



OAKVILLE

## REPORT

PLANNING AND DEVELOPMENT COUNCIL MEETING

MEETING DATE: JUNE 12, 2017

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**FROM:** Economic Development Department

**DATE:** May 19, 2017

**SUBJECT:** **Glen Abbey Land Use Economic Impact Study**

**LOCATION:** 1333 Dorval Drive

**WARD:** 4

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### RECOMMENDATION:

That the Glen Abbey Land Use Economic Impact Study by PricewaterhouseCoopers Real Estate Inc. (PwC), and the Fiscal Impact Assessment for the Proposed Redevelopment of Glen Abbey Golf Course by Watson & Associates Economists Ltd., be received.

### KEY FACTS:

The following are key points for consideration with respect to this report:

- Council directed staff to commence a Land Use Economic Impact Analysis to examine the role of the Glen Abbey golf course (existing & permitted) in the context of the town's economic structure and evaluate the impact of any proposed redevelopment of the golf course.
- PricewaterhouseCoopers Real Estate Inc. and Watson & Associates Economists Ltd. have completed their economic analysis and their reports are included in this report at Appendix A and B, respectively.

### BACKGROUND:

The owners of Glen Abbey Golf Course have expressed interest in the redevelopment of the golf course lands, and in November 2015 held a pre-consultation meeting with town staff with respect to a redevelopment proposal for a mixed-use development comprising 3,222 residential units and 121,309 square feet of retail and office space.

At its meeting of February 1, 2016, Council passed Interim Control By-law 2016-024 restricting land uses on the Glen Abbey Golf Course pending the completion of certain studies, including a Land Use Economic and Impact Analysis to examine the role of Glen Abbey Golf Course in its existing and planned land use function in the context of the town's economic structure, and to evaluate the economic impact of the proposed redevelopment of the golf course by ClubLink Corporation.

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An Expression of Interest was issued for the above-noted study, which closed on May 5, 2016. Through this process PricewaterhouseCoopers Real Estate Inc. (PwC) was engaged to undertake the work in accordance with a June 22, 2016 consultant’s agreement between the town and PwC. PwC subsequently sub-contracted Watson & Associates Economists Ltd. (Watson) to provide a fiscal impact assessment of the proposed redevelopment of the Glen Abbey Golf Course, the results of which are incorporated into the final PwC study.

The final *Glen Abbey Land Use Economic Impact Study* by PwC is attached as Appendix A to this report and the *Fiscal Impact Assessment – Proposed Glen Abbey Golf Course* by Watson is attached as Appendix B to this report.

**COMMENT/OPTIONS:**

**Current State Assessment - Economic Impact of Glen Abbey Golf Course**

The PwC report examines the economic impact of the existing golf operations at Glen Abbey Golf Course, as well as the potential economic impact if the owners were to build a hotel on the property, as permitted in the Town’s Official Plan and Zoning By-law. The analysis also includes the economic benefits of Glen Abbey hosting the RBC Canadian Open on a frequent basis.

In the current state assessment, the following annual economic impacts were determined by PwC:

Annual Impacts	Existing Golf Course Operations	Existing + RBC Canadian Open	Existing + RBC Canadian Open + 150 room hotel
Output	\$6.5 million	\$36.5 million	\$44.4 million
GDP Impact	\$3.6 million	\$21.7 million	\$26.0 million
Labour Income	\$2.3 million	\$14.7 million	\$17.7 million
FTE Employment	65 jobs	280 jobs	350 jobs
Town Revenue	\$71,900	\$71,900	\$300,000

*property tax revenue*

Source: PwC, Watson & Associates

Staff note that PwC's original retainer provided for an assessment of the potential benefits of upgrading the golf course to enhance its attractiveness as an international “golfing destination.” Through the course of the study it was determined that the completion of such an assessment was not feasible at this time, given that it was premature to consider alterations that could be made to the property pending the completion of the ongoing assessment of the property through the town’s Cultural Heritage Landscapes Strategy.

