Appendix B: Background Information
RECOMMENDED MOTION

1. That the preferred design alternative for the Phases 3 & 4 Municipal Class Environmental Assessment for Harvie Road / Big Bay Point Road / Highway 400 Transportation Improvements (Bryne Drive to Bayview Drive), be adopted as outlined in Staff Report ENG012-15.

2. That, in accordance with the requirements of the Class Environmental Assessment process, the Engineering Department publishes a Notice of Completion for the Harvie Road / Big Bay Point Road / Highway 400 Transportation Improvements Class EA associated with the crossing of Highway 400. The interchange will be subject to a separate Class EA.

3. That the design of the highway crossing be added to the 2015 Business Plan in the amount of $1.5 million. Funding will be approximately $975,000 (65%) from development charges and $525,000 (35%) from the Tax Rate Capital Reserve.

4. That the capital budget for the Harvie Road / Big Bay Point Road / Hwy 400 Transportation Improvements Class EA (14-16-2320-0651-3591) be increased by $250,000 to complete additional traffic analysis as required by the Ontario Ministry of Transportation to confirm that their selected preliminary preferred design alternative associated with the Hwy 400 Transportation Environmental Study Report Update is compatible with the proposed interchange. Funding will be approximately $162,500 (65%) from development charges and $87,500 (35%) from the Tax Rate Capital Reserve.

5. That the capital budget for the Bryne Drive Masterplan Update be increased by $150,000. Funding will be approximately $97,500 (65%) from development charges and $52,500 (35%) from the Tax Rate Capital Reserve to complete Phase 1 & 2 of the Class EA and to undertake Phase 3 & 4 of the Class EA.

PURPOSE & BACKGROUND

6. The purpose of this study was to complete Phases 3 & 4 of the Class EA process, recommend the preferred design solution, and file a Notice of Completion (see Appendix A for Study Area). Specific tasks include the development of alternative design concepts, and the evaluation of the various design concepts in order to document the decision making process in determining the preferred design solution through to the preparation of the Environmental Study Report (ESR).
The Harvie Road / Big Bay Point Road / Highway 400 Transportation Improvements (Bryne Drive to Bayview Drive) Phases 3 & 4 Class EA ESR presents the recommended transportation improvements required in part to reduce existing traffic congestion and support growth in the south end of Barrie by connecting Harvie Road to Big Bay Point Road across Highway 400.

This report presents the preferred design alternative for connecting Harvie Road to Big Bay Point Road across Highway 400 that has been recommended as part of the Harvie Road / Big Bay Point Road / Highway 400 Transportation Improvements (Bryne Drive to Bayview Drive) Phase 3 & 4 Municipal Class Environmental Assessment (Class EA), and is part of the overall plan to address transportation issues in the south end of Barrie.

Please see Appendix B for Phase 1 & 2 Class EA background information and please note that the interchange will be subject to a separate Class EA study.

In 2004 and 2005, the Ontario Ministry of Transportation (MTO) completed a Transportation Environmental Study Report (TESR) and a Preliminary Design Report (PDR) for the Highway 400 which recommended that the highway be widened to a future eight (8) lanes, and land be protected for potential future ten (10) lanes from the City's south limits to Essa Road. The TESR is currently being updated by the MTO to study the highway widening and interchange alternatives. The alternatives that have been developed are based on the requirement for ten (10) lanes to accommodate future traffic demands.

The Bryne Drive Phase 1 & 2 Class EA update between Caplan Avenue and Essa Road was put on hold in 2010 through discussions with MTO pending the outcome of the Harvie Road / Big Bay Point Road / Highway 400 Transportation Improvements (Bryne Drive to Bayview Drive) Phases 3 & 4 Class EA study. The horizontal and vertical alignment of Bryne Drive is linked to the horizontal and vertical profile of the Harvie Road / Big Bay Point Road crossing, and MTO setbacks vary depending on whether a potential highway interchange is proposed.

On June 29, 2015, City Council adopted Motion 15-G-161 regarding the timing of the proposed transportation improvements as follows:

"That staff explore options to accelerate the Environmental Assessment and associated planning studies related to the Harvie Road / Big Bay Point Road crossing with the objective of accelerating the current construction start date to 2020/2021 and provide quarterly project status memos to City Council until project completion."

**ANALYSIS**

**Consultation**

The Public Information Centre (PIC) associated with Phases 3 and 4 of the Class EA was held on Thursday, April 23, 2015, to receive public comments regarding the proposed alternative design solutions associated with the Harvie Road / Big Bay Point Road / Highway 400 Transportation improvements. The following design alternatives were presented at the PIC.

**Alternative 1 - “Do Nothing”**
The “Do Nothing” alternative corresponds to the existing conditions. Under this option, no highway crossing would be constructed.

**Alternative 2a – Highway Crossing over Highway 400, Over Railway Crossing & Standard Geometrics**
This alternative incorporates the recommended improvements based on the Multi-Modal Active Transportation Master Plan with seven (7) lanes of vehicular traffic from Bryne Drive to Bayview Drive over Highway 400 and a grade separated railway crossing, with sidewalks and buffered bike lanes on both sides.
Alternative 2b – Highway Crossing Over Highway 400, Remove Railway Crossing & Reduced Geometrics
This alternative is similar to Alternative 2a except with reduced road geometrics in certain areas, and removes the railway crossing on Big Bay Point Road within the Study Area.

Alternative 3a – Highway Crossing Under Highway 400, At-Grade Railway Crossing & Standard Geometrics
This alternative incorporates the recommended improvements based on the MMATMP with seven (7) lanes of vehicular traffic from Bryne Drive to Bayview Drive under Highway 400 and an at-grade railway crossing, with sidewalks and buffered bike lanes on both sides.

Alternative 3b – Highway Crossing Under Highway 400, At-Grade Railway Crossing & Reduced Geometrics
This alternative is similar to Alternative 3a except with reduced road geometrics in certain areas.

Alternative 3c – Highway Crossing Under Highway 400, Raising Grade of Highway 400, At-Grade Railway Crossing & Reduced Geometrics
This alternative is similar to Alternative 3a except with reduced road geometrics in certain areas, and includes raising the profile of Highway 400.

14. Comments received throughout the Class EA process, along with the responses to those comments, are summarized in the ESR which is available in the Councillors’ Lounge for review and on the City of Barrie website at www.barrie.ca/eastudies. Areas of major concern include (see Appendix C for additional information):

- Potential increase of traffic and noise in the residential areas
- Impacts on the environment (Whiskey Creek, floodplain aquatic habitat, groundwater)

15. Preferred rankings were received and the results are as follows with Alternative 2b – Highway Crossing over Highway 400, Over Railway Crossing & Standard Geometrics being the preferred design alternative:

<table>
<thead>
<tr>
<th>Alternative</th>
<th>Number of Preferred Rankings</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>7</td>
<td>17%</td>
</tr>
<tr>
<td>2a</td>
<td>12</td>
<td>29%</td>
</tr>
<tr>
<td>2b</td>
<td>16</td>
<td>38%</td>
</tr>
<tr>
<td>3a</td>
<td>4</td>
<td>9%</td>
</tr>
<tr>
<td>3b</td>
<td>2</td>
<td>5%</td>
</tr>
<tr>
<td>3c</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td>Total</td>
<td>42</td>
<td>100%</td>
</tr>
</tbody>
</table>

16. First Nations groups were circulated as part of the public consultation process. Archeologic sites have been identified that will need to be further investigated as part of the detail design. The preferred design alternative has minimized impacts to the archeological sites.

