



New Community Incremental Operating Cost Model: Inputs and Assumptions

Citywide Growth Strategy

December 13, 2023

Recommendation


That the Infrastructure and Planning Committee recommend that Council receive this report for the Corporate Record.

Previous Council Direction

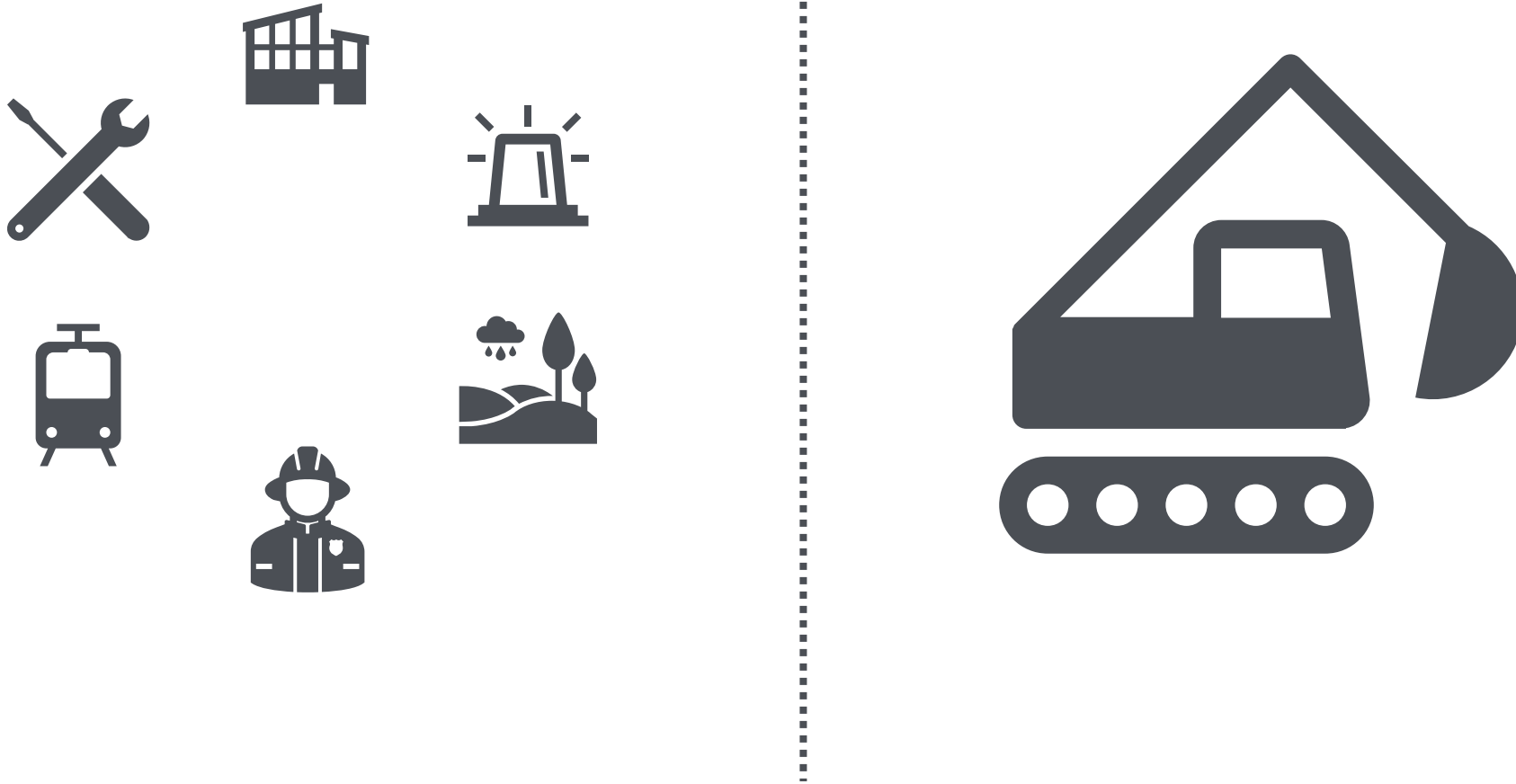
Paraphrased from direction #13 from Combined Meeting of Council on 2022 July 26 (**IP2022-0545**) was to bring a report to Infrastructure and Planning Committee no later than 2023 Q4 to:



- a. Re-engage with new community business case proponents to review Administration's analysis and offer feedback and suggestions.

