

An aerial photograph of a rural landscape, likely in North Carolina, showing a winding river and a patchwork of agricultural fields. A specific area on the left side of the image is outlined in a dark orange color. A horizontal orange line is positioned above the main title.

BLACK BEAR RIDGE

ECONOMIC IMPACT ASSESSMENT

February 28, 2022

The logo for Urban Metrics, consisting of an orange square with a white diagonal line from the top-left to the bottom-right corner.

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This document is available in alternative formats upon request by contacting:

info@urbanMetrics.ca
416-351-8585 (1-800-505-8755)



PART 1:
Key Takeaways



PART 2:
Concept



PART 3:
Approach



PART 4:
Economic Inputs



PART 5:
Economic
Outputs



PART 6:
Appendices

An aerial photograph of a rural landscape, likely a farm or estate, with a red boundary outline highlighting a specific area. The landscape features a mix of green fields, brown patches, and a winding river or stream. The text "KEY TAKEAWAYS" and "PART 1" is overlaid on the left side of the image.

KEY TAKEAWAYS

PART 1

KEY TAKEAWAYS

BLACK BEAR RIDGE - ECONOMIC IMPACT ASSESSMENT



1

Major Capital Investment

The physical build-out of the Black Bear Ridge residential and resort recreational community is to involve some **\$1.5 billion in initial one-time spending** and **\$45.6 million in development charge revenue** for the City of Belleville.

2

Economic Stimulus

Through the significant one-time spending on the project, a total of over **12,380 jobs (full-time employment)** and **\$1.5 billion in value added to the economy** will be generated. The majority of these jobs and spending will occur within the City of Belleville.

3

Legacy Benefits

Upon its completion, the development concept will result in **nearly \$17.6 million in annual (recurring) property tax revenues and water/wastewater revenue** to the City of Belleville.

4

Community Benefits

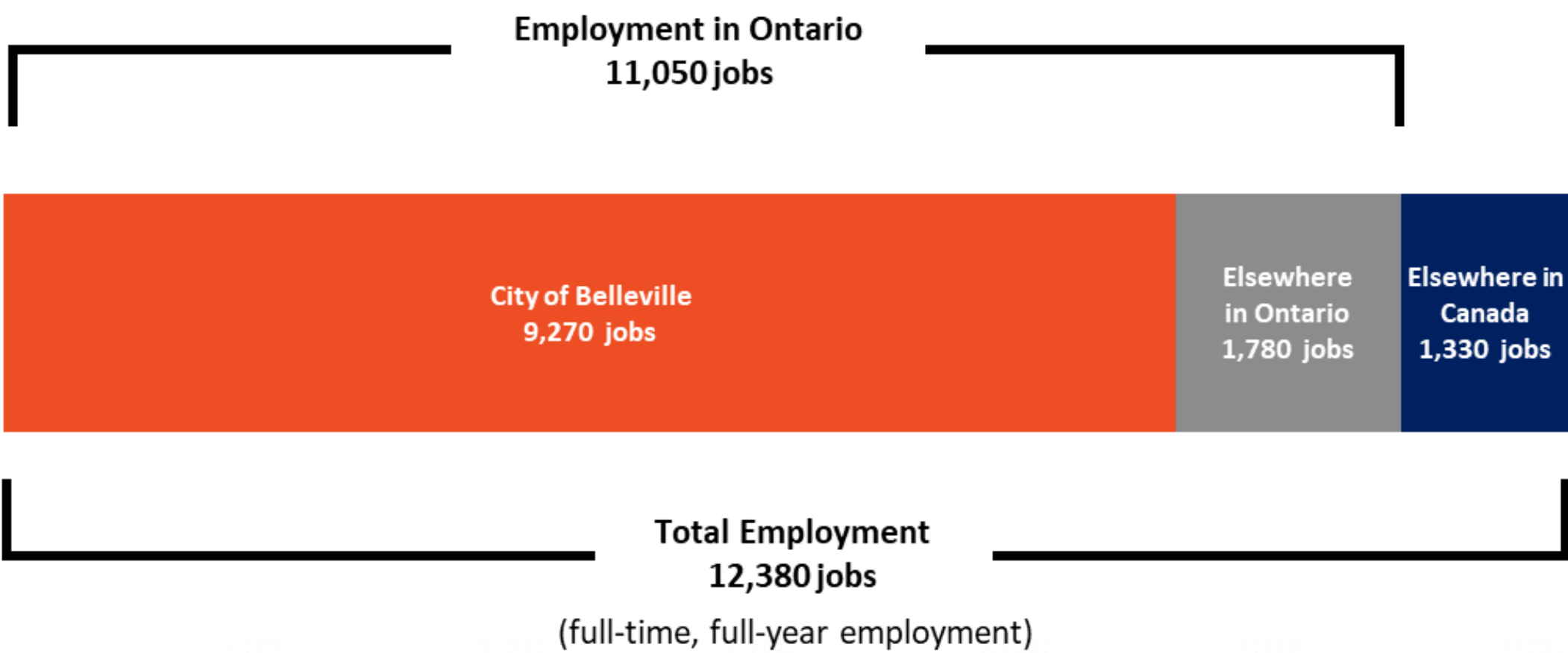
In addition to the significant one-time and recurring financial / employment-related impacts associated with the project, the development is expected to yield a variety of broader social, tourism and community-related benefits.

KEY TAKEAWAYS

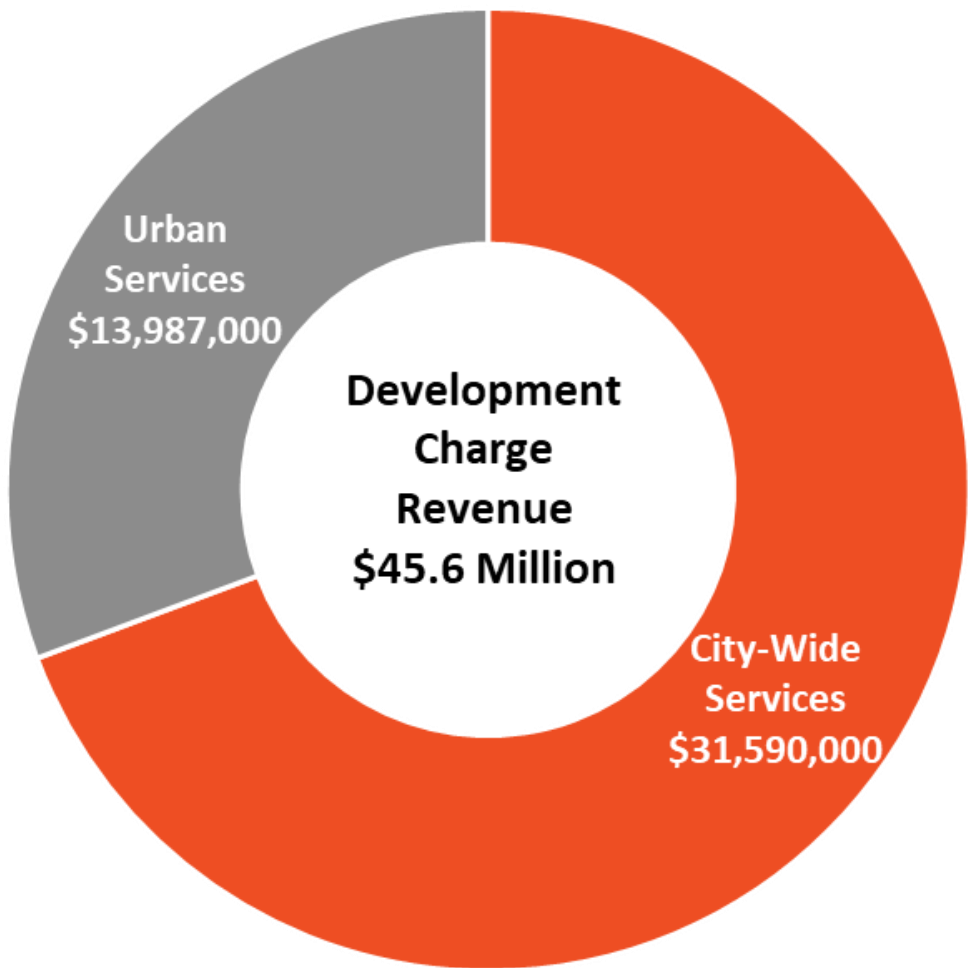
BLACK BEAR RIDGE - ECONOMIC IMPACT ASSESSMENT



