THE BLUE PRINT

OFFICIAL PLAN REVIEW

Growth Allocations & Fiscal Impact Report

Parcel

May 2022

PREPARED FOR:

The Corporation of the Town of the Blue Mountains

32 Mill Street, Thornbury, ON, N0H 2P0

PREPARED BY:

Parcel Economics Inc.

30 Wellington Street West, #500, Toronto, ON, M5L 1E2

info@parceleconomics.com

416-869-8264

May 19, 2022

2022-0031

This report is available in alternative formats upon request.

Cover Image: Google Earth

Table of Contents

Table of Figures

Executive Summary

The Town of the Blue Mountains ("Blue Mountains" or "the Town") is updating its Official Plan. Over the past years, the Town has been experiencing an influx of permanent and seasonal growth which is expected to continue due to demographic changes, technological changes and the physical attraction of the Town. The Official Plan sets the foundation for where and how this growth is to occur.

Parcel Economics Inc. ("Parcel") has been retained to complete a *Growth Allocations and Fiscal Impact* report, which is being prepared as part of the Growth Management Strategy for the Official Plan Five Year Review. Our role in the assignment has been to provide background information on growth trends in the Town, which will be considered and evaluated through updated Official Plan policy direction, as highlighted in the *Housing Background Paper* and *Density and Height Background Paper*.

In the following *Growth Allocations and Fiscal Impact* report, we have:

1. Reviewed the population, dwelling (permanent and seasonal) and employment forecasts allocated to the Blue Mountains in the draft County of Grey Official Plan Amendment No. 11 ("OPA 11") to determine if they are reasonable and consistent with past and potential future growth trends.

2. Allocated the population, dwelling units and employment growth forecasts to the various settlement areas in the Blue Mountains. These allocations have relied on a multitude of factors, including historical growth trends, active development applications, vacant lands not under application, build-out potential in the Water Master Plan, wastewater treatment capacity and the timing of projects contained in the Blue Mountains development charges background study. In addition to these factors, the Town, through its Official Plan review process may also consider directing a more intensified and diverse range of housing growth to the Primary Settlement Area, as required by the Provincial and County policy.

3. Finally, recognizing there are various options for accommodating growth in the Blue Mountains, we have prepared a high-level comparison of how three different development scenarios impact municipal finances, lifecycle infrastructure costs and land needs. This fiscal impact is intended to help aid in the understanding of what options the Town has to accommodate growth, and the impacts of each scenario.

The following summarizes the findings in this *Growth Allocations and Fiscal Impact* report:

Growth Forecasts

- The County of Grey Growth Management Strategy ("GMS") allocates 6,750 new residents in 3,590 new households to the Blue Mountains by 2046. This rate of growth is well above the 20-year average in the Town, but is a slower rate than experienced in the more recent 2016 to 2021 period.
- Similarly, household growth is forecast to exceed the average over the last 20 years. However, the forecast mix of dwelling units is expected to be similar to past growth trends, with low-density units accounting for the majority of unit growth.
- After peaking at approximately 3,300 units in 2011, the number of recreational seasonal dwelling units in the Town has declined over the past decade. The GMS forecasts a net decline of an additional 80 seasonal dwellings to 2046. However, recognizing the uncertainty in forecasting demand for seasonal units, it will be important for the Town to ensure there is a sufficient supply of land available to accommodate potential changes to preferences in demand for these types of units.
- Overall, the growth forecasts allocated to the Blue Mountains by Hemson under OPA 11 appear to be reasonable, as they plan for a rate of growth that takes into consideration historical growth trends, as well as recent stronger demand for housing.

Allocation of Growth to 2046

- Since 2006, the majority of growth in the Town has been accommodated in the Craigleith, Blue Mountain Village + Swiss Meadows and Camperdown + Lora Bay collection of settlement areas. Similarly, these same settlement areas have accommodated the majority of new seasonal dwellings.
- There are currently over 4,500 units in the Town's development pipeline, the majority of which are approved or approved with conditions. These units within approved applications exceed the dwelling unit growth allocated to the Town in OPA 11 (3,590 new households).
- Craigleith, Blue Mountain Village + Swiss Meadows will likely continue to be the focus of future development in the Town to 2046 based on past growth trends, with Castle Glen accounting for a portion of future growth once units begin to develop. However, the Town's focus area for growth should also be the Primary Settlement Area of Thornbury/Clarksburg, as directed by County policy. The *Housing Background Paper and Height and Density Background Paper* will provide updated Official Plan policy direction regarding the location of future growth and how it can be accommodated.
- Across the settlement areas, there is anticipated to be nearly 3,100 units of remaining land capacity by 2046. Therefore, if demand for primary residences or seasonal recreational dwelling units is stronger than forecast in

OPA 11, there is still an opportunity to accommodate this growth within the existing settlement area boundaries.

- Based on information provided by the Town, the dwelling unit forecasts to 2046 could also be accommodated within the water supply capacity of the Town, as well as the design capacity of the two wastewater treatment plants.

Fiscal Impact Analysis

- To help inform the discussion on how growth can be accommodated in the Town to 2046, we have prepared a fiscal impact analysis to evaluate the impact of three development scenarios in municipal finances. These scenarios include a low-density, medium-density and high-density development, each capable of accommodating 500 persons.

- Based on this high-level fiscal impact analysis, the medium-density and high-density scenarios is expected to have the largest annual fiscal surplus for the Town. In the low-density scenario, the higher lifecycle replacement costs are expected to weigh on municipal finances.

1.0
Growth Forecasts

Key Findings

- The County of Grey Growth Management Strategy (2021) allocates 6,750 new residents in 3,590 new households to the Blue Mountains by 2046.
- Over the next 25 years, Blue Mountains is forecast to average 270 new residents annually, well above the Town's 20-year average of 168 new residents annually.
- Similarly, household growth is forecast to exceed the average over the last 20 years. The forecast mix of dwelling units is expected to be similar to past growth trends, with low-density units accounting for the majority of unit growth.
- After peaking at approximately 3,300 units in 2011, the number of recreational seasonal dwelling units in the Town has declined over the past decade. The GMS forecasts a net decline of an additional 80 seasonal dwellings to 2046.
- Employment in the Town grew by 1,470 jobs or 55% from 2001 to 2016. The GMS allocates an additional 1,610 jobs to the Blue Mountains to 2046, nearly 75% of which will be population related jobs.

The purpose of this section of the report is to evaluate the population, housing and employment forecasts contained within Amendment No. 11 to the County of Grey Official Plan (OPA 11) in comparison to historical and recent growth trends in the Town.

OPA 11 is intended to, in part, extend the planning horizon of the County Official Plan to 25 years, consistent with Policy 1.1.2 of the Provincial Policy Statement ("PPS"). The permanent population, household, employment and seasonal recreational unit growth forecasts to 2046 are based on the Update to the County of Grey Growth Management Strategy (the "GMS") completed by Hemson Consulting Ltd. ("Hemson") in July 2021.

The GMS includes forecasts for the Town of the Blue Mountains. Based on these forecasts, the Town is forecast to reach a permanent population of 16,300 persons by 2046, a growth of 6,750 persons. This new population will be accommodated in 3,590 new households. At the same time, the number of seasonal recreational units is estimated to decline by 80 units between 2021 and 2046. The municipality is also expected add 1,610 new jobs over the forecast horizon.

The following sections compare these forecasts to historical and recent trends in the municipality.

1.1 Permanent Population Growth

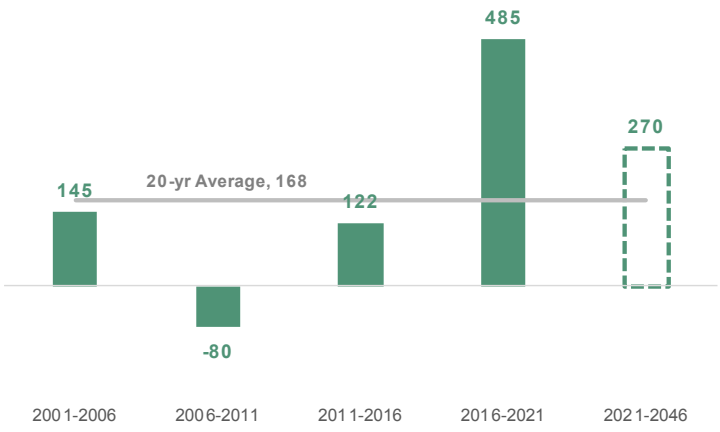
The GMS allocates 28% of the County's population growth to the Blue Mountains to 2046 or 6,750 new residents. This amounts to some 270 new residents annually. As shown in Figure 1.1, while permanent population growth of 270 residents per year is slower than the rate of growth experienced during the 2016-2021 period, it still remains above the 20-year trend of approximately 170 new residents per year.

The forecasts in the GMS assume that despite the disruptions associated with COVID-19, growth in the Grey County—including the Blue Mountains—will return to what was anticipated pre-pandemic. However, the GMS does recommend the forecasts be monitored closely.

In our view, the population forecast for the Blue Mountains seems reasonable in the face of the uncertainty regarding the long-term impact that the COVID-19 pandemic could have on migration trends. As noted in the GMS, migration to Grey County and the Blue Mountains was rising prior to the pandemic, as early retirees settled in the community and younger households sought more affordable housing options than are available in the Greater Toronto Area ("GTA"). Therefore, the population allocation to the Blue Mountains of 270 new residents per year does reflect an increase over average annual growth experienced between 2001 and 2016, but somewhat slower population growth than experienced in the most recent Census period between 2016 and 2021.

