

November 1, 2019

Memorandum to: Shirley Kam
City of Vaughan

From: Peter Norman, VP and Chief Economist & Carlos Forte, Senior Consultant
Altus Group Economic Consulting

**Subject: Economic Impact Statement, Community Improvement Plan Project Areas
in Vaughan, Ontario**

Our File: P-6224

The City of Vaughan has designated the Vaughan Metropolitan Centre (VMC) and Weston Road and Highway 7 (Weston 7) as Community Improvement Project (CIP) Areas. CIP Areas are areas designated for development such as enhanced recreational and cultural facilities, parks and open spaces, property and building stock upgrades, and higher densities to support planned transit facilities.

The City of Vaughan approached Altus Group Economic Consulting to undertake an analysis of the economic benefits arising from the development and operational activities arising from and within the designated CIP Areas of Vaughan Metropolitan Centre and Weston Road and Highway 7 in the City of Vaughan.

This memo presents the estimated economic benefits and government revenue that could be attributed to:

- VMC and Weston 7 development and redevelopment activities during the 2015-2020 period; and
- VMC development and redevelopment activities that are expected to take place during the period 2021-2041.

The CIP Areas economic impacts are presented with a breakdown for residential development, retail development, office development and institutional development as follows:

- The economic and fiscal impacts of the one-time construction phase of actual (2015-2020) development and redevelopment activities;
- The single-year economic and fiscal impacts of the on-going operations of commercial activity resulting from CIP projects after actual (2015-2020) construction;
- The economic and fiscal impacts of the one-time construction phase of expected (2021-2041) development and redevelopment activities; and
- The single-year economic and fiscal impacts of the on-going operations of commercial activity resulting from CIP projects after expected (2021-2041) construction.

For both the VMC and Weston 7, actual (2015-2020) development and redevelopment activities were classified as those “developments that were under construction or built” during the period 2015-2020,

while for the VMC, the number of square feet of building space by type was estimated based on planned development targets for the 2021-2041 forecast period. No 2021-2041 development scenarios were forecasted for Weston 7.

VAUGHAN METROPOLITAN AREA CIP AREA

The construction and operation of new residential, commercial and institutional space within Vaughan Metropolitan Area during 2015-2020 equates to investment of \$5.1 billion during the construction phase of the projects and an estimated annual expenditure of some \$447.5 million once developments are fully operational.

Construction hard costs were estimated as follows:

- New development activity will provide about 7.2 million sq. ft. at a total building construction cost estimated at \$3.5 billion;
- Almost 6,700 parking stalls will likely be provided at an estimated construction costs of about \$346.3 million;
- Land development and site servicing costs were estimated at \$166.8 million, about 3.5% of the combined costs of building construction and professional soft costs such as architectural, engineering, financing and legal fees;
- Professional soft costs of \$1.2 billion were assumed to be about 35% of the total investment value of all construction activity, typical of the type of construction proposed.

The construction and operation of new residential, commercial and institutional space within Vaughan Metropolitan Area during 2020-2041 forecast period equates to investment of about \$9.6 billion during the construction phase of the projects and an estimated annual expenditure of some \$1.7 billion once developments are fully operational.

Construction hard costs were estimated as follows:

- New development activity will provide about 12.6 million sq. ft. and a total investment in building construction estimated at \$6.6 billion;
- About 23,200 parking stalls will likely be provided at an estimated construction costs of about \$1.3 billion;
- Land development and site servicing costs were estimated at \$316.7 million, about 3.5% of the combined costs of building construction and professional soft costs such as architectural, engineering, financing and legal fees;
- Professional soft costs of \$2.4 billion were assumed to be about 35% of the total investment value of all construction activity, typical of the type of construction proposed.

