



South West Ingersoll Secondary Plan

County of Oxford

Fiscal Impact Assessment



1. Introduction

1.1 Background

The County of Oxford (County) identified the need for additional residential and employment lands to support the long-term growth in the Town of Ingersoll. As of January 2021, a boundary adjustment brought approximately 630 hectares of land from South-West Oxford into the Town of Ingersoll (Town). Dillon Consulting has been retained by the Town as project lead for the preparation of the integrated planning project (Secondary Plan) for the South West Ingersoll Secondary Plan Area.

The Town's Official Plan policies require that appropriate financing policies are in place to clearly and effectively guide future development within secondary plan areas and that new secondary plans shall be based on "a Fiscal Impact Analysis that demonstrates development shall not negatively impact the Town's financial position". The Secondary Plan requires the preparation of a number of supporting studies, including a Fiscal Impact Assessment (FIA) of development in the Secondary Plan Area on the Town and County. The preparation of the FIA will inform the long-term financial sustainability of the Secondary Plan Area from a Town and County financing perspective as well as informing the ongoing update of the Town's Development Charge (D.C.) by-law.

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

This report focuses on the fiscal impacts to the County.

1.2 Approach

This study has been prepared to address the fiscal impacts of development within the Secondary Plan Area on the County's costs of services from an operating and capital perspective. The study addresses the following annual net fiscal impacts at buildout of the Secondary Plan Area:

- Non-residential employment and gross floor area (G.F.A.) development by type and land use;



- Net operating expenditures;
- Capital expenditures and funding, including lifecycle capital replacement costs; and
- Tax and non-tax revenues and water and wastewater rates.

The fiscal impact assessment measures the development's projected impacts on the County's property taxes over the buildout of the Secondary Plan Area. Given the significant time for buildout to potentially be achieved, the annual fiscal impacts in Chapter 5 are also presented based on the incremental growth within the Secondary Plan Area to 2046 (i.e. the County's current long-term planning horizon in their 2019 Comprehensive Review).

1.3 Overview of the Fiscal Impact Assessment

Figure 1-1 provides a schematic overview of the methodology undertaken for the purposes of this County-specific FIA, which is described as follows:

- Blue Boxes (labelled "A" in bottom right corner) – denote the anticipated development forecast for the buildout of the Secondary Plan Area. The residential and non-residential development is summarized in Chapter 2.
- Fuchsia Boxes (labelled "B" in bottom right corner) – denote capital infrastructure required to service the anticipated development over the forecast period. The capital requirements to service the area were derived from the Transportation Water, and Sanitary Assessments prepared by Dillon Consulting as part of this project and the County's 2019 development charge (D.C.) background study. In addition to the future development-related capital costs, the analysis also identifies the additional lifecycle requirements associated with the additional infrastructure based on the County's asset management plan to provide for sustainable capital spending for new infrastructure.
- Green Boxes (labelled "C" in bottom right corner) – denote the incremental operating expenditures anticipated over the forecast period arising from new development. These expenditures comprise two parts: program/service costs assessed on the basis of anticipated employment and incremental operating expenditures associated with new capital works emplacement. Consideration of

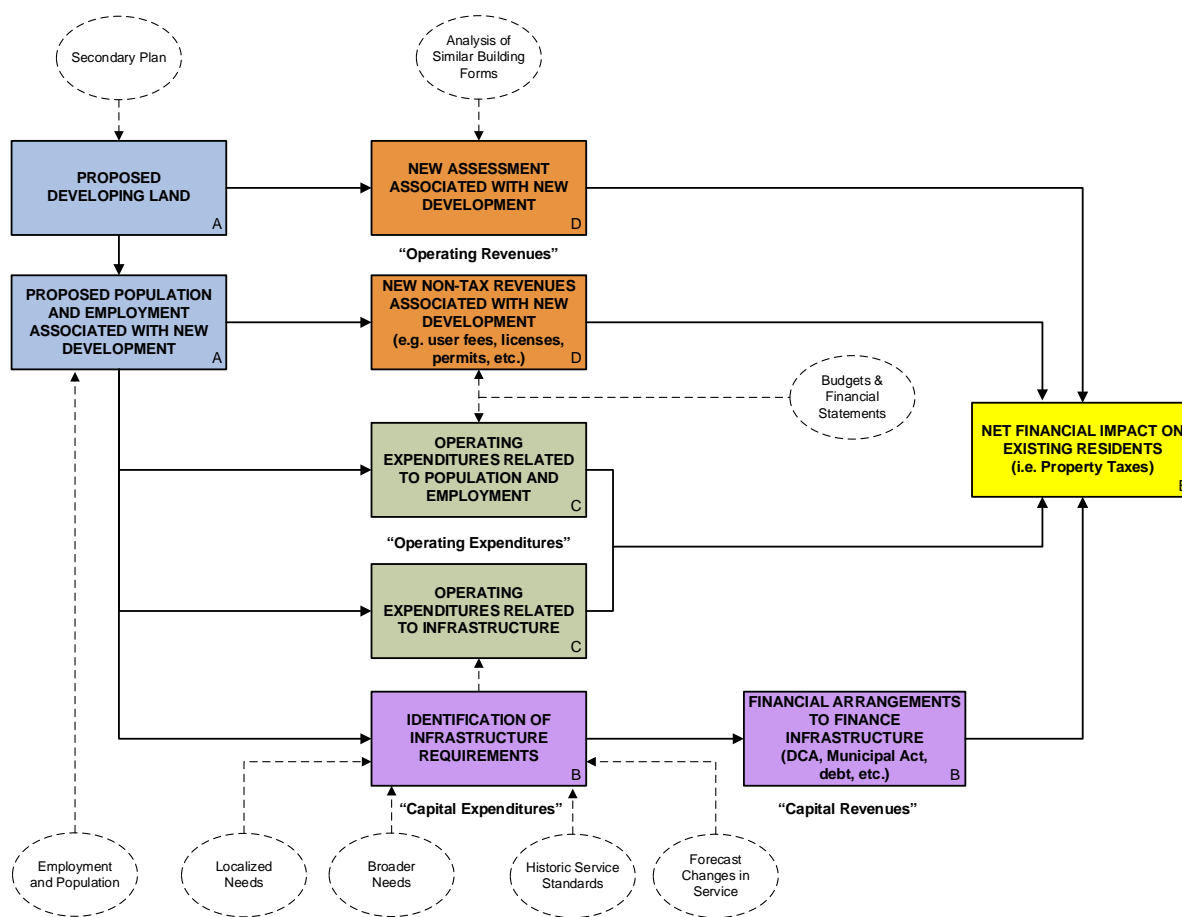


economies/diseconomies of scale have been provided in the incremental operating expenditure assessment reflective of anticipated future service levels.

