

Town of Oakville

Glen Abbey Land Use Economic Impact Study

May 2017

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Study Background

PwC was retained by the Town of Oakville to conduct an economic impact study of Glen Abbey Golf Course

Background

- Glen Abbey Golf Course (“Glen Abbey”) opened in 1976. As the first solo design by Jack Nicklaus, Glen Abbey is generally regarded as one of Canada’s most famous golf courses. In addition to housing the offices of Golf Canada (Royal Canadian Golf Association) and the Canadian Golf Hall of Fame, Glen Abbey has served as the frequent host site of the RBC Canadian Open, one of the oldest professional golf tournaments in the world. Including 2017, Glen Abbey will have hosted the Canadian Open on 29 occasions since 1977.
- ClubLink Corporation acquired Glen Abbey from Golf Canada in 1998. Per its web site, ClubLink Corporation is “Canada’s largest owner and operator of golf clubs with 53.5 18-hole equivalent championship and eight nine-hole academy courses at 40 locations in Ontario, Quebec and Florida” (33 facilities in Canada).
- ClubLink Corporation ULC and ClubLink Holdings Limited (each of these entities including ClubLink Corporation are hereinafter referred to as “ClubLink”) is seeking land use planning approvals for the redevelopment of Glen Abbey. As proposed, the redevelopment would see the Glen Abbey lands converted from a golf course into a residential community with 3,222 units and 121,309 square feet of non-residential space:

• Residential Units	3,222
• <i>Single Detached Homes</i>	141
• <i>Townhomes</i>	109
• <i>Stacked Townhomes</i>	190
• <i>Apartments</i>	2,782
• Non-residential square feet	121,309
• <i>Retail</i>	62,871
• <i>Office</i>	58,438

Scope of Mandate

- PwC was retained by the Town to evaluate the economic benefits currently being received within the community from Glen Abbey’s operations as a golf course (“**Current State Assessment**”). Such benefits include those which accrue within the community based on:
 - Glen Abbey’s current use and operations (i.e., as a public golf course and tournament facility with meeting and banquet facilities and a restaurant);
 - Glen Abbey having served and continuing to serve as the frequent home of the RBC Canadian Open;
 - the Glen Abbey property housing the offices of Golf Canada and the Canadian Golf Hall of Fame; and
 - the development potential which exists on the property based on the Town’s current Official Plan and Zoning by-law.
- In addition, PwC was also retained to quantify the potential economic benefits which could accrue from Glen Abbey’s redevelopment, including benefits generated from the site’s physical redevelopment as well as longer-term benefits and costs associated with a new developed community (“**Future State Assessment**”).

Methodology

- In assessing the economic benefits of Glen Abbey’s operations within Oakville, PwC relied upon Statistics Canada’s Input-Output (“I-O”) framework for estimating total economic impact.
- Quantifying economic impacts in this manner requires the use of detailed financial information (including revenues, expenses, employment, etc.). A detailed request for course-specific information describing the operations of Glen Abbey was made to ClubLink. However, such information was not made available.

PwC relied, in part, on consolidated information from ClubLink to estimate the benefits of Glen Abbey Golf Course

Methodology (continued)

- ClubLink instead met with PwC and provided a verbal overview of aspects of Glen Abbey’s operations (including, for example, memberships, food and beverage operations, total employment, operations and tournament play). ClubLink also provided financial statements for its parent company (TWC Enterprises Ltd., “TWC”) which include consolidated information for its Canadian golf course operations.
- In evaluating the economic impact of Glen Abbey, PwC undertook the following:

Current State Assessment

- Reviewed TWC’s publicly available financial statements and analyzed information describing its golf course operations;
- Developed benchmarks to describe the “average” ClubLink golf course;
- Obtained financial information and operating statements for other golf courses / golf clubs to compare with the “average” ClubLink golf course;
- Used various data points and information on Glen Abbey in order to scale the above information to arrive at an approximate estimate of operating data for Glen Abbey;
- Held discussions with Golf Canada to obtain information and insights regarding the staging of the RBC Canadian Open at Glen Abbey and to understand the operations of Golf Canada and the Canadian Golf Hall of Fame at Glen Abbey;
- Evaluated associated / spin-off benefits emanating from the staging of the RBC Canadian Open at Glen Abbey, including its impact on hotel occupancy and enhancing local, regional, national and international name recognition of Oakville;

- Considered current zoning provisions for Glen Abbey, particularly provisions permitting the development and operations of a hotel; and
- Prepared estimates of the economic impact of Glen Abbey and the RBC Canadian Open.

Future State Assessment

- Reviewed various background material prepared in support of ClubLink’s redevelopment proposal, including information prepared by SGL Planning and Design Inc. (Statistical Analysis) and the IBI Group (Capital Impact Assessment and Municipal Financial Impact Study);
- Reviewed information describing the new home market in the Oakville area to identify trends in new home starts and completions, trends in pricing, etc.;
- Evaluated land, residential and non-residential development costs;
- Estimated the economic impacts of the proposed redevelopment;
- Reviewed the information prepared by Watson & Associates Economists Ltd. for the Town (Fiscal Impact Assessment); and
- Estimated the net benefit of the redevelopment of Glen Abbey within Oakville.

Information Sources

- Information sources relied upon by PwC included the following:
 - Statistics Canada Input-Output multipliers;
 - TWC financial statements;
 - Operating statements from six other Canadian golf courses;
 - Interviews with Golf Canada;

PwC relied upon information from ClubLink, as well as on information detailing residential land development in Oakville, to estimate the benefits of a redeveloped Glen Abbey Golf Course

Information Sources (continued)

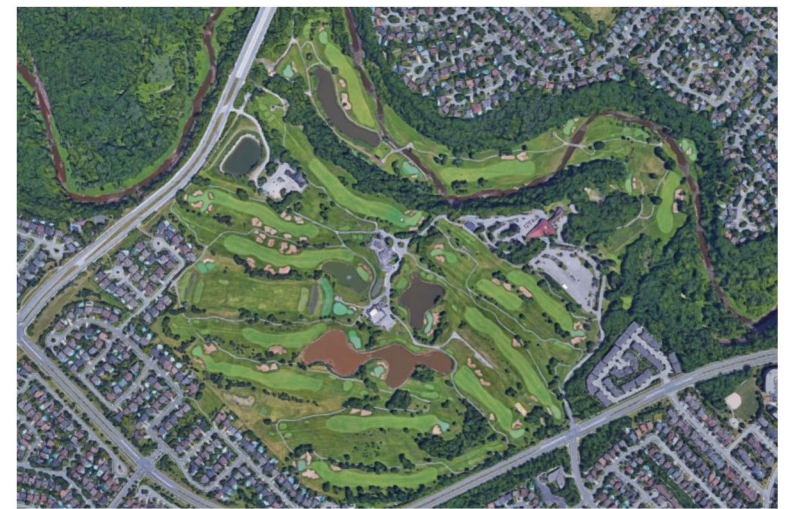
- Information session with ClubLink;
- Golf Canada reports outlining the economic impact of the RBC Canadian Open;
- Hotel operating information from Smith Travel Research (“STR”);
- Secondary research generated from Factiva and Google Trends;
- Market research detailing hotel developments, development costs and operations;
- Information from Canada Mortgage and Housing Corporation, RealNet, the Canadian Real Estate Association and MLS providing insights into residential development and pricing trends within Oakville;
- Altus 2017 Canadian Cost Guide;
- Background material prepared in support of ClubLink’s redevelopment proposal (SGL Planning and Design Inc. and IBI Group reports); and
- Watson & Associates Economists Ltd. Fiscal Impact Assessment.

Current State Assessment

Glen Abbey Golf Course is one of the most famous golf courses in Canada. In addition to being one of several golf clubs owned and operated by ClubLink, Glen Abbey has hosted numerous Canadian Open Golf Championships

Background

- Glen Abbey opened in 1976. As the first solo design by Jack Nicklaus, Glen Abbey is generally regarded as one of Canada's most famous golf courses, and was intended to serve as the permanent home of the Canadian Open.
- Glen Abbey occupies some 229.1 acres (approximately 92.7 hectares) within the Town of Oakville, including some 77.6 acres (31.4 hectares) located within the Sixteen Mile Creek valley (holes 11 through 15) and some 151.6 acres (61.3 hectares) located on relatively flat lands overlooking and next to the Sixteen Mile Creek valley. Glen Abbey's 18 hole layout measures almost 7,300 yards and plays to a par 72.
- In addition to being the site of the offices of Golf Canada (Royal Canadian Golf Association) and the Canadian Golf Hall of Fame, Glen Abbey has served as the frequent host site of the RBC Canadian Open, one of the oldest professional golf tournaments in the world. Including 2017, Glen Abbey will have hosted the Canadian Open on 29 occasions since 1977.
- Also located on the grounds of Glen Abbey is a clubhouse facility which includes a restaurant, dining room, and a variety of banquet, meeting and seminar rooms. In addition, Glen Abbey is home to the Academies of ClubLink and the TaylorMade Performance Lab.
- ClubLink acquired Glen Abbey from Golf Canada in 1998. Per its web site, ClubLink is "Canada's largest owner and operator of golf clubs with 53.5 18-hole equivalent championship and eight nine-hole academy courses at 40 locations in Ontario, Quebec and Florida". ClubLink's Canadian operations include 33 golf facilities with 42.5 18-hole equivalent courses.



Source: Google Maps, Google Earth

In evaluating the benefits which Glen Abbey currently provides within Oakville, PwC relied upon consolidated information describing ClubLink’s Canadian golf course operations

Glen Abbey Operations

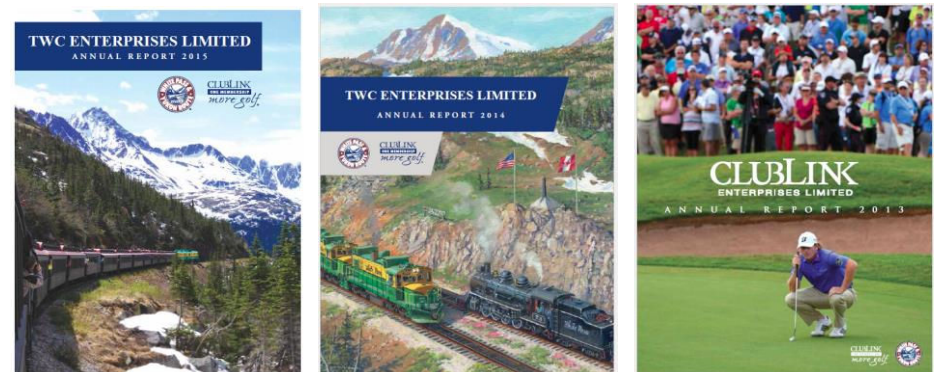
- In an attempt to obtain background information describing the operations of Glen Abbey, a formal request for information was provided to ClubLink. The requested information sought to gain insight into the operations of Glen Abbey, including its membership, number of rounds played per year, operating revenue and expenses, number of external tournaments (including corporate and charitable tournaments) staged each year, and information describing the redevelopment proposal.
- ClubLink elected not to provide the requested information, and instead agreed to meet with PwC to provide a verbal overview of aspects of Glen Abbey’s operations (including, for example, memberships, food and beverage operations, total employment, operations and tournament play). ClubLink also provided copies of financial statements for its parent company (TWC Enterprises Ltd., “TWC”) which includes consolidated information for its Canadian golf course operations.
- To supplement the information provided by ClubLink, PwC also gathered information describing the operations of other Canadian golf course facilities.
- PwC then reviewed TWC’s annual reports and analyzed information describing ClubLink’s Canadian golf operations. From this review, PwC formulated baseline financial estimates for the average ClubLink golf course. It was assumed that the results of this review would constitute a “steady state” for ClubLink’s Canadian golf course operations. This information was then paired with select benchmark information as well as anecdotal information about Glen Abbey to develop an approximation for Glen Abbey’s operations.

