
TO: GENERAL COMMITTEE

SUBJECT: COST RECOVERY FOR WATER AND SANITARY SERVICING (ONTARIO REG 586/06 LOCAL IMPROVEMENT CHARGES) FOR PROJECT - EN 1097 MAPLEVIEW DRIVE EAST (MADELAINE DRIVE TO YONGE STREET)

WARDS: 9

PREPARED BY AND KEY CONTACT: R. GRAHAM, ENGINEERING PROJECT MANAGER, EXTENSION 4401

SUBMITTED BY: B. ARANIYASUNDARAN, P. ENG., PMP
DIRECTOR OF INFRASTRUCTURE

GENERAL MANAGER APPROVAL: B. ARANIYASUNDARAN, P. ENG., PMP
GENERAL MANAGER OF INFRASTRUCTURE AND GROWTH MANAGEMENT (ACTING)

CHIEF ADMINISTRATIVE OFFICER APPROVAL: M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

RECOMMENDED MOTION

1. That a by-law be prepared to authorize the recovery of capital costs for the installation of water and sanitary servicing of unserviced properties on Mapleview Drive East between Madelaine Drive and Yonge Street, as outlined in Staff Report INF008-21 and as provided for under Ontario Regulation 586/06 of Local Improvement Charges (previously Section 326 of the *Municipal Act*).
2. That property owners be provided the option to pay the water charges over a 10-year period, interest free.
3. That property owners be provided the option to pay the sanitary charges over a 10-year period, with interest and that the interest cost be based upon the City's weighted average cost of capital at the time of completion of the works.

PURPOSE & BACKGROUND

4. The purpose of this staff report is to obtain authority to proceed with the recovery of capital costs, a proportional share from the benefiting landowners for installing sanitary servicing and water servicing in the project area, as is the City's right under O Reg 586/06 Local Improvement Charges.
5. Ontario Regulation 586/06 gives municipalities the authority to pass a by-law to undertake the local improvement work for the purpose of raising all or any part of the costs of the work imposing special changes on lots that abut the work.
6. As part of the Mapleview project, thirty properties will be provided with municipal water and wastewater servicing. Mapleview Drive East has an existing watermain for the extent of the project however no properties are connected and receiving municipal water from this main. There is no existing sanitary sewer in the right of way between Madelaine Drive and Yonge Street. Currently the properties are serviced by private wells and septic systems. The project area and impacted properties are outlined in Appendix "A" to Staff Report INF008-21.

7. On April 2, 2007, City Council adopted motion 07-G-149 regarding Local Improvements and Section 326 (*Municipal Act*) Servicing Cost Apportionments as follows:

“That Appendix “A” to Staff Report FIN037-07 be adopted as the policy for apportioning costs under a local improvement petition or Section 326 of the *Municipal Act, 2001, S.O. 2001, c. 25* installations.”

A copy of the City’s Apportionment Policy and how the costs are allocated is attached in Appendix “B” to Staff Report INF008-21. It should be noted that under the policy property owners are only charged up to a maximum of 30 meters of property frontage, and there are provisions for irregular shaped lots. It should also be noted that Section 326 (*Municipal Act*) has been replaced with the Ontario Regulation 586/06; a copy of the updated regulation is attached in Appendix “C” to Staff Report INF008-21.