- Orange Boxes (labelled “D” in bottom right corner) – denote incremental revenues commensurate with growth. The new assessment associated with development produces incremental property tax revenues as non-residential building activity occurs within the Secondary Plan Area. Moreover, new non-tax revenues associated with new development reflect anticipated user fees, permits, licences, and other revenues associated with service program demands arising from employment growth.
- Yellow Box (labelled “E” in bottom right corner) – denotes the overall fiscal impact on the County's net levy over the forecast period. This is the summation of the anticipated development and incremental net expenditures relative to the property taxes generated, at current tax rates, over the buildout of the Secondary Plan Area. Where net expenditures exceed anticipated property tax revenues, forecast development will apply increasing upward pressure on property tax rates. Where property tax revenues exceed net expenditures, additional revenues may serve to support increased funding of future service levels, increases in infrastructure lifecycle spending, etc. The net impacts on the water and wastewater rates within the Town of Ingersoll serviced area is also assessed.



Figure 1-1
Overview of the Fiscal Impact Study Methodology





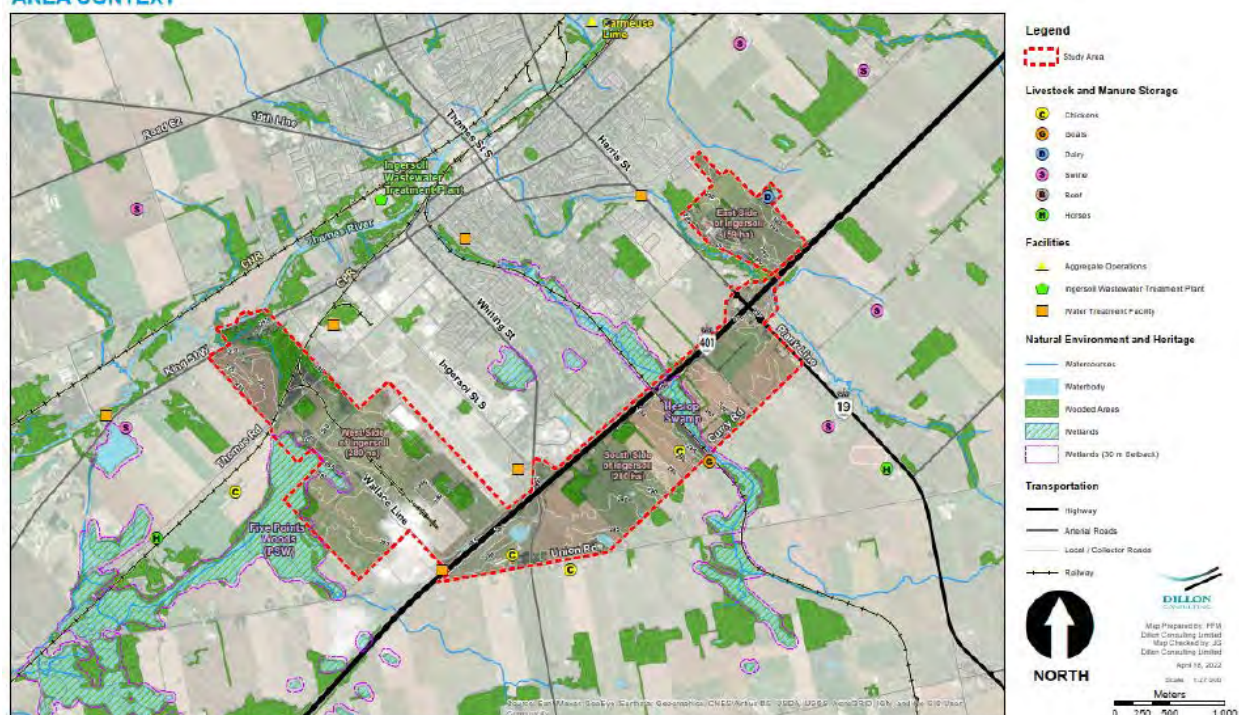
2. Anticipated Development & Property Value Assessment

2.1 Anticipated Development

The South West Ingersoll Secondary Plan Area comprises 347 net developable hectares. The Secondary Plan Area is divided into the east, west, and south of Ingersoll portions, as illustrated in Figure 2-1.

Figure 2-1
Map of South West Ingersoll Secondary Plan Area

SOUTH WEST INGERSOLL 2021 AREA SECONDARY/SERVICING PLAN AREA CONTEXT



The entire Secondary Plan Area is anticipated to accommodate 1,300 additional residential units (3,391 population) and 4,934 additional employees. A moderate amount of employment (429 jobs) or 6% of the incremental employees are included for the commercial sector with the remainder of the employment being anticipated within the industrial sector.



The employment growth within the Secondary Plan Area is anticipated to yield approximately 7.0 million sq.ft. of additional non-residential gross floor area, based on the following average floor space per worker assumptions:

- Commercial: 525 sq.ft. per employee
- Industrial: 1,500 sq.ft. per employee

Table 2-1
Summary of Population and Dwelling Units

Residential
Units

Type Of Units	Units Increment
	Number of Units
Single/Semi Detached	450
Townhomes	850
Total	1,300

Population

Type Of Units	Population Increment
Single/Semi Detached	1,351
Townhomes	2,040
Total	3,391

Table 2-2
Summary of Employment and Non-Residential G.F.A. in Sq.Ft.

