



FISCAL IMPACT & MARKET OVERVIEW STUDY

Town of Oakville

HEMSON Consulting Ltd.

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I INTRODUCTION

The purpose of this report is to provide Council with an overview analysis of Livable Oakville, the Town of Oakville's proposed new official plan.

In particular, the analysis addresses three key questions:

- a) Does the plan provide a good balance between residential development in a more intensified form with opportunities and planning for employment lands and employment areas?
- b) In relation to the growth area studies that were conducted during the Livable Oakville planning process and the employment land needs study, does the plan provide sufficient land areas, designations and locations to accommodate major office; and,
- c) What are the general fiscal implications of the growth proposed under the intensified form and pattern of the Livable Oakville plan?

The report is structured in four sections. The first examines the plan background and objectives. The second section reviews residential growth issues. Thirdly, the report considers how the plan addresses non-residential growth. This is followed by an evaluation of the fiscal implication of the plan. Overall conclusions are set out in a final section, including some suggestions on monitoring that may warrant consideration.

II LIVABLE OAKVILLE BACKGROUND AND OBJECTIVES

This section describes the framework and the steps in the process through which the Livable Oakville plan was developed.

A. DIRECTIONS REPORT ESTABLISHED THE PLAN FRAMEWORK

The framework within which Livable Oakville was developed is set out in the Official Plan Review Preliminary Directions Report (May 2006). The Directions Report identifies a number of key issues to be addressed as part of the official plan review process. Among the tasks and issues that the Directions Report identified were:

- The need to establish conformity with the Region's official plan;
- Consideration of the updated forecasts prepared by the Region and as allocated by the Province according to the then-draft *Growth Plan*;
- The need to shift the focus of Oakville planning to more residential infill and intensification reflecting the build-out of the community;
- Examine new trends in the retail sector and the related need to review existing policies for established areas including the Downtown and the historic villages;
- The need to ensure that future growth is balanced with appropriate weight being given to environmental and natural heritage protection.

To address these key issues, the Directions Report examined various sections of the existing official plan and suggested changes and refinements. The report also outlined studies that would be required in order to develop the new plan. It also described Provincial initiatives and provided recommended directions regarding their implementation. In total, some 50 directions were established.

B. SIX DETAILED STUDIES PROVIDED SUBSTANCE TO THE PROCESS

In order to implement the recommended directions and to provide the substance that the planning process requires, the Town commissioned six major background studies. Four of the studies examined areas of Oakville that will be the focus of future growth. These studies were:

- Bronte Village Revitalization Study;
- A Plan for Kerr Village;
- Midtown Oakville Review;
- Uptown Core Review.

In addition, a study of the Town's employment lands was undertaken. The sixth study examined the broad potential for residential intensification of Oakville.

The studies were all comprehensive, thorough and inclusive. As part of their preparation a full range of technical analysis was prepared. Input was obtained from the public, organized interest groups and the development community. The Town made a particular effort to encourage the public to get involved in the process. The results of the six background studies were used to develop the new official plan which is referred to as Livable Oakville.

C. THE LIVABLE OAKVILLE PLAN

The new official plan was provided on May 11 to the Council, along with an comments on the plan received from members of the Council sub-committee, City staff, the Region and public. The new plan addresses all of the directions set out in the Directions Report, with the exception of the plan's time horizon. The Directions Report recommended that the official plan be amended to reflect a horizon of 2021 and the Region's Best Planning Estimates. The proposed plan adopts a horizon of 2031 and the Region's Sustainable Halton forecast allocations.

Like the background studies that led to its preparation, the proposed new plan has been made available for review by the public, agencies and the development industry. For the opportunities for public input will be provided at the statutory Open House on May 21, 2009 and at a statutory Public Meeting on June 2, 2009.

