

Grand Trunk Renewal Project

Council Workshop #3

April 9, 2026



Today's Topics

1. Workshop Series Debrief & Council Meetings
2. Long-term City Financial Plan Update
3. Community Facility: Approach & Considerations
4. Parking: Approach & Considerations
5. Superstructure and Housing: Approach & Considerations
6. Draft Recommendations
7. Closing and next steps



Workshop Series & Council Meetings



Workshop Series & Council Meetings: Purpose



Workshop 1: Processes and strategies of municipal development



Workshop 2: Vision, community facility & preliminary costs



Workshop 3: Long-term financial strategy and project pathways



April 20: Special Council Meeting to hear delegations from the public



April 27: Regular Council Meeting to consider recommendations on community facility, parking, the superstructure & housing



Long-term City Financial Plan Update



Long-term Capital Financial Plan

The City's long-term capital financial plan needs to consider all capital assets and funding sources as one cohesive network.



Strategic Plan



Asset Management Plan



Debt



Reserves & Reserve Funds



Master Plans



Updated City 20-Year Capital Financial Plan

What is Included	What is Not Included
10 Year Capital Plan approved in 2026 Budget – Tax levy assets	Rate-funded assets – Water and Wastewater
Asset Management (2025) updates to 2046	Asset Management updates for revised 2026 Building Condition Assessment data
Growth related capital needs/revenue to 2035	Growth-related capital needs/revenue from 2036-2046
Stable grant funding – Canada Community Building Fund (CCBF) & Ontario Community Infrastructure Fund (OCIF)	One-time grant funding
Capital Reserves and long-term debt used to fund net capital costs with a sustainable tax levy impact	Full financial impact of the Climate Action Plan is not monetized
	Impact of inflation Operating costs impacts



Updated City 20-Year Capital Financial Plan: Assumptions & Highlights

Assumptions:

- Debt capacity and capital reserves are used for capital only
- **\$1M** tax levy increase/year
- 4.5% interest rate on debt
- **\$20M** for Police Station upgrades (net)
- **\$15M** in 2027 & **\$10M** in 2030 is allocated for the GTR (net)
- Investments in strategic initiatives

Other Highlights – 20 Years:

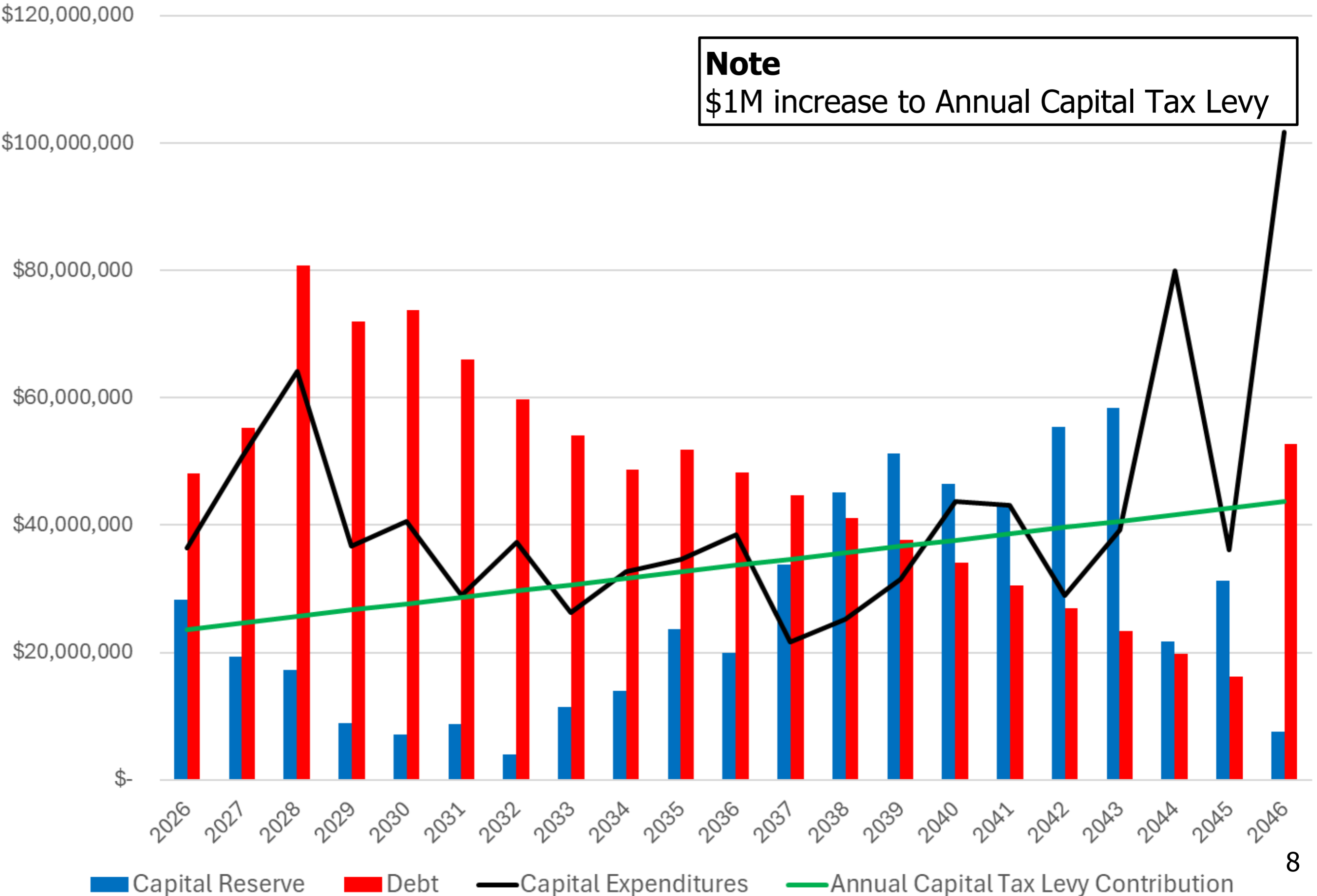
- **\$878M** in total Capital Investment
- \$171M for **road improvements**
- \$140M towards **AMP backlog**
- \$61M in **community facility improvements** (excluding GTR and Social Housing)
- \$6M in **sidewalks**



