

<b>TO:</b>	<b>CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON APRIL 11, 2017</b>
<b>FROM:</b>	<b>KELLY SCHERR, P.ENG., MBA, FEC MANAGING DIRECTOR ENVIRONMENTAL &amp; ENGINEERING SERVICES AND CITY ENGINEER</b>
<b>SUBJECT:</b>	<b>2019 TRANSPORTATION DEVELOPMENT CHARGE BACKGROUND STUDY APPOINTMENT OF CONSULTING ENGINEER</b>

<b>RECOMMENDATION</b>
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That, on the recommendation of the Managing Director, Environmental & Engineering Services and City Engineer, the following actions **BE TAKEN** with respect to the 2019 Development Charge Background Study:

- (a) IBI Group, **BE APPOINTED** consulting engineers to complete the project, in the amount of \$233,670 (excluding HST) in accordance with Section 15.2 (g) of the Procurement of Goods and Services Policy;
- (b) the financing for this project **BE APPROVED** in accordance with the Sources of Financing Report attached hereto as Appendix A;
- (c) the Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this project;
- (d) the approvals given herein **BE CONDITIONAL** upon the Corporation entering into a formal contract with the Consultant for the work; and,
- (e) the Mayor and City Clerk **BE AUTHORIZED** to execute any contract or other documents, if required, to give effect to these recommendations.

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
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- Civic Works Committee – June 19, 2012 – London 2030 Transportation Master Plan
- Strategic Priorities and Policy Committee – August 27, 2012 – Master Servicing and 2014 Development Charge Studies Consultant Appointment
- Strategic Priorities and Policy Committee – August 29, 2016 – 2019 Development Charge Study Completion of Master Plan Studies.
- Civic Works Committee - July 18, 2016 – Transportation Network Forecast Model Update

## 2015-19 STRATEGIC PLAN

The following report supports the Strategic Plan through the strategic focus area of *Building a Sustainable City* by planning new transportation infrastructure to support growth and economic development through the proposed 2019 Development Charge Background Study.

## BACKGROUND

### Purpose

This report seeks the approval of the Municipal Council to appoint an engineering consultant to proceed with the creation of the 2019 Development Charge Background Study in coordination with the transportation model development currently underway. The appointment of a consultant is consistent with the approach recommended in a report to Strategic Priorities and Planning Committee on August 29, 2016.

A key requirement of this update will be to determine the need for improvements to transportation infrastructure between 2019 and the study's 2039 horizon year. There is a need to review applicable legislation and approved studies to ensure the background study reflects the most up-to-date information and policy.

### Context

The completion of master servicing studies are critical to the planning of future development in the City of London. The master servicing studies provide the servicing needs, costs, and timing for major and minor infrastructure construction projects over the upcoming 20-year period. The project information in these studies feed into the City's capital work budget and Growth Management Implementation Strategy (GMIS) process. The previous master servicing studies outlined over \$2.0 billion dollars in total infrastructure work including \$1.1 billion in road services.

The master servicing studies also provide a breakdown of the growth related (development charge allocation) and non-growth related (capital budget allocation) for each infrastructure construction project. The non-growth costs are the costs associated with providing servicing capacity for the existing built out city while the growth related costs provide servicing capacity for new developments. Providing accurate and defensible growth/non-growth splits are paramount to the completion of the master servicing studies. In addition, they provide a breakdown of the growth costs attributable to residential, institutional, commercial and industrial development.

These calculations allow the city to calculate rates that apply to various land use designation and ensures that costs are allocated appropriately. These cost allocation calculations are by nature complex and need to be defensible to both stakeholders (the development community and taxpayers) and the Ontario Municipal Board (OMB). The master servicing studies include a robust process for developing capital cost estimates and allocations to ensure that they can be successfully defended at the OMB.

Pursuant to the requirements of the Development Charges Act (DCA), the City of London is updating its Development Charge By-Law and Background Study for the year 2019. The transportation component of the background study, last completed in 2014, is aimed

at identifying the costs of growth-related transportation projects that are attributable to new development over a 20-year horizon period.

The City's Smart Moves Transportation Master Plan provides strategic vision and direction on road projects to be constructed until 2030. The 2014 Transportation Development Charge Background study extended this planning horizon a further three years to 2033, but drew primarily from the TMP's list of road projects. The present assignment will extend the planning horizon to 2039 providing a renewed 20-year horizon for the proposed 2019 Development Charge By-law.

The development of the new development charges background study is inextricably linked to the new travel forecasting model IBI Group is presently developing for the City. The new model will improve forecasting capability by better capturing travel behaviour, modal preferences and land use interactions and reflecting the latest travel behaviour recorded in the City's fall 2016 household travel survey.

