South West Ingersoll Secondary Plan

Town of Ingersoll

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 Town.

1.2 Approach

This study has been prepared to address the fiscal impacts of development within the Secondary Plan Area on the Town'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.

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 Town-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.

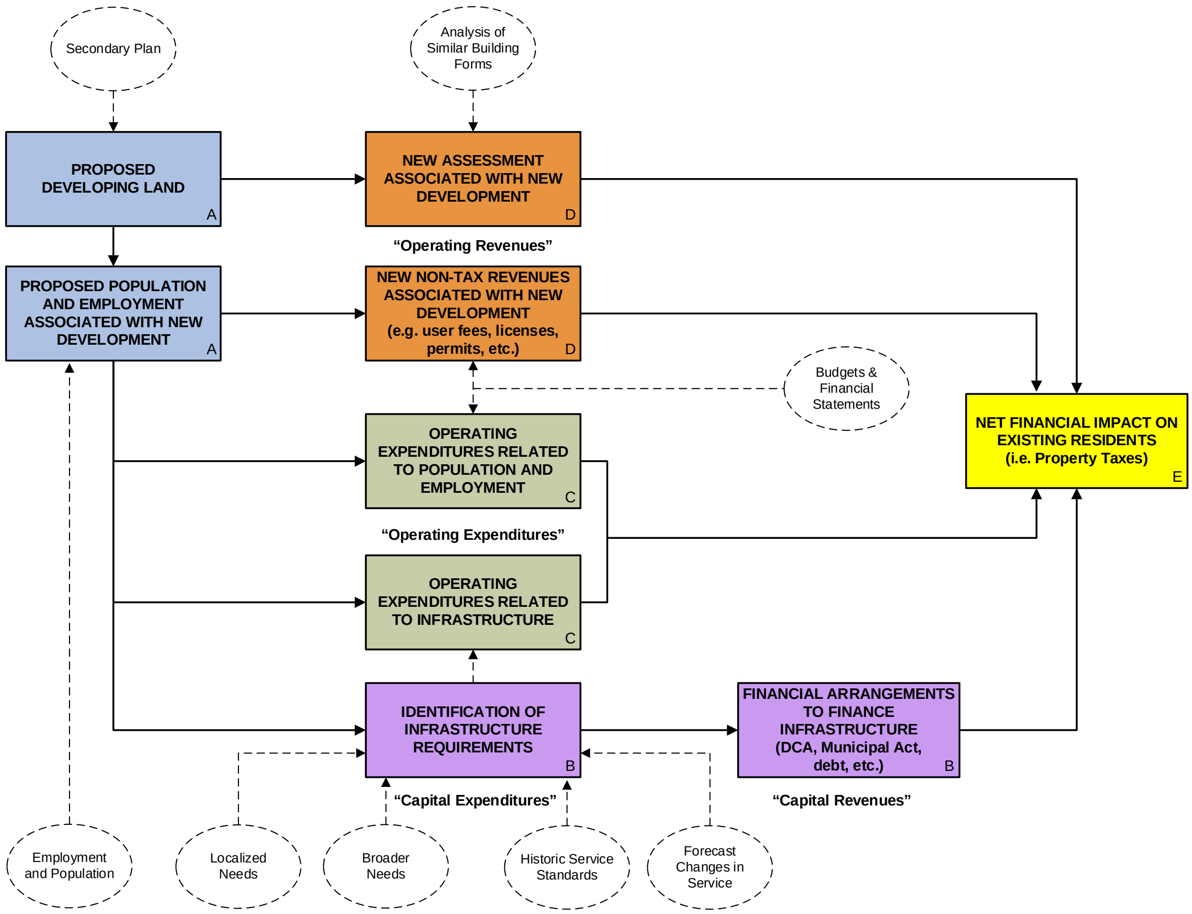
- Fuchsia Boxes (labelled "B" in bottom right corner) – denote capital infrastructure required to service the anticipated development over the forecast period. The capital requirements to service the area were derived from the Transportation and Stormwater Management Assessments prepared by Dillon Consulting as part of this project and the Town'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 Town'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 Town’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.