20-Year Capital Financial Plan

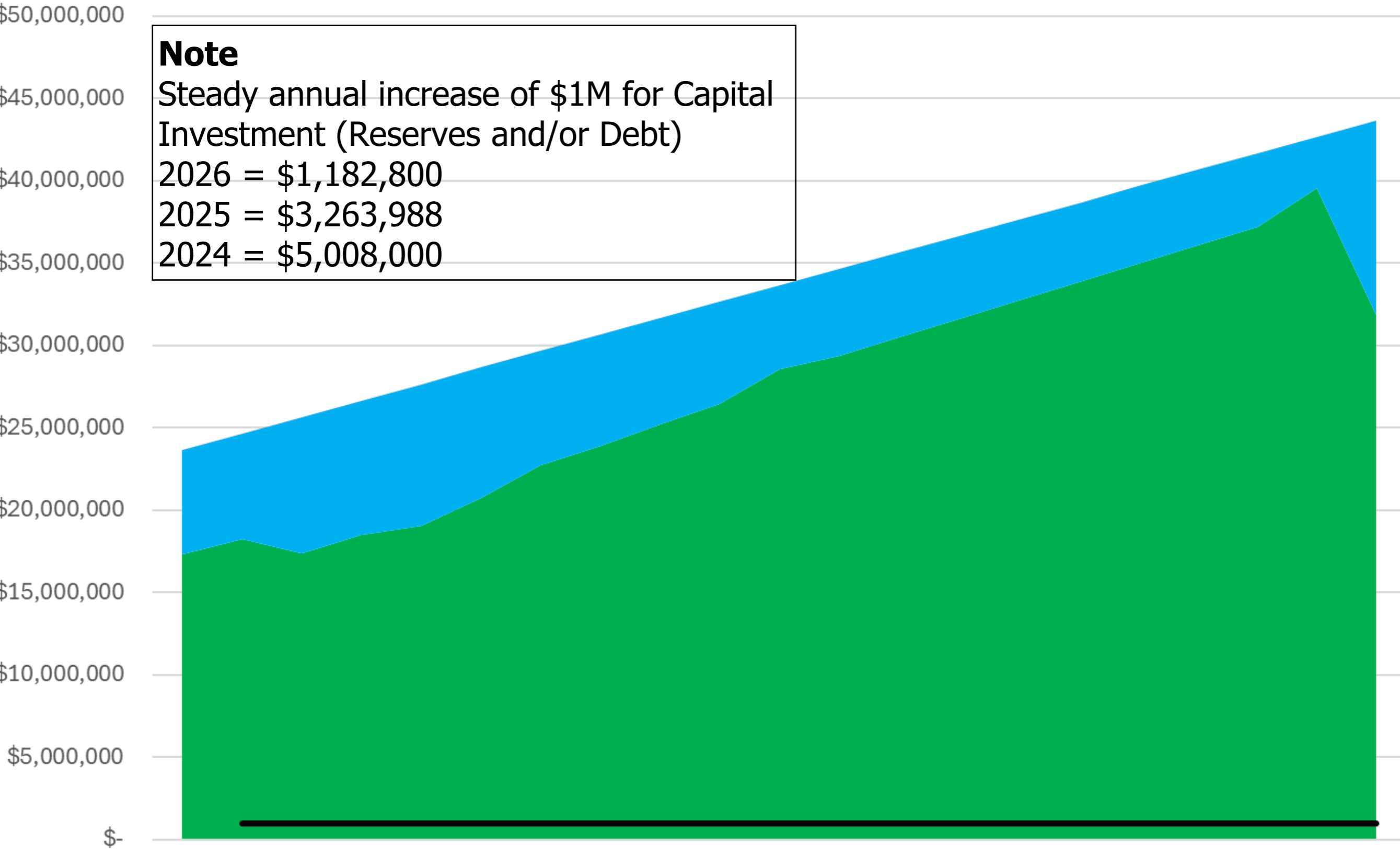
Note

\$1M increase to Annual Capital Tax Levy



20-Year Capital Tax Levy Increase

Note
Steady annual increase of \$1M for Capital Investment (Reserves and/or Debt)
2026 = \$1,182,800
2025 = \$3,263,988
2024 = \$5,008,000



Capital Reserve Transfer Debt Payments Annual Tax Levy Increase

Annual Increase to Capital Tax Levy

Importance:

Cumulative Reserve Growth

Minimize risk of large increases and decreases

Can be adjusted to priorities

Impacted by:

Lower/Higher capital costs

Debt interest rate changes

One-time funding – grants, donations, etc.

