Milton Quarry East Extension, Town of Halton Hills Fiscal Impact Study

Independent Real Estate Intelligence

November 15, 2021

Altus Group

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1 INTRODUCTION

1.1 RETAINER

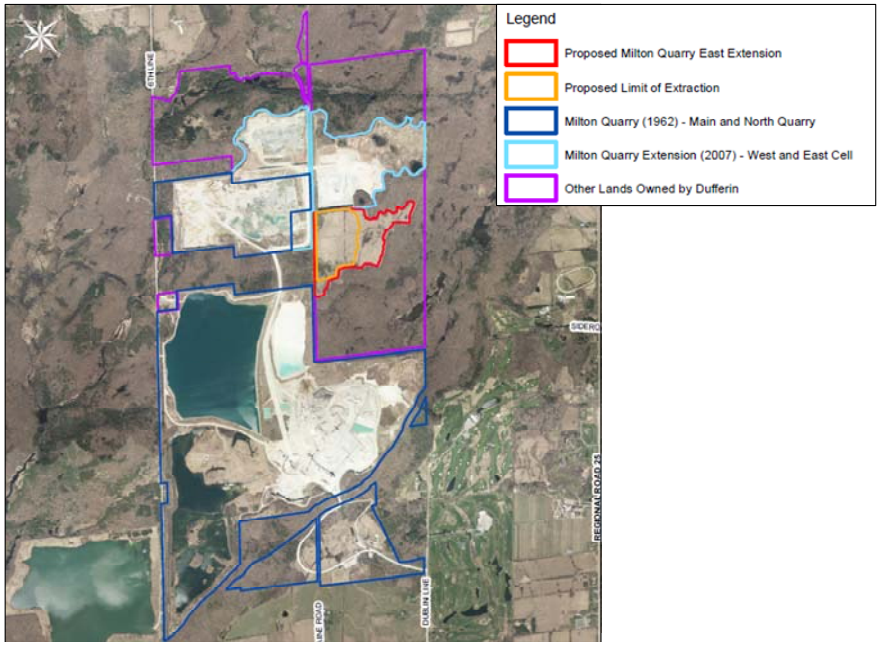
Altus Group Economic Consulting ("Altus") was retained by CRH Canada Group Inc. (the "client") to provide an estimate of the potential impact that the proposed Milton Quarry East Extension (the "proposal") would generate for the finances of the Region of Halton and Town of Halton Hills. The report will provide an assessment of the net change to the municipal revenue that would occur should the proposal be approved. The report was prepared taking into consideration the Region of Halton's Aggregate Resource Manual and guidelines for a fiscal impact assessment.

1.2 BACKGROUND

The existing Milton Quarry and the proposed extension is located southeast of 15 Side Road and Nassagaweya Esquesing Townline Road in an area predominantly used for quarry extraction. The location of the quarry and proposed extension is shown in Figure 1 below.

Figure 1

Context Map of Quarry and Proposed Extension



Source: MHBC Planning

1.3 ON-GOING OPERATIONS

1.3.1 Traffic Impacts

While the site is located within the boundaries of the Town of Halton Hills, the users of the site (trucks, employees, etc.) will utilize roads owned by the Town of Milton to access the site. The assessment of traffic impacts prepared by TMIG Ltd. concluded that no improvements to boundary roads or nearby intersections will be required as a result of the proposal. The TMIG report states that:

> …the boundary road network accommodates the conservative quarry traffic volumes with no conflicts …
>
> Review of the 2026 future conditions show that the planned Tremaine Road interchange intersections are projected to operate below capacity with acceptable LOS. The roundabout intersection of Dublin Line / Tremaine Road at James Snow Parkway / Campbellville Road is projected to operate under good LOS B or better with its southbound approach (Dublin Line) at LOS E during the PM peak hour (with an approach delay below 40 seconds per vehicle and under capacity). The projected operations are deemed acceptable, with no projected queueing concerns at the intersections.

The TMIG report goes on to conclude that:

> As detailed previously, the analysis completed as part of this study represents a worse-case scenario assuming the highest quarry trip generation surveyed in 2020, along with an assessment considering roundabout capacity reduced to 90%. With the aforementioned conservative measures, all study intersections are projected to operate with acceptable delay under future conditions with no roadway improvements required.

The existing quarry is permitted to ship an unlimited tonnage per year and the extension is proposing the same. As a result, there will be no increase in the permitted amount to be shipped annually.

1.3.2 Monitoring and Mitigation

CRH already operates a comprehensive environmental/water resources mitigation and monitoring program at the Milton Quarry. The proposed extension will be integrated into the existing system as described in the "Addendum to Updated Environmental Management and Protection Plan (AMP)." CRH is responsible for the costs of the monitoring and mitigation system and if approved and the lands are added to the land to be transferred

to Conservation Halton, CRH will update existing agreements with Conservation Halton to ensure no long-term financial liability to public authorities.

