

Growing Where We Invest

Region of Peel Growth Management Workshop

Financial Considerations of Future Growth Breakout Session

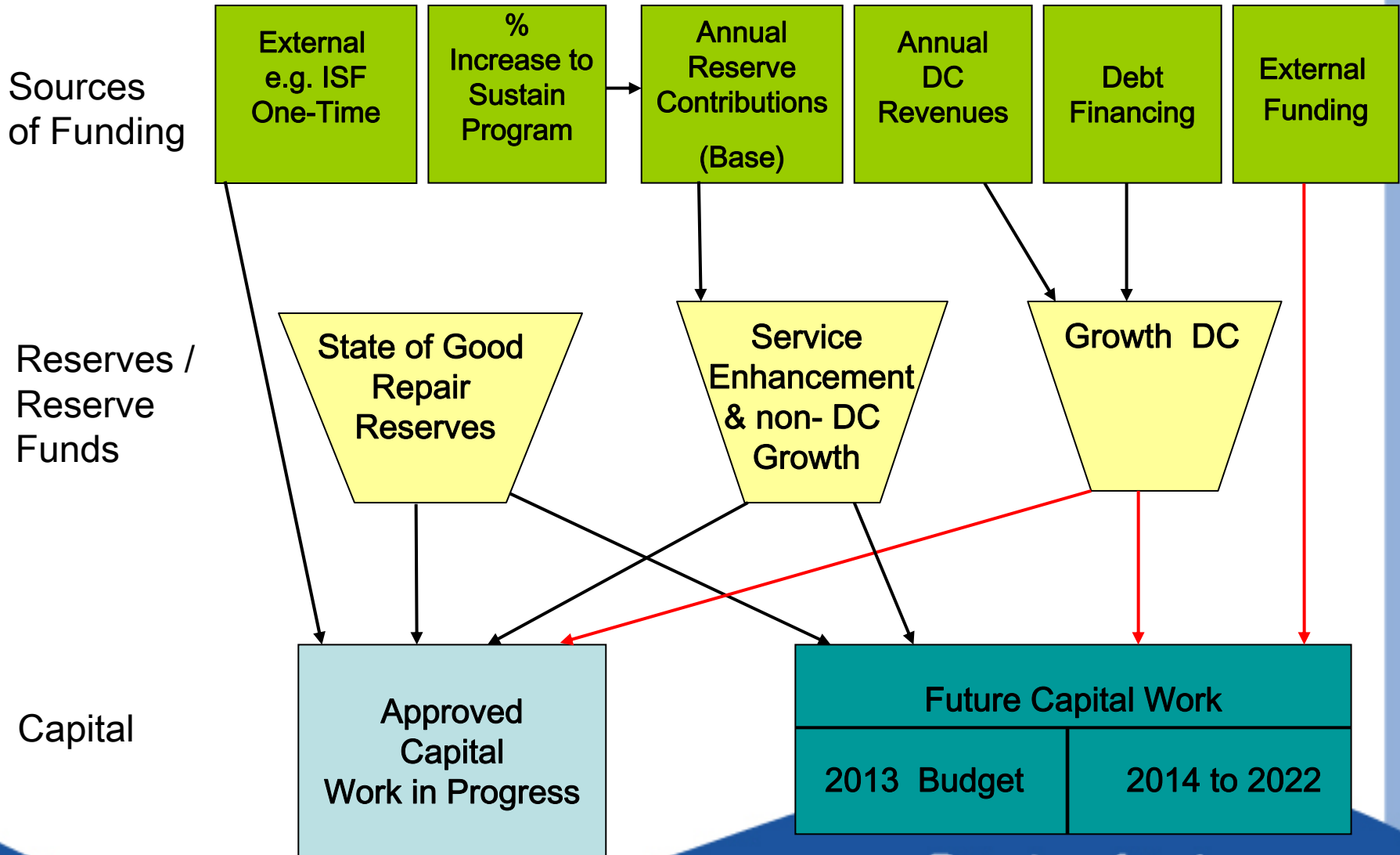
**Dave Bingham
Treasurer and Director Corporate Finance
May 30, 2013**



