

Region of Peel

Investor Presentation



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Meet the Region of Peel

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Overview

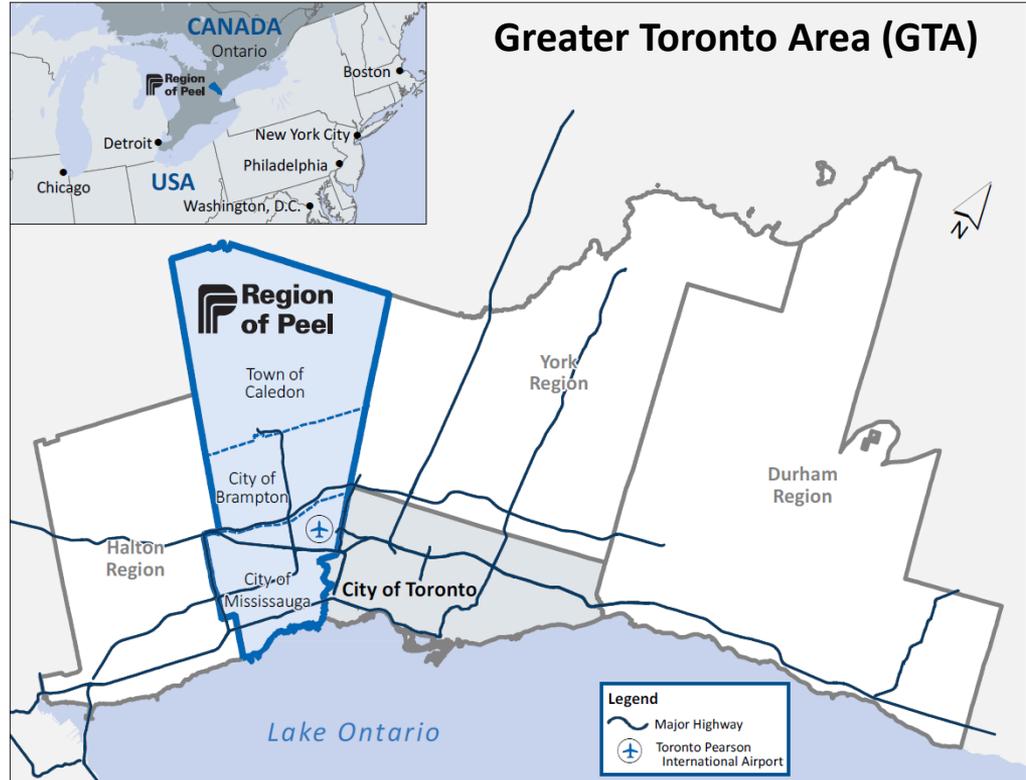


2nd Largest Municipality in Ontario and Growing

The Region of Peel is the 2nd largest municipality in Ontario. It is located in the GTA with 1.5 million residents and growing.

Consisting of the Town of Caledon, and the Cities of Brampton and Mississauga, it has undergone a major transition during the past few decades.

Rapid growth and commercial development have transformed the Region of Peel into a dynamic urban community with a vibrant economic base.



Corporate Governance Structure



2015-2035 Strategic Plan

Our 20-year vision for the Region of Peel is "Community for Life."



Service and Program Responsibilities



Region of Peel Operating and Capital Services

Paramedics
 Long Term Care
 Adult Care
 Income Support
 Employee Support
 Enterprise Programs
 and Services

Water Supply
 Wastewater
 Waste Management
 Roads and Transportation
 Land Use Planning
 Heritage, Arts and Culture
 TransHelp

Chronic Disease Prevention
 Infectious Disease Prevention
 Community Investment
 Housing Support
 Homelessness Support
 Child Care
 Early Growth and Development