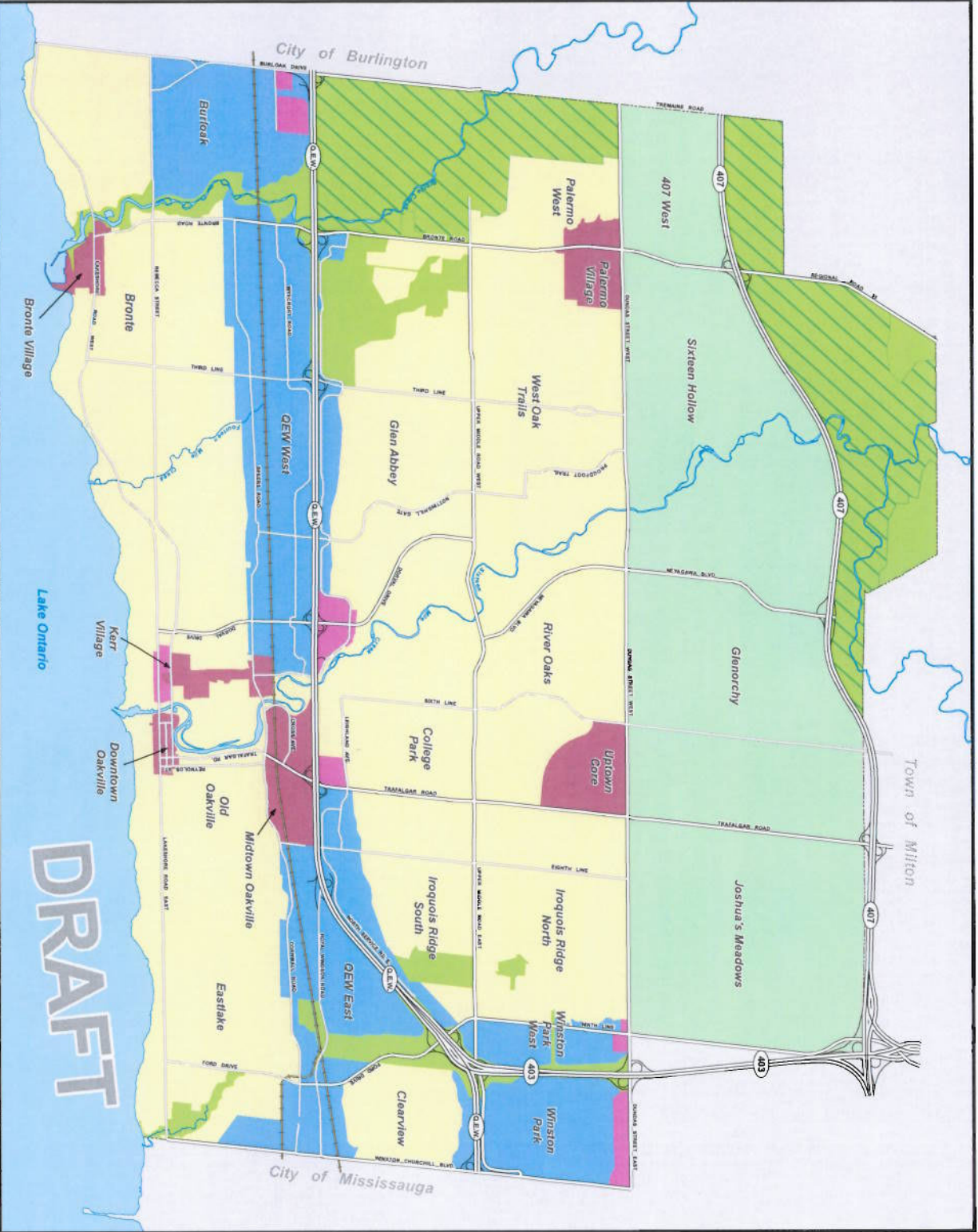
Following this consultation, the proposed new official plan will be considered by Planning and Development Council on Monday June 22, 2008.

The new plan seeks to accommodate growth of approximately 83,000 people and 45,000 jobs by 2031. In doing so Oakville would maintain its activity rate (the ratio of jobs to population in the community) at approximately 50% over the same period.

A central element of the new plan is the proposal that a substantial share of the population growth is to be accommodated through the intensification of existing areas within the built boundary. In particular, it includes the Town's in Midtown core which is designated as Urban Growth Centre. The balance of growth will be accommodated in previously designated greenfield lands particularly in North Oakville.

Growth in employment is to be accommodated on designated employment lands and mixed use areas throughout the community. An emphasis is to be placed on accommodating new jobs through the intensification of existing built-up areas within Oakville.

SCHEDULE A1 URBAN STRUCTURE



DRAFT

- RESIDENTIAL AREAS
- EMPLOYMENT AREAS
- MAJOR COMMERCIAL AREAS
- GROWTH AREAS
- PARKWAY BELT
- GREENBELT
- LANDS NOT SUBJECT TO THE POLICIES OF THIS PLAN
- RAILWAY LINE

NOTE: This Schedule does not represent land use designations



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June 2009

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III THE PLAN TO ACCOMMODATE RESIDENTIAL GROWTH

This section discusses how the Livable Oakville plan addresses Regional population and housing targets set by the *Growth Plan*.