17. Other agencies including the MTO and the Lake Simcoe Region Conservation Authority (LSRCA) were also consulted as part of this study. The MTO and the LSRCA have both endorsed the preferred design alternative associated with the Highway crossing subject to specific details being worked out during detail design.
Preferred Design Alternative

18. The design alternatives were evaluated in consideration of comments received to determine the best design alternative based on the evaluation criteria identified in the ESR. The evaluation criteria included technical, physical, social/cultural, natural, and economic components. A modified phased implementation of Alternative 2b was recommended as the Preferred Design Alternative.

The Preferred Design Alternative for the Harvie Road / Big Bay Point Road crossing includes the following (see Appendix D):

- Harvie Road / Big Bay Point Road crossing over Highway 400
- Removal of the existing railway crossing on Big Bay Point Road between Bayview Drive and Fairview Drive
- Buffered bike lanes and sidewalks on both sides
- Five (5) lanes in the interim and ultimate seven (7) lanes between Bryne Drive and Bayview Drive
- Protection of land for a potential future Highway interchange

The Preferred Design Alternative has minimized property impacts along the Study Area by incorporating reduced cross section geometries (lane widths) outside of the MTO corridor.

The Preferred Design Alternative minimizes driveway, utility, and natural environment impacts by incorporating an alignment shift to the north and recommending that the existing railway spur be removed on Big Bay Point Road between Fairview Road and Bayview Drive. The existing railway spur serviced the former Molson Brewery; Barrie Collingwood Railway has confirmed that it is no longer required.

The Preferred Design Alternative is consistent with the recommendations in the Multi-Modal Active Transportation Master Plan (MMATMP).

Related Projects

19. In consideration of the overall transportation network in the City’s south end, this project has been developed and coordinated with transportation improvement projects identified in the MMATMP for the Harvie Road and Big Bay Point Road Study Area between Bryne Drive and Bayview Drive.

As identified in the MMATMP, transportation improvements are needed on the following roads to minimize traffic issues in other areas and to maximize the utilization of the new highway crossing, thereby reducing traffic congestions on Essa and Mapleview:

- Big Bay Point Road – Bayview Drive to Huronia Road
- Harvie Road – Veterans Drive to Bryne Drive
- Harvie Road – Essa Road to Veterans Drive
- Bryne Drive – from north of Caplan Avenue to south of Essa Road
- Bayview Drive – Big Bay Point Road to Little Ave

Interchange

20. The Notice of Completion planned for Phases 3 and 4 will not include the potential future interchange. In order to obtain MTO approval for the future interchange, additional traffic analysis is required to provide MTO with the necessary information required for their approval.

21. The additional property requirements for a potential interchange are shown in Appendix E. The additional property requirements are potentially required to implement the interchange south bound on / off ramps and the north bound off ramp.
22. MTO's current planning study (TESR) will confirm the future Highway 400 widening requirements as well as alignments. The number of lanes on Highway 400 will influence the operation/weaving and need/justification associated with the interchange. The City will undertake an additional traffic analysis once MTO has determined the preliminary preferred design alternative identified in the TESR to confirm compatibility with the proposed interchange. The preliminary preferred design alternative is scheduled to be identified by the end of 2015. The TESR update will provide guidance on the alignment of the preliminary preferred design alternative and identify potential improvements at the adjacent Mapleview and Essa Interchanges.

23. It is important to complete the additional traffic analysis as soon as possible in order to facilitate the design of the crossing. If the additional traffic analysis concludes that the interchange is not needed or feasible, it will simplify the detailed design of the recommended crossing over Highway 400. Should the additional traffic analysis conclude that the interchange is needed and feasible; the Highway Interchange will be subject to a future separate Class EA study.

Staging

24. Different staging options were analysed in the ESR and the option of building a five lane road over the existing 6 lane Highway 400 was recommended for the following reasons:

- Lowest present value cost.
- MTO’s current 5 year capital plan has not budgeted for the Highway 400 widening. For the purposes of the analysis, it was assumed that it would be 25 years before the existing 6 lane Highway 400 is widened to 10 lanes.
- Defers construction of portions of a bridge structure that will not be needed for many years.
- MTO has advised that additional traffic analysis is required to assess the need and feasibility of an interchange.
- This Class EA study concluded that an interchange can only be implemented once Highway 400 is widened to a minimum of 8 lanes with auxiliary lanes due to weaving issues.
- Without an interchange, a seven lane Highway 400 crossing may never be needed.

25. It is recommended that the crossing over Highway 400 be designed for the ultimate 7 lane configuration compatible with a future interchange and Highway 400 widening, but constructed for 5 lanes in the interim.

Construction is anticipated to be undertaken in two stages as follows:

- Stage 1 would be the interim 5 lane Harvie Road / Big Bay Point Road crossing over the existing 6 lane Highway 400.
- Stage 2 would be the ultimate 7 lane Harvie Road / Big Bay Point Road crossing over the widened 10 lane Highway 400 and would include the Highway interchange ramps.

Staging will be confirmed in consultation with the MTO during detail design.

Next Steps

26. It is recommended that the Preferred Design Alternative for the ultimate 7 lane Hwy Crossing over Highway 400, and protection of land for a potential future interchange be adopted by Council at this time, in order that a Notice of Completion can be filed as required as part of the Class EA process. The Notice of Completion is the final point in the public process where the public can express their concerns if they feel issues raised through the Class EA process have not been sufficiently addressed. If there are no Part II Requests received, Phases 3 and 4 of the Class EA process can be considered complete and the City can proceed with the implementation of the Preferred Design Alternative.
27. Subject to available funding, it is proposed that a consultant be procured in 2015 in order to complete the design by 2017. Next steps also include property acquisition in 2018, utilities in 2019, and construction in 2020-2021 (subject to future budget approval).

28. Staff will provide quarterly project status memos to City Council until project completion.

ENVIRONMENTAL MATTERS

29. This project has followed the guidelines for a Municipal Class EA and technical, physical, social/cultural, natural, and economic matters have been considered in the development of the recommendations. The Phase 3 & 4 Class EA report discusses how environmental matters have been considered in the development of the recommended preferred design alternative. The evaluation process considered criteria for technical, physical, social/cultural, natural, and economic criteria such as traffic, pedestrians, cyclists, transit, property, noise, utilities, municipal services, and driveway grades/operations.

ALTERNATIVES

30. The following alternative is available for consideration by General Committee:

**Alternative #1**

General Committee could alter the proposed recommendation by selecting another Design Alternative.

This Alternative is not recommended because the Preferred Design Alternative provides for transportation improvements which minimize the effects to the physical, natural, social, cultural/heritage, and economic (financial) environments.

**Alternative #2**

General Committee could choose to consider the additional funding for the completion of the traffic analysis and the Bryne Drive Masterplan Update as part of the 2016 Business Plan development.

This Alternative is not recommended as both of these components require approval and commitment of funding to initiate the procurement process in order to complete these studies as soon as possible to maintain the accelerated construction start date of 2020 as per Council Motion 15-G-161.

**Alternative #3**

General Committee could choose not to consider additional funding for the completion of the traffic analysis associated with the interchange as part of the 2016 Business Plan development.

