

**City of Ottawa
Development Charges
Amendment Background Study:
Roads and Related Services**

City of Ottawa

May 2018

1.0 Introduction

The Background Study amendment has been prepared pursuant to Section 10 of the Development Charges Act, 1997 (D.C.A.) and is being made available to the public, as required by the D.C.A. at least two weeks prior to the public meeting of Council and at least 60 days prior to the passing of the development charge by-law amendment.

The purpose of this Development Charges Amendment Background Study is to amend the Roads and Relates Services, Intersection Construction list for the West Urban Community, to include the intersection of Huntsville Road and Terry Fox Drive.

The additional traffic signal at Huntsville Road and Terry Fox Drive will not result in a change to the current development charge rates under the existing By-Law -2014-229. The 2019 By-Law update will include the cost of the said traffic signal and rates will be adjusted accordingly.

2. Local Service Policy

Traffic Signals, Traffic Control Systems, and Intersection Modifications

As part of the new construction or widening of Arterial or Major Collector Roads and if warranted, traffic signals and traffic control systems are considered to be development charges projects.

On arterial or Major Collector Roads, off-site traffic signals, traffic control systems and intersection modifications, required to meet the needs of projected development growth and resulting in increasing traffic, are considered to be development charges projects, subject to meeting warrants.

Where foreseeable off-site intersection modifications, traffic signals and traffic control systems that are not enforceable under the Planning Act, are required as a result of growth, they will be considered development charges projects provided they have been identified with a development charge program. Identification of annual projects within the program will be through the budgetary process.

Consistent with the local service policy, the proposed traffic signals at this location are a direct result of development growth with no applicable development charge benefit to existing considerations, similar to other intersection control locations already included in the Development Charge By-law. Furthermore, the proposed traffic signals will comply with all applicable design standards and will not excel the average level of service provided at other traffic signal locations over the last 10 years. Excess post period capacity is also not applicable as no additional road modifications are proposed beyond

the implementation of the traffic signal hardware (i.e. no additional turning lanes are proposed).

3.0 Project Description

The intersection of Terry Fox Drive and Huntsville Drive was omitted under the City's current development Charges by-law, By-Law 2014-229. The traffic signal is recommended for implementation through a front ending agreement as recently supported by the City of Ottawa Planning Committee (10 April 2018) and City of Ottawa Council (25 April 2018).

The current configuration of the intersection consists of a dedicated southbound left turn lane and northbound right turn lane. The auxiliary lanes are not considered DC eligible. The estimated cost for the traffic signal is \$500,000. This cost will be incurred with the lifetime of the horizon of the background study.

The posted speed of Terry Fox Drive is 80 kilometres per hour (kph) however the 85th percentile is in the order of 90 kph. The am and pm peak hour volumes on Terry Drive are approximately 1000 vehicles per hour per lane in the peak direction. The high traffic volumes and operating speed on Terry Fox Drive are such that turning movements to and from the Huntsville Drive are difficult and pose a safety issue.

Traffic volumes will continue to increase within this area given the additional housing as well as the opening of a new elementary school on Terry Fox Drive at Goulbourn Forced Road scheduled for September 2018.

MTO warrants for traffic signalization are likely to be met in 2018.

The implementation of a traffic signal fulfills the definitions contained within the 2014-229 DC By-law.

4.0 Development Charge Background Requirements

The *Development Charges Act* and Regulation 82/98 provide the requirements for a Background Study. In addition to the matters addressed above and the Asset Management Strategy, these requirements and the manner of their being addressed are as follows:

- i) The anticipated amount, type and location of development, for which development charges can be imposed, must be estimated.

The anticipated amount, type and location of development for which the development charges can be imposed is in accordance with the background study adopted on June 11, 2014.

- ii) The increase in the need for service attributable to the anticipated development must be estimated for each service to which the development charge by-law would relate.

The need for the signals results from growth in the area.

