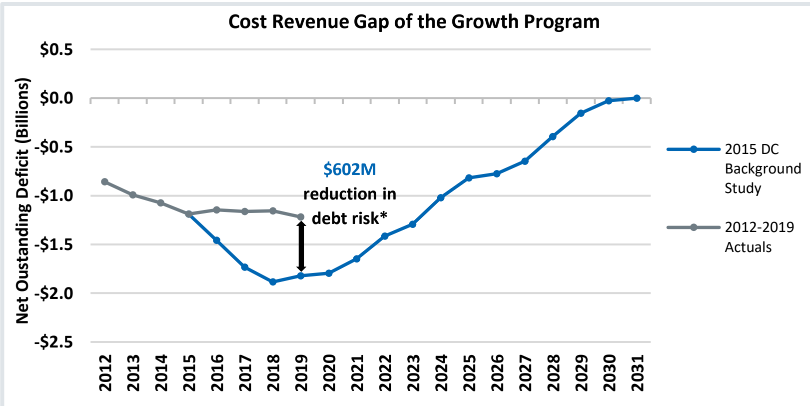
Peel's Growth Management Program & Development Charge Performance – 2019

Region of Peel
working with you

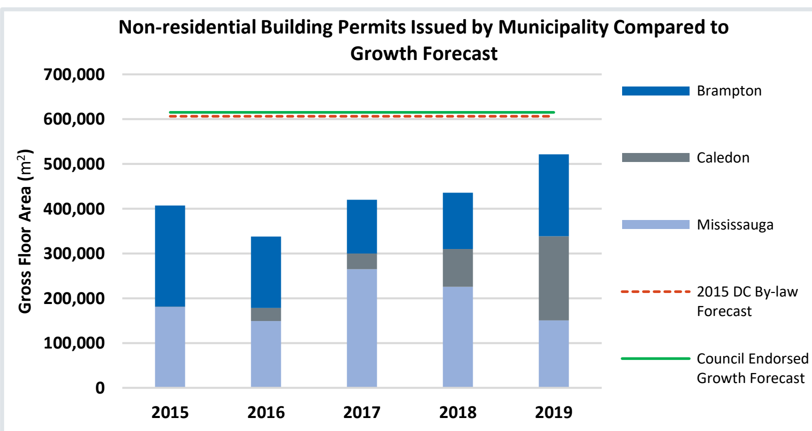
Reducing the Cost Revenue Gap Associated with Growth Related Infrastructure

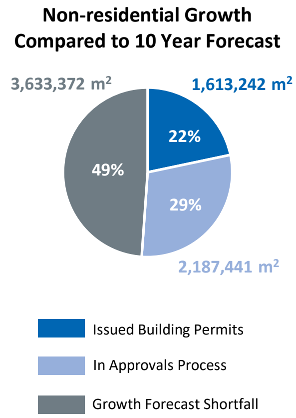


The Program achieved a **$602M reduction in debt risk** compared to the background study forecast of $1.8B to service growth to 2031.

Deferred $500M of water and wastewater capital projects outside the 10-year budget horizon through the 2020 budget process.

Peel Remains at Risk of Not Meeting the Non-residential Growth Forecast from 2016-2026

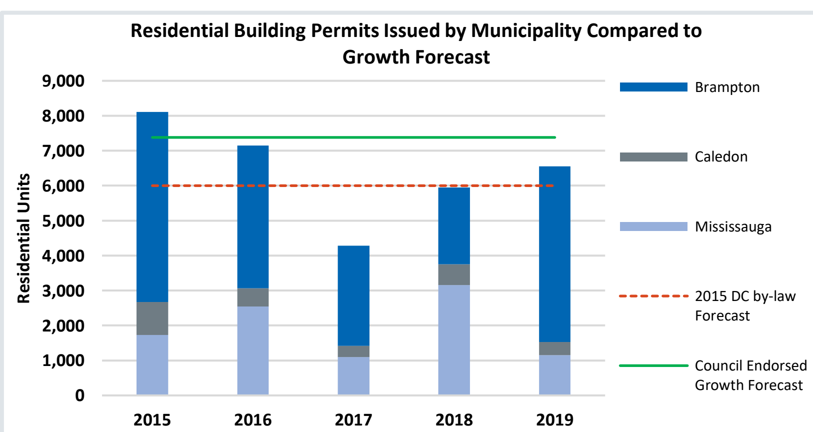


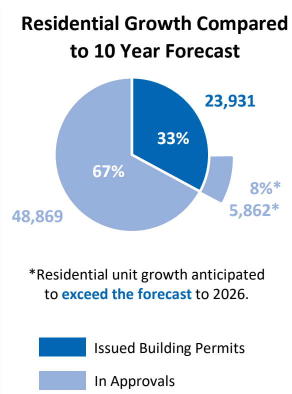


The non-residential shortfall is attributed primarily to **the lack of new office space** in Peel.