Figure 1.1

Permanent Population Annual Growth – The Blue Mountains



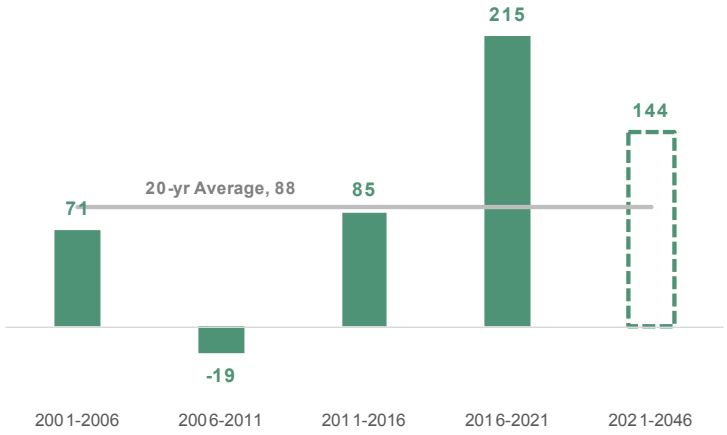
Source: Parcel, based on Census of Canada data (various years) and the County of Grey Official Plan Amendment No. 11.

1.2 Household Growth by Dwelling Type

Consistent with the population allocation, OPA 11 allocates nearly 30% of household growth, or 144 new households per year (excluding seasonal recreational units) to the Blue Mountains (Figure 1.2). This rate of growth is higher than experienced during the 2001-2016 period. Due to the older demographic profile of the Blue Mountains—57% of the population was age 55 and over as of 2021, in comparison to the provincial average of only 33%—the number of persons per unit is expected to decline through the forecast period. This will, in part, drive relatively strong demand for housing, as older households typically have smaller household sizes. In fact, based on the forecasts in the GMS, the number of persons per unit is forecast to decline from 2.21 persons per unit in 2021 to 2.04 persons per unit in 2046.

Figure 1.2

Household Annual Growth – The Blue Mountains



Source: Parcel, based on Census of Canada data (various years) and the County of Grey Official Plan Amendment No. 11.

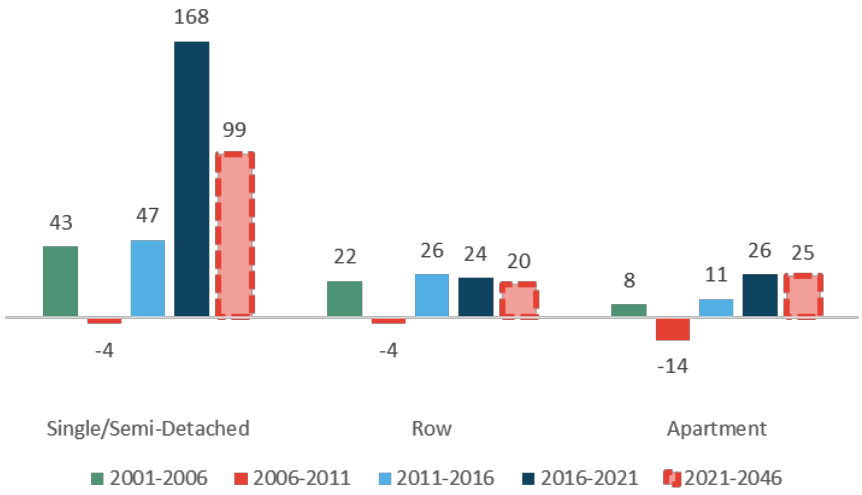
The household growth by dwelling type in the GMS anticipates that demand for new housing will be consistent with past trends in the Town. As shown in Figure 1.3, during the 2021-2046 forecast period, single and semi-detached units are expected to account for nearly 70% of household growth by dwelling type. As shown, while demand for single and semi-detached units is expected to be stronger than past trends (99 units per year, in comparison to the 20-year average of 64 units per year), household growth in row and apartment units is forecast to be consistent with past trends.

It is possible that demand for row and apartment units in the Town could be stronger than forecast in the GMS, due to a combination of affordability and demographic factors. For example, similar to many markets across Southern Ontario, housing prices in the Blue Mountains have increased significantly in recent years. These higher house prices could result in some families purchasing a row unit, rather than a single-detached unit due to affordability. Further, there could be stronger demand for apartment units due to demographic factors. There is a modest propensity for people over 75 years of age to move out of single-detached housing and into apartment units. As noted earlier, the Blue Mountains has a relatively high share of its population age 55 and over. This could result in stronger demand for apartment units than has been experienced in recent years.

The shift to row and apartment units is already evident in the Town's development pipeline where approximately 29% of units under application are row units and 17% are apartment units. This is in comparison to the household growth forecasts than anticipate that 14% of household growth will be in row units and 17% of household growth will be in apartment units. Therefore, it will be important for the Town to plan for this uncertainty in demand for housing, as well as by dwelling type.

Figure 1.3

Average Annual Household Growth by Dwelling Type – The Blue Mountains



Source: Parcel, based on Census of Canada data (various years) and the County of Grey Growth Management Strategy (2021).

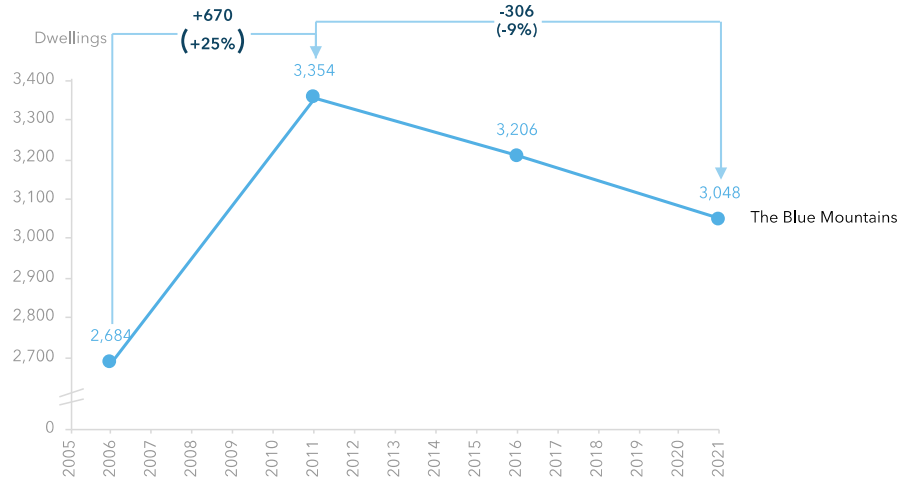
1.3 Seasonal Recreational Unit Growth

As of the 2021 Census, the Town has some 3,048 dwellings not occupied by usual residents, the majority of which are used by seasonal residents. Most can be found in the Craigleith, Blue Mountain Village + Swiss Meadows settlement areas, in proximity to the ski hills where the majority of the net new seasonal dwellings have been built over the last 15 years.

Although overall seasonal dwellings have increased across the Town since the 2006 Census, they have been on the decline in recent years, likely as their owners make them their primary residence upon retiring or sell them to end users. As illustrated in Figure 1.4, the Town added some 670 seasonal dwellings between 2006 and 2011 (i.e., 134 dwellings annually). However, since 2011, over 300 dwellings have been converted to primary residences. Interestingly, this trend of converting seasonal dwellings to primary residence can be seen across all settlement areas in the Town, including the Craigleith + Swiss Meadows Service Area where more than half of the seasonal dwellings are located.

Figure 1.4

Unoccupied Dwelling Units



Source: Parcel, based on the 2006, 2011, 2016, and 2021 Census.

OPA 11 forecasts that the number of seasonal recreational units will decline by 80 dwellings from 2021 to 2046. Although this is below the average of 13 net new seasonal dwellings created annually across the Town since 2001, it is less of a decline than observed in recent years (i.e., since 2011) and essentially represents a levelling off of the number of seasonal recreational units in the Town.

There is uncertainty in forecasting demand for seasonal dwelling units, as it is based on a multitude of factors, including demographics, interest rates, general economic conditions, personal preferences, etc. Therefore, we have considered the seasonal recreational unit forecast in OPA 11 in the context of potential broader demand for second homes in southern Ontario.

Parcel has prepared seasonal recreational dwelling unit forecasts based, in part, on a 2021 survey of multiple property owners across the GTA[1] and population forecasts from the Ontario Ministry of Finance. Based on these forecasts, which consider the share of the population that own multiple properties that they occupy at least part of the time (e.g. seasonal residences), the Town could add 700 seasonal dwellings to 2046 (28 units annually). To put this in perspective, Table 4 in *Recolour Grey, County of Grey Official Plan* had previously forecast that the Blue Mountains would add 1,050 seasonal recreational units between 2011 and 2036, or 42 units per year. The difference in these forecasts highlights the uncertainty in forecasting demand for seasonal recreational units and the importance of ensuring there is a sufficient supply of land available to accommodate changing preferences in demand for these types of units.

[1] Royal LePage 2021 Secondary Properties Report survey 500 Greater Toronto Area residents in June 2021.