This Alternative is not recommended because resolving the outstanding interchange issues are essential to the detail design of the Highway Crossing. If it is determined that the interchange is not needed or not feasible, the detail design of the recommended Harvie / Big Bay / 400 Highway 400 Crossing would be simplified.

FINANCIAL


32. There will be an increase to the operating costs for the new Highway Crossing and the associated road widening between Bryne Drive and Bayview Drive. It is anticipated that the new roadway would be operated by the City of Barrie.
33. It is recommended that the design phase be accelerated to 2015 and added to the 2015 Business Plan in the total amount of $1.5 million and cash flowed as follows:

- 2015  $50,000
- 2016  $725,000
- 2017  $725,000

Approval of this funding would allow the procurement process to proceed in 2015 in order to retain a consultant to undertake the detailed design. Cash flows for design work would primarily occur in 2016 and 2017 but funds will need to be committed in 2015 so that an RFP can be issued this fall. Funding will be approximately $1,125,000 (65%) from development cost charges and $525,000 (35%) from the Tax Rate Capital Reserve.

34. The following is proposed in the 2016-2020 Business Plan and 10 year capital outlook:

- Design  2016 to 2017
- Property Acquisition  2018
- Utilities  2019
- Construction  2020 to 2021

35. It is recommended that the capital budget for the Harvie Road / Big Bay Point Road / Hwy 400 Municipal Class EA (14-16-2320-0651-3591) be increased by $250,000 from $600,000 to $850,000. Funding will be approximately $162,500 (65%) from development charges and $87,500 (35%) from the Tax Rate Capital Reserve. This funding is requested to complete additional traffic analysis required by MTO to finalize the assessment of the need and feasibility of the interchange with respect to the future widening of Highway 400 and proximity of the Essa and Mapleview interchanges.

36. To complete Phase 1 & 2 of the Bryne Drive Master Plan Update, which was put on hold in 2010 and to complete Phase 3 & 4, additional funding in the amount of $150,000 is required. Funding will be approximately $97,500 (65%) from development cost charges and $52,500 (35%) from the Tax Rate Capital Reserve. If the additional funding is approved, the Bryne Drive Master Plan Update is anticipated to be completed in 2016.

37. The table and paragraphs below provide information on the estimated capital costs for the project.

Current development charges included the following costs:

<table>
<thead>
<tr>
<th>Description</th>
<th>Total Cost ($ million)</th>
<th>DC ($ million)</th>
<th>Tax ($ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014 Development Charge Background Study (includes cost for interchange and staging works)</td>
<td>$45.7</td>
<td>$30.1</td>
<td>$15.6</td>
</tr>
<tr>
<td>Whiskey Creek Area Specific DC</td>
<td>$3.8</td>
<td>$3.8</td>
<td>$0</td>
</tr>
<tr>
<td>Total</td>
<td>$49.5</td>
<td>$33.9</td>
<td>$15.6</td>
</tr>
</tbody>
</table>

The updated total estimated cost of the proposed seven lane Highway 400 crossing including the interchange is $61 to 71 million (including staging works of $5 to $15 million).
The cost estimate has increased over previous cost estimates as additional elements were identified in the Phase 3 & 4 Class EA process, which includes a greater level of design detail. The following elements were identified and incorporated into the updated cost estimate:

- Utility relocates
- Highway 400 staging works
- Bike lanes
- Retaining walls
- Drainage improvements
- Fill
- Updated cost estimate extends from the realigned Bryne Drive to Bayview Drive

The estimated cost includes land acquisition, new culverts under Hwy 400, 15% Design, 10% utility relocates, 30% Contingency and 1.76% HST. The costs are based on Barrie road costs and 2011 MTO Parametric Estimating Guide. Costs are expressed in 2015 dollars and do not carry any escalation allowance for work undertaken in future fiscal periods.

For the 2014 Development Charge (DC) Background Study and the Harvie Road / Big Bay / Hwy 400 Municipal Class EA, project cost estimates assumed that there would be no grants and/or cost sharing. If grants and/or cost sharing are successfully negotiated, overall costs would be reduced.

The total estimated cost of constructing the interim 5 lane Harvie Road / Big Bay Point Road crossing over the existing 6 lane Highway 400 is estimated to be approximately $33.6 million. This cost estimate assumes approximately $7.5 million for Highway 400 staging works (actual Highway 400 staging costs are estimated to range from $5 - $15 million and depends on the resolution of some outstanding issues which would be resolved during detail design). This cost will be included in the recommended 2016 – 2020 capital plan.

**LINKAGE TO 2014 – 2018 COUNCIL STRATEGIC PLAN**

38. The recommendation(s) included in this Staff Report support the following goals identified in the 2014-2018 Strategic Plan:

- Responsible Spending
- Well Planned Transportation

39. This Class EA completes Phase 3 & 4 of the process and implementation of the Preferred Design Alternative provides necessary linkages within the City’s transportation system in the south end of Barrie. The Preferred Design Alternative will also provide key elements for Active Transportation such as bicycle lanes and sidewalks. This linkage is also critical in planning for, and accommodating future growth in the City of Barrie.
Appendix B – Harvie Road / Big Bay Point Road / Phase 1 & 2 Class EA

BACKGROUND

1. The Notice of Commencement for the Harvie Road / Big Bay Point Road / Highway 400 Phase 1 & 2 Class EA was issued on November 5th and 6th, 2010 and PIC #1 was held on November 17, 2010.

2. On March 5, 2012, City Council adopted Motion 12-G-049 regarding the Harvie Road / Big Bay Point Road / Highway 400 Transportation Improvements (Bryne Drive to Bayview Drive) Phase 1 & 2 Class EA as follows:

"1. That the Preferred Alternative for the Municipal Class Environmental Assessment for Harvie Road/Big Bay Point Road/Highway 400 from east of the future alignment of Bryne Drive to west of Bayview Drive (Phases 1 & 2) be adopted as outlined in Staff Report ENG005-12 and as follows:

a) That the proposed structure crossing Highway 400 will have six (6) through lanes and one (1) turning lane for a total of seven (7) lanes;

b) That Harvie Road / Big Bay Point Road be constructed with three (3) through lanes in each direction for a total of six (6) lanes, including a new crossing at Highway 400, plus operational improvements at intersections; and

c) That property be protected for a future potential highway interchange and refined as part of phases 3 & 4 of the Harvie Road / Big Bay Point Road / Highway 400 Class EA.

