

DATE: August 8, 2017

TO: **MAYOR AND COUNCIL**

NAME AND TITLE: Dave Dyer, General Manager of Engineering and Public Works

SUBJECT: Hart Highlands Sanitary Sewer Local Area Service Phase 4

ATTACHMENT(S): Appendix A – Map of the Recently Petitioned Local Service Area
Appendix B – Corporate Officer Certificate of Insufficiency
Appendix C – Map of the Proposed Local Service Area

RECOMMENDATION(S):

That Council:

1. Receive the Corporate Officer Certificate of Insufficiency dated August 2, 2017, attached to the Report as Appendix B; and,
2. Authorize staff to facilitate a formal petition for a Sanitary Sewer Local Area Service on Croft Road, Dunbar Place, and Glenngarry Road as identified on Appendix C.

PURPOSE:

This report provides the results of the formal petition process to form a Local Area Service (LAS) to extend sanitary sewer in the Hart Highlands area Phase 4. The report also proposes that a sub-set of the Phase 4 area proceed to a formal petition process for the extension of sanitary sewer based on the favourable results received in that area.

STRATEGIC PRIORITIES:

This initiative falls within City Council's Priorities of Sustainable Fiscal Management, Sustainable Infrastructure, Customer Oriented Service, Organizational Excellence and Safe Environment.

BACKGROUND:

The Hart Highlands Sanitary Sewer LAS Phase 4 project, as identified in Appendix A, was initiated at the request of homeowners who were concerned about their aging septic systems. Like most municipalities in the Province, the City does not contribute to the cost of the extension of sanitary sewers in existing residential areas that are not serviced by the City's Sewer Utility. These types of projects are undertaken as local area service (LAS) agreements. Local area services are improvement projects that benefit a particular area, and are paid for by the benefiting property owners, usually over a 20-year term.

The City collected a preliminary survey which indicated support for the LAS project. At the City Council meeting held December 19, 2016, Council authorized staff to facilitate a formal petition process for the proposed LAS to extend sanitary sewer servicing within the area identified in Appendix A. The City hosted two public meetings to present project information and to collect feedback and distributed written project information and updates to every property

owner. The City completed a preliminary design, internal cost estimate and external contractor cost estimate to help property owners understand and evaluate the costs and benefits of the project.

POLICY/REGULATORY ANALYSIS:

Section 211 and 212 of the *Community Charter* describe the requirements for establishing a local area service. In order to establish an LAS the municipality must adopt a bylaw, and this may only be done if specific requirements are met. One way of meeting these requirements is a petition for local area service. In order to be certified as sufficient and valid, the petition must be signed by the owners of at least 50% of the parcels in the proposed LAS. These parcels must represent greater than 50% of the total assessed value of land and improvements that would be subject to the local service tax. If a petition is unsuccessful, there is no time restriction preventing owners from bringing forward subsequent petitions.

The formal petition process was facilitated between June 30, 2017 to July 31, 2017 and the number of petitions received was insufficient to establish an LAS. In accordance with section 212 of the *Community Charter*, the Corporate Officer's Certificate of Insufficiency, included in Appendix B, provides the detailed results of the petition. The formal petition included 106 properties, of which 37 (35%) property owners returned petitions in favour of the project. These 37 properties represent 34% (\$8,707,400) of the total assessed value of land.

DISCUSSION

Though the petition for the entire area representing the 106 parcels identified as Phase 4 in Appendix A is insufficient, the petition results revealed that 63% of a smaller area of properties supported the petition. This area includes Dunbar Place, Croft Road and Glengarry Road, as identified in Appendix C. Individuals from this area have requested to proceed separately.

City staff confirms that the sewer extension to this area can be installed independently without impact to other properties in Phase 4.

In support of the wishes of the majority of property owners in this area, City staff requests Council's approval to proceed with a formal petition process for the properties included in the area represented in Appendix C.

FINANCIAL CONSIDERATIONS:

In consideration of the proposed LAS to extend sewer services to the smaller sub-set of Phase 4, the estimated cost included in the recent formal petition for the Hart Highlands Sanitary Sewer LAS Phase 4 was \$27,000 per lot. The estimated cost for the LAS area identified in Appendix C will remain \$27,000 per lot.

Homeowners will be responsible for an equal share of the actual costs up to \$27,000 per lot plus interest through a parcel tax levy amortized over a twenty year period. Any savings will be reflected in the amount paid by homeowners. Homeowners will have the option to repay the remainder of their debt in its entirety at any point during the repayment period.

The City will borrow funds from the Municipal Finance Authority (MFA) to fund the project construction, and repayment from the property owners will cover repayment of the MFA loan.

The City will continue to contribute the engineering design and facilitate the LAS process.

SUMMARY AND CONCLUSION:

An insufficient number of petitions was received from property owners in the Hart Highlands Sanitary Sewer Phase 4 area (as identified in Appendix A) for the City to proceed with a local area service (LAS) project for the installation of sanitary sewers in the neighbourhood.

Administration is requesting authorization to facilitate a formal petition for a sub-set of the area identified in Appendix C where 63% supported the original petition. If property owners successfully petition for a local area service, construction is planned to start in 2018 and property owners will pay an equal share of the actual project costs up to a maximum of \$27,000 through a parcel tax over a 20 year period.

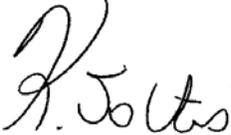
RESPECTFULLY SUBMITTED:



Dave Dyer, General Manager of Engineering and Public Works

PREPARED BY: Ian Sinclair, Engineering Assistant, Engineering Services

APPROVED:



Kathleen Soltis, City Manager
Meeting date: August 21, 2017