1.4 Employment Growth

From 2001 to 2016, employment in the Blue Mountains grew by 1,470 jobs or 55%[2]. However, employment has not grown across all industries, as illustrated in Figure 1.5. The accommodation and food services industries far and away experienced the largest growth over the period, whereas the construction and manufacturing industries experienced the majority of the decline.

Figure 1.5

Employment Growth / (Decline) in The Blue Mountains by NAICS Industry, 2001 - 2016

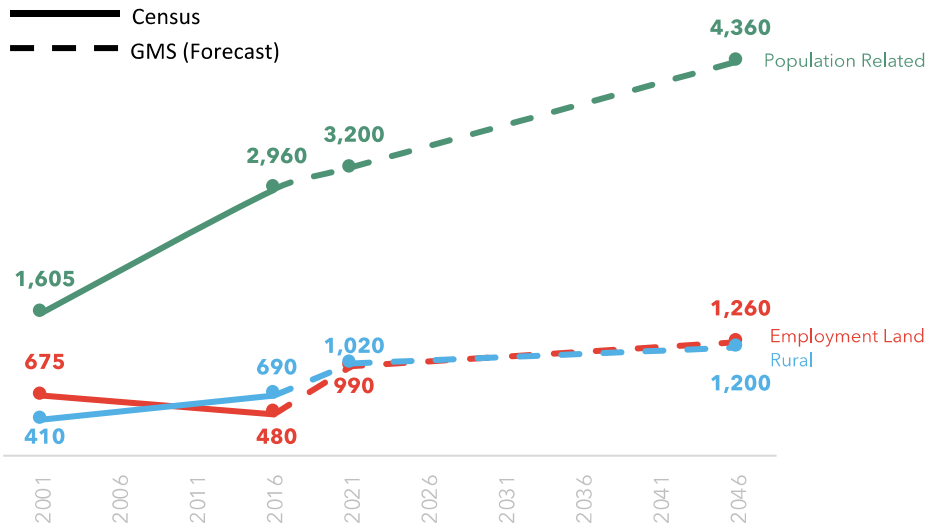
Source: Parcel, based on Statistics Canada 2001 and 2016 Census data.

[2] Based on Statistics Canada 2001 and 2016 Census data. Employment data from the 2021 Census has yet to be released.

Employment in the County is forecast to grow by some 8,680 jobs or 20% to 2046 according to OPA 11. Based on the GMS, nearly half of this growth will be in population related industries (i.e., employment which primarily serves local residents, both permanent and seasonal, as well as tourists). Approximately 18% of forecast employment growth or 1,590 jobs have been allocated to Blue Mountains in OPA 11, nearly three quarters of which are forecast to be in population related industries. This allocation is reasonable given the Town's tourism and recreational industries. Figure 1.6 illustrates the historical and forecast employment based on past Censuses and the County GMS.

Figure 1.6

Employment by Land Use in The Blue Mountains.



Source: Parcel, based on the 2001 and 2016 Census, and the County of Grey Growth Management Strategy (2021).

As detailed in Figure 1.6, the Town is forecast to add 1,160 population related jobs, 270 employment land jobs and 180 rural jobs by 2046. Based on the employment densities assumed in the *County of Grey 2021 Development Charges Background Study* and typical development characteristics of the various types of non-residential buildings, we have estimated that the Town's employment growth will absorb some 34 hectares of land within the various settlement areas in addition to 18 hectares outside of settlement areas. Within the settlement areas, this includes 23.2 hectares of population related lands, 10.8 hectares of employment land.

2.0

Allocation of Growth to 2046

Key Findings

- Since 2006, the majority of growth has been accommodated in the Craigleith, Blue Mountain Village + Swiss Meadows and Camperdown + Lora Bay collection of settlement areas. Similarly, these same settlement areas have accommodated the majority of new seasonal dwellings.
- There are currently over 4,500 units in the Town's development pipeline, the majority of which are approved or approved with conditions. These units within approved applications exceed the household growth allocated to the Town in OPA 11 (3,590 new households).
- Craigleith, Blue Mountain Village + Swiss Meadows will likely continue to be the focus of future development in the Town to 2046, with Castle Glen accounting for a portion of future growth once units begin to develop.
- The Town's focus area for growth should also be the Primary Settlement Area of Thornbury/Clarksburg, as directed by County policy. The *Housing Background Paper and Height and Density Background Paper* will provide direction regarding how this growth can be accommodated in the Primary Settlement Area.
- Across the settlement areas there is anticipated to be nearly 3,100 units of remaining land capacity by 2046. Therefore, if demand for primary residences or seasonal recreational dwelling units is stronger than forecast in OPA 11, there is still an opportunity to accommodate this growth.
- Based on information provided by the Town, these forecasts to 2046 could also be accommodated within the water supply capacity of the Town, as well as the design capacity of the two wastewater treatment plants.

To assist in planning for new growth, this section of the report allocates population and dwelling unit growth to the various settlement areas in the Town, as well as the recreational resort area and rural area. These forecasts have been summarized by a grouping of settlement areas in the Blue Mountains.

In allocating growth to the various settlement areas in the Blue Mountains, we have relied on a multitude of factors, including historical growth trends, active development applications, vacant lands not under application, build-out potential in the Water Master Plan, wastewater treatment capacity and the timing of projects contained in the *Development Charges Background Study, Town of the Blue Mountains*, prepared by Hemson in June 2019.

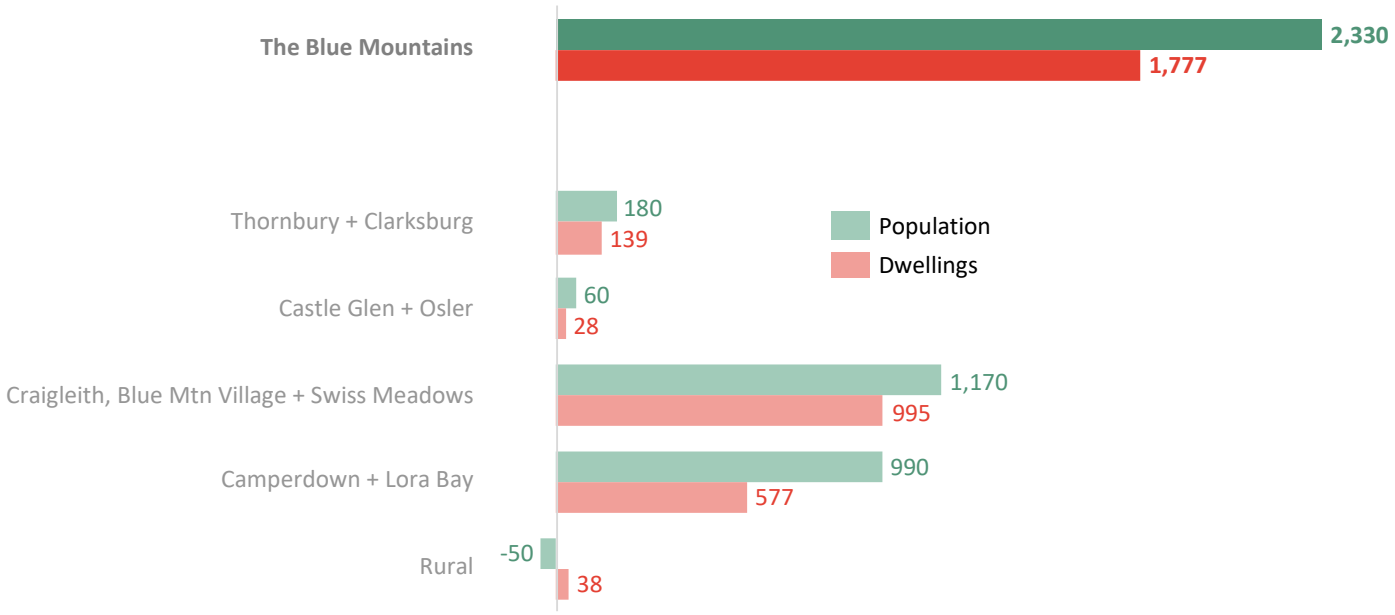
2.1 Historical Population and Dwelling Growth by Service Area

As shown in Figure 2.1, the Town added 118 new dwellings annually since the 2006 Census, nearly three quarters of which were in the settlement areas of Craigleith, Blue Mountain Village + Swiss Meadows and Camperdown + Lora Bay.[3] Over this same period, the population in the settlement areas of Castle Glen + Osler appear to have been relatively unchanged, while the Thornbury + Clarksburg Service Area grew slightly at around 0.5% annually. The settlement areas including Craigleith, Blue Mountain Village + Swiss Meadows and Camperdown + Lora Bay accounted for 93% of the Town's population growth over the period.

[3] For the purposes of allocating historical growth to the various settlement areas, Parcel has approximated this growth based on Dissemination Area boundaries in the Census of Canada.