Figure 1

Vaughan Metropolitan Centre Development Summary Statistics				
	GFA (sq. ft.)	Units/Stalls	Sq. Ft. per Employee	Estimated Construction Value \$M
2015-2020				
Residential	6,528,929	7,071		2,970.7
Office	392,929		120	157.2
Retail	178,143		400	28.2
Institutional	113,000		675	32.2
Sub Total	7,213,001	7,071		3,188.3
Above Ground Parking Stalls		1,385		51.2
Underground Parking Stalls		5,364		295.0
Sub Total		6,749		346.3
2020-2044				
Residential	9,807,535	10,929		4,462.4
Office	1,857,071		120	742.8
Retail	946,857		400	142.0
Institutional	-		675	-
Sub Total	12,611,463	10,929		5,347.3
Above Ground Parking Stalls		-		-
Underground Parking Stalls		23,214		1,276.8
Sub Total		23,214		1,276.8

Source: Altus Group Economic Consulting based on data provided by client

ECONOMIC BENEFITS ASSOCIATED WITH CONSTRUCTION AND DEVELOPMENT ACTIVITIES 2015-2020

Construction and development activities related to the VMC during the period 2015-2020 will deliver tremendous economic benefits by generating:

- About 45,500 person-years of direct, indirect and induced employment (about 7,600 jobs per year during the six-year period);
 - 25,000 jobs of which will be generated in the city of Vaughan;
- About \$9.1 billion in direct, indirect and induced economic activity;
 - \$5.0 billion of which is estimated to take place in the city of Vaughan;
- About \$4.8 billion in net contribution to GDP;
 - \$2.6 billion of which is estimated to take place in the city of Vaughan;
- About \$3.1 billion in personal income tied to the creation of direct, indirect and induced jobs;

- \$1.7 billion of which is estimated to take place in the city of Vaughan;
- Some \$1.7 billion in operating business earnings; and
 - \$921.4 million of which is estimated to take place in the city of Vaughan;
- Some \$1.9 billion in tax revenues and other charges for various levels of government (See Figure 2, Figure 3 and Figure 4).
 - Some \$1.0 billion in personal and business taxes;
 - Some \$279.2 million in land transfer tax (LTT), and harmonized sales tax (HST);
 - \$512.9 million in development charges; and
 - \$10.4 million in building fees.

Direct jobs and economic activity will result from the construction of the residential and non-residential buildings, construction of parking spaces, and the site servicing of the property, including demolition. Land development and infrastructure such as streetscapes and utilities, in addition to activity associated with the 'soft costs' of construction will also contribute to direct jobs and economic activity. Construction 'soft costs' include costs related to planners, architects, City staff and other activities directly tied to the investments planned for the subject site.

Tax revenues and other charges for various levels of government include personal and business income taxes and well as property taxes, provincial land transfer taxes, HST and other indirect taxes, charges and fees. Indirect taxes on production include CPP and EI contributions, and an array of municipal fees and taxes such as building permit fees, application fees, and development charges.

The city of Vaughan stands to gain up to 55% of the economic benefits generated from the construction phase of the projects in the VMC, including an addition \$5.0 billion in economic activity. The economic benefits, which will accrue to the city of Vaughan from the construction of various projects in the VMC approximates to the direct benefits that the various projects will generate for Ontario.

Figure 2

Estimated Economic Benefits of Vaughan Metropolitan Centre: Construction and Development Activities, 2015-2020

	Direct	Indirect	Induced	Total	Total Impacts by Type of Development			
					Residential	Office	Retail	Institutional
Economic Activity (\$millions)	5,056.4	2,339.2	1,672.5	9,068.1	8,432.9	475.8	66.1	93.4
Gross Domestic Product (\$millions)	2,627.9	1,187.5	982.6	4,798.0	4,448.1	263.4	35.2	51.4
Number of Jobs*	24,757	11,840	8,895	45,491	42,018	2,610	353	510
Wages (\$millions)	1,870.0	788.3	458.8	3,117.1	2,882.4	176.7	23.6	34.5
Business Earnings (\$millions)	811.6	403.8	459.8	1,675.2	1,561.8	85.6	11.1	16.6
Tax Revenue (\$millions)								
Personal & Business Income Taxes				1,048.4	968.3	60.1	8.1	11.8
Municipal Taxes, Charges & Fees				523.3	495.1	10.8	12.8	4.6
Other Government Revenues (Land Transfer Taxes, HST)				279.2	275.4	2.1	1.4	0.3
Total Government Revenues				1,850.9	1,738.9	73.0	22.3	16.7

* Person-years of employment

Source: Altus Group Economic Consulting based on Input / Output Model and Other Sources

Figure 3

Summary of Estimated Construction Economic Benefits for Vaughan Metropolitan Centre, 2015-2020