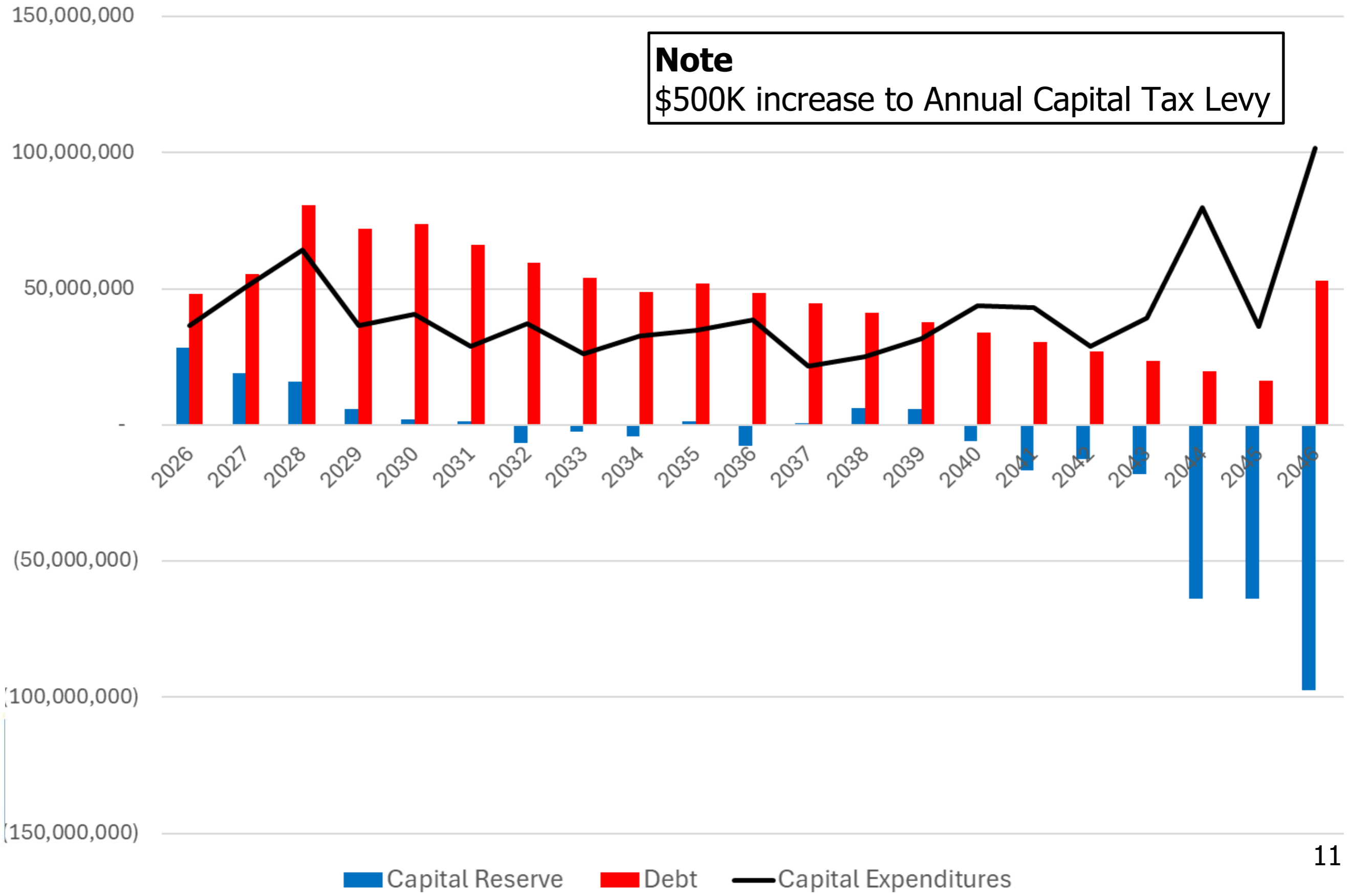
Inflation changes

Changes in Strategic Priorities



Example: \$500K/Year Capital Levy Increase 20-Year