Figure 2.1

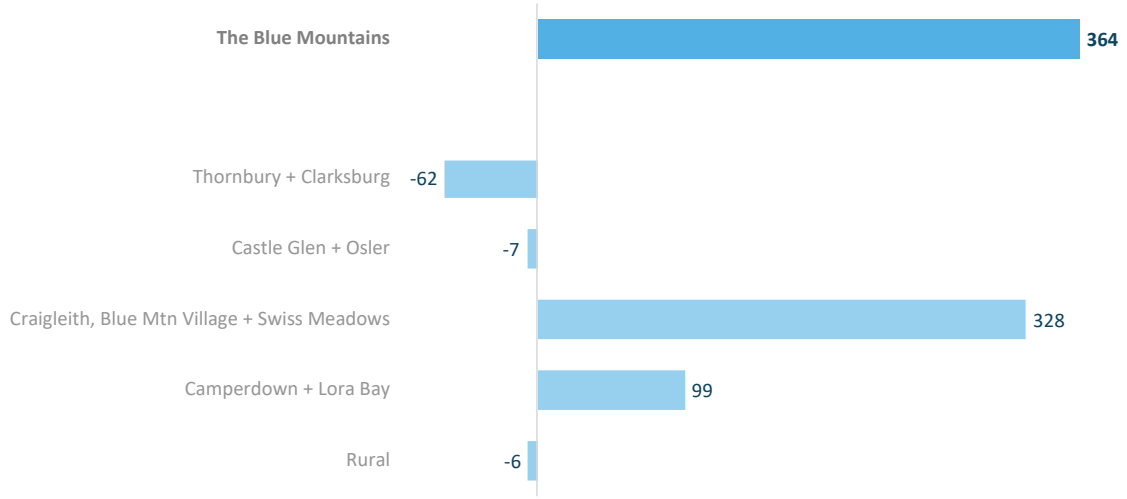
Population + Dwellings Growth by Settlement Area (2006 - 2021)



Source: Parcel, based on the 2006, 2011, 2016, and 2021 Census. Adjusted for net undercoverage.

Figure 2.2 illustrates an estimation of the growth / decline in seasonal dwellings in the settlement areas since the 2006 Census. Unsurprisingly, settlement areas in proximity to the ski hills and waterfront accounted for all of the growth in seasonal recreational dwellings, while there was a slight decline in the other areas.

Figure 2.2
Growth/Decline in Seasonal Dwellings (2006 – 2021)



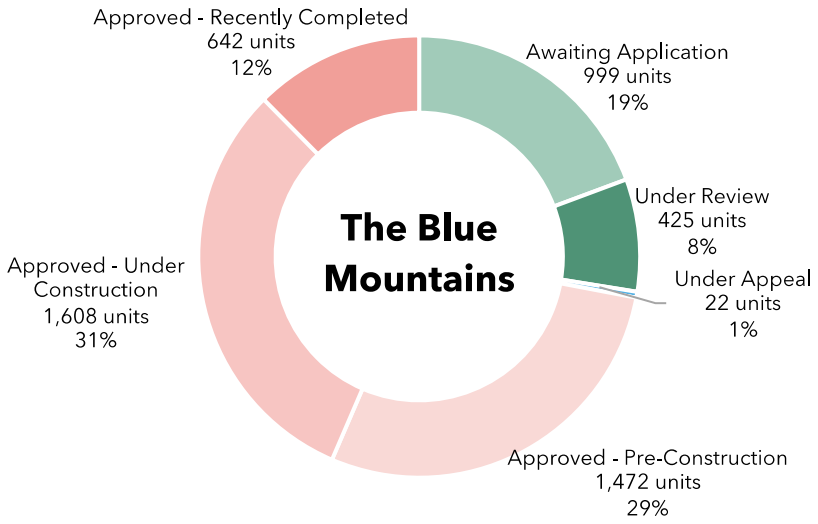
Source: Parcel, based on the 2006, 2011, 2016, and 2021 Census.

2.2 Development Pipeline

Based on information provided by the Town, there are currently over 4,500 units in the development pipeline. As shown in Figure 2.3, the majority of these units are either approved or approved with conditions. In addition to these units under application, there is also potential to accommodate new housing on vacant lands designated for residential purposes, but have yet to receive a development application and potential intensification sites. To put this in perspective, OPA 11 forecasts growth of 3,590 new households in the Town between 2021 and 2046. Therefore, the Town has more than a sufficient supply of housing to accommodate forecast growth to 2046.

Figure 2.3

Development Pipeline – Total Dwellings



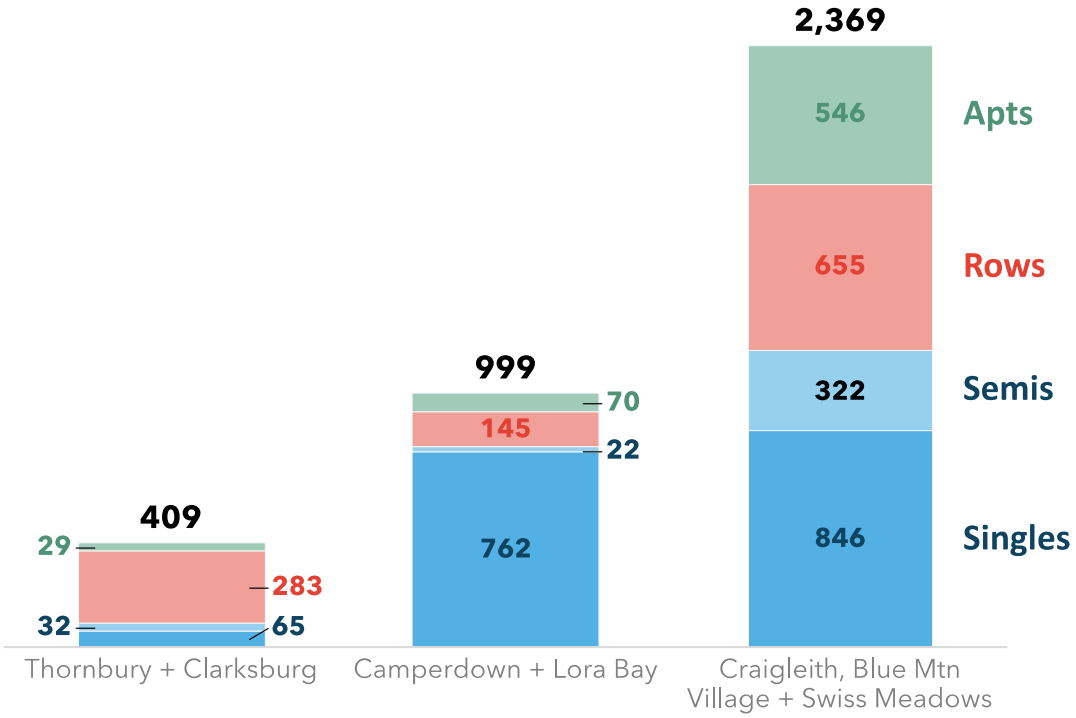
Source: Parcel, based on development application data provided by the Town of The Blue Mountains.

We have also reviewed the available data of proposed dwellings by type across the settlement areas[4]. Across the Town, singles and semis represent the majority of units in the development pipeline at 54% of the proposed units. Row units account for 29% of units in the development pipeline, while apartment units the remaining 17%. As shown in Figure 2.4, Craigleith, Blue Mountain Village + Swiss Meadows continues to be the main focus of future residential development in the Town with more than half of the proposed single-detached, semi-detached and apartment units. Craigleith, Blue Mountain Village + Swiss Meadows also accounts for nearly 60% of row units and 85% of the apartments under application.

[4] Breakdown of proposed dwellings by type was not available for all proposed developments, particularly those marked *Awaiting Application*.

Figure 2.4

Development Pipeline by Settlement Area + Dwelling Type



Source: Parcel, based on development application data provided by the Town of The Blue Mountains. **No dwelling units currently with active applications in the Castle Glen + Osler settlement areas and rural area.**