The new transportation model is being developed and calibrated with data that is becoming available from the census throughout 2017. Work commute census data that is important to the finalization of the transportation model is scheduled to become available in November 2017. As there is a need to commence the development charges background study work now, it is necessary to progress these two initiatives simultaneously with iterative information transfer between the two.

The outputs of this background study will be used by the City to calculate the portion of development charge rates attributable to transportation works to support growth in the City of London.

## DISCUSSION

### **Project Description**

The future transportation network to be identified for 2039 must be defensible to challenges. The proposed approach to the assessment of future improvements will be in keeping with the vision and directions of The London Plan and Smart Moves, the City's Transportation Master Plan, all of which are Council-approved. These plans envision a future London transportation system that includes attractive alternatives to the car, such as walking, cycling and transit.

The transportation improvements needed to support growth to 2039 will be identified using the City's new Travel Forecasting Model, currently being developed by IBI Group. These forecasts will identify new and/or improved road corridors in coordination with the Rapid Transit corridors currently under development in the Shift Rapid Transit Environmental Assessment. These potential improvements will be assessed against the role of transportation in supporting growth in London. A recommended transportation network for 2039 will be developed.

The objectives of this assignment are to:

Review policies in light of changes to the Development Charges Act: Since London passed its current DC by-law in 2014, the Province has legislated changes to the DCA, including changes to accounting for public transit improvements. There is a need to

review applicable legislation and internal City studies to ensure the background study reflects the most up-to-date information and policy.

Determine required transportation infrastructure in 2039: A key requirement of this study will be to determine the need for improvements to transportation infrastructure between 2019 and the study's 2039 horizon year. This analysis will build on work previously completed for the Smart Moves Transportation Master Plan and the 2014 DC Background Study, but will not be constrained to past recommendations.

Prioritize and schedule projects: In conjunction with a review of studies conducted since 2014, the City's new travel forecasting model will be used to assess the year in which each road improvement should be constructed.

Update development charge calculations for transportation projects: Applicable development charges must be recalculated in consideration of changes to the Development Charges Act and the updates to the 20-year road improvements plan.

Consult with the development community: As with previous background studies, the development community will be consulted regarding the proposed update to the transportation development charge.

### **Consultant Selection**

IBI Group was previously awarded the transportation forecast model assignment through a competitive process involving proposal submissions from three consultants in accordance with the City's Procurement of Goods and Services Policy Section 15.2 (d).

The development charges background study relies on the infrastructure recommendations from the new transportation forecast model being created by IBI Group. Due to the consultant's knowledge of the developing model and positive performance on the project, the consultant was requested to submit a proposal to complete the next phase of this infrastructure planning project – the 2019 Development Charge Background Study. Staff have reviewed the fee submission in detail considering the hourly rates provided by each of the consultant's staff members. City staff have confirmed that hourly rates are consistent with those submitted through the competitive process. City staff also reviewed the time allocated to each project related task. The amount of time allocated to each project task is consistent with prior projects of a similar nature.

The continued use of IBI Group for this next phase of the infrastructure planning process is of financial advantage to the City due to the fact that the firm is currently developing the framework of the new infrastructure program and duplicating efforts would be required if another firm were to be selected. Using the IBI Group team also enables the background study to be completed within the schedule required given the need to advance the development charges work while managing the data availability constraints on the transportation model development.

Due to IBI Group's technical knowledge of the project, excellent service through the course of previous projects to date and to reduce duplication if another firm were to be selected, it is recommended that IBI Group be authorized to complete the update of the 2019 Development Charge Background Study for a fee estimate of \$233,670 (excluding HST) in accordance with Section 15.2 (g) of the Procurement of Goods and Services Policy. This extension which would bring the value of the consulting assignment to \$612,267.50 (excluding HST). Funds for this assignment are available in the budget.

## CONCLUSION

The future transportation network to be identified for 2039 must be fair and defensible to challenges to the Development Charge By-Law. A key requirement of this study will be to determine the need for improvements to transportation infrastructure between 2019 and the study's 2039 horizon year. There is a need to review applicable legislation and internal City studies to ensure the background study reflects the most up-to-date information and policy.

In accordance with Section 15.2 (g) of the Procurement of Goods and Services Policy, it is recommended that IBI Group be awarded the consulting assignment for the 2019 Transportation Development Charge Background Study update at an upset amount of \$233,670.00 (excluding HST).

### Acknowledgements

This report was prepared with assistance from Ted Koza, P.Eng. Transportation Design Engineer in the Transportation Planning & Design Division with input from Matt Feldberg, Manager Development Finance.

<b>PREPARED BY:</b>	<b>REVIEWED AND CONCURRED BY:</b>
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<b>RECOMMENDED BY:</b>	
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Attach: Appendix A – Sources of Financing

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