One-Time Benefits	Total	Residential	Office	Retail	Institutional
Development Charges			<i>Dollars (000,000s)</i>		
City of Vaughan	209.1	204.2	0.7	2.5	1.6
Region of York	253.4	232.0	9.0	9.8	2.6
Education	50.3	49.5	0.4	0.2	0.1
Total	512.9	485.8	10.2	12.6	4.3
Building Permit Fees			<i>Dollars (000,000s)</i>		
City of Vaughan	10.4	9.3	0.6	0.2	0.2

Source: Altus Group Economic Consulting

Figure 4

Summary of Land Transfer Taxes for Vaughan Metropolitan Centre, 2015-2020

Land Transfer Taxes	Total	Residential	Office	Retail	Institutional
			<i>Dollars (000,000s)</i>		
Total	65.3	61.5	2.1	1.4	0.3

Source: Altus Group Economic Consulting

ECONOMIC BENEFITS ASSOCIATED WITH ON-GOING OPERATIONS 2015-2020

Economic Activity, Jobs, Earnings and Government Revenues

A range of economic benefits are expected from the on-going operations at VMC developments once completed.

This section contains estimates of the jobs, economic activity, business earning and government revenues that are likely to be sustained or generated annually as a result of the retail spending, property management fees and other commercial activity that will be created from the other retail, office, residential and recreational spending associated with the various CIP developments in the VMC.

A significant amount of those economic benefits will result from consumer spending at the retail space provided in VMC developments, and retail spending from residents.

The city of Vaughan is expected to account for some 90% of the economic benefits from the on-going operations of the VMC.

The on-going operation of the proposed development (for a single-year) will generate:

- Approximately 18,500 person-years of direct, indirect and induced employment;
- About \$914.4 million in direct, indirect and induced economic activity;
- Some \$485.8 million in total net contribution to GDP;
- About \$311.0 million in personal income from the creation of direct, indirect and induced jobs;
- Some \$101.8 million in total operating business earnings; and
- Approximately \$333.5 million in property, business and income tax revenues for all levels of government (See Figure 5, and Figure 6).
 - Some \$93.2 million in personal and business taxes; and
 - \$240.2 million in property taxes.

Figure 5

**Estimated Economic Benefits of the Vaughan Metropolitan Centre: 2015-2020
On-going Operations (Single-Year)**

	Direct	Indirect	Induced	Total	Total Impacts by Type of Development			
					Residential	Office	Retail	Institutional
Economic Activity (\$millions)	447.5	225.8	241.2	914.4	303.0	514.0	71.7	25.8
Gross Domestic Product (\$millions)	257.4	126.4	101.9	485.8	173.9	258.1	40.9	12.9
Number of Jobs*	6,216	1,230	11,047	18,494	3,082	14,034	664	715
Wages (\$millions)	199.6	71.1	40.4	311.0	113.4	163.3	26.1	8.2
Business Earnings (\$millions)	14.0	57.5	30.3	101.8	45.5	42.4	11.8	2.0
Tax Revenue (\$millions)								
Personal & Business Income Taxes				93.2	15.5	70.8	3.3	3.6
Municipal Taxes (Property Taxes)				240.2	237.4	1.7	1.1	-
Total Government Revenues				333.5	252.9	72.4	4.5	3.6

* Person-years of employment

Source: Altus Group Economic Consulting based on Input / Output Model and Other Sources

Figure 6

Summary of Estimated On-going Economic Benefits for Vaughan Metropolitan Centre, 2015-2020

On-going Benefits	Total	Residential	Office	Retail	Institutional
Assessment Base and Property Tax Revenues					
<i>Dollars (000,000s)</i>					
Estimated Assessment Value for 2019 Property Taxation	4,448.4	4,272.5	104.9	71.0	N/A
Annual Property Tax Associated with Development at Build-Out					
<i>Dollars (000,000s)</i>					
City of Vaughan	78.2	77.7	0.3	0.2	N/A
Region of York	84.3	83.5	0.5	0.3	N/A
Education	77.8	76.1	1.0	0.7	N/A
Total	240.2	237.4	1.7	1.1	N/A

Source: Altus Group Economic Consulting

ECONOMIC BENEFITS ASSOCIATED WITH CONSTRUCTION AND DEVELOPMENT ACTIVITIES 2021-2041

Construction and development activities related to the VMC during the period 2015-2019 will deliver tremendous economic benefits by generating:

- About 87,000 person-years of direct, indirect and induced employment (about 4,100 jobs per year during the 21-year period);
 - 47,900 jobs of which will be generated in the city of Vaughan;
- About \$17.3 billion in direct, indirect and induced economic activity;

- \$9.5 billion of which is estimated to take place in the city of Vaughan;
- About \$9.2 billion in net contribution to GDP;
 - \$5.0 billion of which is estimated to take place in the city of Vaughan;
- About \$6.0 billion in personal income tied to the creation of direct, indirect and induced jobs;
 - \$3.3 billion of which is estimated to take place in the city of Vaughan;
- Some \$3.2 billion in operating business earnings; and
 - \$1.7 billion of which is estimated to take place in the city of Vaughan;
- Some \$3.4 billion in tax revenues and other charges for various levels of government (See Figure 7, Figure 8 and Figure 9).
 - Some \$2.0 million in personal and business taxes;
 - Some \$500.9 million in land transfer tax (LTT) and harmonized sales tax (HST);
 - \$868.3 million in development charges; and
 - \$18.1 million in building fees.

Direct jobs and economic activity will result from the construction of the residential and non-residential buildings, construction of parking spaces, and the site servicing of the property, including demolition. Land development and infrastructure such as streetscapes and utilities, in addition to activity associated with the 'soft costs' of construction will also contribute to direct jobs and economic activity. Construction 'soft costs' include costs related to planners, architects, City staff and other activities directly tied to the investments planned for the subject site.

Tax revenues and other charges for various levels of government include personal and business income taxes and well as property taxes, provincial land transfer taxes, HST and other indirect taxes, charges and fees. Indirect taxes on production include CPP and EI contributions, and an array of municipal fees and taxes such as building permit fees, application fees, and development charges.

The city of Vaughan stands to account for up to 55% of the economic benefits generated from the construction phase of the projects in the VMC, including an addition \$9.5 billion in economic activity during the 2021-2041 21-year period. The economic benefits, which are estimated to accrue to the city of Vaughan from the construction of various projects that are forecasted to take place in the VMC approximates to the direct benefits that the various projects will generate for Ontario.

Figure 7

Estimated Economic Benefits of Vaughan Metropolitan Centre: Construction and Development Activities, 2021-2041

	Direct	Indirect	Induced	Total	Total Impacts by Type of Development		
					Residential	Office	Retail
Economic Activity (\$millions)	9,574.6	4,438.4	3,237.2	17,250.2	14,336.4	2,533.6	380.2
Gross Domestic Product (\$millions)	4,984.3	2,265.4	1,902.0	9,151.7	7,555.6	1,394.5	201.6
Number of Jobs*	46,843	22,713	17,475	87,030	71,288	13,736	2,005
Wages (\$millions)	3,597.1	1,503.4	888.1	5,988.6	4,917.6	936.0	135.0
Business Earnings (\$millions)	1,487.9	773.5	890.1	3,151.5	2,633.5	454.1	63.9
Tax Revenue (\$millions)							
Personal & Business Income Taxes				1,998.9	1,637.4	315.5	46.1
Municipal Taxes, Charges & Fees				886.4	767.4	50.9	68.1
Other Government Revenues (Land Transfer Taxes, HST)				500.9	483.6	9.9	7.4
Total Government Revenues				3,386.2	2,888.3	376.3	121.6

* Person-years of employment

Source: Altus Group Economic Consulting based on Input / Output Model and Other Sources

Figure 8

Summary of Estimated Construction Economic Benefits for Vaughan Metropolitan Centre, 2021-2041

One-Time Benefits	Total	Residential	Office	Retail	Institutional
Development Charges			<i>Dollars (000,000s)</i>		
City of Vaughan	333.4	316.3	3.5	13.5	0.0
Region of York	455.2	360.5	42.5	52.2	0.0
Education	79.7	76.6	2.1	1.1	0.0
Total	868.3	753.4	48.1	66.8	0.0
Building Permit Fees			<i>Dollars (000,000s)</i>		
City of Vaughan	18.1	14.0	2.8	1.3	0.0

Source: Altus Group Economic Consulting

Figure 9

Summary of Land Transfer Taxes for Vaughan Metropolitan Centre, 2021-2041

Land Transfer Taxes	Total	Residential	Office	Retail	Institutional
			<i>Dollars (000,000s)</i>		
Total	170.3	153.0	9.9	7.4	0

Source: Altus Group Economic Consulting

ECONOMIC BENEFITS ASSOCIATED WITH ON-GOING OPERATIONS 2021-2041

Economic Activity, Jobs, Earnings and Government Revenues

A range of economic benefits are expected from the on-going operations at VMC developments once completed.

