SUBJECT: Waterdown/Aldershot Transportation Master Plan
- Waterdown Road Class Environmental Assessment Phases 3 and 4
- East-West Road Class Environmental Assessment Phases 3 and 4
(PW08063a) - (Ward 15)
Public Works Committee Outstanding Business List

RECOMMENDATION:

(a) That the General Managers of Public Works and Corporate Services be directed to include an additional $124,902 as part of the City of Burlington’s cost sharing component, representing the escalated cost of the Waterdown-Aldershot Transportation Master Plan Phase 3 & 4 Municipal Class Environmental Assessment, as part of the ongoing negotiations for cost sharing between the City of Hamilton, City of Burlington and Region of Halton;

(b) That the City Clerk be directed to forward this report to the Clerk of City of Burlington, for distribution to City of Burlington Council;

(c) That the items relating to Resolution from the Regional Municipality of Halton Respecting Waterdown/Aldershot Transportation Master Plan Phase 2 Study - Update and the Waterdown/Aldershot Master Plan be removed from the Public Works Committee Outstanding Business List.

Beth Goodger
Acting General Manager
Public Works
EXECUTIVE SUMMARY:

Public Works Report PW08063 (City Wide) was brought to Public Works Committee of May 26, 2008 to approve the recommendation that the General Manager, Public Works, be authorized to issue three separate purchase orders in the following amounts: $426,400 East-West Technical work, $287,800 Waterdown Road Technical work and $252,200 Public Consultation/Project Management, single sourced to Dillon Consulting for the completion of Schedule C Class Environmental Assessment study (Phases 3 & 4) for the Waterdown/Aldershot Transportation Master Plan. The recommendation was approved by Council on May 28, 2008.

However, staff was directed to report back to Public Works Committee on the following basis:

“that as the City of Burlington was responsible for the delay of the study, that Finance Department staff be directed to evaluate the percentage increase and resulting cost over-runs as a result of the delays, and that this information be brought back to the Public Works Committee and forwarded to the Council of the City of Burlington”.

The original budget was developed in 2005 around the time when the initial draft of the Phase 2 of Waterdown-Aldershot Transportation Master Plan Municipal Class Environmental Assessment (EA) report was being finalized by Dillon Consulting. The assumption at that time was that the Phase 2 report would be reviewed and finalized within a timely manner that would allow the initiation of Phase 3 work in the summer of 2005 with completion of the Environmental Study Reports before the end of 2006. In fact, the approval of the Phase 2 report did not occur until earlier 2008 due to reasons of accommodating and negotiating City of Burlington’s comments and concerns. Dillon Consulting revised their schedule and cost estimate to complete the study and prepare Environmental Study Reports (ESRs) in the spring of 2009.

The City of Burlington Council also advised that a 3-lane alternative be developed for Waterdown Road (North-South) Corridor EA and placed on the 4-lane road bed as interim works (Burlington Report CD-117-07-1 attached as Appendix A). The estimated cost of this additional item to Dillon Consulting’s Work Plan is approximately $23,000.

Dillon Consulting has completed Phases 1 and 2 of the Municipal Class Environmental Assessment (EA) process. Council approved staff to move forward with the Schedule C Class Environmental Assessment process (Phases 3 & 4) and that this work be single sourced to Dillon Consulting (Council Report 05-011).

The cost estimation of the study in 2005 was $542,000, however the cost is now approximately $966,400 for the work to be completed. A portion of these costs will be funded by the City of Burlington and the Regional Municipality of Halton based on the tentative cost sharing formula. The cost of the work will be covered by budgeted capital as well as the contributions of the City of Burlington and the Region of Halton. Staff are in the process of negotiating and finalizing cost sharing for the study and for the infrastructure works with the City of Burlington and Region of Halton. Approval is being sought to include additional cost of $124,902 to the share of costs to the City of Burlington for the reasons listed above.
BACKGROUND:
The recommendations within this report primarily affect Ward 15 with City wide implications.

The City of Hamilton received Order in Council 1262/2002, dated June 19th, 2002 from the Province with respect to the approval of Official Plan Amendment No. 28, in the Former Town of Flamborough and the Memorandum of Agreement between the various property owners, the Former Town of Flamborough and the City of Burlington. The Order in Council that included the Memorandum of Agreement states in part that a Master Environmental Assessment Transportation study must be undertaken. Phases 1 and 2 of this study have been completed and work on a portion of Phases 3 and 4 has commenced in 2008.

In June 2005, City of Hamilton Council recommended (Council Report 05-011) that staff proceed with a Schedule C Municipal Class Environmental Assessment study process and that the work be single sourced to Dillon Consulting. In July 2007, City of Burlington Council (Burlington Report CD-117-07-1 attached as Appendix A) directed the Director of Engineering to proceed with Phases 3 and 4 of the Waterdown/Aldershot Transportation Master Plan in conjunction with the City of Hamilton and the Region of Halton subject to some conditions. The Council of the Regional Municipality of Halton at its meeting held in October, 2007 endorsed the Waterdown/Aldershot Transportation Master Plan Phase 2 Study update’s recommended solutions (Halton PPW65-07 Council meeting minutes attached as Appendix B).

