

# NINTH LINE CORRIDOR LANDS COMPENSATION RECOMMENDATIONS

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Regional Municipality of Halton  
Town of Milton  
City of Mississauga  
Regional Municipality of Peel

**HEMSON** Consulting Ltd.

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September 2009

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## **APPENDICES**

## **I BACKGROUND**

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This final report provides recommendations regarding the financial compensation that it would be reasonable for the Region of Halton and the Town of Milton to be paid should they agree to an area referred to as the Ninth Line Corridor Lands (the Corridor Lands) being annexed by the Region of Peel and the City of Mississauga. For the purposes of this report it is assumed that the transfer would occur as of January 2010. The Corridor Lands, which are shown on Map 1, effectively became disconnected from the remainder of Halton/Milton with the construction of Highway 407. As the Corridor Lands are located along the Peel/Mississauga boundary and would appear compatible with adjoining land uses, annexation is quite logical. This step has been contemplated by the four municipalities for many years. Over the period, a number of planning and servicing initiatives have been undertaken involving the four municipalities. Of particular note, the City of Mississauga has acquired approximately 85 hectares within the Corridor Lands, part of which it uses for storm water management.

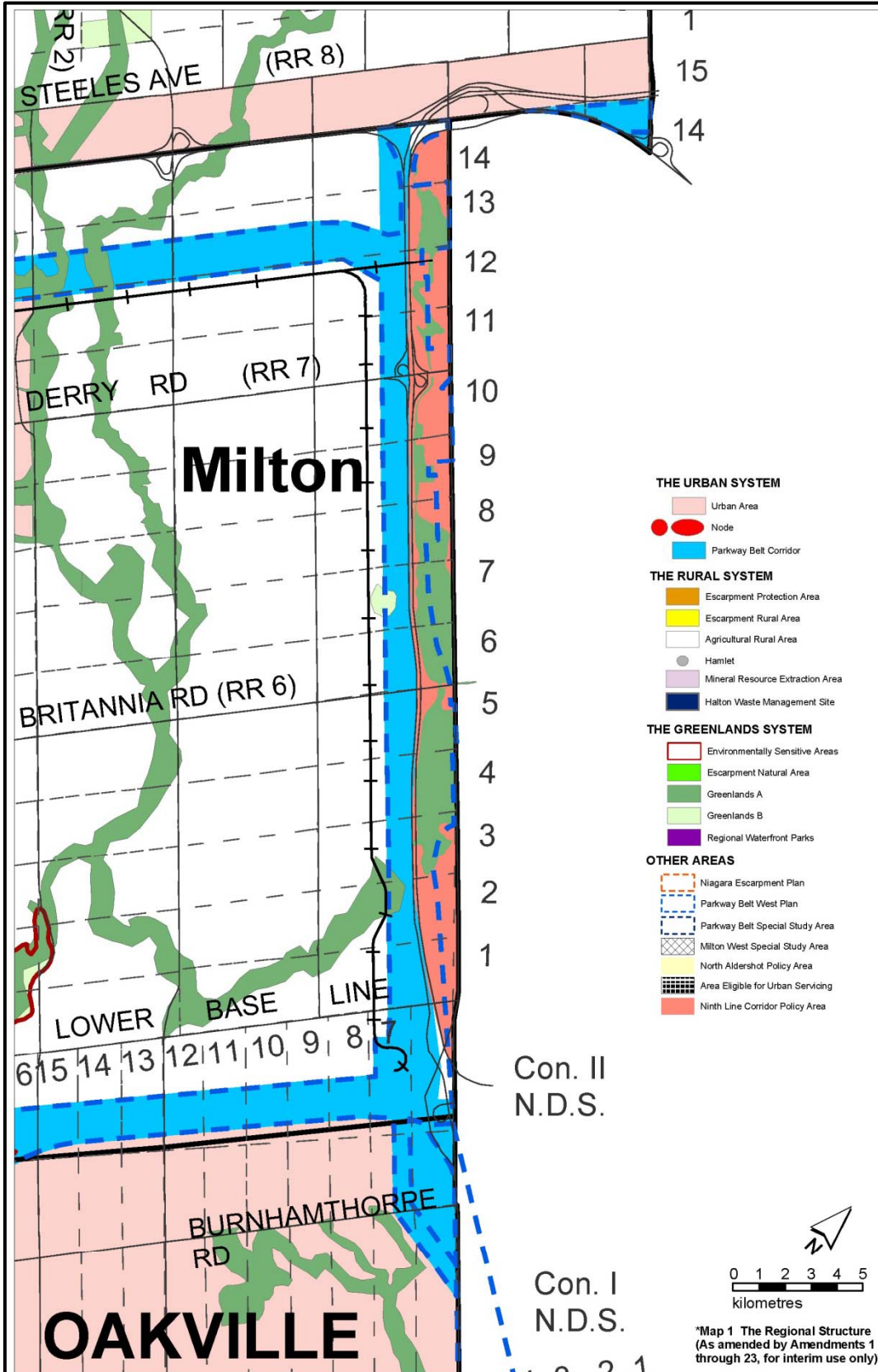
Early in 2009, the four municipalities took steps to enter into a Memorandum of Understanding (MoU) regarding the proposed annexation. They also established an ad-hoc committee to deal with the matter. One of the key tasks for the committee was to retain a consultant to prepare a study regarding compensation to Halton and Milton for the annexation. Terms of Reference for the study were prepared and Hemson Consulting Ltd. was retained at the end of May 2009 to undertake the assignment.

In conducting the assignment an open and transparent approach has been taken. Three discussions have been held between Hemson and the ad-hoc committee. The first addressed logistical matters and the general approach to the issue. The second involved a presentation by Hemson of interim findings followed by questions and discussion. The third reviewed outstanding issues and preliminary conclusions. A number of other meetings and discussions have been held with individual municipalities to discuss details regarding the Corridor Lands including the planning and servicing issues.

A draft report was prepared in July 2009. This final report reflects a number of issues that have arisen since and in response to the draft report. First, it addresses an adjustment to the boundary of proposed annexation. This boundary adjustment has potential revenue and expense implications. Secondly, the report incorporates changes to account for potential future tax rate reductions that could partly offset future property

# LOCATION OF NINTH LINE CORRIDOR

MAP 1



Source: Region of Halton

**HEMSON**

\*Map 1 The Regional Structure (As amended by Amendments 1 through 23, for interim use only)\*

tax increases from properties in the Corridor Lands. The report that follows is divided into five sections. The next section provides a brief description of the Corridor Lands and their planning status. The third section describes the approach used to arrive at the estimate of compensation and most importantly the rationale. The rationale is set within the context of compensation arrangements provided for under a number of comparatively recent annexation agreements and orders. Also discussed are the key assumptions used in the analysis and their basis. The compensation analysis and results are contained in the fourth section. The final section provides the recommendations concerning compensation.

## II NINTH LINE CORRIDOR LANDS

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This section provides a brief description of the Corridor Lands and the planning and servicing environment.

### A. THE CORRIDOR LANDS ARE LARGELY UNDEVELOPED

The Corridor Lands are located along the eastern boundary of the Town of Milton adjacent to the City of Mississauga. They include the Ninth Line which is owned by Halton Region but shared for maintenance purposes with Mississauga. The westerly limit of the Corridor Lands is now defined as the centre line of Highway 407.<sup>1</sup> The Corridor Lands extend north approximately nine kilometres along Ninth Line from just south of Lower Base Line Road North to the southerly side of the exit ramp from Highway 407 just south of Highway 401. In general, the depth of the Corridor Lands between Ninth Line and Highway 407 is approximately 350 metres. Extending the boundary to the centre line of Highway 407 adds approximately 50 metres. The Corridor Lands are crossed by three major roads:

- Lower Base Line Road (which becomes Eglinton Avenue in Mississauga);
- Britannia Road; and
- Derry Road.

Britannia Road and Derry Road both provide intersection access to Highway 407. A CP rail line crosses the Corridor Lands north of Derry Road.

The Corridor Lands, excluding the component within the Highway 407 corridor, contain approximately 398 hectares which are broken down as follows:

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<sup>1</sup>Originally, the proposed limit western limit of the annexation area was to have been the east side of Highway 407.

<b>Table 1</b>		
<b>Ninth Line Corridor Lands (ha)</b>		
	ha	%
Flood Plain	135	34
Transit Requirement	41	10
Public, Government & Utilities	124	31
City of Mississauga	52	13
Private Developable	46	12
<b>Total Area</b>	<b>398</b>	<b>100</b>

Source: Region of Halton

The Highway 407 component is estimated to contain approximately 45 hectares. Ownership of the land within the flood plain, which accounts for about a third of the total area, is divided amongst various categories of landowners.

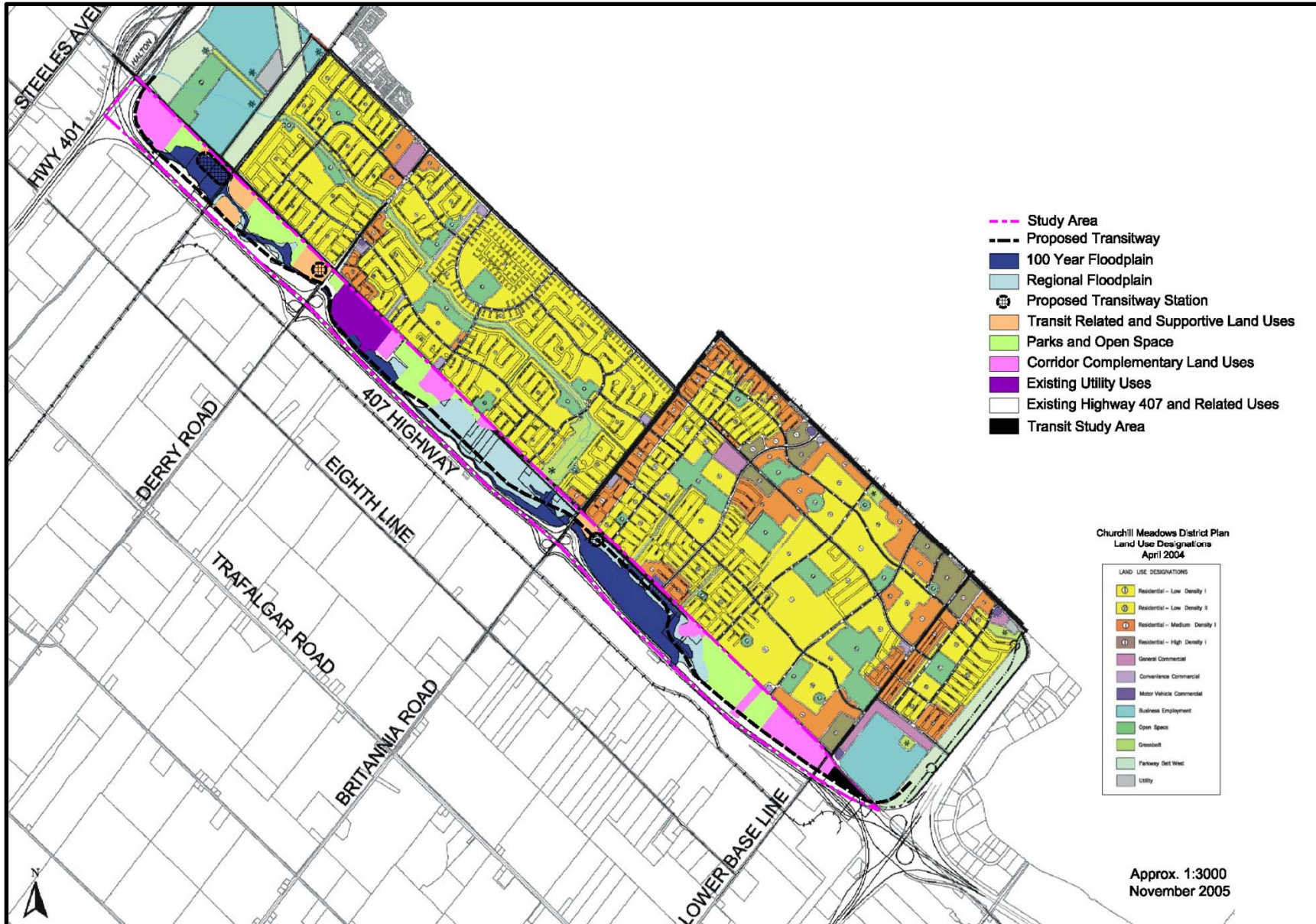
## **B. THE CORRIDOR LANDS ARE TYPICAL OF THE URBAN FRINGE**

Beyond the existing infrastructure in the Ninth Line Corridor a variety of scattered land uses are present in the area. These existing land uses are shown on Map 2 and are described as follows:

- Over the length of the Corridor Lands, there are some 24 single detached houses with Ninth Line frontage. While they remain rural in character and were originally built with private services, many of these houses are now reportedly serviced with municipal water from Peel Region's Ninth Line watermains.
- There are two commercial properties. A garden centre, located at the intersection of Britannia Road and Ninth Line and an animal hospital just north of Lower Base Line Road, also fronting onto Ninth Line.
- There is a private utility use, a 14 ha (35 ac) Union Gas facility, situated just south of Derry Road on Ninth Line (some of the parcel is a woodlot, though most is occupied by the gas facility).
- The institutional uses in the corridor include two churches: St. Peters Catholic Church located on Ninth Line at Britannia and a Kingdom Hall situated on Ninth Line between Lower Base Line and the Highway 403 interchange.