Glen Abbey Revenues		2015	2014	2013
Memberships				
Green Fees				
Food & Beverage (incl. restaura				
Pro Shop (including merchand				
Payments from Golf Canada				
Other				
Other				

Qualitative Questions (Please respond in the light orange cells)	
1a	On average, how many Non-Member Tournaments have been held at Glen Abbey over each of the past 5 years?
1b	On average, how many Charity Golf Tournaments/events has Glen Abbey hosted over each of the past 5 years?
1c	If known, please provide an approximate number of rounds played at Glen Abbey

Qualitative Questions (Please respond in the light orange cells)	
1a	What is the total acreage of Glen Abbey Golf Course?
1b	How many acres are proposed to be developed (gross acres, including roads, community parks)?
1c	How many acres, including lands within the 16 Mile Creek Valley and other naturalized areas will remain undeveloped?
2a	How many units are proposed to be developed?
2b	What proportion of units are currently anticipated to be single detached, semi-detached, townhouses, stacked towns, medium density (under 5 stories), 5+ stories, etc.
2c	In terms of total developable area, what percentage is currently envisioned to be allocated to singles, semis, towns, stacked towns, etc.
3	What is the currently anticipated average sale price of units proposed to be developed (whether on average for all units, or on average for each of the singles, semis, towns, stacked towns, apartments, etc.)
4a	How many square feet of commercial space is anticipated to be developed?
4b	Is the existing Golf Canada building included within this total? What is the assumed future use of this building / complex (office, community use, etc.)?
4c	Is the existing Glen Abbey Club House facility included within the total? What is the assumed future use of this facility?
4d	Are any other existing buildings / facilities assumed to remain? What is the assumed future use of these facilities?
4e	Are any “community facilities” currently envisioned to be included (community parks, community centres, schools, etc.) - if yes, please describe
5	Is the residential community proposed to be developed at Glen Abbey envisioned to look more like Oakville’s Glen Abbey Community, the North Oakville community currently being developed north of Dundas Street / Highway 5 (say, between 6th Line and Neyagawa, or the area currently being developed between 6th Line and Trafalgar) or similar to the redevelopment of the former CFB Housing complex at Dorval and Reboua Street?
6	How many linear feet of roads are envisioned within the redevelopment?

Source: PwC



Source: TWC Enterprises Limited

Glen Abbey Golf Course is one of 33 golf course facilities owned and operated by ClubLink in Canada. ClubLink’s Canadian golf facilities have almost 21,600 members, including 15,100 full privilege members

Glen Abbey Operations (continued)

- According to TWC’s 2016 annual report, highlight’s of ClubLink’s Canadian operations include:
 - 33 golf facilities which together equate to 42.5 18-hole golf courses (with some being 18-hole facilities, and others being 27-hole or 36-hole facilities);
 - approximately 1.063 million rounds were played on those courses; and
 - it has close to 21,600 total members, of which approximately 15,100 are full privilege members.
- While total golf facilities has stayed relatively constant between 2012 and 2016, total rounds played fell in 2013 and 2014 before increasing in both 2015 and 2016 (a 4.1% cumulative increase between 2012 and 2016). Total memberships (which include full privilege memberships, clubhouse memberships, social memberships, non-resident memberships and academy memberships, among others) increased by almost 2,300 (11.8%), although full privilege memberships (memberships which grant the use of all clubs with priority access to the member’s home club and the ability to participate in all golf and social events at the home club) declined by slightly more than 1,300 (8.0%) between 2012 and 2016.
- For ClubLink’s 33 Canadian golf facilities, total revenues were roughly \$140.1 million in 2016 while total expenses were \$108.3 million. On a per golf club basis, each facility generated approximately \$4.2 million in revenue while incurring some \$3.3 million in operating expenses. Between 2012 and 2016, total revenues have declined marginally (-2.5%) while expenses increased marginally (1.9%)

ClubLink Corporation Summary of Canadian Golf Operations

	2012	2013	2014	2015	2016
Number of Golf Clubs	33	34	33	33	33
18-Hole Equivalent Golf Courses	41.5	41.5	43.5	42.5	42.5
Number of Rounds Played	1,021,000	957,000	950,000	1,040,000	1,063,000
Full Privilege Memberships	16,396	15,583	15,177	15,015	15,077
Total Memberships	19,296	19,807	19,813	22,618	21,573

Source: ClubLink Enterprises Limited (2012, 2013), TWC Enterprises Limited (2014, 2015, 2016)

ClubLink Corporation Summary of Canadian Golf Operations

	2012	2013	2014	2015	2016
Operating Revenue (\$000s)	143,800	138,932	134,178	139,620	140,085
<i>Per Golf Club</i>	4,358	4,086	4,066	4,231	4,245
<i>Per 18-hole equivalent</i>	3,465	3,348	3,085	3,285	3,296
Operating Costs (\$000s)	106,320	105,412	105,124	106,782	108,322
<i>Per Golf Club</i>	3,222	3,100	3,186	3,236	3,282
<i>Per 18-hole equivalent</i>	2,562	2,540	2,417	2,513	2,549
Net Operating Income (\$000s)	37,480	33,520	29,054	32,838	31,763
<i>Per Golf Club</i>	1,136	986	880	995	963
<i>Per 18-hole equivalent</i>	903	808	668	773	747

Source: ClubLink Enterprises Limited (2012, 2013), TWC Enterprises Limited (2014, 2015, 2016)

Based on a review of TWC's financial statements, it is estimated that Glen Abbey Golf Course generates between \$5.2 million and \$6.4 million in revenue and incurs operating costs in the range of \$4.0 million to \$4.5 million annually

Glen Abbey Operations (continued)

- On a per golf club basis, and after adjusting for income and expenses associated with hosting the RBC Canadian Open, it was determined that the average ClubLink golf facility generated revenue in the range of \$4.2 million in 2016 while total operating expenses were in the range of \$3.2 million. On a net operating income basis, each golf club generated almost \$1.0 million in 2016.
- Similarly it was determined that ClubLink's average 18-hole equivalent golf facility generated revenue in the range of \$3.3 million in 2016 while total operating expenses were in the range of \$2.5 million. On a net operating income basis, the average 18-hole equivalent golf facility generated almost \$0.75 million in 2016.
- In developing a revenue and expense estimate for Glen Abbey, PwC considered the following:
 - The above described operating metrics for ClubLink's Canadian golf operations.
 - Based on consultations with Golf Canada, we understand that ClubLink receives financial compensation to reimburse it for extraordinary expenditures it directly incurs when Glen Abbey hosts the Canadian Open. Based on these discussions, our understanding is that the net compensation received by ClubLink (total payment from Golf Canada less directly incurred expenses) is in the range of approximately \$0.7 million.
 - Based on discussions with ClubLink officials, our understanding is that because Glen Abbey is a premier facility, and because of certain design and layout features, it would incur higher operating costs compared to its average Canadian golf club facility.
- Based on the aforementioned factors, it is assumed for the purpose of this analysis that Glen Abbey's annual revenues during years when the RBC Canadian Open is not held at Glen Abbey could be in the range of \$5.2 million while its expenses could approximate \$4.0 million. For years when the RBC Canadian Open is held at Glen Abbey, it is assumed for the purpose of this analysis that Glen Abbey's annual revenues could be in the range of \$6.4 million while its expenses could approximate \$4.5 million.

**Glen Abbey Golf Course
Assessment of Operating Revenue and Expenses (2016)**

	Revenue	Expenses
Total Revenue and Expenses for ClubLink's 33 Canadian Golf Facilities (excluding revenues and expenses associated with the RBC Canadian Open)	\$138.5 million	\$106.3 million
Average for ClubLink's Canadian Golf Facilities	\$4.2 million	\$3.2 million
18-hole Equivalent ClubLink Golf Facility	\$3.3 million	\$2.5 million
Assumed Operating Revenue and Expenses for Glen Abbey during years when it does not host the RBC Canadian Open	\$5.2 million	\$4.0 million
Assumed Operating Revenue and Expenses for Glen Abbey during years when it hosts the RBC Canadian Open	\$6.4 million	\$4.5 million

Source: PwC, based on information provided by ClubLink

Economic Impact involves measuring the “ripple effects” of expenditures throughout the economy

About Economic Impact

- Economic impacts are generally defined as changes to an economy as a result of a development, undertaking or activity. As such, economic impacts measure changes in the size and structure of a jurisdiction’s economy when goods and services are purchased using money generated from outside a region, or as the result of an infusion of capital for the construction of a new facility or service.
- In evaluating and quantifying the economic impact of a facility, service, development, etc., four types of impacts are typically reviewed:
 - **Direct Economic Impacts:** refer to the total expenditures on goods and services, including wages and salaries, for the construction of a proposed development, the operations of a facility or service, the staging of an event, etc.
 - **Indirect Economic Impacts:** refer to the purchase of goods and services needed to then produce the goods and services that are directly purchased in support of the construction of the proposed facility, the operation of that facility or service, the staging of the event, etc. Indirect impacts therefore measure the magnitude of interactions with other businesses which supply the necessary materials and services, which lead to indirect demand for goods and services from other industries.
 - **Induced Impact:** refer to the impact of personal expenditures by people who have been paid wages and salaries for the construction or in the operations of the facility or service, the staging of the event, etc., as well as for the production of indirect goods and services.
 - **Associated Economic Impacts:** refer to the spin-off impacts generated by the construction of the facility, the operations of the facility or service, the staging of the event, etc., including spending by visitors and tourists.
- For this analysis, PwC relied upon an economic assessment tool known as Input-Output (“I-O”). This framework works on the economic theory of Keynesian multipliers to model the “ripple effect” of an economic activity on a national, provincial and, in some instances, a regional / local level.
- In quantifying the economic impact of a facility, event or service, four types of impact are generally quantified:
 - **Output:** measures the total gross value of goods and services produced (measured by the price paid to the producer). It should be noted that Output double counts the value of intermediate inputs; as such GDP is generally a preferable measure of economic activity.
 - **GDP:** measures the total value added to the economy; the unduplicated total value of goods and services. GDP includes only final goods to avoid double counting of products sold during a certain accounting period.
 - **Employment:** measures the number of jobs, in person years of employment, created or supported by a project, event or business.
 - **Labour Income:** measures the total remuneration resulting from increases in employment.
 - **Tax Impact:** the amount of tax revenue government agencies could generate (inclusive of income taxes, sales taxes, etc.).