2.3 Allocation of Growth by Settlement Area

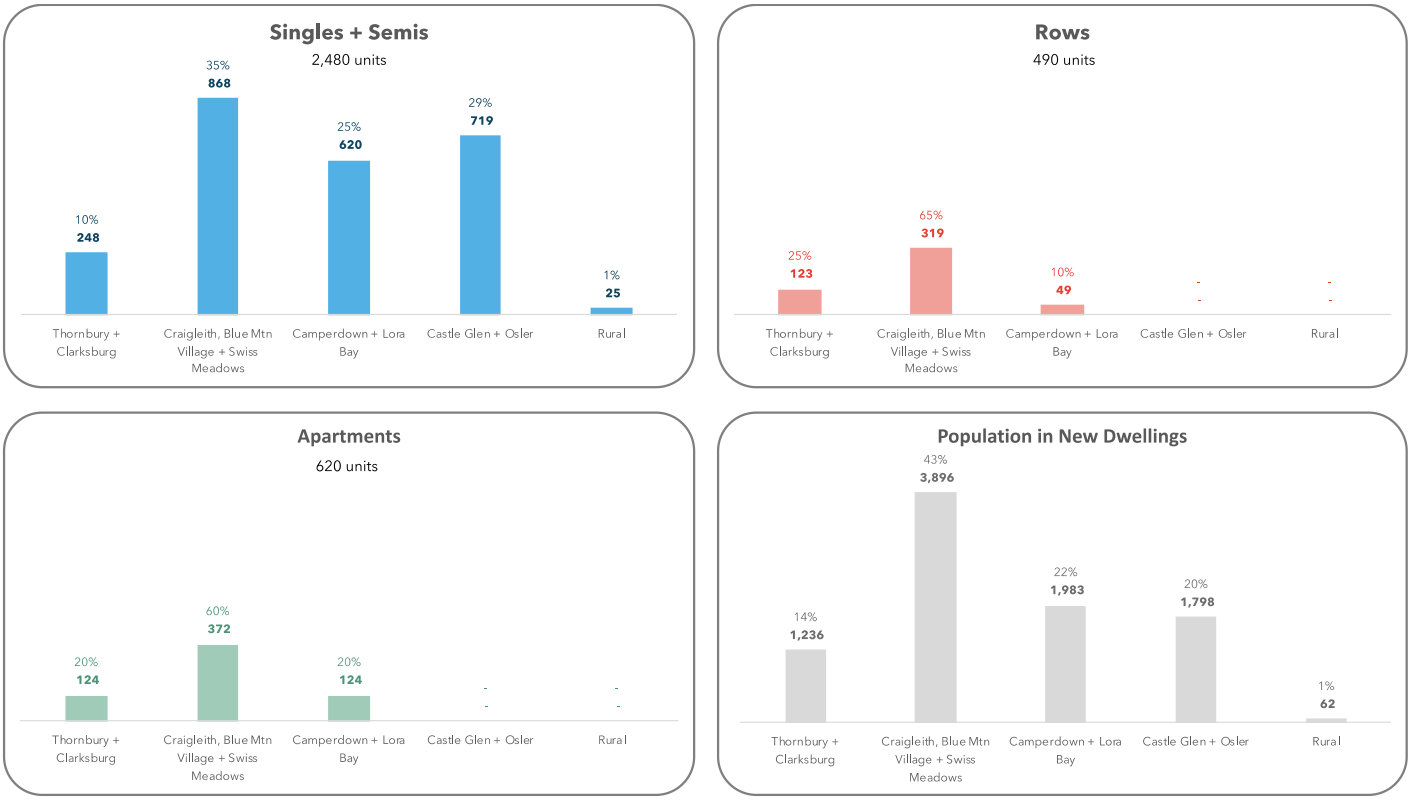
Residential Growth Allocation

Based on the historical growth / decline of population and dwellings across the County and the Town, the Town's existing development pipeline, existing supply of vacant lands, as well as the Water Master Plan, wastewater treatment capacity and the timing of projects contained in the *Development Charges Background Study, Town of the Blue Mountains,* we have allocated the Town's forecast growth to 2046 from OPA 11 to the various settlement areas.

As illustrated in Figure 2.5, we have allocated the housing forecasts by dwelling type in the GMS to the Town's settlement areas, as well as the rural lands. As OPA 11 forecasts the number of seasonal recreational dwelling units to decline between 2021 and 2046, we have not allocated this forecast to the settlement areas. As shown in the bottom right corner of Figure 2.5, the Craigleith, Blue Mountains Village, Swiss Meadows Settlement Area is anticipated to account for the largest share of population growth, followed by Camperdown and Lora Bay. It is anticipated that by 2046 the Castle Glen Settlement Area will begin to develop and that a portion of these units will be absorbed over the planning horizon. Going forward, the Town's focus area for growth should also be the Primary Settlement Area of Thornbury/Clarksburg, as directed by County policy. The *Housing Background Paper and Height and Density Background Paper* will provide updated Official Plan policy direction regarding the location of future growth and how it can be accommodated.

Figure 2.5

Allocation of Forecast Growth in Dwellings to 2046 by Settlement Area



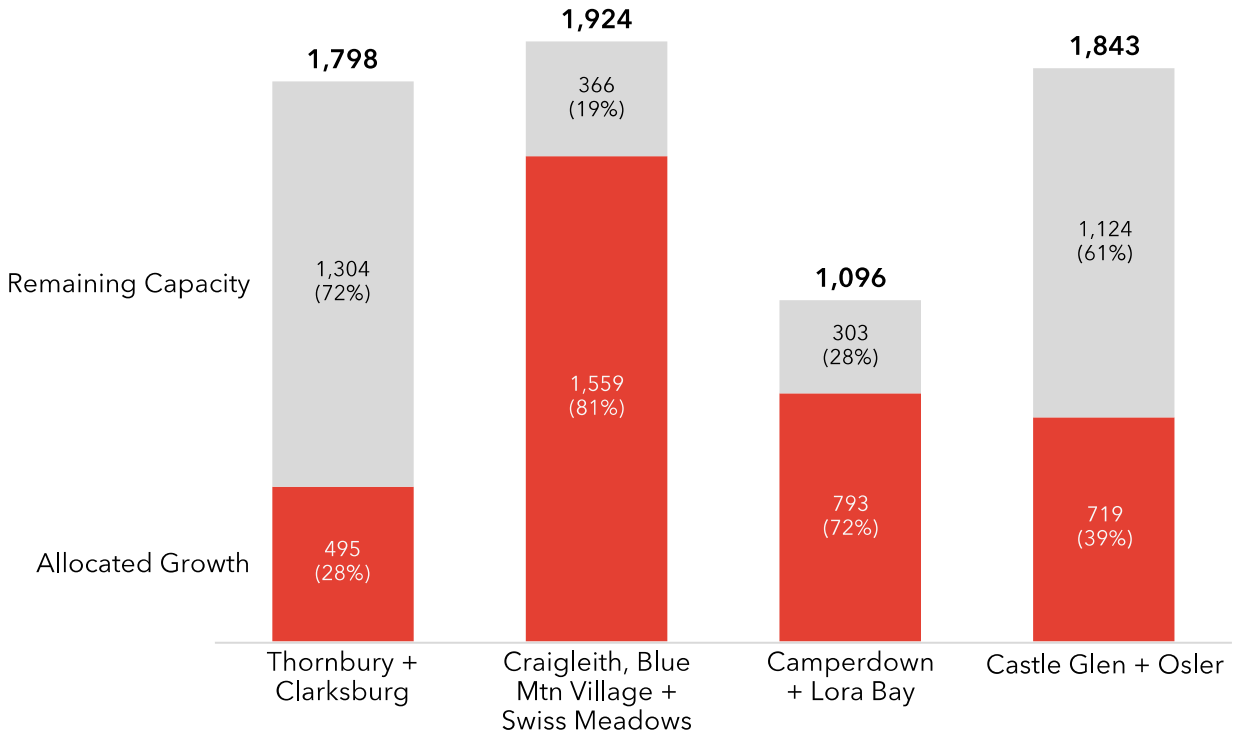
Source: Parcel

Figure 2.6 compares the dwelling unit forecast to the build-out unit potential within the various settlement areas. Where the build-out unit potential includes units within the development pipeline, as well as units that could be accommodated on vacant designated lands not under application and intensification potential.

As shown, based on these forecasts there is anticipated to be remaining unit capacity in each of the settlement areas. Across the settlement areas there is anticipated to be nearly 3,100 units of remaining land capacity by 2046. Therefore, if demand for primary residences or seasonal recreational dwelling units is stronger than forecast, there is still an opportunity to accommodate this growth within the existing settlement area boundaries. Based on information provided by the Town, these forecasts to 2046 could also be accommodated within the water supply capacity of the Town, as well as the design capacity of the two wastewater treatment plants.

Figure 2.6

Remaining Capacity by Settlement Area (Post 2046)



Source: Parcel, based on land supply data provided by the Town of The Blue Mountains and SGL Planning.

Employment Growth Allocation

Based on land supply information provided by SGL, the Town has some 56.6 hectares of employment lands in Camperdown which are currently vacant. We note this is significantly more than the amount of land required to accommodate growth in employment land industries to 2046. Additionally, some employment growth will be accommodated through intensification of occupied employment and commercial lands as existing businesses expand.

We note that the majority of future population related businesses are likely to locate outside of employment areas in proximity to future population growth on the various types of commercially designated lands. Figure 2.7 allocates the population related job growth and the associated land needs by settlement areas.

Figure 2.7

Population Related Employment Allocation by Settlement Areas

Source: Parcel, based on the population growth allocations in Figure 2.5.

3.0

Fiscal Impact Analysis

Key Findings

- To help inform the discussion on how growth can be accommodated in the Town to 2046, we have prepared a fiscal impact analysis to evaluate the impact of three development scenarios in municipal finances.
- These scenarios include a low-density, medium-density and high-density development, each capable of accommodating 500 persons.
- Based on this high-level fiscal impact analysis, the medium-density and high-density scenarios is expected to have the largest annual fiscal surplus.
- In the low-density scenario, the higher lifecycle replacement costs are expected to weigh on municipal finances.

There are various options for accommodating forecast population growth in the Blue Mountains. As described in the previous section, the GMS anticipates that single-detached units will account for the majority of dwelling unit growth to 2046, consistent with historical trends. However, with the initiation of the *Thornbury Density and Intensification Study*, the Town is also exploring options for accommodating more high-density housing in the community.

When evaluating how the Town will accommodate future growth by dwelling type (i.e. low-density, medium-density and high-density) it is important to also understand the impact that each of these forms of housing has on municipal finances and land needs.

The purpose of this section of the report is to provide a high-level comparison of how three different forms of housing impact municipal finances, lifecycle infrastructure costs and land needs. As such, we have prepared three growth scenarios to illustrate the balance between housing types and density with land needs, infrastructure lifecycle costs, forecast assessment revenue and other financial impacts.

