

Attachment 4
Council Report Attachment

Fiscal Impact Analysis
Nobleton Community Plan
Township of King

In accordance with the Financial Growth Management Policies adopted in the Regional Official Plan, the following analysis highlights financial impacts of the proposed development of the Nobleton Community Plan in the Township of King. The Regional Finance Department, in conjunction with the Regional Transportation and Works Department and the Regional Planning Department has prepared this financial review.

The Nobleton Community Official Plan Amendment No. 57 for the Township of King designates the Nobleton Secondary Plan lands as “Future Urban Area”. Secondary Plan boundaries of the Nobleton Community Plan have been established, and include the lands that are just south of King Road, east of 10Th Concession, west of 8Th Concession and south 15Th Sideroad. The proposed community would result in the development of a mix of community uses with approximately 1,084 dwelling units, providing for an increase of approximately 2,850 to 3,350 persons. The Secondary Plan area also includes a minimum of 22 hectares of employment land, generating employment for approximately 648 persons. These details are shown in Table 1.

Table 1
Nobleton Community Plan –OPA 57
Growth Projections

	Additional Population	Additional Employment	Residential Dwelling Units
Nobleton Community	2,850-3,350	648	1,084

REGIONAL ROADS/TRANSPORTATION

The Regional Transportation and Works Department has reviewed King Township OPA 57 – Nobleton Community Plan development proposal and has provided preliminary comments.

Major Capital Roads Projects

There are a number of road improvements included in the Region’s 2003 – 10 Year Roads Capital Program in the vicinity of the Nobleton Community Plan area. There are additional road improvements that have been identified as being required in the short term (i.e. 2003-2012). Other road improvements are noted in the Region’s Development Charge By-law as being required after 2012 to year 2031. It should be

noted that traffic related to development in the Nobleton Community Plan area is not the sole contributor to the future need for these major transportation improvements. Planned and/or approved development elsewhere in the Township of King and other areas also contribute to the requirement for certain transportation improvements. The total cost of the improvements required to the year 2031, as shown in Attachment 1 is estimated at \$34.6 million, with approximately \$10 million in capital works being required within the first ten year timeframe. The widening of Highway 27 from Major Mackenzie Drive to north of King Road is the largest road construction improvement in the area at an estimated cost of, \$14.7 million, and is currently planned for 2013 to 2031.

Based on development charge rates approved in accordance with Regional Development Charge By-law No. DC-0005-2003-050, development proposed in the Nobleton Community Plan area should generate roads development charge revenues of approximately \$4.4 million.

Other Road Improvements

Other road improvements that have not been specifically identified in the Region's 2003 – 10 Year Roads Program may be required to support future traffic volumes generated by the specific development of OPA 57. These may include traffic control signals and various intersection improvements in the vicinity of the Nobleton Community Plan.

Given that this plan calls for development along approximately 7km of Regional roads there could be a need for up to eight traffic signals at an estimated total gross cost of \$1.0 million. As the development proceeds, these improvements can be further identified through a review of the transportation assessments.

Additionally the Nobleton Community Plan has identified and proposes to protect for a potential by-pass of Highway 27 extending south of King Road to south of 15TH Sideroad. This project has not been identified as a Regional need in either the Transportation Master Plan or in the Regional Development Charges by-law. Consequently, a detailed cost estimate is not available and provision should be made to include this roadway in the local development charges at this time.

Transit

To be a transit supportive community, a mix of land uses including higher density housing, mixed uses including business and commercial is required. Mixed use and higher densities are encouraged along key arterial roads where public transit operates. In the Official Plan Amendment 57, the Nobleton Community, employment area is proposed adjacent to the Highway 27, King Road and the south of King Road. These proposed locations of the employment area would need to be transit supportive.

Currently, GO transit and the Bolton GO Bus Service, service the community of Nobleton. It is anticipated that GO Transit will continue to serve the Nobleton community until such time as it becomes feasible for York Region Transit to assume the service.

Based on development charge rates approved in accordance with Regional Development Charge By-law No. DC-0005-2003-050, development proposed in Nobleton Community Plan area should generate transit development charge revenues of approximately \$1.7 million.

