



P.O. Box 1749
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Halifax Regional Council

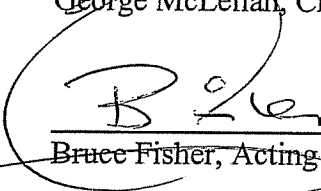
~~August 31, 2004~~

~~September 7, 2004~~
September 28, 2004

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:


George McLellan, Chief Administrative Officer


Bruce Fisher, Acting Director, Financial Services

DATE: August 24, 2004

SUBJECT: Prince's Lodge - Sewer and Water Servicing

ORIGIN

Canada -Nova Scotia Infrastructure Program

RECOMMENDATION

IT IS RECOMMENDED THAT:

1. The Capital Budget for the Prince's Lodge Sewer and Water Servicing be approved in the amount of \$1,617,000 (gross), with the net residual amount (after Infrastructure Funding and other recoveries) funded from a property charge as defined in By-Law L-118

2. Approve in principle and begin the formal process for the adoption of By-Law Number L-118 Respecting Charges for the Prince's Lodge Sewer and Water Servicing, attached hereto.

BACKGROUND

The results of a community meeting on June 23, 2003 indicated that there was a community desire for central sewer and water services resulting from failing septic systems and inadequate water quantity. The general consensus was that the Halifax Regional Municipality be requested to advance this servicing strategy under the Federal/Provincial Infrastructure Program. The results of a petition issued in March, 2004 revealed that 76% of the property owners were in favor of proceeding with the installation of sewer and water services.

DISCUSSION

The total capital cost of construction to provide municipal sewer and water service within the servicing boundary of Prince's Lodge is estimated to be \$1,617,000.

The HRWC and HRM applied for and were successful in receiving 2/3 funding towards the estimated \$1,617,000 cost from the Canada/Nova Scotia Infrastructure program.

The balance of the funding will form an existing and potential property charge to owners calculated as follows:

Estimated total project cost	\$1,617,000
Less:	
Approved Infrastructure Funding(2/3)	<u>\$1,078,000</u>
Recoverable from abutters	<u>\$539,000</u>
Current parcels	54
Additional potential parcels once serviced**	<u>25</u>
Total existing and potential parcels	<u>79</u>
Existing and potential property charge	<u>\$6,823</u>

** Due to the large area of some parcels within the servicing boundary, there is a requirement to take into consideration the potential lots available once serviced. Therefore, based on current HRM planning and zoning regulations the following properties, once serviced, would have the potential to be subdivided to create additional lots as follows:

Civic Address	Potential Additional Parcels
7 Kent Ave	1
16 Kent Ave	5
6 Kent Ave	9
15 Kent Ave	1
12 Princess Walk	1
16 Princess Walk	1
25 Lodge Drive	7
	25

It should be noted that cost estimates were based on a preliminary design of the servicing requirements using recent average tender prices experienced by the HRM and HRWC for this type of work. The actual cost may vary from the estimate depending upon detailed design requirements and actual tender prices.

It is estimated that an interim existing and potential property charge of \$ 6,850 would be sufficient to fully finance the servicing, and which is the interim rate recommended in By-Law L- 118.

Project Scope

The servicing plan, identified on the attached map, will involve installation of approximately 1 kilometer of sanitary sewer and water main in the traveled portion of the road with one lateral of each service supplied to the property line of each existing lot. The laterals will be installed at a location mutually agreed to with the property owner. At approximately 150m intervals a fire hydrant will be installed and generally located approximately 1.5m from the edge of the road.

The responsibility for the removal or decommissioning of existing on site sewage facilities is the responsibility of each property owner and is regulated by the Nova Scotia Department of Environment.

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The results of the petition is as follows:

Based upon Petitions Sent and Returned

Description	One Reply Per Property Owner	By Existing and Potential Properties
Affirmative Replies	37 (76%)	50(63%)
Negative Replies	8 (16%)	15 (19%)
Unreturned/ unmarked	4 (8%)	14(18%)
Total	49	79

Because the property owner financing plan included the potential lots which could be created after servicing, the above results is that which staff would expect. Where servicing is provided in a subdivision where all lots are of equal dimensions, the burden of the cost recovery is no different whether the charge is based upon a per property or lineal footage basis. The problem arises when lots are not of equal dimensions and therefore after servicing there is a potential for lot subdivision. In this case, although the existing owner's position is that they are receiving only one service and will do so for the time that they have ownership of the property, upon resale or transfer of title, there will be a potential for the new owner or developer to sub divide the property for a gain which would be the market value of the lot or lots so created. If the charges were on a straight property basis, owners of lots which do not have an opportunity to sub-divide will be providing a subsidy to those that do through increased local improvement charges.

Since this project has lots which are large (see map attached), staff are recommending that any lot which, based on current HRM planning and zoning regulations that once serviced, would have the potential to be subdivided to create additional lots be charged accordingly. For existing lots, this has the effect of lowering the charge for property owners who do not have the potential for lot subdivision and increasing the charge to owners of lots that do. This will explain the differing of the results in the above table.