Waterdown/Aldershot Transportation Master Plan (WATMP) was carried out in accordance with the Municipal Engineers Association’s Class Environmental Assessment for municipal projects and fulfilled the requirements of Phases 1 and 2 of the five-phase Class EA planning process. Phase 1 of the Class EA process (Problem/Opportunity Identification) was completed in July 2004. Phase 2 examined the consideration of alternative ways to solve the identified problems, giving recognition to environmental, social, economic, cost and transportation service considerations and was finalized in February 2008. Four different levels of municipal transportation projects to solve the identified problems are possible, each of which requires a different degree of further EA investigation:

- Transportation Demand Management (TDM) strategies,
- Schedule A Projects,
- Schedule B Projects,
- Schedule C Projects.

The Phase 3 and 4 work plan has identified two Schedule C Class EA projects:

- Waterdown Road Corridor Class Environmental Assessment (EA) Phases 3 and 4
- New East-West Corridor Class Environmental Assessment (EA) Phases 3 and 4

The Cities of Hamilton and Burlington and the Regional Municipality of Halton (project partners) have a tentative cost sharing agreement which apportions the costs in the following manner:

- City of Burlington 15% for Waterdown Corridor Class EA
Region of Halton 10% for Waterdown Corridor and New East-West Corridor Class EA
City of Hamilton 75% for Waterdown Corridor and 90% for New East-West Corridor Class EA

In June 2005, City of Hamilton Council recommended (Council Report 05-011) that staff proceed with a Schedule C Municipal Class Environmental Assessment study process and that the work be single sourced to Dillon Consulting. A Schedule C Municipal Class Environmental Assessment study would encompass Phases 3 and 4 of the study. At that time the estimated cost for Phases 3 and 4 was $542,000. The cost to complete the technical work plan and public consultation piece for Phases 3 and 4 is now $966,400. The Dillon Consulting’s work budget for Phases 3 and 4 is now set at the following:

<table>
<thead>
<tr>
<th>Work</th>
<th>Work Assigned to</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>New East-West Technical Work</td>
<td>Dillon Consulting Limited</td>
<td>$426,400</td>
</tr>
<tr>
<td>Waterdown Rd Technical Work</td>
<td>Dillon Consulting Limited</td>
<td>$287,800</td>
</tr>
<tr>
<td>Public Consultation - Project Management</td>
<td>Dillon Consulting Limited</td>
<td>$252,200</td>
</tr>
</tbody>
</table>

It was not until fall 2007 that the Phase 2 work for the WATMP was endorsed by all three project partners (Cities of Hamilton and Burlington and Region of Halton). Approximately two years after the City of Hamilton’s Council resolution to proceed with Phase 3 and 4 of the study, City of Burlington Council directed its staff to proceed with Phase 3 and 4 in conjunction with the City of Hamilton and Region of Halton subject to certain conditions (Burlington CD-117-07-1 attached as appendix A). The direction included that the Phase 3 of the Waterdown/Aldershot Transportation Master Plan Study evaluate options for a phased implementation of the 4-lane Waterdown Road that would include an initial 3-lane along with additional transportation considerations and/or design modifications. It also required that the City of Hamilton implement a viable public transportation system with a utilization experience of 5% to service the OPA 28 lands at 80% build out; and prior to build-out of the OPA 28 lands, defined as not greater than 6,500 units, the City of Burlington undertake a separate Environmental Assessment (EA) Study pertaining to the reconfiguration of Waterdown Road to four lanes from Hwy. 403 to Mountain Brow Road and evaluate detailed alternatives and confirm a preferred design allowing King Road to remain open as a two lane roadway. Project partners had to discuss and follow up on the Burlington Council’s directions which subsequently were endorsed by Region of Halton (letter from Halton attached as Appendix C). Several meetings were held between the project partners and consulting team to discuss the path forward strategy which also led to the delay of the start of Phase 3 and 4. The project team have recently revised and finalized the work plan for Phases 3 and 4 of the Class EA process. The cost and the work plan has changed significantly since 2005 due to reasons listed above. The details of increased cost of the study were brought to Council in a report PW08063. The recommendation to single source Dillon Consulting Limited was approved by the Council on May 28, 2008.
ANALYSIS/RATIONALE:

Dillon Consulting Limited has completed the work on Phases 1 and 2 of the Municipal Class Environmental Assessment (EA) process for the WATMP. Phases 3 and 4 must be completed for the preferred alternatives in accordance with the requirements of the Municipal Class Environmental Assessment process.

Apart from other reasons, there has been an increase in the cost to complete Phase 3 & 4 of the Municipal Class Environmental Assessment work due to City of Burlington’s timing and requests. There are a number of other reasons associated with the increased cost of the project which are explained earlier in staff report PW08063. $124,902 is solely due to the City of Burlington’s requests of additional work and delays caused to the study.

