

Growth Management Update

Infrastructure Master Plans & Fiscal Impact Analysis

November 20, 2013

Purpose of Staff Report

- To provide an update on the growth management process
- To recommend approval of new development financing tools
- To recommend approval of the six Infrastructure Master Plans

Presentation Outline

- Growth Management Process
- Public Consultation
- Land Use Planning
- Infrastructure Planning
- Financial Planning
- Next Steps

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Growth Management Process

Integrated 3 Pillars:

- Land Use Planning
- Infrastructure Planning
- Financial Planning

Outcome of Growth Management Process

- Extensive public/stakeholder/review agency consultation
- Detailed “tertiary plans” for the Annexed Lands
- Completed all the requirements for Schedule A, A+ and B projects using a specific Master Plan Class EA approach
- Fiscal Impact Analysis - DC Background Study

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Public Consultation

- Legislated/Regulatory (4 PICs/Notices)
 - Planning Act
 - Environmental Assessment Act - Municipal Class EA
- Presentations/meetings with public agencies, first nations, community groups, landowners & developers, technical advisory committee
- Memo/Staff Report(s) Development Services Committee/General Committee/Council
- Comments through Public Consultation addressed in EA Consultation Report & Secondary Plan Report

Public Consultation

Public Agencies

Provincial Ministries (MOE, MNR, MMAH, MTO, OMARFA, Tourism/Culture, Infrastructure), Ontario Growth Secretariat, Conservation Authorities, School Boards, County of Simcoe, Simcoe Muskoka District Health Unit, Town of Innisfil, Innisfil Hydro, Barrie Police Service, Barrie Utility Coordination Committee, RVH, Georgian College

Aboriginal Groups

Georgina Island First Nation, Huron Wendat First Nation, Metis Nation of Ontario

Community Groups

Barrie & District Real Estate Board, Simcoe County Home Builders Association, BILD Simcoe Chapter, AWARE Simcoe/Rescue Lake Simcoe Coalition, Transition Barrie, Living Green Barrie

Landowners and Developers

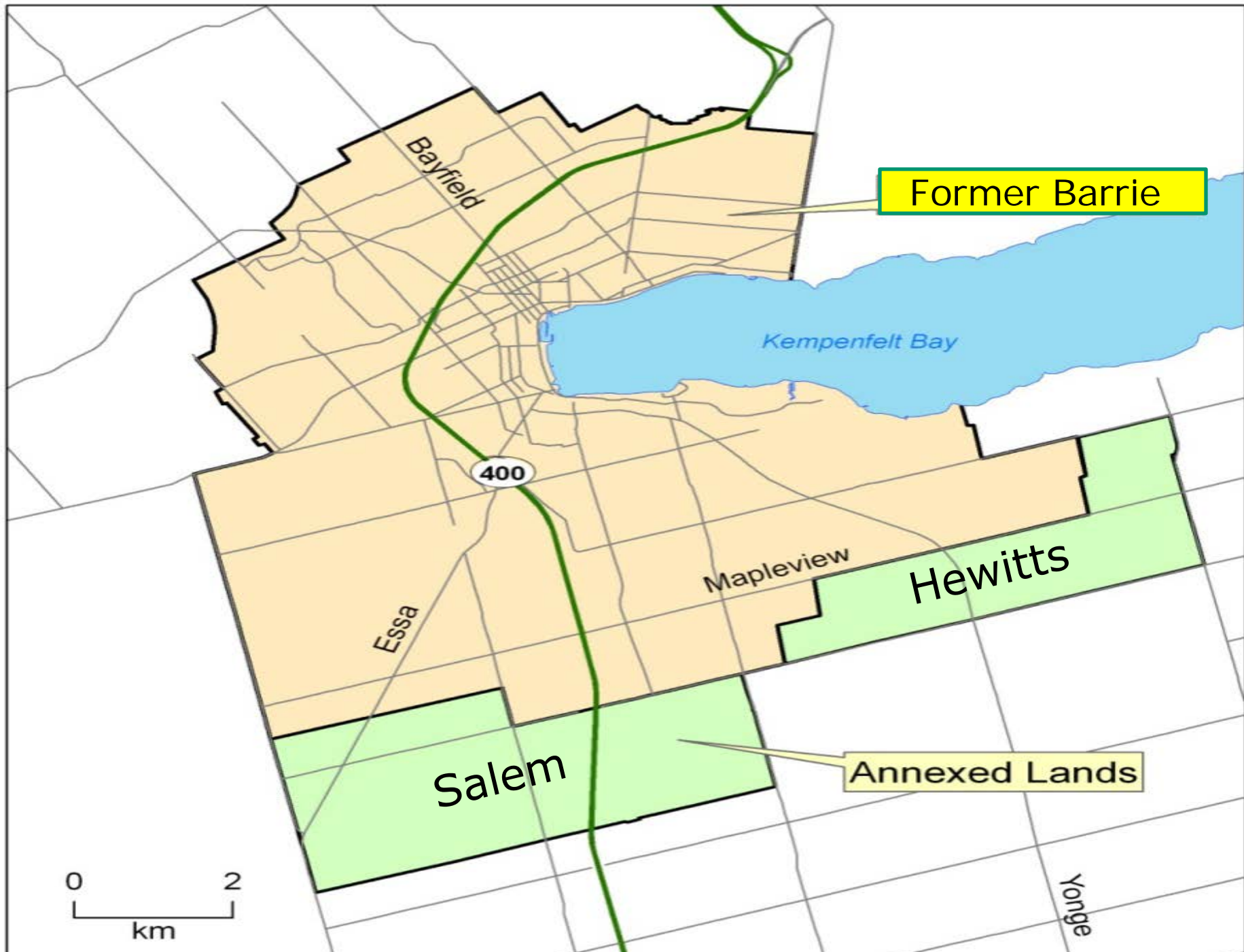
Individual property owners, landowner and developer groups, agents and consultants