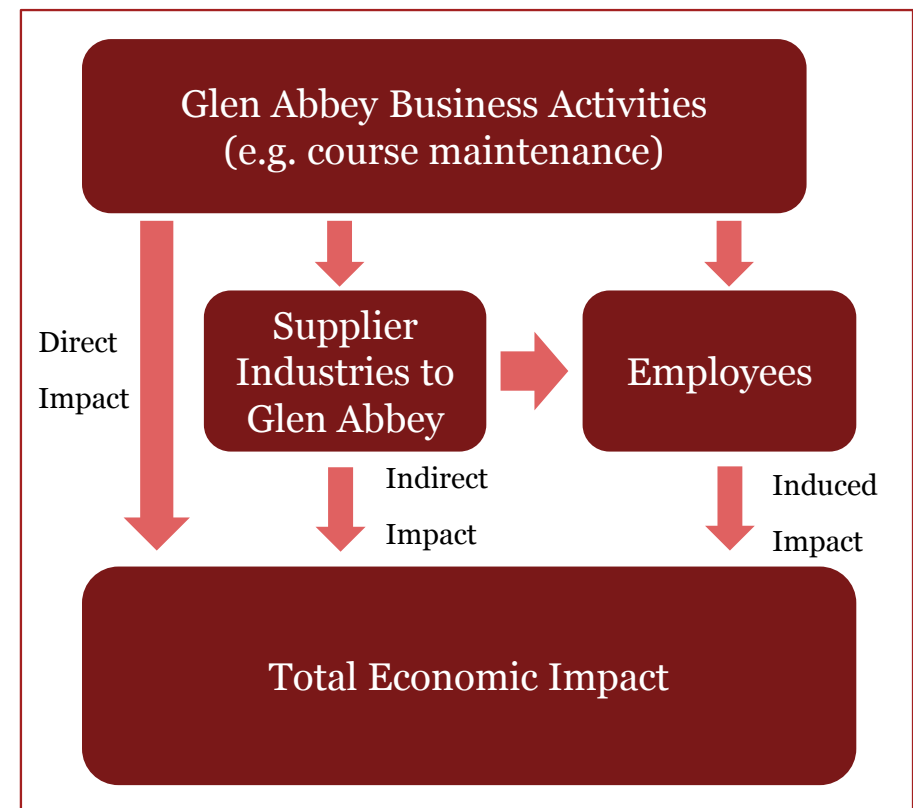
The Economic Impact assessment sought to measure the direct, indirect and induced impacts resulting from Glen Abbey's operations within the Oakville economy

Measuring Economic Impact

- The I-O model approximates the following economic impact effects:
 - **Direct impacts** result from Glen Abbey's direct spending on suppliers and employees.
 - **Indirect impacts** arise from the activities of the firms providing inputs to Glen Abbey's suppliers (in other words, the suppliers of its suppliers).
 - **Induced impacts** are the result of consumer spending by employees of the businesses stimulated by direct and indirect expenditures.
- The **Total Economic Impact** of Glen Abbey's regular operating activities is the sum of the approximated direct, indirect and induced impacts.

Limitations of Input-Output

- I-O models are a commonly used tool for economic impact assessments, but as with most tools, the model has some limitations that the user must be aware of. The following is a list of limitations associated with the I-O model used to evaluate the economic impact of Glen Abbey:
 - As PwC did not have access to specific financial data, PwC was not able to take advantage of the full offerings of the I-O model. Instead, PwC relied upon publicly available Statistics Canada I-O revenue multipliers to construct economic impact estimates. By forgoing the full I-O model, PwC was not able to capture the detailed production function of Glen Abbey's business and was not able to capture its unique business nature.
 - Detailed impact estimates are available only at the national and provincial level. As such, PwC applied a population quotient to estimate regional impacts within Oakville.



Source: PwC

PwC localized the impacts for Oakville utilizing an employment quotient methodology

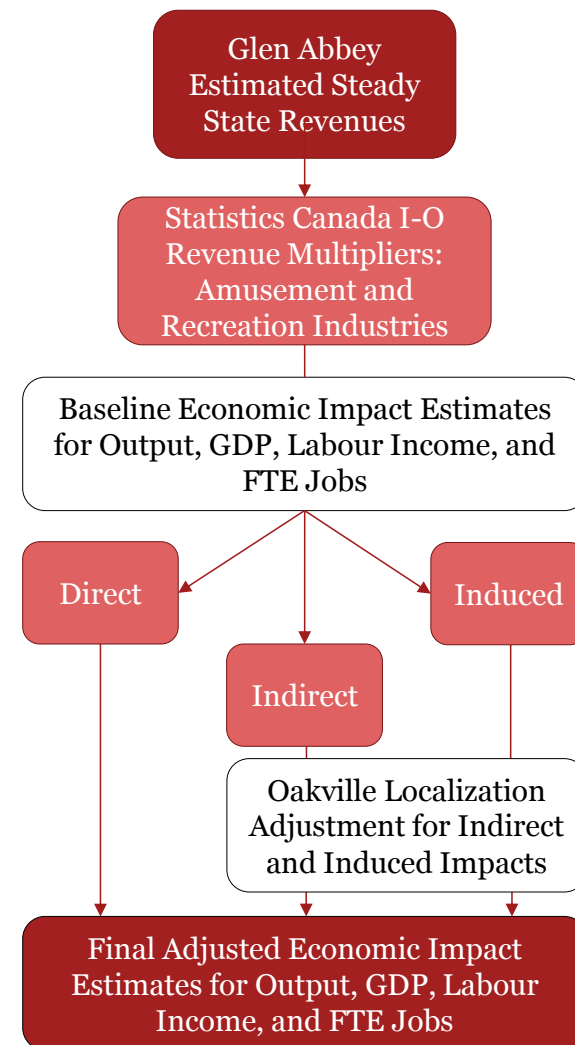
Limitations of Input-Output (continued)

This approximation exercise may lead to impact estimates that differ significantly from the true regional / local impact.

- The I-O analysis measures the economic footprint of a particular business activity, but does not provide any insight into the wider economic, social and environmental effects of that activity.
- I-O models do not address whether inputs have been used in the most productive manner.
- I-O models do not address whether the inputs used in a given industry generate more economic growth vis-à-vis their use in another industry / economic activity.
- The analysis does not evaluate whether inputs might be employed elsewhere if they were not employed in a particular industry.
- The analysis does not take into account structural shifts in the Canadian economy since the time when the Statistics Canada multipliers were prepared; nor do they reflect future structural shifts in the Canadian economy.

Methodology for Localizing the Economic Impact of Glen Abbey

- In localizing the results for Oakville, PwC adjusted the impact figures by applying an employment quotient. Per discussions with and recommendations provided by Statistics Canada, the approach used to localize impacts within the Town of Oakville involved scaling the estimated indirect and induced impacts based on the number of Oakville employees as compared to the number of Ontario employees (approximately 1.5%). The adjusted total impacts that were derived for Oakville are therefore the sum of the direct impacts that were calculated, along with the adjusted indirect and induced impacts.



Source: PwC

Based on Glen Abbey’s projected operations, it is estimated that Glen Abbey, as an operating golf course, has a total economic impact within the Town of Oakville, measured in terms of GDP impact, of between \$2.9 million and \$3.6 million per year

Economic Impact of Glen Abbey Golf Course

- Based on the estimated financials for Glen Abbey’s operations, the total direct, indirect, and induced impact of Glen Abbey as a golf facility within the Oakville economy is estimated to be as follows:
 - Glen Abbey is projected to generate total annual output in the range of \$5.3 million in years when it does not host the RBC Canadian Open and \$6.5 million annually in years that it does host the RBC Canadian Open;
 - It is projected to support GDP enhancements in the range of \$2.9 million in years when it does not host the RBC Canadian Open and \$3.6 million annually in years that it does host the RBC Canadian Open;
 - It is projected to support some 50 to 65 person years of employment depending on if it hosts the RBC Canadian Open, with these workers being paid approximately \$1.9 million to \$2.3 million in wages per year; and
 - It annually produces municipal and educational property tax revenues in the range of \$238,000 per year, of which almost \$72,000 is directed to the Town of Oakville.
- It is again worth noting that these impact estimates have been adjusted to reflect only the economic activity which could be expected to take place within Oakville; the economic impact within Ontario as a whole would be notably larger.
- Because PwC was not provided with detailed operating statements or insights into its operations, PwC was unable to evaluate the potential impacts associated with Glen Abbey’s function as a corporate and charitable tournament facility, as a meeting and banquet facility, and the impacts of its restaurant / food and beverage operations.

<i>Economic Impact of Glen Abbey Golf Course</i>	
Output:	\$5.3 million to \$6.5 million
GDP Impact:	\$2.9 million to \$3.6 million
Labour Income:	\$1.9 million to \$2.3 million
FTE Employment:	50 jobs to 65 jobs
Total Property Taxes:	\$237,800
Town Portion of Property Taxes:	\$71,900

Note: excludes the impacts associated with the actual staging of the RBC Canadian Open

Source: PwC, Town of Oakville (for property taxes)

Since moving to Glen Abbey on a semi-permanent / frequent basis in 1977, Glen Abbey will have hosted the Canadian Open professional golf championship 29 times (including in 2017), more often than any other venue in Canada

Glen Abbey and the RBC Canadian Open

- The Canadian Open is the professional golf championship of Canada. Of the 108 events which have taken place since the inaugural tournament in 1904, some 36 venues across Canada have staged the Canadian Open. Including the 2017 event, the Canadian Open will have been held at Glen Abbey 29 times, the most of any venue in Canada. Other golf courses which have hosted the event most frequently are Royal Montreal (ten times), Mississauga Golf and Country Club (six times), Hamilton Golf and Country Club, St. George's and Toronto Golf Club (five times each), and Shaughnessy and Scarboro Golf and Country Club (four times each). Since 1997, only six venues have hosted the Canadian Open, including Glen Abbey (29 times or 71%), Royal Montreal, Hamilton, St. George's, Shaughnessy and Angus Glen.
- Since RBC became title sponsor of the Canadian Open in 2008, Glen Abbey has hosted the event six of the past ten years. Based on our discussions with Golf Canada, we understand that the RBC Canadian Open will again be staged at Glen Abbey over the next few years.
- Despite being designed to be the permanent host of the Canadian Open, the event has been held at five other venues since 1977. Reasons offered for Glen Abbey continuing to frequently host the Canadian Open include:
 - Familiarity with the course and its set up for the Open;
 - Familiarity with tournament logistics (including broadcasting logistics, media, bleacher setup, where to erect sponsor tents, etc.);
 - Proximity to corporate sponsors (i.e., because of its location in the Greater Toronto Area); and
 - Proximity to a large fan base.
- We understand that Golf Canada is considering options for the future of the RBC Canadian Open, including the possibility of establishing an alternative venue in the Greater Toronto Area to serve as the regular host.