This section contains estimates of the jobs, economic activity, business earning and government revenues that are likely to be sustained or generated annually as a result of the retail spending, property management fees and other commercial activity that will be created from the other retail, office, residential and recreational spending associated with the various CIP developments in the VMC.

A significant amount of those economic benefits will result from consumer spending at the retail space provided in VMC developments, and retail spending from residents.

The city of Vaughan is expected to account for some 90% of the economic benefits from the on-going operations of the VMC.

The on-going operation of the proposed development (for a single-year) will generate:

- Approximately 77,500 person-years of direct, indirect and induced employment;
- About \$3.5 billion in direct, indirect and induced economic activity;
- Some \$1.9 billion in total net contribution to GDP;
- About \$1.2 billion in personal income from the creation of direct, indirect and induced jobs;
- Some \$365.1 million in total operating business earnings; and
- Approximately \$653.3 million in property, business and income tax revenues for all levels of government (See Figure 10, and Figure 11).
 - Some \$350.8 million in personal and business taxes; and
 - \$302.5 million in property taxes.

Figure 10

**Estimated Economic Benefits of the Vaughan Metropolitan Centre: 2021-2041
On-going Operations (Single-Year)**

	Direct	Indirect	Induced	Total	Total Impacts by Type of Development		
					Residential	Office	Retail
Economic Activity (\$millions)	1,710.6	862.4	962.1	3,535.1	777.1	2,405.8	352.1
Gross Domestic Product (\$millions)	985.6	483.2	386.3	1,855.1	446.2	1,207.2	201.6
Number of Jobs*	23,816	4,692	48,978	77,486	7,913	66,202	3,371
Wages (\$millions)	767.5	271.4	147.9	1,186.8	291.0	765.2	130.6
Business Earnings (\$millions)	46.5	219.9	98.7	365.1	116.5	193.9	54.6
Tax Revenue (\$millions)							
Personal & Business Income Taxes				350.8	35.8	299.7	15.3
Municipal Taxes (Property Taxes)				302.5	285.5	9.7	7.2
Total Government Revenues				653.3	321.3	309.5	22.5

* Person-years of employment

Source: Altus Group Economic Consulting based on Input / Output Model and Other Sources

Figure 11

Summary of Estimated On-going Economic Benefits for Vaughan Metropolitan Centre, 2021-2041

On-going Benefits	Total	Residential	Office	Retail	Institutional
Assessment Base and Property Tax Revenues					
<i>Dollars (000,000s)</i>					
Estimated Assessment Value for 2019 Property Taxation	12,235.3	11,186.0	600.9	448.3	N/A
Annual Property Tax Associated with Development at Build-Out					
<i>Dollars (000,000s)</i>					
City of Vaughan	94.1	91.4	1.5	1.1	N/A
Region of York	111.3	106.8	2.6	1.9	N/A
Education	97.0	87.3	5.6	4.2	N/A
Total	302.5	285.5	9.7	7.2	N/A

Source: Altus Group Economic Consulting

WESTON ROAD & HIGHWAY 7 CIP AREA

The construction and operation of new residential, commercial and institutional space within Weston Road & Highway 7 CIP Area from 2015-2020 could result in investment of about \$690.7 million during the construction phase of development projects and an estimated annual expenditure of some \$147.9 million once those developments are fully operational.

Construction hard costs were estimated as follows:

- New development activity will provide almost 1 million sq. ft. and a total investment in building construction estimated at \$476.8 million;
- Almost 1,600 parking stalls will likely be provided at an estimated construction costs of about \$81.6 million;
- Land development and site servicing costs were estimated at \$22.9 million, about 3.5% of the combined costs of building construction and professional soft costs such as architectural, engineering, financing and legal fees;
- Professional soft costs of \$176.1 million were assumed to be about 35% of the total investment value of all construction activity, typical of the type of construction proposed.