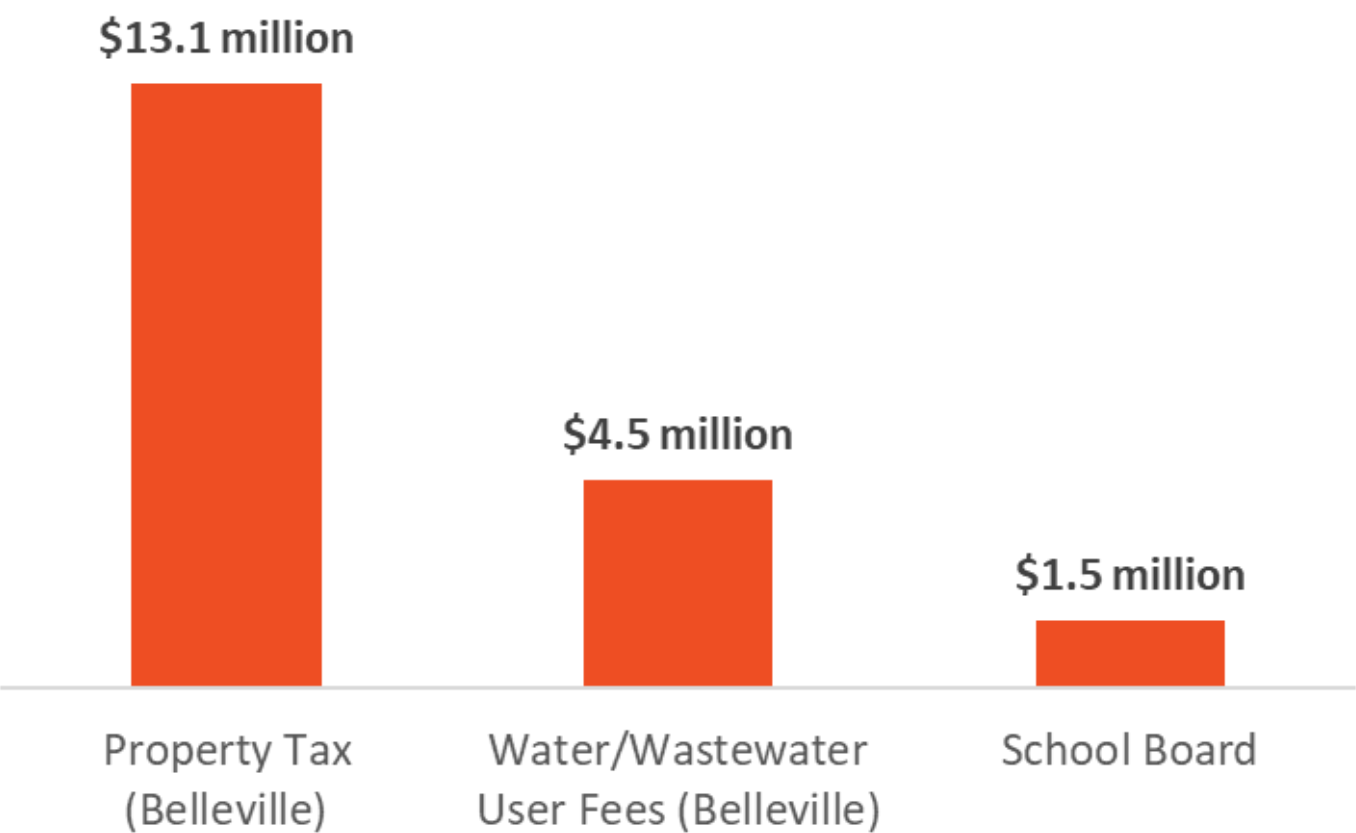
Employment From Construction



Development Charge Revenue (Belleville)



Ongoing Property Tax Revenue



An aerial photograph of a rural landscape, likely a farm or estate, with a large area in the center-left highlighted by a red outline. The landscape features a mix of green fields, brown patches, and a winding river or stream. The red outline follows a specific boundary within the landscape.

CONCEPT

PART 2

CONCEPT

BLACK BEAR RIDGE - ECONOMIC IMPACT ASSESSMENT

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Context

urbanMetrics inc. has been retained by Black Bear Ridge GP Inc. to prepare an Economic Impact Analysis relating to their proposed application to develop a new mixed-use residential and resort recreational community on approximately 370-hectares in the City of Belleville, hereafter referred to as the subject site.

Subject Site

The subject site is currently home to the Black Bear Ridge Golf Course, a 27-hole championship course that also includes a driving range, teaching academy, pro shop and club house.



CONCEPT

BLACK BEAR RIDGE - ECONOMIC IMPACT ASSESSMENT



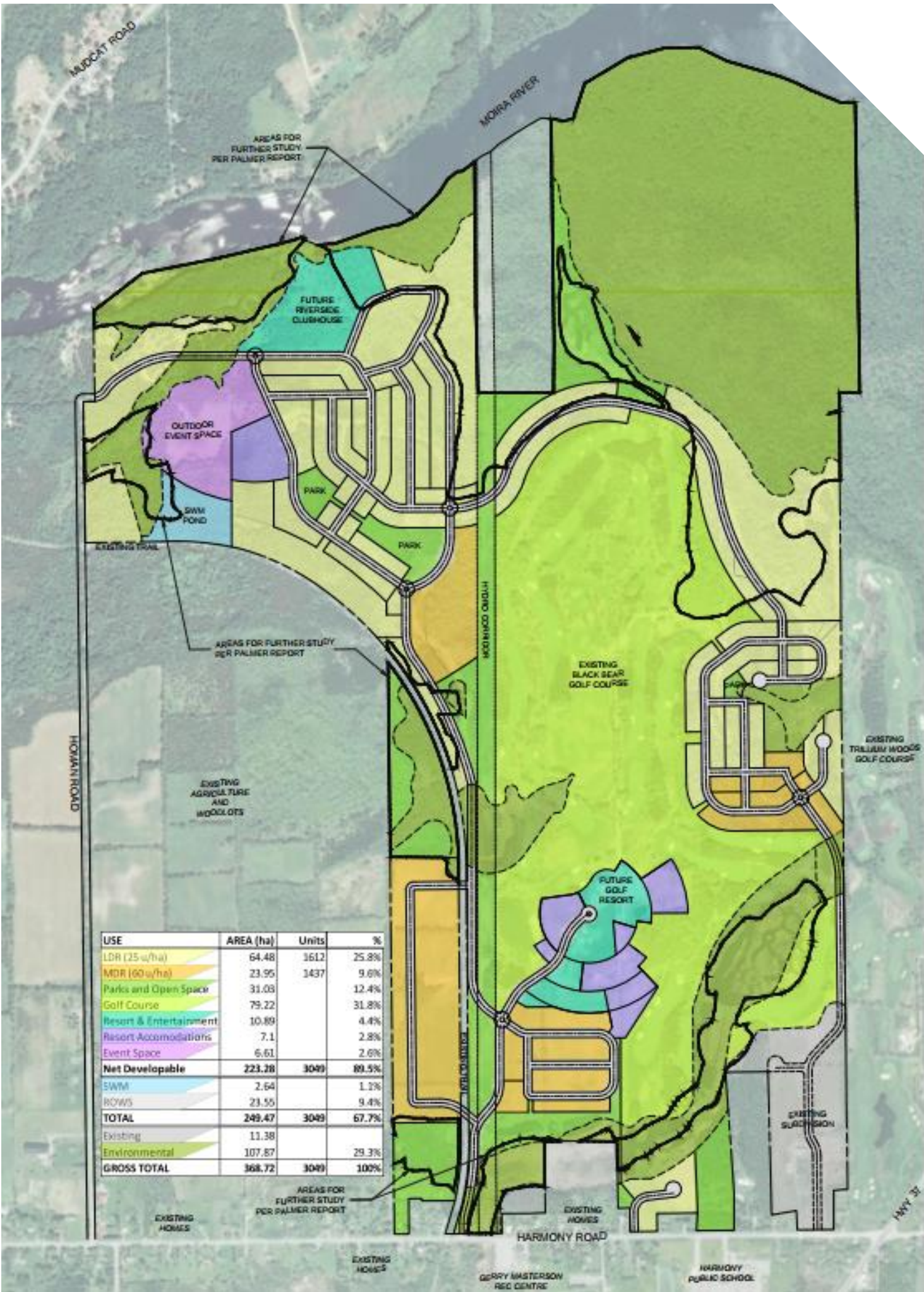
Development Vision

The concept plan envisioned for the subject site is a mixed-use residential and resort recreational facility centred around the existing golf course.

A mix of low-density, medium-density and seniors housing are proposed to the south, east and west of the existing golf course. In total, as many as 3,049 housing units could be accommodated on the subject site that will provide a range and mix of affordability.

The subject site will also accommodate a mix of recreational uses, resort accommodations, a spa, event space and retail/service commercial space located throughout the concept plan. In total, the proposed non-residential uses could result in the development of approximately 415,000 square feet of space.

