

June 7, 2019

**Memorandum to:** Heather Mifflin, Director of Finance  
County of Brant

Gary Scandlan  
Watson & Associates Economists

**From:** Daryl Keleher, Senior Director  
Altus Group Economic Consulting

**Subject:** **Brant DC Review**  
**Our File:** **P-6142**

Altus Group Economic Consulting was retained by the Brant County Landowners Group to review the *Brant County 2019 Development Charges Background Study (2019 DC Study)*. This memorandum identifies our questions and concerns with that Study.

## COMMENTS AND QUESTIONS – NON-DISCOUNTED SERVICES

### Highway Services

- 1) The cost of many projects varies significantly from those in the *Brant County 2014 Development Charges Background Study (2014 DC Study)* (**Figure 1**). We would like to understand the reasons for the cost increases.

**Figure 1** Change in Capital Costs of Highway Services, 2019 & 2014 DC Study, County of Brant

|  | 2019 DC Study  | 2014 DC Study | Change      | % Change       |
|--|----------------|---------------|-------------|----------------|
|  | <i>Dollars</i> |               |             | <i>Percent</i> |
| Reconstruction on Grand River Street North, Paris (due to storm)     | \$4,855,000    | \$738,300     | \$4,116,700 | 558%           |
| New sidewalk on Silver St.   | \$89,200       | \$25,500      | \$63,700    | 250%           |
| New Sidewalk on Rest Acres Rd. from King Edward St. to Cobblestone   | \$270,000      | \$90,000      | \$180,000   | 200%           |
| New Sidewalks (Dundas St. W., Consolidated Dr., Curtis Ave) Paris E: | \$104,000      | \$40,700      | \$63,300    | 156%           |
| New Sidewalks along Grand River Street North Paris                   | \$222,000      | \$138,800     | \$83,200    | 60%            |

Source: Watson & Associates Economists, County of Brant 2019 & 2014 DC Background Study

- 2) Will there be any capacity added due to the works undertaken in the “Reconstruction on Grand River Street North, Paris (due to storm)”? If there is no new capacity being added to accommodate traffic generated by new growth, the project should not be funded through development charges.

- 3) What is the nature of the works to be conducted under “Intersection improvements (various)”, where are they located, and how were the costs determined?
- 4) The costs for several projects in the 2019 DC Study vary from the County’s 2019 Capital Budget (**Figure 2**). What are the reasons for the cost differences?

**Figure 2** Difference in Capital Costs, 2019 Capital Budget and 2019 DC Study, County of Brant

|  | 2019 DC Study | Capital Budget (2019 Onwards) | Change    | % Change |
|--|---------------|-------------------------------|-----------|----------|
|  |               | Dollars                       |           | Percent  |
| Rest Acres Road Widening SW Paris Phase 2          | 17,200,400    | 10,500,000                    | 6,700,400 | 64%      |
| Watt’s Pond Road - Ayr to Brant-Oxford             | 3,220,000     | 2,000,000                     | 1,220,000 | 61%      |
| New Sidewalks along Grand River Street North Paris | 222,000       | 138,800                       | 83,200    | 60%      |
| Main St. N & Andrew Intersection Improvements      | 71,600        | 62,400                        | 9,200     | 15%      |

Source: Altus Group based on Watson & Associates, County of Brant 2019 DC Background Study & 2019 Capital Budget, County of Brant

- 5) What is the basis for the 10% Benefit to Existing (BTE) deduction for the Bishopsgate Interchange? According to a news article dated March 29, 2019<sup>1</sup>, there are significant benefits for the existing community:
  - a. “would help alleviate traffic pressure from Rest Acres Road”...“there are congestion issues on Rest Acres Road at that interchange...diverting traffic to Bishopsgate Road would alleviate this congestion”;
  - b. “would make it easier for first responders to access the 403”; and
  - c. “new interchange will also reduce the space between interchanges along 403 since the closest interchange west of Rest Acres Road is over 11 kilometres away – which is not ideal”.
- 6) Will the County be receiving any funding from upper levels of government for the Bishopsgate Interchange?
- 7) Given the existing congestion issues on Rest Acres Road, why is the Phase 2 Rest Acres Road Widening allocated only a 10% BTE?
- 8) The 2016 County Transportation Master Plan Update (TMPU) appears to indicate that the Watt’s Pond Road project (19-98 and 19-99) is a road reconstruction project, and that the work will include “full reconstruction of the road surface and ditching”. Given this, is the 5% BTE allocation in the 2019 DC Study sufficient if no new capacity is being added, and the existing road is being reconstructed?
- 9) We were unable to find the Falkland Improvements (2 roundabouts) in the TMPU. What is the basis for this project being included in the 2019 DC Study?

