

Bronte Green

Capital Impact Assessment

Independent Real Estate Intelligence

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Bronte Green Capital Impact Assessment

Prepared for:

Bronte Green Corporation

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INTRODUCTION

Altus Group Economic Consulting was retained by the Bronte Green Corporation to undertake a capital impact assessment of their proposed development of the Saw-Whet Golf Course located near the intersection of Bronte Road and Upper Middle Road in the Town of Oakville.

DESCRIPTION OF DEVELOPMENT

The development proposed by Bronte Green Corporation is a mixed-use project containing a variety of residential unit types, a mixed-use block, and parks.

The residential component is proposed to contain 785 units (excluding those in the high-density block), including:

- 529 single-detached units, on a variety of lot sizes, with frontages ranging from 9.14 metres to 19.80 metres;
- 76 single-detached condominium units, on lots with frontages range from 11.00 metres to 18.30 metres;
- 180 townhouse units, including 94 back-to-back townhouse units, and 86 conventional townhouse units;
- According to the permitted range of densities in high-density lands in the Town's Official Plan (51 to 185 units per hectare), the high-density block will accommodate between 25 and 90 units. For the purposes of this model, we have assumed that 58 units will be built, which is equivalent to the midpoint of the allowable density range. The actual number of units proposed and/or constructed may differ from this assumption. We have also assumed for the purposes of this study that 50% of these 58 high-density units would be bachelor and 1-bedroom units, and the other 50% would be 2-bedroom or larger.

The mixed-use block is 0.69 hectares, with frontage along Bronte Road. For the purposes of this analysis, we have assumed 25% coverage on these mixed-use lands, with retail on the ground floor and office uses on the second floor. This would result in 1,725 m² of retail and 1,725 m² of office being built.

The development lands include three parks totalling 2.65 hectares, one of which will be 2.17 hectares in size. The other two parks will be of 0.30 hectares and 0.18 hectares, respectively.

There are plans for two trail segments, one 1.64km in length in the Natural Heritage System lands, and another 0.71 km trail in the hydro corridor.

Storm water management will be provided through two blocks (combined size of 3.13 hectares) located in the southeast part of the lands.

DESCRIPTION OF MODEL

The Town of Oakville's capital impact model for 2013 was utilized for this report. The purpose of this model is to track the cost and funding of capital requirements and determine any capital items required for development that have not been accounted for in the Town's most recent Development Charges Background Study. For items not considered in the Town's DC Study, we have assessed these items against the Town's local service guidelines to determine if they are eligible for funding through the DC.

Only the Town of Oakville's capital responsibilities are considered in this report. Revenues generated for, and costs associated with the Region of Halton and Halton's school boards are not part of the Town's capital impact assessment model, and therefore will not be dealt with in this report.

DEVELOPMENT CHARGES

Bronte Green Corporation will be responsible for payment of development charges to the Town of Oakville, including those levied on both the residential and non-residential components of the development.

RESIDENTIAL DEVELOPMENT CHARGES

Based on DC rates in effect as of January 2014, the residential portion of the mixed-use development is expected to result in approximately \$18 million in development charges payable to the Town, including \$14.2 million from the single-detached units, \$3.1 million from the townhouse units, and \$683,600 from the high-density units. These funds are to be allocated to the Town's discounted and non-discounted services as follows:

- \$10.7 million for non-discounted services such as roads and fire services;

- \$7.3 million for discounted services such as parks and recreation, library, transit, etc.

NON-RESIDENTIAL DEVELOPMENT CHARGES

Based on an assumed coverage of 25%, a ground floor of retail uses and a second floor consisting of office uses, the mixed-use lands would accommodate roughly 3,450 m² of space, half of which would be retail and the other half office.

At the Town's DC rate of \$106.19 / m² for both retail and commercial (office) uses, the mixed-use block would generate roughly \$366,355 for the Town, of which \$329,440 would be for non-discounted services, and another \$36,915 would be for discounted services.

CAPITAL WORKS REQUIRED

According to the development plan, the Area Servicing Plan for the Merton Tertiary Plan Area, dated December 2013, prepared by David Schaeffer Engineering Ltd., and the transportation analysis prepared by Read, Voorhees and Associates, there are several capital works attributable to the proposed development. They have been broken down below by each type of infrastructure.