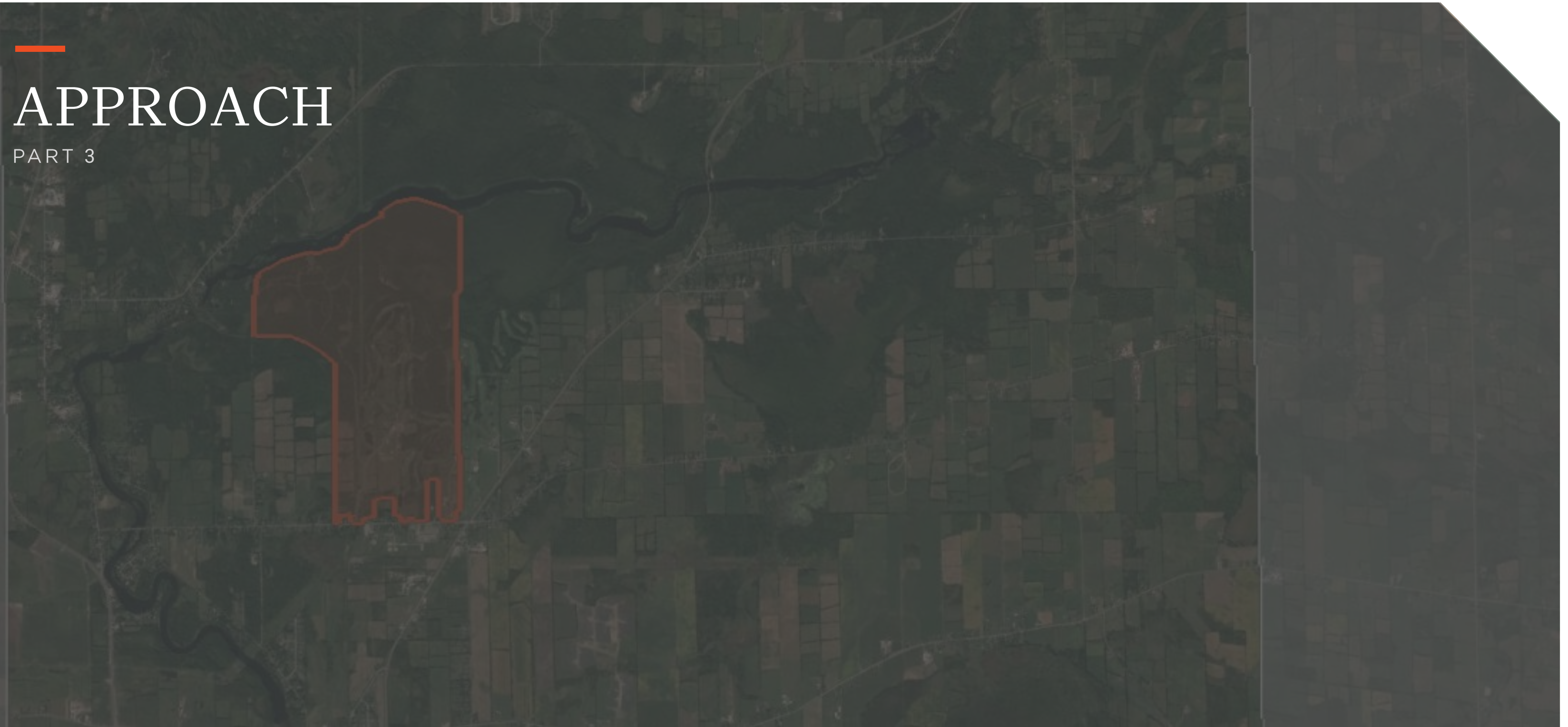
The improved and expanded recreational and resort facilities will be important in drawing tourism to the City of Belleville and provide employment opportunities for local residents.





APPROACH

PART 3



APPROACH

BLACK BEAR RIDGE - ECONOMIC IMPACT ASSESSMENT



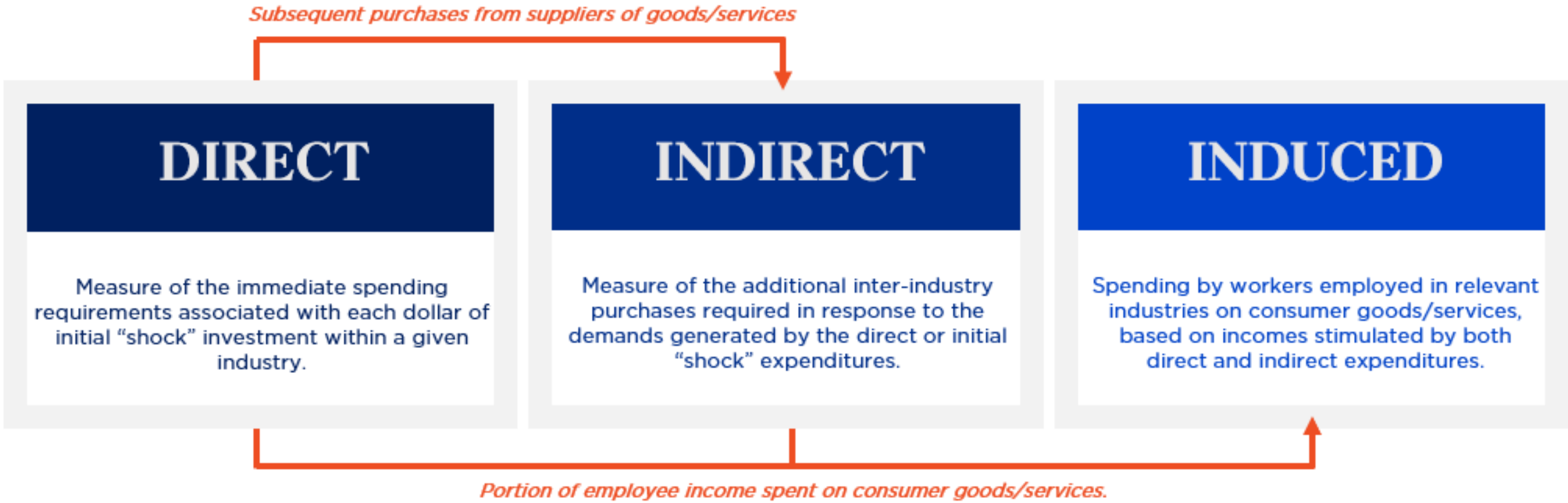
Overview

As part of this Economic Impact Assessment, we have estimated the following key metrics: employment (full-time equivalents or “FTE’s”), labour incomes, contribution to GDP (“value added”), as well as government revenues.

Where applicable, we have also estimated a range of other related economic, employment and fiscal benefits associated with the proposed new community, including supplementary information relating to one-time municipal revenues (e.g., development charges), ongoing property tax revenues, as well as a discussion of the broader qualitative benefits associated with the development.

Qualitative Impact

Similar to other assignments of this nature, the majority of the key economic impacts identified throughout this report have been calculated through the use of an econometric model that simulates the flow of expenditures throughout the economy. The underlying principle of this type of modelling is that each dollar of expenditure on goods and/or services purchased from a given industry sector circulates and re-circulates within the economy, thereby multiplying the impact of the initial expenditure. This concept is referred to as the multiplier effect, and has three main components: direct impacts, indirect impacts and induced impacts.



APPROACH

BLACK BEAR RIDGE - ECONOMIC IMPACT ASSESSMENT



Qualitative Impact (Cont'd...)

The capital expenditure model utilized by urbanMetrics is based on input-output tables produced by Statistics Canada and is designed to provide a reliable measure of the impact of a given initial or “shock” investment on a range of different economic metrics.

For the purposes of this Economic Impact Assessment, the operational expenditure model is based on the Tourism Regional Economic Impact Model (“TREIM”) maintained by the Ontario Ministry of Tourism, Culture and Sport.

For simplicity, we have generally focused on the following key metrics: employment generation, value added to the economy, and government revenues, which we believe are most important and relevant in measuring the impact of the proposed residential and recreational uses on the subject site. Unless specifically indicated otherwise, these types of impacts have generally been expressed at the National, Provincial and regional (i.e., City of Belleville) levels.



Economic Value Added
(Gross Domestic Product)



Employment / Jobs
(Full-Time Equivalents)



Government Revenues
(Municipal + Provincial + Federal)

A detailed description of our economic impact approach has been provided in the Appendix.

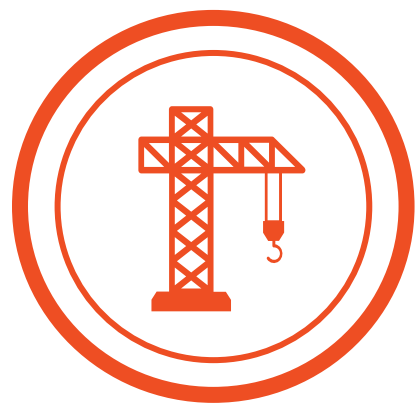
APPROACH

BLACK BEAR RIDGE - ECONOMIC IMPACT ASSESSMENT



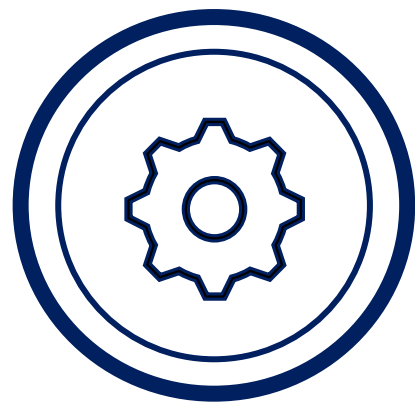
Qualitative Impact (Cont'd...)

In order to capture the full extent of the unique impacts derived from the proposed community, we have tested two main types of source spending and ongoing/operational expenditures. The following provides a brief introduction as to some of the specific types of investments and business activities that have been evaluated using the aforementioned input-output modelling:



CAPITAL INVESTMENTS (ONE-TIME IMPACTS)

Similar to other traditional real estate developments, the full build-out of the subject site will involve substantial one-time capital investments to construct the various new residential and recreational uses that could be accommodated on the subject site.



OPERATIONS (ONGOING IMPACTS)

With respect to recurring operational impacts, the expanded resort and recreational uses, in addition to retail/service commercial uses proposed at Black Bear Ridge are expected to help stimulate additional economic activity by way of the total operating output (employees that will work at the various resort and recreational uses). The ongoing operation of these expanded facilities are expected to ripple through the economy.