Breakout Discussion - Finance

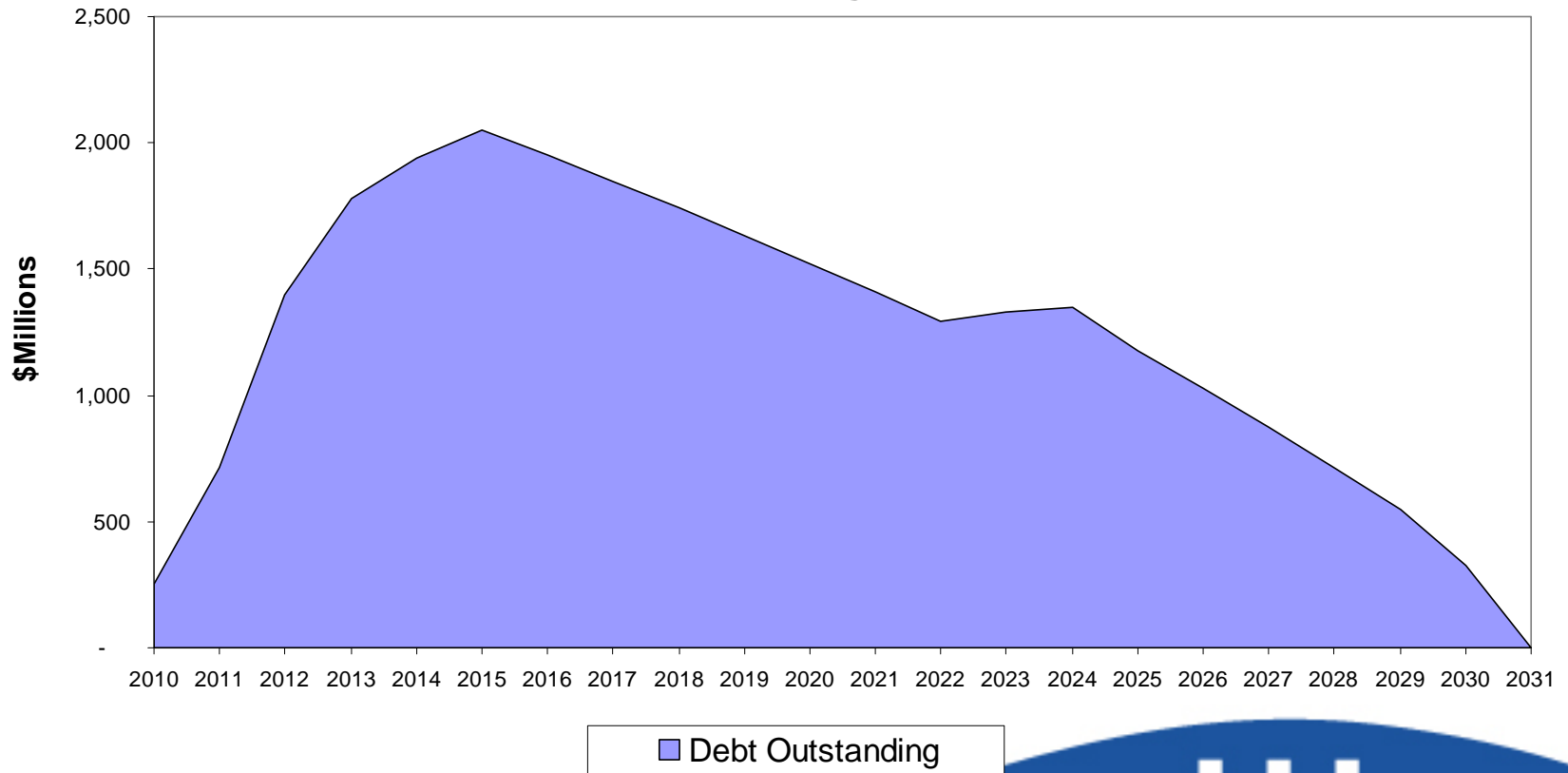
1. How might the additional population and employment impact growth positively or negatively impact finances?
2. How does Peel best prepare for the financial challenges identified?
3. How can we allocate additional growth population in a way that optimizes the use of existing planned infrastructure?
4. In your opinion, should Council support using incentives to encourage development in specific areas and to fund such incentives from tax/reserves?