Figure 12

Weston Road & Highway 7 Centre Development Summary Statistics				
	GFA (sq. ft.)	Units/Stalls	Sq. Ft. per Employee	Estimated Construction Value \$M
2015-2020				
Residential	672,193	783		305.8
Office	185,657		120	74.3
Retail	100,216		400	15.0
Institutional	-		675	-
Sub Total	958,066	783		395.1
Above Ground Parking Stalls		341		12.6
Underground Parking Stalls		1,255		69.0
Sub Total		1,596		81.6
2020-2044				
Residential	6,420,335	5,791		2,921.3
Office	136,703		120	54.7
Retail	547,888		400	82.2
Institutional	231,426		675	64.2
Sub Total	7,336,351	5,791		3,122.3
Above Ground Parking Stalls		-		-
Underground Parking Stalls		6,155		338.5
Sub Total		6,155		338.5

Source: Altus Group Economic Consulting based on data provided by client

Economic Benefits associated with Construction and Development Activities 2015-2020

Construction and development activities related to Weston 7 during the period 2015-2019 will deliver tremendous economic benefits by generating:

- About 6,300 person-years of direct, indirect and induced employment (about 300 jobs per year during the 21-year period);
 - 3,500 jobs of which will be generated in the city of Vaughan;
- About \$1.2 billion in direct, indirect and induced economic activity;
 - \$684.0 million of which is estimated to take place in the city of Vaughan;
- About \$661.9 million in net contribution to GDP;
 - \$364.1 billion of which is estimated to take place in the city of Vaughan;
- About \$433.7 million in personal income tied to the creation of direct, indirect and induced jobs;
 - \$238.5 million of which is estimated to take place in the city of Vaughan;
- Some \$227.2 million in operating business earnings; and
 - \$125.0 million of which is estimated to take place in the city of Vaughan;
- Some \$239.3 million in tax revenues and other charges for various levels of government (See Figure 13, Figure 14 and Figure 15).
 - Some \$144.4 million in personal and business taxes;
 - Some \$32.6 million in land transfer tax (LTT), and harmonized sales tax (HST);
 - \$60.9 million in development charges; and
 - \$1.4 million in building fees.

Direct jobs and economic activity will result from the construction of the residential and non-residential buildings, construction of parking spaces, and the site servicing of the property, including demolition. Land development and infrastructure such as streetscapes and utilities, in addition to activity associated with the 'soft costs' of construction will also contribute to direct jobs and economic activity. Construction 'soft costs' include costs related to planners, architects, City staff and other activities directly tied to the investments planned for the subject site.

Tax revenues and other charges for various levels of government include personal and business income taxes and well as property taxes, provincial land transfer taxes, HST and other indirect taxes, charges and fees. Indirect taxes on production include CPP and EI contributions, and an array of municipal fees and taxes such as building permit fees, application fees, and development charges.

The city of Vaughan stands to account for up to 55% of the economic benefits generated from the construction phase of the projects in the Weston 7 CIP Area, including an addition \$684.0 million in economic activity. The economic benefits, which will accrue to the city of Vaughan from the construction of various projects in the Weston 7 CIP approximates to the direct benefits that the various projects will generate for Ontario.

Figure 13 Estimated Economic Benefits of Weston Road & Highway 7 Centre: Construction and Development Activities, 2015-2020

	Direct	Indirect	Induced	Total	Total Impacts by Type of Development		
					Residential	Office	Retail
Economic Activity (\$millions)	690.7	318.4	234.4	1,243.6	958.4	246.3	38.8
Gross Domestic Product (\$millions)	361.4	162.8	137.7	661.9	505.6	135.7	20.6
Number of Jobs*	3,408	1,639	1,269	6,316	4,772	1,339	205
Wages (\$millions)	261.4	108.0	64.3	433.7	328.8	91.1	13.8
Business Earnings (\$millions)	107.1	55.7	64.5	227.2	176.5	44.2	6.5
Tax Revenue (\$millions)							
Personal & Business Income Taxes				144.4	109.1	30.6	4.7
Municipal Taxes, Charges & Fees				62.3	50.0	5.1	7.2
Other Government Revenues (Land Transfer Taxes, HST)				32.6	30.8	1.0	0.8
Total Government Revenues				239.3	189.9	36.7	12.7

