Three Sisters Mountain Village Municipal Fiscal Impact Assessment

Submitted to:

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1. Introduction

1.1 Purpose

The primary purpose of this study is to assess the fiscal impacts of the proposed Three Sisters Village Project (TSV or the Project) on the Town of Canmore and its existing ratepayers. The fiscal effects of the Project represent a subset of the total impact that TSV will have on the community. Effects of the project on the local socio-economic conditions such as impacts to the local economy, housing market and the demands placed on physical and social infrastructure are addressed in a companion socio-economic impact assessment (SEIA) submitted under separate cover.

1.2 Organization of the Report

The balance of this report includes:

- An overview of the methods applied to estimate the fiscal impact of the Project on the Town of Canmore.
- A summary of the Project and key parameters such as size, land-use, and design that influence the nature of the fiscal impacts insofar as they affect the future population, assessment base, and services of the Town.
- An overview of the fiscal position of the municipality which provides a baseline context from which to examine the fiscal impact of the Project.
- Assumptions invoked in order to undertake the analysis, including cost and revenue escalation factors and the timing of project absorption.
- An overall summary of the fiscal impacts of the project.

2. Methods

Conceptually, the approach taken in this fiscal impact analysis is to project long term growth in Canmore with the development of the Project and illustrate the net effect of the expenditures and revenues resulting from Project-driven growth. The relative fiscal position of the Town with the development of the Project is then compared to the current fiscal state to allow for the effects of the Project to be specifically identified.

The absorption of the Project, and thus the timing of fiscal impacts, was determined using an integrated labour-force and cohort survival model. Conceptually, this approach consists of modeling the natural rate of population growth in a community (i.e. fertility and mortality) and subsequently layering net-migration related to prevailing economic conditions to arrive at a growth forecast for the community.

Municipal expenditures have been forecast in real (i.e. constant 2019) dollars, based on historic relationships between growth and budget line items and using feedback collected from Town administration with respect to anticipated cost escalations specific to the proposed design of the Project. Capital costs are reflected to the extent they are funded from operating accounts through Pay-As-You-Go (PAYG) or tax-supported debt servicing approaches.

Non-tax revenues have also been forecast in real dollars, based on historic relationships between growth and budget line items. The estimated net projected revenue deficiencies requiring property tax support are linked to the anticipated assessment base expected to emerge as the Project is developed and expressed in terms of property tax. These are used in the analysis to help determine real tax changes over time.

Details with respect to key assumptions regarding the Project design and municipal growth, expenditures, and revenues can be found in section 3 and 5 respectively.

3. Three Sisters Mountain Village Project Overview

Envisioned since 1992 as a world-class, four-season resort community, the Three Sisters Village (TSMV) is already home to a number of Canmore residents. Phase 3 of the Stewart Creek community is currently under development and the district has a mix of low and medium-density housing, and the upcoming Stewart Creek commercial site is anticipated to add a range of retail, office, personal services and other commercial development.

Three Sisters Mountain Village Properties Ltd. (the Proponent) are currently seeking approval for Area Structure Plans (ASP) to complete the development of the 169 ha Three Sisters Village area (formerly known as the Resort Centre area) and the 153 ha Smith Creek ASP area.

Three Sisters Village Plan Area

Three Sisters Village will become a new activity, health and wellness hub, economic driver and gathering place for the community. The Village will welcome people from around the world to enjoy all that Canmore has to offer and will be a home and destination for residents and guests alike. This ASP area will be anchored by an easy to access pedestrianized mixed-use village centre bordered by a landmark hotel with a plaza that will become a meeting place to experience programming and events.

The Village Centre will be home to cafes, restaurants, retail, and markets as well as offices, tourist homes and other complementary uses above grade. Pedestrian-only streets and plazas will provide for a fine-grained pedestrian experience that culminates around the centralized plaza and amphitheatre.

An outdoor Resort Recreation Amenity Area will feature activities such as ropes courses, climbing walls, and bicycle pump tracks anchoring other recreational opportunities the resort offers. The neighbourhood will focus on compact development and provides ‘missing middle’ forms of housing for new and existing Canmore residents. Once arriving, residents and guests will be able to get around the neighbourhood most easily by walking, biking or taking transit to other areas of Canmore.

The Innovation District focuses on creative manufacturing that accommodates flexible, market-style light industrial uses, offices spaces, and at-grade commercial uses. This district will be a showcase for innovative spaces where Canmore’s business community can focus on the creation, development and ancillary marketing of products or services, both physically and digitally to contribute to the economic diversification of Canmore.

The Three Sisters Village will attract families of diverse backgrounds and incomes. Bike and pedestrian trails will link the entire community making sustainable forms of transportation the easiest choice. A large municipal park will have new sports fields, pickle ball courts, a trail head and a Parks maintenance facility. All of these offerings come together in Three Sisters Village making it the natural basecamp for local and guest recreational adventures and a recognised health and wellness hub.

Smith Creek Plan Area

Smith Creek will be a dedicated residential neighbourhood, incorporating lower and medium density residential areas and a commercial / light industrial area that will provide local amenities and services, supporting the town’s ongoing economic diversification. The Land Use Concepts contained within both Three Sisters Village and Smith Creek ASPS is in Figure 3-1 and Figure 3-2 respectively.

The physical parameters of the project used in this analysis are described in Table 3-1 and Table 3-2. Note that the analysis assumes the maximum residential unit count currently being contemplated and therefore the maximum population effect possible. This assumption has the effect of increasing municipal costs vis-à-vis other designs and therefore produces a conservative estimate of the fiscal benefits of the Project.

The Gateway at Stewart Creek

It should be noted that this assessment does not include commercial development within the approved Stewart Creek ASP commercial area. The development is anticipated to have approximately 250,000 sqft of non-residential assessment including offices, service commercial, and restaurants. Also included within this area is a small proportion of residential uses including about 200 units of residential and 60 units of employee housing. A unit of employee housing for the purpose of this assumption includes 4 bedrooms and could ultimately house about 120 employees.

Table 3-1: Three Sisters Village Unit and Density Projections

Development Area	Minimum	Maximum
Residential District		
Area (ha)	45	50
Semi-Detached/Townhouse (units)	1,100	2,600
Apartments (units)	700	900
Tourist Homes (units))	300	400
Village Centre		
Area (ha)	5	10
Tourist Homes (units)	500	800
Landmark Hotel (rooms)	250	450
Hotel and Spa District		
Area (ha)	5	10
Boutique Hotel (rooms)	200	350
Indoor Recreation		
Area (ha)	2	3
Open Space		
Area (ha)	50	60
Innovation District		
Area (ha)	2	5
Resort Recreation Amenity Area		
Area (ha)	20	25
Roads (right of way)		
Area (ha)	20	25

Notes:1) The maximum number of units for the Plan Area is 4,890. Ranges within the building form categories are meant to provide an understanding of the proposed unit mix while allowing for flexibility to shift and change how the unit distribution could work over time.
2) Open space includes Resort Recreation Amenity Area, MR, ER, Deferred Reserve Caveats, and Steep Creek mitigation.

Table 3-2: Smith Creek Design Description

Development Area	Minimum	Maximum
Residential		
Area (ha)	65	70
Low Density (Single-/Semi-Detached, Townhome) (units)	600	1,250
Medium Density (Townhome, Stacked Townhome and Apartment) (units)	200	500
Flex Commercial/Industrial		
Flex/commercial/industrial Area (ha)	15	25
Open Space		
Area (ha)	30	35
Other (Roads, Infrastructure, etc).		
Area (ha)	30	35

Notes:1) The maximum number of units for the Plan Area is 1,730. Ranges within the building form categories are meant to provide an understanding of the proposed unit mix while allowing for flexibility to shift and change how the unit distribution could work over time.

At full build-out, the Project as described under the maximum case above will house up to approximately 16,100 people (both permanent and non-permanent residents). This represents an approximate 85% increase over the estimated current population level (including non-permanent residents) of the Town.

A map of the proposed Project can be seen in Figure 3-1 and Figure 3-2.