While the fiscal impact analysis in this section of the report is high-level and context specific, it is intended to help aid in the understanding of what options the Town has to accommodate growth, and the impacts of each scenario.

3.1 Growth Scenarios

In preparing the fiscal impact analysis, we have prepared three high-level growth scenarios in conjunction with SGL. These growth scenarios are outlined in Figure 3.1. As shown, each of these scenarios are a hypothetical neighbourhood that could accommodate 500 persons in various forms of housing.

In determining the number of housing units that would be required to accommodate 500 persons, we have relied on persons per unit (PPU) factors.

As shown, **Scenario 1** assumes the development of a low-density neighbourhood with 190 units. This new neighbourhood would require 12.7 hectares of land, based on a density of 15 units per hectare.

In **Scenario 2**, 265 medium-density (townhouse) units would be required to accommodate a population of 500 persons. Based on a density of 40 units per hectare, 6.6 hectares of land would be required, which is about half the amount of land that would be required in the low-density scenario. The relative scale of development is summarized in Figure 3.2.

Scenario 3 is the highest density scenario evaluated. It assumes that 331 units would be required to accommodate 500 persons. Based on a density of 100 units per hectare, a total of 3.3 hectares of land would be required, or about one-quarter of the land area required under the low-density scenario.

Our analysis has not considered development charge revenue that would be related to the various scenarios. As development charges are based on population growth, the development charge revenue would be the same across all three scenarios. Further, it has been assumed that development charge eligible infrastructure to support the development scenarios are already included in the Town's development charges background study.

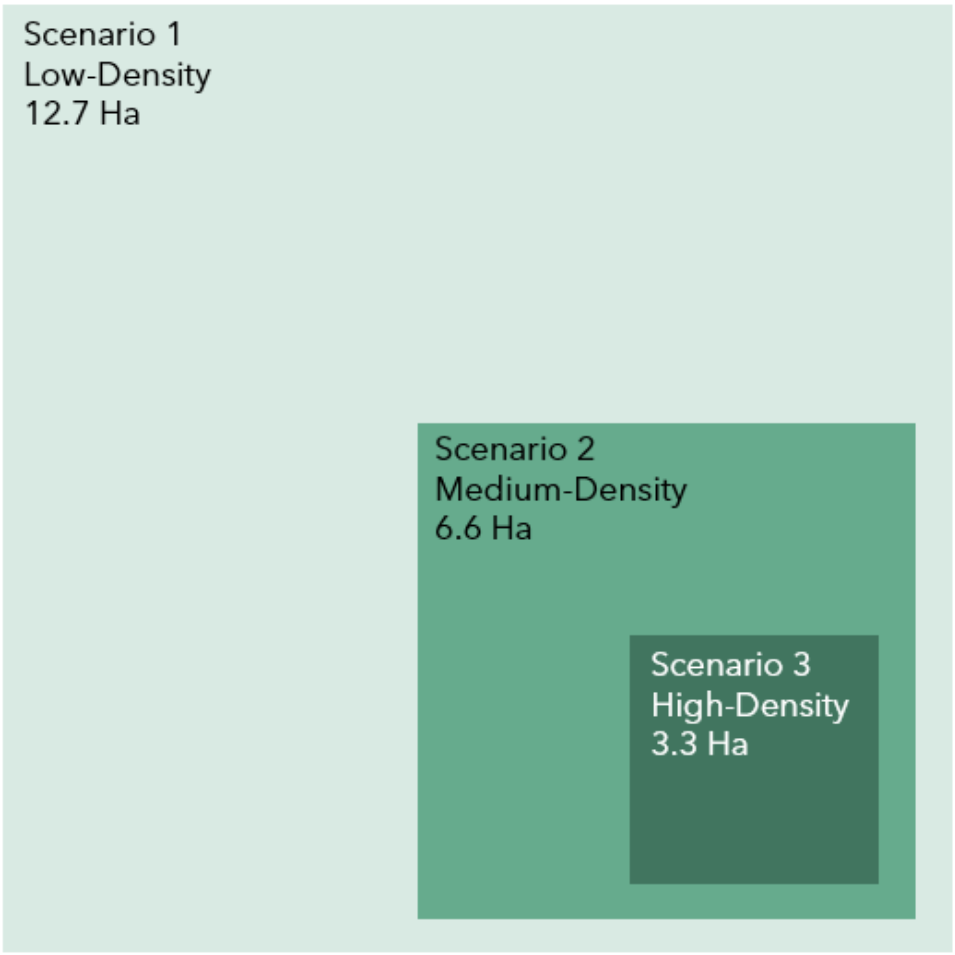
Figure 3.1

Growth Scenarios

	Scenario 1 Low-Density (Single-Detached)	**Scenario 2 Medium-Density (Townhomes)**	**Scenario 3 High-Density (Apartments)**
			
Population and Housing			
Number of Persons	500	501	500
Persons Per Unit (PPU)	2.63	1.89	1.51
No. of Units	190	265	331
Land Needs			
Density (uph)	15	40	100
Land Area (Ha)	12.7	6.6	3.3
Municipal Infrastructure			
Parkland (Ha)	1.9	1.9	1.9
Road Length (m)	1,650	860	430
Linear Wastewater and Wastewater (m)	1,650	860	430
Stormwater Management Pond (Ha)	0.5	0.3	0

Source: Parcel and SGL.

Figure 3.2
Relative Scale of Development



3.2 Local Infrastructure

Each of these scenarios would require a range of local municipal infrastructure. Some of this infrastructure, such as pumping stations, holding tanks, etc., would differ based on the location of the development within the municipality. However, as this fiscal impact analysis is intended to be high-level, we have focused on the need for infrastructure that would likely be more consistent across the Town, such as the need for additional parkland, roads, stormwater management ponds and linear infrastructure such as watermains, wastewater pipes and storm sewers.

In determining the amount of municipal infrastructure required in each of these scenarios we have relied on information from SGL on the road length and size of stormwater management ponds that would be required in a

typical development. For the road length, we have assumed 130 metres of roadway per hectare. While for stormwater management ponds, we have assumed they will account for 4% of the gross land area. However, in the high-density scenario, we have not assumed the municipal operation of a stormwater management pond, as the site would be too small to accommodate a pond.

In each scenario, we have also assumed an additional 1.9 hectares of parkland would be required to support new residents. This assumption is based on Policy D6.2.2 of the Blue Mountains Official Plan, which requires 3.7 hectares of parkland for every 1,000 residents. In low-density and medium-density scenarios, we have assumed that the parkland is accommodated within the new development. In the high-density scenario, it is possible that parkland would be accommodated through a cash-in-lieu of parkland contribution, which would allow the Town to development parkland elsewhere in Blue Mountains.

In each scenario, we have assumed that the construction of the local infrastructure, such as roads, watermains, wastewater pipes and storm sewers, as well as stormwater management ponds are the responsibility of the developer. This infrastructure would then be conveyed to the Town for ongoing maintenance and replacement at the end of its useful life. Therefore, the Town would make annual contributions to a reserve fund to replace this infrastructure at the end of this period.

For the purposes of this analysis, we have assumed that the need for Town-wide infrastructure, such as additional arterial/collector roads, water storage, supply and treatment facilities, wastewater treatment facilities, fire facilities, recreation and library facilities would be the same across each of the scenarios, as the need for these facilities is typically driven by population growth, and we have assumed that each of these scenarios would accommodate 500 persons.

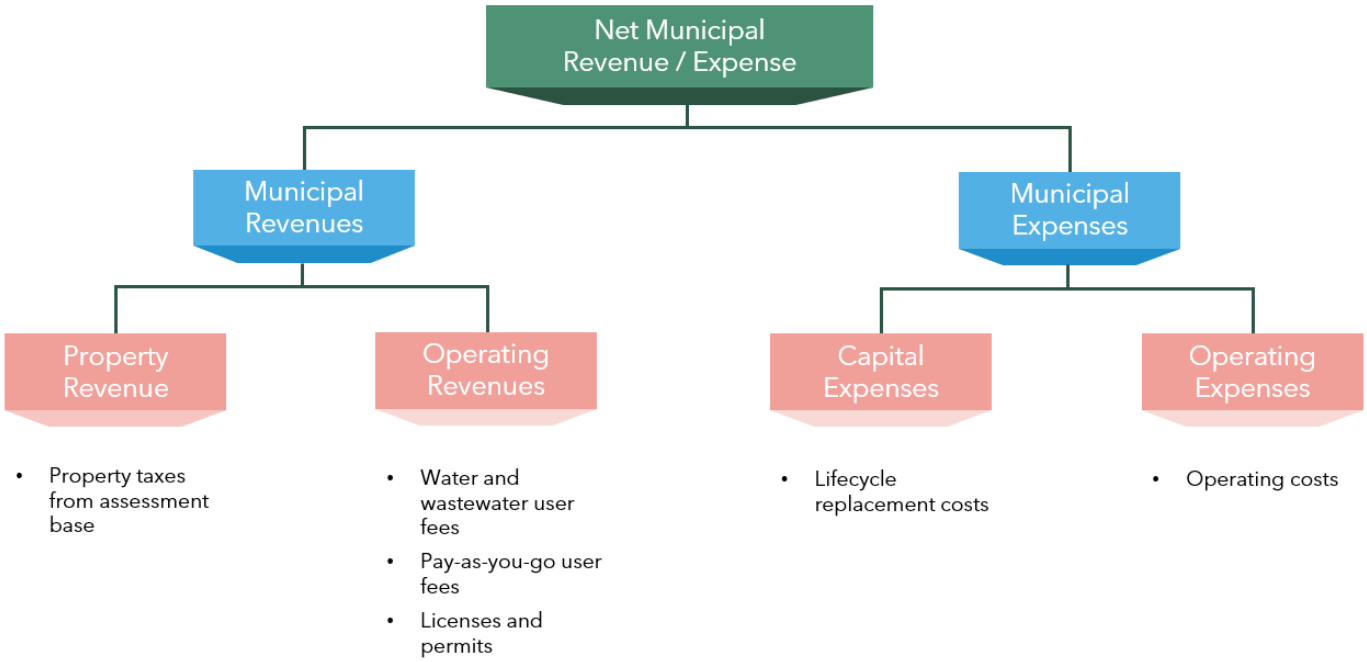
3.3 Approach to Fiscal Impact Analysis

The fiscal impact analysis in this section of the report captures various streams of municipal revenues and expenses. A flow chart summarizing each of these revenues and expenses is illustrated in Figure 3.3.