For those owners of properties which have sub dividable properties and have either replied to the negative or not at all, the By-Law process provides those owners with sufficient time to prepare and schedule for the Public Hearing Process.

BUDGET IMPLICATIONS

The 2004-2005 Capital Budget includes a section on Regional Council's infrastructure funding priorities and those projects approved to date. The Prince's Lodge Sewer and Water Project has been approved by Halifax Regional Council and the Infrastructure Funding Partners.

A local improvement charge will be levied to reflect the actual cost of servicing less any Federal, Provincial or other funding. Therefore, net debt charges to the Municipality will not increase and the costs to finance will be borne directly by those being serviced.

FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from and the utilization of Capital and Operating reserves, as well as any relevant legislation.

ALTERNATIVES

1. Council could reject the recommendation and abandon the project, thereby directing the funding approved by the Canada /Nova Scotia Infrastructure Program to other projects.

ATTACHMENTS

- 1) By-Law L-118 Respecting Charges for Prince's Lodge Sewer and Water Servicing
- 2) Letter and petition to residents of March , 2004

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Reg H. Ridgley, CGA, Manager, Strategic Capital Project Support, 490-6475
Jamie Hannam, P.Eng., Chief Engineer, HRWC 490-4804
Charles Lloyd, P.Eng., Senior Environmental Engineer 490-6942

Approved by :

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Carl Yates
Carl Yates P.Eng, General Manager, HRWC, 490-4812
Dale MacLennan
Dale MacLennan, C.A., Director, Financial Services , 490-7203

HALIFAX REGIONAL MUNICIPALITY

BY-LAW NUMBER L- 118 RESPECTING CHARGES FOR LOCAL IMPROVEMENT PROJECTS

Be It Enacted by the Council for the Halifax Regional Municipality that By-Law L-100, the Local Improvement By-Law, be amended as follows:

1. Schedule "A" of By-Law L-100 is amended by adding the following:
 - (a) The Prince's Lodge project is a plan to install sewer and water lines to service properties located within the boundaries identified on a plan entitled "Prince's Lodge, By-Law L-118, August 18, 2004" as attached.
 - (b) The Project will be funded by local improvement charges based on the entire cost of the project less any federal, provincial or other revenue.
 - (c) A local improvement charge will be imposed at an interim rate of \$6,850.00 per existing lot
 - (d) A further local improvement charge will be imposed at an interim rate of \$6,850.00 per lot for those lots which, based on current HRM planning and zoning regulations , once serviced , would have the potential to be subdivided to create additional lots as follows:

Civic Address	PID #	Potential Additional Parcels
16 Kent Ave	00286989	5
6 Kent	00286963	9
15 Kent	00287094	1
12 Prince's Walk	00290072	1
16 Prince's Walk	00290098	1
25 Lodge Drive	40176182	7

- (e) The interim local improvement charges will be adjusted at the completion of the project, and will be calculated on the basis of the total actual cost of the project at the adjustment date, less any federal or provincial or other funding.
- (f) A further charge of six thousand , eight hundred and fifty dollars (\$ 6850.00) is hereby levied in respect of all future connections to the sewer and water systems for any properties, either existing or created, which are not assessed a local improvement charge.