ECONOMIC INPUTS

PART 4

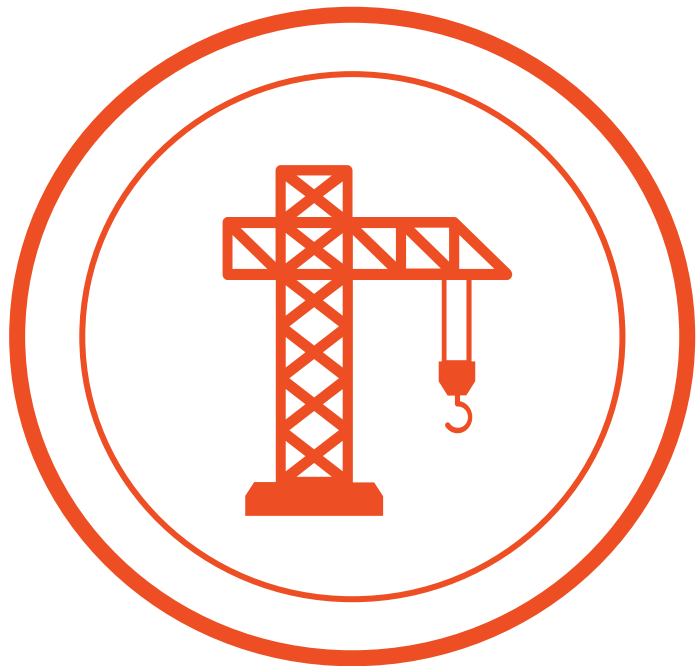


ECONOMIC INPUTS

BLACK BEAR RIDGE - ECONOMIC IMPACT ASSESSMENT



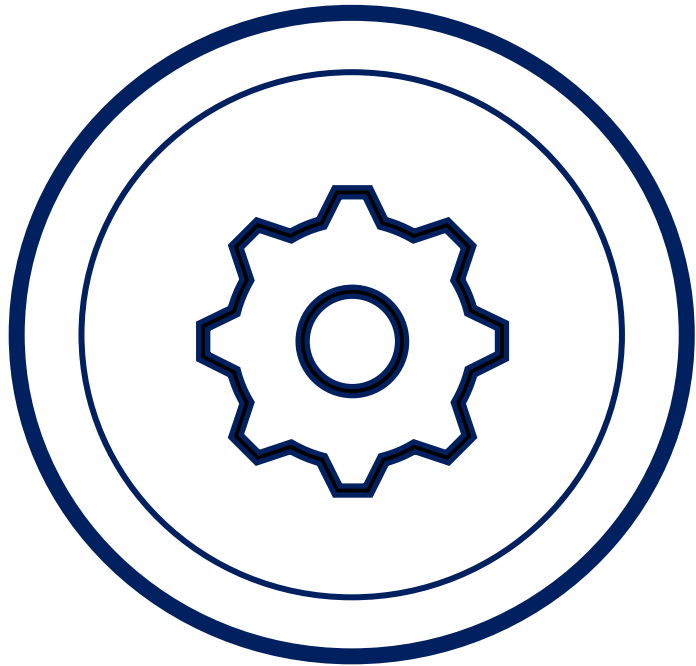
One-Time Capital Expenditures



\$ 1,546.5 M

These investments relate specifically to all labour, trade, material and equipment expenditures made as part of the construction of new residential and recreational buildings.

Annual Business Output



\$ 53.7 M

This represents the average recurring business output associated with the expanded golf course, resort recreational uses and retail/service commercial uses over the long-term. As such, the corresponding economic impacts generated by these entities represent the additional ongoing benefits to the community and region that will recur on an annual basis.

An aerial photograph of a rural landscape, likely in a developing country, showing a patchwork of green fields and brown patches. A winding river or road is visible on the left. A specific area in the center-left is outlined in a thick red line. The overall image is dark and serves as a background for the text.

ECONOMIC OUTPUTS

PART 5

- One-Time Capital Investment Impacts
- One-Time Municipal Revenues
- Ongoing Annual Business Expenditures
- Recurring Municipal Revenues

ECONOMIC OUTPUTS

BLACK BEAR RIDGE - ECONOMIC IMPACT ASSESSMENT

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Economic Impacts: One-Time Construction

The one-time capital expenditures associated with the construction of new buildings on the subject site, including on-site infrastructure, is expected to result in the following significant economic benefits:

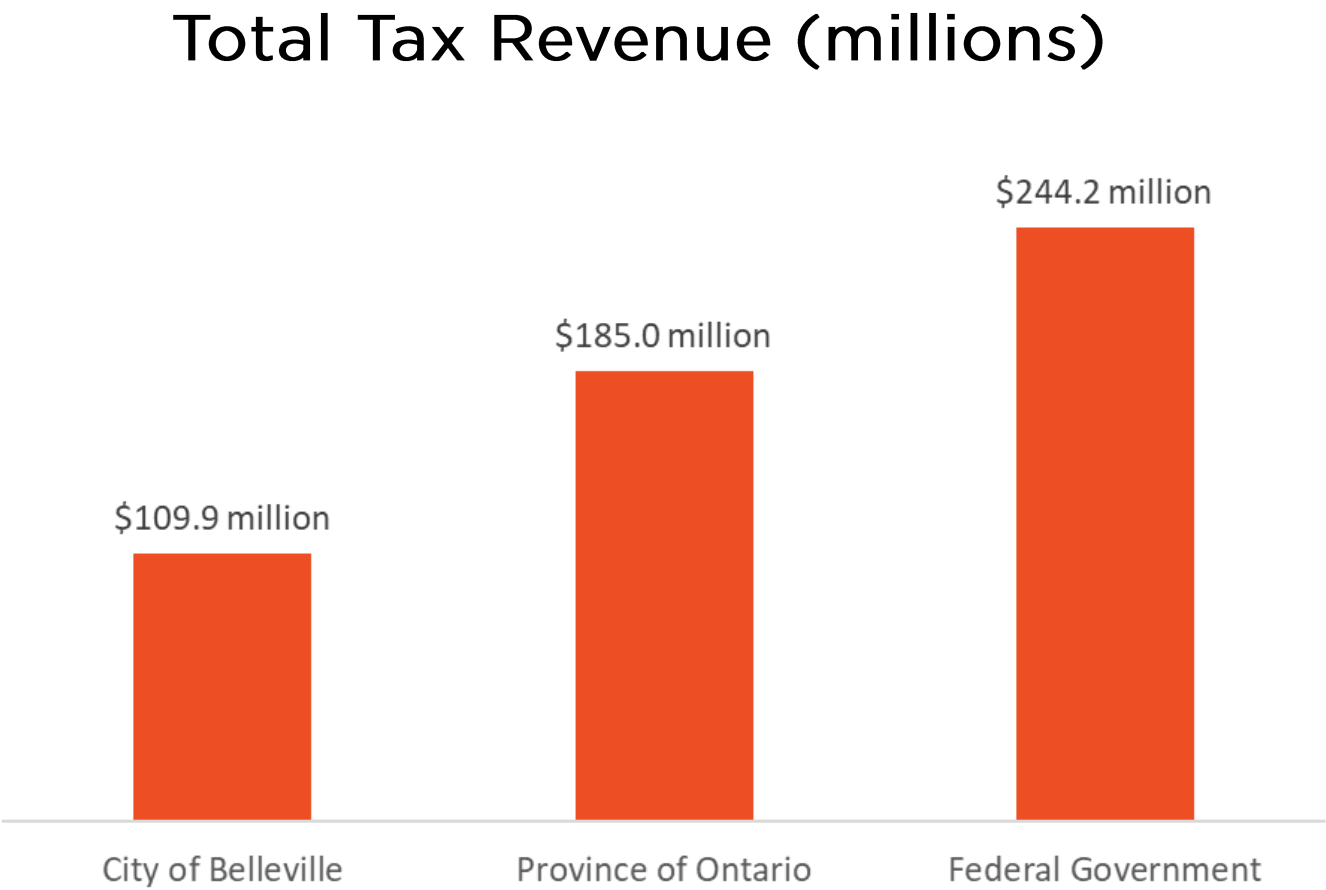
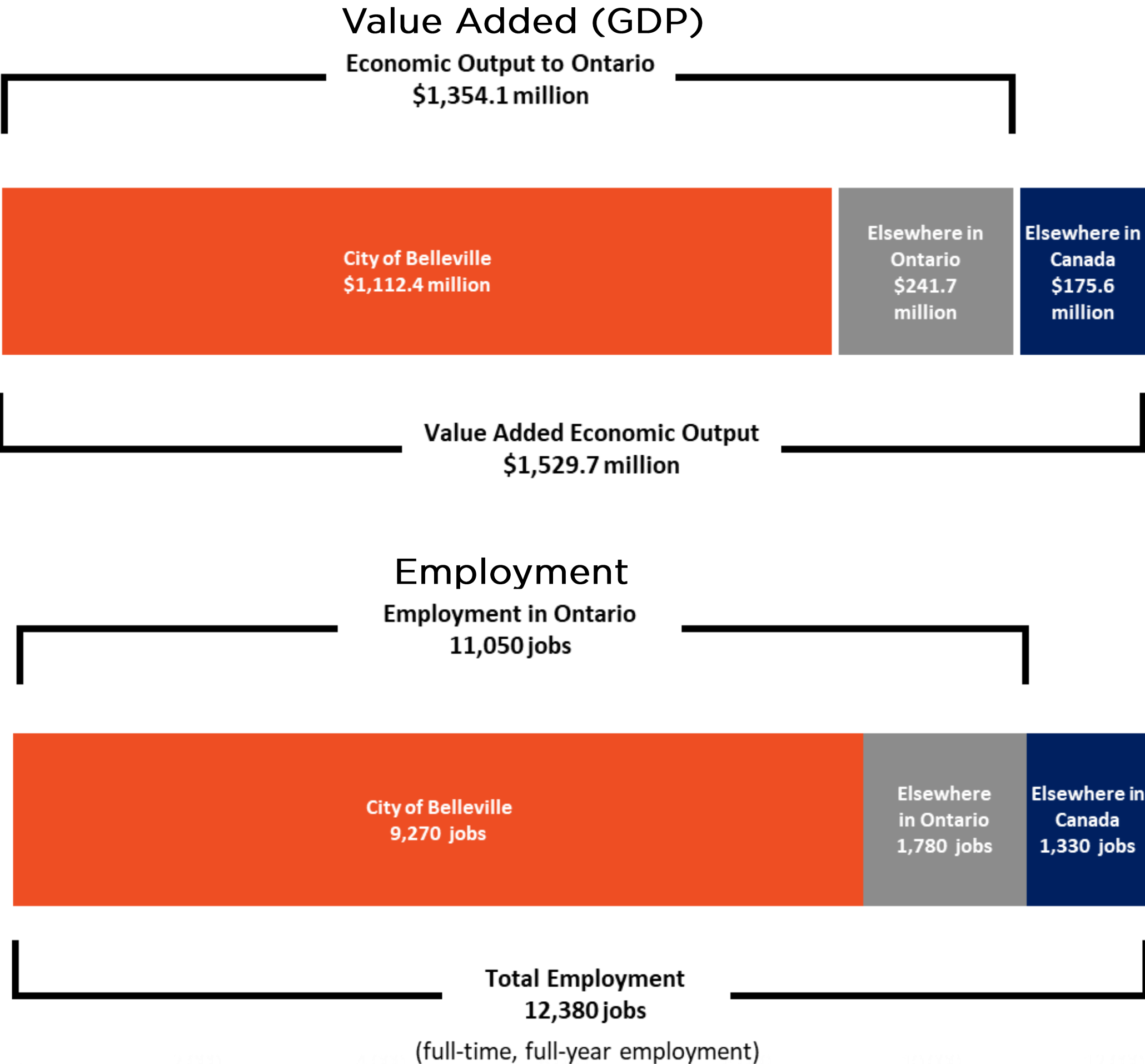
- Value added GDP* of more than \$1,529.7 million
- More than 12,380 full-time equivalent employment positions
- Approximately \$606.4 million in one-time government revenues

