



Innis Lake Secondary Plan Area

C/O Mattamy (Innis Lake) Limited

May 5, 2026

12351 Innis Lake Road & 12250 Centreville Creek Road
c/o Mattamy (Innis Lake Limited)
6696 Financial Drive, Mississauga, ON, L5N 7J6

RE: Innis Lake Secondary Plan - Fiscal Impact Preliminary Letter of Opinion

Parcel Economics Inc. ("Parcel") has been retained by the Innis Lake Secondary Plan Area landowners (the "landowners") to prepare a *Fiscal Impact Assessment* in support of their upcoming Secondary Plan application. A Fiscal Impact Assessment is required by Town staff as part of the Secondary Plan application and is used to evaluate the growth-related financial impact of the proposed development on the Town's capital and operating budgets.

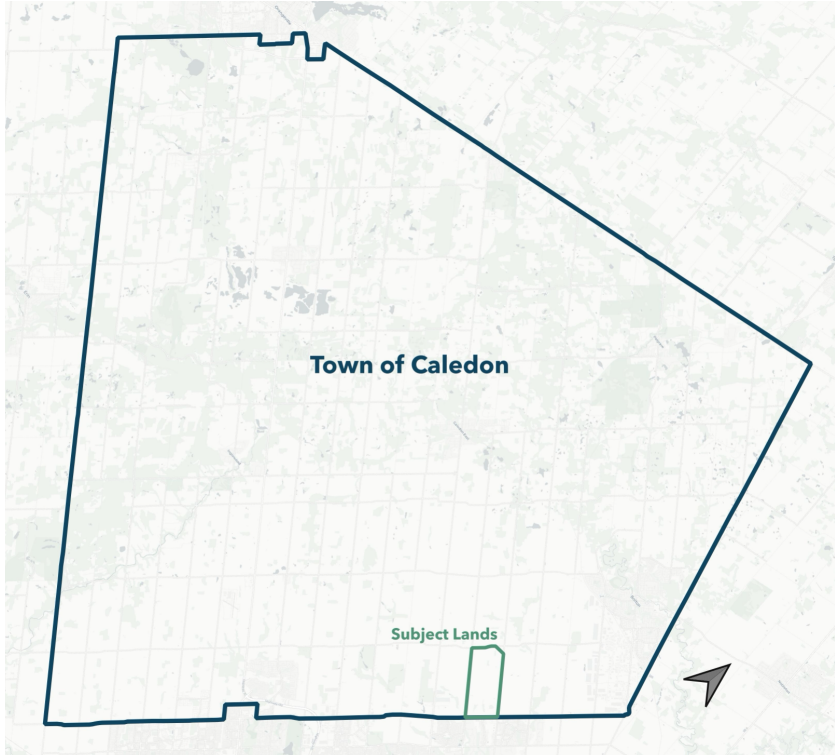
In support of the Secondary Plan application, the landowners and project team are in the process of preparing a more detailed concept plan, including the potential build-out population, employment and total housing units that could accrue on-site. Estimates of the potential infrastructure (i.e., internal and external) required to support the build-out of the subject lands are also being determined simultaneously.

These estimates are required to properly determine the anticipated fiscal impact of the subject lands. Absent this information, Parcel has prepared a Preliminary Letter of Opinion related to the likely—or anticipated—fiscal impact of the Innis Lake Secondary Plan. This letter is **based on existing information and forecasts** affiliated with the subject lands, and will be updated with a complete *Fiscal Impact Assessment*, once more detailed infrastructure and costing information is available.

The Subject Lands

The Innis Lake Secondary Plan area (the "subject lands") is located at the south end of the Town of Caledon (Figure 1), comprising approximately 332.7 hectares of land. The subject lands are located directly north of Mayfield Road, extending to Centreville Creek Road to the east and Innisfil Lake Road to the west. The northern boundary is bound by Healey Road, excepting the northeast limit, which is anticipated to extend to the proposed Greater Toronto Area ("GTA") west corridor.