A. THE REGIONAL CONTEXT

The Region of Halton, as part of its conformity with the Growth Plan, is required to accommodate 40% of new residential units within the built boundary after 2015, or during the 2016 to 2031 period. Accordingly, the Town of Oakville has a major role to play in meeting this requirement.

Based on Region-wide growth forecasts, a total of 32,200 units will need to be accommodated inside the build boundary in order to meet the 40% target. Given the scale of this unit objective and the availability of land, it is evident that most of these units (24,100 units or 75% of the total) will need to be in an apartment form. Oakville has been allocated a total 13,500 units. This represents just over 40% of the Regional total to be accommodated within its built boundary.

B. THE FORM THAT RESIDENTIAL GROWTH WILL TAKE

Based on the Region's forecast between 2016 and 2031, the 31,500 unit target will be divided by the unit mix shown below.

Unit Types Required to Achieve Built Boundary Target Town of Oakville 2016 to 2031				Table 1
	Single/Semi	Row	Apartment	Total
Growth Within the Built Boundary Required to Meet <i>Growth Plan</i> 40% Intensification Target	1,400	400	11,700	13,500
Share	10.3%	2.9%	86.7%	100.0%

Source: Tables 10 and 11 from *Sustainable Halton Phase 3 Report 3.07 Accommodating Growth to 2031*.

The housing mix being planned for is clearly dominated by apartments because the built-up areas of Oakville are already largely developed. However, because of the limited quantity of development sites in the built-up area, much of the new development is already in the form of condominium apartments. Consequently, the difference between the current pattern in South Oakville and the future growth has as much to do with the quantity of apartments as it does with the form it will take.

With respect to the future overall mix of housing, the table below sets out the current and projected mix at 2031. It shows that while apartments will constitute a larger share than at present, single family houses will remain Oakville's dominant form of housing.

Table 2				
Change in the Housing Unit Mix Inside Built Boundary, Town of Oakville 2006 versus 2031				
	Single/Semi	Row	Apartment	Total
Housing mix 2006	69%	14%	17%	100%
Housing mix 2031	57%	13%	30%	100%

Source: Tables 10 and 11 from *Sustainable Halton Phase 3 Report 3.07 Accommodating Growth to 2031*

C. WHERE RESIDENTIAL GROWTH IS TO BE ACCOMMODATED

In order to accommodate Oakville's future residential growth needs, the proposed plan identifies six areas as the focus for intensification: three primary intensification areas and three secondary areas. The primary areas are: Midtown Oakville; the Uptown Core; and Palermo Village.

The secondary areas are Bronte Village, Kerr Village and Downtown. In addition, it is anticipated that some scattered infill will occur throughout other residential areas in the community.

The proposed new plan sets out minimum intensification targets for these areas, which are summarized in the table below.

Table 3	
Town of Oakville Proposed New Official Plan Minimum Residential Intensification Targets Within Built Boundary	
Growth Area	Target New Residential Units 2015 to 2031
<u>Primary Areas</u>	
Midtown Oakville	5,900
Uptown Core	4,960
Palermo Village	800
<u>Secondary Areas</u>	
Kerr Village	1,200
Bronte Village	950
Downtown Oakville	80
Town-wide	500
Total	14,390

The intensification target within the built boundary of 14,390 units somewhat exceeds the Region’s intensification target of 13,500 units. As such, Oakville has the potential to achieve its contribution to the Region’s overall management under the Provincial *Growth Plan* vision for growth.

The Provincial *Growth Plan* also addresses policies regarding area within municipalities where growth is to be concentrated. These areas are referred to as Urban Growth Centres (UGC). The Midtown Core has been designated as Oakville’s UGC. Under the *Growth Plan* a specific target is set for the UGC which in the case of Midtown Core is 200 persons and jobs per hectare. The proposed plan addresses this target. In numeric terms the plan for the area is required to accommodate 20,000 people and jobs. The 5,900 planned for residential units address the residential component of this overall target.