Approximately 73% of the economic output and 75% of jobs are expected to be accrued directly within the City of Belleville.

**GDP output net of the goods & services used in the process*

Detailed economic impact summary tables provided in the Appendix.

Economic Impacts: One-Time Construction



ECONOMIC OUTPUTS

BLACK BEAR RIDGE - ECONOMIC IMPACT ASSESSMENT

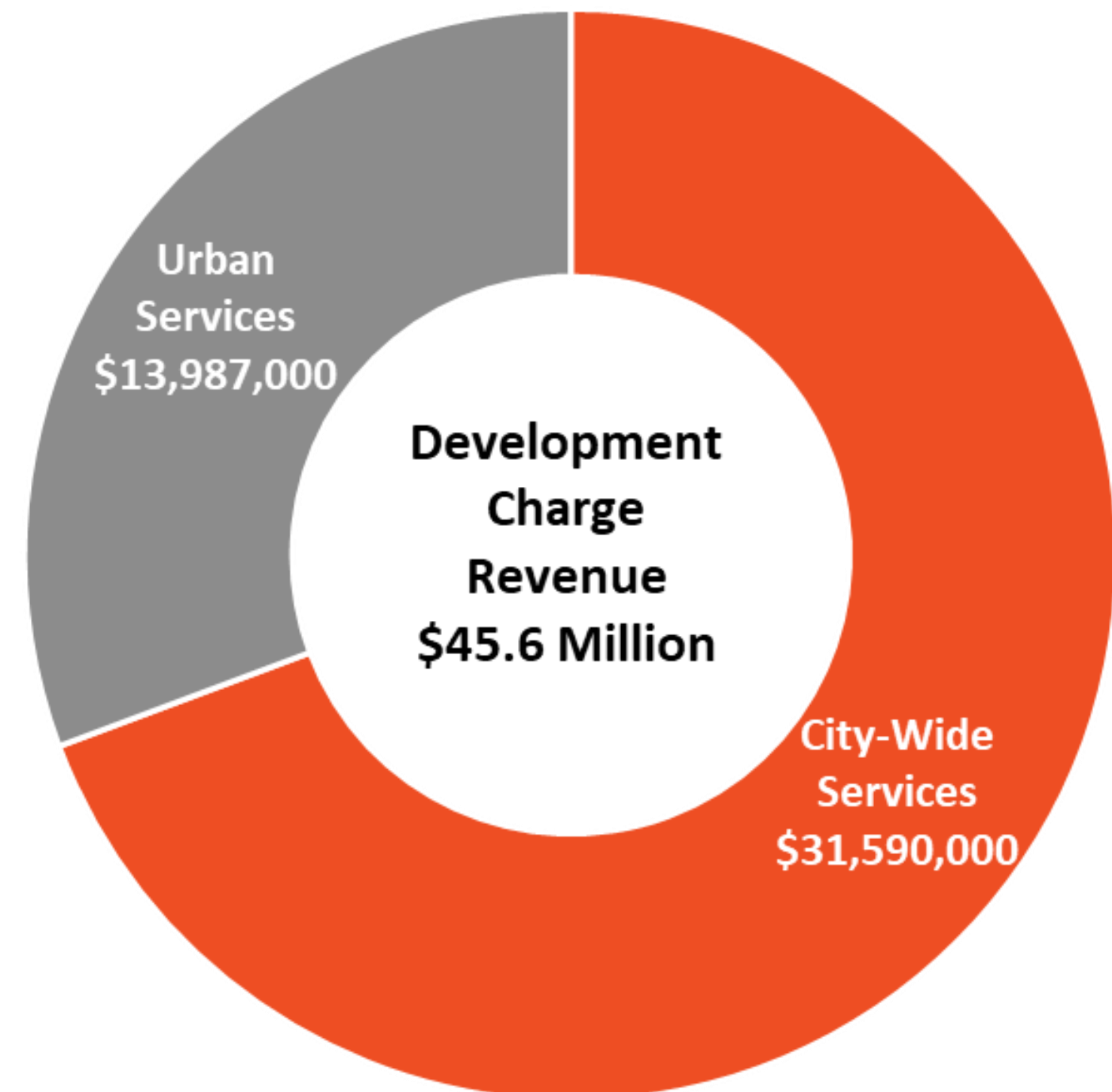
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Development Charge Revenue

Based on the preliminary development concept identified and current municipal rate/fee structures, the City of Belleville could receive one-time development charge revenues of approximately **\$31.6 million** for City-wide services, including roads, parks and recreation, etc.

Recognizing that the subject site would be serviced by municipal water and wastewater, based the current fee structure, the subject site would generate an additional \$14.0 million in water and wastewater development charge revenue.

It is important to note that estimated development charge revenue is based on current rates and would be updated as part of future development charge background studies.



ECONOMIC OUTPUTS

BLACK BEAR RIDGE - ECONOMIC IMPACT ASSESSMENT

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Economic Impacts: Ongoing Business Output

The expanded golf course amenities, in addition to the spa, hotel and retail/service commercial uses will generate ongoing business output. For the purpose of calculating the economic impact of ongoing business expenditure, we have only examined the “net new” space on the subject site.

The ongoing business output associated with the operation of new resort recreational activities, including the new club house, hotel, spa and retail/service commercial uses on the subject site is expected to result in the following significant economic benefits*:

- Additional value added GDP** of more than \$50.7 million in the Province of Ontario.
- Approximately 580 additional full-time equivalent employment positions, excluding residents working from home in the new residential units.
- Approximately \$14.3 million in additional ongoing government revenues.

Approximately 91% of the economic output and 94% of jobs are expected to be located directly within Hastings County municipalities and the City of Belleville.

* Based on Ontario Ministry of Heritage, Sport, Tourism and Culture Industries, Tourism Regional Economic Impact Model (TREIM).

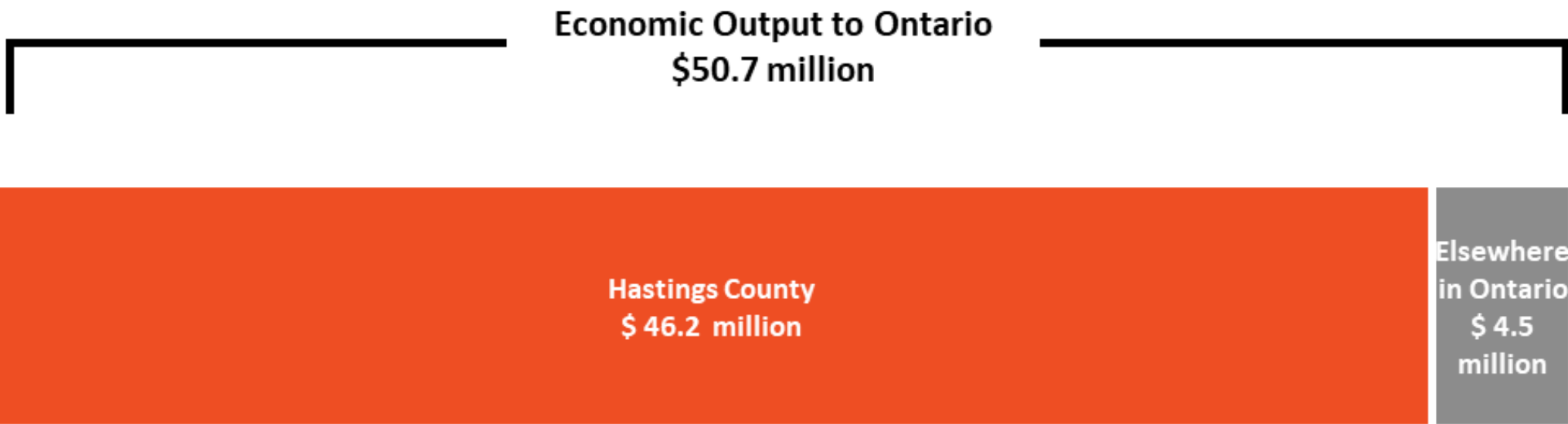
**GDP output net of the goods & services used in the process

Detailed economic impact summary tables provided in the Appendix.