Source: Google Images



Source: Google Images

The RBC Canadian Open staged at Glen Abbey imparts a number of positive benefits within Oakville, including GDP impacts of \$18.1 million and employment impacts of 220 jobs

Associated Impacts arising from the RBC Canadian Open

- In addition to being the premier professional golf event in Canada, attracting an international playing field, the RBC Canadian Open is also a valuable event for the Town. The Town benefits appreciably from spending undertaken by Golf Canada and various media outlets to set up, put on and stage, and televise the event. Oakville as the “home” of the Canadian Open is also used by the Town in its various place marketing campaigns (including, for example, in its 2015 Economic Development Report). Also, the Town realizes increased name recognition locally, regionally, nationally and internationally from the event being staged at Glen Abbey.

Economic Impact of the RBC Canadian Open

- Golf Canada regularly evaluates the economic impact of the RBC Canadian Open and provided a copy of their most recent study to PwC. PwC then utilized this report to evaluate the economic impact of the 2015 RBC Canadian Open.
- Golf Canada’s study relied on the Canadian Sport Tourism Economic Assessment Model (“STEAM”), which is publically available and commonly used for economic impact assessments of Canadian sports and tourism attractions. The study estimated economic impacts for both Ontario and Oakville. The STEAM model reported on similar economic indicators that are derived from the Statistics Canada I-O revenue multipliers, including output, GDP, wages and salaries, and FTE employment.
- The economic impacts associated with hosting the RBC Canadian Open at Glen Abbey are noted by Golf Canada to include:
 - Total annual output of \$30.0 million;
 - GDP impact of \$18.1 million; and
 - 220 person years of employment with those workers being paid approximately \$12.4 million.

Economic Impact of the RBC Canadian Open staged at Glen Abbey

Output	\$30.0 million
GDP Impact:	\$18.1 million
Labour Income:	\$12.4 million
FTE Employment:	220 jobs

Source: Golf Canada

The RBC Canadian Open staged at Glen Abbey also positively impacts hotel occupancy within the Town of Oakville, providing short-term increases in occupancy during the month the Canadian Open is held

Associated Impacts arising from the RBC Canadian Open (continued)

Hotel Occupancy

- Based on an informal survey of a sample of hotel properties in Oakville, it was generally reported that hotel rooms are almost completely booked during the week the event is held. This anecdotal information is supported by an assessment of the 10 largest hotel properties located in Oakville. Utilizing data provided by Smith Travel Research (“STR”), an assessment of hotel occupancy from 2006 to 2016 was undertaken, noting changes in occupancy during the time when the RBC Canadian Open was held in Oakville compared to years when it was held elsewhere.
- The results of this analysis indicate that Oakville hotel occupancy was higher for the entire month of July when the event was staged at Glen Abbey compared to when it was held elsewhere (it should be noted that the RBC Canadian Open generally spans approximately one week during the month of July). On average since 2006, average occupancy for the month of July was 130 basis points higher during years when the Canadian Open was held at Glen Abbey. This increased occupancy corresponds to an increased average daily occupancy of 89 rooms for the entire month (14.6% over an entire month for a one week event). It is noted that this is a short term impact, confined to the week during which the Canadian Open takes place.
- It is also noted that the increase in hotel occupancy would generate additional spin-off impacts including enhanced spending in area restaurants and in retail stores.

Year	CO Host	Oakville July Occupancy Rate	Total Oakville Room Count	Average Daily Occupancy
2006	Hamilton	69.1%	780	539
2007	Angus Glen	72.2%	780	563
2008	Glen Abbey	69.1%	885	611
2009	Glen Abbey	66.6%	885	590
2010	St. George's	71.7%	885	635
2011	Shaughnessy	72.7%	885	644
2012	Hamilton	63.1%	887	560
2013	Glen Abbey	73.6%	887	652
2014	Royal Montreal	82.0%	887	727
2015	Glen Abbey	72.0%	1,053	758
2016	Glen Abbey	84.2%	1,053	887

Source: Smith Travel Research (“STR”)

CO Location	Oakville July Occupancy	Average Rooms Occupied
Outside Oakville	71.8%	611
Glen Abbey	73.1%	700

Source: PwC, based on information provided by STR

The RBC Canadian Open staged at Glen Abbey enhances national and international name recognition of the Town of Oakville through the broadcasting of the event internationally

Associated Impacts arising from the RBC Canadian Open (continued)

Name Recognition

- When Glen Abbey hosts the RBC Canadian Open, the Town realizes increased national and international exposure, as it is the host city of an internationally televised event. For example, when CBS broadcasts the event to its viewers across the globe, it often mentions that the RBC Canadian Open is being staged at Glen Abbey which is located in the Town of Oakville. This exposure and name recognition is advertising that the Town would otherwise have to pay for.
- PwC attempted to quantify the value of this increased exposure but were not able to gain reliable marketing and advertising spending information. Instead, PwC considered the following qualitative factors:
 - Golf Canada and RBC both advertise the RBC Canadian Open throughout the year, which includes references to the Town of Oakville.
 - Major television, print, and online media outlets reference the Town when the RBC Canadian Open is held at Glen Abbey.
 - The Town receives worldwide exposure when channels like CBS and the Golf Channel televise the event. This live event exposure is supplemented with additional references made during news / event / sport highlight shows (both on these television channels as well as on others sports cable channels and local news broadcasts).
- For the 2016 RBC Canadian Open, the following networks broadcasted the event nationally and internationally:
 - TSN (on TSN Channels 1, 3, 4 and 5): 30 hours of domestic broadcasting
 - Global: 6 hours of domestic broadcasting
 - Golf Channel: 5.5 hours of international broadcasting
 - CBS: 6 hours of international broadcasting
- While PwC was unable to estimate the dollar value of this increased exposure, it would not appear unreasonable to assume that this additional global exposure could be significant and that it arises as a direct result of Glen Abbey being located in Oakville. The spending required to reach such a wide audience could also be significant (although PwC could not estimate a reasonable proxy amount).
- With respect to on-line media, PwC conducted a search on Factiva to determine whether staging the RBC Canadian Open at Glen Abbey led to increased internet traffic for the terms “Glen Abbey”, “RBC Canadian Open”, and “Oakville” in online articles between June 29, 2016 and August 16, 2016.
- The results of this analysis demonstrated that there was a noticeable upswing in searches for those key terms during the period between July 20 and July 26, which overlapped with the dates of the RBC Canadian Open (see top graphic on Slide 19, following).

The RBC Canadian Open staged at Glen Abbey also enhances national and international name recognition through on-line media

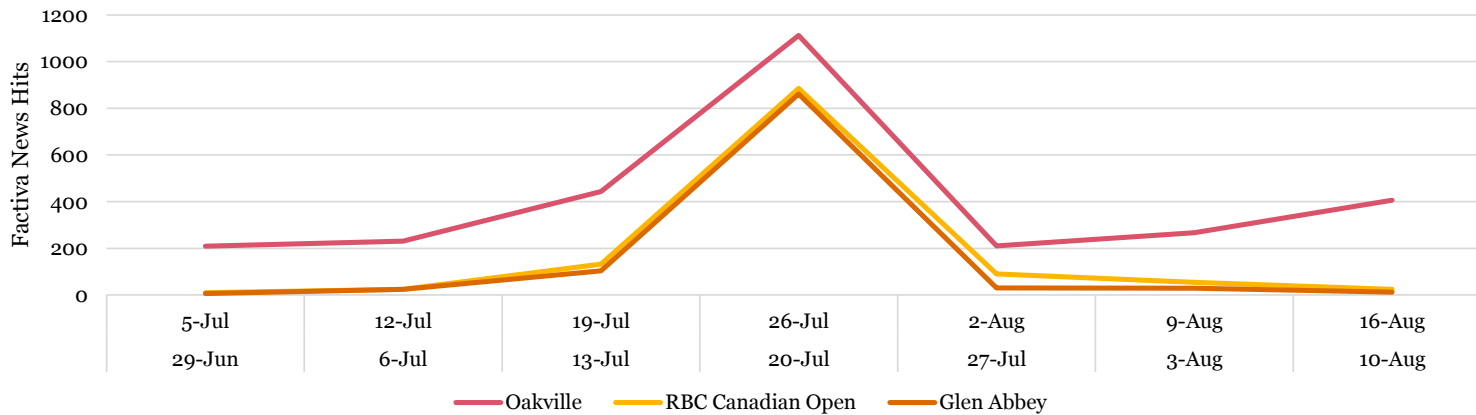
Associated Impacts arising from the RBC Canadian Open (continued)

Name Recognition (continued)

- Anecdotal evidence provided by Tourism Oakville also indicated that total traffic on its web site increases by a factor of three times leading up to and during the event.
- Similar to the aforementioned Factiva analysis, an assessment using Google Trends data was undertaken which allowed PwC to compare Google searches for three key terms (“Oakville”, “RBC Canadian Open”, and “Glen Abbey”) on a monthly basis from 2008 through 2016 (bottom graphic on Slide 19, following). As with the Factiva analysis, an uptick in searches for the key terms occurs during the month of July when the RBC Canadian Open is held at Glen Abbey.
- The results of this analysis are depicted on the following slide and illustrate monthly searches for each term as a percentage of the maximum monthly searches during the period (i.e., the month with the most searches for a given term will show 100% and every other month is reported as a percentage of that maximum amount).
- It is worth noting that there is an uptick in July searches for the term “Glen Abbey” only for the years in which the RBC Canadian Open was held at Glen Abbey (i.e., 2008, 2009, 2013, 2015, 2016), indicating that Glen Abbey garners additional interest by playing host to the Open, and hence increased recognition for the Town of Oakville.

