

## Attachment C – Financial Impact Modelling Exercise

A breakdown of the financial impacts associated with the proposed transportation, utility and parks projects is provided below.

### *Implementation Approach for Transportation*

The proposed transportation infrastructure is estimated at \$52 million with \$36.7 million in projects that would need to be added to the current Infrastructure Plan in the 2020-2030 timeframe.<sup>1</sup>

### *Impacts to 2030 Capital Plan – Transportation Infrastructure*

Transportation	Cost of Projects Added to Capital Plan (millions)	% Comparison to Total 2030 Capital Plan Projects	Total Taxation Impact of Projects Added to 2030 Capital Plan (millions)	% Comparison to Total Taxation in the 2030 Capital Plan
<b>2030 Capital Plan</b>	\$36.7	11%	\$14.2	16%

The addition of the proposed transportation projects to the Infrastructure Plan would increase the transportation component of the Infrastructure Plan by 11 per cent and require \$14 million in additional taxation dollars, assuming no transport projects were removed from the Infrastructure Plan. The 11% increase in Infrastructure Plan costs associated with the proposed projects is commensurate with the goal of encouraging 13% of Citywide growth in Capri-Landmark out to 2040.

### *Impacts to DCC Program – Transportation Infrastructure*

Transportation DCC Fees	Residential 1	Residential 2	Residential 3	Residential 4
<b>Current 2030 DCC Program</b>	\$8,338	\$7,838	\$5,586	\$5,253
<b>With Capri-Landmark Projects</b>	\$8,912	\$8,377	\$5,971	\$5,614

The approach of adding key projects to the DCC program allows for the costs to be disbursed across the entire city with only a 7 per cent increase in fees, reducing the risk associated with financing the key transportation infrastructure.

The addition of the proposed Capri-Landmark transportation projects (e.g.: Sutherland Ave, intersection improvements etc.) to the DCC program would increase the transportation component by 16 per cent. If Council approves the described funding approach and the Plan is approved, the projects would then be considered for inclusion in the 20-Year Servicing Plan / Infrastructure Plan through the 2019 update. Each project would still be subject to the annual capital planning process where Council would need to prioritize Capri-Landmark projects amongst all the other capital projects for implementation to occur.

<sup>1</sup> The remaining \$15.5 million includes development-led projects, projects outside the 2030 timeline and projects already in the current Capital Plan.

### Implementation Approach for Water & Wastewater

The proposed water and wastewater utility improvements are estimated at \$1.7 million and \$3.9<sup>2</sup> million respectively. These projects would all be added to the Infrastructure Plan and 20—Year Servicing Plan (DCC program).

### Impacts to 2030 Infrastructure Plan – Water Utility

Program	Cost of Projects Added to Capital Plan (millions)	% Comparison to Total 2030 Capital Plan Projects	Total Taxation Impact of Projects Added to 2030 Capital Plan (millions)	% Comparison to Total Taxation in the 2030 Capital Plan
<b>2030 Capital Plan</b>	\$1.7	2%	\$0	0%

The addition of \$1.7 million of projects to the 2030 Plan would represent an increase of 2% to the current 2030 Infrastructure Plan with no impact to taxation or utility rates.

### Impacts to DCC Program – Water Utility

DCC Rates	Residential 1	Residential 2	Residential 3	Residential 4
<b>Current 2030 DCC Program</b>	\$1,282	\$859	\$615	\$436
<b>Capri-Landmark Impact</b>	\$1,400	\$938	\$672	\$476

The addition of the proposed Capri-Landmark Water utility projects to the DCC program would increase the total Water utility DCC program by 6%. Overall, the modelling exercise shows that the impact of water utility improvement is fairly minimal. There would be a small fee increase for DCCs (9%), but no impact on taxation / utility rates.

### Impacts to 2030 Infrastructure Plan - Wastewater Utility

Program	Cost of Projects Added to Capital Plan (millions)	% Comparison to Total 2030 Capital Plan Projects	Total Taxation / Utility Impact of Projects Added to 2030 Capital Plan (millions)	% Comparison to Total Taxation in the 2030 Capital Plan
<b>2030 Capital Plan</b>	\$3.9	3%	\$0.06	0%

The proposed Wastewater projects represent a 3% increase to the 2030 infrastructure Plan for Wastewater infrastructure. However, there would be no impact on taxation / utility.

### Impacts to DCC Program – Wastewater Utility

DCC Rates	Residential 1	Residential 2	Residential 3	Residential 4
<b>Current 2030 DCC Program</b>	\$1,541	\$1,279	\$863	\$832
<b>Capri-Landmark Impact</b>	\$1,612	\$1,338	\$903	\$870

<sup>2</sup> In addition, there is \$1.7 million in Wastewater works that would be funded by development in the area.

The modelling exercise shows that the impact of Wastewater Utility works is minimal, adding 9% to the Wastewater DCC 20-Year Servicing Plan. Based on the modelling exercise there would be a small fee increase for DCCs (4.5%) and a nominal impact on taxation / utility rates.