Capital Plan Management

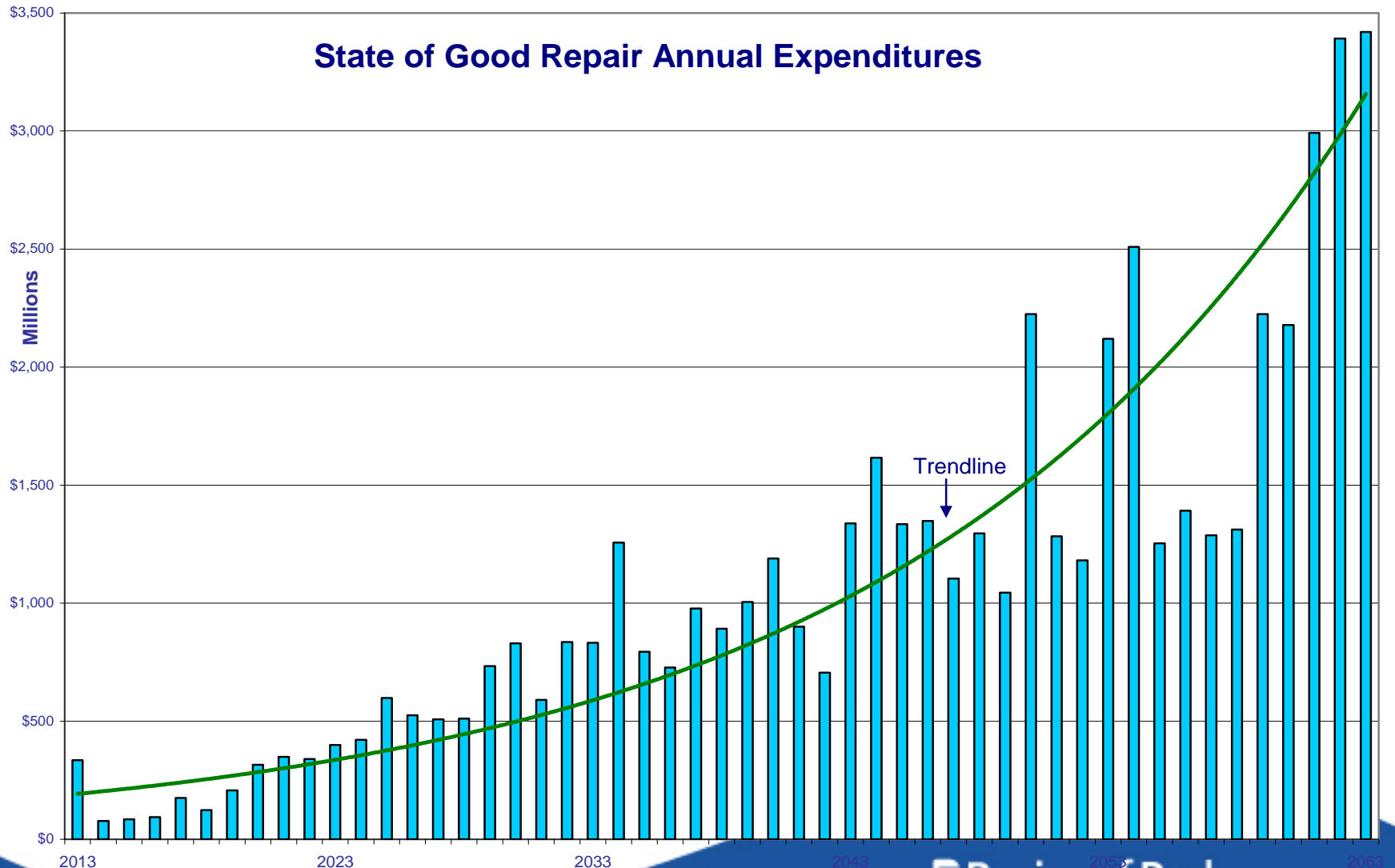


Estimated DC Debt

Net Debt Outstanding (2010 - 2031)