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

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 Town'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 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
Tow nhomes	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**

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3. Capital Funding Impacts

3.1 Introduction

The growth-related capital needs that are required to provide the desired levels of service within the Town, including the development of the Secondary Plan Area, are identified within Dillon Consulting Transportation and Stormwater Assessments and the Town's 2019 D.C. Background Study for non-transportation services. The costs of growth-related transportation 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 non-transportation growth-related infrastructure, the Town is currently undertaking an update to their D.C. background study. As such, for these services (i.e., parks and recreation and fire protection) 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 Town also acquires growth-related capital assets through the assumption of works directly emplaced by developers as conditions of development. 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 Assessment and the needs identified within the Stormwater Management Assessment prepared by Dillon. These assets are addressed in the lifecycle capital analysis in Section 3.2, as the Town 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 otherwise be considered a local service and developer funding responsibility, these works may be funded by the Town 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 Town of Ingersoll

The transportation and stormwater 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 and Stormwater 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 41%	Non-Residential Share 59%
New Road						
South of Clarke Road	New residential collector road (450 m)	$846,000	$380,700	$465,300	$189,529	$275,771
Road Upgrades						
Union Road west of Culloden	Upgrade from local to collector (775 m)	$852,000	$170,400	$681,600	$277,634	$403,966
Union Road between Culloden & Curry	Upgrade from local to collector (700 m)	$770,000	$154,000	$616,000	$250,914	$365,086
Curry Road between Union and Plank	Upgrade from local to collector (2460 m)	$2,703,000	$540,600	$2,162,400	$880,805	$1,281,595
Wallace Line (& Thompson Rd)	Upgrade from local to collector (3400 m)	$3,736,000	$747,200	$2,988,800	$1,217,420	$1,771,380
Clarke Road east of Plank Line	Upgrade from rural to urban residential crosssection	$1,112,000	$222,400	$889,600	$362,358	$527,242
Railway Crossing Upgrades						
Curry Road	Active Crossing (flashing lights and bells)	$163,000	$32,600	$130,400	$53,115	$77,285
Thomas Road west of Wallace Line	Active Crossing (flashing lights and bells)	$163,000	$32,600	$130,400	$53,115	$77,285
Thomas Road east of Wallace Line	Active Crossing (flashing lights and bells)	$163,000	$32,600	$130,400	$53,115	$77,285
Storm Sewer Construction						
Thomas Road east of Wallace Line	Active Crossing (flashing lights and bells)	$4,065,000		$4,065,000	$1,655,786	$2,409,214
Total		**$14,573,000**	**$2,313,100**	**$12,259,900**	**$4,993,792**	**$7,266,108**

1. Based on ongoing 2024 D.C. Background Study Review
Information above provided in 2021 dollars

The total capital cots are $14.6 million of which $12.3 million has been estimated for recovery from D.C.s. These 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. 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 Town's current full non-residential 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 $8.9 million in Table 3-2 below. These costs have been annualized at $634,000 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 Town 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]
Non-Residential D.C. Revenue		
Transportation & Stormwater Services		
South West Ingersoll D.C. Eligible Projects	$7,266,108	$515,548
Other D.C. Services		
Non-Residential D.C. Revenue	$932,680	$66,176
Residential D.C. Revenue		
Statutory Phase-In [2]	$733,143	$52,018
Total	**$8,931,930**	**$633,742**

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 Town.

Table 3-3 summarizes the annual lifecycle costs associated with the $12.3 million growth-related capital costs of D.C. eligible transportation and stormwater infrastructure from Table 3-1, $3.3 million in other growth-related costs, and the $48.1 million costs of local transportation and stormwater assets that would be constructed as a condition of development. The annual lifecycle costs total $1.5 million and have been calculated based on the relationship of the total capital replacement costs and the annual funding needed within the Town’s 2022 asset management plan by asset type.

Table 3-3
Annual Lifecycle Costs

Description	Gross Capital Cost Estimate	Annual Lifecycle Costs
Local Services		
Local Transportation Services		
Local Roads	$6,596,700	$259,802
Local Stormwater Services		
Storm Ponds	$32,592,000	$421,979
Storm Sewer	$8,917,000	$229,252
Local Services Subtotal	**$48,105,700**	**$911,033**
D.C.-Eligible Costs		
South West Ingesoll Transportation Services	$12,259,900	$482,839
Other D.C.-Eligible Services [1]	$3,270,318	$85,681
D.C.-Eligible Services Subtotal	**$15,530,218**	**$568,520**
Total Annual Lifecycle Costs	**$63,635,918**	**$1,479,553**

