Places to Grow – Growth Plan for the Greater Golden Horseshoe (Growth Plan) under the *Places to Grow Act, 2005*. This Plan provides the framework for implementing the Government of Ontario's vision for building stronger, prosperous communities by better managing growth in the region to 2051. Section 5(b) of the *Planning Act* requires that decisions that affect planning matters shall conform to or shall not conflict with provincial plans, including the Growth Plan. The Growth Plan intends to guide development in a way that supports economic prosperity, protects the environment, and helps communities achieve a high quality of life.

Section 3 of the Growth Plan outlines the importance of well-planned infrastructure in Ontario's economic competitiveness, quality of life, and delivery of public services. Section 3.2 of the Growth Plan notes that planning for new or expanded infrastructure will occur in an integrated manner and should involve:

a) the leveraging of infrastructure investment to direct growth and development;
b) the provision of sufficient infrastructure capacity in strategic growth areas;
c) the identification of full life cycle costs of infrastructure and developing options to pay for these costs over the long term; and,
d) the consideration of the impacts of a changing climate.

2.3 Urban Hamilton Official Plan

The City of Hamilton's Urban Hamilton Official Plan (UHOP) was adopted by Council and received final approval from the Ontario Municipal Board on August 16, 2013. The UHOP is a guiding planning document which provides policies on community management, land use changes, and physical development in the City. Throughout the Plan, policy direction is provided for sound financial planning supported by infrastructure master plans will foundations to meet the City's social, environmental, and economic goals.

3.0 Capital Revenues and Expenditures

This segment of the document examines the capital income generated by the suggested development, the necessary capital infrastructure to support it, and the resulting effects on the City's capital budget.

3.1 Development Charge Revenue

Development Charges are imposed by the City of Hamilton to recover growth-related costs associated with the capital infrastructure needed to service new development within the city. The development will generate a total revenue of $250.1 million worth of Development Charges for the City of Hamilton, with the remaining $17.2 million being used to fund city-wide GO Transit and Hamilton school board services.

Table 3.1: Estimated DC Revenues (2023-24 Rates)

Property Type	Number of Units	DC Rate (per unit)	City DC Revenue			Other DC Revenue	Total
			Soft Services	Hard Services	Servicing	Other	
Single/Semi	1,975	$70,595.00	$24,970,000	$ 41,140,000	$66,150,000	$7,170,000	$139,430,000
Street, Rear, Arterial Fronting Towns	1,545	$51,462.00	$13,980,000	$23,040,000	$37,040,000	$5,450,000	$79,510,000
Condo (1 Bed)	663	$30,249.00	$3,360,000	$5,530,000	$8,900,000	$2,270,000	$20,060,000
Condo (2 + Bed)	663	$42,712.00	$4,910,000	$8,090,000	$13,010,000	$2,320,000	$28,330,000
TOTAL			**$47,220,000**	**$77,800,000**	**$125,100,000**	**$17,210,000**	**$267,330,000**

- *Development Charge rates for stormwater servicing are for a separated system.*
- *We have assumed a 50% split between 1 bedroom and 2+ bedroom condos.*
- *DC Revenue rates were gathered as per Bylaw 19-142 and 11-174, as amended. Effective July 6, 2023 – June 12, 2024.*
- *Revenue figures have been rounded to the nearest ten thousand.*

Development Charge revenue breakdown:

- $47.2 million is generated for soft services, including parkland, recreation and social services;
- $77.8 million is generated for hard services, which is comprised of public works, emergency services, transit services and waste diversion;
- $125.1 million is generated for all servicing that includes:
    - $47.9 million for sanitary services;
    - $24.2 million for water services; and,
    - $53 million for stormwater services.
- $17.2 million generated from other DC revenue that will go towards GO Transit and the school boards.

3.2 Building Permit Revenue

The proposed development will generate approximately $17.7 million in building permit revenue for the City of Hamilton, as shown in Table 3.2. Although Development Charges contribute to financing growth-related infrastructure, the revenue generated from building permits typically supports the daily operations of the City's building department as they assess applications.

It is important to consider that the estimates displayed in Table 3.2 rely on assumed average sizes for residential units, as well as the quantity and dimensions of commercial and employment buildings. Construction for this development is anticipated to occur after a considerable span of time, likely spanning several years. Furthermore, once construction begins, it will be executed in stages or phases over an extended duration. As the concept continues to evolve, these numerical values may undergo alterations or revisions, and concurrently, the rates utilized to calculate these specified values will be refreshed or modified accordingly.

Table 3.2: Estimated Building Permit Revenues

Residential	**Size Per Unit (m^2)**	**Units**	**Built Area (m^2)**	**Fees ($/unit or $/$m^2$)**	**Total**
Single/Towns	186	3,520	650,000	$17.44	$11,340,000
Apartments	60	1,326	80,000	$17.44	$1,400,000
Subsurface Works	N/A	4,846	N/A	$787.00	$3,810,000
Subtotal					**$16,550,000**
Commercial		**Land (ha)**	**Built Area (m^2)/Buildings**	**Fees ($/$m^2$)**	**Total**
Retail	N/A	14.29	50,000	$19.09	$960,000.00
Subsurface Works	N/A	N/A	10	$3,215.00	$30,000
Subtotal					**$990,000.00**
Employment		**Land (ha)**	**Built Area (m^2)/Buildings**	**Fees ($/$m^2$)**	**Total**
Business Employment	N/A	2.09	10,000	$22.98	$230,000.00
Subsurface Works	N/A	N/A	1	$3,215.00	$ 3,000
Subtotal					**$233,000**
TOTAL					**$17,773,000**