Presentation Outline

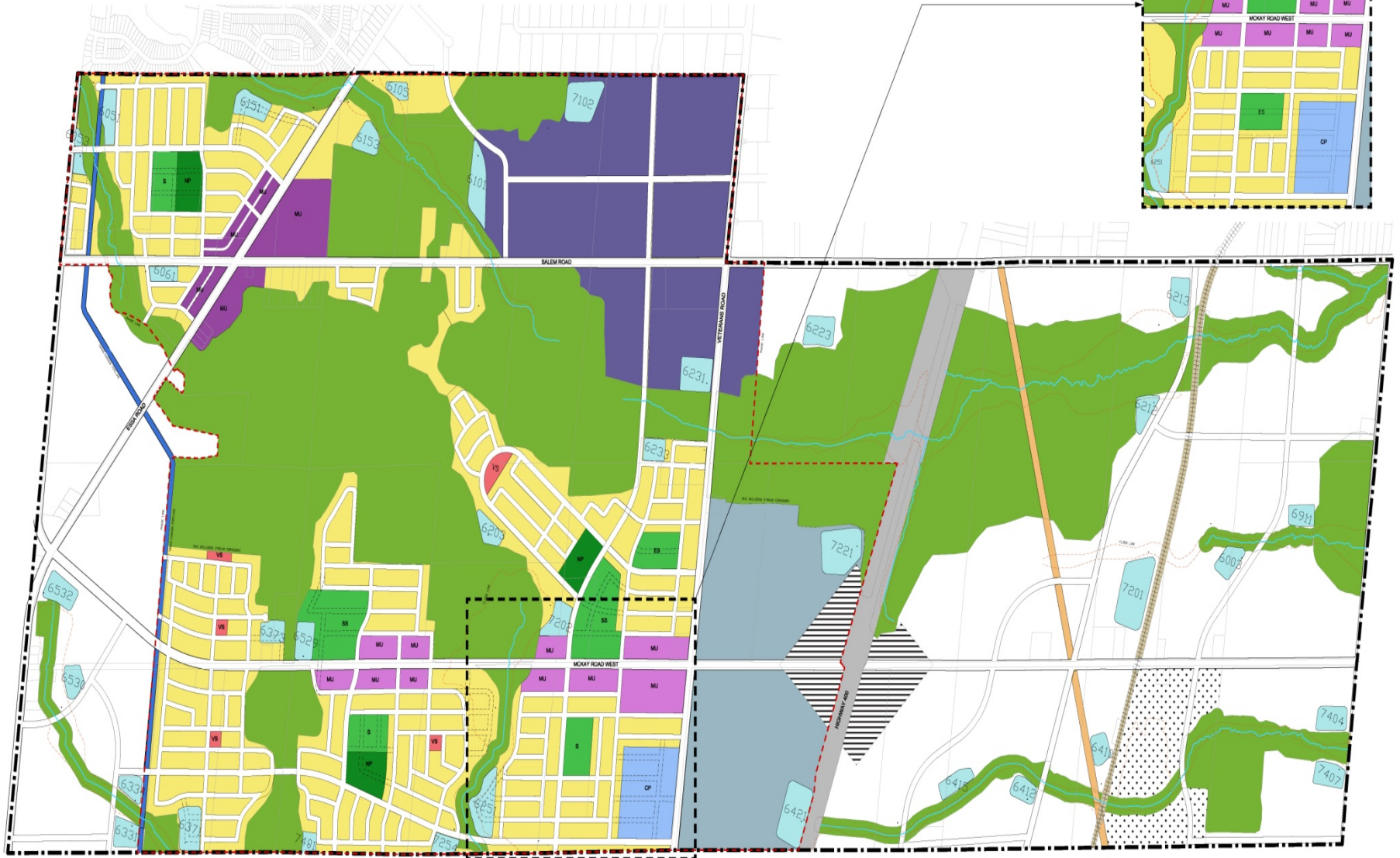
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Land Use Planning