Figure 3-1: Land Use Concept for Three Sisters Village ASP

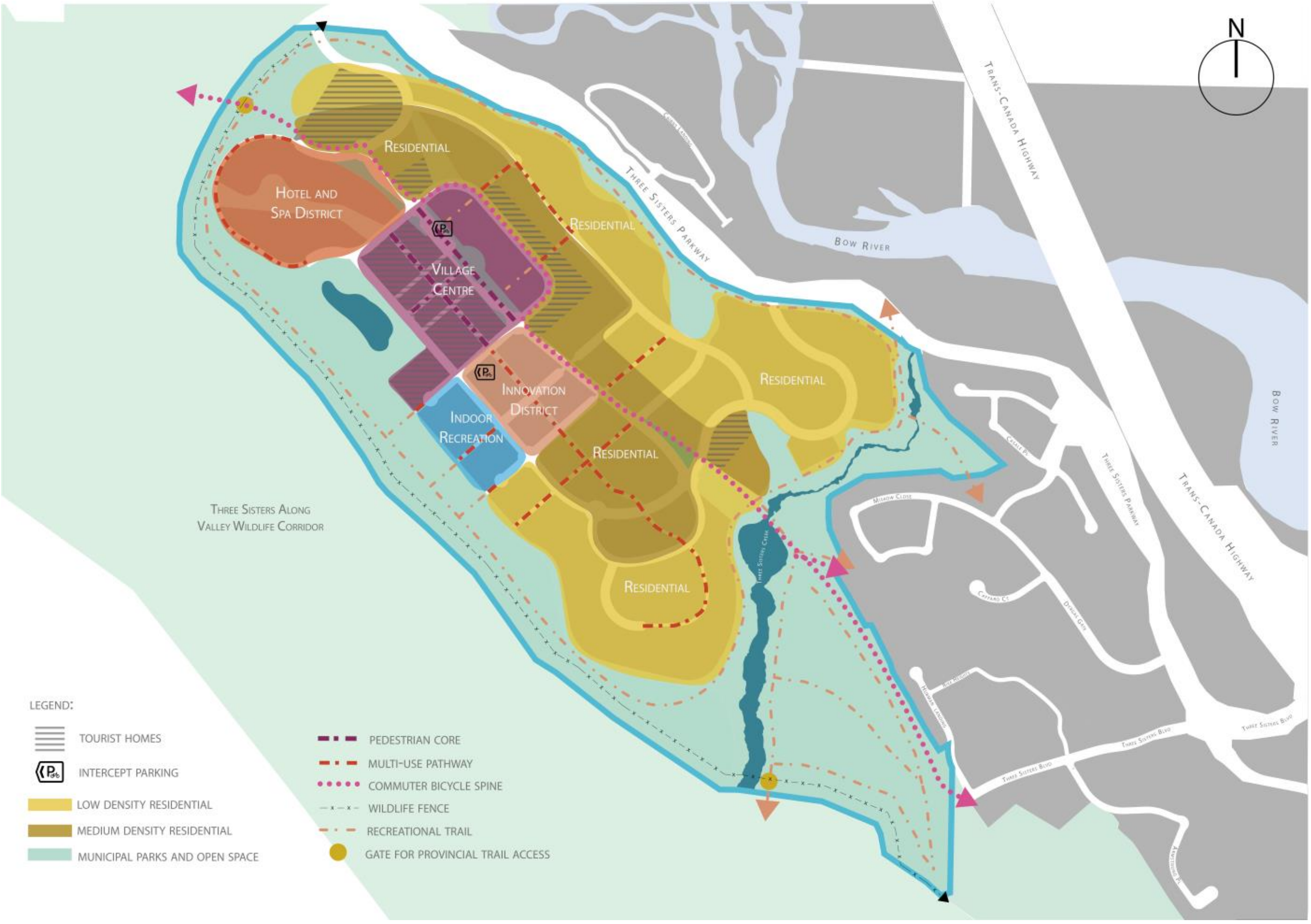
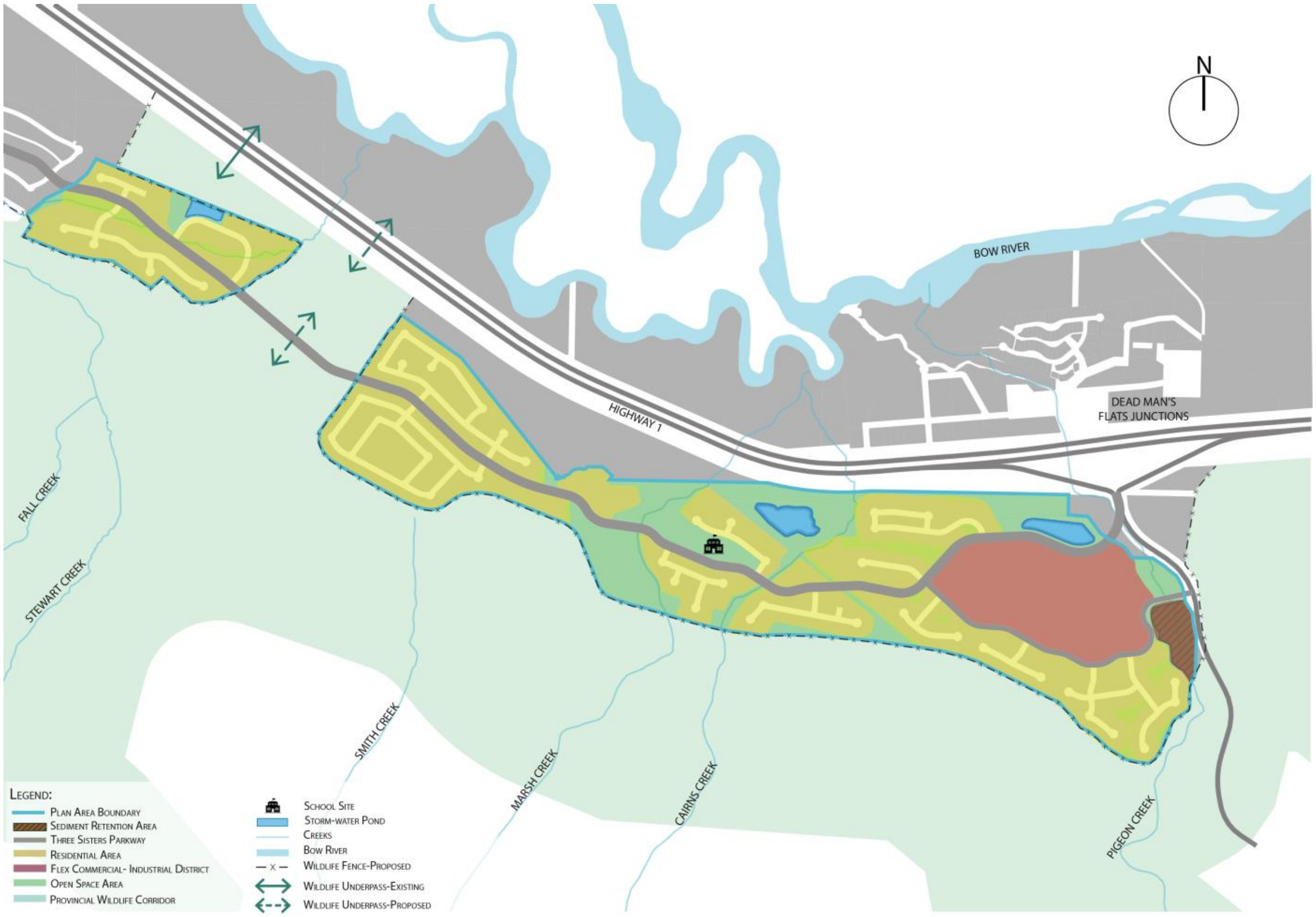


Figure 3-2: Land Use Concept for Smith Creek ASP



4. Financial Context

This section of the report is intended to provide a brief financial overview of the Town in order to provide context for the magnitude and direction of the impacts of the Project. Key aspects of the Town's finances to be examined include:

- the assessment base;
- mill rates;
- municipal revenues; and
- municipal expenditures.

4.1 Assessment Base

A municipality's assessment base reflects the real assets available for taxation, and the composition of a community's assessment base can provide insight into the relative financial health of a municipal corporation. A comparatively larger proportion of non-residential assessment is generally preferred as this assessment class typically consumes fewer municipal services than the taxes levied against them - the opposite is true for residential properties. Accordingly, a municipality with a large ratio of non-residential to residential assessment is typically considered to be more financially robust as compared to those communities with relatively smaller non-residential bases.

Canmore has established five classes of property for assessment purposes. They are:

- residential/tourist home – personal use,
- tourist home (e.g. properties largely used for rentals to tourists via Airbnb),
- vacant, serviced
- non-residential; and
- machinery and equipment (incl. generation)

Based on the 2019 Tax Bylaw, the assessment base for the above categories are highlighted in Table 4-1. The results show that Canmore is comprised of approximately:

- 82% residential/tourist homes – personal use;
- 2% tourist homes;
- 1% vacant services;
- 15% non-residential; and
- 0.2% machinery and equipment.

Table 4-1 Assessment Base 2019

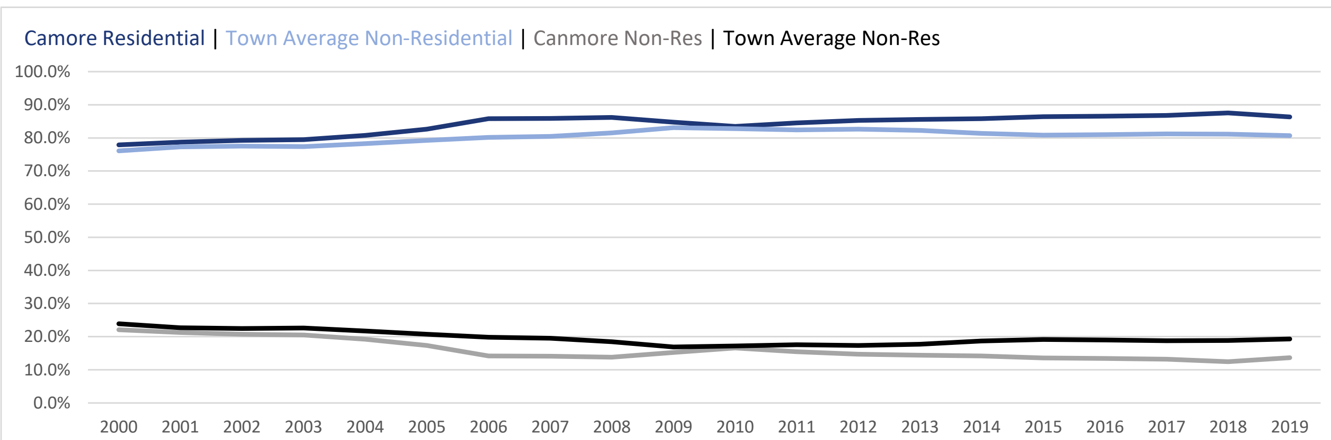
Category	2019 $
Residential/Tourist Home – Personal Use	5,998,781,700
Tourist Home	166,391,530
Vacant Services	72,064,200
Non-residential	1,086,436,200
Machinery & Equipment (incl. generation)	10,918,240

Source: Canmore 2019 Tax Byalw

As shown in Figure 4-1 the current state of Canmore's assessment base is the product of a prolonged shift in the relative value of the non-residential base. Specifically:

- the proportion of the assessment base consisting of non-residential properties decreased from approximately 22% to 13% since 2000.As compared to all other Towns in Alberta, Canmore's assessment base has a nominally higher proportion of residential properties.