# LAND USE STUDY IN THE NINTH LINE CORRIDOR

MAP 2



Source: Region of Halton

The existing development would not impose any particular restrictions on future land uses within the corridor.

### **C. OPA 28 HAS ESTABLISHED THE PLANNING FRAMEWORK**

The Corridor Lands are subject to Regional Official Plan Amendment (OPA) No. 28 which was approved in June 2005. The OPA was amended by the Ontario Municipal Board in July 2006 based on minutes of settlement between the Region of Halton, the City of Mississauga and a private landowner. The plan established the area as a distinct policy area with the intent to protect the land base within the Ninth Line Corridor for future transit uses and related facilities, while permitting development that is complementary to and supportive of the transitway.

More specifically, the objectives of the policy area designation included:

- Providing for development of future transit station locations that support this use while permitting other limited transit-supportive development throughout the corridor.
- Requiring the Town of Milton to incorporate policies in their Official Plan that require:
  - uses close to or in walking distance to transit stations to be transit-supportive and at a prescribed minimum density;
  - on other lands, uses to be transit-supportive and compatible with the abutting Greenlands.
- That the designations and policies set out in the Region's Final Report regarding the lands be implemented.
- Permitting the extension of water and waste water services from Peel provided that:
  - Regional Council deems it prudent;
  - Peel determines that there is sufficient capacity;
  - Landowners/developers meet financing obligations demanded by Peel.
- Permitting the creation of new lots as set out in Milton's Official Plan and zoning by-law.

The amendment designated the lands in Schedule 1 Map 1 of the Regional Structure as either Greenlands or Ninth Line Corridor Policy Area.

The City of Mississauga and a private landowner appealed the amendment because of concerns about the height and mass of development that could occur along the Ninth Line frontage. The City considered that the form of development that the plan contemplated would be incompatible with development on the Mississauga side of the road. Halton and Milton agreed to address the issue and an urban design study was undertaken in order to develop a solution that would be acceptable to the parties. As a result, minutes of settlement were signed in July 2006. The Region agreed to amend its final report regarding the Corridor Lands in accordance with an addendum attached to the minutes.

### III APPROACH, RATIONALE AND KEY ASSUMPTIONS

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In this section, the approach used to estimate the appropriate compensation is described together with the rationale for the approach. This section also discusses the key assumptions used in the analysis. The section begins with a review of compensation arrangements contained in agreements and Minister's Orders relating to a number of comparatively recent annexations that have occurred in Ontario.

#### A. COMPENSATION ARRANGEMENTS FOR ANNEXATIONS VARY WIDELY

The proposed annexation would be undertaken under the provisions of Sections 171 to 186 of the *Municipal Act*. While the sections of the *Act* are silent with respect to compensation, a review of agreements and Minister's Orders relating to a variety of annexations indicates that it is common for compensation to be provided to municipalities from which land is annexed. The review indicated that while there are a number of common elements, there is certainly no single consistent approach to compensation arrangements. The following are the most significant of the various elements:

- **Term** — in all cases compensation extends over a period of years. The shortest period is four years while some continue indefinitely.
- **Form** — compensation payments fall into three basic categories:
  - specific dollar amounts;
  - the amounts of “own purpose taxes” prior to annexation, with or without future adjustments for increases; and
  - shares of post-annexation taxes generated by annexed lands.

Some of the agreements involve combinations of these three elements.

In two instances landowners in the annexed areas are also provided with compensation to mitigate tax increases resulting from the transfer to another municipality.

None of the agreements describe the rationale for the compensation amounts. The absence of two other elements is also of note. Firstly, none make references to compensation amounts being affected by the cost of providing existing services to annexed lands. Secondly, there are no references to compensation being affected by the presence or value of existing infrastructure within annexation areas.

From the review it is reasonably evident that property taxes are the primary basis upon which compensation is based. It is also clear, in respect of compensation agreements tied to property taxes, that unadjusted pre-annexation taxes tend to set the base amount. Larger payments tied to post-annexation taxes, presumably after development has occurred, are not uncommon.

In effect, compensation agreements appear to provide municipalities from which land is annexed with, at a minimum, amounts relating to the taxes being levied prior to annexation. By implication, therefore, the underlying assumption is that annexations do result in net losses to the affected municipalities. However, these conclusions are inferential since, as noted before, none of the agreements or Minister's Orders set out the rationale for the compensation arrangements.

## **B. WHAT IS THE NATURE OF THE INTERESTS THAT THE ANNEXATION WOULD INVOLVE**

Before discussing the approach to determining compensation, it is important first to review the nature of the entity or benefit for which compensation would be provided. It is comprised of two components. Firstly, it is the municipally owned land and improvements. In this case, they consist of the land under Ninth Line, Lower Base Line Road, Britannia Road East and Derry Road East together with the associated road infrastructure. Halton is understood to own all these roads and infrastructure with the exception of Lower Base Line Road which is owned by Milton. Of note and as is discussed in more detail later in the report, the bridge structures for the overpass and two intersections within the Highway 407 corridor are owned by the Province (or 407 ETR). The second component involved in the annexation are intangible. They comprise the municipal rights and responsibilities relating to "private" portions of Corridor Lands. In this case, "private" is intended to mean both privately owned land and land that is owned by the Province, the City of Mississauga and Ontario Hydro.

From a fiscal perspective, an annexation by Peel/Mississauga would benefit both Halton and Milton as potentially it would relieve them of roads maintenance and repair costs. There are no revenues associated with these roads.

For the private lands component, annexation would result in the loss to Halton and Milton of revenues from property taxes and any other related sources. Balanced against these losses would be potential savings resulting from the elimination of the costs of meeting current and future municipal service requirements generated by the annexation lands. These requirements would not be limited to operating costs and would include capital costs to provide services to any future development of the annexation lands.

### **C. A NET PRESENT VALUE APPROACH USING CONSERVATIVE ASSUMPTIONS IS ADOPTED**

As discussed above, the “interests” that this report addresses are a combination of municipal real estate (roads) and intangible rights and responsibilities. Because of these unique characteristics, there are no direct comparisons available from which to derive a compensation estimate. Instead, general principles and approaches are considered. In our opinion, the guiding principle is that the amounts should represent the present value of future net benefits that Halton and Milton would likely derive from the annexation lands.

This is somewhat akin to the approach followed in expropriations whereby the expropriated party is compensated for the value of what is taken, not for the value of the use to which the expropriated lands will be put. Under this principle, the focus is therefore on the financial impact on Halton and Milton rather than on Peel and Mississauga. Put differently, the principle is that compensation should be the amount that would keep Milton and Halton financially “whole” — neither better nor worse off — as a result of annexation. This is in contrast to an estimate based on the principle of “willing buyer–willing seller” which would perhaps be appropriate were this strictly a sale of lands.

Guided by the “compensation” rather than the “buy–sell” principle, the approach focuses on estimating the difference in financial terms for Halton and Milton between keeping the Corridor Lands and them being annexed. This amount will vary from year

to year should, as is potentially the case, portions of the lands become developed. The estimate would be relatively straightforward were the lands to remain in their current state. Revenues and expenditures would remain relatively stable. However, the effect on revenues and expenditures of development is less certain for a number of reasons. Firstly, the timing and amounts of development are uncertain. Secondly, the revenues that would be generated from development and the additional costs of providing municipal services are difficult to measure. As a result, net revenues beyond the level that is generated from the lands in their current state warrant being estimated in a conservative manner.

Based on the overall approach discussed above, the following steps are involved:

- Step 1 Determine municipal revenues from the Corridor Lands under current uses.
- Step 2 Estimate municipal expenditures relating to current Corridor Lands uses.
- Step 3 Apply a discount that reflects the stable nature of the income to provide a compensation estimate considering current uses.
- Step 4 Develop a forward projection of new development.
- Step 5 Estimate the change in municipal revenues that would be generated by new development.
- Step 6 Estimate the additional municipal expenditures that would be required to pay for services to the new development.
- Step 7 Determine the annual amounts of additional net revenues in excess of the net revenues from current uses.
- Step 8 Apply a discount rate reflecting the higher risk of the future net to provide a compensation estimate for the future development-related component.
- Step 9 Sum the estimates from step 3 and step 8 to provide an estimate of total compensation taking account of the current use and additional benefit from future development.

An important final issue is the time frame over which compensation should be considered. As discussed previously, other annexation agreements and orders provide for compensation over a wide time period from a few years to an indefinite period. In

our judgement, it is preferable to have a cut-off date since it would provide a clear point when the inter-municipal transfer and related obligations could be considered complete. As to a specific year, it is our opinion that 2031 is appropriate as it is a substantial number of years into the future and is the end point for most current long-range land-related planning work.

## **IV ESTIMATE OF COMPENSATION**

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Based on the approach described in the previous section, an estimate has been made of the amount that, in our opinion, it would be reasonable to pay the Region of Halton and the Town of Milton to compensate for annexation of the Corridor Lands. The estimate has been considered in two parts. The first addresses the lands in current use while the second part considers the potential impact of development of limited areas of the Corridor Lands.

### **A. CONSIDERATION OF CURRENT USES**

The first part of the compensation analysis addresses the Corridor Lands in their current use. As discussed previously, the lands are largely undeveloped.

#### **1. Revenues**

Revenues associated with current uses are principally generated from property taxes and from payments-in-lieu of taxes (PILTs) for Provincially owned lands. In addition, a portion of the overall payments made by Ontario Hydro for transmission corridors and by CP Rail for railway rights-of-way are attributable to the Corridor Lands. Because the Provincially legislated assessment phase-in is in effect the revenues are considered both in relation to 2009 and to the remaining three-year phase-in period and beyond.

##### **a) 2009 Revenues**

Based on 2009 tax rates the total of property taxes, payments-in-lieu and shares of payments for rights-of-way are \$285,585. The breakdown between the property classes and between the Town and the Region are shown in Table 2 below.

<b>Table 2</b>			
<b>Ninth Line Corridor Lands</b>			
<b>Estimated Tax, PILT and ROW Revenues</b>			
<b>(\$ 2009)</b>			
Property Class	Milton	Halton	Total
Residential (RT)	23,162	43,231	66,393
Farm (FT)	30	56	86
Commercial (CT, CU)	56,642	107,267	163,909
PILT (CGN, RGN)	6,899	13,065	19,964
ROWs	25,227	10,006	35,233
<b>Total</b>	<b>111,960</b>	<b>173,625</b>	<b>285,585</b>

The amounts in Table 2 were calculated by applying the 2009 municipal tax rates to the assessed values of the properties in the Corridor Lands that are applicable for the 2009 taxation year.

**b) 2010–2012 and Subsequent Years**

For most properties in the Corridor Lands, the 2009 assessed values are less than their full Current Value Assessment (CVA). This is because under Provincial legislation which came into effect for 2009, increases in CVAs resulting from the 2008 reassessment are being phased in between 2009 and 2012.

Across Halton Region and in Milton the overall increase in CVA from the reassessment was approximately 25%. Under the phase-in provisions the first quarter of this increase (equivalent to just over 6%) has been phased-in for the 2009 taxation year. This leaves an overall assessment increase of about 18.75% to be phased in between 2010 and 2012.

For the Corridor Lands, substantial assessment increases remain to be phased-in over the 2010–2012 period. Based on the 2009 tax rates these full assessed values would produce the revenues shown in Table 3.

<b>Table 3</b>				
<b>Ninth Line Corridor Lands Potential Revenues Based on Full CVA and 2009 Tax Rates \$000's</b>				
	<b>Per 2009 Assessments</b>	<b>Per Additional Assessment</b>	<b>ROW Rev.</b>	<b>Total</b>
Milton	86.7	26.0	25.2	135.9
Halton	163.9	45.4	10.0	219.3
Total	250.6	69.4	35.2	355.3

The table shows that the additional taxes and PILTs that the assessment of the Corridor Lands remaining to be phased-in would potentially generate using 2009 \$69,400 based on 2009 tax rates. This equates to 27.7% of 2009 taxes. This additional amount would be generated if current tax rates continued to apply in future years. In practice, this is unlikely to be the case. Instead, the tax rates that will apply will depend upon the assessment bases of Halton and Milton and of their respective levy requirements in each year.

For the purposes of this analysis, the potential effect of the CVA phase-in warrants specific consideration. As discussed above, the amount of the overall CVA increases across Halton and Milton remaining to be phased in between 2010 and 2012 is equal to 18.1%. If all other factors were to remain the same, this additional assessment would cause tax rates to decline by approximately 15.3%<sup>1</sup> from the 2009 level. The effect of such an adjustment on the Corridor Lands is shown on Table 4.

