

STAFF REPORT: Financial and Information Services

REPORT TO: Council
MEETING DATE: October 14th, 2009
REPORT NO.: FIS.09.054
SUBJECT: Camperdown Area Specific Development Charges Background Study – Follow up Questions
PREPARED BY: Paul Graham, CAO and Elizabeth Thompson, Deputy Treasurer

A. Recommendations

THAT Council receive Staff Report FIS 09.054 “Camperdown Area Specific Development Charges Background Study – Follow up Questions” for information purposes.

B. Background

At the public meeting held on September 28th, 2009 to receive public comment regarding the Camperdown Area Specific Development Charges proposed By-law and Background Study, several questions were received surrounding the increase in costs and decreased unit count since the original Background Study passed by Council in 2005.

Wastewater

We provide the following table which depicts the history of projected costs:

Wastewater	2005 Study	2008 Study	2009 Study
Growth Units	1031	1001	1003
Existing Units	<u>868</u>	<u>577</u>	<u>509</u>
Total Units	1899	1578	1512
Total Capital Cost	\$ 6,135,097	\$ 8,913,296	\$ 9,726,679
Development Charge	\$ 3,525	\$ 5,757	\$ 6,546

The reason for the decrease in the number of benefitting properties was a change in the wastewater service area. Through the original Environmental Assessment, the area for sewer servicing was considered to be the same as the water service area. The unit count used in the 2005 Camperdown Area Specific Background Study based upon this original Environmental Assessment was 868 units counted as existing units and 1031 counted for growth units, for a total of 1899.

As the project moved forward to design, the wastewater service area was reviewed. It became apparent that the area east of Wards Road could be serviced more cost effectively through a sewer system discharging easterly to the Craighleith Waste Water Treatment Plant instead of westerly to the Thornbury Plant. The Environment Study Report was amended, public notice was provided and finally on May 30, 2005, the amendment was adopted. The attached map illustrates the change in the service area.

The change in wastewater service area resulted in a reduction of existing units from 868 to 642 units and the growth units were reduced from 1031 units to 966 units. In total the units decreased from 1899 units to 1608 units.

The reduction in the size of the service area also resulted in a reduction in the length of sewer system to be constructed by 1100 metres. The cost of the sewer system between Wards Road and Hidden Lake Road based upon the unit prices in the Drexler Contract, Contract 4918-1A, plus engineering fees, is estimated to be \$703,400. This cost was no longer part of the cost to be shared by the Camperdown Service Area residents. Had the Project proceeded to service the original area, the cost would have been in the order of \$10,430,079 or \$5,492 per unit.

The construction costs did increase substantially since the initiation of the project. The original engineer estimates were made at a time when construction costs were increasing quickly as was the trend across the construction industry. The current actual costs approved for payment to date are \$7,740,083 plus engineering costs that stand at \$811,596.00. The construction took five months longer than anticipated which lead to higher engineering fees.

In addition, there will be additional extra construction and legal costs that are currently estimated to be \$1,175,000. These additional costs have not been finalized and staff believe that our estimates are practicable.

With all of this considered, the final costs are now estimated to be \$9,726,679 as contained in the current Development Charges Background Study.

Water

The construction costs of the water servicing increased by approximately 5% over the 2005 estimates. During the same period, construction costs index has increased by 35.3%.

From the projected unit count of 1,807 contained in the 2005 Background Study, the count has decreased by 29 units. The density changes to the Official Plan may have created the discrepancy in the growth shown in 2005.

Water	2005 Study	2008 Study	2009 Study
Growth Units	979	1043	1068
Existing Units	<u>828</u>	<u>777</u>	<u>710</u>
Total Units	1807	1820	1778
Total Capital Cost	\$ 3,069,565	\$ 3,232,360	\$ 3,236,728
Development Charge	\$ 1,793	\$ 2,118	\$ 2,171

C. The Blue Mountains' Strategic Plan

"Addressing the Town's Municipal Infrastructure needs"

D. Environmental Impacts

Protect ground water quality by reducing the number of septic tanks within the municipality. The removal of the sewage holding tank will reduce greenhouse gases generated by the transportation of sewage and the risk of spillage into the natural environment.

E. Budget Impact

Water Costs:

	2005 Study	2008 Study	2009 Study
Total Capital Cost	\$ 3,069,565	\$ 3,232,360	\$ 3,236,728

Wastewater Costs

	2005 Study	2008 Study	2009 Study
Total Capital Cost	\$ 6,135,097	\$ 8,913,296	\$ 9,726,679

F. Attached

1. Camperdown Sanitary Sewer Service Area – showing revisions

Respectfully submitted,

Paul Graham, CAO

Elizabeth Thompson, Deputy Treasurer