2 FISCAL IMPACT ANALYSIS

This section presents the methodology, assumptions, and results of our analysis of the net effect of the proposal on the municipality's finances.

2.1 ASSUMPTIONS AND INPUTS

There are several assumptions and input data incorporated into the model. While property tax assessment data are available for the year 2020, detailed financial statements (known as "Financial Information Returns") for the Town, as of the writing of this report, were only available for 2019. As such, all costs and revenues have been calculated based on reported costs, assessments, and Town property tax rates for the year 2019.

The client will be responsible for the maintenance of their portion of the lands and the site will have no municipal water or sanitary sewage services.

Finally, it is assumed that the site contains 15 million tonnes of aggregate and 5,500,000 tonnes of aggregate will be shipped each year. This assumption assumes that the license is issued prior to removal of the main processing plant in the Main Quarry. If the main processing plant is required to removed to access additional reserves, then portable processing plants will be required to process aggregate from the extension and approximately 2,000,000 tonnes will be shipped annually. This potential impacts to the findings of this fiscal impact study from this scenario occurring are reviewed in the Conclusions section of this report, within the "Sensitivity Analysis" subsection.

2.2 NET ADDITIONAL MUNICIPAL REVENUE

2.2.1 Existing Tax Revenues

In 2019, the subject property was assessed at $2,721,000 by MPAC, where the entire site was classified as RT or residential uses.

Based on these assessed values for current land uses, and the applicable 2019 tax rates, the landowners paid $21,100 in property taxes, of which $9,700 would have been generated for the Town of Halton Hills. The remaining annual property tax revenues would accrue to the Region and education.

2.2.2 Estimated Future Tax Revenues

The site is 66.2-hectares in size, of which 30.2 hectares is proposed to be licensed area, of which 15.9-hectares is proposed to be extraction area. For the purposes of this analysis, we will assume that all of the licensed portion of the site will be actively used throughout the operation of the quarry, and/or mitigation and monitoring.

The estimates of property assessment value for the proposed development are based on existing active quarries elsewhere in the Greater Golden Horseshoe, including the Nelson Quarry in Burlington, Lafarge Dundas Quarry in Hamilton and Dufferin Aggregates Quarry in Acton.

The sample is separated into two types:

- Licensed lands that are active
- Unlicensed lands that are held in reserve

Figure 2 below shows a sample of active sites. These actively used sites have an average assessment value of approximately $19,100 per acre. This assumption will be applied to the active licensed portion of the subject site.

Figure 2

Assessment Comparables from Aggregate Sites & Quarries in Surrounding Municipalities

					Share of Assessment by Type				
		Assessed Value	Site Size	Assessment Value/Acre	Res.	Ind.	Farm / Forest	Exempt	Comm.
Address	Municipality	*Dollars*	*Acres*	*$/Acres*			*Percent*		
7237 WELLINGTON RD 124	Guelph/Eramosa	1,949,000	222	8,779	0%	98%	0%	2%	0%
600 HIGHWAY 5 W	Hamilton	8,065,000	207	39,027	15%	85%	0%	0%	0%
9410 DUBLIN LINE	Halton Hills	5,156,000	394	13,095	71%	25%	0%	0%	4%
2433 NO.2 SIDEROAD	Burlington	9,028,400	546	16,535	75%	20%	0%	0%	5%
822 REST ACRES RD	Brant	1,167,000	119	9,819	21%	79%	0%	0%	0%
4459 CONCESSION 7	Puslinch	2,456,000	100	24,560	28%	71%	0%	1%	0%
437075 4TH LINE	Melancthon	1,297,000	50	26,139	14%	86%	0%	0%	0%
3030 AMENT LINE	Wellesley	2,891,000	40	71,489	19%	81%	0%	0%	0%
Total/Average		32,009,400	1,677	19,084					

Source: Altus Group Economic Consulting

The assessment value for the unlicensed portion of the site will be based on the assumption that it will have the same per acre assessment value the site has today.

In total, this approach results in an estimated total assessed value for the site of approximately $3.02 million, approximately $302,250 more than current assessment value for the site (an 11% increase in assessment value).