ANALYSIS

8. The Mapleview Drive East Road Improvements project is within the 2021 Capital Plan. It was successfully tendered and awarded to Primrose Contracting (Ont.) Inc. on June 22, 2021. In addition to the servicing described in this report, the scope of work includes widening the existing two rural lanes to five urban lanes complete with a 2.5 metre multi-use trail, streetlights, installation of storm infrastructure, installation of sanitary sewer and installation of new transmission main.
9. As Mapleview Drive East has an existing distribution watermain, there are no frontage costs applicable to the property owners. However, property owners will be subject to the charge for construction of water service laterals to connect the mains to the homes. O Reg 586 allows for deferred payment options at the discretion the municipalities. It is recommended that to minimize financial hardship on property owners, they will be given the option to make payments over a 10-year period, interest free.
10. The Mapleview Drive East Road Improvements project will include constructing a new 600mm diameter transmission watermain that will run parallel with the existing 300mm diameter distribution watermain. This transmission main is not subject to collection of fees per O Reg 586/06
11. A new sanitary sewer will be constructed to provide municipal wastewater service to the unserved properties along Mapleview Drive East from Madelaine Drive and Yonge Street. The local improvement fees will include the cost of the sewer main itself and laterals to connect the sewer to the properties.
12. Correspondence with the affected property owners has been occurring with the most recent being a letter distributed the week of October 12, 2021, to the affected property owners explaining:
- a) The cost that will be applied to their property; and
 - b) Payment plans available to the property owners.
13. The sanitary sewer component of the Mapleview Drive East Road Improvement project is 65% funded by development charges and 35% funded by wastewater rate; the per meter frontage cost for the sanitary installation has accounted for this.
14. The frontage costs for the sanitary sewer, sanitary lateral costs and water servicing costs are based on the tender bid prices.

ENVIRONMENTAL AND CLIMATE CHANGE IMPACT MATTERS

15. The following environmental matters have been considered in the development of the recommendation:
- a) The Lake Simcoe Protection Plan
 - b) Providing domestic services

- 16. The City of Barrie’s continued efforts in reducing phosphorus loads to Lake Simcoe through the removal of private septic systems demonstrates an environmental commitment by the City of Barrie to making a positive change within the Lake Simcoe Watershed and ensures that the City stays at the forefront of environmental issues that affect Lake Simcoe.
- 17. The new domestic water services will reduce the use of private wells, thereby increasing the water quality security of the water supply for all properties.

ALTERNATIVES

- 18. The following Alternative is available for consideration by General Committee:

Alternative #1 General Committee could elect not to collect sanitary frontage and lateral costs for water and sanitary services from the benefitting property owners.

This Alternative is not recommended as it would not be consistent with past practice and existing policies.

FINANCIAL

- 19. The Mapleview Drive East Road improvements are in the 2021 Capital Plan with expenditures forecast in 2021 thru 2023.
- 20. Frontage costs and lateral costs do vary depending on the frontage size for each of the lots however the costs were based on the tender bid prices as follows:
 - a) Sanitary: Frontage Cost = \$99.53 per metre; Lateral Cost = \$3,800.00 per lateral
 - b) Watermain: Lateral Cost = \$4,000.00 per lateral
- 21. The awarded contract for Mapleview Drive East is \$7,822,000.00.
- 22. The costs associated with the new sanitary sewer for the project is shown in the below table:

SANITARY SEWER COSTS AND FUNDING		
Tender Bid Cost	Development Charges contribution	Wastewater Capital Reserves and Property Owners Contribution
\$720,480.00	\$468,312.00	\$48,979.17 from Wastewater Capital Reserves \$203,188.83 (recovered from property owners under O Reg 586/06)
		TOTAL = \$252,168.00

23. The costs associated with the new watermain installation for the project is shown in the below table:

WATERMAIN INSTALLATION COSTS AND FUNDING		
Tender Bid Cost	Development Charges contribution	Property Owners Contribution
\$2,428,115.00	2,308,115.00	\$120,000.00 (recovered from property owners under O Reg 586/06)

LINKAGE TO LEAN SIX SIGMA

24. Approving the By-law as outlined in Staff Report ENG00X-21INF008-21, would be consistent with existing policies and would reduce variation between project outcomes.