2. That in accordance with the requirements for a Schedule "C" Class EA study, the Engineering Department continues with Phases 3 & 4 of the Class EA process which includes the development and evaluation of alternative designs, a second PIC, and the recommendation to Council for a preferred design for transportation improvements at Harvie Road / Big Bay Point Road / Highway 400."
<table>
<thead>
<tr>
<th><strong>Major Issue</strong></th>
<th><strong>Response/Mitigation</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Access to Fairview Drive will be difficult from adjacent properties due to additional traffic volume.</td>
<td>Future growth in traffic volume on Fairview Road will be minimized by the new highway crossing connecting Harvie and Big Bay. The MMATMP suggests that 5 lane on Fairview Road may be required beyond 2031 (includes a turning lane in the centre of the road).</td>
</tr>
<tr>
<td>Rail road Crossing.</td>
<td>The preferred design alternative proposes to remove the existing railway spur.</td>
</tr>
<tr>
<td>Increased cut through traffic on adjacent residential streets.</td>
<td>As part of the detailed design, traffic calming measures will be considered on impacted residential streets.</td>
</tr>
<tr>
<td>Impact to Molson archaeological site</td>
<td>The archaeological site has been cleared.</td>
</tr>
<tr>
<td>Bryne Drive needs to be connected</td>
<td>Bryne Drive is subject to a Schedule C Class EA. Funding is being considered for inclusion in the 2016-2020 Capital Plan to connect Bryne Drive before the new highway crossing connecting Harvie to Big Bay is opened to the public.</td>
</tr>
<tr>
<td>Bicycle paths should take the form of multi-use trails instead of on-road bike lanes in order to see higher numbers of cyclists using the infrastructure, which will in-turn bring more people by different modes of transportation to the area.</td>
<td>The proposed multiuse trail would conflict with driveways and pedestrians, and be a potential safety issue over the Highway. Multiuse trails are also less compatible with commuter cyclists.</td>
</tr>
<tr>
<td>Concerned about impact of Crossing / Interchange on Harvie Road</td>
<td>The Highway 400 crossing connecting Harvie Road to Big Bay Point Road is one of the critical elements needed to resolving the traffic issues in the south end of Barrie. The Harvie Road EA between Bryne and Veteran’s is subject to a separate Class EA process but this Class EA recommends that reduced geometrics and four lanes be considered. Also, funding is being considered in the 2016-2020 Capital Plan to connect Bryne Drive which will minimize cut through traffic on Harvie Road west of Bryne.</td>
</tr>
<tr>
<td>Impacts on Whiskey Creek, floodplain aquatic habitat, groundwater and stormwater management.</td>
<td>The preferred design alternative includes an alignment shift to the north which will minimize the impact to the natural environment. Additional mitigation measures will be considered as part of the detail design, including the potential of retaining walls which will reduce the footprint of the recommended transportation improvements.</td>
</tr>
</tbody>
</table>
Preferred Design Alternative – Interim and Ultimate MTO Typical Sections Over the Highway 400 Corridor

M.T.O. 3.75m LANE WIDTH
INTERM TYPICAL SECTION – C.A.H. GEOMETRICS

M.T.O. 3.75m LANE WIDTH
ULTIMATE TYPICAL SECTION – C.A.H. GEOMETRICS
Preferred Design Alternative – Interim and Ultimate Typical Sections Outside of the Highway 400 Corridor

CITY OF BARRIE 3.5m LANE WIDTH
INTERIM TYPICAL SECTION – STANDARD GEOMETRICS

CITY OF BARRIE 3.5m LANE WIDTH
ULTIMATE TYPICAL SECTION – STANDARD GEOMETRICS
Staff Report Approval Form

Please sign the staff report and forward to the next person/signatory.

Name of Report: New Harvie Road / Big Bay Point Road Crossing of Highway 400 Municipal Class Environmental Assessment Notice of Completion

Staff Report No.: ENG012-15

General Committee Date: September 28, 2015

Number of Pages: 15

Number of Appendices: 4

The Director of Finance/Deputy Treasurer (in Director's absence) has been consulted regarding this staff report and comments have been included in the staff report to the satisfaction of the Finance Department.

[ ] To be initialed by Finance

Departments that may be impacted by the recommendations/actions resulting from the recommendations have been consulted in the development of the Staff Report.

Yes [ ]

Not applicable [ ]

The public and/or organizations interested/impacted by the recommendations/actions resulting from the recommendations have been consulted in the development of the Staff Report.

Yes [ ]

Not applicable [ ]

If applicable, the Communications and Intergovernmental Affairs Department has been consulted regarding this staff report.

Yes [ ]

Not applicable [ ]

Do you have any contacts* for the staff report? If yes, Please attach a list of names and phone numbers/email addresses. (If telephone and/or email not available then letter must be mailed from home department).

Yes [ ]

Not applicable [ ]

Please ensure the Staff Report Approval Form is attached to the Staff Report prior to its circulation for review/approval and, once all signoffs have been made, forward this Form and the Staff Report to the City Clerk's Office.

* Please note that "Contacts" are not to be restricted to those who are directly affected by the issues of the staff reports. "Contacts" should also include any members of the public who have expressed general interest of upcoming matters scheduled for General Committee and wish to be advised accordingly. In order to have people contacted either a telephone and/or email address is required. If no telephone and/or email address included then a letter from the home department must be mailed.
Hi Bev,

Harvie Rd SR is reasonable from a finance perspective.

Thanks,

Craig Millar, MBA, CGA, CPA
Director Financial Planning and Optimization
The Abbott Group
Central Ontario's Premier Waterfront Community

Finance Department
1399 Royal City Park

Mail Address
P.O. Box 400, Barrie ON, L4M 4T8
Tel: 705-759-4250 Ext. 2100
Fax: 705-759-4237

Please consider the environment before printing this email.

From: Alison Gallant
Sent: Wednesday, September 16, 2015 10:33 AM
To: Craig Millar
Cc: Michael Jerney
Subject: RE: Harive Rd SR

This seems fine. We used a 65/35 growth vs non-growth split in the background study for roads in former Barrie boundaries. Ralph is going to send me the list of projects from the background study to which this staff report applies - I'm able to identify some of the projects but possibly not all of them.

Alison Gallant, CPA, CMA
Senior Manager Development Charges
Ext 4503

Please consider the environment before printing this email.

From: Craig Millar
Sent: Tuesday, September 15, 2015 12:32 PM
To: Alison Gallant
Cc: Michael Jerney
Subject: Harive Rd SR

Hi Alison,
1. That the preferred design alternative for the Phases 3 and 4 Municipal Class Environmental Assessment for Harvie Road / Big Bay Point Road / Highway 400 Transportation Improvements (Bryne Drive to Bayview Drive), be adopted as outlined in Staff Report ENG012-15.

2. That in accordance with the requirements of the Class Environmental Assessment process, the Engineering Department publishes a Notice of Completion for the Harvie Road / Big Bay Point Road / Highway 400 Transportation Improvements Class EA associated with the crossing of Highway 400. The interchange will be subject to a separate Class EA.

3. That the design of the highway crossing be added to the 2015 Business Plan in the amount of $1.5 million; funding will be approximately $975,000 (65%) from development charges and $525,000 (35%) from the Tax Rate Capital Reserve.

4. That the capital budget for the Harvie Road / Big Bay Point Road / Highway 400 Transportation Improvements Class EA (14-16-2320-0651-3591) be increased by $250,000 to complete additional traffic analysis as required by the Ontario Ministry of Transportation to confirm that their selected preliminary preferred design alternative associated with the Highway 400 Transportation Environmental Study Report Update is compatible with the proposed interchange; funding will be approximately $162,500 (65%) from development charges and $87,500 (35%) from the Tax Rate Capital Reserve.

5. That the capital budget for the Bryne Drive Masterplan Update be increased by $150,000; funding will be approximately $97,500 (65%) from development charges and $52,500 (35%) from the Tax Rate Capital Reserve to complete Phase 1 and 2 of the Class EA and to undertake Phase 3 and 4 of the Class EA.

6. That staff in the Engineering Department investigate additional mechanisms by which to advance the a) land acquisition to 2017, and b) utility construction start dates to 2018.

