



Hamilton

Financial Impact Analysis (Urban Boundary Expansion)

PURPOSE:

This document explains the guidelines for the preparation of a Fiscal Impact Assessment (FIA) for urban boundary expansion applications. All FIAs shall follow the guidelines contained and referenced in this document. The FIA is required under the *Planning Act*, and it should describe the economic and fiscal impacts of a proposed expansion on the City. A FIA is required for all proposed expansions to the City's urban boundary. The primary purpose of an FIA is to evaluate the financial implications of a proposed urban boundary expansion.

PREPARED BY:

The FIA must be prepared by a Professional Land Economist (PLE) or a qualified financial consultant with experience in preparing fiscal impact assessments.

CONTENTS:

Prior to initiating a FIA, the applicant should confirm the terms of reference through a pre-study consultation with Planning Division staff. The FIA is to be provided as a stand-alone report and shall include the following information:

- Introduction
 - Who was retained to write the report and date retained;
 - What application(s) has/have been submitted or are required;
 - Whether pre-consultation took place with the City and date of meeting(s);
 - A statement of the purpose of the report.

- Description of the proposed development
 - A map showing the location of the proposed expansion area;
 - A concept plan showing the plan for the area, illustrating the proposed land use(s);
 - Total gross and net areas to be developed;
 - Estimated total number of housing units, by type;
 - Estimated total number of people planned for the area;
 - Estimated total number of jobs by type and associated Gross Floor Area of employment, commercial and institutional uses; and,

- The estimated phasing of growth in 5-year intervals and the overall time horizon that it will take to fully develop the proposed development.
- A summary of the methodology, including any technical assumptions and source materials used as the basis for the financial impact analysis.
- An estimate of municipal costs for all municipal infrastructure required to support development, including:
 - A description of all capital infrastructure required to support the proposed development;
 - Estimated capital costs for all infrastructure elements, such as water, sewer, stormwater, roads, transit, trails, parks, recreational facilities, and other elements as required;
 - Estimated operating and maintenance costs;
 - Estimated replacement/lifecycle costs;
 - Depending on the size and complexity of the community or employment area being planned for, cost estimates may need to include provision(s) for various public service facilities, such as police, fire and emergency services, libraries, parks and recreational facilities and any other municipally operated facility associated with the planned growth; and,
 - Public service facilities which are not the responsibility of the municipality, such as schools, hospitals, etc. do not need be included as part of the FIA.
- An estimate and breakdown of the various revenue streams for cost recovery, including development charges, property taxes, user fees and other charges, including any provincial/federal funding.
- A concluding net fiscal impact statement illustrating:
 - The overall breakdown of how the costs compare to the revenue sources over time, showing how development will be funded;
 - The statement should also include general commentary on debt impact, property taxes and user rates, including any assumptions included/excluded from the FIA. Applicants should refer to the City's latest financial plans/budgets for context;
 - The net financial impact statement should reflect the phasing plan and identify incremental costs and revenues over the full lifetime of the proposed development; and,
 - A summary calculation showing the total cost per gross hectare and total revenue per gross hectare along with general commentary on the financial sustainability of the expansion area.

OTHER INFORMATION:

Applicants should refer to the City's 2024 Development Charges Background Study and latest financial results for supporting technical information to complete.

<https://www.hamilton.ca/build-invest-grow/planning-development/development-charges/development-charges>

<https://www.hamilton.ca/city-council/city-administration/financial-results>

REVIEWED AND APPROVED BY:

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