Figure 3

Estimated Change in Property Assessment Values

	Current	Proposed	Difference
Land Area		*Acres*	
Residential	163.7	-	(163.7)
Unlicensed Farm/Forest	-	40.9	40.9
Licensed - Inactive	-	-	-
Licensed - Active	-	122.8	122.8
Total	**163.7**	**163.7**	**-**
Assessment Value per Acre		*Dollars per Acre*	
Residential	16,622	n.a	
Unlicensed Farm/Forest	-	16,622	
Licensed - Inactive (0%)	-	16,622	
Licensed - Active (100%)	-	19,084	
Total	**16,622**	**18,468**	
Assessed Value		*Dollars*	
Residential	2,721,000	n.a	n.a
Unlicensed Farm/Forest	-	680,250	680,250
Licensed - Inactive	-	-	-
Licensed - Active	-	2,342,996	2,342,996
Total	**2,721,000**	**3,023,246**	**302,246**

Source: Altus Group Economic Consulting

Based on the Town's 2019 property tax rates, and due to the higher property tax rate for industrial uses, the 11% increase in assessment and the re-classification of parts of the site to industrial property tax class (IT) results in an overall 182% increase in annual property taxes of $38,320, of which the Town of Halton Hills would receive an additional $10,620 in property tax revenues per year, or an 109% increase from $9,700 per year to approximately $20,320.

Figure 4 **Estimated Change in Property Tax Revenues, Town of Halton Hills**

	Current	Proposed
Assessment Value ($)	2,721,000	3,023,246
Residential (RT)	*2,721,000*	-
Farmland / Forest (FT)	-	*680,250*
Industrial (IT)	-	*2,342,996*

	2019 Tax Rates		Tax Revenues		
	Current	Proposed	Current	Proposed	Difference
Residential (RT)	*Percent*			*Dollars*	
Town of Halton Hills	0.356453%	0.356453%	9,699	-	(9,699)
Halton Region	0.257707%	0.257707%	7,012	-	(7,012)
Education	0.161000%	0.161000%	4,381	-	(4,381)
Total	**0.775160%**	**0.775160%**	21,092	-	(21,092)
Farm/Forest (FT)					
Town of Halton Hills	0.089113%	0.089113%	-	606	606
Halton Region	0.064427%	0.064427%	-	438	438
Education	0.040250%	0.040250%	-	274	274
Total	**0.193790%**	**0.193790%**	-	1,318	1,318
Industrial (IT)					
Town of Halton Hills	0.841192%	0.841192%	-	19,709	19,709
Halton Region	0.608163%	0.608163%	-	14,249	14,249
Education	1.030000%	1.030000%	-	24,133	24,133
Total	**2.479355%**	**2.479355%**	-	58,091	58,091
Total					
Town of Halton Hills			9,699	20,315	10,616
Halton Region			7,012	14,687	7,675
Education			4,381	24,407	20,026
Total			21,092	59,409	38,317

Source: Altus Group Economic Consulting

2.2.3 Annual Aggregate Levy Fees

The *Ontario Aggregate Resources Act* and its regulation O.Reg 244/97 includes provisions requiring licensees to pay an annual fee related to the tonnage of aggregate removed during the previous year.

According to O.Reg. 244/97:

> 2.(1) Subject to the annual indexation adjustment under section 4.1, every licensee shall pay, on or before March 15, 2019 and on or before March 15 of each subsequent year,
>
> (a) in the case of a Class A licence, an annual fee in an amount equal to the greater of,
>
> (i) $689, or
>
> (ii) 19.8 cents per tonne for each tonne of aggregate that was excavated at the site of a pit or quarry during the previous

> alendar year or earlier, and removed from the site during the previous calendar year; …

The fees required by O.Reg. 244/97 are disbursed as set out in the regulation:

> 3. (1) A fee payable under sections 2, 2.1 and 2.2 shall be disbursed as follows:
>
> 1. One thirty-third to the Trust for purposes of rehabilitation and research as described in paragraphs 2 and 3 of subsection 6.1 (2) of the Act.
>
> 2. If the fee relates to aggregate or topsoil excavated at an area of a site situated in a lower-tier municipality or a single-tier municipality other than a designated single-tier municipality within the meaning of section 2.2, twenty thirty-thirds to the local municipality.
>
> 3. If the fee relates to aggregate or topsoil excavated at an area of a site situated in an upper-tier municipality, five thirty-thirds to the upper-tier municipality. …
>
> 5. The remainder to the Crown.

To restate the disbursements set out in the regulation, of the 20.8 cents per tonne:

- 61% goes to the local municipality (the Town of Halton Hills), or 12.69 cents per tonne;
- 15% goes to upper-tier municipality (Halton Region), or 3.12 cents per tonne;
- 3% goes to the Aggregate Resources Trust for the purposes of rehabilitation and research, or 0.62 cents per tonne;
- 21% goes to the Crown, or 4.37 cents per tonne.

Based on the estimated 5,500,000 tonnes of annual aggregate extraction, the site would generate $1,144,000 in aggregate levy fee revenues per year. Of this amount, the subject site would generate approximately $697,840 in annual aggregate levy fees for the Town of Halton Hills.

Additionally, $171,600 would accrue to Halton Region each year, another $34,320 would be generated for the Aggregates Resources Trust, and $240,240 would be generated for the Crown.