Non-Residential
Building Area (Ft²)

Type of Development	Sq.ft. Increment
	Number of Sq.ft.
Industrial	6,757,129
Commercial	225,051
Institutional	-
Total	6,982,180

Employment

Type of Development	Estimated Employment
Industrial	4,505
Commercial	429
Institutional	-
New Employment	4,934



For the purposes of the overall fiscal impact summary in Section 5, the development over the period to 2046 that would occur within the Secondary Plan area has been estimated. For the purposes of this FIA, it is assumed that all of the residential lands within the Secondary Plan Area would be built out by 2046 as well as 25% of the non-residential employment areas (industrial and commercial).

2.2 Property Value Assessment

Property tax revenues are calculated based on the weighted taxable assessment and current residential tax rates. The forecast increment in weighted taxable assessment is determined by multiplying market assessed values per residential dwelling unit and per sq.ft. of G.F.A. by the anticipated type and amount of development over the buildout of the Secondary Plan Area to determine the forecast market value assessment. The forecast increase in market value assessment is then weighted based on the County's current tax ratios to determine the incremental weighted assessment for taxation purposes.

Table 2-3 summarizes the property assessment samples that were derived from the new residential construction in the Town of Ingersoll over the past five years as well as average assessment per sq.ft. of G.F.A. for development in the past 25-years. A longer-term period was used for non-residential development due to the limited sample size of new non-residential construction in the past 5-year period. The total market assessed value and weighted assessment forecast for the buildout of the Secondary Plan Area is also summarized. In aggregate, the buildout of the Secondary Plan Area would produce incremental weighted taxable assessment of \$3.6 billion with 91% of that assessment being from development in the non-residential sector.



Table 2-3
Property Assessment Assumptions and Incremental Assessment Value

Residential Market Value Assessment

Type Description	Average Assessment per Unit	Number of Units	Assessed Value
Single/Semi Detached	282,000	450	\$126,964,060
Townhomes	220,000	850	\$187,008,971
Total		1,300	\$313,973,031

Non-Residential Market Value Assessment

Type Description	Average Assessment per Sq.ft.	Est. GFA	Assessed Value
Industrial	182.00	6,757,129	\$1,229,797,463
Commercial	152.00	225,051	\$34,207,780
Institutional	180.00	-	\$0
Total		6,982,180	\$1,264,005,243

Total Weighted Assessment

Type of Development			Assessment
Residential	Annual Assessment	Annual Assessment	313,973,031
	Weighted	1.00	313,973,031
Commercial	Annual Assessment		34,207,780
	Weighted	1.90	65,056,350
Industrial	Annual Assessment		1,229,797,463
	Weighted	2.63	3,234,367,931
Total Weighted Assessment			3,613,397,312



3. Capital Funding Impacts

3.1 Introduction

The growth-related capital needs that are required to provide the desired levels of service by the County within the Secondary Plan Area, are identified within Dillon Consulting Transportation, Water, and Sanitary assessments and the County's 2019 D.C. Background Study for non-transportation, water, and wastewater services. The costs of growth-related transportation, water, and wastewater infrastructure that would be funded through future D.C.s has been apportioned to development within the Secondary Plan Area as part of this analysis. With respect to other growth-related infrastructure, the County is currently undertaking an update to their D.C. background study. As such, for these services (i.e., land ambulance, library, waste diversion, etc.) the current per dwelling unit and per sq.ft. of non-residential G.F.A. D.C.s were applied to the anticipated development within the Secondary Plan Area to estimate the share of growth-related capital costs over the buildout of the Secondary Plan Area. In addition to these municipal capital expenditures, the County also acquires growth-related capital assets through the assumption of works directly emplaced by developers as conditions of development (i.e., local water and sewer mains). The costs of these local service capital needs have been estimated for the purposes of the FIA based on the preferred land use concept within the Transportation, Water, and Sanitary Assessment prepared by Dillon. These assets and are addressed in the lifecycle capital analysis in Section 3.2, as the County is responsible for maintaining these assets over their lifecycle once these assets are assumed, and these costs should be assigned to development within the Secondary Plan Area. In some circumstances where infrastructure is benefitting existing unserved properties or would otherwise be considered a local service and developer funding responsibility, these works may be funded by the County and recovered from land owners through charges imposed under the *Municipal Act*. These works have been treated the same as local service capital needs for the purpose of his FIA .

3.2 South West Ingersoll Capital Program for the County of Oxford

The transportation, water, and sanitary infrastructure required for the Secondary Plan Area that could potentially be recovered from D.C.s is summarized in Table 3-1. The



D.C. recoverable share has been apportioned between residential and non-residential development based on the share of population and employment growth over the buildout of the Secondary Plan Area.

Table 3-1
Potential D.C.-Eligible Capital Costs of Transportation, Water, and Wastewater Infrastructure Benefitting Development within the Secondary Plan Area