ROADS

There are a number of roads required for development, including:

- 0.8 linear km of collector roads (20-metre width);
- 5.6 linear km of local roads (16-metre width and 18-metre width combined);
- 1.0 linear km of condo roads (10-metre width).

According to the Town's local service guidelines from the 2013 Development Charges Background Study, Town collector and local roads are direct developer responsibilities, and thus ineligible for funding through development charges. The capital cost for these works, and the condominium roads will be funded by Bronte Green Corporation

According to the transportation analysis prepared by Read, Voorhees and Associates (RVA), there are no improvements identified by the applicant

required for either Bronte Road or Upper Middle Road. However, should these be required, each are Regional Roads and thus would not be the responsibility of the Town.

RVA recommended that the lane designations at two QEW ramp terminals be modified. However, this is also a Regional responsibility, and would involve pavement marking only, and so would not be a major cost. There will be two new intersections on Bronte Road, however this is a Regional Road and these costs will be funded by the developer.

According to RVA, the proposed plan does not require any improvement to existing Town roads.

STORM WATER MANAGEMENT

The proposed plan contains two blocks for stormwater management located in the southeast portion of the site. Combined these two blocks are 3.13 hectares in size. According to the local service guidelines in the 2013 DC Study, storm sewer systems that are required for a specific development, either internal or external to the plan's area are a direct developer responsibility.

This would mean that if a nearby development utilized the stormwater management ponds located on the Bronte Green lands, that those costs to connect to the ponds would be a direct developer responsibility. Similarly, where the Bronte Green lands will require storm water management servicing dealt with off-site on adjacent lands, those costs are a direct developer responsibility.

The only DC eligible items related to stormwater management are where a SWM facility is oversized to accommodate runoff from new, widened, extended or upgraded town arterial roads that are funded as a DC project. In those cases, the SWM costs will be included as part of the road costing to be recovered through DC's.

As the Area Servicing Plan noted, on page 51:

The identified storm sewers ... and stormwater management facilities are not expected to be eligible for Town Development Charges

PARKS

The proposed plan includes three parks, a 2.17 hectare park, a 0.30 hectare park and a 0.18 hectare park. The local service guidelines in the 2013 DC Study note that parkland development costs associated with Community Parks are DC eligible works. For Neighbourhood Parks and Village Squares, the costs to prepare the lands (i.e., clearing, servicing and grading, etc.) are direct developer responsibilities, while program facilities (benches, playsets, splash pads, etc.) are eligible as DC works, and may be reimbursable to the developer as a DC credit. In the 2013 DC Study, the value of the Town's existing Neighbourhood Parks was \$179,100 per hectare, which is lower than the value per hectare for Community Parks.

There would be additional capital costs associated with the provision of park facilities, amenities and buildings over and above the amount included in the base parkland development value. However, as park programming is currently unknown we have attempted to estimate the value of facilities, amenities and buildings built in a typical Town park. According to the 2013 DC Study, the value of parkland development was \$670.42 per capita, while the combined value of parkland facilities, amenities and buildings was \$709.58. Therefore, for every \$1 of value in parkland development, there is \$1.05 in value of the various amenities, facilities and buildings on those parks. Therefore, we have made a similar adjustment to the capital cost of the three parks provided in the Bronte Green development.

For the capital impact assessment model, we have assumed that the 2.17-hectare park will be classified as a Neighbourhood Park. Based on the parkland development cost from the DC Study of \$179,100 per hectare, and another \$189,561 per hectare for park facilities, amenities and buildings (1.05-times the \$179,100 parkland development cost), the total capital cost associated with the park would be roughly \$799,995. This project would be DC eligible, and up to 90% could be recovered through the Town's development charge.

Given their size, the 0.30-hectare and 0.18-hectare parks would likely be classified as parkettes, and thus would have a development cost equivalent to Neighbourhood Parks (parkettes are listed as Neighbourhood Parks in the DC Study). This would mean that the two parks would have a total combined development cost of \$176,957. These project costs would be DC eligible.

Figure 1 Cost of Parkland Development and Amenities in Bronte Green

<u>Parks</u>	<u>Area</u>	<u>Parkland Development Cost per Hectare</u>	<u>Parkland Amenities Cost per Hectare</u>	<u>Total Costs per Hectare</u>	<u>Costs of Parks in Bronte Green</u>
<i>Hectares</i>			<i>Dollars per Hectare</i>		<i>Dollars</i>
Neighbourhood Park	2.17	179,100	189,561	368,661	799,995
Parkette(s)	0.48	179,100	189,561	368,661	176,957
Total	2.65				976,953

Source: Altus Group Economic Consulting based on costs from Watson and Associates, Town of Oakville Development Charge Background Study, (February 15, 2013)

As these costs are based on the value of existing parkland development and amenities from the 2013 DC Study, they may not be reflective of the capital cost of parkland development and amenities going forward. Therefore, these capital costs are presented as a rough estimate only for the purposes of this report, and should be used with caution.