Figure 5

Estimated Annual Aggregate Levy Fees, Milton Quarry East Extension

	Tonnes
Extraction Amount	5,500,000

Aggregates Levy Fee	*Cents / Tonne*
Town of Halton Hills	12.69
Halton Region	3.12
Aggregate Resources Trust	0.62
Crown	4.37
Total	**20.80**

Aggregates Levy Fee Revenues	*Dollars*
Town of Halton Hills	697,840
Halton Region	171,600
Aggregate Resources Trust	34,320
Crown	240,240
Total	**1,144,000**

Source: Altus Group Economic Consulting

2.2.4 Total Annual Municipal Revenue Generated

Combined, the increased annual property tax revenues, and the aggregate fees generated for the Town amounts to an increase in annual revenue of approximately $708,400 per year over the current revenue that the subject site generates for the Town.

2.3 NET ADDITIONAL MUNICIPAL EXPENDITURES

Each year, the Town of Halton Hills submits financial information to the Ministry of Municipal Affairs and Housing (MMAH) – this information is summarized in Financial Information Returns (FIRs). The most recent and available information for the Town is their 2019 FIR.

The data in the FIR's was used to generate costs to the Town per $1,000 of assessed non-residential value for individual categories of operating expenditures, such as planning, government, road costs, water, and sewer. Some services, such as parks, recreation programs were assumed to not be impacted by new non-residential development in the Town. It was also assumed that the development would have no impact on the Town's water and sewer operating costs, as the site will not require servicing.

Costs associated with most other municipal services were allocated to the non-residential sector based on the non-residential sector's proportionate share of assessment value in the Town (15.9%), with downward adjustments

made for services where new development is not going to generate a proportionate increase in the need for services (such as government services). These incremental costs per $1,000 in assessment value were then multiplied by the anticipated change to assessment values from the proposed quarry extension.

Figure 6

Estimate of Net Growth-Related Expenditure Impacts of Proposed Development, Town of Halton Hills

Total Non-Residential Assessment - Town	2,130,756,983	15.93%
Total Assessment - Town	13,376,545,898	
Estimated Change in Assessment Value - Proposed Development	302,246	

	Gross Expenditures	Less: Grants and User Fees	Net Expenditures	Non-Res. Share	Net Non-Residential Share	Growth Factor	Net Non-Res. Growth Costs (NNRGC)	NNRGC per $1,000 Assess.	Estimated Incremental Operating Costs
General Government									
Governance	1,630,012	-	1,630,012	15.9%	259,645	50%	129,823	0.06	18
Corporate Management	5,369,774	-	5,369,774	15.9%	855,354	50%	427,677	0.20	61
Program Support	653,770	-	653,770	15.9%	104,139	50%	52,070	0.02	7
Subtotal	7,653,556	564,249	7,089,307		1,219,139		609,569	0.29	86
Protection Services									
Fire	10,820,904	38,882	10,782,022	15.9%	1,717,474	100%	1,717,474	0.81	244
Protective Inspection and Control	1,273,119	115,009	1,158,110	15.9%	184,476	100%	184,476	0.09	26
Building permit and inspection	2,644,641	761,146	1,883,495	15.9%	300,023	100%	300,023	0.14	43
Subtotal	14,738,664	915,037	13,823,627		2,201,973		2,201,973	1.03	312
Transportation Services									
Roads - Paved	15,815,233	2,033,388	13,781,845	15.9%	2,195,317	100%	2,195,317	1.03	311
Roads - Unpaved	247,508	-	247,508	15.9%	39,426	100%	39,426	0.02	6
Roads - Bridges and Culverts	931,357	-	931,357	15.9%	148,356	100%	148,356	0.07	21
Roads - Traffic Ops & Roadside	2,134,136	-	2,134,136	15.9%	339,948	100%	339,948	0.16	48
Winter Control - (excl. SW & PL)	2,864,035	42,440	2,821,595	15.9%	449,453	100%	449,453	0.21	64
Winter Control - (SW & PL)	255,243	-	255,243	15.9%	40,658	100%	40,658	0.02	6
Transit - Disabled & special needs	1,433,967	851,903	582,064	15.9%	92,717	100%	92,717	0.04	13
Parking	184,722	-	184,722	15.9%	29,424	100%	29,424	0.01	4
Street lighting	681,934	-	681,934	15.9%	108,626	100%	108,626	0.05	15
Maintenance agreements	81,098	-	81,098	15.9%	12,918	100%	12,918	0.01	2
Subtotal	24,629,233	2,927,731	21,701,502		3,456,844		3,456,844	1.62	490
Environmental Services									
Rural storm sewer system	1,542,842	-	1,542,842	15.9%	245,760	100%	245,760	0.12	35
Other	62	-	62	15.9%	10	100%	10	0.00	0
Subtotal	1,542,904	-	1,542,904		245,770		245,770	0.12	35
Health Services									
Cemeteries	358,590	284,028	74,562	15.9%	11,877	0%	-	-	-
Subtotal	358,590	284,028	74,562		11,877		-	-	-
Social and family services									
General assistance	7,831	-	7,831	15.9%	1,247	100%	1,247	0.00	0
Assistance to aged persons	967,315	283,443	683,872	15.9%	108,934	100%	108,934	0.05	15
Subtotal	975,146	283,443	691,703		110,182		110,182	0.05	16
Recreation and Cultural Services									
Parks	2,767,736	317,807	2,449,929	15.9%	390,250	100%	390,250	0.18	55
Recreation Programs	2,983,728	1,777,627	1,206,101	15.9%	192,120	100%	192,120	0.09	27
Rec. Fac. - All Other	10,338,576	2,904,880	7,433,696	15.9%	1,184,117	100%	1,184,117	0.56	168
Libraries	5,237,143	106,853	5,130,290	15.9%	817,207	100%	817,207	0.38	116
Cultural services	854,498	176,465	678,033	15.9%	108,004	100%	108,004	0.05	15
Subtotal	22,181,681	5,283,632	16,898,049		2,691,699		2,691,699	1.26	382
Planning and Development									
Planning and zoning	4,769,130	597,412	4,171,718	15.9%	664,515	50%	332,258	0.16	47
Commercial and Industrial	1,172,228	8,734	1,163,494	15.9%	185,334	50%	92,667	0.04	13
Subtotal	5,941,358	606,146	5,335,212		849,849		424,924	0.20	60
TOTAL	**78,021,132**	**10,864,266**	**67,156,866**		**10,787,332**		**9,740,961**	**4.57**	**1,382**