Description		Gross Capital Cost Estimate	Less Estimated Non-D.C. Recoverable Share ¹	D.C. Recoverable Share	Residential Share	Non-Residential Share
Transportation					41%	59%
Intersection Upgrades						
Ingersoll Street & King Street West	Signalization	\$437,000	\$43,700	\$393,300	\$160,202	\$233,098
Ingersoll Street & Thomas Street	Signalization	\$437,000	\$43,700	\$393,300	\$160,202	\$233,098
Ingersoll Street & Thompson Road	Add EB auxiliary left-turn lane	\$12,000	\$1,200	\$10,800	\$4,399	\$6,401
Union Road & Culloden Line	Signalization Add NB auxiliary left-turn lane Add SB auxiliary left-turn lane	\$502,000	\$50,200	\$451,800	\$184,030	\$267,770
Harris Street & Clarke Road	Add WB auxiliary left-turn lane Add NB auxiliary right-turn lane	\$33,000	\$3,300	\$29,700	\$12,098	\$17,602
Harris Street & Clarke Road	Signalization Add WB auxiliary left-turn lane Add N auxiliary right-turn lane	\$470,000	\$47,000	\$423,000	\$172,299	\$250,701
Plank Line & Curry Road	Signalization Add EB auxiliary left-turn lane Add SB auxiliary right-turn lane	\$470,000	\$47,000	\$423,000	\$172,299	\$250,701
Railway Crossing Upgrades						
King Street West	Active Crossing (flashing lights bells and gate)	\$195,000	\$39,000	\$156,000	\$63,543	\$92,457
Ingersoll Street	Active Crossing (flashing lights bells and gate)	\$195,000	\$39,000	\$156,000	\$63,543	\$92,457
Water					5%	95%
300 mm Trunk	East Of Ingersoll	\$2,028,000	\$832,500	\$1,195,500	\$65,184	\$1,130,316
300 mm Trunk	West of Ingersoll	\$1,677,000		\$1,677,000	\$91,438	\$1,585,562
300 mm Trunk	South Of Ingersoll	\$780,000		\$780,000	\$42,529	\$737,471
400 mm Trunk	South Of Ingersoll	\$3,952,000		\$3,952,000	\$215,481	\$3,736,519
Hwy 401 Crossings (2)		\$455,500		\$455,500	\$24,836	\$430,664
Upgrdaed Pumping Stations (3)		\$2,925,000		\$2,925,000	\$159,485	\$2,765,515
New Water Treatment		\$1,560,000		\$1,560,000	\$85,058	\$1,474,942
Wastewater					5%	95%
Gravity Sanitary Sewer (200 mm diameter)	East Of Ingersoll	\$2,309,000	\$2,309,000	\$0	\$0	\$0
Gravity Sanitary Sewer (200 – 375 mm diameter)	South Of Ingersoll	\$4,760,000	\$3,922,500	\$837,500	\$45,664	\$791,836
Forcemain (300 mm diameter)	South Of Ingersoll	\$1,395,000		\$1,395,000	\$76,062	\$1,318,938
Pumping Station	South Of Ingersoll	\$2,210,000		\$2,210,000	\$120,500	\$2,089,500
Highway 401 Crossing	South Of Ingersoll	\$228,000		\$228,000	\$12,432	\$215,568
Gravity Sanitary Sewer on Wallace Line (200 – 375 mm diameter)	West of Ingersoll	\$3,022,000	\$0	\$3,022,000	\$164,774	\$2,857,226
Gravity Sanitary Sewer On Hamilton Road/King Street	West of Ingersoll	\$1,675,000		\$1,675,000	\$91,329	\$1,583,671
Total		\$31,727,500	\$7,378,100	\$24,349,400	\$2,187,388	\$22,162,015

The total capital costs are \$31.7 million of which \$24.3 million has been estimated for recovery from D.C.s. Transportation costs are allocated 41% to residential and 59% to non-residential development based on the forecast population and employment growth within the Secondary Plan Area. Water and wastewater costs are allocated 5% residential and 95% non-residential based on the anticipated flows for the buildout of the Secondary Plan Area identified in the servicing assessments. The water and sanitary assessments have identified that additional infrastructure could be required through further study, such as water storage, wells, and pumping stations and downstream wastewater infrastructure.



It is anticipated that these costs will be funded from future D.C.s with the exception of the revenue foregone as a result of the County's current industrial D.C. exemptions and the mandatory phase-in over the first 5-years of any new D.C. by-law as required by the D.C.A. The estimated D.C. revenue foregone has been calculated at \$23.1 million in Table 3-2 below. These costs have been annualized at \$1.7 million for inclusion in the FIA using a 5% interest rate over a 25-year term. This funding obligation has been included in the annual operating expenditure impacts. Additional impacts on D.C. revenue as a result of affordable housing exemptions that are not yet in effect, reductions to rental housing development D.C.s, or other D.C. exemptions imposed by the County have not been considered in the analysis at this time.

Table 3-2
Annualized Costs of D.C. Revenue Foregone

Description	D.C. Revenue Foregone	Annualized Costs ¹
Industrial D.C. Revenue		
Transportation & Water/Wastewater Services		
Transportation	\$1,397,732	\$99,172
Water & Wastewater	\$20,049,952	\$1,422,593
Other D.C. Services		
Non-Residential D.C. Revenue	\$1,938,644	\$137,552
Residential & Commercial D.C. Revenue		
Statutory Phase-In	\$1,107,329	\$78,568
Total	\$23,095,925	\$1,737,885

1. 5.00% annual interest and a 25-year term.

2. 10% loss in D.C. revenues based on the statutory phase-in and the assumption that the Town would continue to pass a new D.C. by-law every five years

As the objective of the FIA is to assess the net financial impact at the buildout of the Secondary Plan Area, once the incremental capital needs have been assessed, the annual lifecycle costs of the incremental capital assets are calculated to determine the on-going funding obligation. This funding obligation has been included in the annual operating expenditure impacts.

In addition to assessing the annual operating expenditure impacts associated with lifecycle costs of the incremental D.C.-eligible capital assets, the analysis also considers the lifecycle costs and funding implications of the assets that will be constructed as a condition of development and assumed by the County.



Table 3-3 summarizes the annual lifecycle costs associated with the \$24.3 million growth-related capital costs of D.C. eligible transportation, water, and wastewater infrastructure from Table 3-1, \$2.7 million in other growth-related D.C. costs, and the \$11.4 million capital costs of local water and wastewater assets that would be constructed as a condition of development. The annual lifecycle costs total \$738,000 and have been calculated based on the relationship of the total capital replacement costs and the annual funding needed within the County's 2022 asset management plan by asset type.

Table 3-3
Annual Lifecycle Costs

Description	Gross Capital Cost Estimate	Annual Lifecycle Costs
Local Services		
Water	\$4,387,500	\$72,668
Wastewater	\$7,011,500	\$120,502
Local Services Subtotal	\$11,399,000	\$193,170
<u>D.C.-Eligible Costs</u>		
Transportation	\$2,436,900	\$55,033
Water	\$12,545,000	\$207,777
Wastewater	\$9,367,500	\$160,993
Other D.C.-Eligible Services 1	\$2,729,778	\$121,553
D.C.-Eligible Services Subtotal	\$27,079,178	\$545,355
Total Annual Lifecycle Costs	\$38,478,178	\$738,525

1. Estimated based on current D.C. rates

If additional water and wastewater infrastructure is required, there would be additional lifecycle funding obligations as well as additional D.C. revenue foregone that would represent additional funding obligations at the buildout of the Secondary Plan Area.