7. That a letter be sent to the Premier, Minister of Infrastructure, Minister of Transportation, Minister of Health, and MPP Ann Hoggarth requesting that their respective ministries recognize the sizeable investment that the Ministry of Health has made by granting the largest investment in Ontario’s history to fund the construction of the Barrie South Family Health Team and noting that the Province has an opportunity to maximize their investment by working collaboratively between ministries as well as with the City to accelerate the design and approval process of the Harvie Road / Big Bay Point Overpass/Potential Interchange, and ultimately better serve residents, patient care and the business community. (ENG012-15) (File: T05-HA3)

CARRIED

Directions Memo: Director of Engineering - action
Director of Finance - note/action
Director of Legislative and Court Services - Lisa - prepare letter
EXECUTIVE SUMMARY
Staff Report ENG033-13

Overall Strategy - This report presents a proposed strategy for managing growth to the year 2031 and describes the impact on the City’s Financial Policy Framework. The strategy follows the guiding principles approved by Council in order to create a complete community that will enjoy the same levels of service as exist today while ensuring appropriate risk management for the City’s infrastructure assets. The strategy introduces new development financing tools which are required to meet the City’s fiscal thresholds and ensure that growth pays for growth to the greatest extent possible within the law. The result will be a City of 210,000 people who all have access to safe drinking water, a clean and healthy environment, walkable neighbourhoods, connected communities and convenient access to transit.

Growth - Under the Provincial Places to Grow Act, the City of Barrie is permitted to grow to 210,000 people and 101,000 jobs over a 20 year planning period from 2012 to 2031. The City is required to plan for 40% of this growth as infill and intensification in Former Barrie and 60% in the Annexed Lands.

Public Consultation - Extensive public consultation was completed using a coordinated approach to obtain input on both the Secondary Plans for the Annexed Lands and the Infrastructure Master Plans at the same time. In addition to the required public meetings under the Planning Act and the Environmental Assessment Act, many other meetings were held with landowners, developers, community groups, agencies and members of the public to discuss their comments arrive at the best overall solution.

Land Use Planning - Secondary Plans for the Annexed Lands have been prepared and will be presented to Council in the near future.

Servicing - This report recommends Council approval of the Infrastructure Master Plans that identify the preferred water, wastewater, stormwater and transportation strategies for servicing infill and intensification growth in Former Barrie and growth in the Annexed Lands. After implementing these strategies, existing and new residents will receive the same levels of service as are provided today for water, wastewater, stormwater and other services such as waste management, parks and recreation, fire, police, libraries, arts & culture and ambulance. The level of service for the City’s transportation system will have the same elements as today (roads, transit, cycling paths, sidewalks and walking trails) but with a greater degree of connectivity for cycling and walking throughout the City.

Costs - A fiscal impact analysis was completed to assess the capital and operating costs of growth and asset replacement projects against the City’s Financial Policy Framework, specifically as it relates to debt levels and tax/rate affordability thresholds. The starting point for the analysis was a capital program that addressed all the elements of the Master Plans, Asset Management Plan and other forecasted costs. This program was not deemed to be affordable, so a number of different scenarios were evaluated that included consideration for managing asset replacement risks, new infrastructure timing, levels of service, cash flow and debt management. Finally, a scenario was identified that allows growth to occur while maintaining existing levels of service without exceeding the City’s key fiscal thresholds. The key to the recommended strategy is a series of new growth financing tools that will require additional investment by developers to pay for the costs of growth. These new tools will allow development to proceed while limiting the impact on existing taxpayers.

Next Steps – Upon approval of this report, the results of the fiscal impact analysis will be presented to the development community to begin discussions leading towards financial agreements in accordance with the new Financial Policies Framework. Staff will also initiate the Development Charges By-law update process. Further information regarding next steps will be presented with the Secondary Plans.
TO: GENERAL COMMITTEE
SUBJECT: GROWTH MANAGEMENT UPDATE: INFRASTRUCTURE MASTER PLANS AND FISCAL IMPACT ANALYSIS
WARD: ALL
PREPARED BY AND KEY CONTACT: S. PATTERSON, P. Eng.
MANAGER OF INFRASTRUCTURE PLANNING
SUBMITTED BY: ERIC HODGINS, MCIP, RPP
GROWTH MANAGEMENT COORDINATOR
D. McKINNON, CGA
DIRECTOR OF FINANCE
J. M. WESTON, M.A.Sc., P. Eng., PMP
DIRECTOR OF ENGINEERING
GENERAL MANAGER OF INFRASTRUCTURE AND GROWTH MANAGEMENT
E. ARCHER, CMA
GENERAL MANAGER OF COMMUNITY AND CORPORATE SERVICES
CHIEF ADMINISTRATIVE OFFICER APPROVAL: C. LADD
CHIEF ADMINISTRATIVE OFFICER

RECOMMENDED MOTION

1. That the update to the Financial Policies Framework – Growth and Development section as attached in Appendix A of staff report ENG33-013 be approved to minimize the financial impact of municipal growth on existing taxpayers by including the use of new development financing tools including:

   a) Accelerating the timing of payment of development charges

   b) Front-ending of capital project costs by developers

   c) Capital contribution payments by developers for growth-related capital infrastructure needs that are not currently funded by Development Charges.

2. That the Fiscal Impact Analysis by Watson Associates be approved as a forecast so that Staff may present the results to the development community as the basis for financial agreements that include new development financing tools such as accelerated payments, front-ending, and a capital contribution of not less than $4,500 per housing unit.

3. That the six Infrastructure Master Plans (Water Supply, Water Storage and Distribution, Wastewater Treatment, Wastewater Collection, Drainage and Stormwater Management, and Multi-Modal Active Transportation) related to growth from 2012-2031 be approved so that staff may complete the public consultation process in accordance with the Municipal Class Environmental Assessment process.
PURPOSE & BACKGROUND

4. The Provincial Growth Plan permits the City of Barrie to plan for a population of 210,000 and 101,000 jobs by the year 2031, with 60% of the post 2015 population growth to occur in the Annexed Lands and 40% as infill and intensification in Former Barrie.

5. In accordance with the three pillars of the City’s growth management process, namely land use planning, infrastructure planning and financial planning, and the Council approved themes and principles listed below, the City has prepared two Secondary Plans, six Infrastructure Master Plans and a Fiscal Impact Analysis for growth to the year 2031.

6. The purpose of this staff report is to provide Council with an update on the growth management process, recommend approval of new development financing policies and request authority to complete the Infrastructure Master Plans for servicing growth to the year 2031.

7. The two Secondary Plans for the Annexed Lands (Salem Secondary Plan for the west block, Hewitt's Secondary Plan for the east block) will be presented to Council in the near future along with proposed amendments to the City’s growth management policies.