- iii) The estimate under paragraph i) above may include an increase in need only if the council of the municipality has indicated that it intends to ensure that such an increase in need will be met. The determination as to whether a council has indicated such an intention may be governed by the regulations.

The City intends through this report to have the signals installed

- iv) The estimate under paragraph i) above must not include an increase that would result in the level of service exceeding the average level of that service provided in the municipality over the 10-year period immediately preceding the preparation of the background study required under section 10. How the level of service and average level of service is determined may be governed by the regulations. The estimate also must not include an increase in the need for service that relates to a time after the 10-year period immediately following the preparation of the background study unless the service is set out in the *Development Charges Act*, subsection 5(5).

The installation of the signals does not excel the average level of service provided over the preceding 10 years

- v) The increase in the need for service attributable to the anticipated development must be reduced by the part of that increase that can be met using the municipality's excess capacity, other than excess capacity that the council of the municipality has indicated an intention would be paid for by new development. How excess capacity is determined and how to determine whether a council has indicated an intention that excess capacity would be paid for by new development may be governed by the regulations.

There is no excess capacity to meet the need for the service required at this intersection.

- vi) The increase in the need for service must be reduced by the extent to which an increase in service to meet the increased need would benefit existing development. The extent to which an increase in service would benefit existing development may be governed by the regulations.

There is no benefit to existing development from the installation of the signals

- vii) The capital costs necessary to provide the increased services must be estimated. The capital costs must be reduced by the reductions set out in subsection 5(2).

The capital costs is identified above as \$500,000. These costs will be incurred with the lifetime of the horizon of the background study.

- viii) The capital costs must be reduced by 10 per cent. This paragraph does not apply to services set out in subsection (5).

Not applicable

As required to be considered by the *Development Charges Act*, subsection 5(2), there are no grants or subsidies available to be applied against the cost of this intersection.

5. Impact on Assessment Management Plan

On December 3, 2015, the Province passed Bill 73 which amended the Development Charges Act. Subsequently, on December 18, 2015, Ontario Regulation 428/15 was published which amended Ontario Regulation 82/98 (i.e. the D.C.A. Regulation) and

Provided additional directives for the amended Act. The amendments require that a development charge background study include an asset management plan related to new infrastructure. Specifically, it requires the asset management plan to a) deal with all assets whose capital costs are proposed to be funded under the development charge by-law and to demonstrate that all assets mentioned in 9a) are financially sustainable over their full cycle.

In regard to the City's assessment management practices for life cycle costing and risk-based decision making for existing and planned infrastructure, actions to date or underway are summarized below:

In 2012, the City implemented the Comprehensive Asset Management (CAM) Program, CAM policy and a Supporting Strategy for senior management to ensure the policy objectives:

The last iteration of the infrastructure master plan, completed in 2014, took into consideration the future costs of new infrastructure (i.e. life cycle costing) as a future burden to tax-payers to ensure financial sustainability and adjusted (reduced) the quantity of future planned works accordingly: and

The City has a program in place and initiatives are underway to be compliant with Bill 6 requirements regarding infrastructure asset management planning.

The Comprehensive Asset Management Program, referred to above, establishes Council's expectations with regard to the management of the City's physical assets. The policy specifically states "... asset related decisions are founded on a sustainable approach to ensure that asset base increase or enhancements consider the impact on the ability of the City to fund future maintenance and rehabilitation". Further, the City continually inspects and assesses asset conditions and completes risk based reviews and renewal programming on that basis. The City regularly updates long-term asset needs forecast to establish long range financial plan requirements.

The City regularly establishes long range financial plans. These reports provide a series of financing strategies that balance the need to maintain and build capital assets with the need to manage debt, reserve balance and rate increases.

The annual maintenance and operating cost for a traffic signal in 2018 is \$12,541, with a 3 % annual projected increase for subsequent years.

As such, in the context of the requirements of the D.C.A. we can conclude that the capital asset contained herein can be addressed in a financially sustainable manner over the asset life cycle.