Region of Peel Financed External Programs

Police
 Conservation Authorities
 Assessment Services

Local Municipality Operating and Capital Services

Storm Water, Local Roads, Parks & Recreation, Fire, Transit

Economic Highlights



Strategic Advantages of the Region of Peel

We are strategically located



Within Canada's largest economic hub (the GTA)⁽¹⁾

Close to large United States markets

Bordering Lake Ontario

We are a transportation hub



\$1.8B Estimated daily value of goods movement

5 Major highways & regional / national rail

Home to Canada's largest airport

We are highly educated⁽²⁾



85% Have at least a high school education

58% Have a post-secondary education

We are a young population⁽²⁾



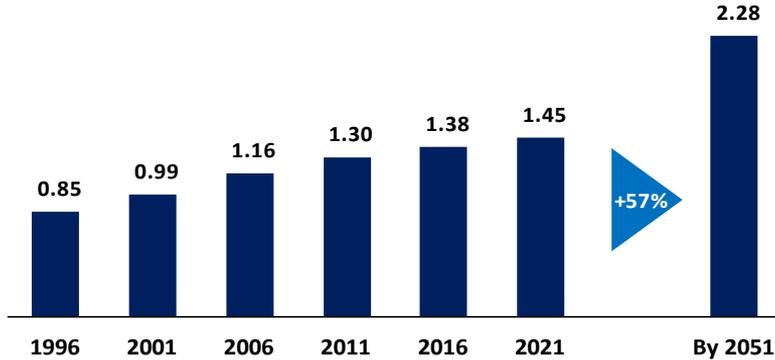
39 Years old is youngest average age in the GTA

69% Peel's population is working age (15-64),
2nd highest ratio in the GTA

Strong Population Growth and Labour Market

Population Growth

In Millions of People
1996 – 2021 | 2051 (Forecast)

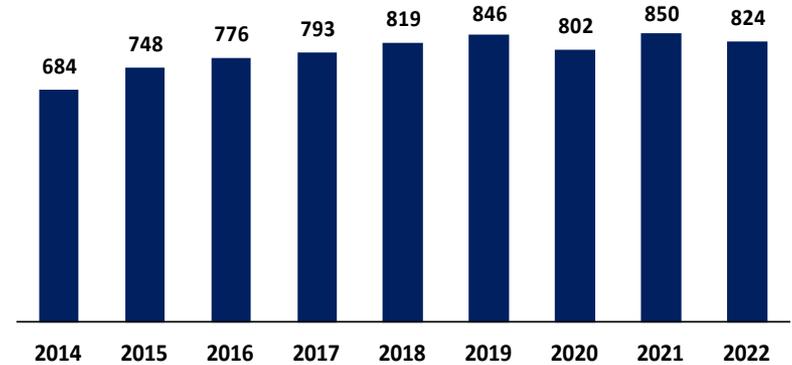


Population by Local Municipality



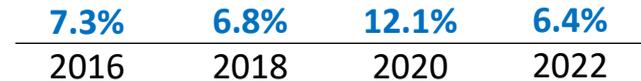
Employment Growth

In Thousands of Jobs
2014 – 2022



Unemployment Rate

2016 | 2018 | 2020 | 2022

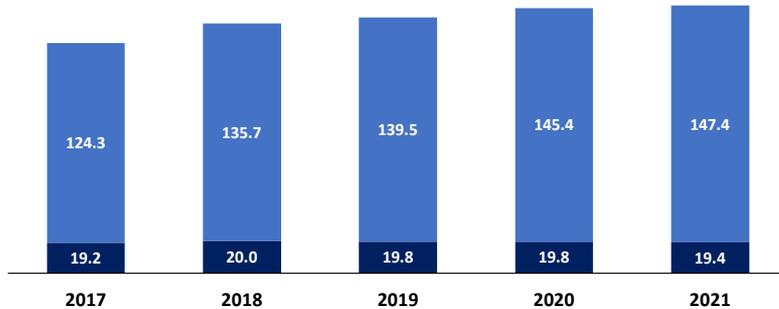


Strong and Diverse Business Sector

Business Establishments

In Thousands
2017 - 2021

■ = Services Sector ■ = Goods Producing Sector



Over 166,000 Business Establishments, with growth of 3.8% CAGR (compound annual growth rate) in last 5 years