D. PLANS REFLECT DISTINCT GROWTH AREA ROLES AND CHARACTERISTICS

The plan sets out objectives, the development concept and growth targets for each growth area. These reflect the role that each area is designed to play within the overall Livable Oakville plan. The plans have been shaped by the characteristics of each area.

1. Primary Growth Areas

Table 4 summarizes the information for the Primary Growth Areas. The Midtown core which is designated as Oakville’s UGC is the largest area. It is where the tallest high-density buildings are planned for. The area is also intended to contain a mix of uses with a significant amount of major offices as well as commercial development. The Uptown core and Palermo Village are also planned as high-density mixed-use area.

Within all three areas “bonusing” is permitted whereby additional development will be permitted where appropriate public benefit contributions are provided.

Table 4			
Summary of Primary Growth Areas Town of Oakville Proposed New Official Plan			
Growth Area	Objectives	Development Concept	Growth Targets
Midtown Oakville	Urban Growth Centre, as identified in the <i>Growth Plan</i> .	High density residential, highest density 8 -20 storeys in the west, declining to 6-12, 4-10 and 2-6 storeys to east. Offices permitted throughout	Combined total of 20,000 residents and jobs. Mix of 5,900 units and 186,000 to 279,000 m ² of commercial and employment (including office) space
Uptown Core	Focus of mixed use and significant civic and public presence.	Mixed use and medium density residential. Limited high density permitted 12-16 storeys with bonusing. Office permitted in most of the area.	Combined total of 19,600 residents and jobs. Mix of 16,600 residents and 3,000 jobs. In some areas requires 15% of GFA provided for office uses.
Palermo Village	Area of primarily high density residential and mixed uses	Mixed use corridor along old Bronte Road, with intention of developing a “Main Street”. Office permitted mainly along Bronte Road.	Minimum of 5,200 residents, with the longer-term objective for a greater population intensity.

2. Secondary Growth Areas

Table 5 provides a summary of the information for the three secondary growth areas. The three areas are more established and therefore more emphasis is to be placed on accommodating growth in ways that are appropriate given the existing environment. Bonusing is proposed for Kerr Village and Bronte Village. The table also shows the proposed treatment of scattered sites.

Summary of Secondary Growth Areas Town of Oakville Proposed New Official Plan			
Growth Area	Objectives	Development Concept	Growth Targets
Kerr Village	Established area with moderate intensification and revitalization potential.	Mainly mixed use, including a Central Business District extending from Downtown Oakville.	Combined total of 6,500 residents and jobs. Mix of 5,000 residents and 1,500 jobs.
Bronte Village	Plan character maintains and enhances historic lakeside village	Revitalize as a mixed use area, with focus on Bronte Village Main Street District	Mix of 4,500 residents and 26,700 m ² of commercial space. Approximately 950 new units and 2,000 new m ² of commercial space.
Downtown Oakville	Oakville's historic business and commercial area.	Maintain Downtown for a broad variety of, well, Downtown type uses.	None. New development is to recognize and enhance existing mix of uses, character and sense of place.
Town-wide	Non-specific infill locations throughout Oakville.	Special Policy Areas including potential residential redevelopment areas, corridors, and a few exceptions.	Combined expectation 500 units.

IV THE PLAN TO ACCOMMODATE NON-RESIDENTIAL GROWTH

This section considers the non-residential aspects of the proposed new plan.

A. EMPLOYMENT TARGETS

Over the period from 2006 to 2031, Oakville is planned to accommodate 45,100 new jobs. This target is in keeping with Regional growth forecast and the objective of maintaining an activity rate (ratio of population to employment) of 50%. During this period employment growth is anticipated to be divided between major employment sectors as shown on Table 6.

Employment Growth by Type								
	Major Office		Pop.-Related		Empl. Land		Total	
	Empl.	Share	Empl.	Share	Empl.	Share	Empl.	Share
Forecast Empl. Growth	15,800	35%	12,400	27%	17,000	38%	45,200	100%

This distribution represents a significant increase in the major office sector share. It is anticipated to increase from a current 11% to 19% of total employment in 2031, and 35% of the growth over the period. As a result, by 2031 the overall employment level and sectoral breakdown is forecast to be as shown on Table 7.

Employment Forecast By Major Type Town of Oakville, 2006 to 2031				
Employment Type	2006	Share	2031	Share
Major Office	8,800	11%	24,600	19%
Population-related	27,300	33%	39,700	31%
Employment Land	46,000	56%	63,000	50%
Total	82,100	100%	127,200	100%

Generally, it is anticipated that Employment Land Employment will continue to be the largest sector with associated requirement for existing employment areas to be protected. Population-related employment is forecast to decline slightly as a share over the period.