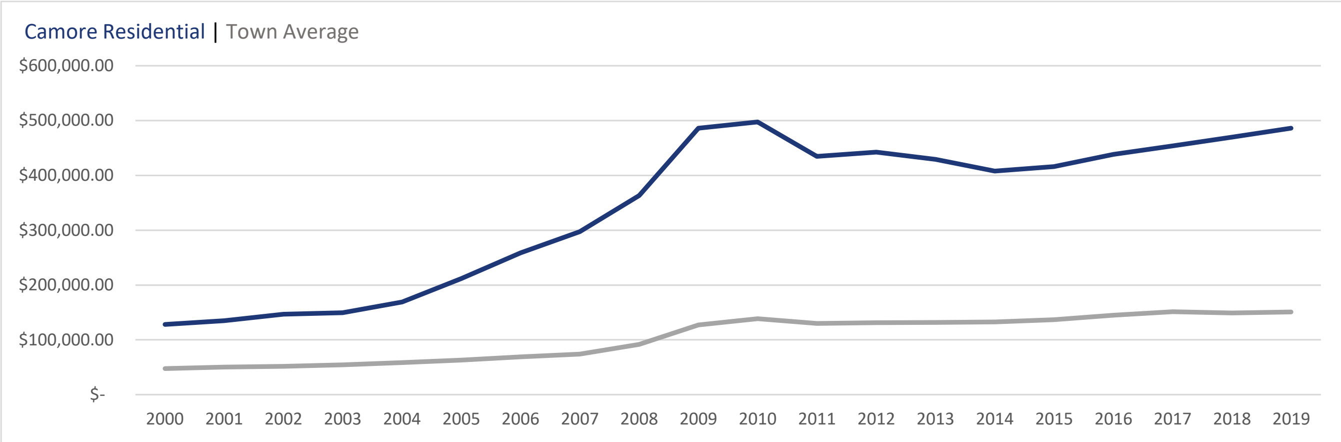
Figure 4-1 Share of Assessment Base, Canmore and Alberta Town Average, 2000 - 2019[1]



Non-residential excludes M&E as it accounts for a small portion in towns. MFIS does not delineate tourist homes from other residential properties.
Source: Tabulated by NAM from Alberta Municipal Financial and Statistical (MFIS) Data.

Despite the shift away from non-residential assessment, Canmore's total assessment per capita has consistently been above the average for all Towns in Alberta and the differential appears to be increasing over time (Figure 4-2). This trend is likely driven by the substantial increase in home values in Canmore vis-à-vis other similarly sized municipalities over the 2000 to 2019 period.

Figure 4-2 Total Equalized Assessments per Capita, Town of Canmore and Alberta Town Average, 2000-2019



Source: Alberta Municipal Financial and Statistical Data.

4.2 Mill Rates

The mill rates applied by the Town to the above-described assessment base are summarized in Table 4-2. Notably, the Town has elected to apply a tax rate on tourist homes (i.e. Airbnb-style rentals) that is 2.9 times the base residential rate.

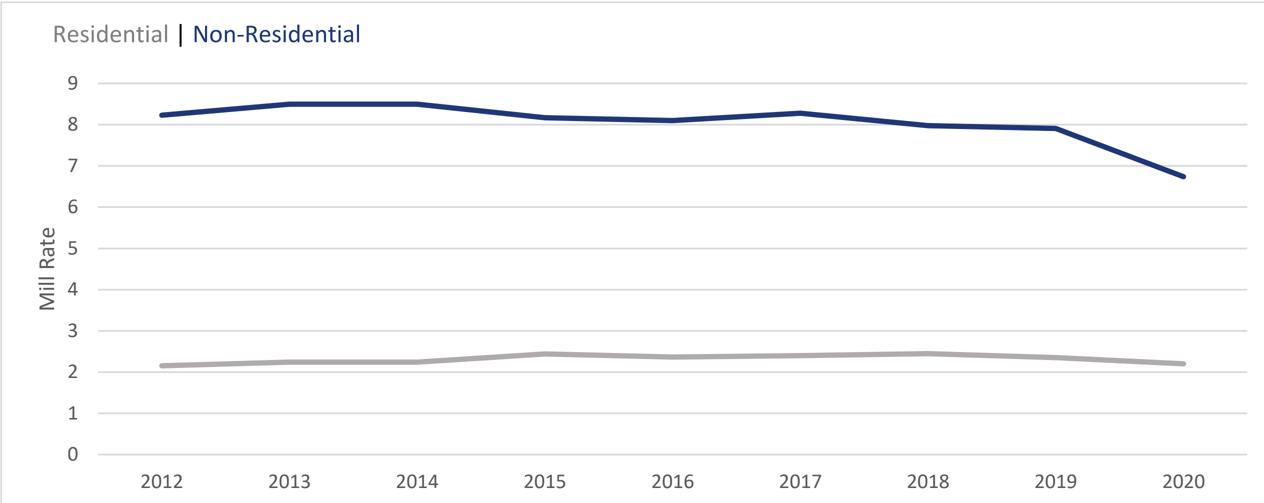
Table 4-2 Canmore Mill Rates, 2019

Category	2019
Residential/Tourist Homes – Personal Use	2.35757
Tourist Homes	6.83695
Vacant Services	2.35757
Non-residential	7.58119
Machinery & Equipment (incl. generation)	7.58119

Source: Town of Canmore 2019 Tax Bylaw.

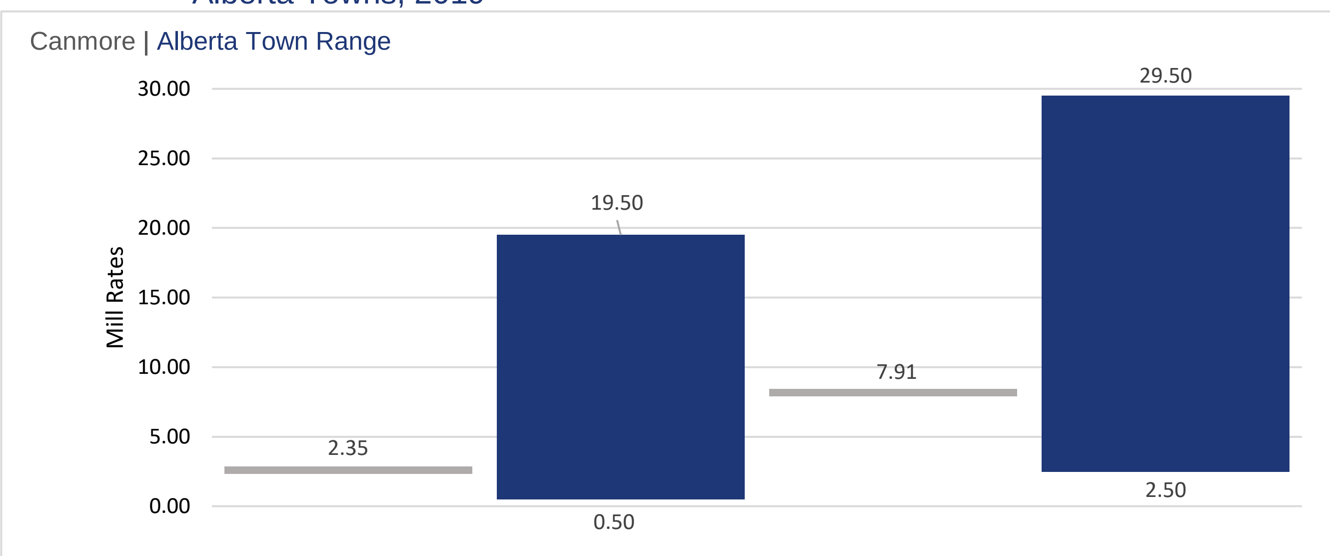
Figure 4-3 illustrates the change in mill rates from 2012 through to 2019 which shows that tax rates in Canmore have generally been stable over time. The non-residential mill rate has dropped nominally from 8.23 to 7.91 while the residential mill rate has increased slightly from 2.15 to 2.35. When comparing Canmore's tax rates to other Alberta towns, Canmore's municipal tax rates lie in the lower half of the range, as shown in Figure 4-4. Note that, although financial statements for the year 2020 are not available, the 2020 tax bylaw for the Town shows a decline in tax rates below those outlined above. Specifically, residential rates dropped by 7% to 2.19787, the tourist home rate dropped by 7% to 6.37382, and the non-residential rate dropped by 11% to 6.73677.

Figure 4-3 Change in Canmore Mill Rate Over Time, 2012 - 2019



Source: Alberta Municipal Financial and Statistical Data.

Figure 4-4 Municipal Residential and Non-Residential Property Tax Rates, Canmore and Alberta Towns, 2019



Source: Alberta Municipal Financial and Statistical Data.

4.3 Operating Revenues

As shown in Table 4-3, in 2019 the assessment base and mill rates described above combined to generate $24,487,006 in property taxes for the Town. Of that total tax revenue, approximately 60% was contributed by owners of residential properties whereas the remaining 40% was contributed primarily by non-residential properties and owners of tourist homes used for commercial purposes.

The remaining $30 million was generated largely through the collection of user fees and the sales of goods ($18 million), with nominal collections from a range of other activities..

Table 4-3 Town of Canmore: Summary of 2019 Operating Revenue

Revenue Source	2019 Dollars
Net Municipal Property Taxes	24,487,006
User fees and sales of goods	18,075,978
Government Transfers for operating	1,617,760
Investment Income	1,330,916
Penalties and costs of taxes	264,350
Development levies	2,052,530
Licenses and Permits	2,087,339
Franchise and Concession contracts	2,337,354
Rental	1,225,105
Other	1,027,59
Total	**54,505,397**

Source: Town of Canmore. Non-consolidated statement of operations.

4.4 Operating Expenses

In 2019, the Town of Canmore had operating expenditures totaling $51.5 million. The single largest expenses (excluding utilities) related to administration ($8.6 million), protective services ($6.3 million), and recreation ($6.3 million). In 2019, the Town generated a considerable surplus of $2.96 million – well above the 2018 surplus of $1.329 million.