- ✓ Services Sector stable at ~88% of total
- ✓ Top Employers are Royal Bank of Canada, Microsoft Canada, Loblaw's Companies Ltd., and Hewlett Packard
- ✓ Lowest water / wastewater rates in Greater Toronto Area attract businesses like Coca-Cola, Pepsi and Cott Beverages

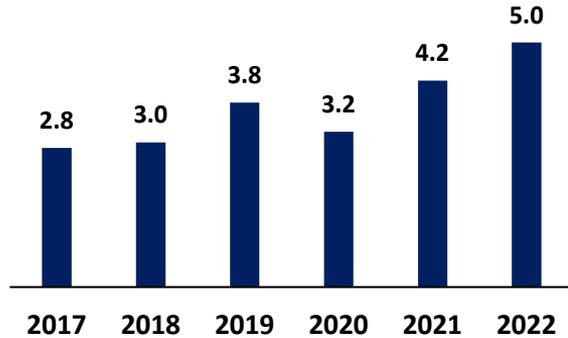
Distribution of Business Sectors (2021)



Stable Housing Sector and Strong Household Income

Building Permits

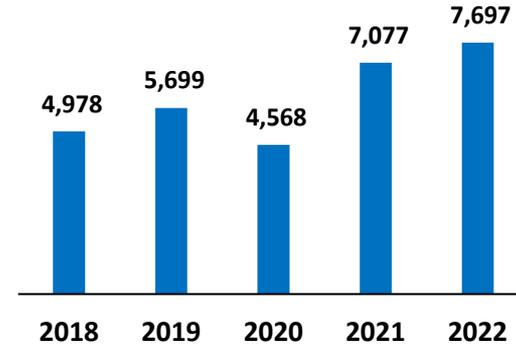
In Billions of Dollars
2017 - 2022



The total value of building permits issued in Peel in 2022 was \$5.0 billion, an increase of 19 per cent relative to 2021.

Housing Starts

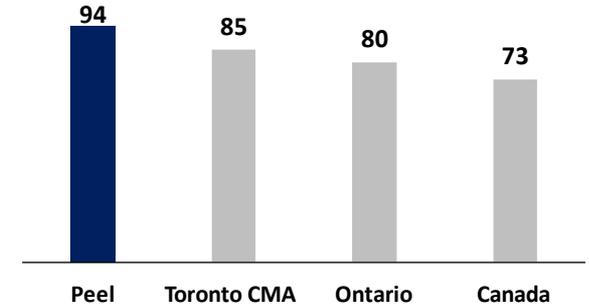
In Units
2018 - 2022



In 2022, Peel's annual housing starts were 55 per cent higher than in 2018 at 7,697 units.

Household Income (Median After-Tax)