B. EMPLOYMENT LAND AREAS

In order to fully accommodate employment growth, the new official plan maintains and protects all currently designated land within the former Employment Districts. These areas are now identified in the new official plan as Employment Areas. The plan contains clear policies to maintain a balance of employment to population. The policies are therefore designed to protect and preserve Employment Areas in order to resist conversion to other uses.

The proposed plan establishes four new designations for the Employment Areas. These are put in place to permit a wide range of business and economic activities within the employment area. The designations are: Office Employment; Business Employment; Industrial; and Business Commercial.

While employment land employment will be the primary use within the areas, according to analysis undertaken by the Region, approximately 65% of the Town's total major office growth is also likely to be accommodated within the Employment Areas. To facilitate this level of growth, employment areas along the QEW and Highway 403 are accordingly proposed as high-profile locations for major office developments. Under this designation, new office buildings containing 10,000 m² or more will be permitted.

C. OPPORTUNITIES FOR MAJOR OFFICE EMPLOYMENT USES

The new plan makes substantial provision for the accommodation of office uses. This supports the employment growth forecasts which anticipate a significant increase in Oakville's share of office employment. In addition to offices being permitted within employment areas, the proposed plan makes provision for offices in other areas of Oakville as follows:

- A substantial area within the Midtown core is designated Office Employment permitting stand alone buildings containing 10,000 m² or more space. This provides a high-profile offices location within Oakville's UGC.
- Office uses are permitted as part of the Mixed Use designation, focussed on lands within the identified Growth Areas. Office buildings are permitted within the Urban Centre and Urban Core designations. Limited office uses are also permitted within the Main Street 1 and Main Street 2 designations as part of low-rise mixed use developments
- Office uses are also permitted as part of the Commercial designation, in particular the Central Business District designation. Offices are permitted in the Core Commercial, Community Commercial, and Neighbourhood Commercial designations, provided that they serve a secondary function and are small in scale.

The key locations for major office development will, as the market studies have concluded, continue to be located along the QEW and 403 corridors. The Town is retaining these locations in the Plan, as well as providing new opportunities in Midtown as supported by the work prepared by Hemson and Altus. Some additional office development opportunities are provided in the Uptown Core, as have been deemed justified by the market report prepared by Cushman Wakefield, with which we concur.

Given that offices are to be permitted within most of the Town's non-residential land designations, the proposed new official plan makes adequate provision to accommodate future office development. The plan also provides the full range of locations and types of office permissions that is sufficient to meet anticipated market demand.

D. POPULATION-SERVING EMPLOYMENT LOCATION OPPORTUNITIES

The new official plan has a focus on growth areas in which mixed-use development is a significant element. This approach is supportive of the requirements of population-related employment. This category of employment largely comprises the retail and commercial uses that are required to support residential growth. A small share — approximately 5% — is likely to locate within employment areas and the Employment Area designations allow for this use.

V MUNICIPAL FISCAL IMPACT

An important consideration for the Livable Oakville plan is the effect it is likely to have on the Town's fiscal position. The plan anticipates a shift in the pattern of growth. With greenfield in South Oakville largely built-out, most new development will be through intensification in six growth areas. Rather than the single family house form that is prevalent in new subdivisions most of the new housing will be apartments. As well, more of the non-residential development in South Oakville is planned to be in an intensified form with a greater share of future employment being accommodated in offices rather than low-density industrial buildings.

Once the growth planned for with Livable Oakville has been achieved, both residential and non-residential employment uses will be at higher densities than currently exist and the pattern of development will have shifted. The key fiscal consideration for the Town is the effect that this more intensified form of development will have on the net capital and operating costs of the Town. In essence, will the services that Oakville provides cost more or less to build and operate given this pattern of development as compared to the pattern that currently exists?

This review provides a high-level assessment of these potential fiscal implications based on a service-by-service examination. The scope of the review has not involved the preparation of detailed financial forecasts. This would require detailed information on future demand forecasts and an assessment of the resulting requirements. This information is not yet available but could be prepared once detailed plans for each of the growth areas have been developed, in the form of an integrated long-range cost of growth forecast.