Non-residential developments in the development approvals process will be primarily for **industrial uses.**

Peel is On-track to Meeting the Residential Growth Forecast from 2016-2026





*Residential unit growth anticipated to **exceed the forecast** to 2026.

Future growth to be led by **large scale redevelopments proposed in Brampton and Mississauga.**

63% of residential units in the development approvals process are for **apartments.**

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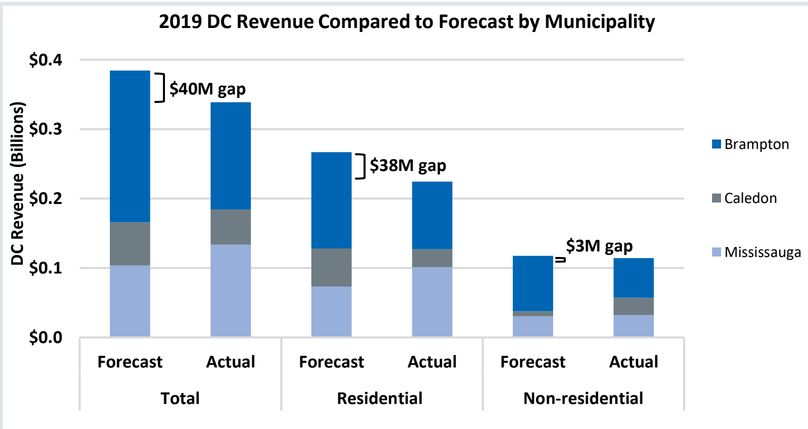
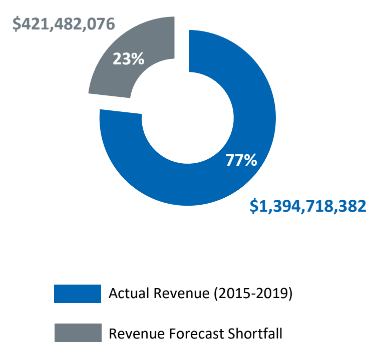
Annual Gap Between Forecasted and Actual DC Revenue Was Approximately $40M

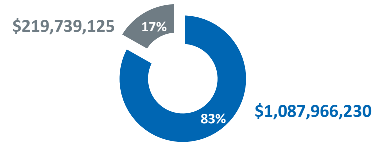


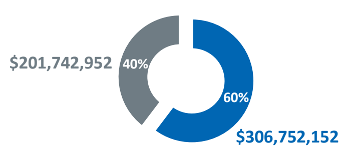
Residential DC revenue shortfall is attributed to **a shift from low density to medium and high-density projects**.

Higher non-residential DC revenues are attributed to **large-scale industrial developments** (i.e. Amazon). This is offset by the shortfall resulting from **a lack of new office space and non-DC eligible industrial building expansions.**

The DC Revenue Shortfall is $421 million compared to the 2015 DC Background Study







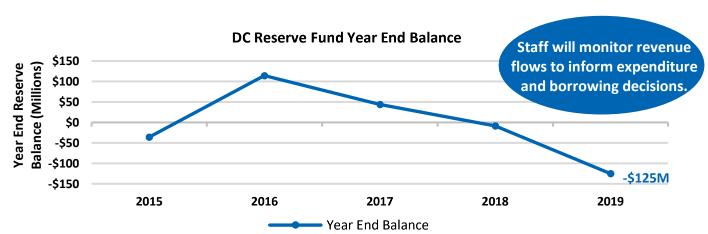
Residential DC revenue shortfall is attributed to **lower than forecasted construction of single and semi-detached housing.**

Non-residential DC revenue shortfall in part due to lower than forecasted activities in office developments and partially due to the **changing nature of employment** –.

Risks to Growth Paying for Growth

Continued shortfalls in non-residential DC revenue increases the Region's debt risk and may result in additional pressure on future tax and rate funding sources

This may result in decisions to delay infrastructure investments to service new growth areas in response to rising debt levels.



Globalization and technological shifts are changing the nature of work in the Region.

This can be seen in changes to the demand, type and scale of new employment buildings constructed in the Region, resulting in lower than forecasted non-residential floor space and associated revenues.

Maintaining the principle that 'growth pays for growth'.

The Region's ability to maintain the principle that 'growth pays for growth' continues to be threatened by the Provincially legislated changes, introduced through the Bill 108: More Homes, More Choice Act, 2019.