1. Estimated based on current D.C. rates

4. Net Operating Expenditures and Property Tax 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 Town's current property tax 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, stormwater management ponds, 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. 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 Furthermore, financial compensation payable to the Township of Southwest Oxford related to the annexed lands has also been included in the assessment. 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. The operating expenditure and non-property tax revenue forecast has been based on the Town's latest published Financial Information Return (FIR) form 2021 and indexed to 2023$ values at 11% based on the change in the Statistics Canada Consumer Price Index over the 2021 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 Town's 2021 FIR 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 Town's FIR. These costs have further been allocated between population & employment related costs and infrastructure related costs. In Table 4-2, the costs per capita and per employee are calculated based on the current estimated population and employment in the Town (i.e., 13,900 population and 8,600 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., 62% residential and 38% non-residential), however, services such as parks have been weighted more heavily to residential development (i.e., 95% residential). The results of these adjustments are incremental per capita costs of $588 and per employee costs of $349. When applied to the incremental population and employment growth over the buildout of the Secondary Plan Area, incremental annual costs of $3.7 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	2,843,293	2,843,293	
Fire	1,147,777	1,147,777	
Police	3,421,734	3,421,734	
Protective Inspection and Control	11,309	11,309	
Building Permit and Inspection Services	339,291	339,291	
Roads	1,246,267	-	1,246,267
Traffic Operations & Roadside	453,516	453,516	
Winter Control	504,275	504,275	
Transit	55,528	55,528	
Parking	72,309	72,309	
Street Lighting	345,982	345,982	
Urban Storm Sewer System	268,929	-	268,929
Solid Waste Collection	28,292	28,292	
Waste Diversion	162,147	162,147	
Cemeteries	161,274	161,274	
Parks	997,203	997,203	
Recreation Programs	1,179,213	1,179,213	
Recreation Facilities	1,377,876	1,377,876	
Museums and Cultural Services	212,430	212,430	
Commercial and Industrial	335,487	335,487	
TOTAL	**15,164,132**	**13,648,935**	**1,515,196**

Table 4-2
Service/Program Related Operating Expenditures

Category	Cost Per Capita / Employee	Growth Share	Growth Cost Per Capita / Employee	Residential Share %	Residential Share Cost Per Capita	Non-Residential Share %	Non-Residential Share Cost Per Employee	Incremental Expenditures (2023$)
	Population & Employment Related							
1. Expenditures								
General Government	126.39	25%	31.60	62%	31.60	38%	31.60	263,051
Fire	51.02	100%	51.02	62%	51.02	38%	51.02	424,753
Police	152.10	100%	152.10	62%	152.10	38%	152.10	1,266,267
Protective Inspection and Control	0.50	100%	0.50	62%	0.50	38%	0.50	4,185
Building Permit and Inspection Services	15.08	50%	7.54	62%	7.54	38%	7.54	62,780
Roads	-	100%	-	62%	-	38%	-	-
Traffic Operations & Roadside	20.16	100%	20.16	62%	20.16	38%	20.16	167,831
Winter Control	22.42	100%	22.42	62%	22.42	38%	22.42	186,615
Transit	2.47	100%	2.47	62%	2.47	38%	2.47	20,549
Parking	3.21	100%	3.21	62%	3.21	38%	3.21	26,759
Street Lighting	15.38	100%	15.38	62%	15.38	38%	15.38	128,036
Urban Storm Sewer System	-	100%	-	62%	-	38%	-	-
Solid Waste Collection	1.26	100%	1.26	100%	2.03	0%	-	6,891
Waste Diversion	7.21	100%	7.21	100%	11.65	0%	-	39,492
Cemeteries	7.17	100%	7.17	95%	11.00	5%	0.94	41,956
Parks	44.33	100%	44.33	95%	68.04	5%	5.82	259,425
Recreation Programs	52.42	100%	52.42	95%	80.46	5%	6.88	306,775
Recreation Facilities	61.25	100%	61.25	95%	94.02	5%	8.04	358,458
Museums and Cultural Services	9.44	100%	9.44	95%	14.49	5%	1.24	55,264
Commercial and Industrial	14.91	50%	7.46	0%	-	100%	19.57	96,541
TOTAL	**606.73**		**496.94**		**588.10**		**348.88**	**3,715,627**

4.2.2 Capital-Related Operating Costs

Table 4-3 summarizes the incremental capital-related operating costs at buildout of the Secondary Plan Area, based on the incremental capital assets to be constructed or assumed. Operating costs to maintain and support the Secondary Plan Area share of the Town-wide non-transportation and stormwater growth-related capital costs, are assumed to be included in the program related operating expenditures in Section 4.2.1. Based on the forecast sq.m. of local and non-local roads and the linear metres of stormwater infrastructure, $207,700 in incremental annual operating costs could be anticipated.