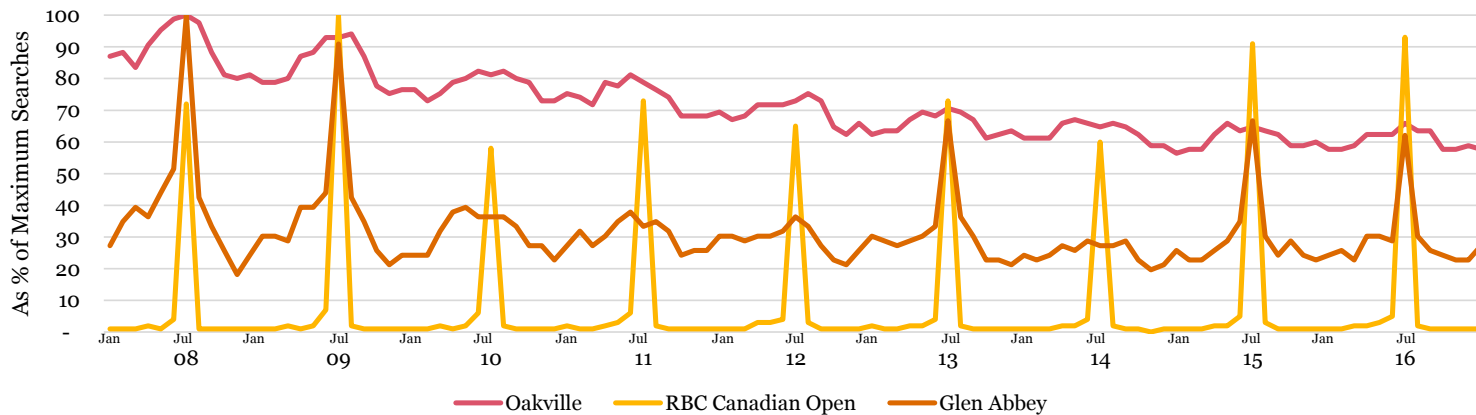
Factiva and Google Trends research illustrates that an uptick in searches for “RBC Canadian Open”, “Glen Abbey” and “Oakville” occurs during the month when the RBC Canadian Open is held at Glen Abbey

Factiva Search Results - News Hits, July 29 - August 16, 2016



Source: Factiva Research

Monthly Google Searches - As Percentage of Maximum Searches from 2008-16



Source: Google Trends

Overall, in years when Glen Abbey hosts the RBC Canadian Open, Glen Abbey is estimated to annually generate total GDP impacts of \$22 million, 280 person years of employment and almost \$72,000 in property tax revenue for the Town of Oakville

Summary

- Based on the foregoing, the economic impact within the Town emanating from Glen Abbey’s current operations for years when it hosts RBC Canadian Open is summarized in the adjacent table.
 - In total, Glen Abbey is estimated to generate annual spending in the range of \$36.5 million and give rise to a total GDP impact of \$21.7 million per year.
 - In addition, Glen Abbey is estimated to support some 280 person years of employment annually, with those workers being paid a total of \$14.7 million.
 - Glen Abbey provides direct tax revenue through property taxes in the range of \$240,000 of which almost \$72,000 accrues to the Town of Oakville.
 - Finally, Glen Abbey, as a frequent host of the RBC Canadian Open provides increased tourism benefits as well as enhanced name recognition.

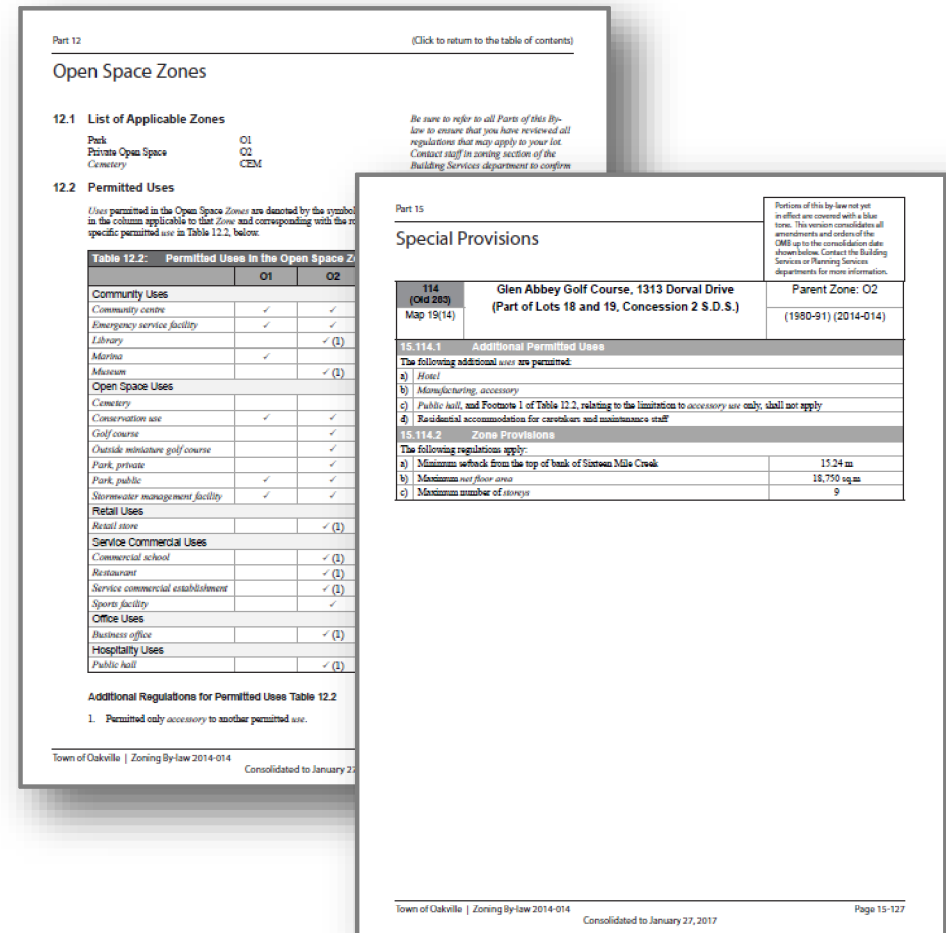
<i>Economic Impact of Glen Abbey Golf Course including the staging of the RBC Canadian Open</i>	
Output:	\$36.5 million
GDP Impact:	\$21.7 million
Labour Income:	\$14.7 million
FTE Employment:	280 jobs
Total Property Taxes:	\$237,800
Town Portion of Property Taxes:	\$71,900
Increased Tourism Benefits	
Enhanced Name Recognition	

Source: PwC

The Glen Abbey Golf Course property is zoned “Private Open Space” and permits, among other uses, a golf course and a hotel

Ancillary Development Impacts

- The Glen Abbey Golf Course property is currently zoned “Private Open Space (O2)”. Additional permitted uses also include a hotel.
- As a part of the “Current State” assessment of Glen Abbey, PwC was also requested to evaluate the economic impacts associated with a hotel being developed on the Glen Abbey property. In completing this assessment, PwC relied upon the aforementioned STR data for Oakville hotel properties (which document changes in supply, occupancy, RevPAR and other hotel operating metrics within Oakville over the 2006 through 2016 period, and identify changes in these metrics as a result of increases to the supply of hotel rooms). PwC also researched recent hotel development proposals, development costs and operating metrics. PwC also relied upon Ministry of Tourism, Culture and Sport (“MTCS”) information describing visitation and visitor spending in RTO 3 (the MTCS-defined tourism region within which Oakville is located).
- For the purpose of this assessment the following assumptions were utilized:
 - the hotel would contain 150 guest rooms and comprise some 100,000 square feet in total size (including guest rooms, meeting rooms and amenity and administrative spaces);
 - the cost to develop the hotel would be in the range of \$37.5 million (\$250,000 per room; \$357 per square foot including hard costs, soft costs, FF&E and pre-opening expenses and supplies);
 - once open, it is assumed the hotel would achieve a stabilized occupancy level of 67.5% and generate total revenue per room (RevPAR) of \$110;
 - operating metrics at other hotel properties in Oakville would remain stable at their 2006-2016 average; and
 - in operating the property, the hotel would incur annual operating expenses in the range of \$7.8 million.



Source: Town of Oakville

The construction of a hotel on the Glen Abbey Golf Course property could generate one-time GDP impacts of \$18.6 million and support 265 person years of employment within the Town of Oakville

Ancillary Development Impacts (continued)

Impacts from Hotel Construction

- Based on the above noted assumptions, the one-time economic impacts associated with the construction of a 150-room hotel are estimated to be as following:
 - total direct, indirect and induced spending impact of \$36.0 million;
 - total direct, indirect and induced GDP impact of \$18.6 million;
 - total employment impact of 265 person years of employment;
 - total employment income impacts of \$15.0 million; and
 - total government revenue impact of \$6.6 million, comprised of \$2.9 million to the Province of Ontario (from sales and income taxes) and \$3.7 million to the federal government (also from sales and income taxes).
- Revenues to the Town of Oakville (from development charges and building permit fees), and to Halton Region (from development charges) have been excluded as development charges are offsets to servicing costs that will likely have to be incurred by the Town / Region as a direct result of the development; similarly, building permit fees are intended to be offsets of the cost of processing building permit applications.

<i>Construction of a 150-room Hotel</i>	
Output:	\$36.0 million
GDP Impact:	\$18.6 million
Labour Income:	\$15.0 million
FTE Employment:	265 jobs

Source: PwC

Once operational, a hotel on the Glen Abbey Golf Course property could annually support GDP impacts within the Town of Oakville of \$4.3 million, support 70 person years of employment and generate some \$230,000 in property tax revenue

Ancillary Development Impacts (continued)

Impacts from Hotel Operation

- Once opened, the annual economic impacts associated with the operations of a 150-room hotel are estimated to be as following:
 - total direct, indirect and induced spending impact of \$7.9 million;
 - total direct, indirect and induced GDP impact of \$4.3 million;
 - total employment impact of 70 person years of employment;
 - total employment income impacts of \$3.0 million; and
 - total government revenue impact of \$2.6 million annually, comprised of \$230,000 to the Town of Oakville (from property taxes), \$210,000 to Halton Region (property taxes), \$1.0 million to the Province of Ontario (from sales and income taxes) and \$1.1 million to the federal government (also from sales and income taxes).

<i>Operations of a 150-room Hotel</i>	
Output:	\$7.9 million
GDP Impact:	\$4.3 million
Labour Income:	\$3.0 million
FTE Employment:	70 jobs
Town Revenue:	\$230,000

Source: PwC

A hotel on the Glen Abbey Golf Course property could be expected to support total visitation in the range of 85,000 persons and \$4.2 million in spending annually

Ancillary Development Impacts (continued)

Associated Impacts from Visitors and Visitor Spending

- Once opened, the hotel is projected to achieve annual occupancy levels in the range of 67.5%.
- Utilizing MTCS information describing visitation and visitation spending in RTO 3 (the provincial tourism region within which Oakville is located), the following observations were made:
 - With 150 total rooms and an average annual occupancy level of 67.5%, the property could be expected to sell almost 37,000 room nights per year.
 - MTCS data for RTO 3 identifies that the average overnight guest has 2.3 people in its party, indicating that the hotel could attract some 85,000 persons to Oakville annually.
 - MTCS data for RTO 3 also identifies that the average overnight visitor spends, per person per day, \$54 on transportation, food and beverages, recreation and entertainment, retail and accommodation. Excluding amounts spent per person on accommodation, it is estimated that total spending could amount to almost \$4.2 million per year.

Visitation Impacts	
Room Nights Sold:	37,000
Total Visitation:	85,000
Total Visitor Spending:	\$4.2 million

Source: PwC

Overall, the operations of Glen Abbey Golf Course in its current state, including the impacts of RBC Canadian Open, is estimated to support annual GDP impacts of almost \$22 million, almost 280 person years of employment and annual property tax income to the Town in the range of \$72,000

Summary of Current State Economic Impacts

- In summary, the operations of Glen Abbey are estimated to generate the following impacts within the Town of Oakville:

In years when the RBC Canadian Open IS NOT staged at Glen Abbey

- generate total spending in the range of \$5.3 million annually;
- support annual GDP impacts of \$2.9 million;
- support 50 person years of employment with those workers paid in the range of \$1.9 million; and
- provide annual revenue to the Town of Oakville in the range of \$72,000 per year.