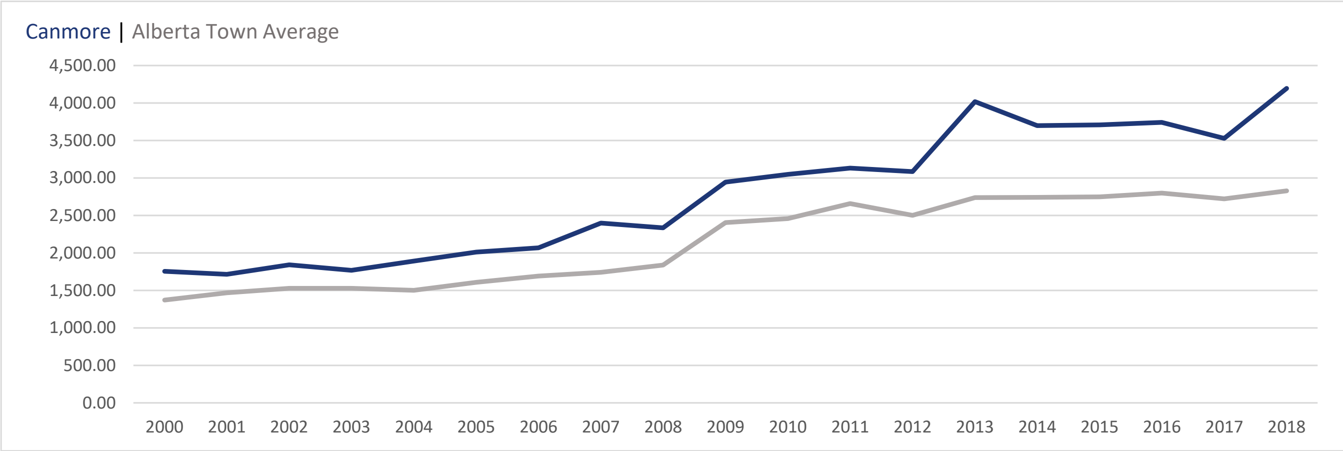
Table 4-4 Town of Canmore: Summary of 2019 Operating Expenses

Expense Category	2019 ($)
Legislative	474,696
Administrative	8,635,985
Other protective services	6,366,138
Common and equipment pool	636,668
Roads, streets, walks and lighting	4,881,030
Public transit	1,032,465
Waste management	3,748,458
Other environmental use and protection	671,205
Family and community support protection	467,099
Cemeteries and crematoriums	51,815
Other public health and welfare	936,920
Land use planning, zoning, and development	1,483,283
Economic and agricultural development	404,699
Public housing operations	13,153,845
Other planning and development	948,634
Parks and recreation	4,673,419
Culture – libraries, museums, halls	1,574,585
Other recreation and culture	6,324,779
Utilities	7,572,742
Total Expenditures	**64,038,465**
Excess of Revenues over Expenditures	5,453,109

Note: excludes government transfers for capital and contributed capital assets.
Source: Town of Canmore. Non-consolidated statement of operations.

Per capita expenditures in the Town of Canmore have been increasing since 2000, generally in line with other Towns in Alberta (Figure 4-5). However, the absolute value of per capita expenditures in the Town is considerably higher than the average for Towns in Alberta – in part due to the provision of services that relate to a large tourist population making use of public facilities and services.

Figure 4-5 Municipal Total Expenses Per Capita, Town of Canmore and Average Alberta Town, 2000-2018



Source: Alberta Municipal Financial and Statistical Data. Adjusted to real 2019 dollars.

5. Assumptions

This section of the report provides an overview of the key assumptions used in the analysis.

5.1 Growth

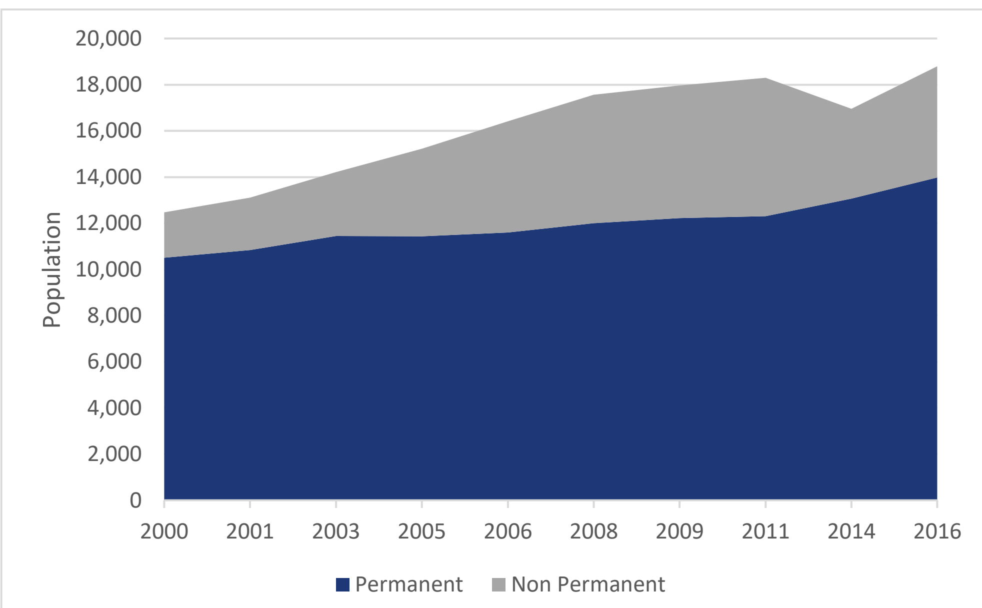
5.1.1 Popualtion and Residential Growth

Canmore had grown from its beginnings as mining town to become one of the most desirable communities in Canada. Located only minutes from several world class ski facilities (such as the Canmore Nordic Centre, Norquay, Sunshine and Lake Louise Resorts), national and provincial parks, and endless opportunities for outdoor recreation such as hiking, biking, kayaking, and rafting, the Town has attracted a mix of permanent residents and second homeowners who aim to spend weekends and vacations in the community.

The growth in the Town's population has varied significantly over time and across subgroups within the population. Between federal enumerations in 2000 and 2016 (latest available), the permanent population of Canmore grew at an annual rate of 1.8% from 10,517 to 13,990. Additionally, a number of people from outside the community purchased second homes or vacation properties during this timeframe. Enumeration of second homeowners, or non-permanent population, is challenging by virtue of their mobility. Moreover, what data have been collected by the municipality suggest that the proportion of the population that is non-permanent has varied considerably between a low of 15% in 2000, to a high of 33% in 2011. The most recent estimate (2014) suggest that non-permanent residents represent 23% of the total population in the Town and grew at an average annual rate of 5% between 2001 and 2014 (latest available).

A visual representation of the historic permanent and non-permanent population growth in the Town can be seen in Figure 5-1.

Figure 5-1: Historic Population



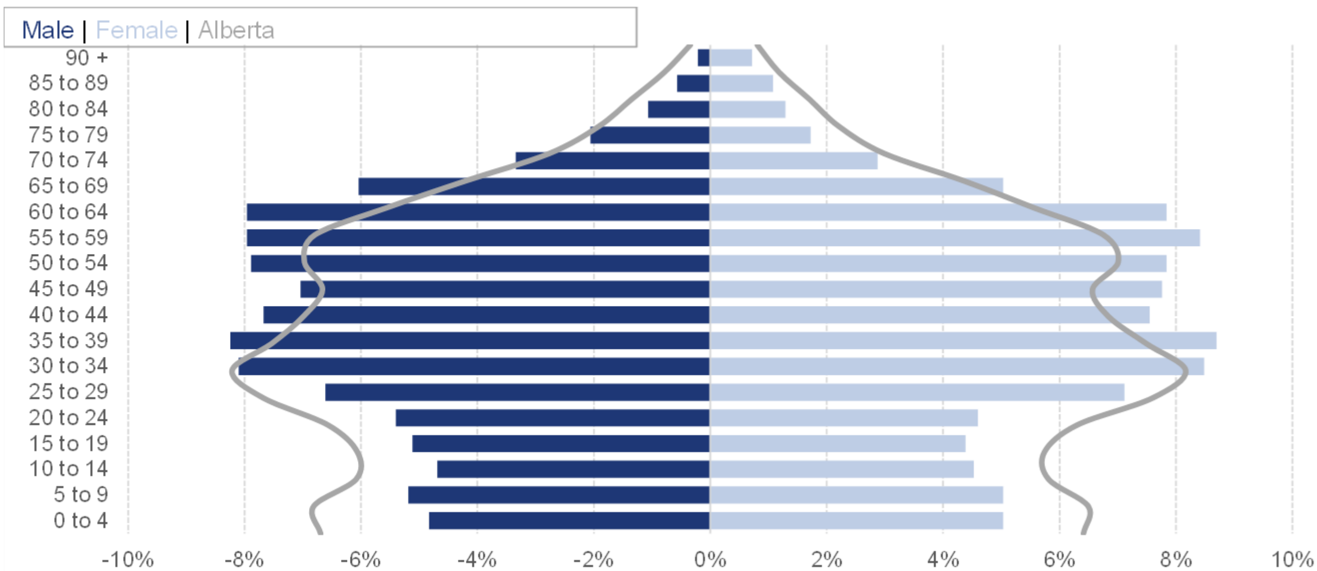
Source: 2000 to 2014 municipal census data.
Note: 2016 permanent population value based on federal census. Non-permanent estimated post 2014..

Canmore has, over time, become a destination for those people looking to enjoy an active outdoor lifestyle in their post-work years. Above-average housing prices have also created an environment wherein typically older and more financially stable couples are the most likely new in-migrants. Accordingly, the demographics of the Town have departed substantially from those of the province overall. As shown in the figure below, the population in Canmore as compared to the province is older than average. Specifically:

- the Town has proportionally fewer men and women under 30 as compared to the province – most notably those under 4; and
- has proportionally more men and women above 30 – most notably in the 50 to 70 cohort.

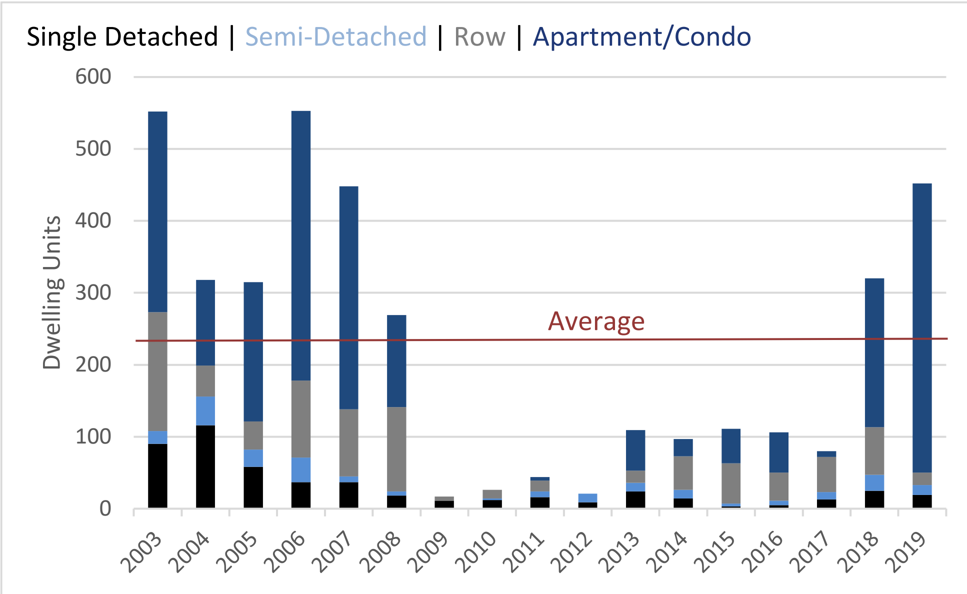
Given the prevailing community demographics, the natural rate of population growth in Canmore is not sufficient to sustain community growth. In-migration will be required to support the continued development of the community.