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<sup>1</sup>1÷(1/1.1875)

<b>Table 4</b>				
<b>Ninth Line Corridor Lands Potential Revenues Based on Full CVA and Adjusted 2009 Tax Rates \$000's</b>				
	<b>Per 2009 Assessments</b>	<b>Per Additional Assessment</b>	<b>ROW Rev.*</b>	<b>Total</b>
Milton	73.4	20.3	25.2	119.0
Halton	138.5	38.4	10.0	187.0
Total	211.9	58.7	35.2	306.0

\*Note: Shares of revenue from the ROWs are maintained at the 2009 level as specific impacts on the corridor lands are not known.

While these revenues would not be fully achieved until 2012, they represent the realistic future potential of the Corridor Lands in the absence of new development occurring.

Because of the limited amount of development that currently exists within the Corridor Lands, it is assumed that only normal amounts of additional revenues are generated from fees, charges, interest and penalties.

In summary, it is estimated that revenues from the Corridor Lands would likely range upwards from the 2009 level of \$285,000 to around \$306,000 per year by 2012. This is based on current taxation legislation and the continuation of the existing property tax classification of the properties in the Corridor Land. It also assumes no change in levy requirements and other factors. The property taxes could be subject to reductions were some of the commercial uses to cease. However, of the taxes from commercial uses almost 90% relate to a facility owned by Union Gas. It is understood to be a permanent transmission or distribution related facility. As such, it is reasonable to assume that this use will continue for the foreseeable future.

## **2. Expenditures**

Municipal expenditures relating to the Corridor Lands are very largely the costs of maintaining and repairing the roadway sections. The bulk of the roadway is Ninth Line. This road is owned by Halton but under an informal agreement<sup>1</sup> with Mississauga it is

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<sup>1</sup>A draft Boundary Road Agreement between the Region of Halton and the City of Mississauga providing for the shared maintenance and repair of Ninth Line was prepared in June 2007 but was not executed. Notwithstanding this, the Region and the City operate in accordance with the terms of the agreement. The draft agreement covers the boundary from Ninth Line and a section of Dundas Street

effectively treated as a shared boundary road. We are advised that Mississauga paid for the widening and upgrading of Ninth Line in order to meet the service demands of the development on the east side of Ninth Line. The reduction in expenditures that Halton and Milton would be likely to achieve were an annexation to occur is difficult to estimate. In the case of Milton which is responsible for Lower Base Line Road, the potential savings are minimal since the length of road that is involved is very small — approximately 520 metres of laneway.

For Halton the potential savings are more significant. Based on the assumption that the informal agreement with Mississauga has the effect of dividing costs for Ninth Line equally, it is estimated that Halton would reduce its roads inventory by approximately 15.7 lane kilometres.<sup>1</sup> This represents approximately 1.8% of the Region's total lane kilometres. With regard to costs, Halton's Ontario Municipal Benchmarking Initiative (OMBI) statistics for 2008 indicate an "all functions" cost of \$10,031 per lane/km. However, as this amount includes both departmental and corporate fixed overhead, marginal savings are likely to be significantly less. Accordingly, using a reasonable assumption of 70% marginal saving an amount of approximately \$110,200 is indicated ( $\$10,031 \times 0.7 \times 15.7$  Lane/km).

The change in the proposed boundary slightly increases the length of roadways that would be transferred. However, potentially more important, the additional roadway involves bridge structures over Highway 407. These are much more expensive infrastructure elements than grade level roads and therefore potentially could have significant long-term financial obligations.

We are advised that responsibilities concerning the maintenance of grade separations involving Provincial highways is governed by sub-section 20(1) of the *Public Transportation and Highway Improvement Act* and policy contained in Ministry of Transportation Directive B-101<sup>2</sup>. The directive specifies that the "authority having jurisdiction over a highway crossing over or under the Kings Highway" is responsible for the maintenance and repair of the surface of the highway. The directive further specifies that the Ministry is responsible for "the rehabilitation of all works within the designated limits of the right-of-way of the Kings Highway". Rehabilitation is defined as including major repairs, improvements and replacements. Given therefore that the Ministry has responsibility for all major long-term work, it is reasonable to assume that the costs for

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*(Regional Road 5) to Winston Churchill Boulevard. Halton is responsible for road maintenance of Dundas Street East to Winston Churchill Boulevard. In addition, Mississauga is responsible for traffic signal and street light maintenance for the entire length of the boundary road.*

<sup>1</sup>12.6 lane/km along Ninth Line and 3.1 lane/km for the Britannia and Derry Road sections.

<sup>2</sup>Contained in Appendix 1.

the Region or for Milton of maintaining these sections of roadway would be similar to the costs of other roads. Accordingly, no additional allowance is warranted.

A second issue that would have financial implications relates to widenings of the highway crossings that might be required in the future. We are advised that the cost of any widenings would be a municipal responsibility. However, currently there are no plans to widen the crossings and the earliest date at which the need might arise is 2021. Given the speculative nature and timing of such widenings, making an allowance for potential expenditures as part of the compensation arrangement would not be reasonable.

## B. NET REVENUE POSITION ASSUMING ANNEXATION

Based on the foregoing, it is estimated that under current uses were an annexation of the Corridor Lands to occur, the net revenue loss to Milton and Halton would be as follows:

<b>Table 5</b>				
<b>Estimated Net Revenue Loss</b>				
	Halton		Milton	
	Current Tax	Potential Revenue	Current Tax	Potential Revenue
	173,900	187,000	111,900	118,500
Less Road Costs	110,200	110,200	-	-
Net	63,700	76,800	111,900	119,000

The estimate considers two tax revenue scenarios; the first based on current taxes and the second considering potential taxes after phase-in of the full CVAs for the properties in the Corridor Lands in 2012. The implication of these potential amounts relative to the recommended compensation is discussed in the final section of the report.

## C. CONSIDERATION OF POTENTIAL FUTURE DEVELOPMENT

The second part of the analysis addresses the potential for additional net municipal revenues to be generated as a result of the future development of portions of the

Corridor Lands. There are a number of significant factors that enter into the analysis. They include:

- The potential amount and form of development;
- The planning and servicing issues affecting timing and tenure of development; and
- Municipal revenue and expenditure impacts.

Each of these issues is addressed below.

### **1. Potential Amount and Form of Development**

Halton's Regional Official Plan Amendment 28 in conjunction with the Minutes of Settlement between Halton and Mississauga and with Halton's Ninth Line Background Study establish that portions of the corridor are, in principle, permitted to develop with uses that are either supportive of the proposed transitway or are "corridor complementary". Halton's planning department<sup>1</sup> undertook an analysis of the development parcels to estimate the potential number and type of units that would likely be developed. It is anticipated that development would be a combination of medium and high density residential uses. The "corridor complementary" areas would likely be developed with townhouses. For the transit-supportive areas, a combination of townhouses, stacked townhouses and apartments is projected. This form of development is in keeping with the terms of the Minutes of Settlement relating to ROPA 28. The development potential was estimated to range from 1,810 units to 2,108 units depending upon net developable land area assumptions.

These estimates were reviewed for the purposes of this analysis and it was concluded that an additional 74 units could potentially be achieved were the lands to be developed under condominium plans. As is discussed below this factor is significant in relation to the overall compensation analysis.

### **2. Planning, Servicing and Tenure Factors**

As discussed earlier in the report, a key assumption for the compensation analysis addresses the fiscal impact of annexation for Halton and Milton, not the impacts for Peel and Mississauga. Given this, this component of the analysis relating to future uses must assume that any development that occurs within the Corridor Lands will be within existing municipal boundaries. Under this assumption, Halton and Milton would

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<sup>1</sup>With consulting input from Entra Consultants.

continue to have responsibility for municipal planning matters and for the delivery of municipal services.

**a) Planning Issues**

Although ROPA 28 established the planning framework for the Corridor Lands, a number of planning matters would need to be addressed before development could proceed. Most importantly, Milton's official plan would have to be amended to bring it into line with ROPA 28. As well, the Town's Zoning by-law would require amendment. In terms of provincial planning matters it appears that parts of the developable parcels fall within the Parkway Belt West Plan. If this is the case, the plan would need to be amended. None of these potential planning requirements are considered major stumbling blocks but they are factors that could delay development.

**b) Servicing**

The provision of water and wastewater services is an essential prerequisite for development of the Corridor Lands. Because of their location, it is not practical for these services to be provided by Halton. However, being adjacent to developed areas of Mississauga, it would be straightforward to connect into the Peel water and wastewater system. However, Peel would have to agree to permit servicing arrangements and would have to be paid for a share of the capital costs of the system as well as ongoing utility charges.

It is our understanding that while in principle Peel may be prepared to enter into such arrangements, there are significant issues that would have to be resolved before the services could be available for development. These issues include the availability of servicing capacity and the potential that the costs could be high compared to the water and wastewater components of Peel's current Development Charges. While any higher charges would be paid for by developers, development activity might be dampened were the amount to be significantly above the level of charges in other locations. In fact, since annexation has long been contemplated and is a very logical step, developers might well choose to delay development in expectation of annexation occurring at some point in the future.

**c) Tenure Requirement**

The third factor to be considered in relation to development concerns the form of tenure that would be required in order for development to occur. Because of the isolated location of the Corridor Lands in relation to other parts of Halton and Milton and the inefficiencies that would arise in servicing development, it is our understanding that Halton and Milton would seek to limit municipal servicing

requirements. In particular, the Town would require that development be under condominium tenure in order to avoid the need for the Town to take on the responsibility for maintaining and repairing local roads. As well, Halton would not wish to own any of the water and wastewater system. While condominium tenure is well accepted and is essential for apartment form housing, freehold townhouse development is more desirable in the market and achieves higher prices.

Given the factors discussed above it is concluded that development would likely be delayed for a number of years in order to fulfill the necessary planning requirements and most importantly to obtain access to the Peel water and sewer system. As well, it is concluded that while the location of the lands adjacent to Mississauga is a strong advantage, developers would proceed cautiously given the assumed need for all projects to be undertaken under condominium plans.

### **3. Development Projection**

In order to assess the potential future municipal revenues and expenditures, a projection was made of future development. The projection is shown on Exhibit 1. The projection anticipates the first units being constructed in 2013 and occupied in 2014. The potential townhouse and stacked townhouse units are projected to be built out by 2031. Some apartment units are also projected to be developed within the 2014–2031 timeframe but given the large potential for apartment units in Mississauga it is assumed that in 2031 approximately 430 potential units would remain to be built. The development projection forms the basis for the municipal revenue and expenditure projections discussed below.

### **4. Projection of Revenue and Expenditures**

The next step is the estimation of the net municipal fiscal impact that would likely occur assuming the projected development is built. Fiscal impact analysis is a complex exercise involving the estimation of revenues that would be generated by new development and of municipal expenditures to pay for municipal services that development would require. The revenue component of the analysis is comparatively straightforward since it is largely comprised of municipal property taxes, which can be estimated using assessment comparisons and municipal tax rates. The expenditure estimates are much more difficult since, unlike assessments, there is no direct linkage between individual properties and the cost of services. For this reason the approach to a significant degree involves the use of analytical assumptions. A number of general points regarding this issue are important to note.

**EXHIBIT 1**

**Development Projection**

	2010	2011	2012	2013	2014	2015	2016	2017
Rows	0	0	0	0	84	84	84	84
Stacktowns	0	0	0	0	0	0	0	0
Apartments	0	0	0	0	0	0	0	0
<b>Total</b>	-	-	-	-	84	84	84	84

	2018	2019	2020	2021	2022	2023	2024	2025
Rows	85	85	85	84	84	84	36	36
Stacktowns	-	22	-	23	-	23	-	23
Apartments	-	-	-	-	-	128	-	-
<b>Total</b>	85	107	85	107	84	235	36	59

	2026	2027	2028	2029	2030	2031	Total
Rows	35	35	35	35	35	35	1,125
Stacktowns	-	23	-	23	-	22	159
Apartments	128	-	-	150	-	-	406
<b>Total</b>	163	58	35	208	35	57	1,690

- **Averages versus Marginal Costs**

As new development occurs additional service demands arise. For example, more traffic is generated, more use is made of municipal facilities and more staff time is required to meet these needs. However, the cost impact of individual developments is not consistent. Not only will demands vary but the cost of meeting demands is not equal. Depending upon where current demand levels are, municipalities may be able to handle some additional growth without any material changes in facilities and staff allocations. On the other hand, a small increase in demand may trigger disproportionately large cost increases. For the purposes of this analysis it was decided to adopt a middle ground by which for each service a judgement was made regarding the sensitivity that Corridor Lands development would likely have in relation to the average cost of providing services. For services such as local roads which would have particular service costs implications, significant differentials from the average cost level were provided for.

- **Not All Developments Cover Their Costs**

Overall, municipalities operate with balanced budgets. However, individual properties may produce more revenue than costs while for others the reverse is the case. In general, it has been found that the residential sector tends to cost more to service than the revenue it produces. There are also variances between types of residential properties. This is in large part because property taxes are raised on the basis of value whereas costs are tied to other factors, most notably population.