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- b. Provide Council with more detailed reporting on the revenue and operating cost inputs and assumptions used by Administration to consider new community growth applications, and to receive feedback from Council and other interested parties to further refine the process.**

Operating vs. Capital Costs



Summary



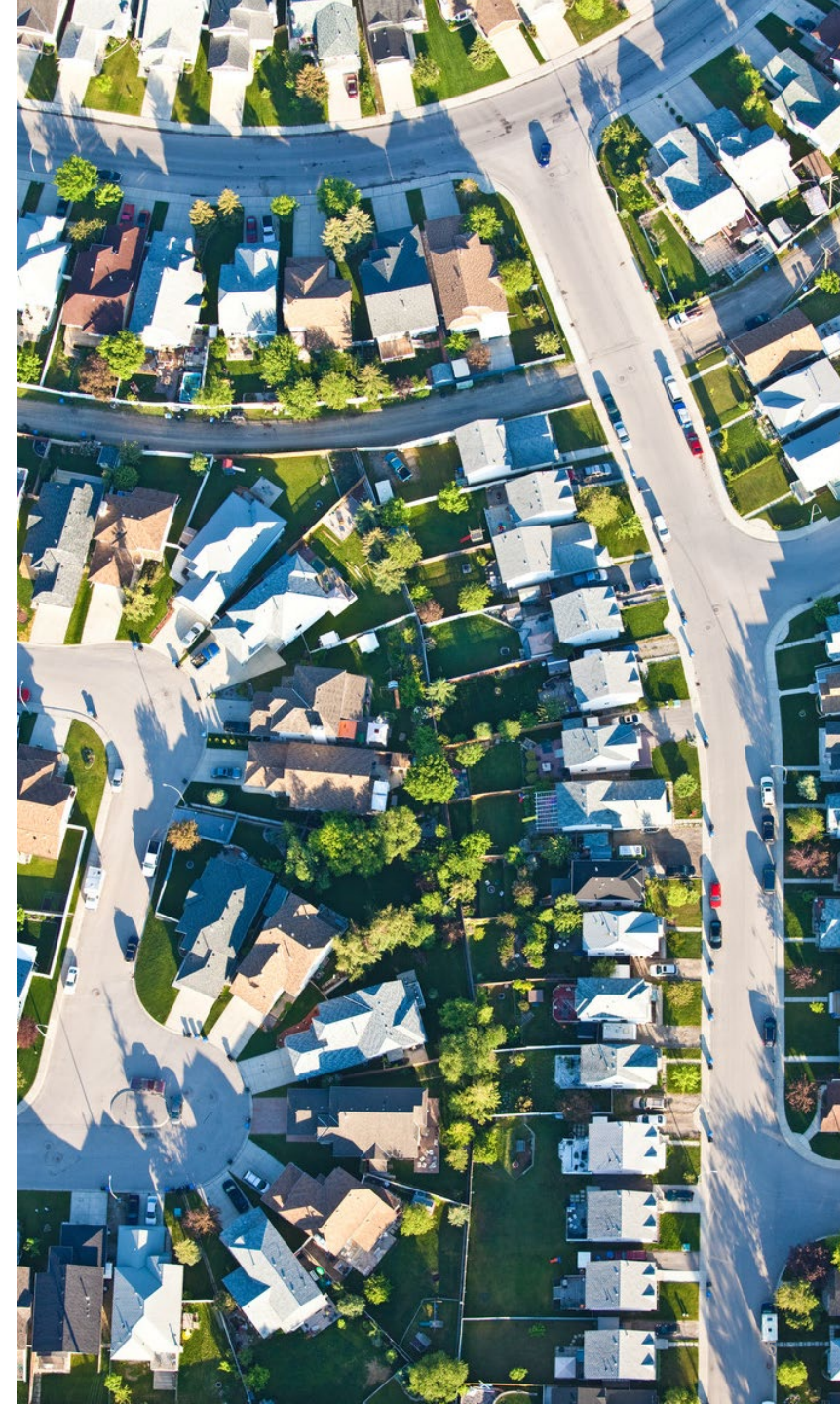
1. **Sound inputs and assumptions** informed by rigorous financial analysis