Figure 5-2: Population Distribution



The population of Canmore is currently housed in an estimated 7,990 housing units (including those owned by both permanent and non-permanent residents). The local residential market has, between 2003 and 2019, averaged 240 housing starts per year, ranging from a low of 17 units in 2017 to a high of 553 units in 2006. Housing starts for various unit types over time are illustrated in the figure below.

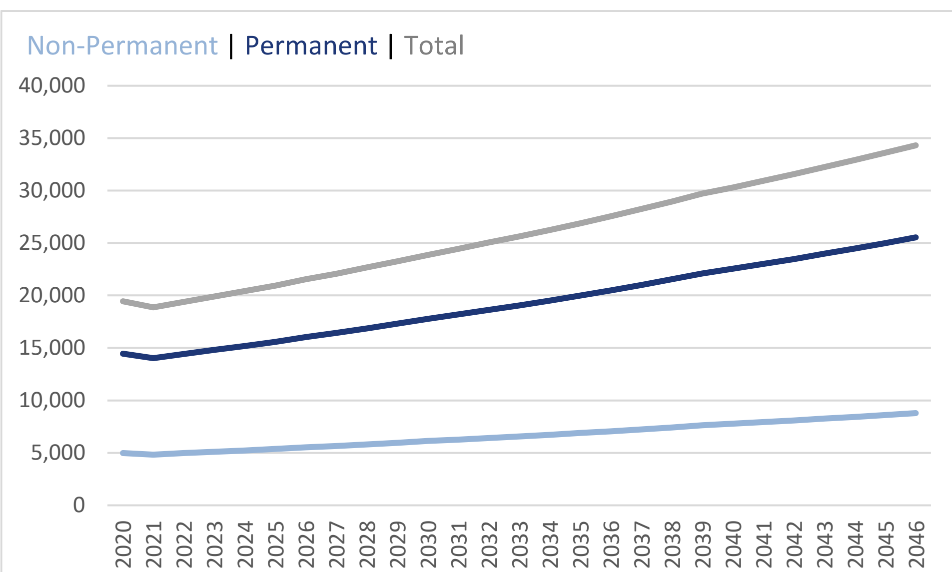
Figure 5-3: Housing Starts



Source: CMHC housing starts.

Based on prevailing community demographics, housing market, and general economic conditions, the total population total (i.e. permanent and non-permanent) is expected to grow at an average annual rate of 2.2% through to 2049, at which point the residential units of the Project are expected to be fully absorbed by the market (Figure 5-4). Over this period, it is expected that approximately 230 residential housing units of the Project will be absorbed each year. The proportion of non-permanent population has been assumed to persist at historic (2000 to 2014, latest available) levels or 35% of the total.

Figure 5-4 Population Forecast



5.1.2 Non-Residential Growth

As noted in section 3, the Project includes a variety of non-residential land uses that include retail, mixed use commercial, office, , and light industrial. In general, the development and absorption of non-residential lands aimed at servicing residents or tourists generally align with population growth as services expand to meet the needs of new residents and as new employment opportunities attract in-migrants to the community. Accordingly, it has been assumed that all non-residential lands, with the exception of the hotels, will be absorbed in step with population growth over the 2020 to 2049 period.

Hotel development does not generally occur incrementally. As such, it has been assumed that the Landmark Hotel and the Boutique Hotel area (which may include up to 3 hotels and spa) will be brought online in 2027 and 2032 respectively. The Commercial Market Needs Assessment completed for this Project addresses the demand for non-residential product and Canmore's ability to absorb it.

5.2 Financial Variables

5.2.1 On-site Infrastructure

It is assumed that all on-site infrastructure (including the wildlife fence) will be built and paid for by the Project proponent. As the Project is built out, assets will be turned over to the Town who will then be required to increase operating expenditures and, in some cases, capital expenditures to support the continued operation and maintenance of these assets. The following section outlines the escalation of the existing budget items to reflect the operation and maintenance of the Project.

5.2.2 Operating Expenditures

Table 5-1 provides an overview of the assumptions with respect to the escalation of municipal operating expenditures in relation to the development of the Project. These assumptions have bene jointly developed by Nichols, the Project proponent, and the Town. Note that population milestones relate to permanent, not total, population.

Table 5-1: Operating Expenditures Escalation Factors

Expenditure Category	Escalation Factor
Legislative	Held constant.
Administration	Indexed to population growth
Other protective services (including Fire/Rescue)	Indexed to population growth. Escalation accounts for specific increases noted by the Town. Specifically: • Increase of $1.7 million in operating costs, including salaries for 18 staff. • PAYG equipment of $5,000/new staff. • Animal control operating budget increase by $10,600.
Common and equipment pool	Indexed to population growth.
Roads, streets, walks and lighting	Indexed to linear km of roads. Escalation accounts for specific PAYG capital items identified by the Town. Specifically:

Expenditure Category	Escalation Factor
	• Three pickup trucks, $90,000 total. Purchases expected to be made at population of 18,000, 22,000, and 26,000. • Flat deck truck for $300,000.
Public transit	Indexed to population growth.
Waste management	Indexed to population growth.
Other environmental use and protection	Note Indexed to the growth in the assessment base. Specific addition: • Assumed annual maintenance cost equal to 2% of initial installed cost beginning in 2025. Construction of fence assumed to be done in three phases. First half built in 2021, 25% built in 2035, and the final 25% in 2045. With regular maintenance, the fence is expected to last until the end of the forecast horizon.
Family and community support services	Indexed to population growth.
Cemeteries and crematoriums	Indexed to population growth.
Other public health and welfare	Indexed to population growth.
Land use planning, zoning and development	Indexed to the growth in the assessment base
Economic and agricultural development	Indexed to population growth.
Public housing operations	Indexed to population growth. Subject to discussions with Town regarding PAH and final design.
Other planning and development	Indexed to the growth of the assessment base
Parks and recreation	Indexed to population growth. Escalation accounts for specific PAYG capital items identified by the Town. Specifically: • Five pickup trucks, one Zamboni, lawn mowers, and other equipment totalling for $330,000. • Truck purchases expected to take place at key population intervals of 16,000, 19,000, 21,000, and 24,000. • Zamboni purchase expected to be required at population of 19,000.
Culture - libraries, museums, halls	Indexed to population growth.
Other recreation and culture	Indexed to population growth.
Utilities	Indexed to population growth

5.2.3 Capital Expenditures

Table 5-2 provides an overview of the assumptions with respect to specific capital expenditures that the municipality will make as the Project is developed. These capital items are assumed to be debt-financed using a 20 year debenture and an interest rate of 2.257% per Alberta Capital Finance Authority. In some cases, the Town indicated that certain expenditures were related only in part to the needs of the population associated with the Project. In these cases, a proportion of the debt service costs were attributed to the Project. Note that population milestones relate to permanent, not total, population.

Table 5-2: Capital Expenditures

Expenditure Category	Debt-Supported Capital
Legislative	None
Administration	None
Other protective services (including Fire/Rescue)	• A new fire hall will be required, subject to the review of response times, at some point between the next 10 and 30 years. The full development of Three Sisters Village and Smith Creek are expected to be contributors to the need for a new fire hall. However, some of the demand will be driven by a need to provide existing development within a 10 minute fire response time. • Assumed timing of the construction of the fire hall is at the midpoint of the absorption of the Project (2033). • Assumed cost of $6,000,000. • Note that the new ladder truck and rescue truck previously identified through correspondence with the Town has already been purchased and is therefore excluded from capital expenditures attributable to the Project.
Common and equipment pool	None.
Roads, streets, walks and lighting	• Grader, $400,000, at a population of 20,000. • 2x street sweeper, $325,000 each, at a populations of 18,000 and 24,000 • 3x, snow equipment, $90,000 each, at populations of 18,000, 22,000, and 26,000
Public transit	Yes but no estimate provided by Town.
Waste management	None.
Other environmental use and protection	None.
Family and community support services	None.
Cemeteries and crematoriums	None.
Other public health and welfare	None.

Expenditure Category	Debt-Supported Capital
Land use planning, zoning and development	None.
Economic and agricultural development	None.
Public housing operations	None.
Other planning and development	None.
Parks and recreation	• Maintenance compound, $420,000, at population of 18,000. 1/3 of this expenditure is attributable to the Project. • The Town indicated that a field recreation centre would be required at a population of 17,000. This facility is expected to cost approximately $30,000,000, 1/3 of which is attributable to the project. It has been assumed that this facility will be funded through off-site levies.
Culture - libraries, museums, halls	None.
Other recreation and culture	None.
Utilities	None.

5.2.3.1 Steep Creek Mitigations

There is a need to mitigate flood risk from steep creeks hazards on Three Sisters Creek (Three Sisters Village ASP area) to both existing and new development in the Town. Conversations between the Town and TSV are ongoing, but at the time of this writing, the general understanding of these costs is as follows:

- The cost to mitigate flood risk to existing development is approximately $4.2 million[1], which is the responsibility of the Town.
- The cost to mitigate flood risk to new development in Three Sisters Village is approximately $2.5 million and is the responsibility of the developer.

The Town will be required to spend approximately $4.2 million on flood mitigations in this area regardless of whether or not TSV proceeds. There may be nominal savings realized by the Town if the mitigations for both new and existing development are undertaken simultaneously with TSMV and both parties are currently working collaboratively to achieve mutual savings), but the precise value of those savings is unclear at this point in time.

A similar collaborative strategy between Town, TSMV and the MD of Big Horn would also be undertaken for steep creek hazards identified for Pigeon Creek. All other creeks would be mitigated at the cost of development. The impacts affecting existing development within the Town and the MD of Big Horn. Accordingly, the costs related to steep creek mitigations are not included in the this fiscal impact analysis, as they are either funded by the developer for new development, or would be required if the ASPs do not proceed.

[1] Class 5 estimate

5.2.4 Operating Revenues

Table 5-3 provides an overview of the assumptions with respect to the escalation of municipal operating revenues in relation to the development of the Project. Note that population milestones relate to permanent, not total, population.