4. Net Operating Expenditures and Property Tax, Water, and Wastewater Rate Impacts

4.1 Introduction

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

Operating expenditures have been assessed on two different bases: (1) operating costs related to the incremental capital assets identified in the previous chapter, and (2) service/program operating costs required to service the incremental population and employment-related demands. The former identifies the specific operating costs anticipated to be incurred as additional capital assets (i.e. new roads, water mains, etc.) are constructed or assumed, based on current cost of assets (e.g. \$/lane km of road). The latter identifies service/program expenditures which are linked to population and employment growth at current service levels. In addition to these projections of operating costs, additional lifecycle funding costs of incremental assets and funding D.C. revenue foregone, identified in the previous chapter, is also included.

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

The sufficiency of property tax and non-property tax revenues to support the incremental operating costs determines the fiscal impact of the forecast development within the Secondary Plan Area. For water and wastewater services, the operating expenditure and rate revenue forecast for has been based on the County's 2023 operating budget for the Ingersoll water and wastewater systems. For other non-rate-based services, the operating expenditure and non-property tax revenue forecast for the



County has been based on the County's latest published Financial Information Return (FIR) form 2022 and indexed to 2023\$ values at 4% based on the change in the Statistics Canada Consumer Price Index over the 2022 to 2023 period.

4.2 Operating Expenditure Impacts

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

- Service/Program related operating costs;
- Capital-related operating costs;
- Lifecycle capital costs for incremental growth-related capital assets (See Section 3.2); and
- Annual costs of funding the D.C. revenue foregone for development in the Secondary Plan Area (see Section 3.2)

The County's 2022 FIR and 2023 Ingersoll water and wastewater operating budget was assessed to determine whether operating expenditures were capital-related and required to maintain the incremental assets as constructed or assumed, or service/program related and driven by population and employment growth. Moreover, capital-related items, such as debt payments, transfers to reserves/reserve funds, and amortization were removed from the analysis as these items are addressed separately for growth-related assets.

4.2.1 *Service/Program Related Operating Costs*

Table 4-1 summarizes the operating expenditures for each service, as defined in the County's FIR for non water and wastewater services. These costs have further been allocated between population & employment related costs and infrastructure related costs. In Table 4-2, the population and employment costs from Table 4-1 are converted to a per capita and per employee cost based on the current estimated population and employment in the County (i.e., 128,700 population and 62,100 employment). These costs have been adjusted based on anticipated economies of scale associated with growth. For example, a growth-related adjustment of 25% has been applied to the service/program operating costs for General Government, while a 50% adjustment has been used for planning and building related services, consistent with adjustments used in other FIAs undertaken in the province. The per capita and employee costs are also



allocated to residential and non-residential growth based on the benefits of the service received. Most service areas have been allocated to residential and non-residential development based on the relationship of existing population and employment (i.e., 67% residential and 33% non-residential), however, services such as child care and assistance to aged persons have been weighted more heavily to residential development (i.e., 100% residential). The results of these adjustments are incremental per capita costs of \$852 and per employee costs of \$216. When applied to the incremental population and employment growth over the buildout of the Secondary Plan Area, incremental annual costs of \$3.9 million could be expected.

Table 4-1
Population & Employment vs. Infrastructure Related Expenditures

Category	Total Net Operating Expenditure	Population & Employment Related	Infrastructure Related
1. Expenditures			
General Government	6,311,060	6,311,060	
Court Security	9,020	9,020	
Emergency Measures	51,538	51,538	
Provincial Offences Act (POA)	926,996	926,996	
Roads	6,719,450	-	6,719,450
Traffic Operations & Roadside	5,665,738	5,665,738	
Winter Control	3,103,991	3,103,991	
Urban Storm Sewer System	113,480	-	113,480
Rural Storm Sewer System	723,156	-	723,156
Solid Waste Collection	3,298,566	3,298,566	
Solid Waste Disposal	5,361,896	5,361,896	
Waste Diversion	7,271,892	7,271,892	
Public Health Services	16,335,210	16,335,210	
Ambulance Services	16,005,267	16,005,267	
Other: Tiered Response	41,894	41,894	
General Assistance	17,650,345	17,650,345	
Assistance to Aged Persons	32,286,768	32,286,768	
Child Care	1,466,181	1,466,181	
Public Housing	5,603,849	5,603,849	
Other: AHP	404,893	404,893	
Parks	6,840	6,840	
Libraries	4,262,093	4,262,093	
Planning and Zoning	2,487,247	2,487,247	
Commercial and Industrial	628,127	628,127	
Agricultural and Reforestation	199,386	199,386	
TOTAL	136,934,883	129,378,798	7,556,085