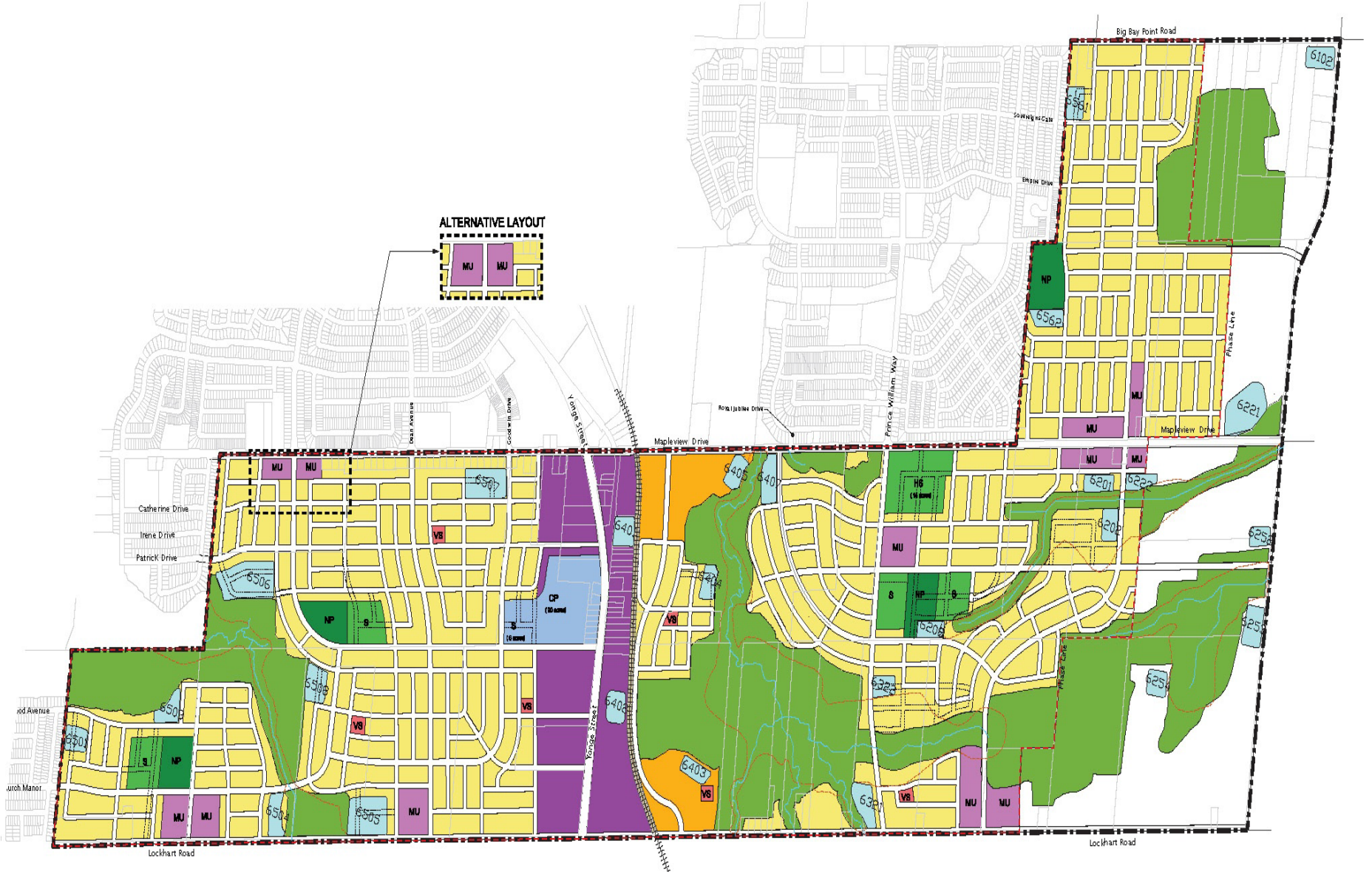
- 2010 Annexation (2,335 hectares)
 - 210,000 Population & 101,000 Jobs (2031)
 - 60% Population growth in Annexed Lands
 - 40% Population growth in Former Barrie
-
- Secondary Plans – Salem & Hewitts
 - Statutory Public Meeting March 2013