Source: Altus Group Economic Consulting

It is estimated that the incremental annual operating costs to the Municipality of providing services to the proposed quarry is approximately $1,380 per year.

3 CHANGE TO MUNICIPAL REVENUES

Based on the estimated impacts of the proposed development on assessment values, annual revenues and incremental operating costs to the Town, this section of the report presents our conclusions regarding the impacts to the Town from the proposed development.

3.1 NET CHANGE TO MUNICIPAL FISCAL POSITION

Figure 7 summarizes the results of the analysis. An estimated increase in assessed value would generate an additional $10,620 per year in property taxes for the Town. Aggregate levy fees are estimated to generate a further $697,840 per year in municipal fees for the Town.

The site is also estimated to generate an additional $1,380 in annual operating costs for the Town, from the provision of municipal services to the proposed quarry.

Therefore, after accounting for the increased revenues, increased costs, and decline in property tax revenues from surrounding properties, the Town is estimated to see an increase of over $707,074 per year in net annual revenue from the subject site.

Figure 7

Net Fiscal Impact, Proposed Development, Town of Halton Hills

	Current[1]	Proposed	Difference
Changes to Township Revenues & Costs	*Dollars*		
Property Taxes[1]	9,699	20,315	10,616
Aggregate Levy	-	697,840	697,840
Total Revenue	9,699	718,155	708,456
Less: Net Additional Municipal Expenditures	n.a.	-	1,382
Net Change to Fiscal Position			**707,074**

[1] Based on 2019 FIR and property tax rolls

Source: Altus Group Economic Consulting based on data from MPAC, Ministry of Municipal Affairs

3.2 SENSITIVITY ANALYSIS

If the main processing plant is required to be removed to access additional reserves, then portable processing plants would be required to process aggregate from the extension and 2,000,000 tonnes would be shipped annually, instead of the 5,500,000 tonnes per year that this report is based on.

If the aggregate extracted per year is reduced from 5,500,000 tonnes to 2,000,000 tonnes, all parts of the estimated annual fiscal impact would remain the same, except the aggregate levy revenues would fall proportionately to the reduction in the amount of aggregate extracted. Nonetheless, even in this scenario, even if aggregate levy revenues for the Town are only 36% of the $697,800 per year as shown in Figure 7, the annual fiscal impact of the proposed extension on Town would remain positive, and significantly so.

4 ECONOMIC IMPACTS

This chapter presents the economic impact analysis of the proposed expansion.

4.1 DEFINITION

Economic impact is the impact to the total economy stemming from an increase in investment activity in a given location. In this case, the change is measured in Gross Domestic Product (GDP), wages, and employment in the broad economy stemming from economic activity generated at the proposed quarry and the investment related to the initial development. The standard methodology, and the one used in this report, is the Input-Output (I-O) model.