Table 4-2
Service/Program Related Operating Expenditures

Category	Population & Employment Related							
	Cost Per Capita / Employee	Growth Share	Growth Cost Per Capita / Employee	Residential Share		Non-Residential Share		Incremental Expenditure s (2023\$)
				%	Cost Per Capita	%	Cost Per Employee	
1. Expenditures								
General Government	33.07	25%	8.27	67%	8.27	33%	8.27	68,827
Court Security	0.05	100%	0.05	67%	0.05	33%	0.05	393
Emergency Measures	0.27	100%	0.27	67%	0.27	33%	0.27	2,248
Provincial Offences Act (POA)	4.86	100%	4.86	67%	4.86	33%	4.86	40,438
Roads	-	100%	-	67%	-	33%	-	-
Traffic Operations & Roadside	29.69	100%	29.69	67%	29.69	33%	29.69	247,157
Winter Control	16.26	100%	16.26	67%	16.26	33%	16.26	135,406
Urban Storm Sewer System	-	100%	-	67%	-	33%	-	-
Rural Storm Sewer System	-	100%	-	67%	-	33%	-	-
Solid Waste Collection	17.28	100%	17.28	100%	25.62	0%	-	86,885
Solid Waste Disposal	28.10	100%	28.10	67%	28.10	33%	28.10	233,903
Waste Diversion	38.10	100%	38.10	100%	56.49	0%	-	191,544
Public Health Services	85.60	100%	85.60	90%	114.20	10%	26.30	517,032
Ambulance Services	83.87	100%	83.87	67%	83.87	33%	83.87	698,200
Other:	0.22	100%	0.22	95%	0.31	5%	0.03	1,215
General Assistance	92.49	100%	92.49	100%	137.10	0%	-	464,916
Assistance to Aged Persons	169.18	100%	169.18	100%	250.79	0%	-	850,444
Child Care	7.68	100%	7.68	100%	11.39	0%	-	38,620
Public Housing	29.36	100%	29.36	100%	43.53	0%	-	147,607
Other:	2.12	100%	2.12	67%	2.12	33%	2.12	17,663
Parks	0.04	100%	0.04	95%	0.05	5%	0.01	198
Libraries	22.33	100%	22.33	95%	31.45	5%	3.43	123,583
Planning and Zoning	13.03	50%	6.52	67%	6.52	33%	6.52	54,251
Commercial and Industrial	3.29	50%	1.65	0%	-	100%	5.06	24,953
Agricultural and Reforestation	1.04	100%	1.04	67%	1.04	33%	1.04	8,698
TOTAL	677.95		644.98		851.98		215.88	3,954,182



Operating expenditures for water and wastewater from the County's 2023 operating budget are summarized in Table 4-3. These costs are net of capital related items such as debt payments and transfers to reserves. These costs have further been allocated between population & employment related costs and infrastructure related costs by cost component. In Table 4-4, the population and employment costs from Table 4-3 are converted to a per cubic metre of demand based on the current average daily demand of each system in Ingersoll (i.e., 4,160 m³/day for water and 6,992 m³/day for wastewater). These costs have been adjusted based on anticipated economies of scale associated with growth based on fixed vs. variable cost assumptions. The per cubic metre costs are applied to the incremental average daily demand (i.e., 11,371 m³/day). When applied to the incremental population and employment growth over the buildout of the Secondary Plan Area, incremental annual costs of \$2.3 million could be expected.

Table 4-3
Water and Wastewater Population & Employment vs. Infrastructure Related Expenditures

Category	Total Net Operating Expenditure	Population & Employment Related	Infrastructure Related
1. Expenditures			
Water	2,166,276	1,001,532	1,164,744
Wastewater	2,159,797	1,035,016	1,124,781
TOTAL	4,326,073	2,036,548	2,289,525

Table 4-4
Water and Wastewater Service/Program Related Operating Expenditures

Category	Cost Per m ³ /day	Growth Share	Growth Cost m ³ /day	Residential Growth m ³ /day	Non-Res Growth m ³ /day	Incremental Expenditures (2023\$)
1. Expenditures						
Water	241	52%	125	620	10,751	1,423,553
Wastewater	148	52%	77	620	10,751	875,281
TOTAL	389		202		21,502	2,298,834



4.2.2 Capital-Related Operating Costs

For water and wastewater services the capital-related expenditures have been estimated based on the increased in average day water and wastewater demand in comparison to the current system capacities to estimate the increase in operating costs. Based on the incremental capacity required, the incremental annual operating costs at buildout of the Secondary Plan area total \$1.0 million

Table 4-6
Annual Capital-Related Operating Expenditures (Water and Wastewater)

Category	Cost per m3 of firm capacity	Infrastructure Related	
		Incremental Capacity Required	Incremental Expenditure s (2023\$)
1. <u>Expenditures</u>			
Water	111	5,077	565,660
Wastewater	87	5,418	470,766
TOTAL			1,036,425

There are no new County roads that are being constructed as part of the Secondary Plan Area, and as such, infrastructure-related operating cost increases for non-rate-based services have not been included in the FIA.

4.3 Revenue Impacts

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

- Service/Program related non-tax revenues (including water and wastewater rate revenue); and
- Property tax revenues.

Similar to the assessment presented in Section 4.2, the County's 2022 FIR was assessed to forecast annual non-tax revenues for tax based services and the 2023 operating budget was used for water and wastewater services.



4.3.1 Non-Tax Revenues

Tax Based Services

Non-tax service/program revenues (e.g. user fees, licenses, etc.) are presented in the same format as service/program related operating expenditures in Section 4.2.1. Table 4-7 details the service/program related non-tax operating revenues per capita and per employee. Non-tax revenues of \$703 per capita and \$124 per employee are anticipated based on the County's 2022 FIR, inflated to 2023\$ values. Based on the forecast population and employment growth over the buildout of the Secondary Plan Area, annual non-tax revenues of \$3.0 million are anticipated.