In years when the RBC Canadian Open IS staged at Glen Abbey

- generate total spending in the range of \$36.5 million annually;
- support annual GDP impacts of \$21.7 million;
- support 280 person years of employment with those workers paid in the range of \$14.7 million;
- provide annual revenue to the Town of Oakville in the range of \$72,000 per year; and
- provide additional associated impacts including enhanced name recognition, support to the local hotel, retail and food and beverage industry, and assist in attracting more visitors to the Town.

	Glen Abbey Golf Course	Glen Abbey with RBC Canadian Open	Glen Abbey with RBC Canadian Open and 150-room Hotel
One Time Impacts			
Output	n/a	n/a	\$36.0 million
GDP Impact	n/a	n/a	\$18.6 million
Labour Income	n/a	n/a	\$15.0 million
FTE Employment	n/a	n/a	265 jobs
Annual Impacts			
Output	\$5.3 million	\$36.5 million	\$44.4 million
GDP Impact	\$2.9 million	\$21.7 million	\$26.0 million
Labour Income	\$1.9 million	\$14.7 million	\$17.7 million
FTE Employment	50 jobs	280 jobs	350 jobs
Town Revenue	\$71,900	\$71,900	\$300,000
Net Fiscal Impact	n/a	n/a	n/a
Increased Tourism Benefits	n/a	✓	✓✓
Enhanced Name Recognition	n/a	✓	✓

Source: PwC

Including the operations a 150-room hotel, Glen Abbey Golf Course is estimated to support annual GDP impacts of \$26 million, some 350 person years of employment and annual property tax income to the Town in the range of \$300,000 in addition to one-time impacts associated with the construction of the hotel

Summary of Current State Economic Impacts (continued)

In years when the RBC Canadian Open IS staged at Glen Abbey AND a 150-room is developed on the Glen Abbey Property

- generate a one-time spending impact in the range of \$36.0 million and provide annual spending impacts in the range of \$44.4 annually;
- produce a one-time GDP impact of \$18.6 million and provide annual GDP impacts of \$26.0 million;
- support one-time employment impacts during the construction of the hotel of 265 person years of employment with those workers paid in the range of \$15.0 million;
- support annual employment impacts (once the hotel has opened) of some 350 person years of employment, with those workers being paid in the range of \$17.7 million;
- provide annual revenue to the Town of Oakville in the range of \$300,000 per year; and
- provide additional associated impacts including enhanced name recognition, support to the local hotel, retail and food and beverage industry, and assist in attracting more visitors to the Town.

Future State Assessment

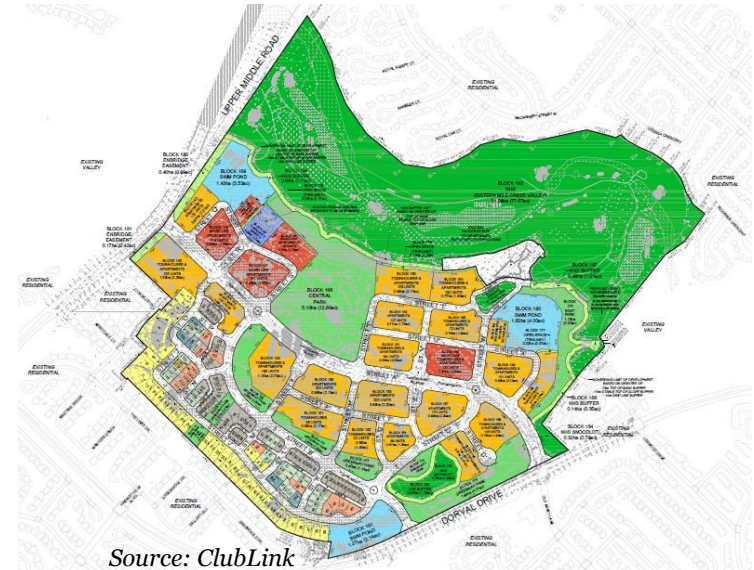
ClubLink submitted an application to redevelop Glen Abbey Golf Course with some 3,200 residential units and approximately 121,300 square feet of non-residential space

Background

- As noted above, ClubLink is seeking land use planning approvals to permit the redevelopment of Glen Abbey. As proposed, the redevelopment would see the Glen Abbey lands converted from a golf course into a residential community with 3,222 units and 121,309 square feet of non-residential space:
 - Residential Units 3,222
 - Single Detached Homes 141
 - Townhomes 109
 - Stacked Townhomes 190
 - Apartments 2,782
 - Non-residential square feet 121,309
 - Retail 62,871
 - Office 58,438
- The proposed redevelopment would see the upper 151.6 acres (61.3 hectares) improved with the 3,222 residential units and 121,309 square feet of non-residential space. The 77.6 acres (31.4 hectares) of property located within the Sixteen Mile Creek valley are proposed to be transferred to the Town as parkland / continuation of the Sixteen Mile Creek trail system. The contribution of these valley lands is viewed by ClubLink as constituting a public benefit.

Approach to Evaluating Economic Benefits

- In order to evaluate the potential economic benefits which could arise from the redevelopment of Glen Abbey, PwC undertook the following:
 - Reviewed the reports prepared for ClubLink by the IBI Group (*Capital Impact Assessment Study* and *Municipal Impact Assessment Study*);



To evaluate the economic impacts of the Glen Abbey redevelopment, PwC firstly had regard to market information describing house prices in Oakville in order to prepare a development proforma and from this to assess costs

Approach to Evaluating Economic Benefits (continued)

- Obtained and reviewed information from RealNet, CMHC, MLS and the Canadian Real Estate Association, among other sources detailing new home prices and building activity in Oakville;
- Identified and evaluated prices for new homes in the area north of Dundas Street and overall within Oakville;
- Identified and evaluated prices for resale homes within Oakville as well as in the residential area abutting Glen Abbey (Fairway Hills);
- Prepared “low” and “high” assessments for home sale prices based on the IBI studies (low end estimate) and PwC’s review of home prices (high end estimate);
- Prepared development proformas to estimate the total potential expenditures associated with the proposed redevelopment based on the “low” and “high” estimate of home prices;
- Estimated the economic impacts of the proposed development during construction and its subsequent build-out; and
- Utilizing information prepared by Watson & Associates Economists Ltd. (*Fiscal Impact Assessment*), evaluated the net benefits of the proposed redevelopment to the Town.
- The reader should note that the economic benefits calculated herein are based on the development proposal submitted by ClubLink; changes in the number and mix of residential units and / or the amount of non-residential space assumed to be developed on the lands will alter the calculated benefits.

Residential Values

- PwC undertook an assessment of projected market values of new homes proposed to be developed on the Glen Abbey lands.

In this regard, PwC had regard to new home prices in the developing area of North Oakville (north of Dundas Street), as well as published information describing the new and resale market in Oakville, both overall and in the residential neighbourhood abutting Glen Abbey (Fairway Hills). In completing this assessment, PwC noted the following:

- The average price of single detached homes in Oakville is reported to have averaged \$1.5 million in March 2017, up from \$1.4 million in October 2016, while the average price of a new single detached home in North Oakville is estimated to be \$1.2 million. CMHC reported that the average price of a new single detached home in Oakville was \$1.49 million in March 2017. A resale home in Fairway Hills was listed for approximately \$1.7 million in late 2016. For the purpose of this assessment, an average value of \$1.6 million was assumed, with this estimate “grossed-up” by 25% (to \$2.0 million) to account for a potential premium associated with the Glen Abbey site.
- The average price for townhouses in Oakville is reported to have been almost \$825,000 in March 2017, up from \$625,000 in October 2016. The average price of new freehold townhouses in North Oakville is estimated to be in the range of \$665,000 while new condominium townhouses in North Oakville were reported as averaging approximately \$830,000. For the purpose of this assessment, an average value of \$800,000 was assumed, with this estimate again “grossed-up” to \$1.0 million to account for a potential premium associated with the Glen Abbey site.
- Finally, condominium apartments in Oakville are reported to have averaged almost \$600,000 in March 2017, up from \$470,000 in October 2016. The average price of new

Assessed values of the residential component of the proposed redevelopment could range upwards to \$2.020 billion, depending on the nature and type of unit built and marketed for sale; including non-residential space, the assessed value attributable a redeveloped Glen Abbey could approximate \$2.052 billion

Residential Values (continued)

condominiums in North Oakville ranges widely, with units being marketed at \$410,000 in one development, to \$600,000 (to over \$1.0 million) in another. For the purpose of this assessment, an average value of \$500,000 was assumed, with this estimate again “grossed-up” to \$6250,000 to account for a potential premium associated with the Glen Abbey site.

- Values for retail and office space were valued based on an assumed market rent figure of \$20 psf and a cap rate of 6%, yielding values of \$21.0 million for retail and \$19.5 million for office. Assessed values are identified by Watson & Associates as \$18.3 million for retail and almost \$17.0 million for office.
- Based on the foregoing, the total potential market value associated with the residential and non-residential components of the Glen Abbey redevelopment proposal are estimated to be in the range of \$2.36 billion.
- Per information provided by Watson & Associates, market values are assumed to be 15% greater than assessed values. The assessed value associated with the residential and non-residential components of the Glen Abbey redevelopment proposal are therefore estimated to be in the range of \$2.052 billion.
- The above described values (both market and assessed values) are assumed to be at the higher end of a range. In this regard, it is noted that the IBI Group collected information from the Municipal Property Assessment Corporation (“MPAC”) to derive assumptions about the anticipated assessment value of the new homes to be constructed as part of the redevelopment of Glen Abbey.

**Glen Abbey Redevelopment
Estimated Market and Assessment Value (High End Assessment)**

Property Type	Assumed Market Value	Assumed Assessed Value
Single Detached	\$2,000,000	\$1,739,130
Townhomes	\$1,000,000	\$869,565
Stacked Townhouses	\$1,000,000	\$869,565
Apartment	\$625,000	\$543,478
Total Residential Value	\$2,319,750,000	\$2,017,173,913
Retail (psf)	\$21,000,000	\$18,260,870
Office (psf)	\$19,500,000	\$16,956,522
Total Residential and Non-Residential Value	\$2,360,250,000	\$2,052,391,304

Source: PwC

**Glen Abbey Redevelopment
Estimated Market and Assessment Value (Low End Assessment)**

Property Type	Average Assessed Value	Assumed Market Value
Single Detached	\$775,051	\$911,800
Townhomes	\$490,306	\$576,800
Stacked Townhouses	\$295,427	\$347,600
Apartment	\$268,594	\$316,000
Total Residential Value	\$966,085,128	\$1,136,570,700
Retail (psf)	\$19,741,494	\$23,225,300
Office (psf)	\$14,726,124	\$17,324,900
Total Residential and Non-Residential Value	\$1,000,552,746	\$1,177,120,900

Source: IBI Group

In redeveloping Glen Abbey, it is preliminarily estimated that the total cost to service the property and construct the various residential homes and non-residential complexes could range between \$1.063 billion and almost \$1.230 billion

Residential Values (continued)

IBI’s analysis assumes lower residential assessment values than assumed herein (including for example, single detached home values of \$775,000, townhouse values of \$490,000, stacked townhouses of \$295,000 and condominium apartments of \$270,000). In total, IBI identified a total assessed value of \$1.177 billion. PwC has used the IBI analysis as a lower end estimate.