Capital Financial Plan

Note
\$500K increase to Annual Capital Tax Levy

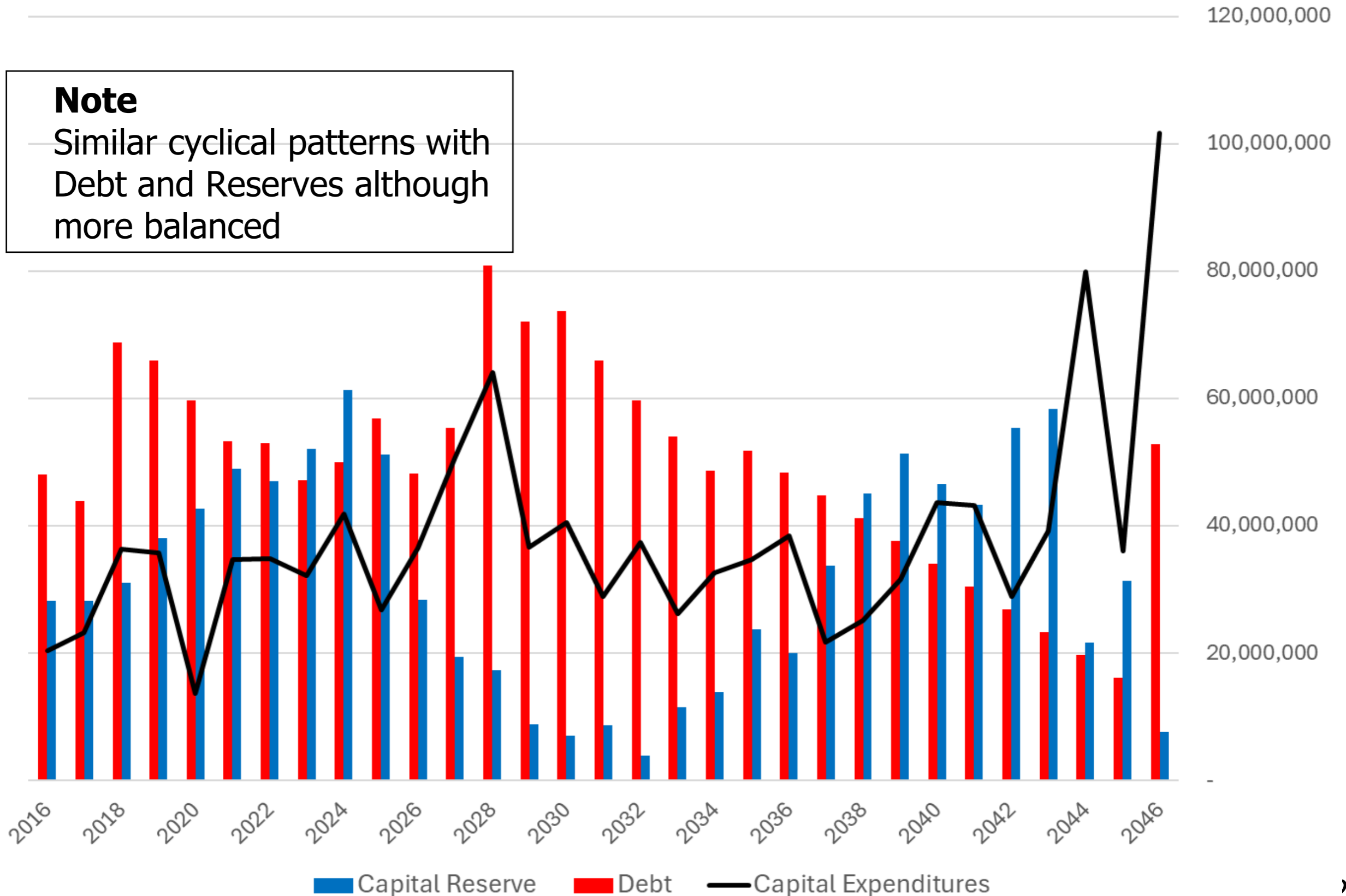


What is the historical trend?