TRAILS

There are plans for two trail segments, one 1,644 metre segment in the Natural Heritage System, and a second, 710 metres in the hydro corridor. These specific items do not appear in the Town's 2013 DC Study, however, there are several line items of a general nature ("NHS Trail Type A"), which appear to generally collect for unforeseen NHS trail works.

According to the Town's 2013 DC Background Study, trails have a value of \$377,440 per linear kilometre. This would mean that the trails would have an approximate capital cost of \$620,500 for the NHS trail, and \$267,982 for the Hydro corridor trail.

These capital costs are assumed to be DC eligible works, and 90% funded through the development charge. The remaining 10% represents the statutory deduction under the DC Act for soft services.

As these trail costs are based on values from the 2013 DC Study, they may not be reflective of the capital cost of trails going forward. Therefore, these capital costs are presented as a rough estimate only for the purposes of this report, and should be used with caution.

WATER AND SANITARY SEWER

Though there are water and sanitary sewer capital works identified in the December 2013 Area Servicing Plan as being required for development to proceed, these services are Regional responsibilities, and are thus outside the scope of this report.

IMPACT ON TOWN'S CAPITAL BUDGET

It is anticipated that the cost of the site-specific capital works, beyond those that will be responsibility of the developer, will amount to \$1,865,447, for the development of the parks included in the plan. Of this, \$1,678,902 will be eligible for funding through development charges. The remaining \$186,545 represents the 10% statutory deduction for soft services, and is to be funded from other Town sources.

These DC eligible costs will be more than covered by the DC revenues generated by the proposed development for discounted services. The remaining \$186,545 is to be funded through non-DC sources. As of the end of 2013, the Town had positive balances in its general capital reserves of \$25.8 million, and a greater projected end of 2014 balance of \$39.7 million, or an increase of \$13.9 million during 2014. There should be sufficient capital reserves to fund the non-DC share of capital funding requirements.

Appendix A
Capital Impact Assessment Tables

A Identification

1 Name of Development

Bronte Green

2 Subdivision / Planning Number:

3 Community Location

Merton Teritary Planning Area

4 Date of Application

5 Description

Located on the current Saw-Whet Golf Course, the proposed plan would see 785 residential units and a mixed-use block built. The residential units include 529 single-detached units, 76 single-detached condo units, and 180 townhouse units. There is also a high density block that can accommodate between 22 and 81 units, and a mixed-use block, which will contain a mix of office and retail uses. There are also three park blocks, one large in size (2.17 ha., 0.30 ha. and 0.18 ha. each), along with a Natural Heritage System Area, which will include trails for public use.

B Residential Development Description

I Unit Types	# units
Singles & Semis	
Single - 9.14m	83
Single - 11.00m	171
Single - 13.10m	191
Single - 15.24m	61
Single - 18.30m	20
Single - 19.80m	3
Single Condo - 11.00m	17
Single Condo - 13.10m	46
Single Condo - 18.30m	13
Sub-total	605
Multiples (1-2 Bdrms)	
Townhomes (Back-to-Back) - 20'	94
Townhomes - 20'	86
Type 3	-
Sub-total	180
Multiples (3+ Bdrms)	
Type 1	-
Type 2	-
Sub-total	-
Apartments (Bach& 1 Bdrm)	
High Density Block (density midpoint)	29
Type 2	-
Sub-total	29
Apartments (2+ Bdrms)	
High Density Block (density midpoint)	29
Type 2	-
Sub-total	29
Special / Accessory Units	
Type 1	-
Type 2	-
Sub-total	-
Total	843

C Non-residential Development Descript

I Type	GFA m ²
Industrial	
Type 1	-
Type 2	-
Sub-total	-
Commercial	
Main Street Mixed Use Block	1,725
Type 2	-
Sub-total	1,725
Retail	
Main Street Mixed Use Block	1,725
Type 2	-
Sub-total	1,725
Institutional	
Type 1	-
Type 2	-
Sub-total	-
Total	3,450