Guiding Principles

8. The growth management themes and guiding principles adopted by Council (refer to Staff Report IDC003-10 and Council motion 09-A-611) have been used as a framework for developing the three pillars of the growth management process: land use planning, infrastructure planning and financial planning:

a) Refocus, Redefine, Revitalize

i. That municipal services like parks, fire services, roads, water, and wastewater be built at the same time or in advance of the issuance of occupancy
ii. That the City of Barrie continue to develop satellite service locations for municipal services in the south end of Barrie to ensure easier access for residents
iii. That the growth in working age residents in the City of Barrie not be allowed to outpace the growth of jobs to ensure the City of Barrie stays a strong economic centre, repatriates employment opportunities for residents and minimizes out-commuting

b) Getting Around – Choices Abound: Walk, Cycle, Ride, Drive

i. That the City of Barrie continue to place a high priority on supporting active transportation (walking and cycling) and on accessibility to public transit in all new growth areas

c) Great Places and Green Spaces

i. That the City of Barrie continue to plan new neighbourhoods with basic services and shops, including "corner stores" and/or local commercial areas
ii. That new neighbourhoods draw on the strengths of historic neighbourhoods: grid street patterns, public spaces, pedestrian-friendly street design (buildings close to street, tree-lined streets, on-street parking, hidden parking lots, garages in rear lane, narrow and slow speed streets)
iii. That the City of Barrie continue to provide a diversity of housing types in new neighbourhoods
d) **Practical and Progressive Plans**

i. That the City of Barrie continue to apply the principle that growth pays for growth to the greatest extent possible within the law.

ii. That all new neighbourhoods and business areas in the City of Barrie be designed to support resource conservation and environmental stewardship to the greatest extent feasible and include the best practices in the use of district energy, water conservation/recycling and sustainable community planning.

e) **Inform, Involve, Inspire**

i. That all planning efforts for new growth areas occur through extensive consultation with the public, community stakeholders and with the business and development communities.

**Financial Policies Framework**

9. The goal of the City’s Financial Policies Framework is to “place the City’s finances on a sound and sustainable footing so that financial, service and infrastructure standards can be met without resorting to unplanned or excessive increases in rates or disruptive cuts in services.” The framework includes thirteen financial elements, one of which is “Growth and Development”. The current version of the Growth and Development element is found in Appendix A.

**ANALYSIS**

**Public Consultation**

10. The City has undertaken extensive public consultation throughout the growth management process in order to ensure that all stakeholders had an opportunity to comment and that their comments were fully considered. At the beginning of the process, the City coordinated the public consultation requirements under the Planning Act with the requirements for the Municipal Class Environmental Assessment process in order to ensure that the land use and infrastructure plans were closely aligned.

11. The points of public contact as required under the Municipal Class Environmental Assessment process have been as follows to date:

   a) Notice of Commencement - January 28 & 29, 2011

   b) PIC #1, - September 13, 2011

   c) PIC #2, - April 25, 2012

   d) PIC #3, - March 6, 2013 (coordinated with the Planning Act public meeting)

   e) PIC #4, - April 3, 2013

12. Responses were provided to all comments received through the public meetings and compiled in the Master Plan Public Consultation document. A summary of the major themes heard through the public consultation process related to the Master Plans is provided in Appendix B.
A Technical Advisory Committee including public agencies, landowners and developers was established and met several times as a whole and in sub-committees to provide input on the various Master Plans at key stages of the project. In addition, meetings were held with a wide variety of stakeholders throughout the process. The purpose of the meetings was twofold: first, to keep the various groups informed of the progress on the individual Master Plans and second, to involve them in their preparation. The stakeholders included the City’s public sector partners, aboriginal and first nation organizations, community groups, developers and landowners. A chronology of these additional meetings is included as Appendix C. In summary, input on the Master Plans was obtained from:

a) Public Agencies: Provincial Ministries, Ontario Growth Secretariat, Conservation Authorities, School Boards, County of Simcoe, Simcoe Muskoka District Health Unit, Town of Innisfil, Innisfil Hydro, Barrie Police Service, Barrie Utility Coordination Committee, RVH, Georgian College

b) Aboriginal Groups: Georgina Island First Nation, Huron Wendat First Nation, Metis Nation of Ontario

c) Community Groups: Barrie & District Real Estate Board, Simcoe County Home Builders Association, BILD Simcoe Chapter, AWARE Simcoe/Rescue Lake Simcoe Coalition, Transition Barrie, Living Green Barrie

d) Landowners and Developers: Individual property owners, landowner/developer groups, agents and consultants

**Infrastructure Planning – Class EA Master Plans**

14. Six infrastructure Master Plans have been developed under the Municipal Class Environmental Assessment process that identify the preferred water, wastewater, drainage and multi-modal active transportation strategies to meet the City of Barrie’s growth requirements to the year 2031, with consideration for ultimate build-out of the planning areas. A summary of each strategy is provided in Appendix D and figures illustrating the preferred solution for each Master Plan are provided in Appendix E.

15. The strategies outlined in the Master Plans, when implemented, will result in complete, connected communities where residents will continue to enjoy delivery of safe, clean drinking water to their homes and businesses, collection and treatment of wastewater and stormwater for protection of the environment, and a transportation network that provides choices for people to walk, cycle and take transit as they move around the City.

16. The Master Plan documents have been made available for review under separate cover in the Councillor's Lounge, Clerk's Department, Engineering Department, City of Barrie Public Library Branches and online at www.barrie.ca, and include:

a) Water Supply

b) Water Storage and Distribution

c) Wastewater Treatment

d) Wastewater Collection

e) Drainage and Stormwater Management

f) Multi-Modal Active Transportation
17. The Master Plans were completed using the Municipal Class Environmental Assessment process (October 2000; Amended September 2007, August 2011), which is an approved process under the Environmental Assessment Act that requires the evaluation of alternatives with consideration for the environmental effects of infrastructure projects.

18. Specifically, the Master Plans were conducted in accordance with Approach #2 of the master planning process. By using this approach, the Master Plans, once completed, will fulfill all the environmental assessment requirements for Schedules A, A+, and B projects. This approach will result in significant time and cost savings because the City will not need to undertake separate Schedule B projects after completion of the Master Plans. The Schedule C projects will require completion of phases 3 and 4 of the Municipal Class Environmental Assessment process prior to implementation. Refer to Appendix F for a list of Schedule A, A+, B and C projects.

Infrastructure Planning – Strategic Plans

19. As a fundamental element of the growth management process, in addition to the Master Plans described above, the City has also updated strategic plans to account for growth to the year 2031 for other City services such as waste management, parks and recreation, fire, police, library, arts & culture, ambulance, development services, information technology and general government services. This information will be used as input to the City’s budget forecasts and it was an input to the Fiscal Impact Analysis.

Infrastructure Planning – Timing and Implementation

20. The infrastructure staging plan showing timing of major projects to service growth in Former Barrie and the Annexed Lands is provided in Appendix G. The timing is based on growth patterns throughout the City over the planning period. For the Annexed Lands, the timing of infrastructure is carefully coordinated with the phasing of development: set out in the proposed Secondary Plans; Phase 1 prior to 2021, Phase 2 from 2022 to 2026 and Phase 3 from 2026 to 2031. The timing of construction of roads, water, wastewater and storm pipes in a particular stretch of road has been coordinated to minimize impacts on the public.

21. The infrastructure staging plan will be implemented through a combination of City-led projects and developer-led projects with City oversight. The local infrastructure will be built by developers through subdivision agreements (for example, local roads and associated water mains, wastewater mains, parks) with City review, inspection and sign-off prior to assumption.