Salem Secondary Plan



Hewitt's Secondary Plan



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Infrastructure Planning

Master Plans - Class Environmental Assessment

- Water Supply
- Water Storage & Distribution
- Wastewater Treatment & Biosolids Mgmt
- Wastewater Collection
- Drainage and Stormwater
- Multi-modal Active Transportation

Infrastructure Planning

Water Supply

- Groundwater & Surface Water
- Adequate water supply with conservation and plant optimization

Water Storage & Distribution

- Annexed Lands: New in-ground reservoir, trunk & local watermains
- Former Boundary: some new trunk watermains

Infrastructure Planning

Wastewater Treatment

- Adequate hydraulic capacity with water efficiency and inflow/infiltration control
- Membrane technology required to meet Lake Simcoe Phosphorous Reduction Strategy

Wastewater Collection

- Annexed Lands: Trunk Sanitary Sewers, local sanitary sewer mains, Pump Stations
- Former Boundary: Trunk Sanitary Extensions, Pump Station upgrade

Infrastructure Planning

Drainage & Stormwater Management

- Annexed Lands: Low Impact Development, stormwater management facilities
- Former Boundary: Stormwater retrofit opportunity

Multi-Modal Active Transportation Master Plan

- Transit
- Cycling - bicycle lanes, connected
- Walking – sidewalks, trails, pathways, connected
- Roads – capacity, road diets, traffic calming

Other Capital Needs

Considered in the Fiscal Impact Analysis

- Sustainable Waste Management Strategy (2012)
- Parks & Recreation Strategic Master Plan (2010)
- Parks & Recreation Growth Strategy (2013)
- Plan for Transit (2011)
- Fire Station Location Study (2013)
- Barrie Public Library 2011-2015 Strategic Plan
- Asset Renewal (backlog, extreme, high, medium, low)

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Fiscal Impact Analysis

Scenario Planning based on Affordability Thresholds from the Barrie's Long Range Financial Plan