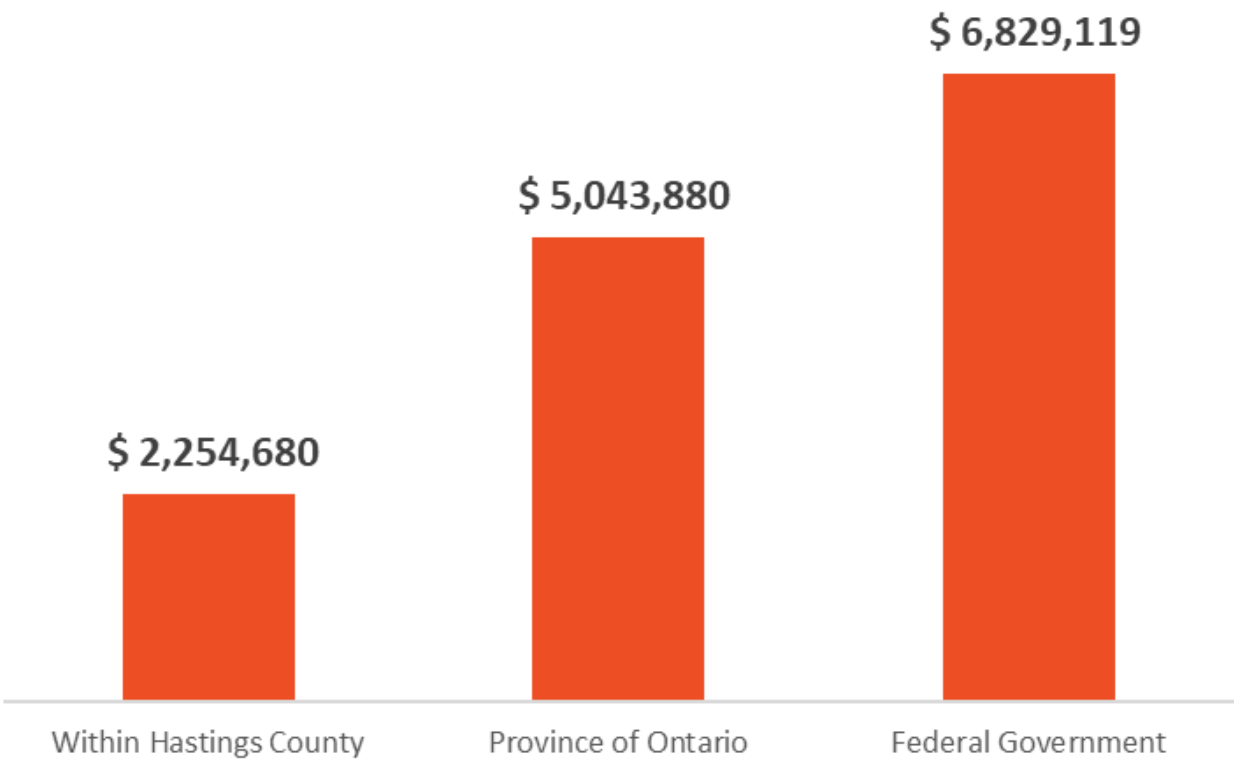


Economic Impacts: Ongoing Business Output

Value Added (GDP)



Total Tax Revenue from Businesses



Employment



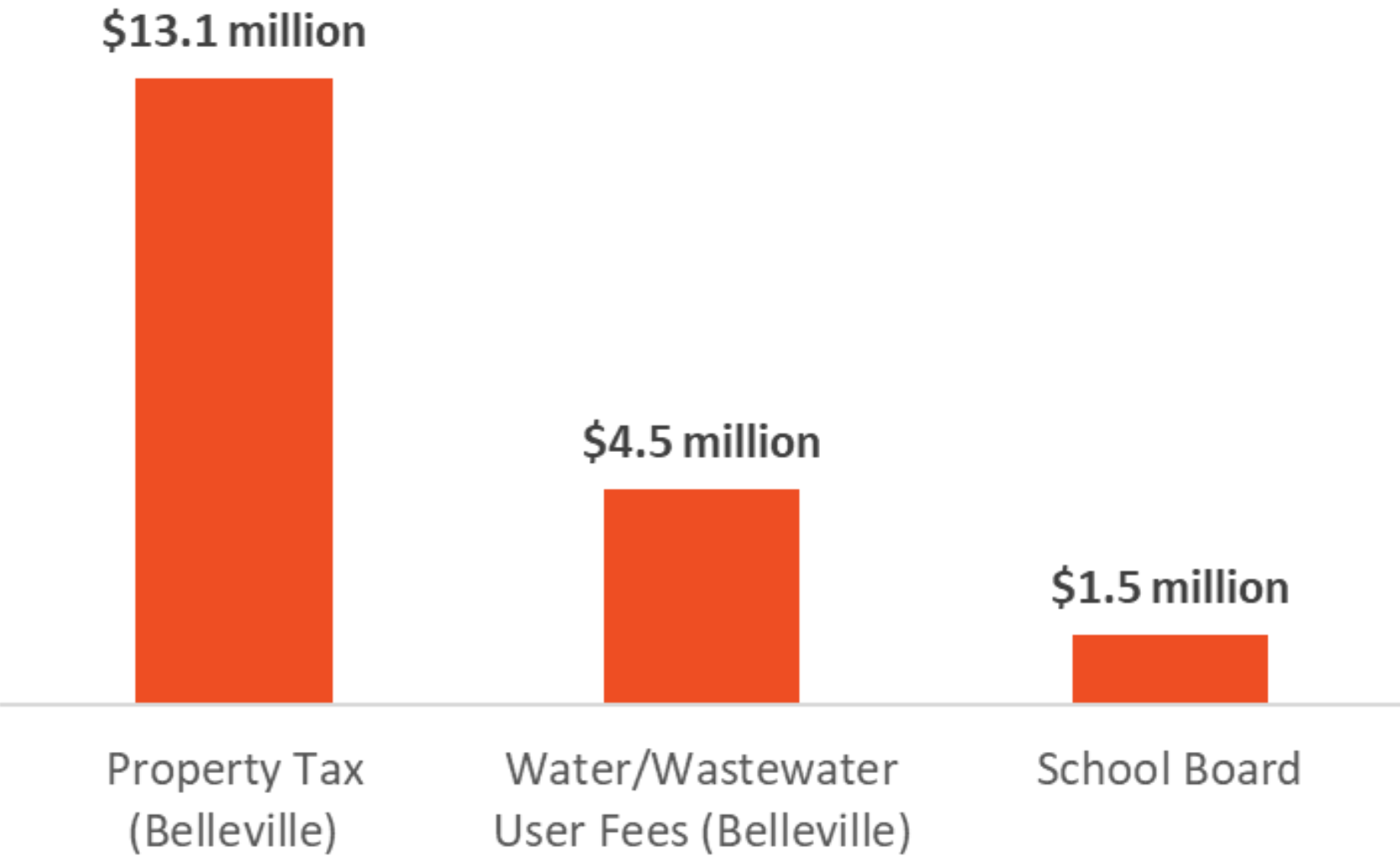
ECONOMIC OUTPUTS

BLACK BEAR RIDGE - ECONOMIC IMPACT ASSESSMENT



Property Tax Revenue

Once completed, the development concept envisioned for the subject site would generate upwards of \$13.1 million in annual property tax revenues to the City of Belleville and \$4.5 million in water and wastewater user fees. This includes tax revenue from the residential and non-residential uses proposed on the site.



An aerial photograph of a rural landscape, likely a farm or agricultural area, with various fields, roads, and a winding river. A specific area in the center-left is outlined in red. The background is dark and textured.

APPENDICES

PART 6

Economic Impact Assumptions
Economic Impact Approach

APPENDIX: ECONOMIC IMPACT ASSUMPTIONS

BLACK BEAR RIDGE - ECONOMIC IMPACT ASSESSMENT

The logo for Urban Metrics, featuring the word "urban" in a smaller, lowercase font above the word "Metrics" in a larger, bold, lowercase font, both in white text on a red square background.

There are a number of basic underlying assumptions upon which the validity of the findings presented in this report depend. If, for any reason, major structural changes occur within the economy, the recommendations contained in this report should be reviewed in light of such changed conditions and revised, if necessary. The following provides a brief summary of the key underlying assumptions for this particular economic impact analysis.

- The various statistical inputs relied upon in our analyses—based largely on Statistics Canada, municipal information, the Municipal Property Assessment Corporation and other available real estate market data sources—are considered sufficiently accurate for the purposes of this analysis. These statistical sources have ultimately informed a number of the key underlying assumptions and inputs utilized in our analysis, including hard and soft building costs, property assessment values, property tax rates and other municipal fees, employment compositions by industry and other relevant factors.
- The overall real estate development program outlined herein is a preliminary and high-level concept only. It is intended for reference and illustrative purposes.