Table 5-3: Operating Revenues Escalation Factors

Expenditure Category	Escalation Factor
Net Municipal Property Taxes	Per growth in the assessment base as described in section 5.1 and the values described in Table 5-4
User fees and sales of goods	Indexed to population growth.
Government Transfers for operating	Indexed to population growth
Investment Income	Held constant
Penalties and costs of taxes	Indexed to population growth
Development levies	Indexed to growth in the assessment base.
Licenses and Permits	Indexed to growth in the assessment base.
Gain on disposal of tangible capital asset	Excluded from revenues. Note this is a conservative assumption. The inclusion of this line item would improve the analysis in favour of the Town.
Franchise and Concession contracts	Indexed to population growth
Rental	Indexed to population growth
Other	Indexed to population growth

The assessment base of the Project was valued using prices derived from the 2017 Infracycle analysis and inflated using the Consumer Price Index in order to estimate 2019 values. The values of specific residential unit types and commercial square footage are summarized in Table 5-4. Assessed values for the commercial tourist homes and hotels were derived in a similar manner to the 2017 analysis. Specifically,

- A sample of tourist homes was examined to determine what, if any, difference in value might exist between tourist homes and similar residential units[2]. The analysis revealed that condo or townhome-style rental properties were between 98% and 113% of units designated as residential. A discount to 98% was used in order to generate conservative estimates of the increase in the assessment base. The commercial tourist home tax rate was then applied to the adjusted unit values.
- The Basecamp Resort was used to estimate the approximate assessed value per unit for luxury hotel rooms in Canmore ($366,125.00). This value was used in conjunction with the room count indicated in the Project

[2] Properties with assessment code 21 (tourist home) were compared to those with assessment code 12 (residential land and buildings) in the same building in an effort to ensure an appropriate comparison. Buildings at the following addresses were used: 1306 Bow Valley Trail; 1238 2nd Avenue, 901 Mountain Street, 201-205 13th Street. Free-standing houses were not included in the analysis as they do not compare to the type of tourist units being contemplated in the Project.

design to estimate total assessed value of the hotels. The non-residential tax rate was then applied to the unit values[3].

For the purposes of this analysis, the indoor recreation space was valued at prevailing commercial rates whereas 40% the outdoor recreation space was assumed to be taxable at half the prevailing commercial value.

Table 5-4: Assessed Values

Assessment Category	2019 ($)
Single Detached/Semis	1,252,000
Semi-Detached/Townhouses	680,000
Apartments	613,000
Tourist Homes	601,000
Non-Residential (per sq.m)	5,144
Landmark hotel	201,370,000
Boutique hotel	109,840,000

Note: Figures rounded for presentation purposes.

5.2.5 Surplus

In 2018 and 2019, the municipality has recorded an operating surplus equal to 2.59% and 8.52% of expenses respectively. For the purposes this analysis, and based on feedback from the Town, it has been assumed that a surplus equivalent to 3.00% of expenses persists each year.

5.2.6 Levies

Off-site levies payable by the proponent to off-set Town expenses related to infrastructure upgrades outside of the development area (including the recreation centre noted in Table 5-2) have not been included in the analysis. These levies are set by the Town and flow to accounts used to manage the timely development of infrastructure. These levies are assumed to be appropriately set and are therefore not included in the analysis.

[3] A more appropriate comparison may be the Malcolm or Wyndham properties. Data limitations prevented these comparisons.

6. Fiscal Impacts

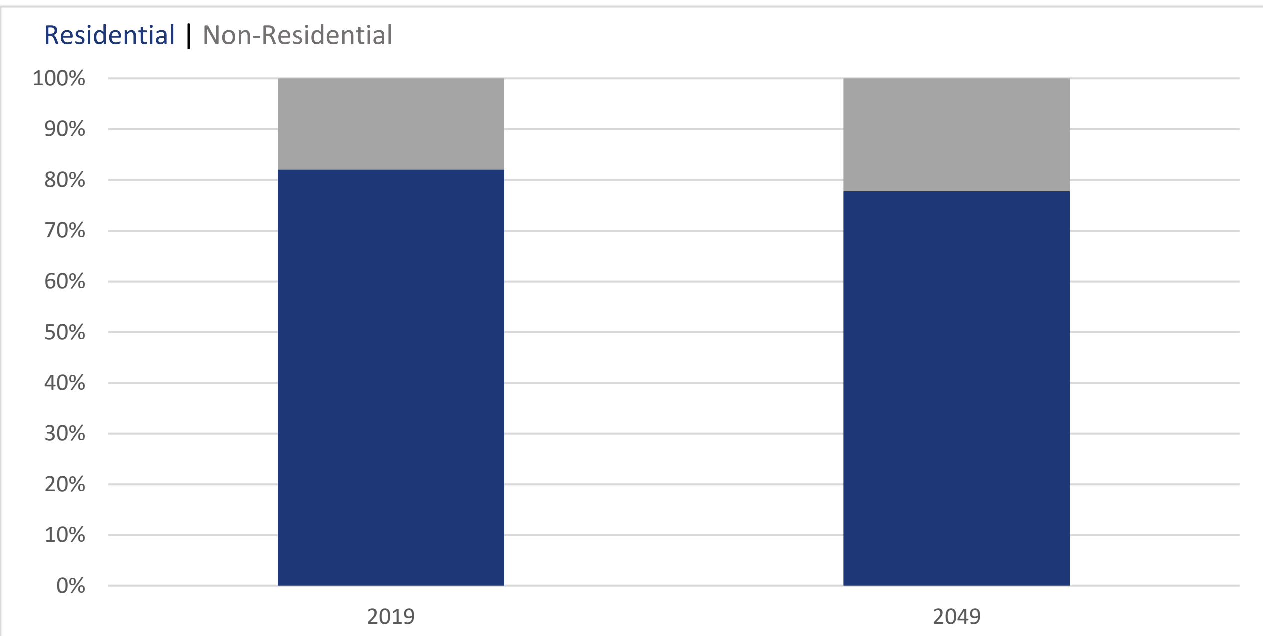
As noted in section 2, the approach to estimating the fiscal impact of the Project was to forecast future revenue and expenditures as the Project develops and linking projected revenue deficiencies to the anticipated assessment base in order to calculate budget-balancing mill rates – effectively simulating the budgeting process of a municipality and allowing for the illustration of real tax changes over time.

The balance of this section is focused on the impacts of the maximum design scenario as described in section 3. An analysis of the minimum scenario and a breakeven analysis are contained in Appendix A.

6.1 Assessment Base

When fully absorbed, the Project will have contributed to the residential (excluding tourist homes) and non-residential assessment base (including tourist homes) of the Town by an estimated $4.1 billion (69%) and $1.6 billion (126%) respectively. As illustrated in Figure 6-1, this contribution will have a nominally positive effect on the composition of the overall assessment base in the Town, with the relative share of non-residential assessment increasing from 17.9% in 2019 to 22% at full buildout. This outcome is largely a reflection of the balanced design of the Project to include a mixture of land-uses that are effectively aligned with the existing composition of the Town and also fiscally balanced.

Figure 6-1: Town of Canmore: Composition of Assessment Base, 2019 versus 2049



A summary of the expected assessment base of the Town in five year intervals, starting in 2019 and with the absorption of the Project through to 2049 is shown in Table 6-1 on the following page. The notable increases in the non-residential assessment base shown in 2030 and 2035 relate to the assumption of the Landmark and Boutique hotel area being developed in 2027 and 2032 respectively.

Table 6-1: Assessment Base Growth (2019$)

Category	2019	2025	2030	2035	2040	2045	2050
Residential/Tourist Homes	5,998,780,000	6,526,210,000	7,243,920,000	7,979,160,000	8,819,190,000	9,627,600,000	10,190,830,000
Tourist Homes - Commercial	166,390,000	256,650,000	379,460,000	505,280,000	649,020,000	787,360,000	883,740,000
Vacant Services	72,060,000	72,060,000	72,060,000	72,060,000	72,060,000	72,060,000	72,060,000
Non-residential	1,086,440,000	1,155,330,000	1,450,460,000	1,656,340,000	1,766,080,000	1,871,680,000	1,945,260,000
Machinery & Equipment	10,920,000	10,920,000	10,920,000	10,920,000	10,920,000	10,920,000	10,920,000
Total	**7,334,590,000**	**8,021,170,000**	**9,156,820,000**	**10,223,760,000**	**11,317,270,000**	**12,369,620,000**	**13,102,810,000**
Residential/Tourist Homes	81.8%	81.4%	79.1%	78.0%	77.9%	77.8%	77.8%
Tourist Homes - Commercial	2.3%	3.2%	4.1%	4.9%	5.7%	6.4%	6.7%
Vacant Services	1.0%	0.9%	0.8%	0.7%	0.6%	0.6%	0.5%
Non-residential	14.8%	14.4%	15.8%	16.2%	15.6%	15.2%	14.8%
Machinery & Equipment	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Total	**100.00%**	**100.00%**	100.00%	**100.00%**	**100.00%**	**100.00%**	**100%**

Note: Figures have been rounded for presentation purposes.

6.2 Revenues, Expenses, and Mil Rates

The growth and associate cost and revenue escalation described in section 5 will give rise to operating expenses and debt-supported capital payments at full Project buildout that are expected to total approximately $92.4 million as outlined in Table 6-2 with non-tax operating revenues of approximately $54 million as indicated in Table 6-3, resulting in a net surplus of roughly $2.75 million. Note that the item 'Parks and Recreation' includes an annual cost of $36,000 related to maintaining the Wildlife Fence.