Table 4-7
Service/Program Related Operating Revenues

CATEGORY	Total Net Operating Revenue and Grants	Revenue Per Capita / Employee	Growth Share	Growth Revenue Per Capita / Employee	Residential Share		Non-Residential Share		Incremental Revenues (2023\$)
			%		%	Revenue Per Capita	%	Revenue Per Employee	
2. Revenues									
2 Non-Tax Revenues									
General Government	559,682	2.93	25%	0.73	67%	0.73	33%	0.73	6,104
Court Security	41,155	0.22	100%	0.22	67%	0.22	33%	0.22	1,795
Roads	665,398	3.49	100%	3.49	67%	3.49	33%	3.49	29,027
Rural Storm Sewer System	29,566	0.15	100%	0.15	67%	0.15	33%	0.15	1,290
Solid Waste Collection	3,905,185	20.46	100%	20.46	100%	30.33	0%	-	102,864
Solid Waste Disposal	4,375,951	22.93	100%	22.93	100%	33.99	0%	-	115,264
Waste Diversion	4,215,375	22.09	100%	22.09	100%	32.74	0%	-	111,034
Public Health Services	14,035,427	73.55	100%	73.55	90%	98.12	10%	22.60	444,241
Ambulance Services	8,115,424	42.52	100%	42.52	67%	42.52	33%	42.52	354,020
General Assistance	15,558,961	81.53	100%	81.53	100%	120.86	0%	-	409,828
Assistance to Aged Persons	24,702,362	129.44	100%	129.44	100%	191.88	0%	-	650,668
Child Care	10,938,767	57.32	100%	57.32	100%	84.97	0%	-	288,131
Public Housing	1,100,604	5.77	100%	5.77	100%	8.55	0%	-	28,990
Rent Supplement Programs	45,324	0.24	100%	0.24	100%	0.35	0%	-	1,194
Other: AHP	4,158,452	21.79	100%	21.79	67%	21.79	33%	21.79	181,405
Libraries	178,807	0.94	100%	0.94	95%	1.32	5%	0.14	5,185
Planning and Zoning	511,028	2.68	50%	1.34	67%	1.34	33%	1.34	11,146
Commercial and Industrial	148,337	0.78	50%	0.39	0%	-	100%	1.19	5,893
Agricultural and Reforestation	58,626	0.31	100%	0.31	62%	0.28	38%	0.36	2,727
Licenses, Permits, Rents etc.	4,375,871	22.93	100%	22.93	67%	22.93	33%	22.93	190,889
Fines and Penalties	1,189,611	6.23	100%	6.23	67%	6.23	33%	6.23	51,895
Other: Land Sales - Non Capitalized	13,225	0.07	0%	-	67%	-	33%	-	
TOTAL	98,923,140	518.36		514.36		702.81	-	123.71	2,993,590



Water and Wastewater Services

Water and wastewater revenues have been forecast in Table 4-8 based on the current rate-based revenue per m³/day of demand and growth in water and wastewater demand over the forecast period (i.e., 11,371 m³/day). A high-level adjustment of 50% has been made to forecast rate-based revenues to account for the flat and variable components of water and wastewater bills in Ingersoll. In aggregate, \$8.1 million in incremental rate-based revenue is estimated.

Table 4-8
Water and Wastewater Service/Program Related Operating Revenues

CATEGORY	Total Net Operating Revenue and Grants	Revenue per m3/day	Growth Share	Growth Cost per m3/day	Residential Growth m3/day	Non-Res Growth m3/day	Incremental Revenues (2023\$)
2. Revenues							
2. <u>Service Specific Non-Tax Revenues</u>							
Water	3,233,644	777	50%	389	620	10,751	4,419,443
Wastewater	4,480,861	641	50%	320	620	10,751	3,643,583
TOTAL	7,714,505						8,063,026

4.3.2 Property Tax Revenues

The County's incremental weighted assessment at buildout of the Secondary Plan Area was presented in Table 2-3. In total, the incremental weighted assessment for taxation purposes at buildout is \$3.6 billion. Applying the County's 2023 residential tax rates to the incremental weighted assessment forecast produces annual property taxation revenues at buildout of the Secondary Plan Area of \$15.4 million (Table 4-9). The taxation revenue is driven by the predominantly industrial employment growth, the market value assessment assumptions for industrial development (\$182/sq.ft.), and the County's current tax rates and industrial tax ratios (i.e., 2.63 times residential rates).



Table 4-4
Incremental Property Tax Revenues

Property Tax Classes	Municipal Property Tax Revenue (2023\$)
1. Property Tax¹	
Residential Growth	
<i>Residential Assessment (RT)</i>	313,973,031
Property Tax Revenue 0.4262%	1,338,049
<u>Total Residential Property Tax Revenue</u>	1,338,049
Non-residential Growth	
<i>Commercial Assessment (CT)</i>	34,207,780
Property Tax Revenue 0.8105%	277,249
<u>Total Commercial Property Tax Revenue</u>	277,249
Non-residential Growth	
<i>Industrial Assessment (IT)</i>	1,229,797,463
Property Tax Revenue 1.1208%	13,783,804
<u>Total Industrial Property Tax Revenue</u>	13,783,804
<u>Less Existing Property Tax Revenue</u>	22,000
TOTAL PROPERTY TAX REVENUE	15,377,102



5. Summary

The analysis provided herein has considered the fiscal impact of the growth at buildout of the South West Ingersoll Secondary Plan Area.

The County's 2019 D.C. background study, 2022 Asset Management Plan, and Transportation, Water, and Wastewater assessments undertaken by Dillon Consulting address the infrastructure needs of future development. Operating expenditures arising from the service demands considered the service/program related operating costs of additional population and employment growth (based the County's 2022 FIR and 2023 operating budget for water and wastewater), as well as the capital-related maintenance and lifecycle costs for incremental capital assets (emplaced through D.C. funding or installed by developers as a condition of development), and the annual costs of funding revenue foregone as a result of D.C. exemptions and reductions.

Incremental revenues associated with growth have been considered for incremental property tax and water and wastewater rate revenues over the buildout of the Secondary Plan Area. New non-tax revenues associated with new development reflect anticipated user fees, permits, licences, and other revenues associated with service program demands arising from population and employment growth.

Table 5-1 summarizes the annual County's fiscal impact results for the buildout of the Secondary Plan Area in the context of the County's current tax, water, and wastewater rates, including:

- The net operating and capital costs;
- Tax levy and water/wastewater funding obligations at current tax and water/wastewater rates; and
- Net operating surplus.