Affordability Targets

Municipal taxes levied not to exceed 4% of average household income

Average water and wastewater costs not to exceed 2.5% of average household income

Debt targets

Principal and interest not to exceed 20% of City's own source revenues

Principal and interest for tax supported debt not to exceed 10% of City's net levy requirement

Fiscal Impact Analysis

Base Case - \$3,600 million in capital costs (excluding debt) from 2012 to 2031 based on secondary plan studies, capital budget/forecast, asset replacement and other refinements including:

1. Water and Wastewater Master Plan
2. Drainage and Stormwater Management Master Plan
3. Multi-modal Transportation Master Plan
4. Other City Master Plans – Fire, Parks and Recreation, Solid Waste Management
5. Staff interviews for remaining soft services
6. Tax-supported asset replacement needs
7. Rate-supported asset replacement needs

Fiscal Impact Analysis

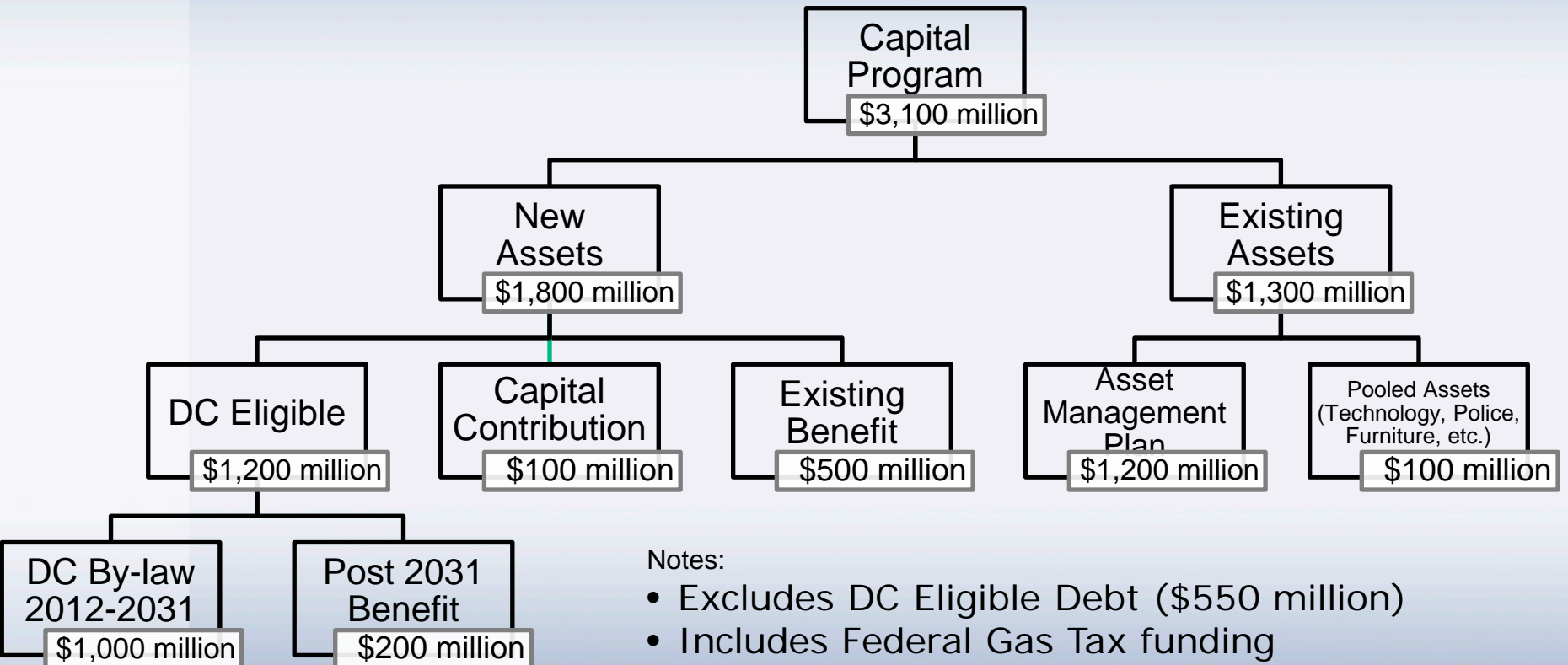
Scenario 1 - \$3,100 Million (excluding water & wastewater debt) in capital costs and assumes:

- Reduction in rate-supported (wastewater) and tax-supported annual asset replacement capital projects to be funded over the forecast
- Reduction in growth-related transit buses (to match the Base Service Plan with a total of 68 buses by 2031 vs. 128) and reduction in transit facility expansions
- Adjustments to timing of roads, sidewalks, the South West Community Centre and the Allandale Recreation Centre Expansion projects
- Development charges for all services collected at time of BP issuance

Fiscal Impact Analysis

- **Alternative Scenario 1** – Assumes all changes as previously mentioned
- **Alternative Scenario 2** – Assumes Scenario 1 and accelerated timing of hard service DC payment by three years
- **Alternative Scenario 3** – Assumes Scenario 1, Scenario 2 for growth in Former Barrie and assumes all growth-related capital costs associated with water, wastewater, stormwater and roads for Annexed Lands are front-ended by developer
- **Alternative Scenario 4** – Assumes Scenario 3, plus assumes a capital contribution to the DC of \$4,500 per housing unit for Annexed Lands (collected at time of BP issuance)

Capital Program Cost Breakdown



Notes:

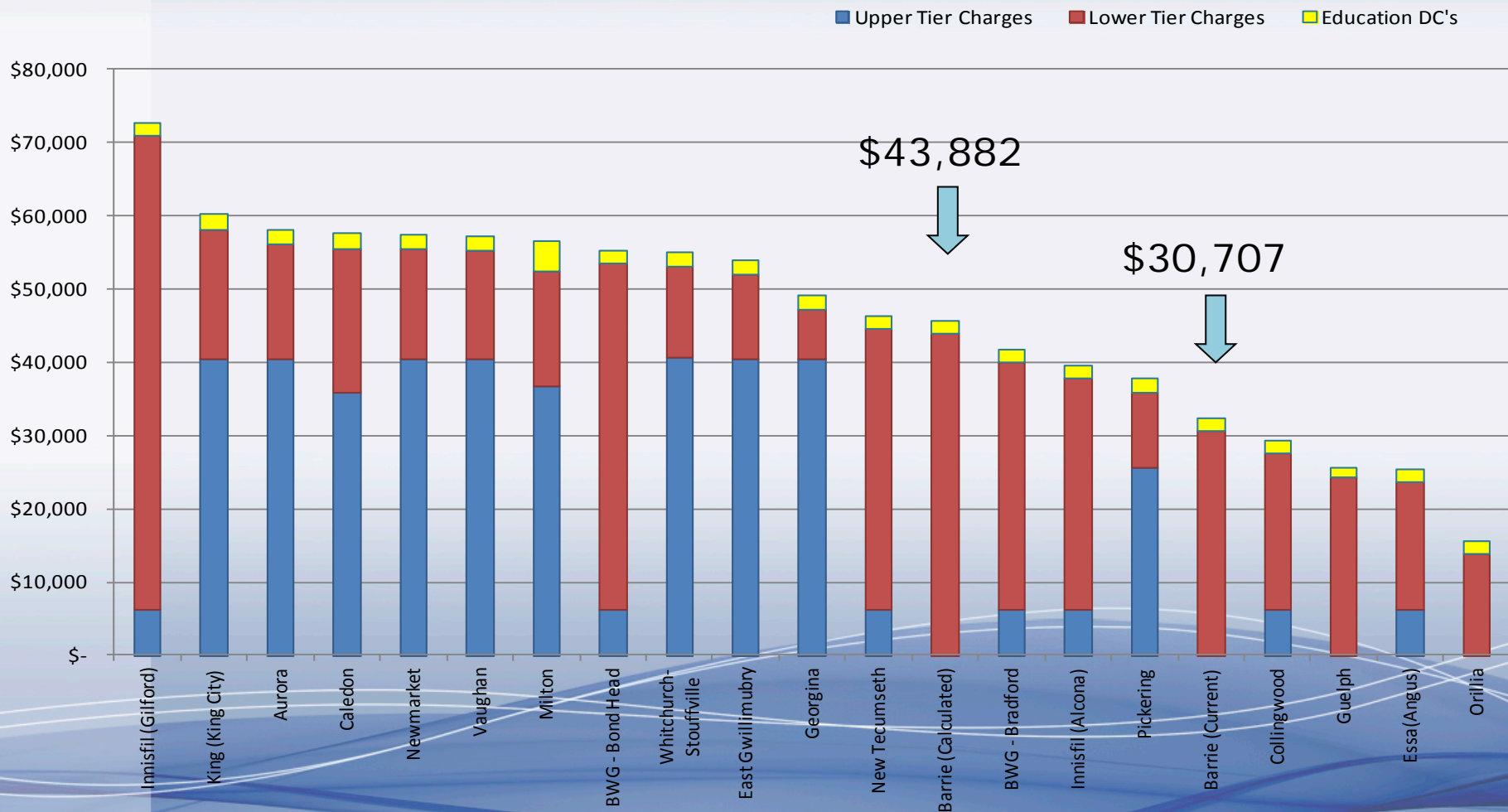
- Excludes DC Eligible Debt (\$550 million)
- Includes Federal Gas Tax funding
- Includes Federal/Provincial funding for Duckworth Interchange (\$33 million) and Harvie Road Interchange (\$9 million)
- Numbers are approximate due to rounding