4.2 ECONOMIC IMPACT

The section presents the model, assumptions, and results of the broader economic impact of the proposed quarry expansion. Economic impacts, as estimated by the standard I-O model, are at the Provincial level. Local economic impacts are estimated in the following chapter.

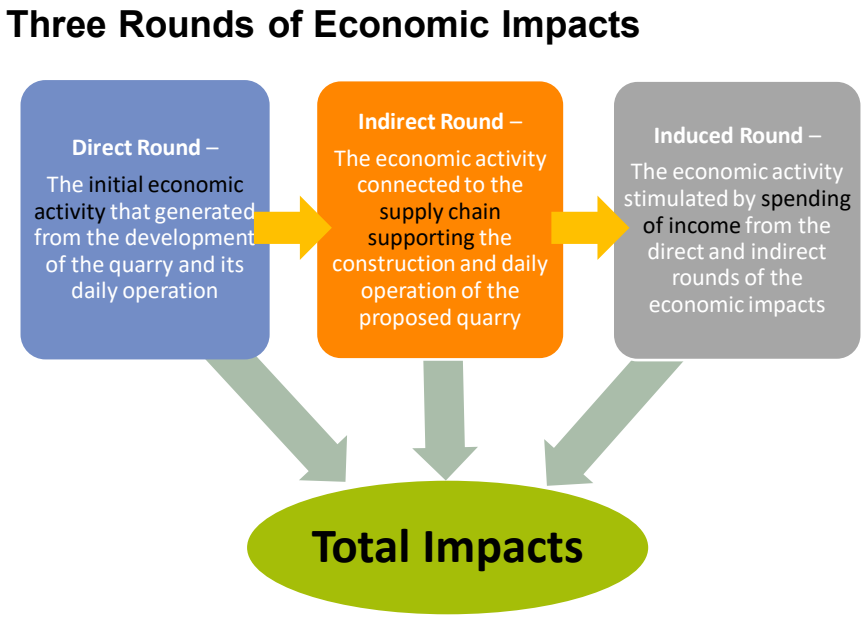
4.2.1 Methodology

Economic impacts are assessed through a range of key measures, including:

- **Economic Activity:** The volume of goods and services consumed in the economy related to the proposed development;
- **Contribution to GDP:** The value-added component of the economic activities, a measure of the contribution of the activities to Canada's Gross Domestic Product ('GDP');
- **Jobs:** The number of person years of employment directly and indirectly tied to activity at the quarry;
- **Income:** The volume of income generated through activity related to the proposed quarry; and
- **Government Tax Revenues:** Federal and Provincial tax revenues, primarily personal income taxes, and other payroll deductions
- There are generally said to be three "rounds" of economic impact**:**

- **Direct Round** – jobs and economic activity directly related to the construction of the proposed quarry and its daily operation once it is complete, including construction workers, machinery operators, and administrative staff;
- **Indirect Round** – jobs and economic activity connected to the supply chain supporting the construction and daily operation of the proposed quarry, including construction material suppliers, office supply providers; and
- **Induced Round** – jobs and economic activity stimulated by spending of income from the first two rounds.

Figure 8



Source: Altus Group Economic Consulting

This report considers potential economic impacts in two stages:

- **Initial Investment Stage:** Economic impacts from this phase are due to one-time development activity generated by the proposed quarry; and
- **On-Going Stage:** Economic impacts from this phase are generated by the on-going economic activities located within the proposed quarry after its completion.

4.2.2 Model Assumptions

For the purposes of this analysis, the following inputs were used:

- CRH Canada Group provided an estimate that total initial capital investment required in the quarry expansion is $6.9 million. The majority of these costs are associated with the water management system;
- Once the quarry is in operation, it is assumed to produce the 5,500,000 tonnes of aggregate annually for a period of 2.5 years.

4.2.3 Economic Impact of the Initial Investment

Figure 9 lays out the estimated province-wide economic impact stemming from the initial investment:

- The initial construction, including machinery & equipment and capital improvements, would generate $6.9 million in direct economic activity, and $13.8 million in total, including the indirect and induced rounds of activity;
- This would contribute a total of $6.2 million to GDP;
- An estimated 68 full-time equivalent jobs (person years of employment) would be supported including 31 person-years directly; and
- This would create $4.1 million in labour income and a total of $1.0 million in taxes for all levels of government.