LINKAGE TO 2018-2022 STRATEGIC PLAN

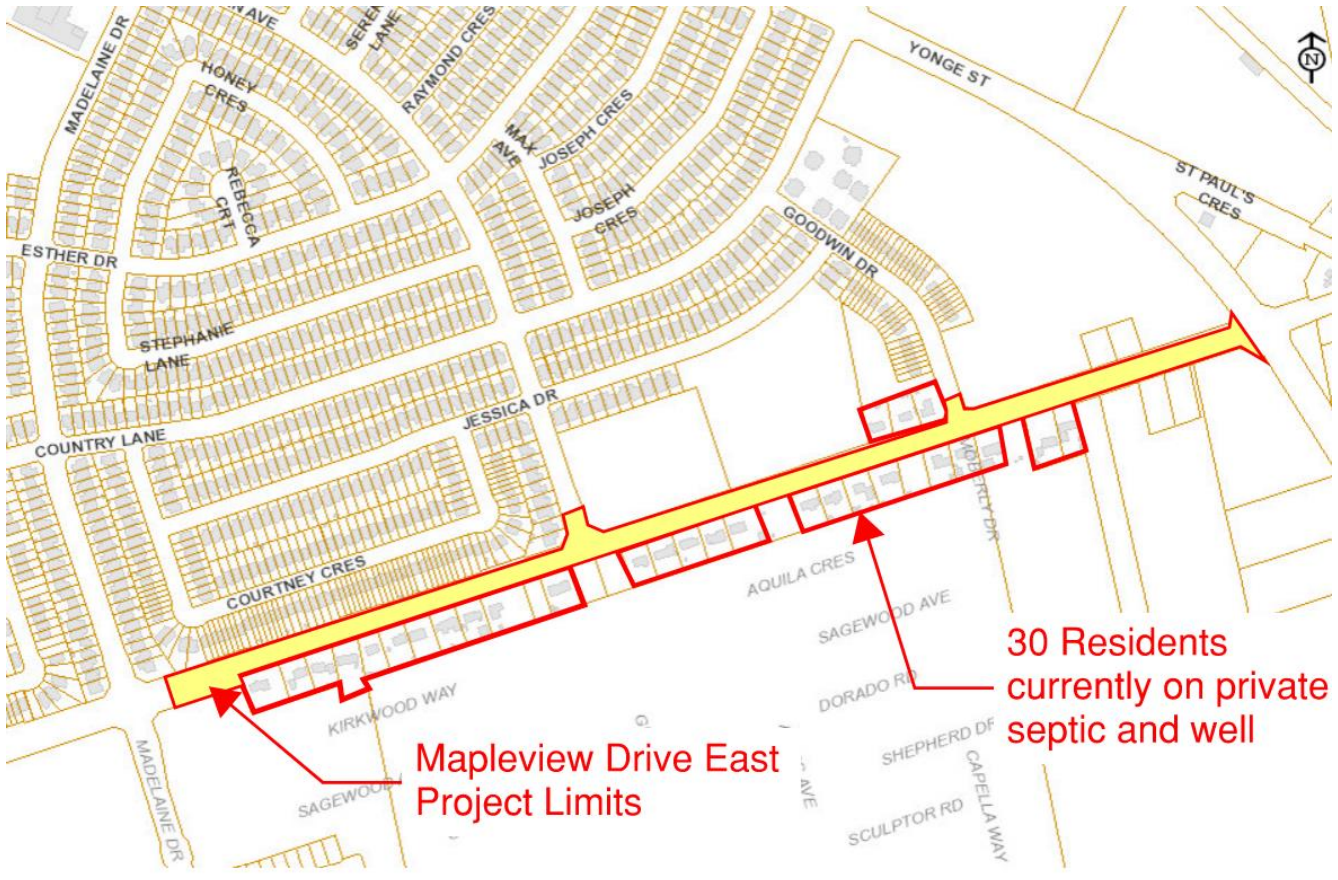
25. The recommendation(s) included in this Staff Report support the following goals identified in the 2018-2022 Strategic Plan:

Offering Innovative & Citizen Driven Services by making tax dollars go further

26. The recommendations will provide a sanitary sewer collection system and municipal water service for unserved properties on Maplevue Drive East from Madelaine Drive and Yonge Street, which help improve the environment of the Lake Simcoe Watershed and provides a more secure water supply for the residents within the City.

