

April 16, 2016 Information Request:

Please provide the documentation from ISL (the previous consultant) that speaks to the 50% contingency in the Financial Impact Analysis.

In response to Mayor Frank's April 16, 2019 Information Request noted above, please find attached the following:

1. Pages 6 & 31 of the Bremner & Colchester: FIA of Recommended Community Design Concepts – Final Report (March 2016)
2. March 2, 2016 email from ISL Engineering to the County's Finance Department & PDS confirming contingency for roads in the range of 40% - 50%. (this percentage was not noted specifically in the FIA however was confirmed in the March 2, 2016 email from ISL)

In summary - based on the above, ISL assumed the following contingency for the infrastructure identified through the Bremner Growth Management Strategy:

- 75% contingency included in Offsite Utilities cost estimates
- 50% contingency included in Onsite Utilities cost estimates
- 40-50% contingency included in for all road cost estimates

The entire Bremner & Colchester: FIA of Recommended Community Design Concepts – Final Report (March 2016) can be found on the County's website using the following link:

https://www.strathcona.ca/files/files/at-pds-fia_colchesterbremner.pdf

Sincerely,

Stacy L. Fedechko, RPP, MCIP
Director, Planning and Development Services

- ▶ **Inflation:** All projections of revenues, expenditures and assessment, along with corresponding impacts, are presented in base year (2013) dollars.⁵
- ▶ **2013 Financial Information:** The County's 2013 operating budget detail (by account code) was used as the basis for seeding the County's fiscal impact analysis with Base Year data. This data was used to identify the County's various revenue and expenditure streams by municipal service area.
- ▶ **Municipal Mill Rates:** The analysis is limited to an examination of the fiscal impacts on municipal property tax rates. Base Year (2013) municipal tax rates were used in the analysis. It was assumed that the current splits in municipal mill rates would remain in place over the forecast period.
- ▶ **Population Growth:** The same annual population forecasts were applied for the Bremner and Colchester recommended community design concepts. Using the population forecasts developed for the County for the Bremner Growth Management Strategy (three community design concepts), it was assumed that Colchester would capture the same annual growth projected for the Bremner lands, to build-out of the Colchester recommended concept. It is projected that Bremner (recommended concept) would be fully built out at the end of 2054, and Colchester (recommended concept) would build out at the end of 2048.
- ▶ **Projected Development in Bremner and Colchester:** The development parameters for each recommended community design concept were defined by Urban Strategies.⁶ Assessment projections were developed with the assistance of Strathcona County's Assessment Branch. It was assumed that the rate of development would be similar for both concepts. See **Appendix A** for detail regarding the development statistics defined for the Bremner and Colchester recommended community design concepts.
- ▶ **Projected Capital Requirements to Service Bremner and Colchester:** The County developed projections of future 'soft' capital requirements to service the Bremner and Colchester recommended community design concepts and the associated annual lifecycle costs to maintain these additional assets. Information on how these projects would be funded was also provided, and incremental operating impacts associated with new infrastructure were identified. See **Appendix B** for a summary of the soft capital projections prepared by the County.

Projected road and utility servicing costs associated with servicing the Bremner and Colchester recommended community design concepts are based on analysis undertaken by ISL Engineering and Land Services Ltd. (ISL). Assumptions regarding phasing of infrastructure, funding of infrastructure construction and lifecycle costs to maintain the infrastructure that would be the responsibility of the County were made by the County and Applications Management Consulting Ltd. See **Appendix C** for a summary of the assumptions regarding road and utility servicing requirements.

⁵ Where costs are provided in 2014 real dollars (ISL infrastructure estimates) or adjustments to cost figures been made, it is assumed that any inflation impacts are negligible and that the stated costs are representative in real dollars terms (2013 \$).

⁶ Table 6.5 (Recommended Community Design Concept Statistics) in both Bremner Growth Management Strategy and Colchester Growth Management Strategy.

Bremner Growth Management Strategy
Future Capital - Road and Utility Servicing

Based on ISL Utility and Road Infrastructure Projections

Recommended Concept (Real \$)

Units		Unit Cost		Cost		Construction Financing			Maintenance / Future Replacement			Total County Costs	
Off-Site													
Water	Off-Site	Note 1											
Wastewater	Off-Site	Note 1											
Roads	At-Grade Intersections	3 each	\$3,000,000										
	Service Interchange (Hwy 16/RR 224 & 223)	2 each	\$60,000,000										
	Service Interchange (Hwy 21/Hwy Rd 534)	1 each	\$85,000,000										
	Systems Interchange (Hwy 16/Hwy 21)	1 each	\$175,000,000										
	Overpass	2 each	\$25,000,000										
	Additional Hwy Lanes	44.7 lane km	\$3,000,000										
Total Off-Site													
										</			

Notes:

1. Off-Site Utilities - Costs include 75% contingency. Land costs included in contingency. Water Option 1 assumed (various options provided, Option 1 deemed most likely)
2. Highway 16 Widening (from 4 to 8 lanes); RR 225 to Hwy 216 (lane-km) 34.1 lane km
Highway 16 Widening (from 4 to 6 lanes); RR 223 to RR 225 (lane-km) 4.2 lane km
Highway 21 Widening (from 4 to 6 lanes); Hwy 16 to Hwy 534 (lane km) 6.4 lane km
3. On-Site Utilities - 2014 \$ - Costs include 50% contingency. Land costs included in contingency. In FIA, storm earthworks costs excluded from lifecycle cost and replacement cost projections.
4. On-Site Roads - ISL also included on-site costs of 1 transit center (\$10 M) and 2 Park'n Ride lots (\$20 M). Assume these costs already captured in County's soft capital forecasts.

Stacy Fedechko

From: Janna Widmer
Sent: Wednesday, April 17, 2019 10:35 AM
To: Stacy Fedechko
Subject: FW: ISL Road Contingency

From: Hassan Shaheen [mailto:hshaheen@islengineering.com]
Sent: March-02-16 1:22 PM
To: Janna Widmer; Constance Gourley; Jay Bohachyk
Cc: 'Leah Cooke'; Tim Smith; Anna Iannucci
Subject: RE: ISL Road Contingency

Hi Jay,

The unit rates we used are order of magnitude costs for planning purposes only; they can be assumed to include a contingency of 40-50 %.

Hope that is what you are looking for.

Hassan

Hassan Shaheen, P.Eng. | *General Manager Transportation Planning*
ISL Engineering and Land Services Ltd.

From: Janna Widmer [mailto:Janna.Widmer@strathcona.ca]
Sent: Wednesday, March 02, 2016 10:44 AM
To: Hassan Shaheen <hshaheen@islengineering.com>; Constance Gourley <cgourley@islengineering.com>
Cc: 'Leah Cooke' <lcooke@urbanstrategies.com>; Tim Smith <tsmith@urbanstrategies.com>; Anna Iannucci <aiannucci@urbanstrategies.com>
Subject: FW: ISL Road Contingency

Hassan can you answer Jays question below?

Thank you

Janna

From: Jay Bohachyk
Sent: March-02-16 10:43 AM
To: Janna Widmer
Subject: ISL Road Contingency

Hi Janna,

When looking at the ISL inputs, the assumptions page water/wastewater included a 50% contingency for on-site and 75% contingency for off-site. The information provided for roads did not stipulate something similar, but I feel like I remember conversations in which they indicated a margin of error of +/- 50% on their cost estimates. Would you be able to confirm if this is true, and if not, what the margin would be?

Thanks,

Jay Bohachyk

Long-Term Financial Planning Advisor

Financial Planning

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