<sup>1</sup> <https://www.brantfordexpositor.ca/news/local-news/case-made-for-new-highway-403-interchange>

## Fire Services

10) The cost of certain projects in the *2019 DC Study* have increased significantly since the *2014 DC Study*. What are the reasons for the cost increases (**Figure 3**)?

**Figure 3**

**Change in Capital Costs of Fire Services, 2019 & 2014 DC Study, County of Brant**

|   | 2019 DC Study | 2014 DC Study | Change      | % Change |
|---|---------------|---------------|-------------|----------|
|   |               | Dollars       |             | Percent  |
| Renovate Fire Hall Onondaga - Engineering               | \$2,158,500   | \$400,000     | \$1,758,500 | 440%     |
| Renovation/Expansion Scotland Fire Hall - Engineering   | \$2,045,800   | \$460,000     | \$1,585,800 | 345%     |
| Renovation/Expansion Cainsville Fire Hall- Construction | \$1,930,000   | \$500,000     | \$1,430,000 | 286%     |

Source: Watson & Associates Economists, County of Brant 2019 & 2014 DC Background Study

11) What is the nature of the work to be done for the “Renovate Fire Hall Onondaga – Engineering”? If there is no new capacity being added to the facility due to new growth, then the project should not be funded through DCs.

## Water

- 12) Why has the cost for “Airport Additional Water Storage and Supply” increased from \$3,745,000 in the *2014 DC Study* to \$9,500,000 in the *2019 DC Study*?
- 13) Why has the cost for “Additional Water Source for Paris” increased from \$8,629,000 in the *2014 DC Study* to \$15,000,000 in the *2019 DC Study*?
- 14) The *2014 DC Study* included a 10% BTE for the “Additional Water Source for Paris” item, but no such allocation is made in the *2019 DC Study*. Please explain why the BTE allocation for this project has been eliminated.
- 15) Can you please explain why the timing of the “Additional Water Source for Paris” has been moved back from 2025/26 in the *2014 DC Study* to 2028 in the *2019 DC Study*? The timing of this work should not be pushed back, as this may result in the unnecessary delay of future development in the area.
- 16) What assumptions were made in devising the \$12,065,900 item for “Other Trunk Main Upgrades”? Please provide the details of how this amount was calculated.

## Wastewater

- 17) Why have the costs for the St. George Water Pollution Control Plant increased from \$11,325,500 in the *2014 DC Study* to \$31,600,000 in the *2019 DC Study*?
- 18) The costs for the East Paris Sewage Pumping Station have increased from \$1,032,000 in the *2014 DC Study* to \$1,964,000 in the *2019 DC Study*. Please explain the reasons for this cost increase.
- 19) Why has the cost for the Paris Water Treatment Plant Expansion increased from \$6,202,100 in the *2014 DC Study* to \$24,324,000 in the *2019 DC Study*?

## Local Service Policy

20) The County's local service policy in Appendix E of the 2019 DC Study contains some provisions that appear to conflict with each other (**Figure 4**). Among the list of types of Local and Collector Roads that are direct developer responsibilities there is one item that is shown as being eligible for inclusion in the DC, while in the list of types of such roads that are DC eligible, there is one item that is identified as being a 'direct developer responsibility'. Can you clarify if what is shown in the local service policy is as intended, or if there is an error in the wording?