Table 4-3
Annual Capital-Related Operating Expenditures

		Infrastructure Related	
Category	# of sq.m / # of linear m	Cost Per unit	Incremental Expenditures (2023$)
1. **Expenditures**			
General Government			
Fire			
Police			
Protective Inspection and Control			
Building Permit and Inspection Services			
Roads	622,473	2.00	185,657
Traffic Operations & Roadside			
Winter Control			
Transit			
Parking			
Street Lighting			
Urban Storm Sewer System	70,507	3.81	22,027
Solid Waste Collection			
Waste Diversion			
Cemeteries			
Parks			
Recreation Programs			
Recreation Facilities			
Museums and Cultural Services			
Commercial and Industrial			
TOTAL			**207,684**

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; and
- Property tax revenues.

Similar to the assessment presented in Section 4.2, the Town's 2021 FIR was assessed to forecast annual non-tax revenues over the buildout of the Secondary Plan Area.

4.3.1 Non-Tax Revenues

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 4-4 details the service/program related non-tax operating revenues per capita and per employee. Non-tax revenues of $66 per capita and $41 per employee are anticipated based on the Town's 2021 FIR, inflated to 2023$ values. Based on the forecast population and employment growth over the buildout of the Secondary Plan Area, annual non-tax revenues of $426,900 are anticipated.

Table 4-3
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									
2.1 <u>Non-Tax Revenues</u>									
General Government	91,636	4.07	100%	4.07	62%	4.07	38%	4.07	33,911
Fire	6,327	0.28	100%	0.28	62%	0.28	38%	0.28	2,341
Police	64,818	2.88	100%	2.88	62%	2.88	38%	2.88	23,987
Building Permit and Inspection Services	3,492	0.16	50%	0.08	62%	0.08	38%	0.08	646
Roads	43,751	1.94	100%	1.94	62%	1.94	38%	1.94	16,191
Transit	10,527	0.47	100%	0.47	62%	0.47	38%	0.47	3,896
Parking	4,777	0.21	100%	0.21	62%	0.21	38%	0.21	1,768
Cemeteries	51,277	2.28	100%	2.28	95%	3.50	5%	0.30	13,340
Parks	45,826	2.04	100%	2.04	95%	3.13	5%	0.27	11,922
Recreation Programs	120,341	5.35	100%	5.35	95%	8.21	5%	0.70	31,307
Recreation Facilities	167,407	7.44	100%	7.44	95%	11.42	5%	0.98	43,551
Museums and Cultural Services	17,186	0.76	100%	0.76	95%	1.17	5%	0.10	4,471
Licenses, Permits, Rents etc.	488,902	21.73	100%	21.73	62%	21.73	38%	21.73	180,926
Fines and Penalties	158,486	7.05	100%	7.05	62%	7.05	38%	7.05	58,650
TOTAL	**1,274,752**	**-**	**-**	**-**	**-**	**66.15**	**-**	**41.06**	**426,907**

4.3.2 Property Tax Revenues

The Town'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 Town's 2023 residential tax rates to the incremental weighted assessment forecast produces annual property taxation revenues at buildout of the Secondary Plan Area of $33.1 million (Table 4-4). The taxation revenue is driven by the predominantly industrial employment growth, the market value assessment assumptions for industrial development ($182/sq.ft.), and the Town's current tax rates and industrial tax ratios (i.e., 2.63 times residential rates).

The future property tax revenue has been reduced by the annual payments to the Township of Southwest Ingersoll as per the Town's boundary adjustment agreement and By-law 20-5105, as follows:

- Base amount ($90,639 indexed to 2023$ values)
- CAMI Lands Amount ($535,755)
- Shared Commercial Industrial Growth (24% of future property taxation revenue)