APPENDIX: ECONOMIC IMPACT ASSUMPTIONS



BLACK BEAR RIDGE - ECONOMIC IMPACT ASSESSMENT

- References to the Canadian dollar in this report, dealing with present and future periods, reflect its 2021 value. We recognize that fluctuation in the absolute value of the dollar will likely occur during the period covered by this report. We assume, however, that the relationship between the various metrics identified (e.g., construction costs, retail spending etc.) and the value of the dollar will remain more or less constant during the period analyzed. As such, no adjustments for inflation have been included in our analysis.
- Similar to the above, given the preliminary and conceptual nature of the development scenario considered in this study—as well as the level of statistical detail available at this early stage of the planning process—our economic impact analyses do not necessarily take into account the time value of money, nor have we applied a corresponding discount rate, as is typical in more traditional development pro forma financial analyses. In the case of an economic impact analysis, such as those presented in this report, the resulting financial benefits are a direct result of an initial “shock” expenditure or investment. If capital investments are increased or reduced due to concept refinements, the proportion of the impacts will adjust commensurately as a result of the multiplier.
- It is also important to acknowledge the ongoing uncertainty and structural macro/micro economic impacts that are likely to occur as a result of COVID-19. At the time of this reporting, there is not a clear nor complete understanding of the potential implications that this pandemic could have on longer-term economic conditions and/or real estate development patterns. As a clearer picture continues to emerge in this regard, the reporting and analysis presented in this document should be reconsidered in this context and may need to be revisited accordingly.

APPENDIX: ECONOMIC IMPACT APPROACH

BLACK BEAR RIDGE - ECONOMIC IMPACT ASSESSMENT

The quantitative economic impacts of the development concept have been estimated using Statistics Canada Input-Output multipliers, which simulate the flow of expenditures through the economy. This methodology provides a reliable measure of the following four economic key impacts:

- Gross Economic Impact
- Employment
- Labour Income
- Tax Revenues to the Three Levels of Government

The main steps in running an economic impact model are:

- Compiling the input spending data.
- Assembling the data to ensure all expenses are accounted for and divided into categories to ensure that the individual economic sectors are appropriately represented.
- Calibrating the model to the local economy using employment data.
- Running the finalized version of the model.

APPENDIX: ECONOMIC IMPACT APPROACH

BLACK BEAR RIDGE - ECONOMIC IMPACT ASSESSMENT

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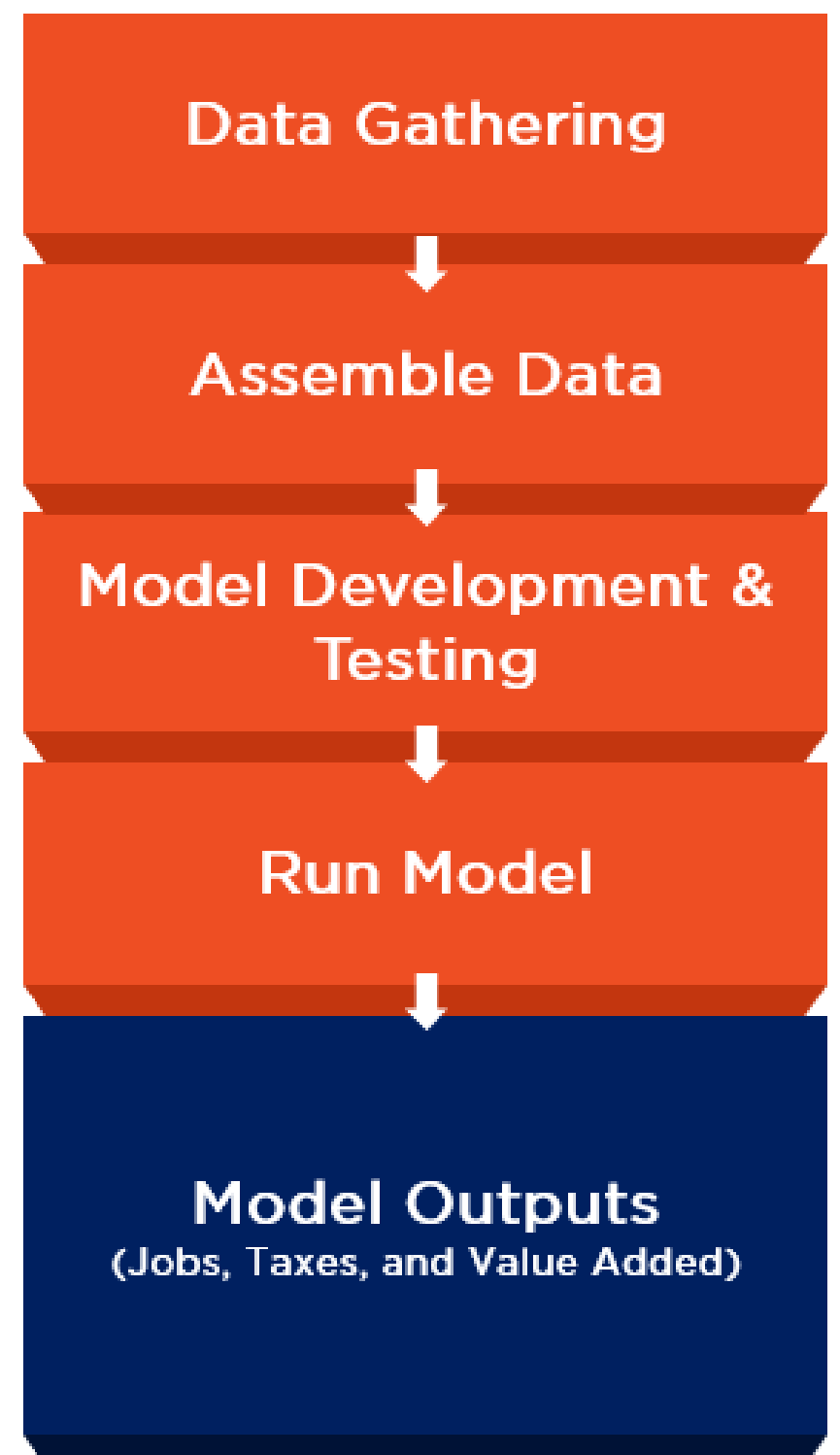
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ECONOMIC IMPACT MODEL GENERAL APPROACH

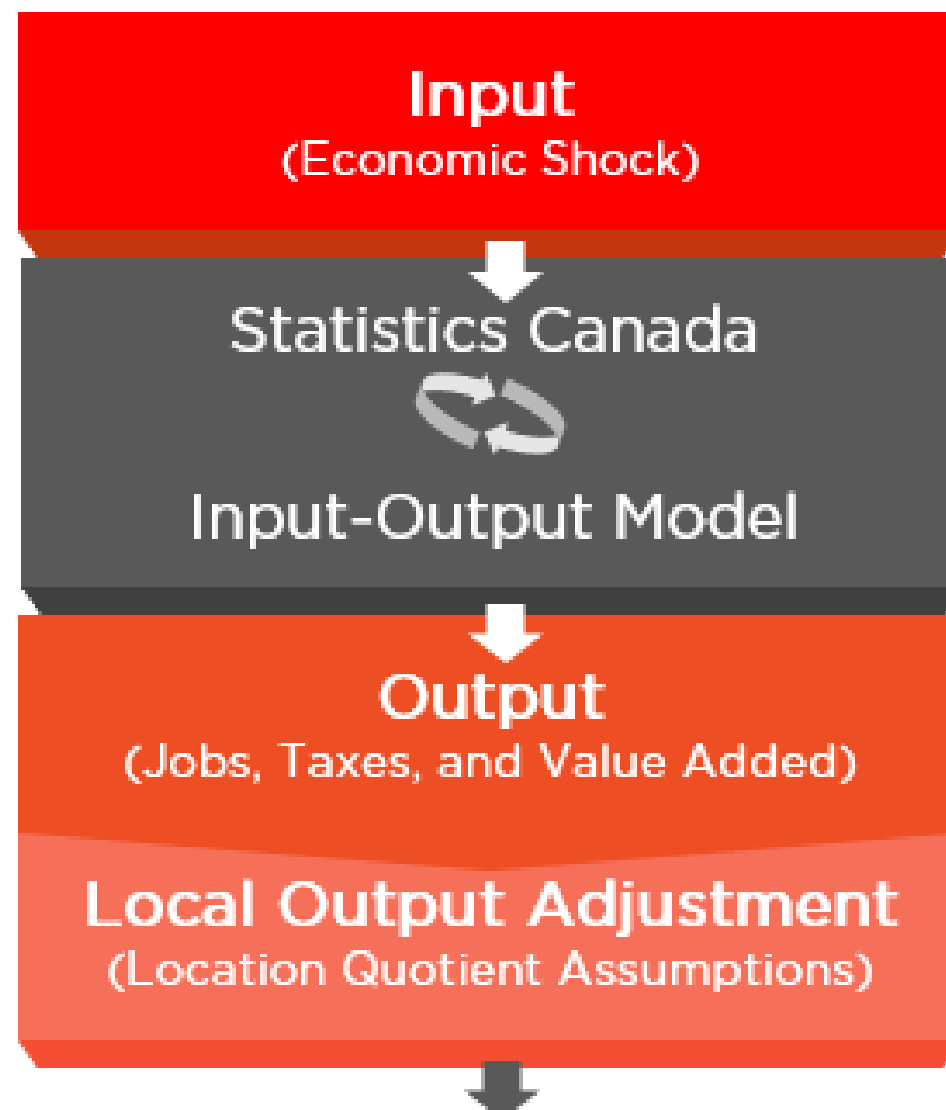


APPENDIX: ECONOMIC IMPACT APPROACH

BLACK BEAR RIDGE - ECONOMIC IMPACT ASSESSMENT

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INPUT-OUTPUT MODEL



Economic Shock

The capital expenditures and operating outputs associated with the Black Bear Ridge are provided to Statistics Canada and are allocated to appropriate industry sectors using the 2007 North American Industry Classification System (NAICS).

National and Provincial Expenditure Relationships

The economic impacts of the initial investments and ongoing outputs are then measured at the national and provincial level through the use of the Statistics Canada Input-Output Model, which is based on the Canadian National Input-Output Accounts for 2019.