As part of this analysis, the revenue that would be collected from new homes include municipal property tax revenue, pay-as-you-go user fees, licences and permits, as well as water and wastewater billings.

As shown, this analysis also takes into consideration various incremental municipal expenses associated with new development. This includes operating costs associated with serving new residents, which are largely assumed to grow at the rate of population growth. However, we have also considered the costs associated with operating and replacing hard infrastructure, such as roads, watermains, sewer pipes and stormwater management ponds.

Figure 3.3
Components of Fiscal Impact Analysis



In determining operating revenue, expenses and replacement costs in this fiscal impact analysis, we have relied on various sources including the Financial Information Returns ("FIRs") filed by the Town of the Blue Mountains, assessed values from the Municipal Property Assessment Corporation ("MPAC") and the estimated useful life ("ESL") and replacement costs included in the *Town of the Blue Mountains Development Charges Background Study*, prepared by Hemson Consulting. This fiscal impact analysis is also based on the full build-out of the various scenarios and therefore does not take into consideration the absorption of new dwelling units or inflation of revenue and expenses.

3.4 Fiscal Impact Key Findings

Municipal Revenue

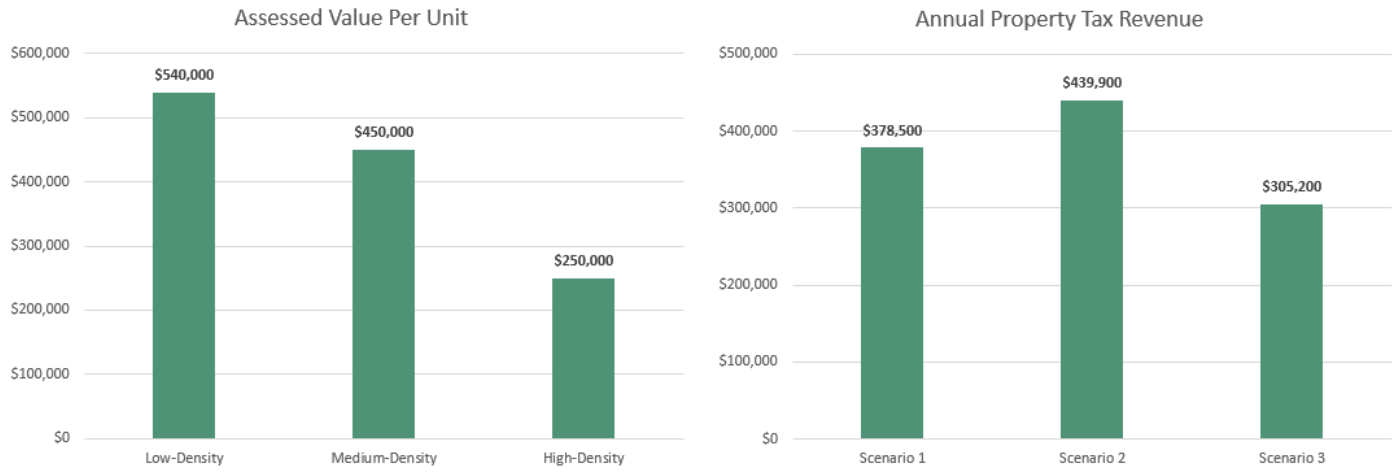
The largest share of municipal revenue is related to tax revenue from the assessment of the proposed development scenarios. In determining a reasonable assessed value for the various development scenarios, we have relied on MPAC data for the Windfall at Blue Mountain development, located north of Grey County Road 19 and west of County Road 21. This development includes a mix of housing types, including low, medium and high-density units

that have similar geographic characteristics. Therefore, they provide for a better comparison of assessed values across the various unit types.

As shown in Figure 3.4, low-density units are assumed to have the highest assessed value. However, due to the density of development and persons per unit, the medium-density scenario is expected to generate the highest property tax revenue for the Town, followed by the low-density and high-density scenarios.

Figure 3.4

Assessed Value and Property Tax Revenue

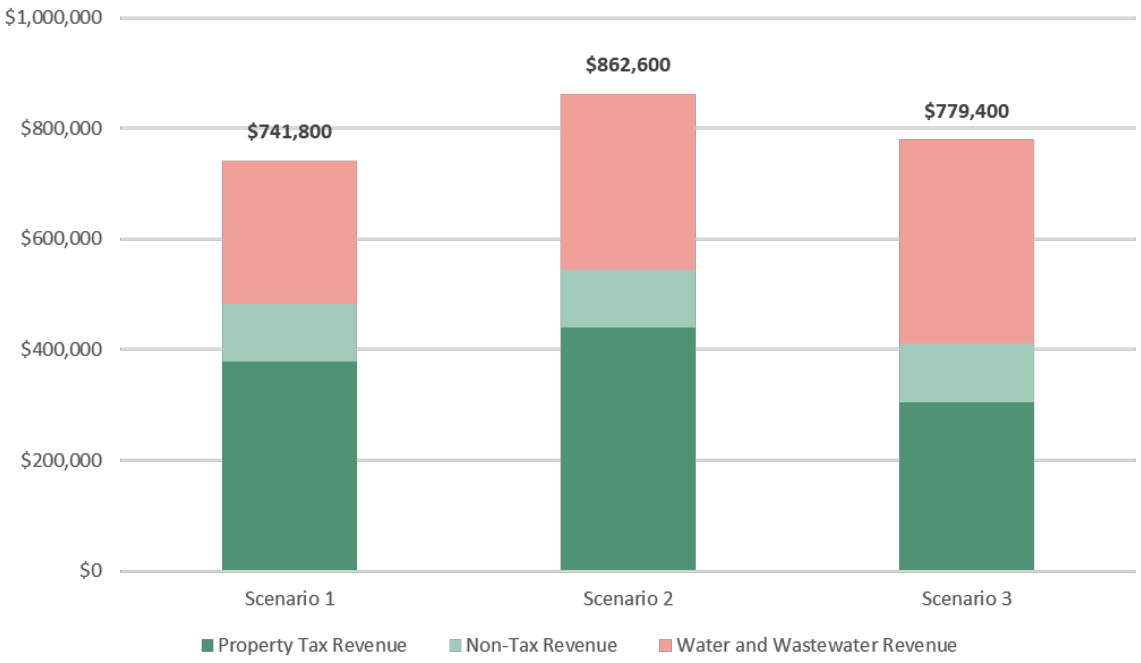


Source: Parcel.

In estimating pay-as-you-go user fees, licences and permits, we have relied on the FIRs for the Town. These revenues are based on a per capita approach, which assumes that revenue is dependent on population growth, rather than the form of housing. For example, a resident in a low-density housing unit would generate the same revenues from licencing and permits as a resident of a high-density unit. Therefore, in each of the development scenarios, the new residents are assumed to generate approximately $105,000 in pay-as-you-go user fees, licences and permits, or about $210 per capita.

Our analysis also takes into consideration the water and wastewater user fees. In determining these user fees, we have assumed average per capita demand for 350 litres per day and current monthly fixed and consumption charges (per m^3). Based on these assumptions, the high-density scenario is estimated to generate the most water and wastewater user fee revenue, due to the fixed monthly charge and larger number of units contained within the scenario. Figure 3.5 summarizes to municipal revenue generated under the three scenarios.

Figure 3.5
Municipal Operating Revenue



Source: Parcel.