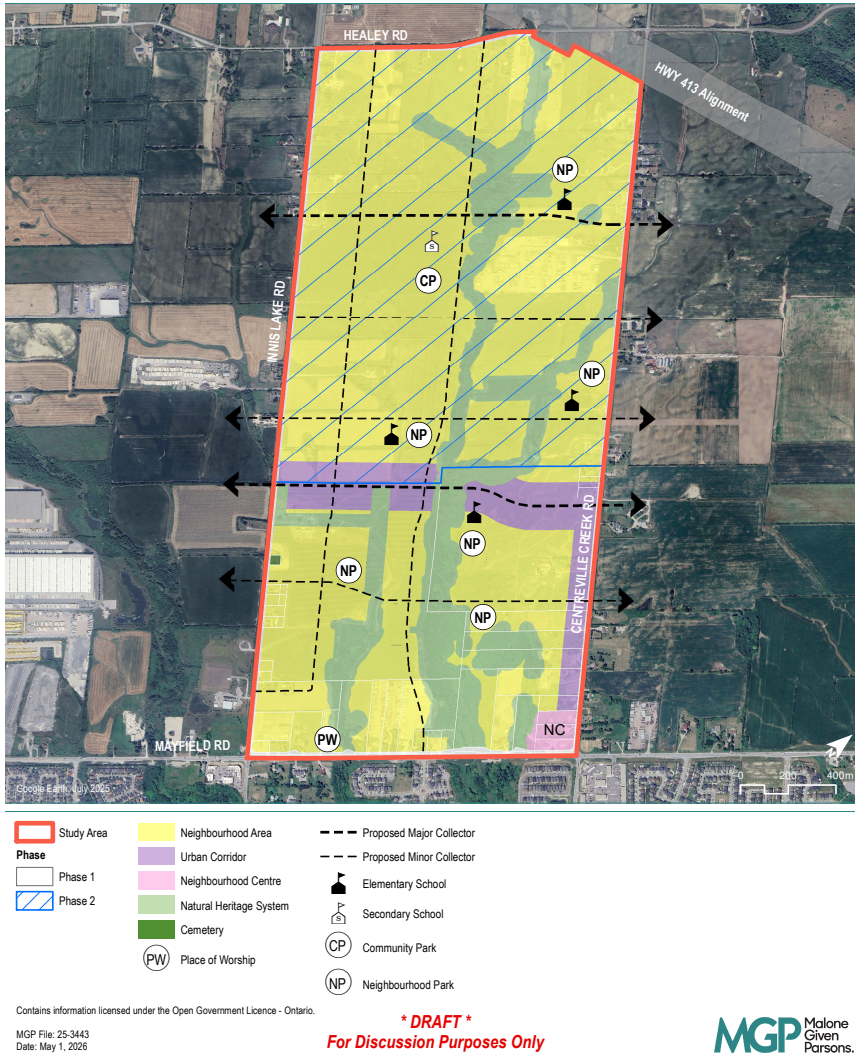
Figure 1
Site Context - Town of Caledon



Source: Parcel.

Currently, these lands are anticipated to accommodate 6,948 residential uses of various types, one community park, a number of neighbourhood parks, elementary school space and retail / service commercial development. Per the most recent Community Structure Plan (see Figure 2) prepared for the Secondary Plan Area, this development could accommodate a population of 23,000 persons.

Figure 2
Innis Lake Secondary Plan Area



Source: DRAFT Community Structure Plan for Innis Lake Road, May, 2026.

As part of the Secondary Planning process for the subject lands, the landowners are developing an updated concept plan for the Innis Lake Secondary Plan area. This also includes more detailed identification of the infrastructure that will be required to support growth on the subject lands. Once this information is available, Parcel will complete a *Fiscal Impact Assessment* for the subject lands to more accurately determine the growth-related financial impact of the proposed development on the Town’s capital and operating budgets. However, recognizing the timing of the Secondary Plan application, this letter of opinion has been prepared in the interim, to estimate the likely impact that the proposed development of the subject lands could have on the Town’s finances.