These factors have an important bearing on the Corridor Lands. As is typically the case townhouses and apartments have relatively lower values compared to single family houses which are prevalent in Halton and Milton. These and other considerations were taken into account in preparing the estimates of revenues and expenditures. The estimates are based on 2009 operating budgets. Provision for capital expenditures are assumed to be addressed by Development Charges and through the capital contributions provided for within the annual operating budget. Revenues from property taxes were estimated using assessment projections and 2009 municipal and regional tax rates.

**a) Projected Revenues**

Projected revenues are derived from two principal sources: property taxes and fees and charges. By far the largest component is property taxes. The fees and charges component is assumed to be accounted for within the operating estimate. For property taxes an estimate was made of the assessments that would be generated by the projected new development. Then 2009 tax rates were applied to calculate tax revenues. 2009 assessed values of nearby condominium townhouses and apartments

in Mississauga were used as comparables. This approach was taken since there are no existing developments in Milton that are as closely comparable. Using the comparable Mississauga assessment information the following average per unit Current Value Assessment<sup>1</sup> (CVA) estimates were selected:

Townhouses	\$250,000
Stacked Townhouses	\$205,000
Apartments	\$175,000

These CVA estimates were then applied to the projected development to provide the total projected assessment by year (Exhibit 2). Annual offsetting reductions were made from the existing assessments of the developable land to account for the change that would occur as new assessments replace the existing assessments. The second step in the process involved the application of the 2009 tax rates to the projected assessed amounts. It was assumed in respect of tax rates that for Milton the town's urban surcharge would be applied. For Halton it was assumed that the enhanced waste management rate would apply. The resultant tax revenue projection is shown on Exhibit 3. Exhibit 4 shows the offsetting decline of the revenues from existing assessment.

#### **b) Projected Expenditures**

The municipal expenditures that the projected development would give rise to were estimated through a four-step process.

- Step 1 The 2009 budgets for Halton and Milton were apportioned between the residential and non-residential sector mainly using population and employee numbers. Leisure Services and Libraries were assigned entirely to the residential sector and waste management was assigned 90% to the residential sector and 10% to the non-residential sector.
- Step 2 Average per unit measures of service were calculated based on either population or on numbers of households.
- Step 3 A range of cost sensitivity factors were applied to the unit service level measures to reflect the anticipated impact on costs of the projected development relative to the existing average per unit cost of providing services. For services such as local roads it was assumed that the cost impact would be low because of the condominium form of development.

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<sup>1</sup>2009 Current Value Assessments are based on 2008 values.

**EXHIBIT 2**

**Assessment Growth (\$ millions based on 2008 CVA)**

	2010	2011	2012	2013	2014	2015	2016	2017
Rows	\$ -	\$ -	\$ -	\$ -	\$ 21.0	\$ 42.0	\$ 63.0	\$ 84.0
Stacktowns	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Apartments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 21.0</b>	<b>\$ 42.0</b>	<b>\$ 63.0</b>	<b>\$ 84.0</b>

	2018	2019	2020	2021	2022	2023	2024	2025
Rows	\$ 105.3	\$ 126.5	\$ 147.8	\$ 168.8	\$ 189.8	\$ 210.8	\$ 219.8	\$ 228.8
Stacktowns	\$ -	\$ 4.5	\$ 4.5	\$ 9.2	\$ 9.2	\$ 13.9	\$ 13.9	\$ 18.7
Apartments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22.4	\$ 22.4	\$ 22.4
<b>Total</b>	<b>\$ 105.3</b>	<b>\$ 131.0</b>	<b>\$ 152.3</b>	<b>\$ 178.0</b>	<b>\$ 199.0</b>	<b>\$ 247.1</b>	<b>\$ 256.1</b>	<b>\$ 269.8</b>

	2026	2027	2028	2029	2030	2031
Rows	\$ 237.5	\$ 246.3	\$ 255.0	\$ 263.8	\$ 272.5	\$ 281.3
Stacktowns	\$ 18.7	\$ 23.4	\$ 23.4	\$ 28.1	\$ 28.1	\$ 32.6
Apartments	\$ 44.8	\$ 44.8	\$ 44.8	\$ 71.1	\$ 71.1	\$ 71.1
<b>Total</b>	<b>\$ 301.0</b>	<b>\$ 314.4</b>	<b>\$ 323.2</b>	<b>\$ 362.9</b>	<b>\$ 371.6</b>	<b>\$ 384.9</b>

**EXHIBIT 3**

**Taxes from Growth (\$000s)**

	2010	2011	2012	2013	2014	2015	2016	2017
Milton	\$ -	\$ -	\$ -	\$ -	\$ 53.9	\$ 107.9	\$ 161.8	\$ 215.8
Halton	\$ -	\$ -	\$ -	\$ -	\$ 85.6	\$ 171.3	\$ 256.9	\$ 342.6
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 139.6</b>	<b>\$ 279.2</b>	<b>\$ 418.8</b>	<b>\$ 558.3</b>

	2018	2019	2020	2021	2022	2023	2024	2025
Milton	\$ 270.3	\$ 336.5	\$ 391.1	\$ 457.1	\$ 511.1	\$ 634.7	\$ 657.8	\$ 693.0
Halton	\$ 429.2	\$ 534.3	\$ 621.0	\$ 725.8	\$ 811.5	\$ 1,007.7	\$ 1,044.4	\$ 1,100.4
<b>Total</b>	<b>\$ 699.6</b>	<b>\$ 870.8</b>	<b>\$ 1,012.1</b>	<b>\$ 1,183.0</b>	<b>\$ 1,322.6</b>	<b>\$ 1,642.4</b>	<b>\$ 1,702.2</b>	<b>\$ 1,793.4</b>

	2026	2027	2028	2029	2030	2031
Milton	\$ 773.0	\$ 807.6	\$ 830.1	\$ 932.1	\$ 954.6	\$ 988.6
Halton	\$ 1,227.4	\$ 1,282.3	\$ 1,318.0	\$ 1,480.0	\$ 1,515.6	\$ 1,569.7
<b>Total</b>	<b>\$ 2,000.4</b>	<b>\$ 2,089.9</b>	<b>\$ 2,148.1</b>	<b>\$ 2,412.0</b>	<b>\$ 2,470.2</b>	<b>\$ 2,558.3</b>

**EXHIBIT 4**

**Taxes from Developable Lands (\$000s)**

	2010	2011	2012	2013	2014	2015	2016	2017
Milton Current	\$ 28.8	\$ 28.8	\$ 28.8	\$ 28.8	\$ 27.5	\$ 26.2	\$ 24.9	\$ 23.6
Additional Tax	\$ -	\$ -	\$ 12.5	\$ 12.5	\$ 11.9	\$ 11.4	\$ 10.8	\$ 10.3
<b>Milton Total</b>	<b>\$ 28.8</b>	<b>\$ 28.8</b>	<b>\$ 41.3</b>	<b>\$ 41.3</b>	<b>\$ 39.4</b>	<b>\$ 37.6</b>	<b>\$ 35.8</b>	<b>\$ 33.9</b>
Halton Current	\$ 53.9	\$ 53.9	\$ 53.9	\$ 53.9	\$ 51.5	\$ 49.1	\$ 46.7	\$ 44.3
Additional Tax	\$ -	\$ -	\$ 23.7	\$ 23.7	\$ 22.6	\$ 21.6	\$ 20.5	\$ 19.4
<b>Halton Total</b>	<b>\$ 53.9</b>	<b>\$ 53.9</b>	<b>\$ 77.5</b>	<b>\$ 77.5</b>	<b>\$ 74.1</b>	<b>\$ 70.6</b>	<b>\$ 67.2</b>	<b>\$ 63.7</b>
<b>Total</b>	<b>\$ 82.6</b>	<b>\$ 82.6</b>	<b>\$ 118.8</b>	<b>\$ 118.8</b>	<b>\$ 113.5</b>	<b>\$ 108.2</b>	<b>\$ 102.9</b>	<b>\$ 97.6</b>

	2018	2019	2020	2021	2022	2023	2024	2025
Milton Current	\$ 22.3	\$ 20.8	\$ 19.5	\$ 17.9	\$ 16.6	\$ 13.7	\$ 13.1	\$ 12.3
Additional Tax	\$ 9.7	\$ 9.0	\$ 8.5	\$ 7.8	\$ 7.2	\$ 5.9	\$ 5.7	\$ 5.3
<b>Milton Total</b>	<b>\$ 32.1</b>	<b>\$ 29.8</b>	<b>\$ 27.9</b>	<b>\$ 25.7</b>	<b>\$ 23.8</b>	<b>\$ 19.6</b>	<b>\$ 18.8</b>	<b>\$ 17.6</b>
Halton Current	\$ 41.8	\$ 38.9	\$ 36.5	\$ 33.5	\$ 31.1	\$ 25.6	\$ 24.6	\$ 23.0
Additional Tax	\$ 18.4	\$ 17.1	\$ 16.0	\$ 14.7	\$ 13.7	\$ 11.3	\$ 10.8	\$ 10.1
<b>Halton Total</b>	<b>\$ 60.2</b>	<b>\$ 56.0</b>	<b>\$ 52.5</b>	<b>\$ 48.2</b>	<b>\$ 44.8</b>	<b>\$ 36.9</b>	<b>\$ 35.4</b>	<b>\$ 33.1</b>
<b>Total</b>	<b>\$ 92.3</b>	<b>\$ 85.8</b>	<b>\$ 80.4</b>	<b>\$ 73.9</b>	<b>\$ 68.6</b>	<b>\$ 56.5</b>	<b>\$ 54.2</b>	<b>\$ 50.8</b>

	2026	2027	2028	2029	2030	2031
Milton Current	\$ 10.4	\$ 9.6	\$ 9.0	\$ 6.6	\$ 6.1	\$ 5.3
Additional Tax	\$ 4.5	\$ 4.2	\$ 3.9	\$ 2.9	\$ 2.6	\$ 2.3
<b>Milton Total</b>	<b>\$ 14.9</b>	<b>\$ 13.7</b>	<b>\$ 13.0</b>	<b>\$ 9.5</b>	<b>\$ 8.7</b>	<b>\$ 7.6</b>
Halton Current	\$ 19.5	\$ 17.9	\$ 16.9	\$ 12.4	\$ 11.4	\$ 9.9
Additional Tax	\$ 8.5	\$ 7.9	\$ 7.4	\$ 5.4	\$ 5.0	\$ 4.3
<b>Halton Total</b>	<b>\$ 28.0</b>	<b>\$ 25.8</b>	<b>\$ 24.3</b>	<b>\$ 17.8</b>	<b>\$ 16.4</b>	<b>\$ 14.2</b>
<b>Total</b>	<b>\$ 42.9</b>	<b>\$ 39.5</b>	<b>\$ 37.3</b>	<b>\$ 27.3</b>	<b>\$ 25.1</b>	<b>\$ 21.7</b>

For other services, such as police, it was assumed that costs would be closer to the average.

Application of the cost sensitivity factors to the average unit service level costs produced the adjusted unit service costs to be applied to the projected development. These unit costs are shown in Appendix 2 Tables 1 and 2.

- Step 4 The adjusted unit costs were applied to the projected annual amounts of development for services. The estimates were based on the following persons per unit numbers:

Townhouses	2.56 ppu
Stacked Townhouses	2.10 ppu
Apartments	1.64 ppu

The total estimated annual amounts are shown on Exhibit 5. Details of the estimates by service are shown in Appendix 2 Tables 3 and 4.

#### **d) Projected Net Revenues**

The estimated annual net expenditures described above were deducted from the projection of property tax revenues to provide the estimate of the net municipal fiscal impact from projected potential development. These results are shown on Exhibit 6.

In addition to the amounts from projected new development, tax revenues from the Corridor Lands that would not be developed would continue to be received. These combined amounts are shown on Exhibit 7.

The final section of this report addresses the recommendation regarding the amount of compensation to be paid to Halton and Milton should the annexation of the Corridor Lands proceed in 2010.