Table 6-2: Town of Canmore: Projected Operating Expenses, 2049

Expense Category	2019 ($)
Legislative	475,000
Administrative	16,000,000
Other protective services	11,795,000
Common and equipment pool	1,180,000
Roads, streets, walks and lighting	6,090,000
Public transit	1,915,000
Waste management	6,945,000
Other environmental use and protection	1,235,000
Family and community support protection	865,000
Cemeteries and crematoriums	95,000
Other public health and welfare	1,735,000
Land use planning, zoning, and development	2,650,000
Economic and agricultural development	480,000
Public housing operations	1,825,000
Other planning and development	1,695,000
Parks and recreation	8,660,000
Culture – libraries, museums, halls	2,575,000
Other recreation and culture	11,715,000
Utilities	14,030,000
New Building (payment)	375,000
Grader (payment)	25,000
Street Sweeper (x2) (payment)	40,000
Snow Equipment (x3) (payment)	15,000
Maintenance Compound (payment)	10,000
Total Expenditures	92,425,000
Excess Revenues over Expenditures	2,750,000

Note: Figures have been rounded for presentation purposes

Table 6-3: Town of Canmore: Projected Operating Revenue, 2049

Revenue Category	2019 ($)
Net Municipal Property Taxes	41,120,000
User fees and sales of goods	33,485,000
Government Transfers for operating	2,995,000
Investment Income	1,330,000
Penalties and costs of taxes	490,000
Development levies	3,665,000
Licenses and Permits	3,730,000
Gain on disposal of tangible capital asset	0
Franchise and Concession contracts	4,330,000
Rental	2,190,000
Other	1,835,000
Total	95,170,000

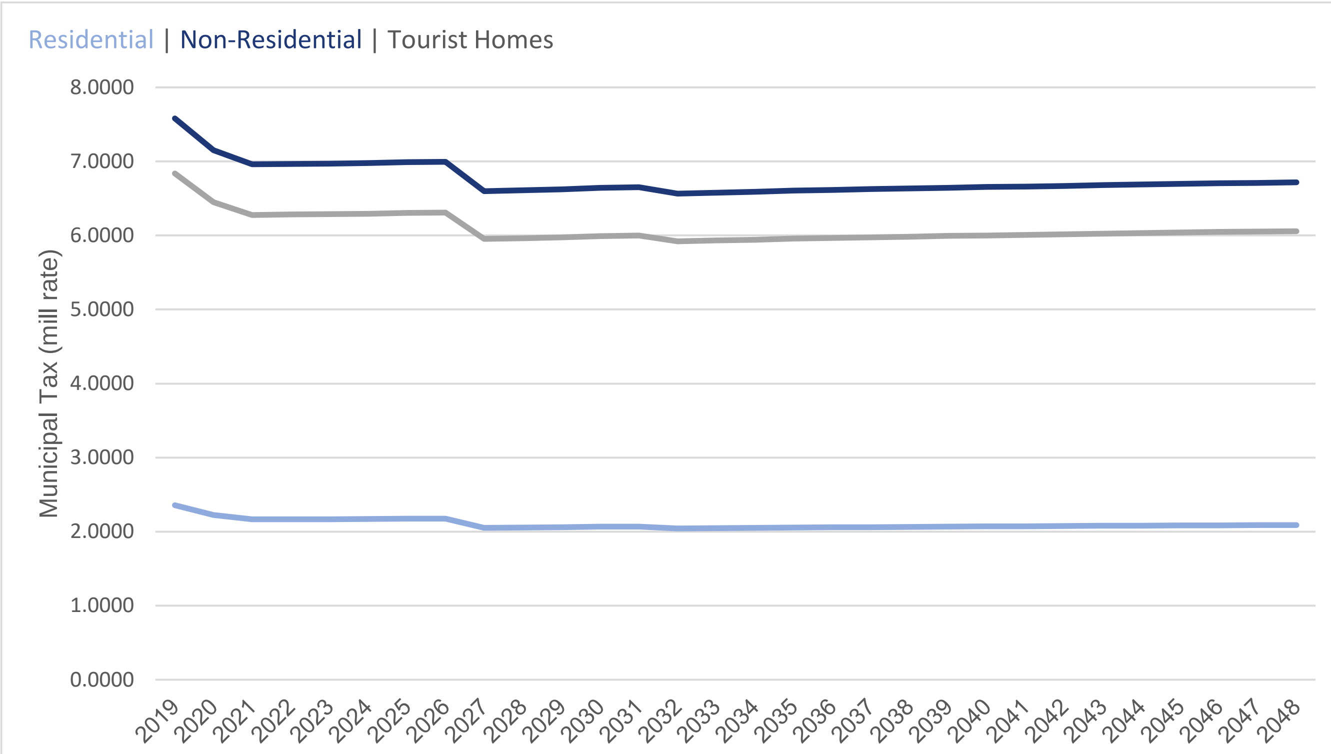
Note: Figures have been rounded for presentation purposes

In order to generate the required $41.1 million to balance revenues and expenditures, the residential, tourist home, and non-residential mill rates are expected to be set at 2.09115. 6.0643, and 6.7245 respectively. The evolution of the mill rates in the Town over the development of the Project is illustrated in Figure 6-2. The figure shows:

- Mill rates are expected to drop early in the forecast and then increase nominally (i.e. less than 1%) between 2023 and 2026 as the relative mixture of commercial and residential development is such that revenues from the new non-residential assessment base do not outweigh the net cost of residential development.
- The assumed Hotel development in 2027 significantly increases non-residential assessment, allowing tax rates to drop across the municipality before facing upwards pressure until 2032, at which point the development of the Boutique Hotel area adds to the non-residential assessment base and once again causes a drop in tax rates.
- There is nominal upwards pressure on tax rates in the 2040 to 2048 period. However, at all points following 2020, tax rates under the assumed project design are expected to be below 2019 rates for all property classes.
- As compared to the mill rates applied in 2019, the budget-balancing mill rates in 2049 (at full buildout) are expected to be 12.6% lower across all assessment classes. This indicates a positive fiscal impact of the Project with no undue burden being placed on rate payers.
- If, alternatively, the 2020 tax rates are used as a reference, tax rates across the residential and tourist home classification are expected to be 4.9% lower at full buildout. The rates for non-residential property are expected to be lower by 0.2%. Note this finding is driven by a shift in the relative balance of 2020 tax rates where the non-residential rates shifts from being 3.06 times the residential rate in 2019 up to 3.2 times the residential rate in 2020.

The timing of key milestones in Project development (e.g. hotels) is unknown and therefore the precise timing of the above-described dynamic may shift and administration and council may elect to set rates or budget priorities in such a way to avoid oscillation in tax rates. However, regardless of the timing, if the Project is built as articulated in section 3, the net fiscal effect to the municipality is expected to be positive.

Figure 6-2: Town of Canmore Mill rates



6.3 Summary

The Project represents an opportunity for the Town to grow in a fiscally sustainable manner and move towards achieving the goal of an assessment split of 2/3 residential and 1/3 non-residential as articulated in the Town's MDP[4]. The balanced land-use mixture provides an assessment base that is more positive than the Town's existing base and provides the opportunity to reverse a recent trend in the community (Figure 4-1) of a diminishing share of non-residential assessment and return the assessment split last seen in 2010. This shift is expected to lead to tax rates at full buildout that are below those applied in 2019 and 2020, which leaves ratepayers of the community better off from a fiscal perspective. With respect to its favourable fiscal position as compared to other towns in Alberta, Canmore is expected to maintain tax rates well below average despite serving a large tourist population with per-capita expenditures above the provincial average for towns.

These results are generally the product of the Project design, specifically the amount of commercial development vis-à-vis residential. Any material reduction in non-residential land-use would likely alter the fiscal impact to be neutral or nominally negative on the Town.

Additionally, the assumed values for non-residential elements of the Project are fundamental in producing the positive fiscal impact. The estimated assessed value for hotels and general commercial space underpin the favourable contribution of non-residential growth to the community. Note that additional analysis which evaluates

[4] Section 16.1.8. Bylaw 2016-03 Municipal Development Plan.

the Project under the minimum unit scenario and a breakeven analysis are contained in Appendix A. In brief, the minimum scenario also produces a positive fiscal impact and the findings under both scenarios are robust to changes in the amount of non-residential development. A summary of the current and future assessment bases of the Town under the minimum and maximum unit scenarios is summarized in the table below. In brief, the non-residential[5] portion of the assessment base will increase from the current 18.2% to:

- 23.1% under the minimum unit scenario; and
- 22.2% under the maximum unit scenario.

Table 6-4 Assessment Base Summary

Category	2019 $	Minimum Buildout	Maximum Buildout
Residential/Tourist Home – Personal Use	81.8%	76.9%	77.8%
Tourist Home	2.3%	7.0%	6.7%
Vacant Serviced	1.0%	0.7%	0.5%
Non-residential	14.8%	15.3%	14.8%
Machinery & Equipment	0.1%	0.1%	0.1%

Lastly, it should be noted that if the commercial development within the Stewart Creek ASP were included in this analysis, it would increase the amount of revenues flowing to the Town and further reinforce the positive fiscal impact on the Town.

[5] For the purposes of this summary, the 'vacant serviced' category was included in the non-residential proportion.

7. References

Alberta Municipal Affairs. *Municipal Financial Data and Statistics.* 2019.

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InfraCycle Fiscal Solutions. *Fiscal Impact Analysis of the Three Sisters Village Resort.* 2017

Appendix A

Alternative Scenario: Design Minimum

As noted in section 3, Project design is subject to variation as additional planning and design takes place to advance the concept presented in the ASP to a real built form. Accordingly, the fiscal impacts of the minimum design scenario[6] are noted below in order to illustrate the range in possible outcomes.

Notable differences between the maximum scenario described in the body of this report and the minimum scenario illustrated below are as follows:

- A reduction in the population accommodated by approximately 43% from approximately 16,000 to 9,800;
- A reduction in non-residential assessment base of approximately 32% from 91,880 square meters of indoor non-residential space to 64,320.

The differential in the reduction of population and non-residential assessment is key to understanding the outcome of the minimum scenario. The number of people, which drives many costs faced by a municipality, is being reduced by comparative more than the non-residential assessment base, which is a large contributor to the financial capacity of a municipality.

The fiscal impact to the Town at full buildout under the minimum scenario is as follows:

- The budget-balancing tax rates at bull build-out are expected to be 2.1087 for residential, 6.1153 for tourist homes, and 6.7810 for non-residential nominally above the rates articulated in section 6.2 and below the tax rates in the Town in 2019 and 2020..
- This result is driven largely by the relative declines in residential as compared to non-residential development from the maximum scenario effectively resulting in costs decreasing in line with revenues in this minimum scenario.

Tables analogous to those in section 6.2 are presented below.

[6] Tourist home count evaluated in the minimum scenario is 955.