State of Good Repair (SOGR) Investment



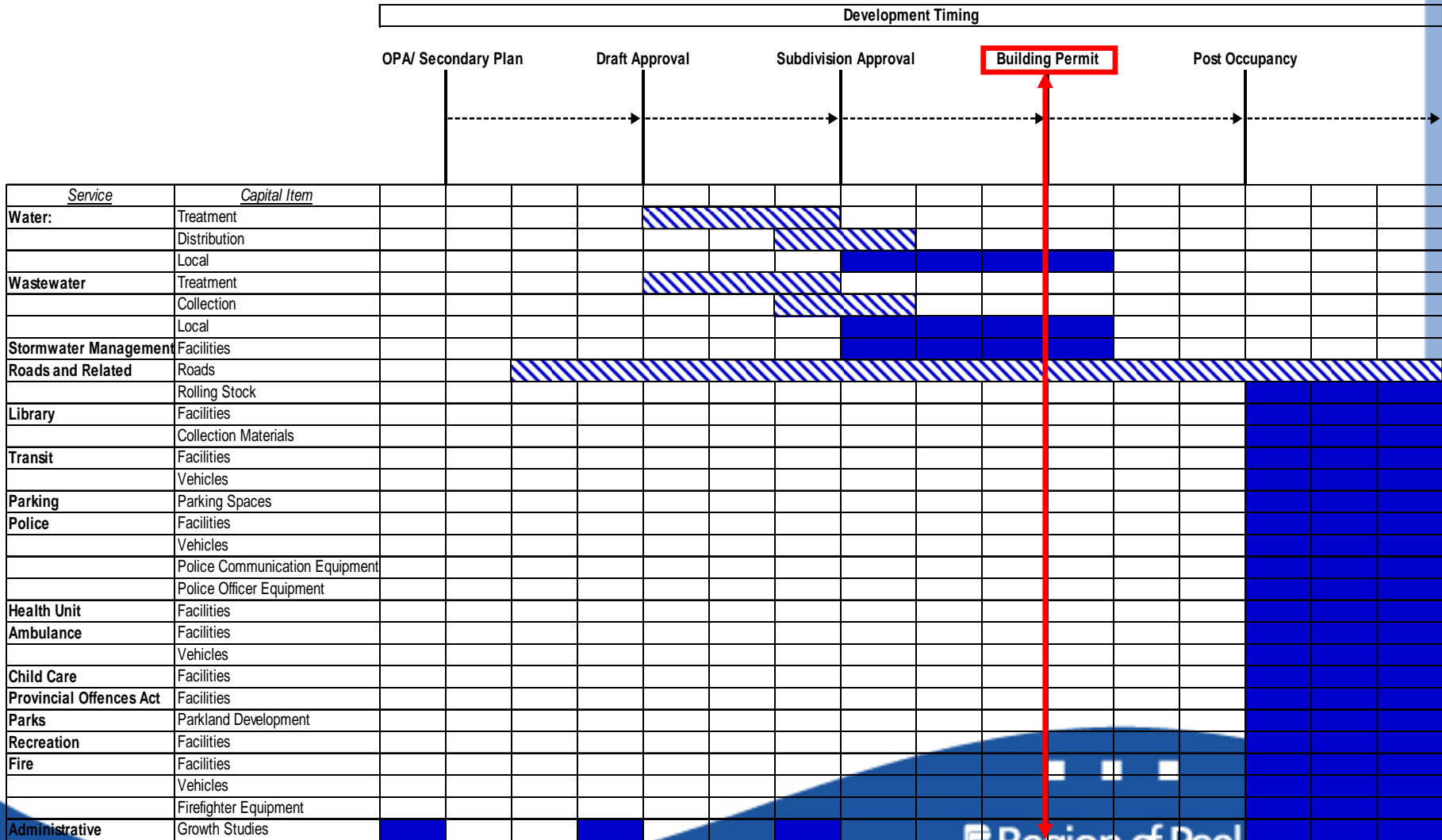
***DC Act*/Framework Considerations**

- Not all growth costs eligible for DC recovery
 - Waste Management, 10-year historical service average, 10% discount (transit, paramedics, human services, etc.)
- Cost of exemptions/incentives to one type of development not to be transferred to other development
- Replacement of useful life of existing assets to be deducted from DC rate calculation
 - Impacts recovery of growth costs in urbanized areas