Table 4-4
Incremental Property Tax Revenues

Property Tax Classes		Municipal Property Tax Revenue (2023$)
1. Property Tax[1]		
Residential Growth		
Residential Assessment (RT)		*313,973,031*
Property Tax Revenue	**0.9176%**	2,880,969
Total Residential Property Tax Revenue		2,880,969
Non-residential Growth		
Commercial Assessment (CT)		*34,207,780*
Property Tax Revenue	**1.7451%**	596,947
Total Commercial Property Tax Revenue		596,947
Non-residential Growth		
Industrial Assessment (IT)		*1,229,797,463*
Property Tax Revenue	**2.4132%**	29,678,075
Total Industrial Property Tax Revenue		29,678,075
Less Existing Property Tax Revenue		47,000
TOTAL PROPERTY TAX REVENUE		**33,108,991**
LESS:		
2. Annual Payments to Township of Soutwest Oxford		
Base Amount		90,639
CAMI Lands Amount		*535,755*
Shared Commercial Industrial Growth Amount		7,266,005
Total Residential Property Tax Revenue		7,892,399
3. NET TOTAL PROPERTY TAX REVENUE		**25,216,592**

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 Town's 2019 D.C. background study, 2022 Asset Management Plan, and Transportation and Stormwater Management 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 Town's 2021 FIR), 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 revenues over the buildout of the Secondary Plan Area (net of annual payments to the Township of Southwest Oxford). 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 Town fiscal impact results for the buildout of the Secondary Plan Area in the context of the Town's current tax rates, including:

- The net operating and capital costs;
- Tax levy at current tax rates; and
- Net operating surplus.

Table 5-1
Buildout Fiscal Impact Summary

Summary of Fiscal Impact	2023$ At Buildout
1. **Revenues**	
1.1 **Property Tax**	
Residential Growth	2,880,969
Non-residential Growth	30,275,022
Less Existing Property Tax	47,000
Less Southwest Oxford Payments	7,892,399
Total Property Tax Revenue	**25,216,592**
1.2 **Non-Tax**	
Residential Growth	224,310
Non-residential Growth	202,597
Total Non-Tax Revenue	**426,907**
1.3 **Total Revenue**	
Tax and Non-Tax Revenue	25,643,498
Total Revenue	**25,643,498**
2. **Expenditures**	
2.1 **Operating**	
Population/Employment	3,715,627
Infrastructure	207,684
Total Operating Expenditures	3,923,311
2.2 **Lifecycle**	
Total Internal Lifecycle Expenditures	911,033
Broader Town-wide Lifecycle Impacts	568,520
Total Lifecycle Expenditures	1,479,553
2.3 **Annualized Costs D.C. Revenue Foregone**	
South West Ingersoll	633,742
Total Expenditures	**6,036,607**
3. **Surplus (Deficit)**	**19,606,891**

In conclusion, the incremental annual operating and capital costs total $6.0 million at buildout of the Secondary Plan Area. This compares to anticipated annual tax revenue at current tax rates of $25.6 million plus non-tax revenues of $427,000. The resultant fiscal impact at buildout of the Secondary Plan Area is a $19.6 million annual surplus. The strong financial position is driven by the current tax rates for industrial development within the Town 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 Town, 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 Town.

While the FIA has been presented at the buildout of the Secondary Plan Area throughout this report, the impacts have also bee 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 Table 5-2.

Table 5-2
2046 Fiscal Impact Summary

Summary of Fiscal Impact	2023$ At 2046
1. Revenues	
1.1 Property Tax	
Residential Growth	2,880,969
Non-residential Growth	7,568,756
Less Existing Property Tax	11,750
Less Southwest Oxford Payments	2,442,896
Total Property Tax Revenue	**7,995,079**
1.2 Non-Tax	
Residential Growth	224,310
Non-residential Growth	50,649
Total Non-Tax Revenue	**274,959**
1.3 Total Revenue	
Tax and Non-Tax Revenue	8,270,038
Total Revenue	**8,270,038**
2. Expenditures	
2.1 Operating	
Population/Employment	2,424,593
Infrastructure	207,684
Total Operating Expenditures	2,632,277
2.2 Lifecycle	
Total Internal Lifecycle Expenditures	911,033
Broader Town-wide Lifecycle Impacts	568,520
Total Lifecycle Expenditures	1,479,553
2.3 Annualized Costs D.C. Revenue Foregone	
South West Ingersoll	197,449
Total Expenditures	**4,309,279**
3. Surplus (Deficit)	**3,960,759**

In comparison to the buildout fiscal impacts, the surpluses in 2046 would decrease primarily due to the decreases in annual property tax revenue with only 25% of the non-residential development potential being achieved (i.e., $7.6 million annual non-residential property tax revenue at 2046 vs. $30.3 million at buildout). The annual operating surplus is estimated to be $4.0 million at 2046.

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

As part of the Town's ongoing D.C. background study update, the continued implementation of D.C. exemptions for non-residential 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.