Spending, Tax and Employment Generation

The Statistics Canada model considers the direct, indirect and induced impacts of spending across the Province and Canada as these one-time and ongoing expenditures filter through the economy.

Local Spending, Tax and Employment Generation

urbanMetrics applies City of Belleville industry adjustments to determine the share of local impacts relative to Ontario.

Economic Impacts Attributable to Economic Activity In:

Canada

Ontario



APPENDIX: ECONOMIC IMPACT APPROACH

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The basic principle of the models is the concept that each dollar of expenditure on goods and/or services purchased from a given industry sector circulates and re-circulates within the economy, thereby multiplying the effects of the original expenditure. This process is commonly referred to as the multiplier effect. An estimated multiplier for the one-time capital and ongoing expenditures for the proposed facilities on the subject site has three distinct components:

Direct Impacts represent the initial capital investments made to construct the development concept. These expenditures include the purchase of labour, equipment, other infrastructure and related services.

Indirect Impacts represent the subsequent purchases by suppliers required to produce the goods/services related to the original and ongoing investments in the development concept.

Induced Impacts result when workers employed in the sectors, stimulated by direct and indirect expenditures, spend portions of their incomes on consumer goods and services.

APPENDIX: ECONOMIC IMPACT APPROACH

BLACK BEAR RIDGE - ECONOMIC IMPACT ASSESSMENT



Direct, indirect and induced impacts are estimated in terms of the following measures:

Value Added (GDP) – the total unduplicated value of goods and services produced in the economic territory, determined by subtracting the value of the goods and services used in generating the gross output.

Employment – total full-time, full-year jobs generated by direct, indirect and induced expenditures. For one-time capital and ongoing expenditures, such as those being analyzed, the employment figures produced by the model represent years of full-time employment. For example, one job identified by the model represents the equivalent of one person working full-time for the duration of one year¹.

Labour Income – total value of wages, salaries and benefits received by employees associated with direct, indirect and induced expenditure.

Government Revenues – revenues accruing to federal, provincial and local jurisdictions as a result of direct, indirect and induced expenditures. Revenue categories include personal and corporate income tax, sales taxes (e.g., PST and GST), property taxes and other miscellaneous taxes, tariffs and fees.

¹ These employment figures represent the total full-time, full-year jobs generated by direct expenditures, as well as the indirect and induced impacts that are spread more broadly throughout the regional, provincial and national economies. For one-time capital expenditures, such as those analyzed in this study, these employment figures represent total years of full-time employment (e.g., one job identified represents the equivalent of one person working full-time for the duration of one year).

APPENDIX: ECONOMIC IMPACT APPROACH

BLACK BEAR RIDGE - ECONOMIC IMPACT ASSESSMENT



Multipliers are expressed by the ratio of total impacts (direct, indirect and induced) to initial expenditures. For example, the gross output multiplier is calculated by dividing total gross output by the initial expenditure on the bundle of goods and/or services in question. The only exception is that of the employment multiplier, where total employment is divided by millions of dollars of expenditure.

Localized Impacts

In Canada, Statistics Canada calculates input-output accounts at the national, provincial levels only. The economic impacts for Belleville were calculated by applying “location quotients” to the economic impact results generated for the Province of Ontario. Location quotients represent the share of employment in each industry sector relative to the Province as a whole. This is the most common and widely accepted methodology for determining localized impacts when industry and commodity data is not available.

The logic to using location quotients to estimate localized impacts is that the relative share of employment within a given industry should be similar to the share of a purchase within that industry that could be sourced locally.

APPENDIX: ECONOMIC IMPACT APPROACH

BLACK BEAR RIDGE - ECONOMIC IMPACT ASSESSMENT

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Other Considerations

Discount Rate – A discount rate is most typically applied to an income stream to represent the time-value of money, whereby both expenditures and revenues made in the future are discounted to reflect their diminishing value as time progresses.

In the case of an economic impact analysis, the economic impacts are a direct result of the initial expenditures. For example, a multiplier will not change simply because the scale of an investment is reduced or increased (assuming the proportion spent within each industry category remains the same). For this reason, the discount rate would have to be applied to the capital expenditures, which would result in lower overall expenditures in the future. By showing undiscounted expenditures, it is our opinion that we are more accurately reflecting the true costs associated with the development concept, and therefore, better reflecting the true economic impacts.

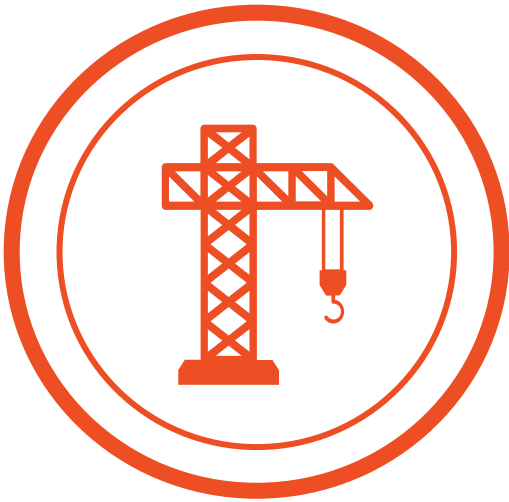
Labour Supply Impacts – It is our opinion that the significant investments and corresponding construction activities on the subject site will not, in and of itself, cause any meaningful labour imbalances in the local economy of Belleville. Due to the depth and capacity of Belleville’s skilled labour force, we believe the City will be able to provide and attract the skillsets needed to build the development concept, while maintaining sufficient labour to enable other construction projects elsewhere in the City to move forward. As such, we have not adjusted our analysis to account for these risks and have generally assumed that a reasonable amount of economic stability will prevail in these areas.

APPENDIX: SUMMARY TABLES

BLACK BEAR RIDGE - ECONOMIC IMPACT ASSESSMENT



One-Time Capital Expenditures



\$ 1,546.5 M

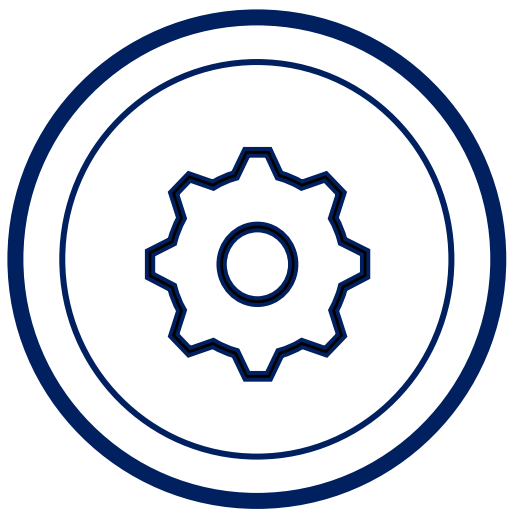
	Belleville	Ontario	Canada
Initial Expenditure	\$ 1,546,500,000		
Impact: Value Added			
<i>Direct</i>	618,498,000	618,498,000	618,498,000
<i>Indirect</i>	258,604,000	417,854,000	523,359,000
<i>Induced</i>	235,282,000	317,760,000	387,822,000
Total	\$ 1,112,384,000	\$ 1,354,112,000	\$ 1,529,679,000
Impact: Employment (Full-Time, Full-Year Employment)			
<i>Direct</i>	5,410	5,410	5,410
<i>Indirect</i>	2,230	3,510	4,340
<i>Induced</i>	1,630	2,130	2,630
Total	9,270	11,050	12,380
Impact: Labour Income			
<i>Direct</i>	462,016,000	462,016,000	462,016,000
<i>Indirect</i>	173,169,000	273,039,000	334,949,000
<i>Induced</i>	114,278,000	149,138,000	183,987,000
Total	\$ 749,463,000	\$ 884,193,000	\$ 980,952,000
Impact: Total Taxes			
<i>Federal</i>	181,879,000	217,909,000	244,182,000
<i>Provincial</i>	145,673,000	185,047,000	206,270,000
<i>Local</i>	109,866,000	151,285,000	155,982,000
Total	\$ 437,418,000	\$ 554,241,000	\$ 606,434,000

SOURCE: urbanMetrics inc., based on custom runs of the Statistics Canada Interprovincial Input-Output model. Rounded to the nearest \$1,000 and 10 jobs.

APPENDIX: SUMMARY TABLES

BLACK BEAR RIDGE - ECONOMIC IMPACT ASSESSMENT

Annual Business Output



\$ 53.7 M

	Hastings County	Rest of Ontario
Total Output	\$ 53,720,000	
Impact: Value Added		
<i>Direct</i>	31,315,805	-
<i>Indirect</i>	5,531,853	55,192
<i>Induced</i>	9,333,054	4,438,305
Total	\$ 46,180,711	\$ 4,493,497
Impact: Employment (Full-Time, Full-Year Employment)		
<i>Direct</i>	439	-
<i>Indirect</i>	44	-
<i>Induced</i>	66	33
Total	549	33
Impact: Labour Income		
<i>Direct</i>	20,764,494	-
<i>Indirect</i>	3,631,066	34,286
<i>Induced</i>	5,641,028	2,977,879
Total	\$ 30,036,588	\$ 3,012,165
Impact: Total Taxes		
<i>Federal</i>	6,179,690	649,430
<i>Provincial</i>	4,602,991	440,888
<i>Local</i>	2,254,680	182,296
Total	\$ 13,037,361	\$ 1,272,615

SOURCE: urbanMetrics inc., based on Tourism Regional Economic Impact Model provided by Ontario Ministry of Heritage, Sport, Tourism and Culture Industries. Rounded to the nearest \$1,000 and 10 jobs.



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<div> Icons made by Creaticca Creative Agency from www.flaticon.com'</div>

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