**EXHIBIT 5**

**Annual Operating Cost (\$000s)**

	2010	2011	2012	2013	2014	2015	2016	2017
Milton	\$ -	\$ -	\$ -	\$ -	\$ 45.4	\$ 90.7	\$ 136.1	\$ 181.5
Halton	\$ -	\$ -	\$ -	\$ -	\$ 80.6	\$ 161.2	\$ 241.8	\$ 322.4
Total	\$ -	\$ -	\$ -	\$ -	\$ 126.0	\$ 251.9	\$ 377.9	\$ 503.9

	2018	2019	2020	2021	2022	2023	2024	2025
Milton	\$ 227.4	\$ 283.6	\$ 329.5	\$ 385.6	\$ 431.0	\$ 537.7	\$ 557.1	\$ 587.3
Halton	\$ 404.0	\$ 504.7	\$ 586.3	\$ 686.9	\$ 767.5	\$ 968.5	\$ 1,003.1	\$ 1,057.6
Total	\$ 631.4	\$ 788.3	\$ 915.8	\$ 1,072.5	\$ 1,198.5	\$ 1,506.2	\$ 1,560.2	\$ 1,645.0

	2026	2027	2028	2029	2030	2031
Milton	\$ 656.8	\$ 686.4	\$ 705.3	\$ 794.2	\$ 813.1	\$ 842.3
Halton	\$ 1,191.6	\$ 1,245.2	\$ 1,278.8	\$ 1,450.0	\$ 1,483.6	\$ 1,536.4
Total	\$ 1,848.4	\$ 1,931.6	\$ 1,984.1	\$ 2,244.3	\$ 2,296.7	\$ 2,378.7

**EXHIBIT 6**

**Net Revenues from Growth (\$000s)**

	2010	2011	2012	2013	2014	2015	2016	2017
<b>Milton</b>	\$ -	\$ -	\$ -	\$ -	\$ 8.6	\$ 17.1	\$ 25.7	\$ 34.3
<b>Halton</b>	\$ -	\$ -	\$ -	\$ -	\$ 5.0	\$ 10.1	\$ 15.1	\$ 20.2
<b>Total</b>	\$ -	\$ -	\$ -	\$ -	\$ 13.6	\$ 27.2	\$ 40.8	\$ 54.5

	2018	2019	2020	2021	2022	2023	2024	2025
<b>Milton</b>	\$ 42.9	\$ 52.9	\$ 61.6	\$ 71.5	\$ 80.1	\$ 97.0	\$ 100.7	\$ 105.7
<b>Halton</b>	\$ 25.3	\$ 29.6	\$ 34.7	\$ 38.9	\$ 44.0	\$ 39.2	\$ 41.4	\$ 42.7
<b>Total</b>	\$ 68.2	\$ 82.5	\$ 96.3	\$ 110.4	\$ 124.0	\$ 136.2	\$ 142.0	\$ 148.4

	2026	2027	2028	2029	2030	2031
<b>Milton</b>	\$ 116.2	\$ 121.2	\$ 124.7	\$ 137.9	\$ 141.4	\$ 146.3
<b>Halton</b>	\$ 35.8	\$ 37.1	\$ 39.2	\$ 29.9	\$ 32.0	\$ 33.4
<b>Total</b>	\$ 152.1	\$ 158.3	\$ 163.9	\$ 167.8	\$ 173.5	\$ 179.6

**EXHIBIT 7**

**Combined Revenues Net Expenditures (\$000s)**

	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Milton</b>	\$ 107.9	\$ 107.9	\$ 131.8	\$ 131.8	\$ 138.6	\$ 145.3	\$ 152.0	\$ 158.7
<b>Halton</b>	\$ 61.0	\$ 61.0	\$ 106.4	\$ 106.4	\$ 108.0	\$ 109.6	\$ 111.2	\$ 112.8
<b>Total</b>	\$ 168.9	\$ 168.9	\$ 238.2	\$ 238.2	\$ 246.6	\$ 254.9	\$ 263.2	\$ 271.5

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>Milton</b>	\$ 165.5	\$ 173.3	\$ 180.1	\$ 187.7	\$ 194.5	\$ 207.2	\$ 210.0	\$ 213.9
<b>Halton</b>	\$ 114.4	\$ 114.5	\$ 116.1	\$ 116.1	\$ 117.6	\$ 105.0	\$ 105.6	\$ 104.7
<b>Total</b>	\$ 279.9	\$ 287.7	\$ 296.1	\$ 303.8	\$ 312.1	\$ 312.1	\$ 315.7	\$ 318.6

	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>
<b>Milton</b>	\$ 221.7	\$ 225.4	\$ 228.2	\$ 237.9	\$ 240.7	\$ 244.4
<b>Halton</b>	\$ 92.7	\$ 91.8	\$ 92.4	\$ 76.6	\$ 77.3	\$ 76.4
<b>Total</b>	\$ 314.4	\$ 317.2	\$ 320.7	\$ 314.5	\$ 318.0	\$ 320.8

## **V CORRIDOR LANDS COMPENSATION RECOMMENDATION**

In the previous section of the report municipal revenues and expenditures for the Corridor Lands have been analysed both from the perspective of their current uses and assuming that development may occur in some areas.

Under current uses it is reasonable to conclude that for Milton, were the Corridor Lands to be annexed the fiscal impact would be a loss approximately equal to the annual revenues that the Town will receive from the lands following full assessments phase-in in 2012. This is because all the potential revenues would be eliminated but, because the current area contains such a limited amount of development, very little or any operating cost saving would be achieved.

For Halton the position is somewhat similar. While revenues would certainly decline because of the loss of assessment it is reasonable to assume that some savings (estimated to be \$110,200 per year) would be achieved because the Region has fewer lane kilometres of road to maintain.

In our opinion the potential loss of current net revenues that would result from an annexation warrants compensation on a generous basis. We are also of the opinion that additional property taxes that are likely to be generated once the full assessed values of the corridor properties have been phased-in should also be compensated for. There is no established formula for determining appropriate compensation amounts. In our view, in respect of compensation relating to the Corridor Lands under current use the capital amount determined by applying a 2.5% discount rate to the projected annual net amounts for the period to 2031 would provide a reasonable level of compensation. The 2.5% discount rate is generally in keeping with the long-term real rate of return that municipalities would expect extra on their investments. Table 4 below shows the results of this calculation.

<b>Table 6</b>		
<b>Compensation Recommendation Based on Current Uses</b>		
	Annual Net Revenue (post 2012)	Capital Value (@2.5%) for 21 years
Milton	119,000	2,000,000
Halton	76,800*	1,290,000
Total	195,800	3,290,000

\*Note: Regional property taxes less \$116,000 for road maintenance.

The second consideration regarding compensation concerns the loss of potential net revenues that might be achieved were development to occur on parts of the Corridor Lands. Even from an optimistic point of view it is our opinion that the level of uncertainty regarding the projection of net revenues under a future development scenario is high. To be achieved it would require the Region of Peel to agree to provide water and wastewater services to the area. As well, the costs of providing these services would have to be reasonable. For Milton and Halton, the net expenditures on municipal services would also have to be in line with projections. If any of the results were to vary from the assumptions used in this analysis the additional net revenues would differ. At best, therefore, it is our opinion that any potential additional net revenues from future development should be treated as much more speculative than the net revenues being derived under current uses. To recognize this difference in financial terms a significantly higher discount rate is appropriate. Accordingly, for the purpose of this analysis a rate of 7.5% was adopted. Based on the net revenue projection discussed in the previous section and applying the 7.5% discount rate, the following additional capital amount attributable to potential future growth is indicated:

Milton \$483,000  
Halton \$200,000

However, the above amounts would be offset in full by a reduction in the capital value of the secure net revenues that are being generated under current uses. Therefore, overall, the potential additional net revenues that might result from future development are insufficient given their more speculative nature to warrant additional compensation. Accordingly, it is recommended that compensation be based on the revenues from current uses.

To summarize, it is recommended that the following capital amounts be provided as compensation should an annexation of the Corridor Land be implemented in 2010:

Town of Milton  
\$2,000,000  
(Two Million Dollars)

Halton Region  
\$1,290,000  
(One Million Two Hundred and Ninety Thousand Dollars)

## **APPENDIX 1**

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### ***MINISTRY DIRECTIVE***



Ministry of Transportation

# MINISTRY DIRECTIVE

Program: Provincial Highways  
Directive: B-101

**DISTRICT DIRECTIVE #4-91-43**  
**SUBJECT INDEX REFERENCE: MICE. -**  
**HWY. CARRIED OVER OR UNDER KING'S HWY.**

Issuing Authority: Executive Director, Highway Operations & Mice. Div.

Date of Issue: 86 11 04 Effective Date: Immediate Revised Date: 88 05 11

TO: Assistant Deputy Ministers, Executive Directors, Regional Directors, Directors, District Engineers, Regional Managers, Office Managers

SUBJECT: Maintenance, Highway carried over or under the King's Highway

**NOTE: CANCELS DIST. MEMO #4-86-44**

### ALTERNATIVE INDEX LISTING(S):

- (1) Grade Separations-Surface Maintenance
- (2) Responsibility for Maintenance-Grade Separations

REFERENCE: The Public Transportation and Highway Improvement Act sub-section 20 (1).

➤ This Directive supercedes Directive (B-101) issued 80 12 03, as previously revised on 86/11/04. Maintenance, Highway Carried Over or Under the King's Highway.

PURPOSE: ➤ To describe and clarify guidelines for the application of sub-section 20 (2) of the Act, as it relates to maintenance and repair and rehabilitation activities involving grade separations and interchanges.

BACKGROUND: Sub-section 20 (2) of The Act provides that:

➤ "where a highway is carried over or under the King's Highway by a bridge or other structure, the surface of the highway shall be deemed to be under the jurisdiction and control of the authority that has jurisdiction and control over the remainder of the highway and the Crown shall not be liable for maintenance and repair of the surface of the highway."

➤ Clause 1 (e) of the Act provides that: "In this Act, "highway" means a common or public highway, or any part thereof and includes a street, bridge and any other structure incidental thereto and any part thereof."

This Directive does not apply to Railroad Grade Separations.

Definitions:

For the purpose of this policy:

1. "Surface of the highway" means the part of the municipal highway required for the passage of vehicles from one side of the designated King's Highway R.O.W. to the other and includes the travelled lanes and the shoulders whether they are paved or not, a boulevard, sidewalk or median and any appurtenances necessary for the illumination and drainage of the highway surface and the conveyance and safety of its motorists.
2. Maintenance and Repair of the Surface: - includes all summer operations, such as, shoulder gravelling, dragging and washout repairs, pothole patching, crack sealing, depression/settlement repairs, sidewalk patching, guiderail repairs, catch basin and storm sewer cleanout and zone painting, and all winter operations, such as, plowing, snow removal, sanding, spring clean-up and "bridge deck washing."
3. Rehabilitation: - includes major repairs, improvements and replacements, such as, resurfacing of the pavement and bridge deck; repairs to the structural components of the bridge including all repairs to the railing systems, parapet walls and barrier walls, expansion joints, approach slabs or supporting members; improving or replacing outdated illumination, guiderails, curb and gutter, storm sewers and catch basins.

POLICY:

General:

Except for certain operations and conditions outlined under "Interchanges" below.

- (a) The authority having jurisdiction over a highway crossing over or under the King's Highway is responsible, at its own cost, for all maintenance and repair of the surface of that highway within the designated limits of the right-of-way of the King's Highway.
- (b) The Ministry is responsible for the rehabilitation of all works within the designated limits of the right-of-way of the King's Highway.

Interchanges:

At interchanges the Ministry is responsible for the maintenance and repair of the following:

- (a) All Ministry illumination and Ministry signs and sign supports mounted on bridges, including all accident damage repairs.

The Ministry is not responsible for accident damage repairs to other railing systems mounted on bridges, such as, median rails or pedestrian hand rails on side-walks.

- (b) Ramp surfaces, and appurtenances plus the transition tapers and speed change lanes on the municipal highway.
- (c) Snowplowing, sanding and salting of all pavement widening, speed change lanes and intersections with interchange ramps. The municipal authority is responsible for similar operations on the portion of the roadway surface required for through traffic.
- (d) Sidewalk snow removal necessitated by activity under (b) above except that the cost of the work is to be shared equally by each party.

Work Arrangements

The policy outlined in this Directive does not preclude an exchange of services, sharing of resources, or the carrying out of cost recoverable work on behalf of the other party, where this is agreed to on a local basis.

The terms and conditions of existing formalized or legal agreements with others covering the maintenance and repair and rehabilitation of interchanges and grade separations will govern when in conflict with this policy.