Development Proforma

- PwC then prepared a development proforma to estimate the site servicing and building construction costs. In preparing this proforma, PwC utilized the following assumptions (derived from published industry sources and previous engagement experiences, among other sources):
 - Assumed land servicing / development costs would approximate

- \$25,000 per unit (excludes development charge-eligible servicing costs);
- Assumed residential construction hard costs would approximate the mid-point (low end) and high point (high end) of the range of residential development costs identified in the 2017 Canadian Cost Guide published by Altus Group;
- Assumed non-residential construction hard costs would approximate \$160 per square foot for retail and \$250 per square foot for office (including tenant fit out); and
- Assumed soft costs would approximate 20% of hard costs.
- Based on the foregoing, total development costs associated with redeveloping Glen Abbey and constructing residential and non-residential uses thereon is preliminarily estimated to cost in the range of \$1.063 billion to almost \$1.230 billion.

Development Cost	Lower Case	Upper Case
Site Servicing Costs - Hard	\$80,550,000	\$80,550,000
Site Servicing Costs - Soft	\$16,110,000	\$16,110,000
Residential Construction Costs - Hard	780,726,000	\$919,287,000
Residential Construction Costs - Soft	\$156,145,000	\$183,857,000
Non-Residential Construction Costs - Hard	\$24,669,000	\$24,669,000
Non-Residential Construction Costs - Soft	\$4,934,000	\$4,934,000
Total Development Costs (excluding land and municipal fees)	\$1,063,134,000	\$1,229,407,000

Source: PwC

The redevelopment of Glen Abbey is projected to give rise to significant one-time impacts within the Town of Oakville over the proposed build-out of the property, including GDP impacts of between \$500 million and \$580 million and employment impacts of between 5,900 and 6,800 person years of employment

Economic Impacts of Glen Abbey’s Redevelopment

- Based on the foregoing, the one-time economic impacts associated with the redevelopment of Glen Abbey are estimated to be as follows:
 - In total, the redevelopment of Glen Abbey is estimated to generate total spending impacts in the range of \$1.032 billion to \$1.193 billion and give rise to a total GDP impact of between \$503.0 million and \$581.0 million.
 - In addition, the redevelopment of Glen Abbey is estimated to support some 5,870 to 6,775 person years of employment, with those workers being paid a total of \$370.8 million to \$428.4 million.
- Revenues to the Town of Oakville (from development charges and building permit fees), and to Halton Region (from development charges) have been excluded. As noted previously, development charges are offsets to servicing costs that will likely have to be incurred by the Town / Region as a direct result of the development; similarly, building permit fees are intended to be offsets of the cost of processing building permit applications.
- It should be noted that such benefits would be expected to accrue within the Town over the redevelopment’s anticipated build-out period which has been identified by IBI as occurring between 2019 and 2035.
- It should also be noted that the redevelopment of Glen Abbey would be expected to compete with other residential development projects located within Oakville / Halton Region, As such, it could be argued that these impacts would otherwise be expected to arise from the development of other lands within Oakville over the 2019 through 2035 period.

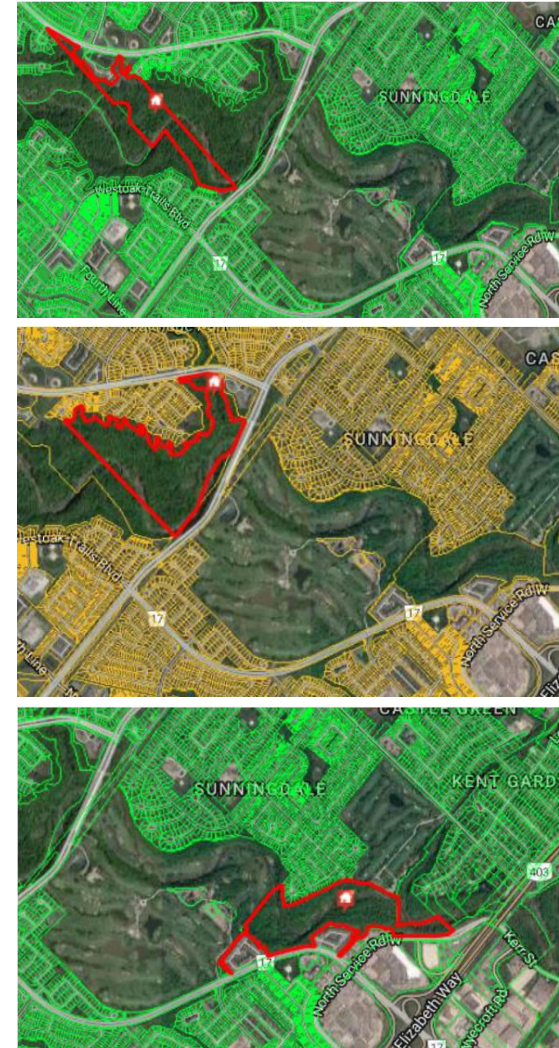
Redevelopment of Glen Abbey	
Output:	\$1.032 billion to \$1.193 billion
GDP Impact:	\$503.0 million to \$581.0 million
Labour Income:	\$370.8 million to \$428.4 million
FTE Employment:	5,870 to 6,775 jobs

Source: PwC

In addition to the one-time impacts which would arise from the physical redevelopment of Glen Abbey, the Town is also expected to benefit from the contribution of the Sixteen Mile Creek valley lands by ClubLink

Value of the Sixteen Mile Creek Valley Lands

- As noted previously, ClubLink has indicated that it would transfer the 77.6 acres (31.4 hectares) of property located within the Sixteen Mile Creek valley to the Town. The contribution of these valley lands is viewed by ClubLink as constituting a public benefit, providing the Town additional publicly accessible open space and a continuation of the Sixteen Mile Creek trail system.
- In attempting to ascribe a value to these lands, PwC had regard to MPAC property assessment valuations for three properties located within the Sixteen Mile Creek valley (two immediately north of Glen Abbey, one immediately south), as well as various property transactions involving conservation and park land located within the GTA.
- MPAC has assessed the value of three properties located within the Sixteen Mile Creek valley and abutting Glen Abbey at \$28,300 (top image), \$155,000 (middle image) and \$172,000 (bottom image) per acre. A review of “conservation” and “park” land transactions identified transaction values in the range of \$5,600 to \$68,000 per acre; these transactions involved properties ranging in size from 40 acres to more than 250 acres.
- Based on the foregoing, it would appear that the value of the 77.6 acre Sixteen Mile Creek valley lands could fall between approximately \$25,000 and \$160,000 per acre, or between \$1.9 million and \$12.4 million.
- The contribution of these lands by ClubLink to the Town is considered to constitute both a one-time benefit as well as provide on-going benefits as a community amenity.
- It should also be noted that the conveyance of these lands to the Town will require that the Town incur additional liabilities and costs associated with their upkeep and maintenance.



Source: Municipal Property Assessment Corporation

At full build-out, a redeveloped Glen Abbey is projected to generate property tax revenue to the Town of between \$5.9 and \$9.4 million annually, and support some 275 person years of employment

Operational Impacts

- Once constructed, the operations of the retail and office developments proposed for a redeveloped Glen Abbey are projected to give rise to a number of annual operating impacts, including:
 - Per the Town’s Development Charges Background Study, each of the retail and office developments are assumed to generate direct employment in the range of one employee per 500 square feet of commercial space. Such space is therefore expected to support some 245 person years of employment (direct employment).
 - In addition, the operations of the physical office and retail space is projected to give rise to direct spending in the range of \$3.0 million per year. Such expenditures are assumed to include utilities, maintenance, janitorial, property management, etc.
 - Economic benefits associated with a redeveloped Glen Abbey at full build-out and occupancy are therefore preliminarily projected to include:
 - total spending impacts (direct, indirect and induced) in the range of \$3.1 million annually,
 - GDP impacts of \$1.7 million annually;
 - support a total employment impact (direct, indirect and induced) of 275 person years of employment with those workers being paid in the range of \$1.5 million; and
 - generate annual property tax revenue to the Town of Oakville in the range of \$5.9 million to \$9.4 million per year (including property taxes from residential and commercial uses).
- PwC did not evaluate any impacts associated with the anticipated 6,344 residents who could be expected to occupy the 3,222 homes developed on the site. Additionally, PwC did not assess nor evaluate the impacts associated with any business which could locate within the development (as such households and businesses would be free to locate in other areas of the Town).

Operational Impacts of a Redeveloped Glen Abbey at Full Build-Out

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

Source: PwC

A redeveloped Glen Abbey Golf Course will require increased operational and life cycle expenditures by the Town. Depending on the assessed value of properties ultimately developed, the fiscal impact to the Town could range from net annual cost of \$2.5 million to a net annual benefit of approximately \$1.0 million

Fiscal Impacts

- As part of PwC’s assignment, the Town of Oakville retained Watson & Associates Economists Ltd. (“Watson”) to assess the net fiscal impacts to the Town associated with the redevelopment of Glen Abbey.
- Watson evaluated the net additional operating expenditures anticipated to be incurred by the Town associated with the redevelopment of Glen Abbey and its housing an estimated population in the range of 6,344 persons.
- In summary, Watson estimate that with a total increase in population of some 6,344 persons, the Town would incur additional operating and capital / lifecycle expenditures in the range of \$8.4 million per year.
- However, with a total assessment increase of approximately \$1.0 billion under the low scenario (based on the IBI Group’s property assessment analysis), the Town would generate only \$5.9 million in new property taxes annually, yielding an operating deficit of some \$2.5 million per year at full build-out.
- Under the high scenario (based on the residential value assessment contained on Slides 29 to 30, above), the assessment increase could potentially be \$2.052 billion and generate for the Town some \$9.4 million in new taxes annually. At such a level, the Town could potentially realize a net operating surplus in the range of \$1.0 million per year at full build-out.

	Low Estimate	High Estimate
Revenue		
Property Tax Revenue		
2019-2035 Residential Growth	3,284,800	6,858,700
2019-2035 Non-Residential Growth	165,600	169,200
Existing Tax Revenue	(71,900)	(71,900)
Total Property Tax Revenue	3,378,500	6,956,000
Non-Tax Revenue		
2019-2035 Residential Growth	2,377,100	2,377,100
2019-2035 Non-Residential Growth	103,900	103,900
Total Non-Tax Revenue	2,481,100	2,481,100
Total Revenue		
2019-2035 Residential Growth	5,662,000	9,235,800
2019-2035 Non-Residential Growth	269,400	273,100
Existing Tax Revenue	(71,900)	(71,900)
Total Property Tax Revenue	5,859,600	9,437,000
Expenditures		
Operating Expenditures		
2019-2035 Residential Growth	6,062,300	6,062,300
2019-2035 Non-Residential Growth	207,100	207,100
Total Operating Expenditures	6,269,400	6,269,400
Lifecycle		
Total Internal Lifecycle Expenditures	744,300	744,300
Broader Town-wide Lifecycle Expenditures	1,379,400	1,379,400
Total Lifecycle Expenditures	2,123,700	2,123,700
Total Expenditures	8,393,100	8,393,100
Surplus (Deficit)	(2,533,500)	1,043,900

Source: Watson & Associates Economists Ltd.