- *Figures are rounded to the nearest ten thousand.*
- *It is assumed that each office building is 10,000 m^2.*
- *It is assumed that each retail building is 5,000 m^2.*
- *Fees ($/$m^2$) are listed as per City of Hamilton By-law No. 15-058.*
- *It is assumed that singles/towns are 186 m^2 and apartments are 60m^2 in size.*
- *Subsurface works fees for Residential are comprised of Residential Under Part 9 of Division B, New water service, and New Sewer service Fee.*
- *Subsurface works fees for Retail and employment are comprised of RCII Under Part 3 (greater than 1,200m^2).*
- *Built areas are estimated to cover 33% of total land area. Retail is assumed to be one storey.*
- *Business Employment assumed to be Office Buildings under 10 storeys for the purposes of calculating Building Permit Fees.*

3.3 Capital Infrastructure Requirements

3.3.1 Stormwater

Stormwater infrastructure requirements will be confirmed through the future preparation of a master servicing strategy. The secondary plan proposes to include 18.56 hectares of stormwater management facilities across the subject lands. As per the Energy and Environmental Assessment Brief, the impact of the proposed secondary plan on municipal stormwater infrastructure may be greatly reduced as the majority of stormwater on site may be managed within these planned facilities. However, specific costs associated with the required municipal infrastructure to accommodate stormwater from the site is to be determined at a later stage.

3.3.2 Water and Wastewater

A final master servicing strategy report by SCS Consulting will establish the water and wastewater infrastructure needs for this land, accompanied by sewer and water servicing plans.

3.3.3 Roads

UrbanSolutions estimates that approximately 25 kilometers of new roads will be required to service the proposed development. The road network within the development is comprised of arterial, collector and local roads, which have varying right-of-way (ROW) widths. The following displays the amount of new road infrastructure required for each type of infrastructure.

- 7.36 kilometers of new roads within 26.21m ROW
- 17.82 kilometers of new roads within 20.13m ROW

4.0 Recurring Fiscal Impact

This section reviews the proposed development's ongoing net fiscal impact to the City of Hamilton including an overview of the methodology and assumptions.

4.1 Revenues
4.1.1 Property Tax Revenues

The proposed development is expected to yield an increase in property tax revenue, providing positive contributing to the City's tax base. The estimations for residential assessed values rely on average year-end data provided by the Realtors Association for Hamilton-Burlington, considering singles/semis and townhomes.

Assessed values for employment properties stem from the Commercial Realty Watch (Q3 2023) prepared by TREB Commercial. Utilizing per square meter assessments from TREB, this report applies values of $3,634.87 per square meter for retail space and $4,402.04 for business employment uses. To exercise caution, these values have been reduced by 20%, as they are derived from the average Greater Toronto Area market value and not specific to the City of Hamilton.

Considering a total residential assessment value of approximately $3 billion, the proposed development is estimated to contribute $40 million annually in property taxes to the City. The non-residential segment, assessed at approximately $225.7 million, is expected to generate an annual property tax revenue of $6.4 million for the City.

Overall, using the City of Hamilton's 2022 tax rate, the proposed development is projected to generate approximately $46.5 million annually in property tax revenue for the City.

Table 4.1: Estimated Property Tax Revenue

Property Type	Number of Units	Assessed Value ($/Unit)	Assessed Value of Development	Municipal Property Tax Rate	Property Tax Revenue
Single	715	$870,085	$622,110,000	1.144108%	$7,120,000
Semi	1,260	$666,921	$840,320,000	1.144108%	$9,610,000
Town	1,282	$605,963	$776,840,000	1.144108%	$8,890,000
Multi-Residential	1,589	$495,705	$787,680,000	1.144108%	$9,010,000
Subtotal	**4,846**		**$3,026,950,000**		**$34,630,000**
Property Type	**Employment Space (m^2) (GFA = 33% of total area)**	**Assessed Value ($/$m^2$)**	**Assessed Value of Development**	**Municipal Property Tax Rate**	**Property Tax Revenue**
Retail	50,000	$3,635	$181,740,000	2.842393%	$5,140,000
Business Employment	10,000	$4,402	$44,020,000	2.842393%	**$1,250,000**
Subtotal	**60,000**	**$8,037**	**$225,760,000**		**$6,390,000**
TOTAL					**$41,020,000**

- *Figures are rounded to the nearest ten thousand.*
- *GFA = 33% of total area.*
- *Municipal Property Tax Rates are gathered from 2022 City of Hamilton Total Tax Rates.*

4.1.2 Water and Wastewater Revenue

The proposed development will generate annual revenues from the usage of water and wastewater by residents and businesses. The City of Hamilton imposes both a daily fixed charge and a variable consumption charge. Further analysis shall be required with the individual development applications to confirm the water and wastewater revenues.

4.1.3 Other Revenues

Furthermore, the proposed development is expected to yield income from various sources beyond property taxes and water and wastewater usage. These alternative revenue streams encompass City fees associated with licenses, permits, fines, donations, user fees and similar items.

5.0 Conclusion

The development of the White Church Secondary Plan will have a positive financial effect on the City of Hamilton.

Regards,
UrbanSolutions

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Principal