IMPLEMENTATION: IMMEDIATE

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## **APPENDIX 2**

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### ***COST AND REVENUE PROJECTIONS***

**TABLE 1  
MILTON  
FISCAL IMPACT ANALYSIS  
SUMMARY OF OPERATING COST FACTORS - AVERAGE COSTS AND ADJUSTED COSTS**

GENERAL GOVERNMENT Summary of Growth Expenditures	Average Cost Basis			Adjusted Cost Basis		
	Residential Per Capita		Non-Residential Per Employee	Residential Per Capita	Adjusted Rate	Non Residential Per Employee
Mayor and Council	\$ 3.37		\$ 3.40	\$ 2.53	75%	\$ 2.55
C.A.O.	\$ 3.45		\$ 3.49	\$ 2.59	75%	\$ 2.62
Corporate Services	\$ 6.60		\$ 6.67	\$ 4.95	75%	\$ 5.00
Human Resources	\$ 4.06		\$ 4.11	\$ 3.05	75%	\$ 3.08
Human Resources Programs	\$ 0.08		\$ 0.08	\$ 0.06	75%	\$ 0.06
Clerk	\$ 3.89		\$ 3.93	\$ 2.92	75%	\$ 2.95
Legal Licensing	\$ (0.75)		\$ (0.76)	\$ (0.56)	75%	\$ (0.57)
Municipal Elections	\$ 0.01		\$ 0.01	\$ 0.01	75%	\$ 0.01
Economic Development	\$ 4.76		\$ 4.81	\$ 3.57	75%	\$ 3.61
Accounting	\$ 4.48		\$ 4.52	\$ 3.36	75%	\$ 3.39
Corporate Services Taxation	\$ 4.20		\$ 4.24	\$ 3.15	75%	\$ 3.18
Finance	\$ 2.50		\$ 2.53	\$ 1.88	75%	\$ 1.90
Information Technology	\$ 10.51		\$ 10.63	\$ 7.88	75%	\$ 7.97
Technology Services Programs	\$ 7.30		\$ 7.38	\$ 5.48	75%	\$ 5.54
Purchasing	\$ 3.20		\$ 3.23	\$ 2.40	75%	\$ 2.42
Asset Recovery	\$ -		\$ -	\$ -	-	\$ -
General Government Taxation	\$ (16.57)		\$ (16.76)	\$ (12.43)	75%	\$ (12.57)
Payments in Lieu	\$ (5.81)		\$ (5.88)	\$ (4.36)	75%	\$ (4.41)
General Government	\$ 12.58		\$ 12.73	\$ 9.44	75%	\$ 9.55
DBIA	\$ -		\$ -	\$ -	-	\$ -
<b>Total General Government</b>	<b>\$ 47.86</b>		<b>\$ 48.36</b>	<b>\$ 35.90</b>		<b>\$ 36.27</b>
<b>TRANSPORTATION</b> Summary of Growth Expenditures	<b>Residential Per Capita</b>		<b>Non-Residential Per Employee</b>	<b>Residential Per Capita</b>	<b>Adjusted Rate</b>	<b>Non-Residential Per Employee</b>
Transit	\$ 7.66		\$ 7.75	\$ 4.98	65%	\$ 5.04
Transit Physically Disabled	\$ 1.13		\$ 1.14	\$ 0.73	65%	\$ 0.74
Engineering Services Administration	\$ 8.31		\$ 8.40	\$ 5.40	65%	\$ 5.46
Infrastructure Management	\$ 0.11		\$ 0.12	\$ 0.07	65%	\$ 0.08
Parking Enforcement	\$ (0.47)		\$ (0.48)	\$ (0.31)	65%	\$ (0.31)
Traffic Control	\$ 6.90		\$ 6.98	\$ 4.49	65%	\$ 4.54
Development Engineering	\$ (0.50)		\$ (0.51)	\$ (0.33)	65%	\$ (0.33)
Roadways	\$ 40.25		\$ 40.71	\$ 16.10	40%	\$ 16.28
Regional Roadways	\$ (1.52)		\$ (1.53)	\$ (0.99)	65%	\$ (0.99)
Operations Facilities	\$ 1.98		\$ 2.00	\$ 1.29	65%	\$ 1.30
<b>Total Transportation</b>	<b>\$ 63.85</b>		<b>\$ 64.58</b>	<b>\$ 31.44</b>		<b>\$ 31.80</b>
<b>COMMUNITY SERVICES</b> Summary of Growth Expenditures	<b>Residential Per Capita</b>		<b>Non-Residential Per Employee</b>	<b>Residential Per Capita</b>	<b>Adjusted Rate</b>	<b>Non-Residential Per Employee</b>
Rec and Parks - Children and Youth	\$ 1.74		\$ -	\$ 1.57	90%	\$ -
Special Needs	\$ 1.21		\$ -	\$ 1.09	90%	\$ -
Camps	\$ 0.06		\$ -	\$ 0.05	90%	\$ -
Adult	\$ (0.09)		\$ -	\$ (0.08)	90%	\$ -
Seniors	\$ (0.17)		\$ -	\$ (0.15)	90%	\$ -
Seniors Advisory Committee	\$ -		\$ -	\$ -	-	\$ -
Aquatics	\$ (3.43)		\$ -	\$ (3.09)	90%	\$ -
Fitness	\$ (2.50)		\$ -	\$ (2.25)	90%	\$ -
Community Development	\$ 2.03		\$ -	\$ 1.83	90%	\$ -
Milton Leisure Centre	\$ 9.45		\$ -	\$ 8.51	90%	\$ -
Seniors Activity Centre	\$ 2.94		\$ -	\$ 2.65	90%	\$ -
Community Centres/Halls	\$ 1.76		\$ -	\$ 1.58	90%	\$ -
Arenas	\$ 5.75		\$ -	\$ 5.18	90%	\$ -
Facilities Administration	\$ 1.82		\$ -	\$ 1.64	90%	\$ -
Community Services Administration	\$ 10.94		\$ -	\$ 9.85	90%	\$ -
Parks Administration	\$ 2.30		\$ -	\$ 2.07	90%	\$ -
Program Administration	\$ 7.28		\$ -	\$ 6.55	90%	\$ -
Civic	\$ 7.44		\$ -	\$ 6.70	90%	\$ -
Parks	\$ 21.94		\$ -	\$ 19.75	90%	\$ -
<b>Total Leisure Services</b>	<b>\$ 70.47</b>		<b>\$ -</b>	<b>\$ 63.42</b>		<b>\$ -</b>
<b>LIBRARY SERVICES</b> Summary of Growth Expenditures	<b>Residential Per Capita</b>		<b>Non-Residential Per Employee</b>	<b>Residential Per Capita</b>	<b>Adjusted Rate</b>	<b>Non-Residential Per Employee</b>
Personnel	\$ 8.07		\$ -	\$ 6.46	80%	\$ -
Properties	\$ 25.78		\$ -	\$ 20.62	80%	\$ -
<b>Total Library</b>	<b>\$ 33.85</b>		<b>\$ -</b>	<b>\$ 27.08</b>		<b>\$ -</b>
<b>Total Per Capita Operating Cost</b>	<b>\$ 216.03</b>		<b>\$ 112.94</b>	<b>\$ 157.84</b>		<b>\$ 68.07</b>

**TABLE 1  
MILTON  
FISCAL IMPACT ANALYSIS  
SUMMARY OF OPERATING COST FACTORS - AVERAGE COSTS AND ADJUSTED COSTS**

<i>Continued from Page 1.</i>	<b>Average Cost Basis</b>			<b>Adjusted Cost Basis</b>		
<b>PROTECTION SERVICES</b>	Residential		Non-Residential	Residential	Adjusted	Non-Residential
Summary of Growth Expenditures	Per Household		Per Sq.m	Per Household	Rate	Per Sq.m
Bylaw Enforcement	\$ 7.55		\$ 0.06	\$ 6.04	80%	\$ 0.05
Animal Control	\$ 0.04		\$ -	\$ 0.03	80%	\$ -
Dog Control	\$ 5.67		\$ 0.04	\$ 4.54	80%	\$ 0.03
Weed Control	\$ 0.03		\$ -	\$ 0.02	80%	\$ -
Crossing Guards	\$ 5.64		\$ 0.05	\$ 4.51	80%	\$ 0.04
Fence Viewers	\$ -		\$ -	\$ -	-	\$ -
Fire Administration	\$ 17.50		\$ 0.14	\$ 14.00	80%	\$ 0.11
Firefighting	\$ 109.32		\$ 0.90	\$ 81.99	75%	\$ 0.68
Communications	\$ 9.30		\$ 0.08	\$ 6.98	75%	\$ 0.06
Buildings	\$ 4.63		\$ 0.04	\$ 3.47	75%	\$ 0.03
Training	\$ 2.33		\$ 0.02	\$ 1.75	75%	\$ 0.02
Fire Prevention	\$ 0.17		\$ -	\$ 0.13	75%	\$ -
Public Education	\$ 0.34		\$ -	\$ 0.26	75%	\$ -
Inspection	\$ (0.73)		\$ (0.01)	\$ (0.55)	75%	\$ (0.01)
Support Services	\$ 0.22		\$ -	\$ 0.17	75%	\$ -
Fleet	\$ 4.53		\$ 0.04	\$ 3.40	75%	\$ 0.03
<b>Total Protection Services</b>	<b>\$ 166.54</b>		<b>\$ 1.36</b>	<b>\$ 126.73</b>		<b>\$ 1.03</b>

<b>PLANNING &amp; DEVELOPMENT</b>						
Summary of Growth Expenditures	Residential		Non-Residential	Residential	Adjusted	Non-Residential
	Per Household		Per Sq.m	Per Household	Rate	Per Sq.m
Planning & Development Administration	\$ 10.83		\$ 0.09	\$ 8.12	75%	\$ 0.07
Policy Planning	\$ 8.87		\$ 0.08	\$ 6.65	75%	\$ 0.06
Development Review	\$ (7.35)		\$ (0.06)	\$ (5.51)	75%	\$ (0.05)
LACAC	\$ 0.11		\$ -	\$ 0.08	75%	\$ -
Building Administration	\$ (87.52)		\$ (0.72)	\$ (65.64)	75%	\$ (0.54)
Zoning	\$ 8.40		\$ 0.07	\$ 6.30	75%	\$ 0.05
Permit Processing	\$ 27.07		\$ 0.22	\$ 20.30	75%	\$ 0.17
Building Inspections	\$ 52.05		\$ 0.43	\$ 39.04	75%	\$ 0.32
<b>Total Planning &amp; Development</b>	<b>\$ 12.46</b>		<b>\$ 0.11</b>	<b>\$ 9.34</b>		<b>\$ 0.08</b>
<b>Total Per Household Operating Cost</b>	<b>\$ 179.00</b>		<b>\$ 1.47</b>	<b>\$ 136.07</b>		<b>\$ 1.12</b>

**TABLE 2**  
**HALTON REGION**  
**FISCAL IMPACT ANALYSIS**  
**SUMMARY OF OPERATING COST FACTORS - AVERAGE COSTS AND ADJUSTED COSTS**

	Average Cost Basis			Adjusted Cost Basis		
	Residential Per Capita		Non-Residential Per Employee	Residential Per Capita	Adjusted Rate	Non-Residential Per Employee
<b>GENERAL GOVERNMENT</b>						
Summary of Growth Expenditures						
Corporate Services (Dept)	\$ 30.97		\$ 31.41	\$ 23.23	75%	\$ 23.56
Office of the C.A.O (Dept)	\$ 12.44		\$ 12.61	\$ 9.13	75%	\$ 9.25
Office of the Chair	\$ 0.66		\$ 0.67	\$ 0.50	75%	\$ 0.50
Regional Council	\$ 1.47		\$ 1.49	\$ 1.10	75%	\$ 1.12
Non Program & Fiscal Boards & Agencies	\$ 4.67		\$ 4.74	\$ 4.67	100%	\$ 4.74
	\$ 9.37		\$ 9.50	\$ 7.03	75%	\$ 7.13
<b>Total General Government</b>	<b>\$ 59.58</b>		<b>\$ 60.42</b>	<b>\$ 45.65</b>		<b>\$ 46.29</b>
<b>TRANSPORTATION</b>						
Summary of Growth Expenditures						
Transportation	\$ 48.40		\$ 49.08	\$ 30.73	65%	\$ 31.16
<b>GTA POOLING</b>						
Summary of Growth Expenditures						
GTA Pooling	\$ 31.95		\$ 32.39	\$ 25.56	80%	\$ 25.91
<b>HEALTH</b>						
Summary of Growth Expenditures						
Health Department	\$ 26.75		\$ 2.89	\$ 20.06	75%	\$ 2.17
<b>COMMUNITY SERVICES</b>						
Summary of Growth Expenditures						
Intervention and Business Services (Div)	\$ 9.55		\$ -	\$ 7.16	75%	\$ -
Children's Services (Div)	\$ 15.24		\$ -	\$ 11.43	75%	\$ -
Income and Employment Services (Div)	\$ 29.17		\$ -	\$ 21.88	75%	\$ -
Housing (Div)	\$ 41.89		\$ -	\$ 10.47	25%	\$ -
Services for Seniors (Div)	\$ 23.83		\$ -	\$ 17.87	75%	\$ -
<b>Total Community Services</b>	<b>\$ 119.68</b>		<b>\$ -</b>	<b>\$ 68.82</b>		<b>\$ -</b>
<b>Total Per Capita Operating Cost</b>	<b>\$ 286.36</b>		<b>\$ 144.78</b>	<b>\$ 190.81</b>		<b>\$ 105.53</b>
<b>PROTECTION SERVICES</b>						
Summary of Growth Expenditures						
Police Services	\$ 417.47		\$ 3.66	\$ 325.88	75%	\$ 2.86
<b>WASTE MANAGEMENT</b>						
Summary of Growth Expenditures						
Waste Management Services	\$ 154.39		\$ 0.30	\$ 123.51	80%	\$ 0.24
<b>PLANNING &amp; DEVELOPMENT</b>						
Summary of Growth Expenditures						
Planning (Divisional)	\$ 16.37		\$ 0.14	\$ 12.28	75%	\$ 0.11
Legal Services (Divisional)	\$ 12.23		\$ 0.11	\$ 9.17	75%	\$ 0.08
LPS Commissioner (Divisional)	\$ 0.27		\$ -	\$ 0.20	75%	\$ -
<b>Total Planning &amp; Development</b>	<b>\$ 28.87</b>		<b>\$ 0.25</b>	<b>\$ 21.65</b>		<b>\$ 0.20</b>
<b>Total Per Household Operating Cost</b>	<b>\$ 600.73</b>		<b>\$ 4.21</b>	<b>\$ 471.04</b>		<b>\$ 3.29</b>