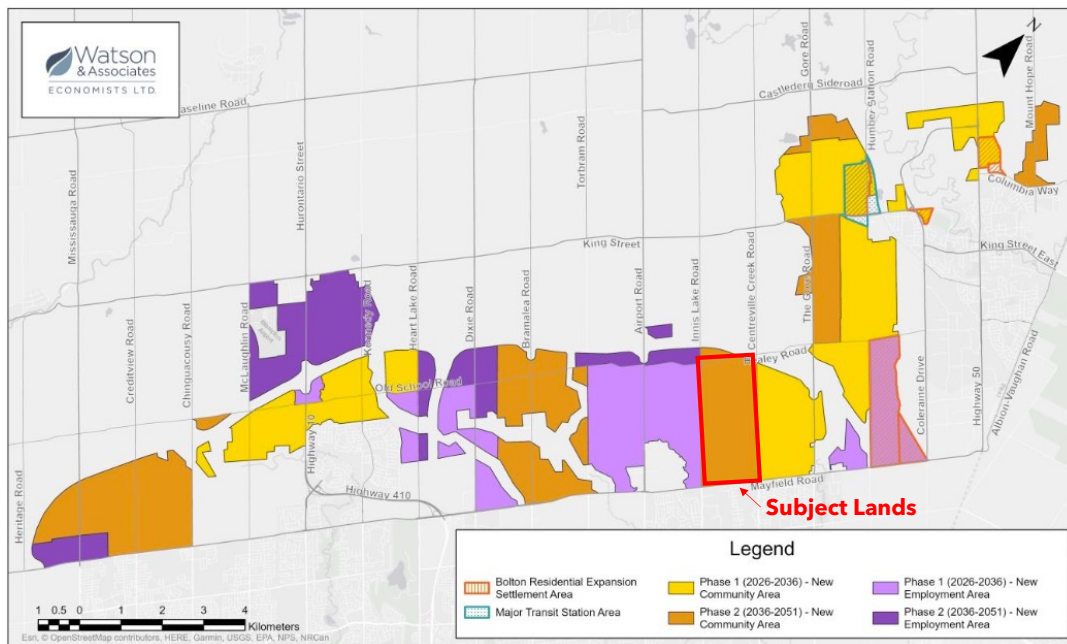
2024 Growth Management & Phasing Plan

In 2024, Watson and Associates Economists Ltd. ("Watson") prepared a Growth Management and Phasing Plan Report ("2024 GMPP") that considers the **development potential and fiscal impact** of various Settlement Area Boundary Expansion ("SABE") areas, in the Town of Caledon.

The 2024 GMPP speaks to growth forecasts under the Peel Region Official Plan (ROP, 2022) for the Town of Caledon to 2051, including an anticipated 2051 population of 300,000 people and 125,000 jobs. In strategically planning for and achieving anticipated growth, it is estimated that the Town will need a SABE of 3,780 hectares of Community Area and 1,930 hectares of Employment Area.

Figure 3 shows that the subject lands are part of the SABE areas included in the 2024 GMPP, indicating that they are required to support forecast growth in Caledon to 2051. It also means the subject lands are included in the fiscal impact assessment provided as part of the 2024 GMPP.

Figure 3
SABE Area included in the 2024 GMPP



Source: Parcel based on Figure ES-1 Town of Caledon S.A.B.E Phase 1 and Phase 2 Lands in the 2024 Growth Management and Phasing Plan prepared by Watson and Associates Economists Ltd.

Absent detailed estimates for the subject lands, the fiscal impact assessment included in the 2024 GMPP has been used to gauge the impact that the development of the subject lands could have on the finances of the Town.