The review is in three parts. The first provides an assessment of the various factors that affect municipal costs and revenues and how they relate to the more intensified form of development contemplated by Livable Oakville. Both capital and operating aspects are considered. The second part examines each municipal service delivered by the Town in relation to the expenditure and revenue factors that drive them. Finally, the review considers the potential overall fiscal impact taking account of the impacts on each service and their scale in relation to the total municipal budget.

A. COST OF “LINEAR” SERVICES WILL BE AFFECTED, “PEOPLE” SERVICES MUCH LESS SO

The key fiscal issue affecting Livable Oakville is the relative impact that the intensified form of development will have on the net cost of municipal services. Clearly, as growth occurs, both costs and revenues will increase. Under the more intensified form of development future per unit costs will be higher, lower or the same as the current level depending upon the factors that drive each service.

1. Spatial-related Services

Services for which delivery is affected by spatial factors tend to have lower per unit costs as development densities increase. The fire protection is a good example of a service of this type. Fire service delivery requirements are broadly linked to response times which are governed by the travel times between fire stations and the properties they service. Thus, a single fire station can service more units if they are built at a higher density than if in the same area there are fewer units. Accordingly, costs per unit for operating a fire station are generally higher in areas with lower densities.

Road repairs and winter maintenance are other services for which the costs are driven by spatial factors. The length of local roads per person associated with a condominium apartment building is considerably less than for a street containing family houses. Hence, maintenance costs can be lower.

2. “People” Services

The costs of people-oriented services are much less affected by density. For these services per unit costs are driven not by the location of development but by the number of people that growth accommodates. Libraries, recreation facilities and parks are examples of such services.

3. Development Form and Density Can Increase Costs for Some Services

While some services can be delivered more cost-effectively if development is at higher densities new needs may arise because of intensification. Since Oakville will have more apartment buildings and office buildings, a need for additional fire fighting vehicles and equipment specifically designed to service high-rise buildings will arise.

A more complex factor and one that is difficult to gauge in advance of development is the cost impact resulting from a greater intensity of use that some services will be subject to. For example, while the road network will not be expanded at the same rate

as in the past, the intensity of use for the system that is built will likely increase. This in turn will have operating cost implications. Balanced against a change of this type is the likelihood of greater use being made of the Town's transit system which is expected to achieve a higher cost recovery ration as usage increases.

4. Intensified Forms of Development Have Potential to Yield Higher Revenues

The largest source of revenues in Oakville is property taxes. These are driven by assessments and property values. Under an intensified pattern of development property values in general are likely to increase since, with the greater density being contemplated, land values are likely to rise. As well, with a greater proportion of new development being in the form of apartments and office buildings, both of which on a comparative level have high values, assessment generation should be positive compared to current patterns.

Given the higher level of assessment growth that the intensified pattern of development should produce and excluding the effects of inflation and other counterbalancing factors, the Town should be able to maintain tax rates at or below current levels.

At approximately 61%, property taxes represent the Town's largest share of operating revenues. The balance is derived from sources such as fees and charges (38%), internal recoveries (6%) and interest and penalties (6%). These revenue sources are unlikely to be affected by the future pattern of development to any significant extent.

5. Capital Spending Will Be Affected by Growth Pattern

According to the 2009 Budget, capital represents approximately 34% of the Town's total expenditures. Of this amount, approximately 23% is growth-related. With the intensified pattern of development some shifts will occur. Fire protection equipment requirements will likely change and a greater emphasis will be placed on transit. However, for the property taxpayer the impacts of such changes will be small since over 80% of the growth-related capital is funded by development charges (DCs) and the gas tax.

Funding of transit capital through development charges is currently restricted because of legislated rules. This restriction will reduce over time allowing for a greater share to be funded by DCs. Overall, as a share of the total 2009 capital budget, transit represents 10%. The fire protection service is 2.4%. Non-growth-related capital spending represents about 11% of the Town's overall expenditures. The expenditures are required to pay for the ongoing requirements associated with the Town's complete capital inventory.

The new capital assets that will be added to service new growth in South Oakville will have a quite limited effect on the annual non-growth share of the capital budget. This is largely because the new assets will represent only a small share of Oakville's capital assets which the capital budget supports. As well, because the capital assets that will be added to support growth will be new, their need for replacement will be low for an extended period.

B. SERVICE-BY-SERVICE REVIEW

In this part, the programs provided by the Town are evaluated in terms of the comparative impact that the Livable Oakville plan will have on both operating and capital costs.