Fiscal Impact Analysis

Implications of Fiscal Impact Analysis -Risks

- City will reach the maximum debt limit established in the Financial Policy Framework
- Development charge discounts or exemptions would increase the cost to existing taxpayers
- Forecast minimum annual balance in Tax Capital Reserve is very low, limiting City's flexibility for unplanned events
- FIA forecasts annual tax increases of approx. 3% on average (range 2%-7%)
- FIA was based on estimated costs and financial assumptions

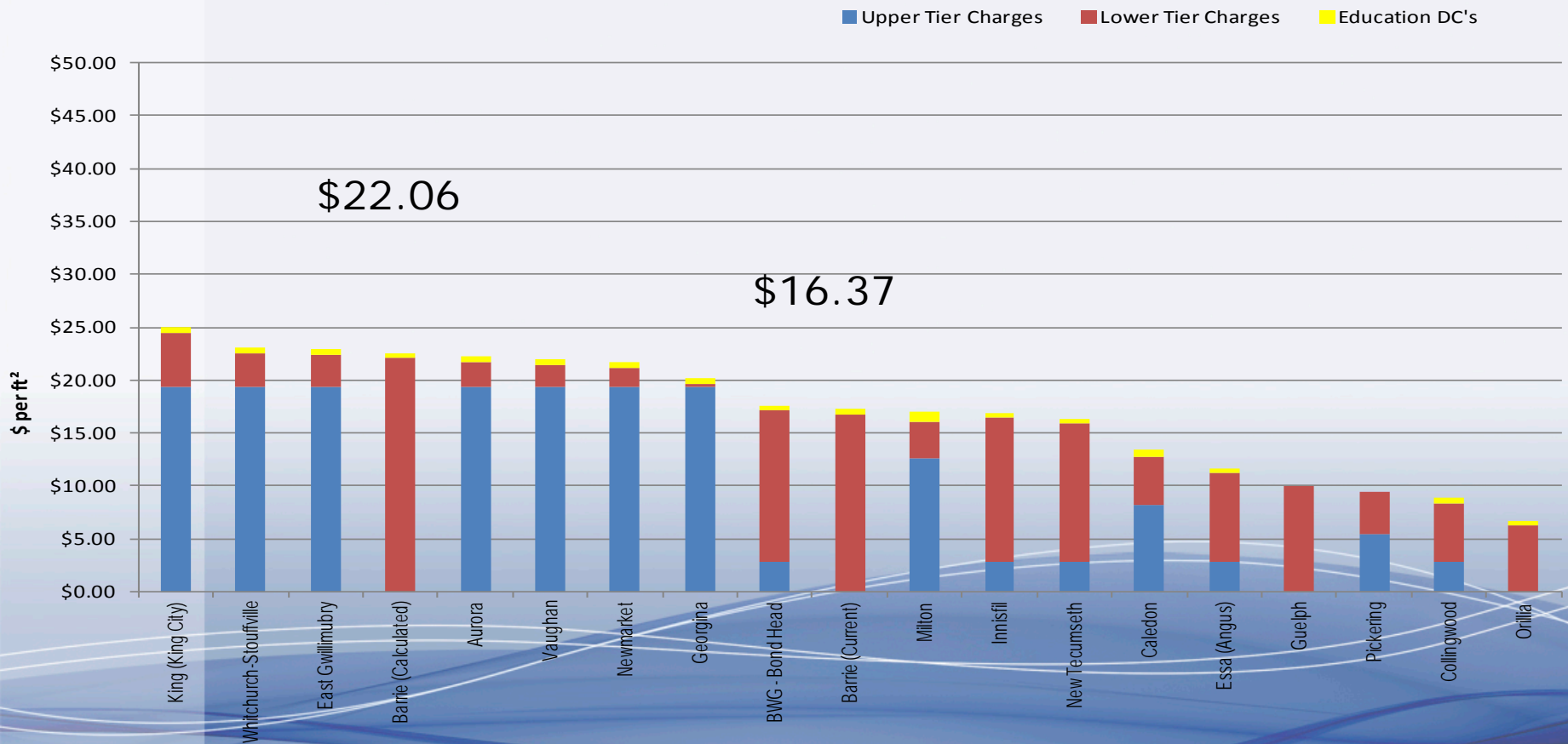
Municipal DC Comparison as of October 1, 2013 Residential Single/Semi Detached