2. Evaluates **incremental tax-supported operating cost and revenue impacts** of new community growth



3. **Enhanced engagement** with development industry members and Council



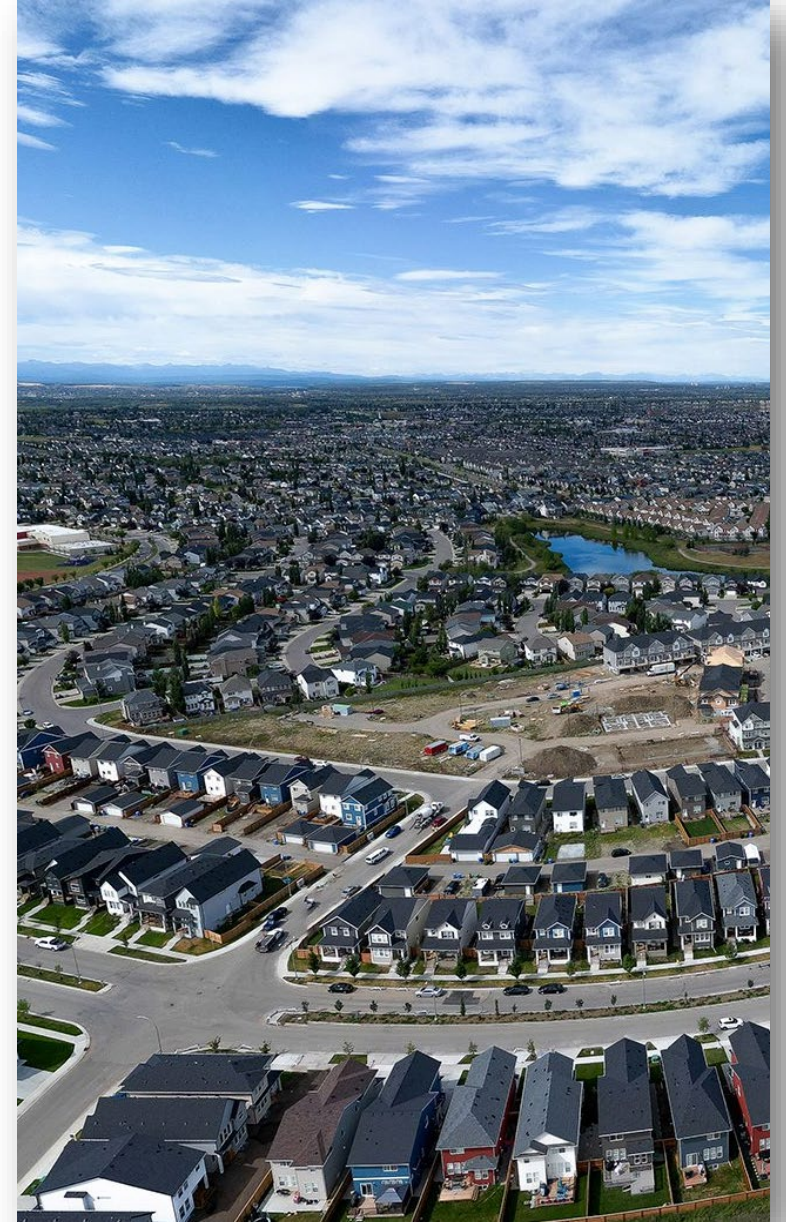
Tax-supported Services

-  Facility Management
-  Fire and Emergency Response
-  Parks and Open Spaces
-  Police Services
-  Streets
-  Public Transit



The Model

- Increasingly refined versions used since 2018.
- Helps assess the financial impact of new community growth.
- Detailed inputs and assumptions in Attachment 2.
- Timeframe limited to the initial 15-year buildout.
- One part of the larger Growth Application process.



Outcomes from Engagement



Enhanced transparency and communication.



Sharing detailed information and empirical data on inputs and assumptions.



Sensitivity analysis incorporated into the Model.



Franchise fees included.



Refinements to the Model

Input / Assumption	Prior Model	Current Model
Anticipated Property Tax	Property tax rates applied to assessed values submitted by developer applicant.	The City to estimate anticipated property tax revenue for each Growth Application.
Franchise Fee Revenue	Not included.	Included.
Transit Operating Costs	Standard fixed cost applied to all Growth Applications.	The City to determine distinct operating costs for each Growth Application.

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