In Thousands of Dollars
Statistics Canada, 2021 Census

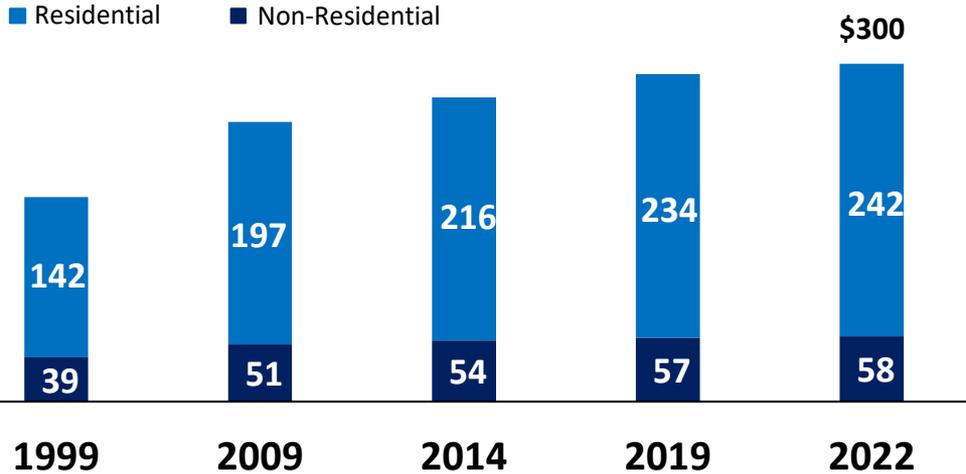


- ✓ 29% higher than Canada
- ✓ 18% higher than Ontario
- ✓ 11% higher than Toronto CMA

Sustainable Growth in Taxable Assessment

Taxable Assessment

In Billions of Dollars
1999 | 2009 | 2014 | 2019 | 2022



	1 Year Growth	10 Year Average
Residential	1.4%	1.5%
Non-Residential	1.1%	0.9%
Total	1.3%	1.3%

Source: Municipal Property Assessment Corporation (MPAC) and Region of Peel

Financial Overview



Financial Strengths

Focus on Long-Term Financial Planning Strategy with a 10-year Budget Model

Commitment to planning and funding infrastructure replacement / state of good repair

- Tax rate: Average annual 1% property tax levy increase to tax supported capital reserves' contribution since 2008
- Utility rate: Average annual 4% utility rate increase to utility rate supported reserves' contribution since 2009

Integrated approach to managing growth

- Growth Management Committee overseeing 2051 growth forecasts
- Earlier and more integrated consultation with local municipalities, Province and building industry

Development Charges (DCs) By-Law updated in 2020

Financial flexibility for additional revenue generation due to lowest utility rates in Greater Toronto Area

Triple A Credit Rating and Strong Liquidity

2023 Budget Highlights

\$5.0

billion invested in services that advance and support Council's current term priorities and longer term outcomes



People's lives are improved in their time of need.



Communities are integrated, safe and complete.



Government is future-oriented and accountable.