Stratford - 20 Year Capital Financial Plan - with 10 year historical

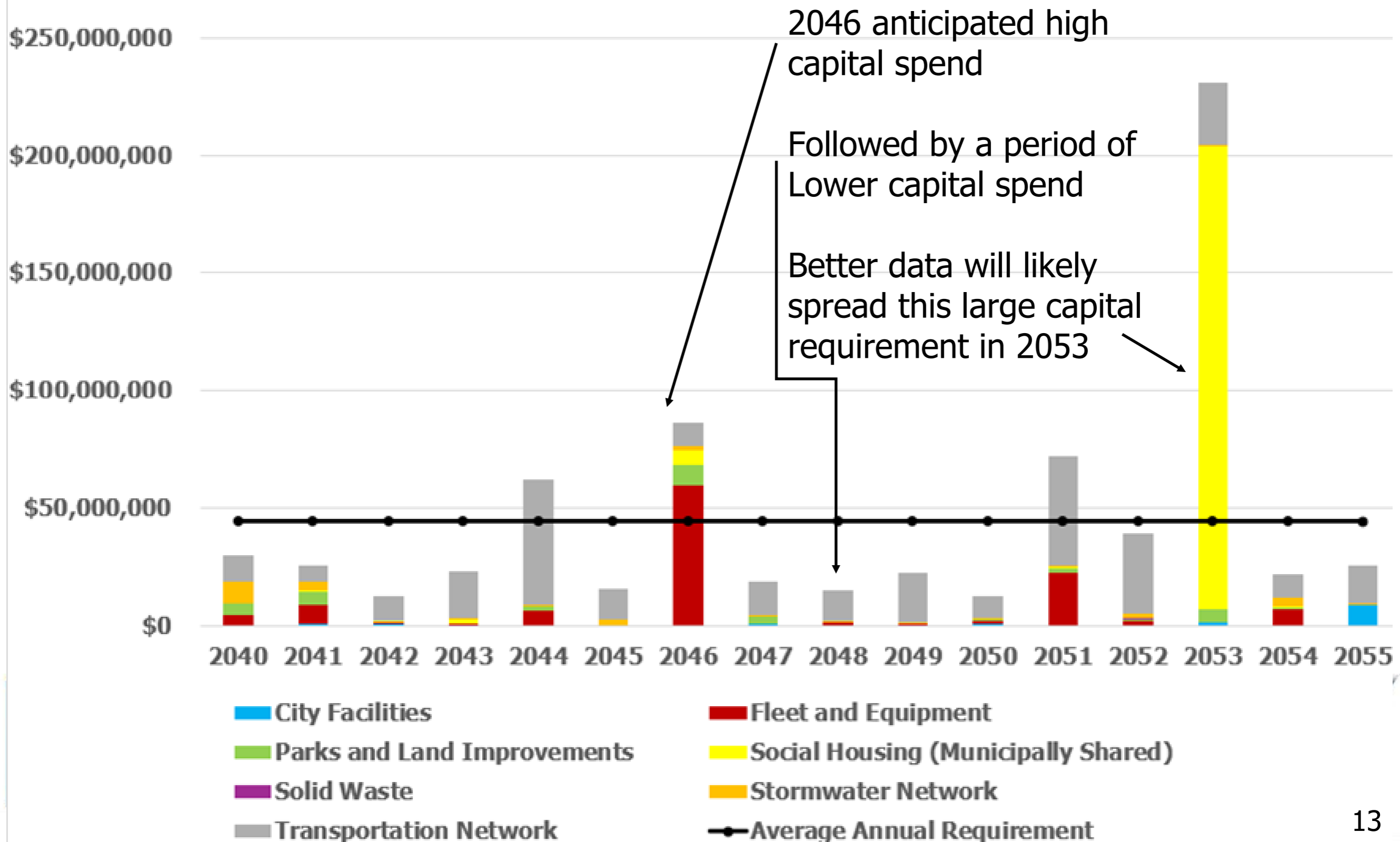
Note

Similar cyclical patterns with Debt and Reserves although more balanced



What happens after 2046?

Capital Replacement Profile 2040-2055



Annual Repayment Limit (ARL)

- Maximum amount the City can allocate annually to debt servicing (principal and interest)
- Under Ontario Regulation 403/02 of the *Municipal Act, 2001*, it is generally limited to 25% of own-source revenues

Annual Repayment Limit Overview	2023 Financial Information Return
2023 Own-Source Revenue	\$108,519,584
2023 Annual Repayment Limit (25% of own-source revenue)	\$27,129,896
2023 Annual Repayment	\$7,750,103
2023 Available Debt Capacity (within ARL)	\$19,379,793
Peak ARL Utilization (20-year Forecast)	\$13,137,526 (2028)



Community Facility: Approach & Considerations



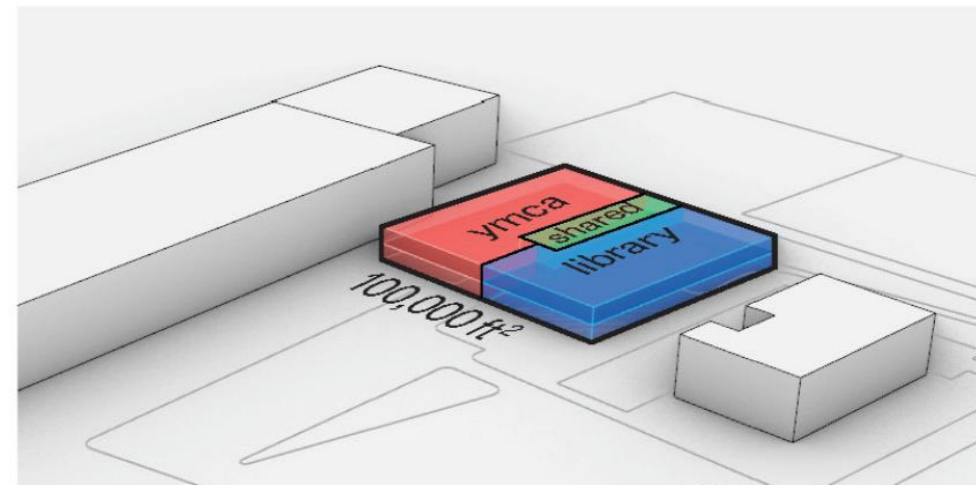
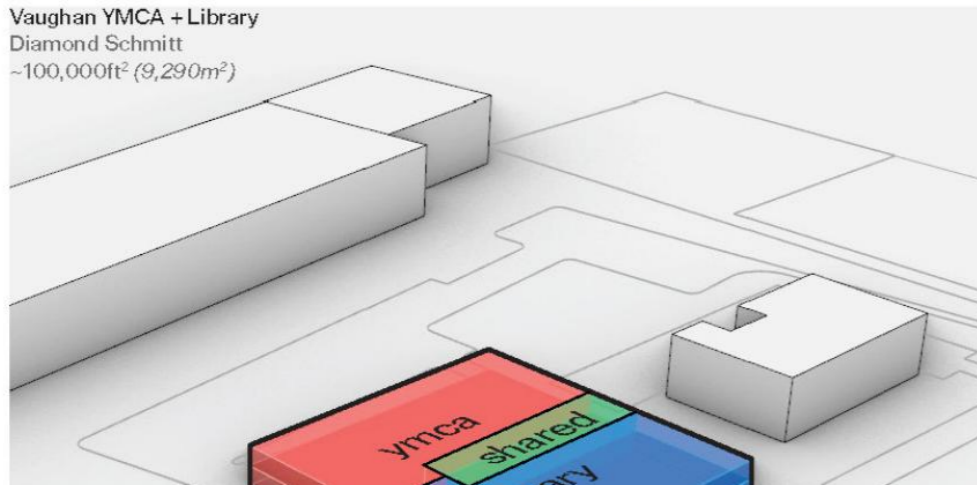
Community Facility Option 2: New Location(s), 100k ft²