TABLE 3

**MILTON**  
**FISCAL IMPACT ANALYSIS**  
**FISCAL IMPACT ANALYSIS OVERVIEW - ADJUSTED COST BASIS**

Operating Cost Impacts	Type (1)	Costing Impact/T		Factors																																						
		Residential	Non-Res	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031																					
<b>GENERAL GOVERNMENT</b>																																										
1.	Mayor and Council	1	\$	2.53	\$	2.55	\$	544	\$	1,087	\$	1,631	\$	2,174	\$	2,724	\$	3,391	\$	3,941	\$	4,606	\$	5,150	\$	6,346	\$	6,579	\$	6,934	\$	7,691	\$	8,040	\$	8,286	\$	9,236	\$	9,463	\$	9,806
2.	C.A.O.	1	\$	2.59	\$	2.62	\$	556	\$	1,113	\$	1,669	\$	2,226	\$	2,789	\$	3,471	\$	4,034	\$	4,716	\$	5,272	\$	6,497	\$	6,735	\$	7,099	\$	7,874	\$	8,230	\$	8,462	\$	9,456	\$	9,687	\$	10,039
3.	Corporate Services	1	\$	4.95	\$	5.00	\$	1,064	\$	2,129	\$	3,193	\$	4,258	\$	5,335	\$	6,641	\$	7,718	\$	9,021	\$	10,086	\$	12,428	\$	12,885	\$	13,580	\$	15,063	\$	15,745	\$	16,189	\$	18,089	\$	18,533	\$	19,205
4.	Human Resources	1	\$	3.05	\$	3.08	\$	655	\$	1,310	\$	1,964	\$	2,619	\$	3,282	\$	4,085	\$	4,748	\$	5,550	\$	6,204	\$	7,645	\$	7,926	\$	8,354	\$	9,266	\$	9,686	\$	9,958	\$	11,127	\$	11,400	\$	11,814
5.	Human Resources Programs	1	\$	0.06	\$	0.06	\$	13	\$	26	\$	39	\$	52	\$	65	\$	80	\$	94	\$	109	\$	122	\$	151	\$	156	\$	165	\$	183	\$	191	\$	196	\$	219	\$	225	\$	233
6.	Clerk	1	\$	2.92	\$	2.95	\$	627	\$	1,255	\$	1,882	\$	2,510	\$	3,144	\$	3,914	\$	4,549	\$	5,317	\$	5,945	\$	7,325	\$	7,594	\$	8,004	\$	8,878	\$	9,280	\$	9,542	\$	10,662	\$	10,923	\$	11,319
7.	Legal Licensing	1	\$	(0.56)	\$	(0.57)	\$	(121)	\$	(242)	\$	(363)	\$	(484)	\$	(606)	\$	(755)	\$	(877)	\$	(1,025)	\$	(1,146)	\$	(1,412)	\$	(1,464)	\$	(1,543)	\$	(1,712)	\$	(1,789)	\$	(1,840)	\$	(2,056)	\$	(2,106)	\$	(2,182)
8.	Municipal Elections	1	\$	0.01	\$	0.01	\$	2	\$	3	\$	5	\$	6	\$	8	\$	10	\$	12	\$	14	\$	15	\$	19	\$	20	\$	21	\$	23	\$	24	\$	25	\$	27	\$	28	\$	29
9.	Economic Development	1	\$	3.57	\$	3.61	\$	768	\$	1,535	\$	2,303	\$	3,071	\$	3,848	\$	4,789	\$	5,566	\$	6,506	\$	7,274	\$	8,964	\$	9,293	\$	9,794	\$	10,863	\$	11,356	\$	11,675	\$	13,046	\$	13,366	\$	13,851
10.	Accounting	1	\$	3.36	\$	3.39	\$	723	\$	1,445	\$	2,168	\$	2,890	\$	3,621	\$	4,508	\$	5,239	\$	6,124	\$	6,846	\$	8,436	\$	8,746	\$	9,218	\$	10,224	\$	10,688	\$	10,989	\$	12,579	\$	12,880	\$	13,036
11.	Corporate Services Taxation	1	\$	3.15	\$	3.18	\$	677	\$	1,355	\$	2,032	\$	2,710	\$	3,395	\$	4,226	\$	4,911	\$	5,741	\$	6,418	\$	7,909	\$	8,199	\$	8,642	\$	9,585	\$	10,020	\$	10,302	\$	11,511	\$	11,793	\$	12,221
12.	Finance	1	\$	1.88	\$	1.90	\$	403	\$	806	\$	1,210	\$	1,613	\$	2,021	\$	2,515	\$	2,923	\$	3,417	\$	3,820	\$	4,708	\$	4,881	\$	5,144	\$	5,706	\$	5,964	\$	6,302	\$	6,852	\$	7,020	\$	7,275
13.	Information Technology	1	\$	7.88	\$	7.97	\$	1,695	\$	3,390	\$	5,085	\$	6,780	\$	8,495	\$	10,575	\$	12,290	\$	14,366	\$	16,061	\$	19,791	\$	20,518	\$	21,625	\$	23,986	\$	25,073	\$	25,779	\$	28,805	\$	29,512	\$	30,582
14.	Technology Services Programs	1	\$	5.48	\$	5.54	\$	1,177	\$	2,355	\$	3,532	\$	4,709	\$	5,901	\$	7,345	\$	8,536	\$	9,901	\$	11,156	\$	13,747	\$	14,251	\$	15,020	\$	16,600	\$	17,415	\$	17,906	\$	20,008	\$	20,498	\$	21,242
15.	Purchasing	1	\$	2.40	\$	2.42	\$	516	\$	1,032	\$	1,548	\$	2,064	\$	2,587	\$	3,220	\$	3,742	\$	4,374	\$	4,890	\$	6,026	\$	6,247	\$	6,584	\$	7,303	\$	7,634	\$	7,849	\$	8,770	\$	8,985	\$	9,311
16.	Asset Recovery	1	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	
17.	General Government Taxation	1	\$	(12.43)	\$	(12.57)	\$	(2,672)	\$	(5,345)	\$	(8,017)	\$	(10,690)	\$	(13,394)	\$	(16,672)	\$	(19,376)	\$	(22,649)	\$	(25,322)	\$	(31,203)	\$	(32,348)	\$	(34,094)	\$	(37,816)	\$	(39,530)	\$	(40,643)	\$	(45,414)	\$	(46,528)	\$	(48,215)
18.	Payments in Lieu	1	\$	(4.36)	\$	(4.41)	\$	(937)	\$	(1,874)	\$	(2,811)	\$	(3,748)	\$	(4,696)	\$	(5,846)	\$	(6,794)	\$	(7,942)	\$	(8,879)	\$	(10,941)	\$	(11,342)	\$	(11,954)	\$	(13,000)	\$	(13,861)	\$	(14,251)	\$	(15,924)	\$	(16,314)	\$	(16,906)
19.	General Government	1	\$	9.44	\$	9.55	\$	2,029	\$	4,058	\$	6,087	\$	8,116	\$	10,169	\$	12,658	\$	14,711	\$	17,195	\$	19,224	\$	23,689	\$	24,559	\$	25,884	\$	28,710	\$	30,011	\$	30,857	\$	34,479	\$	35,324	\$	36,605
20.	DBIA	1	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	
	<b>Total General Government</b>		\$	<b>35.90</b>	\$	<b>36.27</b>	\$	<b>7,718.86</b>	\$	<b>15,437.72</b>	\$	<b>23,156.58</b>	\$	<b>30,875.44</b>	\$	<b>38,686.20</b>	\$	<b>48,155.30</b>	\$	<b>55,966.05</b>	\$	<b>65,418.64</b>	\$	<b>73,137.50</b>	\$	<b>90,125.17</b>	\$	<b>93,433.25</b>	\$	<b>98,475.06</b>	\$	<b>109,226.33</b>	\$	<b>114,176.25</b>	\$	<b>117,392.44</b>	\$	<b>131,172.53</b>	\$	<b>134,388.73</b>	\$	<b>139,263.27</b>
<b>TRANSPORTATION</b>																																										
37.	Transit	1	\$	4.98	\$	5.04	\$	1,071	\$	2,141	\$	3,212	\$	4,283	\$	5,366	\$	6,680	\$	7,763	\$	9,074	\$	10,145	\$	12,501	\$	12,960	\$	13,659	\$	15,151	\$	15,837	\$	16,284	\$	18,195	\$	18,641	\$	19,317
38.	Transit Physically Disabled	1	\$	0.73	\$	0.74	\$	158	\$	316	\$	474	\$	632	\$	792	\$	985	\$	1,145	\$	1,339	\$	1,497	\$	1,844	\$	1,912	\$	2,015	\$	2,236	\$	2,402	\$	2,462	\$	2,750	\$	2,850	\$	3,143
39.	Engineering Services Administration	1	\$	5.40	\$	5.46	\$	1,162	\$	2,323	\$	3,485	\$	4,646	\$	5,822	\$	7,246	\$	8,422	\$	9,844	\$	11,066	\$	13,562	\$	14,060	\$	14,819	\$	16,436	\$	17,181	\$	17,665	\$	19,739	\$	20,223	\$	20,956
40.	Infrastructure Management	1	\$	0.07	\$	0.08	\$	15	\$	31	\$	46	\$	62	\$	77	\$	96	\$	111	\$	130	\$	146	\$	180	\$	186	\$	196	\$	218	\$	227	\$	234	\$	261	\$	268	\$	277
41.	Parking Enforcement	1	\$	(0.31)	\$	(0.31)	\$	(66)	\$	(131)	\$	(197)	\$	(263)	\$	(329)	\$	(410)	\$	(476)	\$	(557)	\$	(622)	\$	(767)	\$	(795)	\$	(838)	\$	(930)	\$	(999)	\$	(1,116)	\$	(1,144)	\$	(1,185)		
42.	Traffic Control	1	\$	4.49	\$	4.54	\$	964	\$	1,929	\$	2,893	\$	3,858	\$	4,834	\$	6,017	\$	6,993	\$	8,174	\$	9,138	\$	11,261	\$	11,674	\$	12,304	\$	13,648	\$	14,266	\$	14,668	\$	16,390	\$	16,792	\$	17,401
43.	Development Engineering	1	\$	(0.33)	\$	(0.33)	\$	(70)	\$	(140)	\$	(210)	\$	(280)	\$	(350)	\$	(436)	\$	(507)	\$	(592)	\$	(662)	\$	(816)	\$	(846)	\$	(892)	\$	(989)	\$	(1,034)	\$	(1,063)	\$	(1,188)	\$	(1,217)	\$	(1,261)
44.	Roadways	1	\$	16.10	\$	16.28	\$	3,462	\$	6,924	\$	10,386	\$	13,849	\$	17,352	\$	21,599	\$	25,102	\$	29,342	\$	32,804	\$	40,424	\$	41,908	\$	44,169	\$	48,991	\$	51,212	\$	52,654	\$	58,835	\$	60,277	\$	62,464
45.	Regional Roadways	1	\$	(0.99)	\$	(0.99)	\$	(212)	\$	(425)	\$	(637)	\$	(850)	\$	(1,065)	\$	(1,325)	\$	(1,540)	\$	(1,801)	\$	(2,013)	\$	(2,481)	\$	(2,572)	\$	(2,710)	\$	(3,006)	\$	(3,143)	\$	(3,231)	\$	(3,610)	\$	(3,699)	\$	(3,833)
46.	Operations Facilities	1	\$	1.29	\$	1.30	\$	277	\$	554	\$	830	\$	1,107	\$	1,387	\$	1,727	\$	2,107	\$	2,346	\$	2,823	\$	3,231	\$	3,350	\$	3,531	\$	3,916	\$	4,094	\$	4,209	\$	4,703	\$	4,818	\$	4,993
	<b>Total Transportation</b>		\$	<b>31.44</b>	\$	<b>31.80</b>	\$	<b>6,760.86</b>	\$	<b>13,521.72</b>	\$	<b>20,282.57</b>	\$	<b>27,043.43</b>	\$	<b>33,884.77</b>	\$	<b>42,178.65</b>	\$	<b>49,019.99</b>	\$	<b>57,299.40</b>	\$	<b>64,060.26</b>	\$	<b>78,939.55</b>	\$	<b>81,837.06</b>	\$	<b>86,253.12</b>	\$	<b>95,670.03</b>	\$	<b>100,005.61</b>	\$	<b>102,822.63</b>	\$	<b>114,892.45</b>	\$	<b>117,709.47</b>	\$	<b>121,979.03</b>
<b>COMMUNITY SERVICES</b>																																										
47.	Rec and Parks - Children and Youth	1	\$	1.57	\$	-	\$	337	\$	674	\$	1,010	\$	1,347	\$	1,688																										