Figure 4

# Brant County - Local Service Policy – 2019 DC Study

## *E.1.1 Local and Collector Roads (including land)*

The costs of the following items shall be **direct developer responsibilities** as a local service:

- a. Collector Roads Internal to Development, inclusive of all land and associated infrastructure – direct developer responsibility under s. 59 of the D.C.A. as a local service.
- b. Collector Roads External to Development, inclusive of all land and associated infrastructure – **included in D.C. calculation** to the extent permitted under s. 5 (1) of the D.C.A. (dependent on local circumstances).
- c. All local roads – considered to be the developer's responsibility.

The costs of the following items **shall be paid through D.C.s:**

- d. Collector Roads External to Development, inclusive of all land and associated infrastructure – if needed to support a specific development or required to link with the area to which the plan relates **direct developer responsibility** under s. 59 of the D.C.A.

Source: Brant County 2019 DC Study, Appendix E

## COMMENTS AND QUESTIONS – DISCOUNTED SERVICES

### Library

- 21) Where was the need for the New Main Branch and St. George Branch identified?
- 22) Has the County completed a Library Master Plan?
- 23) What are the "Tech Kits" and "Maker Kits" that are listed in the LOS inventory?

24) The *Development Charges Act (Act)* does not allow for the inclusion of computer equipment. The Level of Service (LOS) inventory for Library includes “Tablets”. As this would appear to be ineligible under the *Act*, this item should be removed from the LOS calculation.

### Indoor Recreation

25) There is provision in the *2019 DC Study* for an addition to the Brant Sports Complex. However, upon review of the *Brant County Recreation Master Plan (Master Plan)*, an addition is not being recommended; rather, it states that “discussions” have been held about an addition, which would presumably be for a gymnasium. The *Master Plan* recommends that a possible gym location be at the Syl Apps CC, but a similar recommendation does not appear to be made for any addition to the Brant Sports Complex. What is the explanation for this apparent disparity?

26) The LOS inventory includes several “Gyms Within Schools”. We assume that the County does not own these properties. Is that so? If not, does the County lease them? The *Act* only allows for inclusion of works on properties owned or leased by the municipality.

27) How has the number of County ‘gym use hours’ been calculated? How has the 63% share estimated been applied to the LOS calculation?

### Outdoor Recreation

28) The costs for many works vary significantly from those in the *2014 DC Study (Figure 5)*. Please explain the reasons for the cost increases.

**Figure 5** Change in Capital Costs of Outdoor Recreation Service, 2019 & 2014 DC Study, County of Brant

|                         | 2019 DC Study | 2014 DC Study | Change    | % Change |
|-------------------------|---------------|---------------|-----------|----------|
|                         | Dollars       |               |           | Percent  |
| <b>Parks</b>            |               |               |           |          |
| Victoria Park Upgrade   | \$160,000     | \$30,000      | \$130,000 | 433%     |
| Empire (St. George)     | \$482,000     | \$188,600     | \$293,400 | 156%     |
| Brookfield (Watts Pond) | \$280,000     | \$185,000     | \$95,000  | 51%      |
| <b>Park Trails</b>      |               |               |           |          |
| Grandville - Trail      | \$250,000     | \$35,000      | \$215,000 | 614%     |

Source: Watson & Associates Economists, CCounty of Brant 2019 & 2014 DC Background Study

29) The costs for several items vary from the 2019 Capital Budget (**Figure 6**). Please explain the reasons for the cost differences.

**Figure 6**      **Difference in Capital Costs, 2019 Capital Budget and 2019 DC Study, County of Brant**

|                        | 2019 DC<br>Study | Capital<br>Budget<br>(2019<br>Onwards) | Change  | % Change       |
|------------------------|------------------|--|---------|----------------|
|                        |                  | <i>Dollars</i>                         |         | <i>Percent</i> |
| Grandville - Trail     | 250,000          | 35,000                                 | 215,000 | 614%           |
| Mountain Bike Trails   | 160,000          | 60,000                                 | 100,000 | 167%           |
| Burford Walking Trails | 96,000           | 60,000                                 | 36,000  | 60%            |

Source: Altus Group based on Watson & Associates, County of Brant 2019 DC Background Study & 2019 Capital Budget, County of Brant

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