\$3.1 billion
Operating Investments

\$1.2 billion

\$1.7 billion

\$0.2 billion

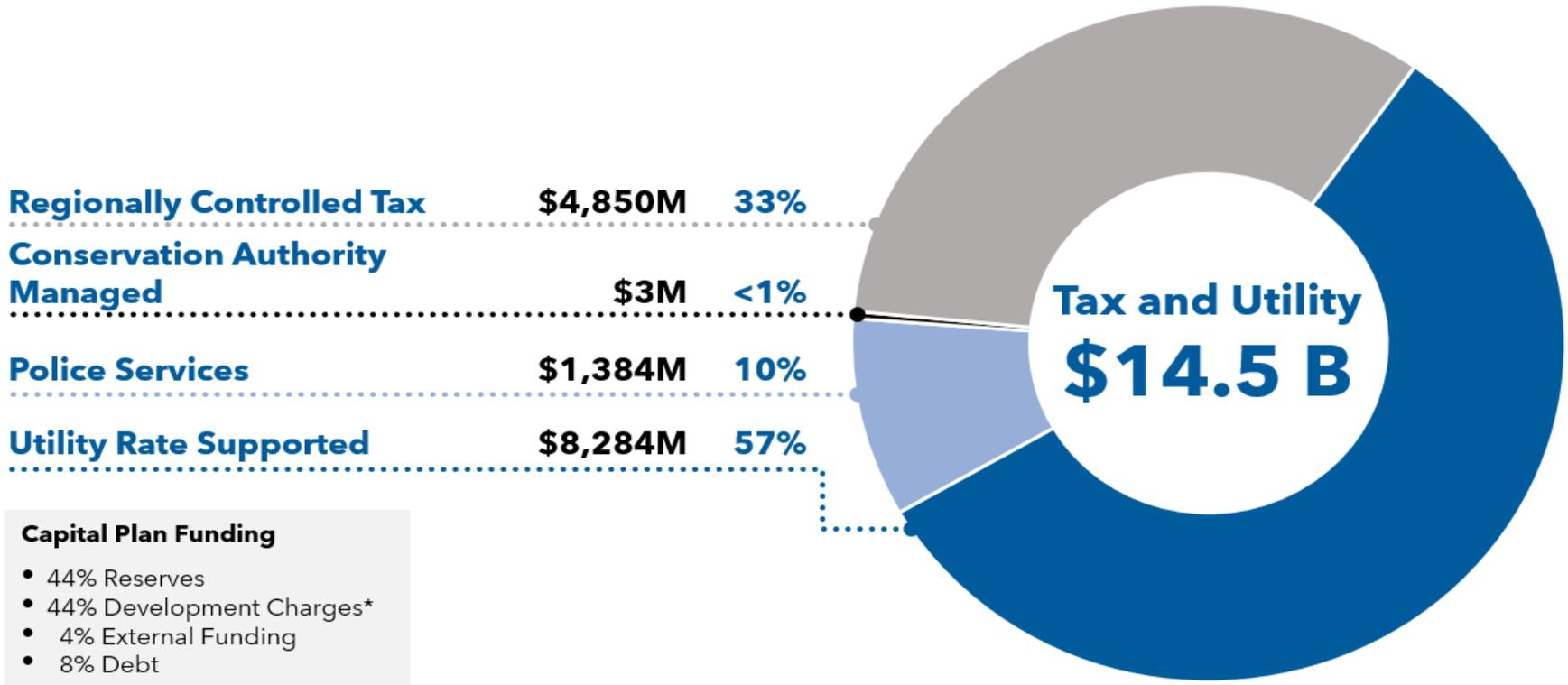
\$1.9 billion
Capital Investments

\$0.2 billion

\$1.7 billion

\$0.03 billion

10 Year Capital Plan Highlights



*Will require debt to bridge timing in cash flow between revenues and expenditures

Development Charges (DCs) Overview

Levy DCs against new development to fund growth-related infrastructure (Provincial legislation)

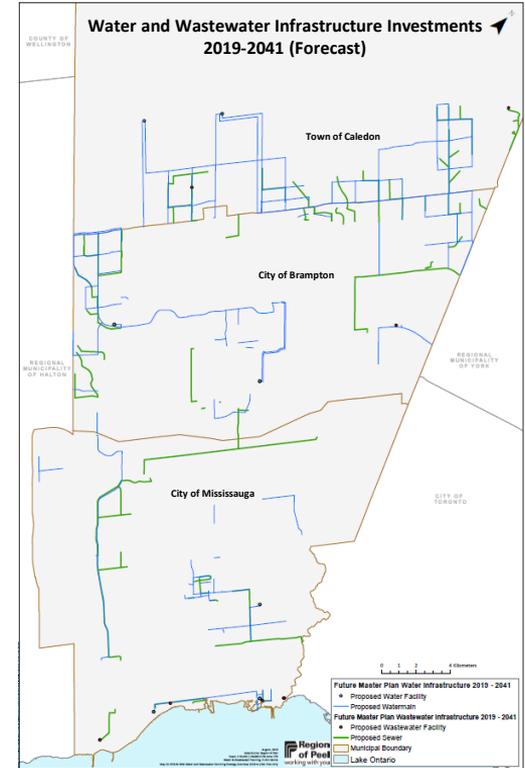
A “growth pays for growth” philosophy to ensure existing tax base not affected by cost of development