YMCA + Library *off Site* | 100,000 ft² Option



Vaughan YMCA + Library
Diamond Schmitt
~100,000ft² (9,290m²)

\$65.4 million



Option 1:

100,000 ft² adjacent to St. Patrick St.

Option 2:

100,000 ft² between UWaterloo & Grand Trunk



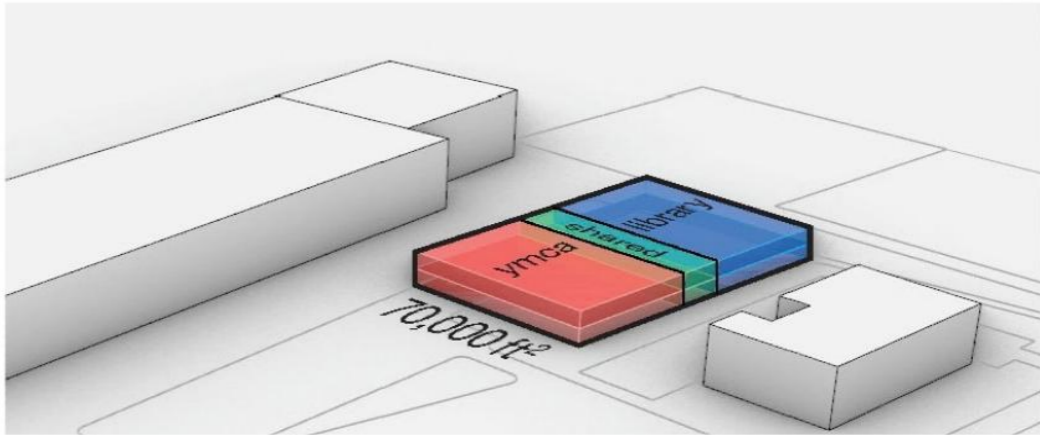
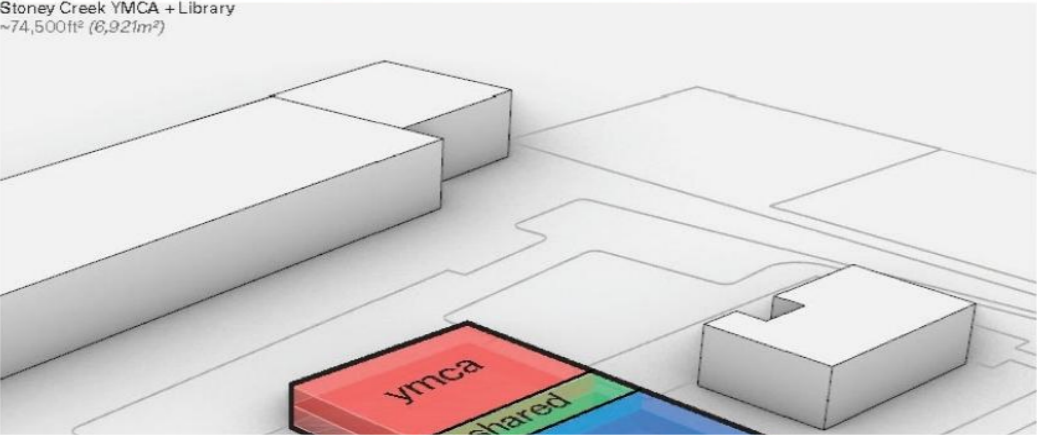
Community Facility Option 3: New Location(s), 70k ft²

YMCA + Library off Site | 70,000 ft² Option



Stoney Creek YMCA + Library
~74,500ft² (6,921m²)

\$47.3 million



Option 1:
70,000 ft² adjacent to St. Patrick St.