A number of the programs have similar characteristics and therefore have been grouped.

1. Political Governance

This program encompasses the Mayor's office and the Members of Council. It is heavily people-oriented and would not be affected to any degree by the pattern of development. However, with South Oakville becoming more urban, the issues that arise may shift somewhat. No fiscal impact is anticipated.

2. Corporate-type Services

The grouping encompasses:

- Administrative and Executive Management
- Internal Audit
- Strategy Policy and Communications
- Human Resources
- Regulatory Services
- Financial Services
- Environmental Policy
- Legal Services

These programs are indirectly linked to the Town's other activities in that they provide corporate guidance and support to the programs delivered directly to the community. Financially they would not be directly affected by the pattern of growth.

3. Information System and Solutions and Capital Assets

These two programs largely involve the management and operation of the Town's Information Systems and its building facilities. Both programs are capital intensive. As growth occurs, demands on both services will grow as the scale of the Town's overall operations increases. However, neither program would be materially affected by the pattern of growth.

4. Emergency Services

Service delivery by Oakville's Fire Department will be affected to some degree by both the spatial distribution and forms of growth under Livable Oakville. Because of intensification the service areas will not be as large as they would have been with a lower density of development. However, with more multi-storey apartments planned, additional high rise equipment will likely be required. These balancing factors reduce the potential of a significant fiscal impact. More analysis will be required to fully assess the fiscal impacts.

5. Recreation, Parks and Open Space

These programs are strongly "people"-oriented and fiscally would not obviously be affected one way or another by the pattern of growth. However, two factors may have an effect. Firstly, it is possible that the demand for these services will increase because much of the new development will provide less private open space. This may trigger new residents to make more use of the parks and of the recreation programs. To the degree that the Town chooses to meet the additional program demand and that additional costs are not covered by fees and charges, a net impact would result.

The second factor that arises is the cost of providing additional park space. In preparing detailed growth area plans not only physical but also financial planning will be required. Prudently, the Town has a parks dedication policy which is tied to numbers of units. This can ensure that either in kind or through payments-in-lieu park requirements can be met. However, because of potential time lapses between the receipt of payments and the acquisition of parks costs may rise significantly. Park improvements will continue to be funded through DCs subject to the statutory 10% discount.

6. Library and Culture and Tourism

Library and culture programs are strongly correlated with population growth and less with the pattern of development. As such, there is no reason to anticipate a different fiscal impact from the Livable Oakville plan than from the current pattern of development. Tourism development, the other program component, would also not be affected.

7. Infrastructure Maintenance and Infrastructure Planning and Improvements

Collectively, these programs cover the maintenance, planning, design, construction and operation of the Town's roads and water resource systems. They involve significant operating and capital expenditures. As with the fire service, the intensified form and pattern of development planned for with Livable Oakville will have some physical implications. These in turn will have positive and negative fiscal impacts. On the positive side, the amount of new roads associated with the new development will be lower because of the higher density. This should somewhat reduce the per capita lane kilometre capital ongoing maintenance costs.

However, for the roads there may be some operating maintenance and long-term repair implications resulting from increased usage levels of the roads that are built. This balancing factor will require monitoring in order to determine the overall net impact.

8. Oakville Transit

An increased focus on transit is a key element in the Livable Oakville plan. By increasing transit service car dependency will be reduced. This shift to transit will however have some fiscal impacts. Firstly, capital investment in additional buses, and other capital items cannot be fully recovered through DCs because of lower historic service levels. More positively, it is anticipated that with the pattern of growth planned with Livable Oakville the share of operating costs that will be recovered from ridership will increase. Thus, in an operating basis the new plan will have a comparatively positive fiscal impact.

9. Development-related Programs

These programs are:

- Economic Development
- Building Services
- Planning Services
- Development Services

While Livable Oakville will shift the form and pattern of development that the Town promotes, plans and reviews, this is not expected to have any fiscal implications on the delivery programs, provided that the fees reflect the required complexities of the application.

10. Parking

The Town's parking program involves operation of garages and enforcement of parking regulations. The program is operated on a break-even basis with excess revenues being applied to the Town's operations. With more intensified development a neutral to positive fiscal impact would be anticipated.