Table 5-1
Tax Based Services Fiscal Impact Summary

Summary of Fiscal Impact	2023\$
	At Buildout
1. <u>Revenues</u>	
1.1 Property Tax	
Residential Growth	1,338,049
Non-residential Growth	14,061,053
Less Existing Property Tax	22,000
Total Property Tax Revenue	15,377,102
1.2 Non-Tax	
Residential Growth	2,383,225
Non-residential Growth	610,365
Total Non-Tax Revenue	2,993,590
1.3 Total Revenue	
Tax and Non-Tax Revenue	18,370,692
Total Revenue	18,370,692
2. <u>Expenditures</u>	
2.1 Operating	
Population/Employment	3,954,182
Infrastructure	-
Total Operating Expenditures	3,954,182
2.2 Lifecycle	
Total Internal Lifecycle Expenditures	
Broader County-wide Lifecycle imp	176,585
Total Lifecycle Expenditures	176,585
2.3 Annualized Costs D.C. Revenue Foregone	
South West Ingersoll	315,292
Total Expenditures	4,446,059
3. Surplus (Deficit)	13,924,633



For tax-based services, the incremental annual operating and capital costs total \$5.9 million at buildout of the Secondary Plan Area. This compares to anticipated annual tax revenue at current tax rates of \$15.4 million plus non-tax revenues of \$3.0. The resultant fiscal impact at buildout of the Secondary Plan Area is a \$13.9 million annual surplus. The strong financial position is driven by the current tax rates for industrial development within the County and the significant amount of industrial development that is anticipated within the Secondary Plan Area. The annual surpluses at current tax rates would contribute towards the financial sustainability of the County, potentially limiting future property taxation increases or provide funding towards the existing infrastructure deficit related to existing assets to maintain current service levels, or improving service levels across the County.

For water and wastewater rate-based services, the incremental annual operating and capital costs total \$4.3 million at buildout of the Secondary Plan Area. This compares to anticipated annual rate revenues at current billing rates of \$8.1 million. The resultant fiscal impact at buildout of the Secondary Plan Area is a \$3.8 million annual surplus. The annual surplus at buildout is driven by the non-residential flow assumptions used in the water and wastewater servicing assessments. As with tax-based services summarized above, the annual surplus at buildout would contribute towards the financial sustainability of the Ingersoll water and wastewater systems and provide funding towards the existing infrastructure deficit related to existing assets to maintain current service levels. As identified in Section 3.2, additional water and wastewater infrastructure may be required upon further study that would have additional operating costs and capital funding implications and would need to be considered with respect to the fiscal impacts of the Secondary Plan.



Table 5-2
Water and Wastewater Services Fiscal Impact Summary

Summary of Fiscal Impact	2023\$
	At Buildout
1. <u>Revenues</u>	
1.1 Operating Revenue	
Water Revenue	4,419,443
Wastewater Revenue	3,643,583
Total Revenue	8,063,026
2. <u>Expenditures</u>	
2.1 Operating	
Water Expenditure	1,423,553
Wastewater Expenditure	875,281
Total Operating Expenditures	2,298,834
2.2 Lifecycle	
Internal Lifecycle Expenditures	193,170
Broader County-wide Lifecycle impacts	368,770
Total Lifecycle Expenditures	561,940
2.3 Annualized Costs D.C. Revenue Foregone	
South West Ingersoll	1,422,593
Total Expenditures	4,283,367
3. Surplus (Deficit)	3,779,660

While the FIA has been presented at the buildout of the Secondary Plan Area throughout this report, the impacts have also been assessed over the period to 2046 based on the growth assumptions outlined in Section 2.1 to understand the mid-term fiscal impacts prior to the full buildout of the Secondary Plan Area. The 2046 annual impacts are summarized in Tables 5-3 and 5-4.



Table 5-3
2046 Tax-Based Services Fiscal Impact Summary

Summary of Fiscal Impact	2023\$
	At 2046
1. <u>Revenues</u>	
1.1 Property Tax	
Residential Growth	1,338,049
Non-residential Growth	3,515,263
Less Existing Property Tax	5,500
Total Property Tax Revenue	4,847,812
1.2 Non-Tax	
Residential Growth	2,018,787
Non-residential Growth	517,029
Total Non-Tax Revenue	2,535,816
1.3 Total Revenue	
Tax and Non-Tax Revenue	7,383,628
Total Revenue	7,383,628
2. <u>Expenditures</u>	
2.1 Operating	
Population/Employment	3,155,334
Infrastructure	-
Total Operating Expenditures	3,155,334
2.2 Lifecycle	
Total Internal Lifecycle Expenditures	
Broader County-wide Lifecycle imp	176,585
Total Lifecycle Expenditures	176,585
2.3 Annualized Costs D.C. Revenue Foregone	
South West Ingersoll	132,724
Total Expenditures	3,464,644
3. Surplus (Deficit)	3,918,984



Table 5-4
Water and Wastewater Services Fiscal Impact Summary at 2046

Summary of Fiscal Impact	2023\$
	At Buildout
1. <u>Revenues</u>	
1.1 Operating Revenue	
Water Revenue	1,285,587
Wastewater Revenue	1,059,895
Total Revenue	2,345,482
2. <u>Expenditures</u>	
2.1 Operating	
Water Expenditure	414,102
Wastewater Expenditure	254,614
Total Operating Expenditures	668,716
2.2 Lifecycle	
Internal Lifecycle Expenditures	193,170
Broader County-wide Lifecycle impacts	368,770
Total Lifecycle Expenditures	561,940
2.3 Annualized Costs D.C. Revenue Foregone	
South West Ingersoll	355,648
Total Expenditures	1,586,304
3. Surplus (Deficit)	759,178

In comparison to the buildout fiscal impacts, the surpluses in 2046 would decrease primarily due to the decreases in annual property tax and water/wastewater rate revenue with only 25% of the non-residential development potential being achieved (i.e., \$3.5 million annual non-residential property tax revenue at 2046 vs. \$14.1 million at buildout and \$2.3 million rate revenue at 2046 vs. \$8.1 million at buildout). At 2046 the annual tax-based operating surplus is estimated to be \$3.9 million and the annual surplus for water and wastewater services would be \$0.8 million.



Actual annual operating costs, assessment growth, rate revenue, and capital expenditures will need to be carefully monitored to ensure the development of sound D.C., property taxation, and rate funding policies.

As part of the County's ongoing D.C. background study update, the continued implementation of D.C. exemptions for industrial development is being re-evaluated. If the exemptions are removed, the fiscal impacts would be improved in part by increased non-residential D.C. revenue.