The level of effort that will be necessary to complete the projects has increased as a result of the requirement to undertake new work or expend additional time due to City of Burlington’s request. Additionally, escalation costs are a contributing factor. The following are specific items that have led to the increase in work as well as cost due to City of Burlington:

- As per the direction from City of Burlington, added into the Work Plan is the full development of a 3-lane alternative in the Waterdown corridor. This will involve the development of a new preliminary design plan for the corridor, typical sections, landscaping/streetscaping treatments, cost estimates for the two stages of construction, the assessment of the alternatives (essentially traffic and operations) and documenting the assessment. The estimated cost of this item is approximately $23,000.

- Escalation costs. The original Dillon budget was based on the completion of both projects by December 2006. The cost estimate of the study at that time was $542,000. The average annual inflation rate from 2005 to 2008 is 6.27%. If this rate is considered for 3 years, the inflation cost adds up to approximately $101,902.

City of Hamilton would need to collect the monies from City of Burlington’s 15% share of the total cost of the Waterdown Road (North-South) Corridor Class EA and $124,902 to account for the increased cost to complete the project. Otherwise, $124,902 will be charged to the full cost of the study and City of Hamilton will be paying 75% of this amount ($93,677) based on the tentative cost sharing formula.

ALTERNATIVES FOR CONSIDERATION:

There is one alternative for consideration:

1. The recommendation (a) made in this report is not approved and the project partners bear this additional cost based on the tentative Cost Sharing Agreement that the Region of Halton pays $12,490 (10% of $124,902), City of Hamilton pays $93,677 (75% of $124,902) and City of Burlington pays only $18,735 (15% of $124,902).

The above alternative is not recommended by staff for the reasons noted in the following section.
FINANCIAL/STAFFING/LEGAL IMPLICATIONS:

Financial Implications:

The City of Burlington has opted to pay for 15% share of the total cost of the Waterdown Road (North-South) Corridor Class EA. If the City of Burlington does not pay additional $124,902, City of Hamilton will bear the 75% of this additional cost in accordance with the tentatively agreed upon cost sharing formula between the Project Partners as to be paid by the City of Burlington (15%) and the Region of Halton (10%) and the City of Hamilton (75%) for Waterdown Road (North-South) Corridor Class EA. The following Table illustrates the additional costs required due to inflation (approximately 6% annually) as a result of a significant delay (approximately three years).

Delay Costs re; Waterdown/Aldershot Transportation Master Plan

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original 2005 Contract</td>
<td>$542,000</td>
</tr>
<tr>
<td>Additional items required</td>
<td></td>
</tr>
<tr>
<td>irregardless of delay</td>
<td></td>
</tr>
<tr>
<td>Public Consultation</td>
<td>$252,200</td>
</tr>
<tr>
<td>Other items(Drainage, topo survey etc)</td>
<td>$47,298</td>
</tr>
<tr>
<td>Total (sum of the above)</td>
<td>$841,498</td>
</tr>
<tr>
<td>Current Contract (2008 Contract minus additional 3 lane study cost)</td>
<td>$943,400</td>
</tr>
<tr>
<td>($966,400 - $23,000)</td>
<td></td>
</tr>
<tr>
<td>Net Additional Cost ($943,400 - 841,498)</td>
<td>$101,902</td>
</tr>
<tr>
<td>Plus 3 lane study</td>
<td>$23,000</td>
</tr>
<tr>
<td>Total Additional Costs due to delay</td>
<td>$124,902</td>
</tr>
</tbody>
</table>

Staffing Implications:

There are no staffing implications as a result of this report.

Legal Implications:

Disagreement between the Cities of Hamilton and Burlington may or may not result in legal implications.

POLICIES AFFECTING PROPOSAL:

The recommendations in the Waterdown/Aldershot Transportation Master Plan are consistent with the Regional Official Plan, Township of Flamborough Official Plan and will not alter or contravene any City policy.

The recommendations in the Waterdown/Aldershot Transportation Master Plan are consistent with the Public Works Strategic Plan. The Municipal Environmental Assessment study highlights the goals of the Public Works Strategic Plan in “greening”
and “stewardship” of the City. The Waterdown/Aldershot Transportation Master Plan is a model for integrated community sustainability planning.

The recommendations in this report will not contravene City of Hamilton’s Development Charges Policy.

**RELEVANT CONSULTATION:**

This report was prepared in consultation with the Budgets and Finance Division and Purchasing Section of Corporate Services.

**CITY STRATEGIC COMMITMENT:**

By evaluating the “**Triple Bottom Line**”, (community, environment, economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

**Community Well-Being is enhanced.** ☑ Yes ☐ No
Public services and programs are delivered in an equitable manner, coordinated, efficient, effective and easily accessible to all citizens.
Proceeding with Phases 3 and 4 of the Municipal Class EA ensures that all aspects of the natural, social, environmental and technical implications are taken into account.

**Environmental Well-Being is enhanced.** ☑ Yes ☐ No
A sustainable transportation network provides many options for people and goods movement; vehicle-dependency is reduced.

**Economic Well-Being is enhanced.** ☑ Yes ☐ No
Infrastructure and compact, mixed use development minimize land consumption and servicing costs.

**Does the option you are recommending create value across all three bottom lines?**
☑ Yes ☐ No

**Do the options you are recommending make Hamilton a City of choice for high performance public servants?**
☐ Yes ☑ No