



The Regional Municipality of Durham

To: The Planning, Works and Finance & Administration
Committee

From: A.L. Georgieff, Commissioner of Planning
C.R. Curtis, Commissioner of Works
R.J. Clapp, Commissioner of Finance

Report No.: 2008-J-18

Date: June 10, 2008

SUBJECT:

Growth Plan Implementation Study –Infrastructure & Fiscal Analysis of the Preferred Growth Scenario, File: D12-05

RECOMMENDATION:

THAT the Joint Planning, Works and Finance & Administration Committee recommend to Regional Council that this report be received for information.

REPORT:

1. PURPOSE

1.1 At its meeting on April 22, 2008, Planning Committee passed the following resolution:

"THAT staff be requested to report to a Tri Planning, Finance and Administration, and Works Committee on June 10, 2008 to consider expanding the scope of the current Growth Plan Implementation Study to include a review of the infrastructure and fiscal implications of the Preferred Growth Scenario, including the health and social services costs."

1.2 The purpose of this report is to respond to the direction of Planning Committee and advise Joint Committee on the implications of expanding the current scope of the Growth Plan Implementation Study to undertake an Infrastructure and Fiscal Impact Analysis of the Preferred Growth Scenario, including the health and social services costs.

2. **BACKGROUND**

2.1 On May 9, 2007, Council authorized the Planning Department to issue a Request for Proposal (RFP) to undertake the Growth Plan Implementation Study. Urban Strategies Inc. was retained in July 2007 to complete the assignment through a five phase work program that is scheduled to be completed by the end of 2008 (November 25, Planning Committee Meeting).

2.2 During its consideration of the consultant's proposed Alternative Growth Scenarios on March 11 and April 1, 2008, Planning Committee expressed an interest in expanding the scope of the assignment to incorporate an analysis of the infrastructure and fiscal implications of the Growth Scenarios, including the health and social services costs. On April 22, Planning Committee directed staff to report to Tri-Committee to consider expanding the scope to include an analysis of the infrastructure and fiscal implications of the **Preferred Growth Scenario**.

2.3 On June 3, 2008 Planning Committee received the consultant's "Scenario Evaluation and Recommended Preferred Growth Scenario Working Paper" and directed that Scenario 3 (Reinforcing Existing Communities) be modified and distributed for public consultation. The final Preferred Growth Scenario will be presented to Planning Committee in October 2008.

3. **INFRASTRUCTURE AND FISCAL IMPACT ANALYSIS**

3.1 To address the infrastructure and fiscal implications of the Preferred Growth Scenario, it is necessary to undertake an analysis that is consistent with the work required for a Development Charges (DC) Review. To do otherwise would not provide an appropriate level of analysis to comprehend the true impacts of the Growth Plan's required level of intensification on the Region's Urban Growth Centres, other Regional Centres, transit hubs and Regional Corridors.

3.2 The 2008 DC Study is being completed with the recognition that the results of the Growth Plan Implementation Study could change the distribution of the growth forecasts for the Region, thus requiring sensitivity testing on the DC

Study results. The Infrastructure and Fiscal Impact Analysis would also facilitate this sensitivity testing.

3.3 A study of this nature and scope should involve undertaking the following tasks:

- Allocating the population, household, dwelling unit and employment growth forecasts to the requisite servicing areas (transportation zones, water pressure zones and drainage areas) for both residential and non-residential (institutional, commercial and industrial) uses (4 to 6 months);
- Identifying the transportation, water and sewer infrastructure needs and a phasing strategy for their implementation (9 to 12 months);
- Analysing the capital infrastructure and related costs for water, sewer, roads, transit, police, EMS, etc., required to service the Preferred Growth Scenario. The analysis will identify the amount of capital costs that will potentially be recovered through development charges and the impact that any shortfall in development charge funding will have on user rates and property taxes;
- Analysing the financial impact of the operating costs related to the new infrastructure;
- Analysing of the health of key economic sectors in the Region that contribute to employment in Urban Areas, in terms of:
 - their overall productivity in comparison to the provincial figures;
 - their contribution to the Region's overall employment; and
 - the net gain of these industries to their host municipalities (4 to 6 months for the above three components); and
- Comparing the infrastructure and financial impacts of the Preferred Growth Scenario and the status quo development patterns in order to determine the implications of the Provincial Growth Plan, including the increased intensification in urban areas.

- This work will form the basis for future fiscal and capital planning.
- 3.4 The Infrastructure and Fiscal Impact Analysis will take approximately **18 to 24 months** to complete and will involve significant staff resources from the Planning, Works and Finance Departments. Much of the work will be completed internally by Regional staff. However, consultant assistance will be required for some components.
- 3.5 In view of the nature of the work and the extensive effort needed to complete this exercise, it should only be undertaken on the final Growth Scenario and not on a Scenario that may change. However, the initial work required to undertake the assignment can be initiated immediately using the resources of the Planning, Works and Finance Departments. Consultant services will be required to assist in the completion of the detailed analysis.
- 3.6 Should Committee agree with the approach outlined herein, staff will further assess the scope of the consultant's assignment to assist with the completion of the Infrastructure and Fiscal Impact Analysis and report back on September 9, 2008. At that time, Joint Committee will be provided with additional details on the scope of the assignment and the associated costs.

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