

HEMSON

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MEMORANDUM

To: Kim Wingrove
Chief Administrative Officer, Township of Guelph Eramosa

From: John Hughes, Partner

Date: November 19th, 2014

Re: Terms of Reference for the Hidden Quarry Economic Impact Analysis

Attached to this memorandum are the Terms of Reference to be used as the basis of the economic impact assessment of the proposed Hidden Quarry site in the Township of Guelph Eramosa. The Terms of Reference describe the scope of work. It is assumed that the standard forms of contract (such as proposal format, fees and schedule) would be provided by the Township in a complete Request for Proposal document.

The purpose of the study is to provide an objective assessment using a standard methodology of the potential net economic impacts of the Hidden Quarry project. The analysis is to be undertaken from two perspectives: that of the Municipality and of the Township's residents. Reference will also be had to broader impacts of the project including Wellington County, the Region of Halton and the Province of Ontario. For example, impacts on Highway 7 which is the responsibility of the Province would be considered.

We anticipate the study being completed within approximately one month from commencement.

ECONOMIC IMPACT ANALYSIS OF PROPOSED HIDDEN QUARRY

GUELPH ERAMOSIA TOWNSHIP

The following Terms of Reference detail the scope of work required to undertake an economic impact analysis as part of a comprehensive planning review process for the proposed Hidden Quarry project in the Township of Guelph Eramosa.

A. BACKGROUND INFORMATION

The Township of Guelph Eramosa is seeking to undertake an economic impact analysis of the proposed Hidden Quarry site. The site in question is located in the northeast quadrant of Highway 7 and 6th Line and is approximately 39.4 hectares (100 acres) in size. The area in which the site is located is predominantly zoned for agricultural and industrial uses. Along 6th Line which flanks the western side of the proposed site are a number of detached residential units and a mushroom farm. An industrial fencing manufacturer faces the site on the south of the Highway 7 frontage.

If the quarry is approved, aggregate material would be extracted from approximately 24.8 hectares (61.3 acres) of the site. The quarrying would extract aggregate material from above and below the established groundwater table at a rate of up to 700,000 tonnes annually. Improvements to the site would involve an on-site processing plant for crushing, washing and screening. The material would be shipped off-site via 6th Line and Highway 7.

A comprehensive review of the application is being undertaken by the Township in order to assist Council with respect to its decision regarding the proposal. Although not a requirement, Council has recently decided to have an economic impact assessment of the proposed project undertaken in response to requests from Township residents. The following Terms of Reference describe the requirements for the assessment of potential economic impacts of the proposed Hidden Quarry project.

B. SCOPE OF WORK

The selected consultant will undertake the following work program activities with consideration to and the understanding that the study may need to be presented to a public planning body or tribunal:

1. Meet with Township Staff

Meetings are to be planned between the consultant and the Township to review and confirm the scope of the economic impact analysis including assumptions, scenarios and findings.

2. Data Collection

Data for the analysis will be obtained from sources that may include, but not be limited to:

- Statistics Canada demographic and employment data;
- Statistics Canada Input / Output Model;
- Municipal Property Assessment Corporation (MPAC); and
- Municipal expenditures.

Aspects of the analysis will be dependent on studies that have been or are being undertaken by other consultants in connection with the planning application. Where reports have not yet been completed, the consultant may reach preliminary conclusions, subject to potential revision following completion of report(s). The consultant may also rely on other relevant studies.

3. Development of the Economic Impact Analysis

The output of the study is to be an economic impact analysis of the development and operation of the quarry. The consultant will prepare an economic impact and benefits model using data from recognized sources (such as Statistics Canada) for quantifiable effects of the proposed quarry project. The analysis is to measure the impacts from the perspective of (a) the Municipality and (b) the local community. The analysis should consider Municipal and community impacts separately. Community impacts should be analysed in relation to Township residents as a whole rather than for any specific subset of individual properties. The study should also

discuss impacts at a broader scale including Wellington County, the Region of Halton and the Province of Ontario.

The study is to focus on providing an objective, evidence-based analysis of quantifiable impacts, based on physical factors arising from the development and operation of the quarry. The analysis will accordingly rely in large part on technical reports produced by other consultants. Where studies or reports from other sources are considered in assessing financial impacts, the reasons for their selection must be clearly noted in the report.

Impacts should be considered in two categories – one-time and on-going:

a. One-time benefits and impacts resulting from the construction of the quarry:

- Prepare an economic impact and benefits model using the Statistics Canada Input/ Output Model for direct, indirect and induced effects of the development of the quarry at the Provincial level. The analysis should take account of the investment in site development, improvements and vehicles and equipment. Associated off-site works should also be accounted for, as well as one-time fees and charges.
- Using the Input/ Output Model, the following economic impacts will be provided:
 - Labour Income;
 - Gross Domestic Product (GDP); and
 - Person years of employment.
- As the Statistics Canada Input/ Output model does not consider impacts at sub-Provincial geographies, the consultant will discuss impacts, in general terms, for the Municipality and local community as well as for the County and the Region. One-time fees and charges will be identified.

b. Quantify and analyze the effects of on-going operations, in terms of:

- Effects on municipal revenue and expenditures taking into account the whole array of municipal services:
 - Property taxes (net change);
 - Aggregate Resources Act levies;
 - Roads; and

- General services (where applicable).
- Impacts to the local community:
 - Employment in terms of the number of jobs at the quarry;
 - Local spending due to quarry employment and operations;
 - Financial impacts on local property values; and
 - Financial impacts arising from environmental factors.

4. Report Preparation

The consultant will prepare a draft report documenting the study process, assumptions, findings and conclusions. The report will include the following sections:

- Executive Summary;
- Purpose of the Study;
- Background Information;
- Study Process; and
- Outcomes and Findings of the Analysis.

The consultant will attend a meeting with Township staff and its consultants to review the study findings. As necessary, feedback and clarifications will be integrated into a final report.

5. Presentation of Final Results

As required, the consultant will present the final results and findings to the Township Council or Planning Committee, at what it is assumed will be a public meeting.