WATER/SEWER CAPITAL INFRASTRUCTURE

The Water and Wastewater Branch of the Transportation and Works Department has reviewed this development proposal and has provided the following comments.

Water Supply

An update of the Region's Long Term Water Supply Master Plan is currently underway. The Master Plan Update has provided preliminary results that have been incorporated in the 2003 10-year Capital Plan.

The community of Nobleton is serviced by municipal water with a current capacity of 5,000 people. In order to accommodate the full buildout of the proposed development within the Nobleton Community Plan area, additional capital infrastructure is required. The infrastructure consists of an elevated tank and watermain at total estimated cost of \$2.4 million by 2011 and well pair and watermain at total estimated cost of \$4.3 million by 2009. The total cost of the water infrastructure attributable to the Nobleton Community Plan area is \$6.7 million.

Based on development charge rates approved in accordance with Regional Development Charge By-law No. DC-0005-2003-050, development proposed in the Nobleton Community Plan area should generate water development charge revenues of approximately \$3.6 million.

Sewage Servicing

Sanitary sewage servicing to the Nobleton Community Plan area is dependent on the availability of municipal sanitary sewers and a treatment facility. The Regional infrastructure requirements include a wastewater treatment plant and outfall at estimated cost of \$9.7 million and pumping station, forcemain and trunk sewer at an estimated cost of \$3.0 million. The Township of King is responsible for the construction of the local collection system at an estimated cost of \$11.5 million. The total Regional and municipal cost of the sewage infrastructure required to service a

population growth of 3,350 persons in the Nobleton Community is approximately \$24.2 million. Table 2 outlines the cost of the sewer works attributable to various development in the community.

Table 2
Region of York Capital Cost Allocation

	Existing Development	Future Development	Total
Residential	\$5.6	\$5.9	\$11.5
Non-residential	\$0.3	\$0.9	\$1.2
<i>Total</i>	<i>\$5.9</i>	<i>\$6.8</i>	<i>\$12.7</i>

Based on development charge rates approved in accordance with Regional Development Charge By-law No. DC-0005-2003-050, development proposed in the Nobleton Community Plan area should generate wastewater development charge revenues of approximately \$3.6 million. It should be noted that upon approval of the Nobleton Community Plan, costs associated with the sewer infrastructure would be included in the Region's DC By-law, resulting in an increase to the residential development charge rate of \$34 per single family dwelling.

In December 2002, C.N. Watson and Associates undertook an analysis of the required sewer infrastructure in the Nobleton Community. The Analysis focuses on methods and impacts of financing the associated sewer infrastructure costs to be incurred by the Region and the Township of King. The study identified three approaches to financing the required local and regional sewer infrastructure costs.

The option recommended in the analysis identified development proponents advancing the sewer works, and the establishment of an area specific development charge to recover growth-related Regional costs associated with the infrastructure, as this would not impact the current Region-wide development charge rate. This would require an amendment to the Regional development charge by-law to eliminate the Region-wide development charge rate and include an area specific development charge, and interest from developers within the Nobleton Community. Preliminary discussions have been held with Regional staff, Township of King staff and a landowner representing approximately 60% of the net developable area within the community. The landowner has expressed an interest in advancing the construction timing of the sewage infrastructure by providing funding for the total cost of the works. The landowner would recover the growth-related infrastructure costs through an area specific charge to development within the Nobleton Community. The developer would be responsible for the non-growth infrastructure costs. This option is currently being reviewed by staff, and would require Regional Council authorization if it is to be implemented.

CAPITAL SUMMARY

Substantial capital investment must be made by the Region and the Township of King in order to accommodate the proposed growth in the Nobleton Community. The cost of constructing the required infrastructure is disproportionate to the total development charges that will be generated by the development as detailed in Table 3.

Table 3
Comparison of Regional Costs and Development Charges

	Roads	Water	Wastewater
Cost of Infrastructure	\$34.6 M	\$6.7 M	\$12.7 M
Development Charges	\$4.4 M	\$3.6 M	\$3.6 M
<i>(Shortfall)</i>	<i>(\$30.2 M)</i>	<i>(\$3.1 M)</i>	<i>(\$8.1 M)</i>

Therefore, from a financial perspective the proposed Nobleton Community plan is difficult to support, without some alternative financial arrangement.