11. Corporate Revenues and Expenses

Generally development under the new plan can reasonably be anticipated to generate comparatively high assessments. Factors affecting the Town's revenues, especially property taxes, were discussed earlier in this section. Corporate expenses are largely related to debt, final capital funding much of which is related to internal charges and transfers to reserves. The intensified pattern of growth is not anticipated to affect these activities compared to current pattern.

C. OVERALL ASSESSMENT OF FISCAL IMPACT IS LIKELY TO BE NEUTRAL TO POSITIVE

The 2009 Budget involves a gross expenditure of \$277.2 million taking account of both capital and operating requirements. Of this, \$194.2 million (66%) is related to operating. Of the \$94.3 million, capital budget, \$32 million (34%) is non-growth related. The growth-related share is very largely funded by DCs and other non-tax revenues. As the review of the individual programs has indicated, implementation of the Livable Oakville plan is likely to have relatively minor fiscal impacts on the Town. The nature of many of the Town's programs is such that they would not be affected by the pattern or form of development. Those programs that are likely to experience some impacts are:

- Emergency Services
- Infrastructure (Roads)
- Recreation
- Parks and Open Space
- Transit

Of these, Emergency Services and Roads could benefit from the less dispersed form of development because both services are in part affected by the density of development. The Recreation, Parks and Open Space programs might experience comparatively higher level of demand. However, it will be for the Town to decide whether a higher

level of service is to be provided and if so how it is to be funded. The cost of providing transit service is anticipated to rise. However, the need for and benefit of this service is well understood.

From a revenue perspective the development planned with Livable Oakville will likely generate comparatively high assessment growth. The form of development (more apartments, town houses and office buildings) and the densities at which land will be developed generate high values. This in turn could have a positive influence of the value of the existing base.

In summary, Livable Oakville is likely to have a neutral to positive impact on Oakville's municipal fiscal position. Compared to the current budget pattern, net program costs are likely to increase less than the rate of growth in revenues. The Town's Plan allows for additional community benefits to be provided through bonusing, which we anticipate will allow opportunities for additional services and facilities to be developed without negative fiscal impacts.

VI CONCLUSIONS

The Town of Oakville's proposed new official plan, Livable Oakville, achieves what it set out to do. Working within Oakville's existing context, the plan is updated to account for current conditions and the Regional and Provincial new policy environment. In particular, the plan addresses all of the key issues and major directions that were set out in the Directions Report that led off the process. The most significant element of the proposed plan is the shift in emphasis towards intensification. Also of note is the incorporation of updated policies on environmental protection.

Most importantly, the plan provides for a good balance of employment and residential land use. Significant amounts of growth are planned for within a number of growth areas and key Provincial and Regional planning objectives are achieved both for the UGC target and the creation of complete communities.

Particularly clear policies are provided ensuring that the higher-density residential development will mainly occur in growth areas, and that intensification outside the growth areas is generally not supported. Some change may occur, but the intent of the plan is to clearly limit high-density development outside the growth areas.

The plan also provides strong policies for employment growth and the protection of employment areas. In particular it provides a good range of locations and designations to accommodate office development. Major offices are permitted in a number of forms and locations throughout the community and are considered quite adequate given market demand.

The review of the proposed plan from the perspective of fiscal impacts indicates that the outcome is likely to be fiscally neutral if not positive. Compared to existing patterns of development the more intensive form and development pattern that is proposed has the potential to reduce both capital and operating costs for services that are driven by spatial factors. Roads and emergency services are two key examples.

The more intensified form of growth will likely create additional service needs such as additional transit facilities and fire equipment to address the greater number of high-rise buildings. While the future road network may not be expanded greatly, it will be subject to high use levels. Recreation program and parks may also be in greater demand with the more limited amount of private open space. However, these potential capital and operating costs pressures are not considered significant within the overall context of Oakville's financial operations. From a revenue perspective, the more intensive forms of growth particularly condominium apartments and office buildings can reasonably be expected to generate comparatively high assessments.

This assessment growth would likely more than offset the additional costs of providing municipal services to new development.

Livable Oakville, while it will not change the town's character, does represent a significant shift in terms of the type of growth that will occur in the next two decades compared to the previous period. The new pattern of growth will therefore warrant careful monitoring. Among the factors that should be tracked are:

- The rate at which the various growth elements are occurring.
- To what degree is the balance between population and employment is being maintained.
- The level of assessment generation from the different forms of development.
- To what extent are capital and operating costs being affected by the new growth areas.
- Do the demands on Town programs from the new growth areas differ from the demands in other areas.