* Person-years of employment

Source: Altus Group Economic Consulting based on Input / Output Model and Other Sources

Figure 14

Summary of Estimated Construction Economic Benefits for Weston Road and Highway 7, 2015-2019

One-Time Benefits	Total	Residential	Office	Retail	Institutional
Development Charges					
			<i>Dollars (000,000s)</i>		
City of Vaughan	22.1	20.3	0.4	1.4	0
Region of York	33.0	23.2	4.2	5.5	0
Education	5.8	5.5	0.2	0.1	0
Total	60.9	49.0	4.8	7.1	0
Building Permit Fees					
			<i>Dollars (000,000s)</i>		
City of Vaughan	1.4	1.0	0.3	0.1	0

Source: Altus Group Economic Consulting

Figure 15

Land Transfer Taxes	Total	Residential	Office	Retail	Institutional
			<i>Dollars (000,000s)</i>		
Total	8.9	7.2	1.0	0.8	0

Source: Altus Group Economic Consulting

ECONOMIC BENEFITS ASSOCIATED WITH ON-GOING OPERATIONS 2015-2020

Economic Activity, Jobs, Earnings and Government Revenues

A range of economic benefits are expected from the on-going operations at Weston 7 developments once completed.

This section contains estimates of the jobs, economic activity, business earning and government revenues that are likely to be sustained or generated annually as a result of the retail spending, property management fees and other commercial activity that will be created from the other retail, office, residential and recreational spending associated with the various CIP developments in the Weston 7 CIP Area.

A significant amount of those economic benefits will result from consumer spending at the retail space provided in Weston 7 developments, and retail spending from residents.

The city of Vaughan is expected to account for some 90% of the economic benefits from the on-going operations of the VMC.

The on-going operation of the proposed development (for a single-year) will generate:

- Approximately 7,300 person-years of direct, indirect and induced employment;
- About \$309.1 million in direct, indirect and induced economic activity;
- Some \$160.1 million in total net contribution to GDP;
- About \$102.3 million in personal income from the creation of direct, indirect and induced jobs;
- Some \$29.5 million in total operating business earnings; and
- Approximately \$34.7 million in property, business and income tax revenues for all levels of government (See Figure 16, and Figure 17).
 - Some \$29.8 million in personal and business taxes; and
 - \$4.9 million in property taxes.

Figure 16

Estimated Economic Benefits of Weston Road & Highway 7 Centre: 2015-2020, On-going Operations (Single-Year)

	Direct	Indirect	Induced	Total	Total Impacts by Type of Development		
					Residential	Office	Retail
Economic Activity (\$millions)	147.9	74.5	86.7	309.1	33.9	239.3	35.9
Gross Domestic Product (\$millions)	85.3	41.8	33.0	160.1	19.5	120.0	20.6
Number of Jobs*	2,059	405	4,843	7,306	345	6,612	350
Wages (\$millions)	66.6	23.4	12.2	102.3	12.7	76.1	13.4
Business Earnings (\$millions)	3.6	19.0	6.9	29.5	5.1	19.0	5.4
Tax Revenue (\$millions)							
Personal & Business Income Taxes				29.8	1.4	27.0	1.4
Municipal Taxes (Property Taxes)				4.9	3.5	0.8	0.6
Total Government Revenues				34.7	4.9	27.8	2.1

* Person-years of employment

Source: Altus Group Economic Consulting based on Input / Output Model and Other Sources

Figure 17

Summary of Estimated On-going Economic Benefits for Weston Road and Highway 7, 2015-2019

Ongoing Benefits	Total	Residential	Office	Retail	Institutional
Assessment Base and Property Tax Revenues					
<i>Dollars (000,000s)</i>					
Estimated Assessment Value for 2019 Property Taxation	585.4	495.9	49.6	39.9	N/A
Annual Property Tax Associated with Development at Build-Out					
<i>Dollars (000,000s)</i>					
City of Vaughan	1.2	1.0	0.1	0.1	N/A
Region of York	2.1	1.7	0.2	0.2	N/A
Education	1.6	0.8	0.5	0.4	N/A
Total	4.9	3.5	0.8	0.6	N/A

Source: Altus Group Economic Consulting

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