Location of Additional Growth – Financial Considerations

- Expansion of capacity in highly urbanized areas likely to involve replacement of useful assets resulting in DC deduction for ‘benefits to existing development’
 - Infrastructure planned for upgrades and/or replacement could be an opportunity for coordination
- Generally, infrastructure construction (over short-term) in highly urbanized areas may be more costly vs. green field locations
- Benefits to be gained in lower operating costs (over long-term) for some services in highly urbanized areas vs. green field locations (same level of infrastructure vs. more infrastructure)
- Growth and State of Good Repair (SOGR) costs need to be looked at in an integrated way

Typical Timing of Municipal Capital Expenditures

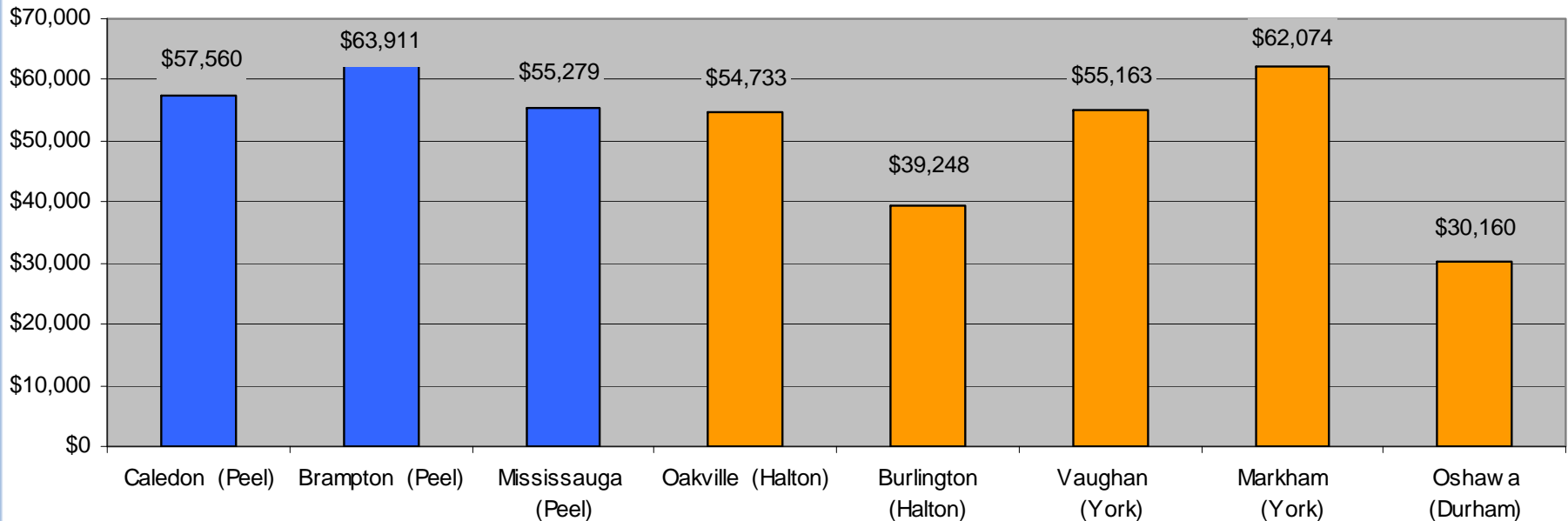


Comparison of DC Collection Timing

DC Collection Timing Region	Pre-subdivision Agreement (Draft Plan)	Subdivision Agreement	Between Subdivision Agreement and Building Permit	Building Permit
Peel	-	-	-	All development
Halton	Low/medium residential makes payment to secure allocation	Balance of low/medium residential development	High density at site plan approval to secure allocation	Non-residential development and high density residential
York	-	Residential development (low density)	-	Non-residential Development
Durham	-	-	50% of residential DCs payable within 1 year of subdivision agreement; balance within 2 years or building permit if sooner	Residential high-density and non-residential

Comparative GTA DC Rates

Development Charges for a Single-Family Dwelling Unit in the GTA



Note: Values represent Regional, Area, Education and GO Transit Development Charges - As of April 2013

Financial Cost of Incenting Growth

- *DC Act* requires that taxpayers are to fund DC incentives or discounts
- Regional DC debt growing over next several years