DC rates must be updated at least every 5 years

- Last by-law updated in by 2020

Borrowing needs are for long life projects

Water, wastewater, roads are major programs funded by DCs



Debt Financing



Borrowing Strategy

Benchmark Size Issues

For Large Capital Projects

C\$150 to \$300 million
Typically, 10, 20, or 30 year
Bullet with sinking fund

Smaller Size Issues

For Small Capital Projects at Region and Local Municipalities

C\$25 to C\$100 million
Typically, 10 year
Serial

**Debt issuance for capital projects, primarily growth related for
water, wastewater and roads**

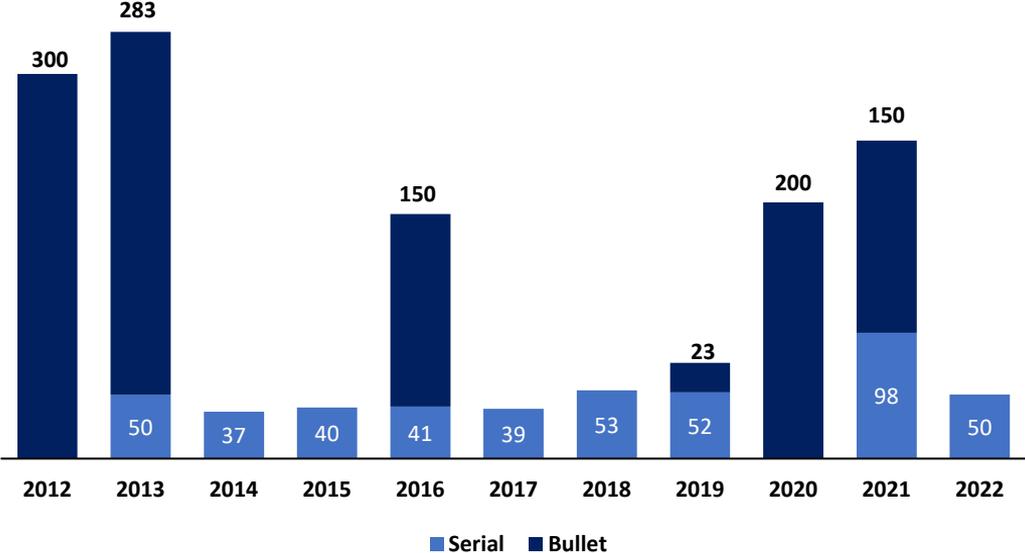
Continued focus on liquid benchmark issuance

All debt is general obligation

Historical Public Debt Issuance

Public Debt Issuance

In Millions of Dollars
2012 – 2022



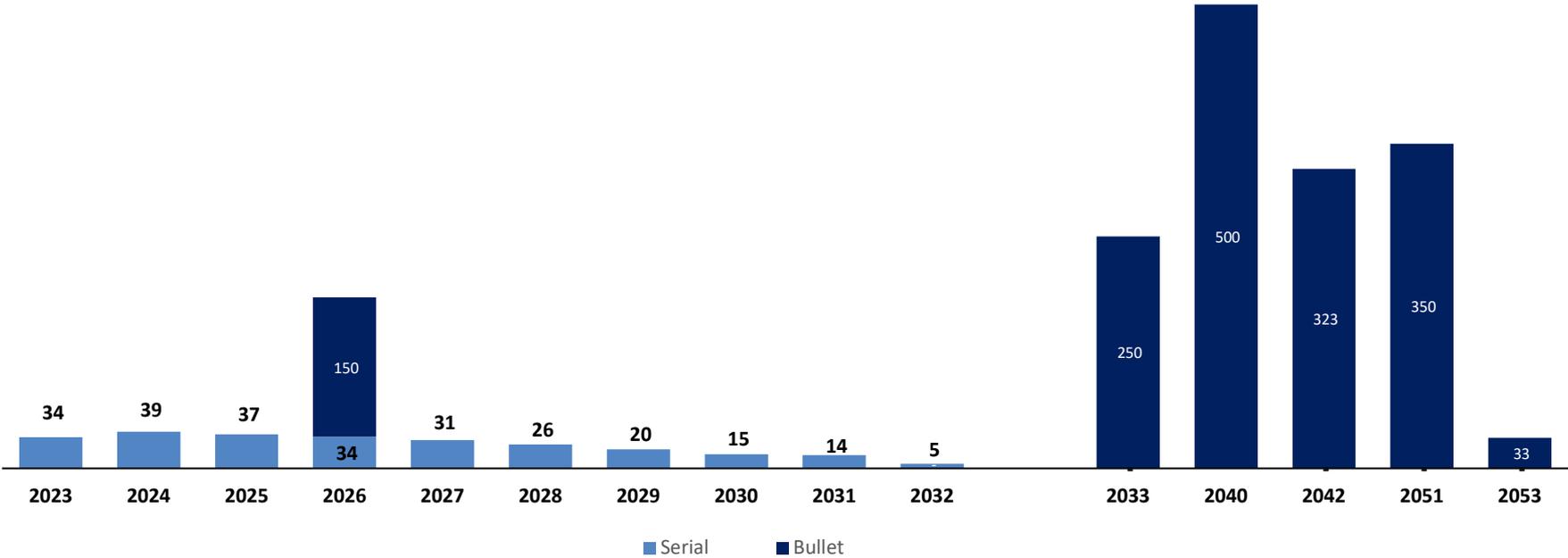
Issued in the last 11 years = \$1.6 billion