**TABLE 4**  
**HALTON REGION**  
**FISCAL IMPACT ANALYSIS**  
**FISCAL IMPACT ANALYSIS OVERVIEW - ADJUSTED COST BASIS**

Operating Cost Impacts	Type (1)	Costing Impacts		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
		Residential	Non-Res																		
<b>GENERAL GOVERNMENT</b>																					
1. Corporate Services (Dept)	1	\$ 23.23	\$ 23.56	\$ 4,995	\$ 9,990	\$ 14,985	\$ 19,979	\$ 25,034	\$ 31,161	\$ 36,215	\$ 42,332	\$ 47,327	\$ 58,320	\$ 60,460	\$ 63,723	\$ 70,680	\$ 73,883	\$ 75,964	\$ 84,881	\$ 86,962	\$ 90,117
3. Office of the C.A.O (Dept)	1	\$ 9.13	\$ 9.25	\$ 1,963	\$ 3,926	\$ 5,888	\$ 7,851	\$ 9,837	\$ 12,245	\$ 14,231	\$ 16,635	\$ 18,598	\$ 22,917	\$ 23,759	\$ 25,041	\$ 27,774	\$ 29,033	\$ 29,851	\$ 33,355	\$ 34,173	\$ 35,412
5. Office of the Chair	1	\$ 0.50	\$ 0.50	\$ 106	\$ 213	\$ 319	\$ 426	\$ 533	\$ 664	\$ 772	\$ 902	\$ 1,009	\$ 1,243	\$ 1,288	\$ 1,358	\$ 1,506	\$ 1,575	\$ 1,619	\$ 1,809	\$ 1,853	\$ 1,920
6. Regional Council	1	\$ 1.10	\$ 1.12	\$ 237	\$ 474	\$ 711	\$ 948	\$ 1,188	\$ 1,479	\$ 1,719	\$ 2,009	\$ 2,246	\$ 2,768	\$ 2,870	\$ 3,025	\$ 3,355	\$ 3,507	\$ 3,606	\$ 4,029	\$ 4,128	\$ 4,277
7. Non Program & Fiscal	1	\$ 4.67	\$ 4.74	\$ 1,004	\$ 2,008	\$ 3,013	\$ 4,017	\$ 5,033	\$ 6,265	\$ 7,281	\$ 8,511	\$ 9,515	\$ 11,725	\$ 12,156	\$ 12,812	\$ 14,211	\$ 14,855	\$ 15,273	\$ 17,066	\$ 17,484	\$ 18,118
8. Boards & Agencies	1	\$ 7.03	\$ 7.13	\$ 1,511	\$ 3,022	\$ 4,534	\$ 6,045	\$ 7,574	\$ 9,428	\$ 10,957	\$ 12,808	\$ 14,319	\$ 17,645	\$ 18,292	\$ 19,279	\$ 21,384	\$ 22,353	\$ 22,983	\$ 25,681	\$ 26,311	\$ 27,265
<b>Total General Government</b>		<b>\$ 45.65</b>	<b>\$ 46.29</b>	<b>\$ 9,816.58</b>	<b>\$ 19,633.15</b>	<b>\$ 29,449.73</b>	<b>\$ 39,266.30</b>	<b>\$ 49,199.74</b>	<b>\$ 61,242.21</b>	<b>\$ 71,175.65</b>	<b>\$ 83,197.13</b>	<b>\$ 93,013.70</b>	<b>\$ 114,618.02</b>	<b>\$ 118,825.12</b>	<b>\$ 125,237.12</b>	<b>\$ 138,910.21</b>	<b>\$ 145,205.35</b>	<b>\$ 149,295.59</b>	<b>\$ 166,820.62</b>	<b>\$ 170,910.86</b>	<b>\$ 177,110.13</b>
<b>TRANSPORTATION</b>																					
10. Transportation	1	\$ 30.73	\$ 31.16	\$ 6,607	\$ 13,214	\$ 19,822	\$ 26,429	\$ 33,115	\$ 41,220	\$ 47,906	\$ 55,997	\$ 62,604	\$ 77,146	\$ 79,977	\$ 84,293	\$ 93,496	\$ 97,733	\$ 100,486	\$ 112,281	\$ 115,034	\$ 119,207
<b>GTA POOLING</b>																					
11. GTA Pooling	1	\$ 25.56	\$ 25.91	\$ 5,496.42	\$ 10,992.84	\$ 16,489.27	\$ 21,985.69	\$ 27,547.55	\$ 34,290.27	\$ 39,852.13	\$ 46,583.10	\$ 52,079.52	\$ 64,176.05	\$ 66,531.66	\$ 70,121.82	\$ 77,777.55	\$ 81,302.27	\$ 83,592.45	\$ 93,404.93	\$ 95,695.11	\$ 99,166.15
<b>HEALTH</b>																					
12. Health Department	1	\$ 20.06	\$ 2.17	\$ 4,314	\$ 8,628	\$ 12,943	\$ 17,257	\$ 21,623	\$ 26,915	\$ 31,281	\$ 36,564	\$ 40,878	\$ 50,373	\$ 52,222	\$ 55,040	\$ 61,049	\$ 63,816	\$ 65,613	\$ 73,315	\$ 75,113	\$ 77,837
<b>COMMUNITY SERVICES</b>																					
19. Intervention and Business Services (Div)	1	\$ 7.16	\$ -	\$ 1,540	\$ 3,080	\$ 4,621	\$ 6,161	\$ 7,719	\$ 9,609	\$ 11,167	\$ 13,054	\$ 14,594	\$ 17,984	\$ 18,644	\$ 19,650	\$ 21,795	\$ 22,783	\$ 23,425	\$ 26,174	\$ 26,816	\$ 27,789
20. Children's Services (Div)	1	\$ 11.43	\$ -	\$ 2,458	\$ 4,916	\$ 7,374	\$ 9,832	\$ 12,319	\$ 15,334	\$ 17,821	\$ 20,831	\$ 23,289	\$ 28,698	\$ 29,752	\$ 31,357	\$ 34,781	\$ 36,357	\$ 37,381	\$ 41,769	\$ 42,793	\$ 44,345
21. Income and Employment Services (Div)	1	\$ 21.88	\$ -	\$ 4,705	\$ 9,409	\$ 14,114	\$ 18,818	\$ 23,579	\$ 29,350	\$ 34,111	\$ 39,872	\$ 44,576	\$ 54,930	\$ 56,946	\$ 60,019	\$ 66,572	\$ 69,589	\$ 71,549	\$ 79,948	\$ 81,908	\$ 84,879
22. Housing (Div)	1	\$ 10.47	\$ -	\$ 2,252	\$ 4,504	\$ 6,756	\$ 9,008	\$ 11,287	\$ 14,049	\$ 16,328	\$ 19,086	\$ 21,338	\$ 26,294	\$ 27,259	\$ 28,730	\$ 31,867	\$ 33,311	\$ 34,250	\$ 38,270	\$ 39,208	\$ 40,631
23. Services for Seniors (Div)	1	\$ 17.87	\$ -	\$ 3,843	\$ 7,687	\$ 11,530	\$ 15,373	\$ 19,262	\$ 23,977	\$ 27,866	\$ 32,573	\$ 36,416	\$ 44,874	\$ 46,521	\$ 49,032	\$ 54,385	\$ 56,850	\$ 58,451	\$ 65,312	\$ 66,914	\$ 69,341
<b>Total Community Services</b>		<b>\$ 68.82</b>	<b>\$ -</b>	<b>\$ 14,797.98</b>	<b>\$ 29,595.96</b>	<b>\$ 44,393.93</b>	<b>\$ 59,191.91</b>	<b>\$ 74,166.05</b>	<b>\$ 92,319.45</b>	<b>\$ 107,293.60</b>	<b>\$ 125,415.34</b>	<b>\$ 140,213.32</b>	<b>\$ 172,780.70</b>	<b>\$ 179,122.69</b>	<b>\$ 188,788.45</b>	<b>\$ 209,399.92</b>	<b>\$ 218,889.50</b>	<b>\$ 225,055.33</b>	<b>\$ 251,473.41</b>	<b>\$ 257,639.23</b>	<b>\$ 266,984.31</b>
<b>Total Per Capita Operating Cost</b>		<b>\$ 190.81</b>	<b>\$ 105.53</b>	<b>\$ 41,032.43</b>	<b>\$ 82,064.86</b>	<b>\$ 123,097.28</b>	<b>\$ 164,129.71</b>	<b>\$ 205,650.62</b>	<b>\$ 255,987.09</b>	<b>\$ 297,508.00</b>	<b>\$ 347,756.69</b>	<b>\$ 388,789.12</b>	<b>\$ 479,093.28</b>	<b>\$ 496,678.61</b>	<b>\$ 523,480.20</b>	<b>\$ 580,632.51</b>	<b>\$ 606,945.62</b>	<b>\$ 624,042.47</b>	<b>\$ 697,295.58</b>	<b>\$ 714,392.42</b>	<b>\$ 740,304.83</b>
<b>PROTECTION SERVICES</b>																					
9. Police Services	2	\$ 325.88	\$ 2.86	\$ 27,374	\$ 54,748	\$ 82,122	\$ 109,496	\$ 137,195	\$ 172,065	\$ 199,764	\$ 234,634	\$ 262,008	\$ 338,589	\$ 350,321	\$ 369,548	\$ 422,666	\$ 441,567	\$ 452,973	\$ 520,756	\$ 532,162	\$ 550,737
<b>WASTE MANAGEMENT</b>																					
17. Waste Management Services	2	\$ 123.51	\$ 0.24	\$ 10,375	\$ 20,750	\$ 31,125	\$ 41,500	\$ 51,999	\$ 65,214	\$ 75,713	\$ 88,929	\$ 99,304	\$ 128,329	\$ 132,775	\$ 140,063	\$ 160,195	\$ 167,359	\$ 171,682	\$ 197,372	\$ 201,695	\$ 208,735
<b>PLANNING &amp; DEVELOPMENT</b>																					
25. Planning (Divisional)	2	\$ 12.28	\$ 0.11	\$ 1,031	\$ 2,063	\$ 3,094	\$ 4,125	\$ 5,169	\$ 6,483	\$ 7,526	\$ 8,840	\$ 9,871	\$ 12,756	\$ 13,198	\$ 13,923	\$ 15,924	\$ 16,636	\$ 17,066	\$ 19,619	\$ 20,049	\$ 20,749
26. Legal Services (Divisional)	2	\$ 9.17	\$ 0.08	\$ 770	\$ 1,541	\$ 2,311	\$ 3,082	\$ 3,862	\$ 4,843	\$ 5,623	\$ 6,604	\$ 7,375	\$ 9,530	\$ 9,860	\$ 10,402	\$ 11,897	\$ 12,429	\$ 12,750	\$ 14,658	\$ 14,979	\$ 15,502
27. LPS Commissioner (Divisional)	2	\$ 0.20	\$ -	\$ 17	\$ 34	\$ 51	\$ 68	\$ 85	\$ 107	\$ 124	\$ 146	\$ 163	\$ 210	\$ 218	\$ 230	\$ 263	\$ 274	\$ 281	\$ 324	\$ 331	\$ 342
<b>Total Planning &amp; Development</b>		<b>\$ 21.65</b>	<b>\$ 0.20</b>	<b>\$ 1,818.81</b>	<b>\$ 3,637.62</b>	<b>\$ 5,456.43</b>	<b>\$ 7,275.24</b>	<b>\$ 9,115.70</b>	<b>\$ 11,432.52</b>	<b>\$ 13,272.98</b>	<b>\$ 15,589.80</b>	<b>\$ 17,408.61</b>	<b>\$ 22,496.95</b>	<b>\$ 23,276.44</b>	<b>\$ 24,553.94</b>	<b>\$ 28,083.29</b>	<b>\$ 29,339.14</b>	<b>\$ 30,096.98</b>	<b>\$ 34,600.70</b>	<b>\$ 35,358.53</b>	<b>\$ 36,592.73</b>
<b>Total Per Household Operating Cost</b>		<b>\$ 471.04</b>	<b>\$ 3.29</b>	<b>\$ 39,567.74</b>	<b>\$ 79,135.48</b>	<b>\$ 118,703.21</b>	<b>\$ 158,270.95</b>	<b>\$ 198,309.73</b>	<b>\$ 248,711.50</b>	<b>\$ 288,750.28</b>	<b>\$ 339,152.04</b>	<b>\$ 378,719.78</b>	<b>\$ 489,415.24</b>	<b>\$ 506,372.84</b>	<b>\$ 534,164.46</b>	<b>\$ 610,944.72</b>	<b>\$ 638,265.30</b>	<b>\$ 654,751.86</b>	<b>\$ 752,729.11</b>	<b>\$ 769,215.67</b>	<b>\$ 796,065.21</b>
<b>Total Operating Cost</b>				<b>\$ 80,600.17</b>	<b>\$ 161,200.33</b>	<b>\$ 241,800.50</b>	<b>\$ 322,400.66</b>	<b>\$ 403,960.35</b>	<b>\$ 504,698.58</b>	<b>\$ 586,258.28</b>	<b>\$ 686,908.73</b>	<b>\$ 767,508.90</b>	<b>\$ 968,508.52</b>	<b>\$ 1,003,051.44</b>	<b>\$ 1,057,644.66</b>	<b>\$ 1,191,577.23</b>	<b>\$ 1,245,210.92</b>	<b>\$ 1,278,794.32</b>	<b>\$ 1,450,024.69</b>	<b>\$ 1,483,608.09</b>	<b>\$ 1,536,370.03</b>