OPERATING – TAX IMPACTS

At full build-out, the Nobleton Community Plan development proposal will increase the existing population of the Township of King by approximately 3,350 persons, and increase employment by approximately 648 persons. A preliminary review of operating (tax levy) impacts indicates that the proposed development will not adversely impact the Regional tax rate. Further analysis is required to determine the impact of the buildout on Human Services requirements. It should be noted that buildout of the employment lands in the Township of King is important to ensure the area has a balanced residential/non-residential assessment mix.

CONCLUSION

A summary fiscal impact review of the Nobleton Community Plan area indicates that the proposed development within the plan will not adversely impact the Regional tax rate (tax levy).

The Regional Transportation and Works Department, Infrastructure Planning Division has identified several capital projects that are required in the vicinity of the Nobleton Community Plan area. These include construction of several road widenings, intersection improvements and a potential by-pass of Highway 27. The total cost of the road improvements required to the year 2031 to service traffic demand in the Nobleton Community Plan and other areas of the Region is estimated at \$34.6 million, with approximately \$10 million in capital works required in the current 10

year timeframe. The development proposed within the Nobleton Community Plan area should generate road development charge revenues of approximately \$4.4 million.

Currently there are no Transit improvements included in the Region's long term capital program for the Nobleton Community Plan area and vicinity. The GO Transit and Bolton Go Bus Service, service the community. The Regional Transit Department has indicated that in order for the Nobleton Community to be transit supportive, there must be a mix of land uses incorporated in the development. The mixed uses and higher densities are encouraged along key arterial roads where public transit operates and should occur in a timely and orderly manner. The proposed development should generate transit development charge revenues of approximately \$1.7 million.

To provide water servicing capacity for the full buildout of the Nobleton Community Plan, additional capital infrastructure is required in the 2009 to 2011 time frame. These works include an elevated tank and watermain and well pair and water connection, at an estimated cost of \$6.7 million. The proposed development should generate water development charge revenues of approximately \$3.6 million.

Future development within the Nobleton Community plan is dependent on the availability of municipal sanitary sewers and a treatment facility. The Regional requirements include the construction of the wastewater treatment plant and outfall, pumping station, forcemain and trunk sewer. The cost of Regional works is approximately \$11.7 million. The proposed development should generate wastewater development charge revenues of approximately \$3.6 million. A provision has been included in the current DC By-law to incorporate the cost of the sewage infrastructure upon approval of the Nobleton Community Plan. This would result in an increase in the uniform Region-wide rate of \$34 per single family dwelling.

The total development charges to be generated by the Nobleton Community are disproportionate to the cost of the infrastructure required. As a result this proposal is difficult to support without some alternative financial arrangement. Based on the analysis undertaken by C.N. Watson and Associates Ltd. and preliminary discussions with a landowner in the Nobleton Community a financial arrangement including the creation of an area specific development charge has been proposed. The area specific development charge would include the growth related cost of the regional infrastructure required. The developer would absorb the non-growth cost for the provision of the sewage infrastructure and recover growth costs through the area specific development charge applied to the development in the community. An amendment to the DC By-law would be required to eliminate the Region-wide rate increase. Staff is currently reviewing this alternative and will seek Council authorization to proceed with this option if staff determines that this option is beneficial to all stakeholders.

Attachment 1
Road Improvements
Nobleton Community Plan – OPA 57

<u>Regional Road</u>	<u>Location</u>	<u>Description</u>	<u>Est. Cost</u>	<u>Proposed Timing</u>
• King Road	Highway 400 to Highway 27	Widen to 4 lanes	\$9.98M	2012
• King Road	Highway 27 to York Peel Boundary	Widen to 4 lanes	\$9.9M	2013-2031
• Highway 27	Major Mackenzie Drive to North of King Road	Widen to 4 lanes	\$14.7M	2013-2031
	TOTAL		\$34.6M	