

**COMMUNICATION 136040**

Received From: Diane Smithson, Chief Administrative Officer  
Addressed To: Committee of the Whole  
Date: April 22, 2025  
Topic: Additional Development Charge Study Cost

**BACKGROUND**

The following information pertaining to the preparation of a Development Charges Background Study and By-law was included in the CAO's Delegated Authority Report dated February 20, 2024:

"The approved 2024 capital budget includes \$40,000.00 allocated for the preparation of a Development Charges Background Study and By-law. Staff awarded this work through a sole-source contract to Watson & Associates Economists Ltd. in accordance with the Town's Procurement By-law 57-2017 in the amount of \$39,250.00 plus HST. When taking into account the Town's net share of HST, the project came in at \$39,940.80. As background, the Town's last study commenced in 2019 and in 2021, By-law 41-2021 was passed adopting the findings of the Study. In 2019, the Town retained Watson & Associates Economists Limited to prepare the Town's Development Charges Background Study and By-law in accordance with the Development Charges Act. Since completing the Town's 2019 study, the firm has been readily available to address Staff's questions and it should be noted, at no charge. As the firm completed the Town's last Development Charges Background Study and By-law, they have the background information and understanding of the Town, its growth and development and projects which were included in the last study which may carry-over into this new study. Staff believe this will save significantly in terms of the fees that would have been charged to the Town if we had to start fresh with a new firm which would need to get up to speed. Their intimate knowledge with our community, our growth and development and projects will ensure the comprehensive, cost-effective and timely completion of the aforementioned Development Charges Background Study and By-law."

**COMMENT**

Council passed the Town's Development Charges By-law 09-2025 on February 18, 2025. As Council is aware, there were numerous questions submitted by the Lanark, Leeds Homebuilders Association and Cavanagh Construction that needed to be responded to, and meetings were held between the Town, its consultant, and a representative of the two entities and their consultant to review the responses and ultimately issue an Addendum Report. All of this work was over and above the original estimated work anticipated as part of this project.

In addition, the preparation of the Background Study was certainly more complicated as a result of the numerous Master Planning work that had been undertaken by the Town in the previous five (5) year period prior to undertaking this new Background Study. This resulted in a number of additional meetings between the Town's consultant and staff. Attached is a letter from Watson & Associates explaining the extra \$22,900.00

plus HST they are now requesting for the additional unanticipated work they undertook to complete the Background Study and By-law. Staff believe the extra amount is warranted given the number of meetings and effort they undertook which ultimately resulted in no appeals of the Town's new Development Charges By-law occurring by the appeal deadline of March 31, 2025.

### **FINANICAL IMPLICATIONS**

Watson & Associates have submitted the attached letter summarizing their additional efforts to complete the Town's 2024 Development Charges Background Study and By-law in the amount of \$22,900.00 plus HST. Factoring net HST, the total cost becomes \$23,303.04. This additional cost can be funded from the Development Charges Reserve Fund.

### **STAFF RECOMMENDATION**

THAT Council authorizes an additional amount be paid to Watson & Associates Economists Ltd. as outlined in the Chief Administrative Officer's report dated April 22, 2025; and

THAT the budget deviation of \$23,303.04 be paid for from the Development Charges Reserve Fund.

### **ATTACHMENT**

Letter from Watson & Associates Economists Ltd. dated April 11, 2025

April 11, 2025

Diane Smithson  
Chief Administrative Officer  
Town of Carleton Place  
175 Bridge Street,  
Carleton Place, ON, K7C 2V8

Dear Diane Smithson:

Re: Additional Budget for the Development Charges Study

With the public release of the Development Charges (D.C.) Background Study, we would like to provide a summary of the project costs incurred up to the end of March, which are in addition to the original project budget.

These additional costs are the result of the unanticipated effort required to complete tasks that were not included in the initial scope or reflected in the original budget.

- Additional virtual meetings with Town staff throughout the process, including preparation, follow-up, and revisions to the analysis based on meeting outcomes – \$7,100;
- Growth forecast update to support buildout assumptions related to water and wastewater capacity – \$1,600;
- Undertaking revised calculations and preparation of addendum report – \$5,000; and
- Preparation of written responses to developer submissions, including meetings with staff and the development community – \$9,200.

The total cost for these additional efforts until the end of March 2025 is \$22,900, excluding HST, which will be invoiced this month.

We respectfully request the Town's consideration of the additional budget request as summarized above related to the additional effort items requested from Town staff. We would be pleased to discuss the actual expenditure, and variance from our original budget at your earliest convenience if there are any questions or concerns. Please note that these costs are part of the overall D.C. project and are therefore eligible to be funded through D.C. revenues.



Yours very truly,

WATSON & ASSOCIATES ECONOMISTS LTD.

*Nancy Neale*  
Nancy Neale,  
Manager