Infrastructure Planning – Levels of Service

22. The levels of service recommended in the Master Plans and Strategic Plans are essentially the same as those provided today. For details, refer to the Level of Service table in Appendix H. The level of service for the City's active transportation system will have the same elements as today (roads, transit, cycling paths, sidewalks and walking trails) but with a greater degree of connectivity for walking and cycling throughout the City. The Multi-Model Active Transportation Master Plan does recommend an increased level of service for transit, namely an increased frequency of buses (more buses on the same routes). However, to remain aligned with the City's financial policy framework, the service level will not be increased during the forecast period. This will be discussed below in relation to the Fiscal Impact Analysis.
Fiscal Impact Analysis – Scenario Planning

23. A Fiscal Impact Analysis (FIA) has been completed using a scenario planning approach. The objective was to identify a financing plan that reflected the goals, principles and thresholds included in the Financial Policies Framework while acknowledging the timing and level of cash inflows/outflows associated with managing growth over the planning period. This comprehensive approach included consideration of the City’s fiscal thresholds for debt, rates and taxes, and ensures that “growth pays for growth to the greatest extent possible within the law” in accordance with the guiding principles. The result is a scenario that describes not only the type, level and timing of costs required for managing growth and asset replacement, but also the financing methods and revenue sources required to pay for those costs. For the City of Barrie, this includes a requirement to use new financing methods. The recommended changes to the Financial Policies Framework in Recommended Motion #1 and use of the new development financing tools as described in Recommended Motion #2 are required for the resulting scenario to work as intended.

24. The FIA starts with a snapshot of the City’s fiscal position at the beginning of the planning period, adds in all of the City’s forecast capital and operating costs related to infrastructure (growth, asset replacement and other non-growth related costs) over the planning period from 2012 to 2031, determines how these needs will be financed and then calculates the resulting impact on the thresholds set out in the City’s Financial Policies Framework.

25. A number of financial assumptions are part of the FIA, such as:

   a) Financing sources include tax and rate supported reserves. Development Charges, outside recoveries (for example, the Highway 400 Duckworth Interchange project is partly funded by the Federal and Provincial governments) and debt

   b) Borrowing cost assumptions are rate supported debt at 4% financing for a 20 year term and tax supported debt at 3% financing for a 10 year term

   c) No Development Charge discounts or exemptions (except where legislated)

Base Case

26. The first step in the Fiscal Impact Analysis was to create a Base Case, which includes the capital costs of all the projects identified in the Infrastructure Master Plans, the City’s Asset Management Plan, and other strategic plans for services such as waste management, parks and recreation, fire, police, library, arts & culture, ambulance, development services, information technology and general government services. The value of the Base Case is approximately $3,600 million over the 20 year planning period, including approximately $1,600 million in asset replacement costs from the City’s Asset Management Plan (average of approximately $80 million per year over 20 years). As shown in Appendix I, the Base Case includes the current asset replacement backlog and all new requirements over the planning period.

27. The Base Case was found to be unaffordable because the resulting debt and budget requirements were significantly over the City’s thresholds as shown in Table 1, as well as the Provincial debt limits. The reason for this was partly due to the total cost of the program and partly due to a peak in capital costs in the first 10 years, which also made the Base Case impractical to implement. Therefore, alternative scenarios were required in order to develop a sustainable program.
Revised Capital Program

28. The next step was to review the capital program and identify opportunities to reduce the overall cost by revising the levels of service to today's standard and deferring projects to beyond the first 10 years to smooth out the peak. The result was a revised scenario with an overall program value of approximately $3,100 million over the 20 year planning period (average of approximately $150 million per year over the 20 years), including approximately $1,200 million in asset replacement costs from the City's Asset Management Plan (average of approximately $60 million per year over 20 years). Changes from the Base Case included:

a) Removing approximately $100 million of buses and transit facility expansion costs by leaving the frequency of buses at the level of service provided today rather than implementing an increased frequency as recommended in the Master Plan. The existing transit routes will remain and be extended into the Annexed Lands. The total number of buses will increase to accommodate growth, but the bus frequency will remain the same as it is today.

b) Removing approximately $400 million of asset replacement costs by deferring medium and low risk tax-based asset replacement projects to beyond 2031. As shown in Appendix I, the revised capital program includes the following percentages of the asset replacement costs in the City's Asset Management Plan: 100% of the water and wastewater asset replacement costs (backlog and new costs), 100% of the extreme and high risk tax asset replacement costs and 6% of the medium and low risk tax asset replacement costs (overall 72% of the City's Asset Management Plan over the planning period). This means that, in order to achieve the City's fiscal thresholds, the less critical (medium and low risk) tax asset replacement projects, such as local roads, park paths and other amenities, will be deferred beyond 2031. This represents effective risk management in that the City will be able to replace assets with the highest impact of failure while accepting a lower level of service for assets that will have less impact if they fail in order to meet its fiscal thresholds. There is some flexibility in the plan (9% of the medium and low risk tax asset replacement costs will be funded) for replacement of these lower risk assets in coordination with other projects, such as the replacement of a local road when the water and wastewater mains are replaced. It is important to note that, although this is a reduction from the Base Case, the revised capital program still reflects a significantly higher investment in asset replacement than current levels.

c) Deferring various tax-funded road projects to beyond the first 10 years. The preferred solution outlined in the Master Plan is based on traffic volume forecasts but does not fully consider the time required to implement the program; the Scenario 1 revisions reflect the City's experience with the time required for approvals, Schedule C environmental assessment, design and construction of road and interchange projects; the longer timeframe may result in some traffic congestion until the program is fully implemented but is the only practical way to implement the required program given time and financial realities.

d) Deferring a number of tax-funded facility projects to beyond the first 10 years. This will ensure a more balanced implementation approach with the new Hewitt's Recreation Centre to be built within the first 10 years of the program, followed by the Allandale Recreation Centre expansion and then the new Salem Recreation Centre.

29. The analysis with the Revised Capital Program was still unaffordable because the resulting debt and budget requirements exceeded the City's thresholds, as shown in Table 1.
New Development Financing Tools

30. The final step in the analysis was to assess the impact of introducing new development financing tools. As shown in Table 1, the City's fiscal thresholds were reached only after adding accelerated Development Charge payments, front-ending payments and a capital contribution to the analysis, as follows:

a) **Accelerated payment** of hard service (water, wastewater, stormwater, roads) Development Charges at the time of planning approval

b) **Front-ending** by developers for all hard service (water, wastewater, stormwater, roads) infrastructure projects required to service the Annexed Lands

c) **Capital contribution** of not less than $4,500 per housing unit to be paid at the time of Building Permit issuance by residential developers in the Annexed Lands; the capital contribution would include:
   
i. 10% mandatory deduction required by the Development Charges Act
   
ii. Amounts for transit and library services due to exceeding the service standard upper limit as required by the Development Charges Act
   
   iii. Growth-related costs that are ineligible under the Development Charges Act

31. The results of the Fiscal Impact Analysis are shown in the following table:

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Budget Thresholds</th>
<th>Debt Thresholds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Municipal Taxes do not exceed 4% of average household income</td>
<td>Average water and wastewater costs do not exceed 2.5% of average household income</td>
</tr>
<tr>
<td>Base Case</td>
<td>5.1%</td>
<td>0.9%</td>
</tr>
<tr>
<td>Revised Capital Program</td>
<td>4.4%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Revised Capital Program + accelerated payments</td>
<td>4.3%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Revised Capital Program + accelerated payments + front-ending</td>
<td>4.3%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Revised Capital Program + accelerated payments + front-ending + voluntary contribution</td>
<td>4.2%</td>
<td>0.8%</td>
</tr>
</tbody>
</table>
Fiscal Impact Analysis - Recommended Scenario

32. Through this analysis it was determined that the only way to create a financially viable growth management plan is to introduce a number of new development financing tools. Therefore, it is recommended that the Growth and Development section of the Financial Policies Framework be updated as attached in Appendix A to allow for the use of these new financing tools, as follows:

a) Accelerating the timing of payment of Development Charges by developers to the time of planning approval

b) Front-ending of capital project costs by developers

c) Capital contribution payment by developers of not less than $4500 per housing unit over and above the Development Charge payments for growth-related capital costs that are not eligible for inclusion in the Development Charges under the Development Charges Act

33. With the introduction of these new development financing tools, the FIA demonstrates that the City will be able to finance the new infrastructure required to support the growth mandated by the Province over the next 20 years while adequately managing the risks of asset replacement and maintaining existing levels of service for the residents and businesses of Barrie.