Table A-1: Assessment Base Growth Minimum Scenario (2019$)

Category	2019	2050
Residential/Tourist Homes	5,998,780,000	8,150,890,000
Tourist Homes - Commercial	166,390,000	740,270,000
Vacant Services	72,060,000	72,060,000
Non-residential	1,086,440,000	1,623,530,000
Machinery & Equipment	10,920,000	10,920,000
Total	**7,334,590,000**	**10,597,670,000**
Residential/Tourist Homes	81.8%	76.9%
Tourist Homes - Commercial	2.3%	7.0%
Vacant Services	1.0%	0.7%
Non-residential	14.8%	15.3%
Machinery & Equipment	0.1%	0.1%
Total	**100.00%**	**100%**

Note: Figures have been rounded for presentation purposes

Table A-2: Town of Canmore: Projected Operating Expenses Minimum Scenario, Full Build-out

Expense Category	2019 ($)
Legislative	475,000
Administrative	12,745,000
Other protective services	9,395,000
Common and equipment pool	940,000
Roads, streets, walks and lighting	6,090,000
Public transit	1,525,000
Waste management	5,530,000
Other environmental use and protection	1,005,000
Family and community support protection	690,000
Cemeteries and crematoriums	75,000
Other public health and welfare	1,385,000
Land use planning, zoning, and development	2,145,000
Economic and agricultural development	380,000
Public housing operations	1,455,000
Other planning and development	1,370,000
Parks and recreation	6,895,000
Culture – libraries, museums, halls	2,050,000
Other recreation and culture	9,335,000
Utilities	11,175,000
New Building (payment)	375,000
Grader (payment)	25,000
Street Sweeper (x2) (payment)	40,000
Snow Equipment (x3) (payment)	15,000
Maintenance Compound (payment)	10,000
Total Expenditures	**77,365,000**
Excess Revenues over Expenditures	**2,240,000**

Note: Figures have been rounded for presentation purposes

Table A-3: Town of Canmore: Projected Operating Revenue Minimum Scenario, Full Build-Out

Revenue Category	2019 ($)
Net Municipal Property Taxes	33,895,000
User fees and sales of goods	26,675,000
Government Transfers for operating	2,385,000
Investment Income	1,330,000
Penalties and costs of taxes	390,000
Development levies	2,965,000
Licenses and Permits	3,015,000
Gain on disposal of tangible capital asset	0
Franchise and Concession contracts	3,450,000
Rental	1,770,000
Other	1,485,000
Total	**77,360,000**

Note: Figures have been rounded for presentation purposes

Breakeven Analysis

The aim of the breakeven analysis is to identify at what point the value of a critical assumption causes the analysis to shift from being a net-positive impact to a net-negative one. Given that the relative magnitude of non-residential development is the driving factor behind the positive fiscal impact of the Project, the Study Team manipulated the amount of developed non-residential area until such a point as the Project creates a neutral fiscal effect (as measured by budget-balancing tax rates) on the community in both the current and minimum scenarios. It should be noted that, throughout this analysis, 2019 financial information and tax rates have been used to inform the analysis. Where appropriate, comparisons have been drawn to the 2020 tax rates despite the lack of financial statements to create a fulsome picture of the 2020 fiscal year. For the purpose of this breakeven analysis, the Study Team used the 2020 tax rates as the breakeven point. The results are as follows:

- Under the maximum design scenario, the amount of non-residential assessable area would need to be reduced by 31% before the Town would require tax rates equivalent to those in 2020 to balance the budget – effectively indicating a neutral impact on the Town.
- Under the minimum design scenario, the amount of non-residential assessable area would need to be reduced by 35% before the Town would require tax rates equivalent to those in 2020 to balance the budget – effectively indicating a neutral impact on the Town.

Note that the minimum scenario is able to accommodate a proportionately larger reduction in non-residential assessment due to the comparatively larger reduction in population accommodated, as noted earlier in this appendix.

Tables illustrating the assessment base, revenues, and expenditures at the breakeven points of non-residential assessment for the minimum and maximum design scenarios are below.

In sum, the finding that the Project is expected to generate a positive fiscal impact on the Town is robust to changes in the amount of non-residential development that ultimately is built and absorbed by the market.

Table A-4: Assessment Base Growth Breakeven (2019$)

Category	2019	Min Build Out	Max Build-Out
Residential/Tourist Homes	5,998,780,000	$8,150,890,000	$10,190,830,000
Tourist Homes - Commercial	166,390,000	$740,270,000	$883,740,000
Vacant Services	72,060,000	$72,060,000	$72,060,000
Non-residential	1,086,440,000	$1,440,110,000	$1,677,020,000
Machinery & Equipment	10,920,000	$10,920,000	$10,920,000
Total	**7,334,590,000**	**$10,414,250,000**	**$12,834,570,000**
Residential/Tourist Homes	81.8%	78.3%	79.4%
Tourist Homes - Commercial	2.3%	7.1%	6.9%
Vacant Services	1.0%	0.7%	0.6%
Non-residential	14.8%	13.8%	13.1%
Machinery & Equipment	0.1%	0.1%	0.1%
Total	**100.00%**	100%	100%

Note: Figures have been rounded for presentation purposes

Table A-5: Town of Canmore: Projected Operating Expenses Breakeven

Expense Category	Minimum	Maximum
Legislative	475,000	475,000
Administrative	12,745,000	16,000,000
Other protective services	9,395,000	11,795,000
Common and equipment pool	940,000	1,180,000
Roads, streets, walks and lighting	6,090,000	6,090,000
Public transit	1,525,000	1,915,000
Waste management	5,530,000	6,945,000
Other environmental use and protection	990,000	1,210,000
Family and community support protection	690,000	865,000
Cemeteries and crematoriums	75,000	95,000
Other public health and welfare	1,385,000	1,735,000
Land use planning, zoning, and development	2,105,000	2,595,000
Economic and agricultural development	380,000	480,000
Public housing operations	1,455,000	1,825,000
Other planning and development	1,345,000	1,660,000
Parks and recreation	6,895,000	8,660,000
Culture – libraries, museums, halls	2,050,000	2,575,000
Other recreation and culture	9,335,000	11,715,000
Utilities	11,175,000	14,030,000
New Building (payment)	375,000	375,000
Grader (payment)	25,000	25,000
Street Sweeper (x2) (payment)	40,000	40,000
Snow Equipment (x3) (payment)	15,000	15,000
Maintenance Compound (payment)	10,000	10,000
Total Expenditures	**77,280,000**	**95,065,000**
Excess Revenues over Expenditures	**2,235,000**	**2,755,000**

Note: Figures have been rounded for presentation purposes

Table A-6: Town of Canmore: Projected Operating Revenue Breakeven

Revenue Category	Minimum	Maximum
Net Municipal Property Taxes	33,975,000	41,240,000
User fees and sales of goods	26,675,000	33,485,000
Government Transfers for operating	2,385,000	2,995,000
Investment Income	1,330,000	1,330,000
Penalties and costs of taxes	390,000	490,000
Development levies	2,915,000	3,590,000
Licenses and Permits	2,965,000	3,655,000
Gain on disposal of tangible capital asset	0	0
Franchise and Concession contracts	3,450,000	4,330,000
Rental	1,740,000	2,145,000
Other	1,460,000	1,795,000
Total	**77,285,000**	**95,055,000**

Note: Figures have been rounded for presentation purposes

Splitting Three Sisters Village and Smith Creek

The Study Team was engaged to complete an analysis of the integrated Project (e.g Three Sisters Village and Smith Creek together). The data and information collected to inform this study reflected the integrated nature of the assessment. For example, the costs provided by the Town and itemized in Table 5.2 are not apportioned in such a manner that allows for attribution to one area or the other. At the request of the Town, the Study Team has endeavoured to split revenues and costs (where possible) between TSV and Smith Creek for Illustrative purposes. Our approach has been as follows:

- All operating costs and non-tax revenues indexed by population will be split on the basis of population expected to be housed in each area (approximately 73% to TSV and 27% in Smith Creek).
- All costs capital costs included in Table 5.2 have been split on the basis of the relative share of assessment value of each area at full buildout (approximately 63% to TSV, and 37% to Smith Creek).
- All tax revenues have been split on the basis of the relative share of population or assessment value of each area at full buildout (per the escalation factors in Table 5-1).

Note that the above-described estimate is intended to provide a general sense of costs and revenues attributable to each area. A more nuanced approach that fully reflects the intricacies of servicing each area would require a level of detail that is not available at the time of this writing. Our estimates are provided in Table A-7 and Table A-8 on the following pages. In brief, when contemplated as stand-alone entities using the estimates derived as noted above and using budget-balancing mill-rates, which by design aim to equalize revenues and expenses across the entire municipal corporation:

- The TSV area generate nominally more revenues than expenses;
- The Smith Creek area generates nominally fewer revenues than expenses.

Table A-7: Estimated Incremental Annual Operating Expenses Split at Build Out

Expense Category	TSV	Smith Creek
Legislative	0	0
Administrative	5,370,000	1,990,000
Other protective services	3,960,000	1,470,000
Common and equipment pool	400,000	150,000
Roads, streets, walks and lighting	880,000	330,000
Public transit	640,000	240,000
Waste management	2,330,000	860,000
Other environmental use and protection	350,000	180,000
Family and community support protection	290,000	110,000
Cemeteries and crematoriums	30,000	10,000
Other public health and welfare	580,000	220,000
Land use planning, zoning, and development	770,000	400,000
Economic and agricultural development	160,000	60,000
Public housing operations	610,000	230,000
Other planning and development	490,000	260,000
Parks and recreation	2,910,000	1,080,000
Culture – libraries, museums, halls	870,000	320,000
Other recreation and culture	3,940,000	1,460,000
Utilities	4,710,000	1,740,000
Capital Items in Table 5.2	330,000	140,000
Total Expenditures	**29,620,000**	**11,250,000**

Note: Figures have been rounded for presentation purposes.

Table A-8: Estimated Incremental Annual Revenue Split at Build Out

Revenue Category	Minimum	Maximum
Net Municipal Property Taxes	14,300,000	4,590,000
User fees and sales of goods	11,250,000	4,160,000
Government Transfers for operating	1,010,000	370,000
Investment Income	0	0
Penalties and costs of taxes	160,000	60,000
Development levies	1,180,000	440,000
Licenses and Permits	1,080,000	560,000
Gain on disposal of tangible capital asset	0	0
Franchise and Concession contracts	1,450,000	540,000
Rental	700,000	260,000
Other	590,000	220,000
Total	**31,720,000**	**11,200,000**

Note: Figures have been rounded for presentation purposes

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