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### **Future State Assessment - Economic Impact of Redevelopment**

The future state assessment undertaken by PwC and Watson relates to the proposed redevelopment of Glen Abbey from a golf course into the residential, retail and office plan proposed by ClubLink.

There are one time economic impacts that would result from the proposed redevelopment of the golf course, including employment and construction-related spending. PwC estimates that redevelopment of the Glen Abbey lands would generate total spending impacts in the range of \$1.032 billion to \$1.193 billion, giving rise to total GDP impact of between \$503 million and \$428 million. Such one-time impacts associated with the construction and development-related activities would be expected to accrue over the period of build-out (estimated by ClubLink to be 2035). It should also be noted that the redevelopment of Glen Abbey would be expected to compete with other residential developments in the town, and so some portion of these one-time impacts within the town economy would be expected to occur regardless of the Glen Abbey redevelopment.

PwC also estimated the future state economic impact of the proposed Glen Abbey Golf Course redevelopment at full build-out. In respect of the operation of the new commercial development proposed, PwC estimated total annual spending impacts in the range of \$3.1 million, with GDP impacts of \$1.76 million, lower than those estimated for the current operation of the golf course on the lands.

PwC and Watson also estimated impacts on the town's operating budget. The annual operating fiscal impact on the town was estimated to range from a deficit of \$2.5 million (town cost) to a surplus of \$1.0 million (town revenue). The range in numbers was associated with uncertainty respecting the estimated assessed value of the homes to be constructed in the development. Watson prepared its analysis using lower forecasted assessed values proffered by IBI in a report completed for ClubLink, which were based on MPAC values for other town properties, as well as higher forecasted assessed values prepared by PwC, which were based on recent actual sales of properties in the town. The variance between these forecasts results in the deficit/surplus range for the economic impact in the future state assessment.

The effect of an operating deficit or surplus would have implications for the town's overall tax rate, and would not actually result in the town accumulating a deficit or surplus in its accounts. All else being equal, a deficit would require that the town increase property taxes to pay for the shortfall (or implement service reductions), while a surplus would allow the town to reduce its overall tax rate.

The following table summarizes the one-time impacts experienced over an estimated 15 year timeframe and annual future state economic impacts resulting from the proposed redevelopment, estimated by PwC:

One Time Impacts	Redevelopment of Glen Abbey
Output	\$1.032 billion to \$1.193 billion
GDP Impact	\$503.0 million to \$581.0 million
Labour Income	\$370.8 million to \$428.4 million
FTE Employment	5,870 to 6,775 jobs
Annual Impacts	Redevelopment of Glen Abbey
Output	\$3.1 million
GDP Impact	\$1.7 million
Labour Income	\$1.5 million
FTE Employment	275 jobs
Town Revenue*	\$5.9 million to \$9.4 million
Direct Fiscal (Operating) Impact	(\$2.5 million) to \$1.0 million

\*property tax revenue based on current rates

Source: PwC, Watson & Associates

**CONSIDERATIONS:**

**(A) PUBLIC**

Given the economic analysis undertaken by the consultant, no public consultation was undertaken prior to the finalization of this report. Any public consultation would be provided directly to Council through the receipt and consideration of this report.

**(B) FINANCIAL**

These reports are provided to Council for information. Funding for the consultant reports was approved by Council at its meeting of February 1, 2016.

**(C) IMPACT ON OTHER DEPARTMENTS & USERS**

There is no impact on other departments & users.

**(D) CORPORATE AND/OR DEPARTMENT STRATEGIC GOALS**

This report addresses the corporate strategic goal to:

- enhance our economic environment
- be fiscally sustainable

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**(E) COMMUNITY SUSTAINABILITY**

The economic impact analysis related to Glen Abbey Golf Course addresses a fundamental component of community sustainability.

**APPENDICES:**

Appendix A – Glen Abbey Land Use Economic Impact Study by PricewaterhouseCoopers Real Estate Inc. (PwC)

Appendix B – Fiscal Impact Assessment for the Proposed Redevelopment of Glen Abbey Golf Course by Watson and Associates Economists Ltd.

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