Figure 9

Estimated Province-Wide Economic Benefits of the Proposed Development: Total Initial Construction Investment

	Direct	Indirect	Induced	Total
		Dollars (000,000)		
Economic Activity	6.9	4.6	2.3	13.8
Gross Domestic Product	2.5	2.3	1.3	6.2
		Person-Years of Employment		
Number of Jobs	31	23	14	68
		Dollars (000,000)		
Wages	2.1	1.4	0.6	4.1
Taxes	0.5	0.3	0.2	1.0

Source: Altus Group Economic Consulting based on Statistics Canada Input-Output model and other sources

4.2.4 Economic Impact on On-Going Operations

Figure 10 lays out the estimated province-wide economic impact stemming from a single year's operations of the quarry extension:

- The on-going operation of quarry expansion would generate $208.7 million in direct economic activity on an annual basis through the sale of aggregate, including transportation costs;
- This would contribute a total of $108.9 million to GDP;
- An estimated 640 full-time equivalent jobs (person years of employment) would be supported including 242 person-years directly; and
- This would create $43.3 million in labour income and a total of $11.1 million in taxes for all levels of government.

Figure 10

Estimated Province-Wide Economic Benefits of the Proposed Development: On-Going Operation (Single Year)

	Direct	Indirect	Induced	Total
		Dollars (000,000)		
Economic Activity ($millions)	125.2	59.3	24.2	208.7
Gross Domestic Product ($millions)	62.8	31.8	14.3	108.9
		Person-Years of Employment		
Number of Jobs	242	263	135	640
		Dollars (000,000)		
Wages ($millions)	17.5	19.2	6.6	43.3
Taxes ($millions)	4.5	5.1	1.5	11.1

Source: Altus Group Economic Consulting based on Statistics Canada Input-Output model and other sources.

Figure 11 lays out the estimated province-wide economic impact stemming from at 5.5 million tonnes per annum, approximately three (3) years of on-going operations of the extension:

- The on-going operation of the quarry expansion would generate $583 million in direct economic activity on an annual basis through the sale of aggregate, including transportation costs;
- This would contribute a total of $303 million to GDP;
- An estimated 1,814 full-time equivalent jobs (person years of employment) would be supported, including 693 directly; and

- This would create $122.3 million in labour income and a total of $31.4 million in taxes for all levels of government.

Figure 11

Estimated Province-Wide Economic Benefits of the Proposed Development: Total Initial Construction and On-Going Benefits (Construction Period and Operational Horizon)

	Direct	Indirect	Induced	Total
		Dollars (000,000)		
Economic Activity ($millions)	348	166	68	583
Gross Domestic Product ($millions)	174	89	40	303
		Person-Years of Employment		
Number of Jobs	693	739	382	1,814
		Dollars (000,000)		
Wages ($millions)	49.9	53.7	18.7	122.3
Taxes ($millions)	12.8	14.3	4.2	31.4

Source: Altus Group Economic Consulting based on Statistics Canada Input-Output model and other sources

4.3 CONCLUSION

The approval of the proposed Milton Quarry Extension will not result in a financial liability to public authorities and during operations will generate a significant net benefit for municipal revenues.

APPENDIX A

DARYL KELEHER, MCIP, RPP

Senior Director, Altus Group Economic Consulting

CURRICULUM VITAE

Responsibilities

a) Mr. Keleher is an urban planner and land economist with a specialization in public policy, land economics and municipal finance. He is a Senior Director at Altus Group Economic Consulting (formerly Clayton Research). His areas of expertise include:

- Housing, including housing policy analysis, affordable housing, residential land needs, etc.;
- Municipal finance, demographic, economic and socio-economic impact analysis;
- Provincial and municipal planning policy analysis, including Official Plans, Secondary Plans, Provincial Policy Statement and Growth Plan for the Greater Golden Horseshoe;
- Fiscal impact studies;
- Employment land need analyses and commercial market analysis;
- Development Charge background study and by-law reviews;
- Development charge complaints, including DC credit issues; and
- Education Development Charge background study and by-law reviews.

b) He has been with Altus Group Economic Consulting for almost 14 years, joining in December 2007. Prior to his time at Altus Group, Mr. Keleher was employed by the Canadian Urban Institute and by AC Nielsen Canada.

c) Mr. Keleher has provided expert witness testimony before the Ontario Municipal Board/Local Planning Appeal Tribunal on multiple occasions.

Education

- Wilfrid Laurier University – Honours Economics – B.A., 2002
- Ryerson University – Urban and Regional Planning – B.U.R.Pl., 2007

Memberships

- Full Member of Canadian Institute of Planners and Ontario Professional Planners Institute (MCIP, RPP);
- Member of Association of Ontario Land Economists (PLE);
- Member of Ontario Expropriation Association;

Examples of Experience

a) Mr. Keleher has undertaken numerous reviews of municipal and education development charge policies and provided strategic advice to developer and homebuilder groups in dozens of municipalities across Ontario.