APPENDIX "A"

Mapleview Drive East Project Area



APPENDIX "B"

Apportionment Policy from Staff Report FIN037-07

Appendix A

Local Improvement and Section 326 (Municipal Act) Servicing Cost Apportionment Policy

1. Lots that do not have a front and rear yard width that differ by more than 6 metres are considered regular-shaped and will be assessed their share of the costs utilizing their actual frontage on the works.
2. Triangular or irregularly-shaped lots defined as having front and rear width distances that differ by more than 6 metres are to be assessed their share of the costs by adding the front and rear width and dividing by two. This is to apportion costs on a "just and equitable basis having regard to the situation, value and area of the lot compared to other lots" as described in Ontario Regulation 586/06. If as a result of the averaging the adjusted frontage is greater than 30 metres then the property will be assessed 30 metres.
3. Lots with frontage in excess of 30 metres that will not derive any additional benefit as other lots will have their assessed frontage adjusted to 30 metres. In the event the lot is severed/sub-divided in the future the new lot(s) will be assessed frontage costs at the same per metre rate as the original works and such costs will be payable in full as a condition of the granting of the severance/plan of sub-division.
4. For lots where the works abut only a portion of a property frontage the property will be assessed costs based on the average of the frontages of regular shaped lots affected by the works. In situations where the property has already been assessed some portion in the past for similar type works then a reduction would be to the assessed frontage to recognize the previous charge.
5. For corner lots that are affected by works that abut both their frontage and side (flankage) yards the full amount of the flankage will be exempt from charges until such time that a severance is requested. In the event the lot is severed in the future the new lot will be assessed frontage costs at the same per metre rate as the original works and such costs will be payable in full as a condition of the granting of the severance.
6. For lots that have both their front and rear yards abut on the works then rear portion will be exempted from charges until such time that a severance is requested. In the event the lot is severed in the future the new lot will be assessed frontage costs at the same per metre rate as the original works and such costs will be payable in full as a condition of the granting of the severance.

APPENDIX "C"

Relevant Sections of Ontario Regulation 586/06

**PART II
IMPOSITION AND APPORTIONMENT OF THE COSTS OF LOCAL IMPROVEMENTS ON THE BASIS OF
FRONTAGE**

Local improvement charges by-law

5. (1) If the municipality has the authority to undertake a work it may, in accordance with this Regulation, pass a by-law to undertake the work as a local improvement for the purpose of raising all or any part of the cost of the work by imposing special charges on,

- (a) lots that abut on the work;
- (b) lots that do not abut on the work but will be immediately benefited by it; or
- (c) a combination of the lots described in clauses (a) and (b). O. Reg. 586/06, s. 5 (1).

(2) If the municipality undertakes a work as a local improvement, a special charge imposed with respect to the work in accordance with this Regulation has priority lien status as described in section 1 of the Act. O. Reg. 586/06, s. 5 (2).

(3) A by-law for undertaking a work as a local improvement shall specify the estimated cost of the work, the owners' share of the cost and the municipality's share of the cost. O. Reg. 586/06, s. 5 (3).

(4) If a by-law has been passed for undertaking a work as a local improvement and the municipality wishes to make a change in the work to be undertaken, it may, with the approval of the Ontario Municipal Board, amend the by-law to provide for undertaking the work it now proposes, and in that case this Regulation, except sections 6, 7 and 8, applies to the altered work as if it had been provided for in the original by-law. O. Reg. 586/06, s. 5 (4).

HOW COSTS ARE BORNE

Cost of local improvement

12. (1) Except as otherwise provided in this Regulation, for the purposes of raising the cost of undertaking a work as a local improvement, the municipality shall,

- (a) determine the municipality's share of the cost, if any; and
- (b) specially charge the owners' share of the cost by imposing an equal special charge per metre of frontage,
 - (i) on the lots that abut directly on the work,
 - (ii) on lots that do not abut on the work but will be immediately benefited by it, or
 - (iii) on a combination of lots described in subclauses (i) and (ii). O. Reg. 586/06, s. 12 (1).