The redevelopment of Glen Abbey will generate significant one-time benefits associated with the physical redevelopment of the property and from the construction of residential and non-residential space. From a fiscal perspective, however, the redevelopment of Glen Abbey could result in a net cost to the Town

Summary of Future State Economic Impacts

- In summary, the redevelopment of Glen Abbey is projected to generate significant one-time impacts resulting from the servicing of the property and the construction of residential units and non-residential complexes during its projected build-out period of 2019 to 2035, including:
 - total spending impacts of up to \$1.193 billion;
 - total GDP impact of up to \$581.0 million; and
 - total employment impacts to up to 6,775 person years of employment, with those workers being paid upwards of \$428.4 million.
- Upon achieving full build-out and occupancy, a redeveloped Glen Abbey could be expected to generate:
 - annual spending impacts in the range of \$3.1 million;
 - annual GDP impacts of \$1.7 million;
 - support 275 person years of employment with those workers being paid in the range of \$1.5 million; and
 - generate annual property tax revenue to the Town of Oakville in the range of \$5.9 million to \$9.4 million per year.
- Because of the increased costs which the Town could be expected to incur as a result of the redevelopment of Glen Abbey Golf Course, the fiscal impact to the Town could range from a net operating shortfall of more than \$2.5 million to a net operating surplus of approximately \$1.0 million. The magnitude of such a shortfall / surplus will be dependent upon the market value and market value assessment of the units actually developed; the lower the actual assessed value of the units developed, the greater the likelihood of the net fiscal impact being negative.

	Redevelopment of Glen Abbey
One Time Impacts	
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
Property Contribution	\$1.9 million to \$12.4 million
Annual Impacts	
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
Net Fiscal Impact	(\$2.5 million) to \$1.0 million
Increased Tourism Benefits	n/a
Enhanced Name Recognition	n/a

Source: PwC, Watson & Associates

Should the redevelopment of Glen Abbey result in a net surplus or deficit, municipal property tax rates may need to be adjusted

Summary of Future State Economic Impacts (continued)

- The reader should note that the presence of a surplus or deficit would not actually result in the Town having an accumulating deficit or surplus in a particular account, but would instead impact the Town's tax rate. A deficit would require that property taxes be increased across the Town to pay for the shortfall, while a surplus would result in a lower tax rate, all else being equal.

Comparative Assessment

While the redevelopment of Glen Abbey will generate significant one-time impacts within Oakville, its lasting impact could potentially be lower compared to its current use, including as a golf club and as a facility which continues to serve as the frequent host of the RBC Canadian Open

**Overall Summary of Current State versus Future State
Economic Benefits**

- As noted previously, the redevelopment of Glen Abbey is projected to generate significant one-time impacts from the servicing of the property and from the construction of residential units and non-residential complexes over its projected build-out period of 2019 to 2035. Such benefits are estimated to be considerably greater than the impacts that could be associated with the development of a hotel on the Glen Abbey property.
- While significant, it should be noted the redevelopment of Glen Abbey will compete with the development of other lands in Oakville / Halton Region (and hence some of these one-time impacts could be otherwise expected to occur regardless of when or if Glen Abbey was redeveloped).
- At full-build out, the annual impacts that are projected to arise are, however, projected to be lower compared to the property's current use as a golf club. In this regard, the current operations of Glen Abbey are estimated to be equivalent to, if not slightly greater than the projected operations of the retail and office components of the redevelopment, including from a total spending, GDP and employment income perspective. On-site employment would be greater in the future state compared to the current state.
- It should also be noted that PwC was unable to evaluate the potential impacts associated with the use of Glen Abbey for corporate, charitable and other golf tournaments (including other professional and amateur tournaments, etc.), or its meeting, banquet and restaurant facilities. The impact of these operations / components would add to the benefits already quantified in this report.
- Given that Glen Abbey currently serves and is expected to, at least in the short term, continue to serve as a frequent host of the RBC Canadian Open, Glen Abbey confers additional tourism and place marketing benefits to Oakville. Such additional benefits would cease with the redevelopment of the property.
- When combined with the estimated economic impacts of the RBC Canadian Open, Glen Abbey's overall economic impact within Oakville is concluded to be ten to twelve times greater (from an output, GDP and labour income perspective) compared to a redeveloped property.
- Finally, a redeveloped Glen Abbey is estimated to have the potential to generate approximately \$5.9 million to \$9.4 million in additional property tax revenue for the Town. This compares to just \$72,000 from the existing golf course. From a fiscal impact perspective, however, and taking into consideration the additional operating and life cycle expenditures that such a development would give rise to, it was determined that a redeveloped Glen Abbey property could result in a net cost to the Town of as much as \$2.5 million; it could also result in a net benefit of approximately \$1.0 million depending on the assessed value of the homes ultimately developed (utilizing the assessed value assumptions contained in a report prepared for ClubLink, the resulting net fiscal impact is estimated to be a deficit of \$2.5 million).

Glen Abbey Golf Course Comparative Assessment of Current State and Future State Economic Benefits

	Current State Assessment			Future State Assessment
	Glen Abbey Golf Course	Glen Abbey with RBC Canadian Open	Glen Abbey with RBC Canadian Open and 150-room Hotel	Redevelopment of Glen Abbey
One Time Impacts				
Output	n/a	n/a	\$36.0 million	\$1.032 billion to \$1.193 billion
GDP Impact	n/a	n/a	\$18.6 million	\$503.0 million to \$581.0 million
Labour Income	n/a	n/a	\$15.0 million	\$370.8 million to \$428.4 million
FTE Employment	n/a	n/a	265 jobs	5,870 to 6,775 jobs
Annual Impacts				
Output	\$5.3 million	\$36.5 million	\$44.4 million	\$3.1 million
GDP Impact	\$2.9 million	\$21.7 million	\$26.0 million	\$1.7 million
Labour Income	\$1.9 million	\$14.7 million	\$17.7 million	\$1.5 million
FTE Employment	50 jobs	280 jobs	350 jobs	275 jobs
Town Revenue	\$71,900	\$71,900	\$300,000	\$5.9 million to \$9.4 million
Net Fiscal Impact	n/a	n/a	n/a	(\$2.5 million) to \$1.0 million
Increased Tourism Benefits	n/a	✓	✓✓	n/a
Enhanced Name Recognition	n/a	✓	✓	n/a

Source: PwC, Watson & Associates

General Assumptions and Limiting Conditions

1. The use of any Projection made in conjunction with this Report may not be appropriate for use outside of its intended purpose. The Projections, if made, will not reflect actual development, economic, demographic and / or financial / fiscal results, and may reflect a possible scenario for the use, utilization and / or potential redevelopment of Glen Abbey Golf Course given PwC's judgment as to a probable set of economic conditions, together with the hypotheses which are consistent with the purpose of the Projections. The inclusion of scenarios produced in conjunction with our analysis may contain hypotheses and assumptions which are based on a set of economic conditions or anticipated courses of action that may not be unreasonable, are consistent with the purpose of the projections, but which will not materialize as set out therein. The hypotheses represent plausible circumstances, but need not be, and may not have been fully supported.

Since future events are not subject to precise projections, some assumptions will not materialize in the exact form presented by our analysis. In addition, other unanticipated events and circumstances may occur which could influence the future use, utilization and / or redevelopment of Glen Abbey Golf Course. Therefore, actual use, utilization, and the redevelopment of Glen Abbey Golf Course will vary from the analysis of prospective market and economic conditions set out therein. While there is no recourse to predicting these matters with certainty apart from informed and reasoned judgments, it must be stated that future events will lead to variations which may materially alter the actual operating results. PwC does not warrant that actual results achieved from the continued use or redevelopment of Glen Abbey Golf Course will be the same, in whole or in part, as those shown in the Projection. The Projection is based on hypotheses and there is a significant risk that actual results will vary, perhaps materially, from the results projected.

Estimates and projections contained in this report are based, in part, on information provided by the Town of Oakville, by ClubLink Corporation ULC, and ClubLink Holdings Limited, among others. PwC was not retained to review or provide comment on the findings of these reports or on the consultants retained to provide those findings.
2. Responsible and competent management are assumed.
3. Information furnished by others upon which all or portions of this report are based, including, among others, the Town of Oakville, ClubLink Corporation ULC, ClubLink Holdings Limited, TWC Enterprises Ltd., Watson & Associates Economics Ltd. and the IBI Group, is believed to be reliable, but has not been verified in all cases. No warranty is given as to the accuracy of such information.
4. Our report and work product cannot be included, or referred to, in any prospectus, securities and exchange commission filing or other public investment document.
5. The intended use of this report is as an economic impact study of Glen Abbey Golf Course as an operating golf club and as proposed to be redeveloped. A detailed review of the proposed redevelopment has not been undertaken, nor should one infer that such a study has been undertaken.
6. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, provincial, or national government or private entity or organization have been, or can readily be obtained, or renewed for any use upon which the estimates provided in this report are based.
7. No investigation has been made of, and no responsibility is assumed for, the legal description or for legal matters including title or encumbrances.
8. Full compliance with all applicable federal, provincial and local zoning, use, occupancy, environmental, and similar laws and regulations is assumed, unless otherwise stated.
9. No responsibility is taken for changes in market conditions and no obligation is assumed to revise this report to reflect events or conditions which occur subsequent to the date of this report.
10. Any financial structures contained or referred to within this report is predicated on the market conditions prevailing as of the date of this report.
11. Areas and dimensions of any property referenced in this report were obtained from sources believed to be reliable. Maps or sketches, if included in this report, are only to assist the reader in visualizing the property / site and no responsibility is assumed for their accuracy. No independent surveys were conducted.

12. It is assumed that there are no hidden or unapparent conditions of the site, subsoil, or structures that affect future use and / or value. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
13. No soil analysis or geological studies were ordered or made in conjunction with this report, nor was an investigation made of any water, oil, gas, coal, or other subsurface mineral and use rights or conditions.
14. Neither PwC nor any individuals signing or associated with this report shall be required by reason of this report to give further consultation, to provide testimony or appear in court or other legal proceedings, unless specific arrangements thereof have been made.
15. This report has been made only for the purpose stated and shall not be used for any other purpose. Neither this report nor any portions thereof (including without limitation any conclusions, the identity of PwC or any individuals signing or associated with this report, or the professional associations or organizations with which they are affiliated) shall be disseminated to third parties by any means without the prior written consent and approval of PwC.
16. We have not been engaged nor are qualified to detect the existence of hazardous material which may or may not be present on or near the property. The presence of potentially hazardous substances such as asbestos, urea-formaldehyde foam insulation, industrial wastes, etc. may affect the value and future use of the Glen Abbey property and the viability of using the site for residential development. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discover them. The client should retain an expert in this field if further information is desired.

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