Option 2:
70,000 ft² between UWaterloo & Grand Trunk



Preliminary Capital Stack – 70,000 sq. ft.

Funding Source	Lower Funding Scenario	Higher Funding Scenario
City of Stratford	\$15,000,000	\$15,000,000
YMCA	\$10,000,000	\$15,000,000
Stratford Library	\$4,000,000	\$5,000,000
Development Charges	\$2,000,000	\$10,000,000
Grant – Childcare	\$1,200,000	\$1,200,000
Fundraising	\$5,000,000	\$8,000,000

Total Available Funding	\$37,200,000	\$54,200,000
Capital Need*	\$55,000,000	\$55,000,000
Funding Gap	\$17,800,000	\$200,000

* Class D cost estimate adjusted to reflect geotechnical, structural, environmental, and program-related uncertainties pending further refinement



Strategies to Close the Capital Funding Gap

External Funding

- Federal & Provincial Grants
- Green Municipal Fund

Partnerships & Revenue

- Additional partners
- Revenue from future land sales at the GTR site

Project Scope & Cost Management

- Refinement of capital cost estimates
- Adjustment to facility size and program mix
- Phasing of project components



Operating Model: Key Components & Considerations

Core Operating Partners

- YMCA
- SPL
- City
 - Contributing programming, staffing, service delivery, facility management and existing operating resources

Supporting Partners & Revenue

- Potential partners
- Program and rental revenue opportunities
 - Additional users & partners that support cost recovery

Cost Drivers & Long-Term Considerations

- Asset Management Plan implications
- Facility design & green building approach
 - Opportunity to reduce lifecycle operating costs



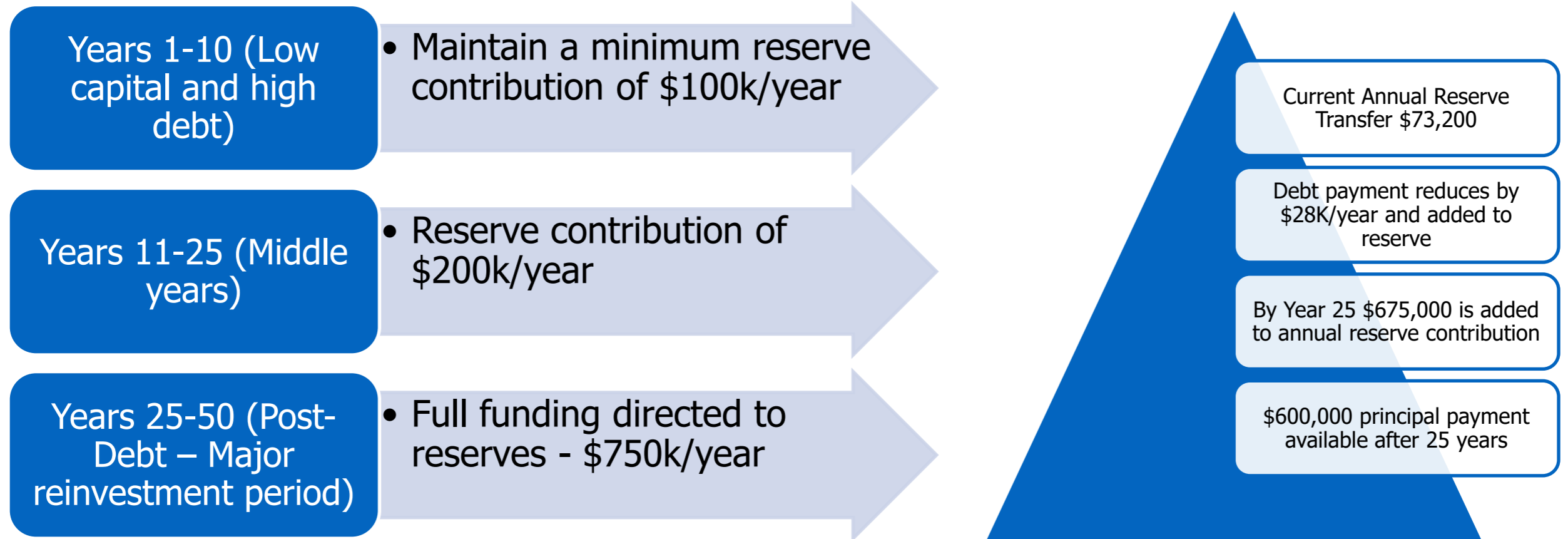
Operating Impacts – Library Draft

Cost	Current Budget	Estimated New Budget	Difference
Utilities	\$37,900	\$60,000	\$22,100
Library Maintenance	\$25,910	\$25,000	\$(910)
Facilities Maintenance	\$64,347	\$55,000	\$(9,347)
Library Services and Programming	\$343,440	\$377,790	\$34,350
Total	\$471,597	\$517,790	\$46,193
Library Reserve Transfer	\$170,860	\$140,000	\$(30,860)
Net Estimated Operating Impact			\$15,333