b) He has also reviewed growth-related levies/charges for homebuilders in the City of Calgary, the City of Winnipeg, and Halifax Regional Municipality;

c) Mr. Keleher was retained by the Waterloo Region Home Builders' Association to review the first instance of a transit and waste management development charge being proposed under the then new Development Charge Act and regulations in the Province of Ontario;

d) Mr. Keleher appeared before the Ontario Municipal Board regarding how the City of Toronto's development charges by-law relates to the use of potential section 37 funds by the City;

e) He has prepared numerous fiscal impact studies reviewing the impact of new developments on both the operating and capital budgets of municipalities such as Scugog, Caledon, Whitchurch-Stouffville, Clarington, Oakville, Centre Wellington, Erin, and Brant County;

f) Mr. Keleher provided expert witness testimony related to a proposed new aggregates operation in the Town of Mono, providing opinion evidence regarding the anticipated fiscal impacts of the operation on the Town's finances.

g) Mr. Keleher provided expert witness testimony related to a conversion of rental apartment buildings in St. Catharines to condominium tenure. His analysis concluded that the conversion would result in an increase in the amount of affordable housing in the City and met City and Regional policies allowing such conversions and other policies promoting the creation of affordable housing.

h) Mr. Keleher was retained by Canada Lands Corporation to review the provision of affordable housing within Stanley Greene District of the Downsview Park Secondary Plan area, and whether the planned provision meets the Secondary Plan and City of Toronto Official Plan policies. A Housing Issues Report was also prepared in support of the application for development for the Stanley Greene District as a whole, which contained interpretations of provincial and municipal definitions of affordability and calculations of affordability thresholds for both ownership and rental housing.

i) He has prepared a number of studies for a private landowner reviewing the retail, office and industrial markets in the City of Calgary, and establishing a realistic quantum of commercial and employment land within an emerging planning area in the northeast part of the City.

j) He worked on a Housing Issues Report for an application at 1990 Bloor Street West in the City of Toronto to redevelop an existing rental apartment building with a new condominium apartment building. The Housing Issues Report reviewed the rental market in the surrounding area, and the applicable policies in the City of Toronto Official Plan regarding rental replacement.

k) Mr. Keleher has undertaken an office market study for a landowner in the City of Ottawa, with land holdings in the vicinity of a transit station on the Ottawa LRT line.

l) Mr. Keleher worked on an economic implications report for the redevelopment of the former Globe and Mail site in the City of Toronto, reviewing the economic benefits associated with the development, and how it would fulfil a need for new retail and office space in the Downtown, particularly in the area west of Spadina Avenue.

m) He has undertaken a detailed review of the market for automotive retail uses in the City of Mississauga, and the associated land needs for such uses, and studied the appropriateness of locating such uses within employment areas.

n) Mr. Keleher was retained by a developer in 2012 to examine the potential and housing implications of a new student residence, with 74 apartment units, in the City of Thorold (near Brock University). The report reviewed the demographics of the student population and other enrolment trends at Brock University, and the supply of on-campus housing relative to demand.

o) He also assisted with a study in 2008 to review another student housing development in the City of Thorold (near Brock University), with 449 apartment suites. Similar to the report in 2012, this report also reviewed the demographics of the student population and other enrolment trends at Brock University, and the supply of on-campus housing relative to demand.

p) Mr. Keleher worked on an Economic Impact Study for a residential and industrial development on Wallace Avenue in the City of Toronto, which required the conversion of employment lands to permit the residential components of the development. The study reviewed provincial and municipal planning policies regarding efficient use of infrastructure, particularly transit.

q) Mr. Keleher undertook an office market study for a landowner in north Brampton and reviewed the market potential for medical users to locate within a prospective office building. This involved a detailed review of the characteristics of medical offices, and identification of the amenities and location attributes deemed desirable by such uses, and whether the subject site could compete with other sites in the City.

r) Mr. Keleher was part of a project team on the intensification of the property at 240 Markland Road in Etobicoke. The site is currently improved with a rental apartment building, and the applicant proposed to intensify underutilized areas of the site with a condominium apartment building and condominium townhouses. Mr. Keleher's role on the project team was to prepare a Housing Issues Report that reviews the rental housing market in the area surrounding the subject site, reviews municipal policies regarding infill and retention of rental housing, and the applicability of section 37, and whether improvements to the existing rental building are eligible community benefits.

s) He prepared a report jointly for the City of Oshawa, Municipality of Clarington and Durham College (among others) to model and estimate the economic benefits that would be generated from an extension of the GO Lakeshore East train line through Central Oshawa to Bowmanville. The study also reviews the land use planning permissions in place in the area surrounding prospective stations to estimate the population and job potential of as-of-right development potential.

t) Mr. Keleher prepared a report for the City of Vaughan review the various financial incentives and planning tools available to the City to help attract office development to the Vaughan Metropolitan Centre, and to make office development more feasible in the City as a whole;

u) He was retained by the Town of Wasaga Beach to assess their need for a high school, by reviewing demographic trends in the Town and surrounding municipalities, and the economic and community-building implications of having and/or not having a high school in a community.