Fiscal Impact Analysis – Implications for Future Policy and Service Level Choices

34. It is important to note that, even with the introduction of these new financing tools, the City will have to manage its budget very carefully in the coming years. The FIA demonstrates that the City will be right at its fiscal thresholds, leaving little financial flexibility for responding to unexpected events or changing capital priorities:

a) **The City will reach the maximum debt limit established in the Financial Policy Framework.** Debt charges (principle and interest) are forecast to reach, but not exceed 20% of the City's own source revenues. The maximum limit set by provincial legislation is 25%. This means that the City will have limited flexibility over the forecast period to address new financing requirements or address shortfalls in other revenue sources.

b) **Development Charge rates cannot be discounted nor can new exemptions be introduced as any discounts or exemptions would increase the costs to existing taxpayers.** The FIA forecasts the average Development Charges to be approximately $44 000 per single unit residential and $22 per square foot non-residential, which is in the range of charges for similar sized and neighbouring municipalities. This means that the City's DC rates would be comparable to others and minimize the costs required to be paid by existing taxpayers.

c) **The forecast minimum annual balance in the Tax Capital Reserve is very low, limiting the City's flexibility during the forecast period to address unplanned needs.** The forecast balance is as low as $5.9 million or approximately 5% of the average annual capital budget. This means the City will have limited flexibility over the forecast period to address new financing requirements or address unplanned needs.
d) The FIA forecasts annual tax increases of approximately 3% on average, with a range of 2% to 7% over the planning period. This means that new revenue from property taxpayers will be required in each year of the forecast period if infrastructure and service levels are going to be delivered as described in this report. The projected increases are largely driven by the increased investment in asset replacement from today’s levels, and also by the portion of growth-related capital projects that provides a benefit to existing taxpayers. The actual annual change in property taxation will continue to be subject to Council’s annual review and approval. Budget decisions will be dependent on asset management risk levels, the pace of growth, and updated capital needs forecasts.

e) The FIA was based on estimated costs and financial assumptions. Actual costs and their timing will vary. The status of development, capital program costs and development uptake will be reported regularly to Council through an annual monitoring report, and the plan will be updated through the annual budget process. Again, actual budgets over the forecast period will be subject to Council’s annual review and approval, with consideration for current asset management risk levels, the pace of growth, and updated capital needs information.

35. In summary, the recommended financial policy changes and related FIA provides a reasonable and equitable solution for managing the costs associated with significant growth and asset replacement needs over the next 20 years. The scenario described here means:

a) The City can generally meet its fiscal thresholds while building the infrastructure required to service growth and replace existing assets with the same levels of service that residents and businesses enjoy today.

b) The City can significantly increase its investment in asset replacement from current levels to address the priority asset replacement needs while meeting its fiscal thresholds. This is a balanced approach that allows the City to manage its risk by replacing the assets with the highest impact of failure and accepting a lower level of service for assets that will have less impact if they fail.

c) Residents will continue to receive safe, clean drinking water and wastewater will be treated to regulatory standards in order to protect the health of Lake Simcoe.

d) Drainage and stormwater management will continue to be appropriately managed to protect property and the environment.

e) The City’s transportation network will be maintained, extended and managed to promote a more active, healthy lifestyle.

f) Parks, recreation facilities and other services will be extended as the City grows to create a complete community.

g) With the recommended changes to the Financial Policies Framework, the City will be able to grow and prosper within its financial thresholds.

Growth Management Next Steps

36. Upon approval of this report, staff will move forward with a number of initiatives. Staff will present the Salem and Hewitt’s Secondary Plans to Council in the near future. Staff will then present the results of the Fiscal Impact Analysis to the development community and begin discussions leading towards financial agreements in accordance with the new Financial Policies Framework. Staff will also start the Development Charges Background Study in preparation for an update to the Development Charges By-law in 2014. Further information regarding next steps will be presented with the Secondary Plans.
37. Also upon approval of this report, staff will proceed to complete the infrastructure Master Plans by filing the Notice of Completion for the Schedule A, A+ and B projects. If the projects are completed with no Part II Order requests, then staff will proceed with the implementation phase of the Municipal Class Environmental Assessment process, according to the required timing and subject to budget approval through the annual budget process. For the Schedule C projects, staff will proceed to Phases 3 and 4 of the Municipal Class Environmental Assessment process, according to the required timing and subject to budget approval through the annual budget process.

ENVIRONMENTAL MATTERS

38. The Infrastructure Master Plans have been completed under the Municipal Class Environmental Assessment process which considers environmental as well as social and cost criteria. The environmental commitments made through completion of the master plans will be carried through to the design and construction phases of the process.

ALTERNATIVES

39. There are three Alternatives available for consideration by General Committee:

Alternative #1 General Committee could decide not to approve the changes to the Financial Policies Framework and the use of the new financing tools as described in this report. This alternative is not recommended as the changes provide a foundation for infrastructure and land use planning that is consistent with Council’s principle that growth pay for growth to the greatest extent possible within the law.

Alternative #2 General Committee could decide not to endorse the Fiscal Impact Analysis and request further analysis prior to initiating discussions with the development community. This alternative is not recommended because a comprehensive analysis has been completed.

Alternative #3 General Committee could decide not to approve the Infrastructure Master Plans. This alternative is not recommended as these documents identify the infrastructure required to support growth to 2031 and beyond. This includes forecasted population and economic growth both in the Annexed Lands and intensification within the former City limits. Preparation of the Master Plans has also been co-ordinated with the two Secondary Plans for the Annexed Lands.

FINANCIAL

40. The effect of the recommended changes to the Financial Policies Framework is to provide new financing methods that assist the City with managing the cost of municipal growth. These policy changes will allow growth to proceed at the pace described in this report while adhering to the planning principles approved by Council in 2009.

41. The financial impact analysis forecasts operating and capital requirements with corresponding rate increases, however, Council will continue to establish budgets and rates as part of the annual business planning process.

42. The financial impact analysis will be used to update the City’s Long Range Financial Plan. Actual results will be compared to the Long Range Financial Plan at least annually in order to determine the extent to which we are in alignment with our plan or whether adjustments to the plan are required.
LINKAGE TO 2010 – 2014 COUNCIL STRATEGIC PLAN

43. The recommendations, included in this staff report, relate to the following goals identified in the 2010-2014 City Council Strategic Plan:

a) Strengthen Barrie’s Financial Condition

b) Manage Growth and Protect the Environment