Fiscal Impact of Growth (SABE Areas)

The 2024 GMPP estimates the combined fiscal impact of the Town's SABE areas. It estimates that development will be completed in two phases—beginning in 2026 and 2036 respectively—in order to balance costs, infrastructure, and to ensure development is conducted in a financially viable way. The subject lands—for purposes of this fiscal impact assessment—are included as part of Phase 2 lands and are estimated to develop over the 2036 to 2051 period.

The 2024 GMPP includes details of future growth (e.g., population, employment and housing) and infrastructure (e.g., water, wastewater and transportation infrastructure) required to support the completed build-out of the SABE areas. Detailed assumptions and estimates are included in Appendix I of the 2024 GMPP. The 2024 GMPP specifically focuses on the fiscal impacts to the Town of Caledon, irrespective of Peel Region.

Key Growth Assumptions

The 2024 GMPP estimates that the Town will experience net population growth of 213,600 between 2024 and 2051. Growth of 140,200 persons (66%) is anticipated to occur between 2037 to 2051 as part of Phase 2 (including growth affiliated with the subject lands). Over this period, there is also anticipated to be growth of nearly 76,700 employees and 65,100 housing units.

Key Cost Assumptions

The estimated capital, operating and life cycle costs affiliated with growth across the SABE areas has also been estimated as part of the 2024 GMPP. This includes costs associated with water and wastewater infrastructure, roads and future transit infrastructure that were determined based on the existing and planned systems available in the Town and high-level estimates (prepared by various consultants) of what will be required to support the SABE areas put forward by the Town. Specifically:

- **Water Infrastructure:** Costs for water infrastructure affiliated with Phases 1 and 2 are estimated at \$303 million and \$490 million, respectively. In aggregate, the 2024 GMPP estimates that impacts to the west and central water system will be moderate, while impacts to the east water system will be more substantial due to the more significant expansion planned for this service zone.
- **Wastewater Infrastructure:** For wastewater infrastructure, it was similarly estimated that there would be minimal impacts to the west and central wastewater system. Impacts to the east wastewater system are

comparably high, for the same reasons mentioned above. In total, wastewater infrastructure costs were estimated for Phases 1 and 2, at \$259M and \$609M respectively.

- **Local Road Infrastructure:** A total of \$3,074 million was estimated as the anticipated costs to cover the Town's portion of the fiscal requirements for the road network, including capital costs, operations/maintenance costs and lifecycle costs.
- **Transit Network:** The 2024 GMPP estimates that capital and operating costs for transit infrastructure based on the existing operation and arrangements between the Town of Caledon and Brampton Transit. Based on this approach, total costs were estimated at \$236 million.

Collectively, the total fiscal requirements for the future infrastructure required to support growth across the SABE areas, including the subject lands, is estimated per the 2024 GMPP at **\$3.310 Billion**.

Key Revenue Assumptions

The 2024 GMPP also estimates incremental revenues associated with growth, including those primarily affiliated with property and non-property taxes (e.g., anticipated user fees, permits, etc.). Based on anticipated population and employment growth to 2051, annual non-tax revenues of \$103.5 million were estimated for 2051. Net population growth is also anticipated to generate \$16.9 million in 2051 through transit revenue. In terms of property taxes, forecast growth across the SABE areas is estimated to generate annual revenues of **\$299.9 million** by 2051. These estimates are based on current 2024 values and incremental weighted adjustments for the forecast period to 2051.