Library Capital contribution of debt estimated at \$1,500,000, requiring \$140,000/year payments



Asset Management Approach



Conclusion: The asset management costs are properly built into the long-term financial plan in a sustainable manner



Next steps: Scope of Work & Resourcing

Scope of Work
12-18 months

- Facility design & site planning
- Technical Studies
- Development of operating & ownership model
- Financial analysis and business case development
- Partnership agreement development
- Fundraising & funding strategies

Resourcing

- Supported through existing 2026 budget
- Contributions from YMCA & SPL
- Work scoped & prioritized within available resources



Community Facility: Approach

- Draft recommendations:
 - **\$15M City contribution** toward a shared community facility
 - Formalize partnerships through **MOUs with YMCA and SPL** (Spring/Summer 2026)
 - Undertake **facility design, operating and ownership model development** (next 12-18 months)



Parking: Approach & Considerations



Downtown Parking Strategy & GTR

Approach

- **Comprehensive Downtown Parking Study underway (2026)**
- Will assess current conditions, future demand, and system performance
- **Includes consideration of the Grand Trunk site and future community facility**

Area of Analysis

- **Downtown parking supply, utilization & future demand**
- Review zoning, standards & comparable municipalities
- Community engagement
- **Pricing & management strategies**
- Accessibility, condition assessments, & long-term capital planning

Downtown Parking Strategy & GTR

GTR Considerations

- Parking needs associated with future community facility and other potential uses
- **Role in broader downtown parking system**
- Opportunities to enhance access and support downtown vitality
- **Integration with overall parking strategy, including revenue opportunities**

Timing & Next Steps

- **Study completion anticipated in late 2026**
- **Strategy implementation in 2027**
- **High-level estimated parking annual net revenues could be \$250,000 - \$350,000 – based on current and community facility uses**

Parking: Approach

- Draft recommendations:
 - **Integrate the Grand Trunk into the Downtown Parking Study** (RFP closes April 9, 2026)
 - Assess system-wide impacts and future needs
 - Defer decisions pending study findings
 - **Return to Council with data-driven recommendations** (December 2026)



Structure & Housing: Approach & Considerations



Market Sounding

Approach

- Undertake market sounding process **to assess interest**
- **Engage 3-6 developers** with experience in mixed-use & multi-phase
- Use findings to **inform partnership & procurement approach**

Area of Analysis

- **Market interest** and development appetite
- Feasibility under current **market conditions**
- Partnership structures & risk allocation
- Phasing, scale & mix of uses

Market Sounding

GTR Considerations

- Scale, mix & phasing of development
- Partnership & delivery models
- City role as landowner & partner
- **Integration with broader GTR vision & community facility**

Timing & Next Steps

- Prepare “pitch” materials & **undertake outreach** (Spring 2026)
- Conduct **market sounding discussions** (Spring-Early summer 2026)
- Summarize findings & **develop approach** (Summer 2026)
- **Report to Council** on next phase of development (Summer 2026)

Structure & Housing: Approach

- Draft Recommendations:
 - **Undertake a market sounding process** to assess interest (To start immediately)
 - **Engage a targeted group** of experienced development partners (Spring 2026)
 - Use a structured and confidential process to **gather market input** (Summer 2026)
 - Use findings to **inform development approach, partnerships, and next steps** (Late Summer 2026)



Understanding Property Tax & Growth

What is Property Tax Growth

- Net new assessment that contributes to the overall property tax base
- Can be new subdivisions or infill development
- New development adds revenues but also adds increased costs

What Growth Does Not Fund

- Not allocated to a specific project or site
- Not used to fund growth-related infrastructure

How Growth-Related Infrastructure is Funded

- Development Charges (DCs) funds capital and infrastructure required to support growth
- Growth not fully funded by DCs due to various factors
- Property tax revenues and other grants contribute to the unfunded growth requirements and the full future maintenance and replacement

Why This Matters

- Growth does not necessarily lead to long-term financial sustainability
- New property tax dollars from growth is often already committed
- Growth from infill development is more sustainable than from new subdivisions, sprawl



Draft Recommendations



Draft Recommendations: For Considerations at Regular Council April 27th



Community Facility

\$15M City contribution toward a shared community facility

Formalize partnerships through MOUs with YMCA and SPL

Undertake facility design, operating and ownership model development



Parking

Integrate the Grand Trunk into the Downtown Parking Study

Assess system-wide impacts and future needs

Return to Council with data-driven recommendations



Structure & Housing

Undertake a market sounding process to assess interest

Engage a targeted group of experienced development partners

Use a structured and confidential process to gather market input

Use findings to inform development approach, partnerships, and next steps



Closing & Next Steps

- **April 20: Special Council Meeting**

- Public delegations on the Grand Trunk project
- Opportunity for residents to share their perspectives

** Details on delegation registration is available on the City's website*

- No decisions will be made

- **April 27: Regular Council Meeting**

- Management report with recommendations
- Council will provide direction on next steps



Thank you!