Municipal DC Comparison as of October 1, 2013 Non-Residential (Commercial Retail)



Municipal DC Comparison as of October 1, 2013 Non-Residential (Industrial)



Capital Contribution

- The FIA demonstrates the need for a capital contribution of not less than \$4,500 per unit

- Based on growth costs not eligible for DC or services not included in the current DC By-law:
 - 10% mandatory reduction
 - Transit and library costs exceeding service standard
 - Landfill expansion
 - General administration/IT
 - Parking
 - Other

Summary of Fiscal Impact Analysis Affordability Targets

Scenario	Affordability Thresholds	
	Municipal Taxes do not exceed 4% of average household income	Average water and wastewater costs do not exceed 2.5% of average household income
Base Case	5.1%	0.9%
Revised Capital Program	4.4%	0.8%
Revised Capital Program + accelerated payments	4.3%	0.8%
Revised Capital Program + accelerated payments + front-ending	4.3%	0.8%
Revised Capital Program + accelerated payments + front-ending + capital contribution	4.2%	0.8%

Summary of Fiscal Impact Analysis Debt Targets

Scenario	Debt Thresholds	
	Principal and interest not to exceed 20% of City's total source revenues	Principal and interest for tax-supported debt not to exceed 10% of City's tax revenue
Base Case	46%	42%
Revised Capital Program	27%	26%
Revised Capital Program + accelerated payments	22%	22%
Revised Capital Program + accelerated payments + front-ending	22%	20%
Revised Capital Program + accelerated payments + front-ending + capital contribution	20%	19%

Summary

- Overall reasonable Strategy for managing growth to 2031 within City's fiscal targets
- Strategy follows Guiding Principles for Growth
- Strategy introduces new development financing to address fiscal targets
- City of 210,000 people will have access to safe drinking water, a clean and healthy environment, walkable neighbourhoods, connected communities, and convenient access to transit

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Next Steps

- Present Fiscal Impact Results to Development Community
- Initiate discussions related to financial agreements
- Start Development Charges Background Study
- File Notice of Completion for Class EA projects
- Submit Secondary Plans for approval in principle