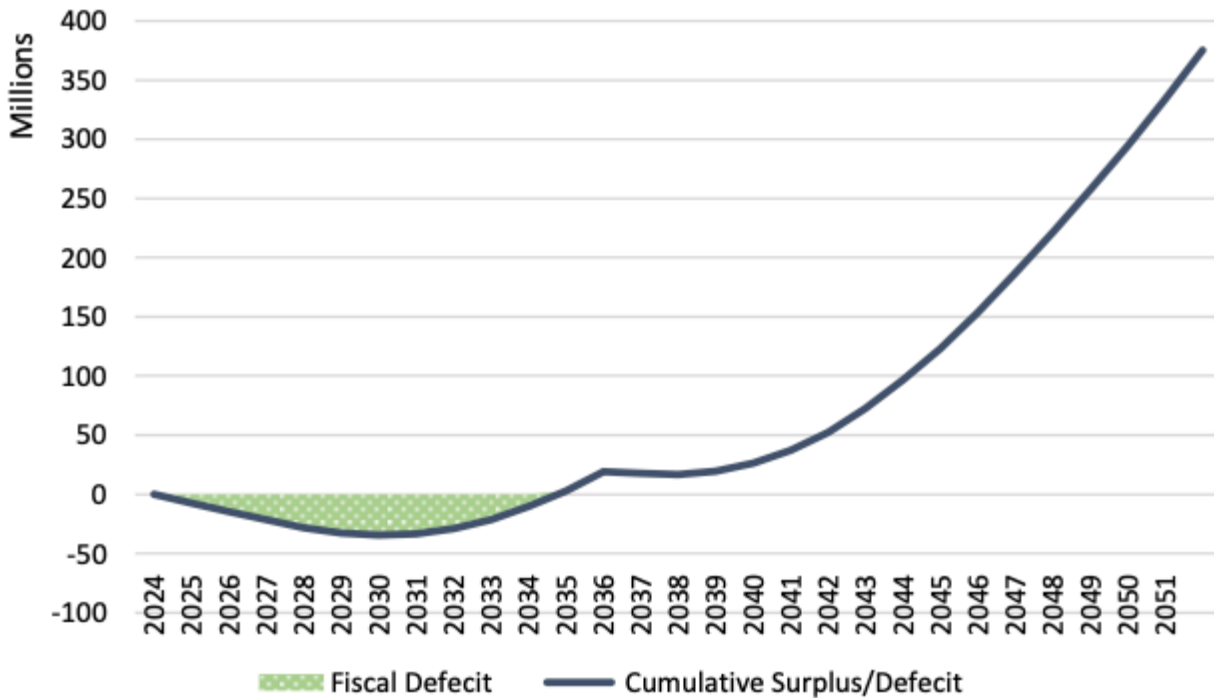
Summary

Based on the details summarized above, it was estimated by the 2024 GMPP that development of the SABE areas would generate a cumulative annual operating deficit between 2024 and 2029 (some \$35.4 million). This is based on anticipated operating and capital costs, in addition to forecast tax and non-tax revenues. After 2029, operating surpluses are expected, including sufficient revenues to repay the accumulated operating deficit by 2034. Figure 4 also shows that surpluses are anticipated after 2034, with a slight deficit in 2036 and 2037 owing added costs for transit infrastructure.

The 2024 GMPP includes strategies that could help mitigate anticipated shortfalls over select years. That said, by 2051, it is estimated that the development of the SABE areas will have generated a **cumulative net surplus of \$375.3 million**. This surplus would **directly support the financial sustainability** of the Town, helping to address existing infrastructure gaps and improve service levels.

Figure 4

Cumulative Fiscal Impacts



Source: Parcel based on Figure 7-1 Town of Caledon S.A.B.E Phase 1 and Phase 2 Lands in the 2024 Growth Management and Phasing Plan prepared by Watson and Associates Economists Ltd.

Based on the work completed by Watson as part of the 2024 GMPP, growth included as part of the development of the SABE areas are forecast to have a **positive fiscal impact** on the Town of Caledon to 2051. This is based on the planned evolution of these lands as complete communities, that each support the various policy goals of the Town.

Growth on the subject lands are included in these estimates, suggesting that these lands should also generate a positive fiscal impact for the Town of Caledon to 2051. As more detailed estimates affiliated with the subject lands are prepared, each will feed into a more specific analysis and fiscal assessment for the Innis Lake Secondary Plan area. In the meantime, it is our opinion that based on the work completed as part of the 2024 GMPP for the Town, the subject lands will have a positive fiscal impact on the Town. Simultaneously contributing to growth, housing needs and the broader evolution of the Town as a complete community.