#### *Implementation Approach for Parkland Acquisition & Development*

The Parks infrastructure funding approach is presented to show the acquisition and development component separately. The Parkland acquisition costs are estimated at \$6.9 million and would be added to the 2040 20-year Servicing Plan / Infrastructure Plan.<sup>3</sup> The Parkland Development is estimated at \$17 million which will be funded fully by taxation and would be added to the Infrastructure Plan. The parks acquisition and development projects in Capri-Landmark will need to be prioritized against other park projects and will be contingent upon development occurring in Capri-Landmark.

#### *Cost Comparison to Annual Average in 2030 Infrastructure Plan – Parkland Acquisition*

Parkland Acquisition Project	Cost of Projects (millions)	DCC Plan Annual Average (millions)	% Comparison to Total Parkland DCC Average in 2030 Capital Plan
Mary-Ann Collison Expansion	\$1.6	\$10.1	16%
New Brookside	\$2.3	\$10.1	23%
New Landmark Neighbourhood Park	\$3.0	\$10.1	30%
<b>Total</b>	<b>\$6.9</b>		

The proposed park acquisition projects would be funded through the Citywide Parks DCC and would need to be prioritized against other City parks acquisition projects.

#### *Cost Comparison to Annual Average in 2030 Infrastructure Plan – Parkland Development*

Project	Cost of Projects (millions)	2030 Capital Plan Annual Average for Development	% Comparison to Average Annual Park Development in 2030 Capital Plan
Expand Pacific Court Development	\$1.4	\$2.2	62%
Expand Mary-Ann Collison	\$0.6	\$2.2	27%
New Ritchie Neighbourhood Park	\$9.8	\$2.2	433%
New Brookside	\$0.8	\$2.2	35%
New Landmark Plaza	\$2.7	\$2.2	119%
Ritchie Brook (linear park)	\$1.8	\$2.2	82%
<b>Total</b>	<b>\$17.1</b>		

*Note: park development funding options are currently under review, which may have a positive impact on the timing and funding sources for this component of the area infrastructure.*

<sup>3</sup> The current DCC program already includes approximately \$6 million of parkland dedication within the proposed Capri-Landmark Plan. These projects could be prioritized before the 2040 DCC Program update.

None of the projects identified above are in the current Infrastructure Plan. The proposed Parks projects would need to be considered for inclusion in City’s 2040 Infrastructure Plan, requiring a significant amount of taxation funding to support park development. Given that that taxation is the only funding tool currently used to develop parks across the City, Council would need to prioritize taxation funding to support the development of parks in the Capri-Landmark area.

*Overall DCC Program and Infrastructure Plan Impact– Transportation, Water and Wastewater*

The transportation component of the Plan would have the largest impact to the DCC program, adding roughly 16% to the 2030 program. Water and Wastewater both represent a smaller impact with an increase to the DCC program of 6% and 9% respectively. Based on the current approach, Staff are assuming that through the 2040 DCC program update a number of new parks projects could be added without increasing the general cost of the program as new growth will also be added. For this reason, staff are assuming the Capri-Landmark park projects could be added to 2040 DCC program without impacting the overall Parkland acquisition budget. Based on the modelling exercise, the table below shows a modest increase of 7% to the DCC fees if the Transportation, Water and Wastewater projects were added today. Overall, the 2040 DCC Program update in 2019 will provide the opportunity to consider the inclusion of the Capri-Landmark projects in the DCC program as well as to set the overall rates and structure of the program.

*2030 DCC Rate Impact<sup>4</sup>*

DCC Rates	Residential 1	Residential 2	Residential 3	Residential 4
<b>Current 2030 DCC Program</b>	\$11,161	\$9,976	\$7,064	\$6,521
<b>Capri-Landmark Impact</b>	\$11,924	\$10,653	\$7,546	\$6,960

From the Infrastructure Plan perspective, the Capri-Landmark infrastructure works would represent an increase to the Infrastructure Plan that is commensurate with the level of growth projected. The transportation improvements identified in the Plan represent the greatest impact on the City’s Infrastructure Plan due to the roughly \$14 million in taxation required to fund the proposed DCC projects. The Parks and Public Spaces would represent the other major impact to the Infrastructure Plan due to the \$17 million of taxation required to fund the development of Parks in Capri-Landmark, but these projects have the opportunity to be phased over time. From a utilities perspective, the Water and Wastewater improvements would have a very nominal impact on the / Infrastructure Plan Capital Plan program with a modest increase to the DCC program and no increase in taxation/utility rates to fund the proposed improvements. Overall, the financial impacts of the proposed improvements are not inconsequential; however, the investment in Capri-Landmark urban centre represent a cost-effective approach to civic investment and will help to advance a wide range of the City’s long-term goals.

<sup>4</sup> To understand the potential impact of the 2030 interim Plan implementation, staff have estimated the increase to the DCC rates by adding the Capri-Landmark transportation, water and wastewater projects to the 20-year servicing plan. This analysis also assumes roughly 1,400 new units of growth above the growth accounted for in the 2030 20-Year Servicing Plan.