D Residential Development Charges

I Unit Types	# units	Discounted Services	Non-disc. Services	Total
Singles & Semis	605	5,800,135	8,419,180	14,219,315
Multiples (1-2 Bdrms)	180	1,263,060	1,833,120	3,096,180
Multiples (3+ Bdrms)	-	-	-	-
Apartments (Bach& 1 Bdrm)	29	116,638	169,331	285,969
Apartments (2+ Bdrms)	29	162,226	235,393	397,619
Special / Accessory Units	-	-	-	-
Total	843	7,342,059	10,657,024	17,999,083

F Residential Development Charge Rates

I Unit Types	Discounted Services	Non-disc. Services	Total
Singles & Semis	9,587	13,916	23,503
Multiples	7,017	10,184	17,201
Multiples	7,017	10,184	17,201
Apartments (Bach& 1 Bdrm)	4,022	5,839	9,861
Apartments (2+ Bdrms)	5,594	8,117	13,711
Special / Accessory Units	2,755	3,999	6,754

E Non-residential Development Charges

I Type	GFA m ²	Discounted Services	Non-disc. Services	Total
Industrial	-	-	-	-
Commercial	1,725	18,457.50	164,720.25	183,177.75
Retail	1,725	18,457.50	164,720.25	183,177.75
Institutional	-	-	-	-
Total	3,450	36,915.00	329,440.50	366,355.50

G Non-residential Development Charges

I Type	Discounted Services	Non-disc. Services	per m ²
Industrial	10.70	95.49	106.19
Commercial	10.70	95.49	106.19
Retail	10.70	95.49	106.19
Institutional	10.70	95.49	106.19

H Specific Project Capital	Project Description	Year of Emplacement	Total Cost	Grants and Other Revenue Sources	Net Cost	Funding of Net Cost		
						DC Allocation		Other Funding
						%	\$	
A Discounted Services								
	(Includes Transit, Library, Studies, Facilities)			\$ -	\$ -			
1				\$ -	\$ -			
2				\$ -	\$ -			
3				\$ -	\$ -			
4				\$ -	\$ -			
5				\$ -	\$ -			
Total			\$ -	\$ -	\$ -		\$ -	\$ -
B Non-discounted Services								
	(Includes services related to a highway, fire protection)			\$ -	\$ -			
1	Collector Roads, Local Roads, Condo Roads (direct developer responsibility)		\$ -	\$ -	\$ -	0%	\$ -	\$ -
2				\$ -	\$ -			
3				\$ -	\$ -			
4				\$ -	\$ -			
5				\$ -	\$ -			
Total			\$ -	\$ -	\$ -		\$ -	\$ -
C Parks Services								
1	2.17 hectare park (assumed to be Neighbourhood Park), including facilities, amenities, etc.		\$ 799,995	\$ -	\$ 799,995	90%	\$ 719,995.78	\$ 79,999.53
2	0.30 and 0.18 hectare parks combined (assumed to be parkettes), including facilities, amenities, etc.		\$ 176,957	\$ -	\$ 176,957	90%	\$ 159,261.74	\$ 17,695.75
3	Trail - NHS - 1.644 km		\$ 620,511	\$ -	\$ 620,511	90%	\$ 558,460.22	\$ 62,051.14
4	Trail - Hydro Corridor - 0.710 km		\$ 267,982	\$ -	\$ 267,982	90%	\$ 241,184.16	\$ 26,798.24
5				\$ -	\$ -			
Total			\$ 1,865,447	\$ -	\$ 1,865,447		\$ 1,678,901.91	\$ 186,544.66
D Stormwater Services								
1	SWM blocks - 3.13 hectares (direct developer responsibility)		\$ -	\$ -	\$ -	0%	\$ -	\$ -
2				\$ -	\$ -			
3				\$ -	\$ -			
4				\$ -	\$ -			
5				\$ -	\$ -			
Total			\$ -	\$ -	\$ -		\$ -	\$ -
			\$ 1,865,447	\$ -	\$ 1,865,447		\$ 1,678,901.91	\$ 186,544.66

I Development Charge Credits

	Discounted Services	Non-disc. Services	Total
Development Charge Proceeds	7,503,605	11,167,373	18,670,978
Capital Requirements	-	-	-
Credits	-	-	-
Payout (where Capital Exceeds DC Proceeds)	-	-	-