2023 Debenture Requirements
\$200-\$250 million

Source: Region of Peel

Public Debt Maturity Profile

Weighted Average Maturity = 16 years



Source: Bloomberg (March 2023)

Strong Regulatory Framework Supports Debt Issuance

Ontario Municipal Act, 2001

**Municipal
Debentures Rank
*Pari Passu***
s.408(7)

**Annual Budgeting
Requirements
(Debt Provision and
No Operating Deficits)**
s.289 and s.290

**Limitations on Use
of Proceeds**
s.413(1) and s.408(2.1)

**Debenture By-Law
Permanence**
s.414(1)

**Doctrine of
*Ultra Vires***
s.9 and s.17

**Municipal Officer
Guilty of an Offense**
s.422

**Member of Council
Diversion of Funds
Liability**
s.424

No Bankruptcy Allowed (No Equivalent of Chapter 9 in USA)

Triple A Credit Ratings, Strong Liquidity Position and Compelling Investor Returns

Credit Ratings

MOODY'S | **Aaa (Stable)** since 2011

“.....a track record of consistent, positive fiscal outcomes supported by prudent, forward-looking fiscal and budget policies, and the region's growing, diversified economy with strong population growth.”

S&P Global | **AAA (Stable)** since 2001

“Peel continues to benefit from a strong economy, which helps the region to generate strong revenues, exceptional liquidity, and a declining debt burden.”

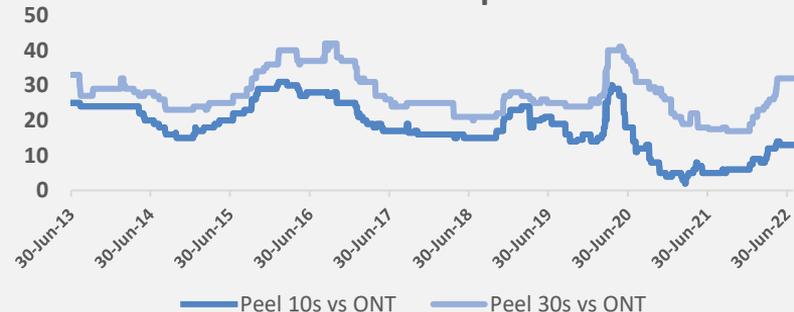
Liquidity



C\$3.2 Billion in investments

- ✓ Highly liquid portfolio with strong credit quality
- ✓ Large annual budget contributions to reserves for state of good repair

Historical Yield Pick-up vs Ontario



Investing to build our *Community for Life*



Living

Thriving

Leading

Contact Details

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Bloomberg = PEEL