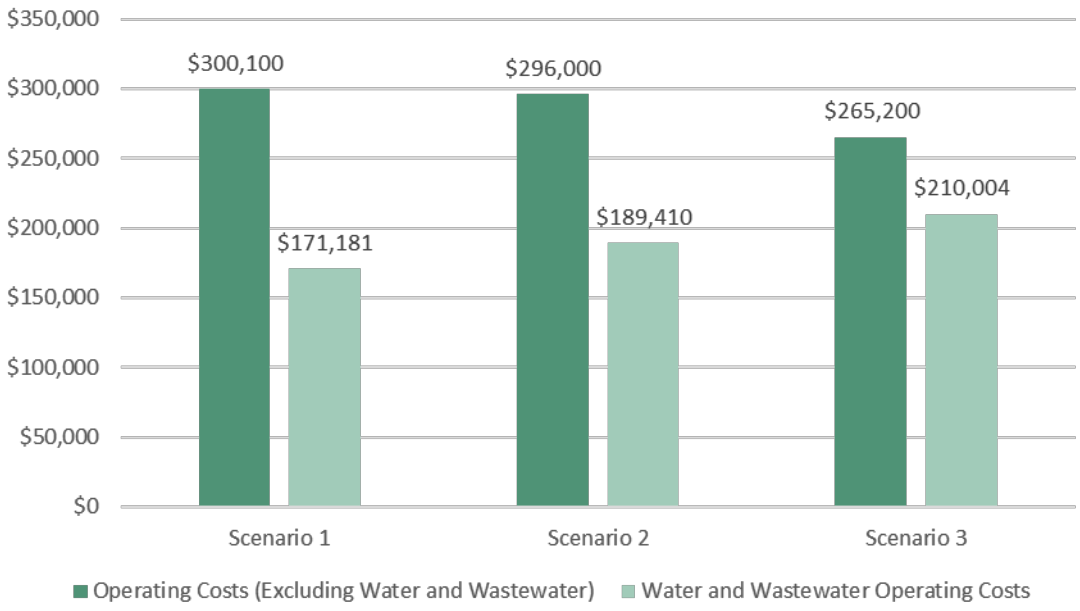
Municipal Operating Costs

Similar to pay-as-you-go user fees, licences and permits, municipal operating costs are largely based on a per capita approach. For example, this approach assumes that the incremental costs associated with the operation of libraries would be the same whether a person is accommodated in a low-density, medium-density or high-density unit. However, this analysis does take into consideration service areas where operating costs are more likely influenced by land area, rather than population. For example, the low-density scenario includes 1.65 kilometres of roads and associated sidewalks. Therefore, there would be a greater cost associated with plowing these roads and sidewalks in comparison to the high-density scenario that would only require 0.43 kilometres of new roads and sidewalks. Similarly, the larger stormwater management ponds in the low-density scenario would also require additional municipal operating costs in comparison to the stormwater ponds in the medium-density and high-density scenarios.

In calculating operating costs for water and wastewater, we have assumed that costs are 55% of revenue, which is consistent with the FIRs, whereby excess revenue would go towards lifecycle replacement costs. Total ongoing operating costs associated with each of the scenarios is summarized in Figure 3.6.

Figure 3.6

Municipal Operating Costs Associated with Development Scenarios



Source: Parcel.

Lifecycle Replacement Costs

A large part of the difference in municipal costs between the three development scenarios is associated with life cycle replacement costs of local infrastructure that is conveyed to the Town upon completion of a development. This includes the replacement and upkeep of roads, watermains, sewer pipes, storm sewers, stormwater management ponds and parks.

In determining these lifecycle costs, we have relied on the estimated useful life and replacement costs included in the Town's development charges background study, inflated to 2022 dollars. We have assumed that funds are deposited into a reserve fund annually to replace the new infrastructure at the end of its useful life. Assumptions regarding estimated useful life and replacement costs are summarized in Figure 3.7.

Figure 3.7

Estimated Useful Life and Replacement Costs

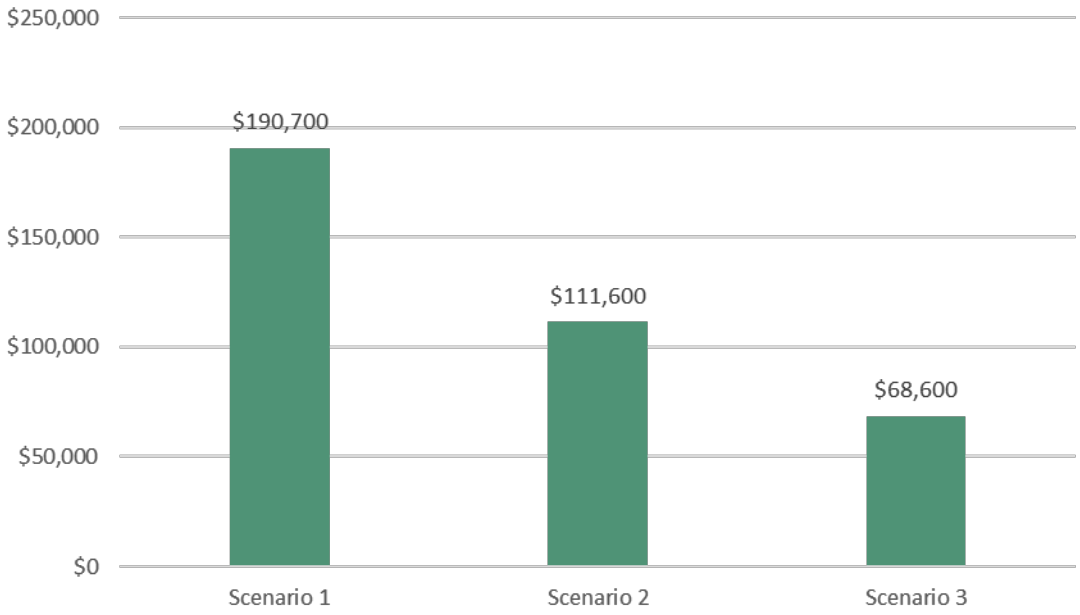
	Estimated Useful Life (Years)	Replacement Cost (2022 Dollars)
Roads		
Urban 8.5m Road with Storm Sewer	50	$3,710 per metre
Sidewalk (two sides)	50	$310 per metre
Decorative Streetlights (two sides)	30	$540 per metre
Surface Treatment	6	$10 per metre
Water		
Watermain - 200mm	99	$815 per metre
Wastewater		
Wastewater Collection	99	$965 per metre
Parks		
Parkland Development General	20	$276,550 per hectare
Stormwater Management Pond		
Litter Removal	1	$4,360 per hectare
Weed Control	1	$5,450 per hectare
Vegetation Maintenance	5	$2,180 per hectare

Source: Parcel based on Town of the Blue Mountains Development Charges Background Study.

As shown in Figure 3.8, based on the assumed infrastructure within the various developments and the estimated useful life and replacement costs, the low-density scenario is expected to result in the highest annual replacement costs due the required hard infrastructure.

Figure 3.8

Estimated Lifecycle Replacement Costs



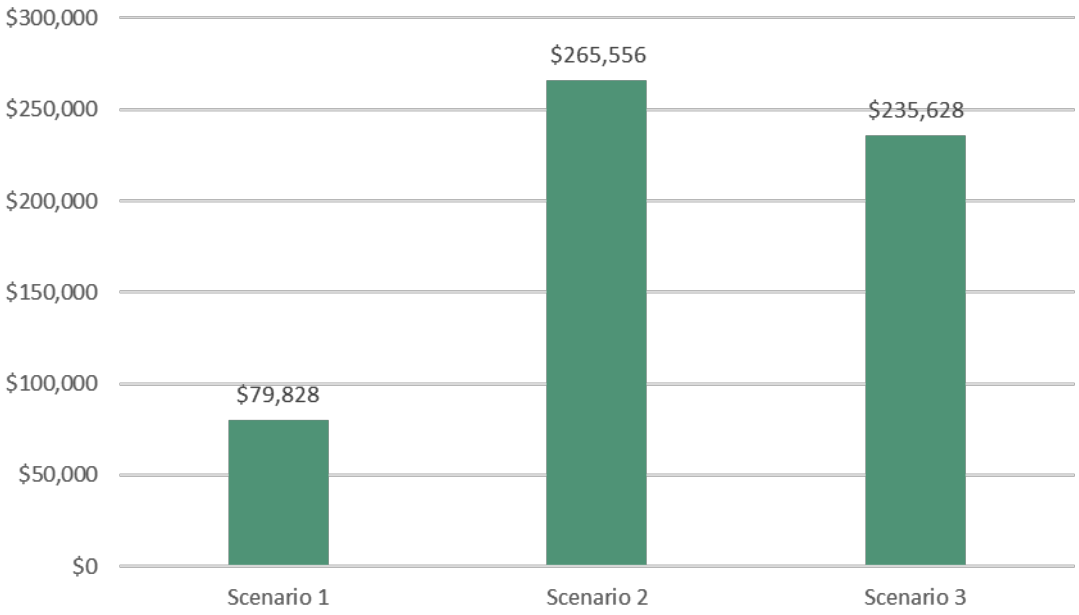
Source: Parcel.

Net Municipal Fiscal Impact

Based on the above analysis, we have calculated the net fiscal impact of each of the development scenarios, which takes into consideration the assumed revenues and costs (both operating and lifecycle replacement). As shown in Figure 3.9, while all scenarios are expected to have a positive fiscal impact, the low-density scenario results in the smallest surplus. By comparison, the medium-density and high-density scenarios are expected to result in larger annual fiscal surpluses, which are largely related to the lower lifecycle replacement costs associated with these forms of development. In fact, the net municipal impact associated with the low-density scenario is about one-third of the impact of the medium and high-density scenarios.

Figure 3.9

Net Municipal Fiscal Impact



Source: Parcel.

TOWN OF THE BLUE MOUNTAINS

Official Plan Review Contact Information

blueprint@thebluemountains.ca

www.tbmblueprint.ca

(519) 599-3131 ext. 248

Town Hall, 32 Mill Street
Thornbury ON, N0H 2P0