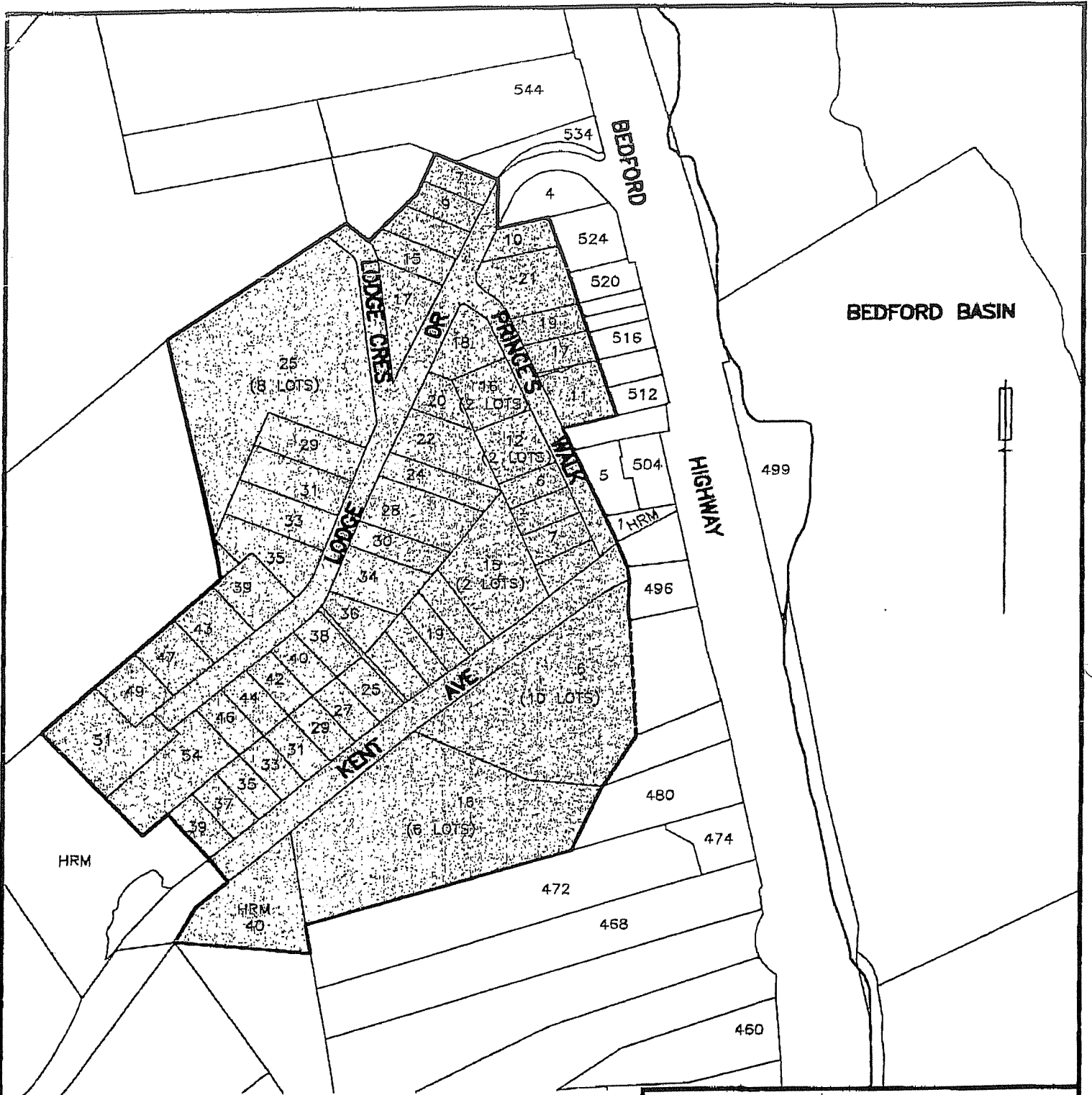
Done and passed by Council this day of , 2004.

MAYOR

MUNICIPAL CLERK

I, Jan Gibson, Municipal Clerk for the Halifax Regional Municipality, hereby certify that the above noted by-law was passed at a meeting of the Halifax Regional Council held on 2004.

Jan Gibson , Municipal Clerk



**PLAN OF PRINCE'S LODGE AREA
SEWER AND WATER PROJECT
LOCAL IMPROVEMENT CHARGES
SHOWING EXISTING AND
ESTIMATED POTENTIAL LOTS
BY-LAW L-118**

DATE: AUGUST 18, 2004

NTS

PLAN 1



P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

To: Residents of Prince's Lodge Affected by a Proposed Sewer and Water Servicing Strategy

The following is an update of the continuing efforts to develop a water and sewer servicing plan for the Prince's Lodge area and a petition to gauge the community's interest in continuing with the plan.

At the community meeting of June 23, 2003 at the Rockingham Community Centre, Halifax Regional Municipality (HRM) and Halifax Regional Water Commission (HRWC) staff were requested to continue developing a plan for the servicing of your community, the boundary of which is shown in the map attached hereto. In addition, staff were requested to:

- review the costs associated with the clear water sewer
- review the impact on costs of a municipal water booster station versus in house boosters
- review alternative property owner charge structures (eg. per lot, frontage, lot area, assessment,)

From the figures presented at that meeting it was clear that the project costs would be prohibitive without Infrastructure Funding. Therefore, the numbers presented herein are based upon infrastructure funding, if and when, it becomes available.

Subsequent to June 23, 2003, on two occasions, HRM and HRWC staff met with members of your Homeowners Association to review the results of the June 23 meeting and the proposed financing plan which follows.

Actual costs will vary depending upon the detailed design requirements and the actual tender prices, therefore the costs and property owners charges are estimates only.

After a detailed review of the requirements of a clear water sewer, HRM engineering staff have reduced the estimated scope of the work required by \$393,000. Offsetting this reduction is an increase of \$200,000 which is the estimated cost of a municipal water booster station which has been added as an essential service required by the community. These adjustments result in an estimated project cost of \$1,617,000 which includes the municipal portion of HST. The estimated traditional infrastructure funding (2/3rds of total project cost), if available, could reduce the amount to be recovered from property owners to approximately \$ 539,000.

The property owner charge structure must ensure, as much as it is possible, that no property be disadvantaged or enriched as a result of the project. Staff have looked at the varying lot sizes within the boundary. There is a lot with a small frontage yet a large area, a lot which abuts a road which has not been developed, and large lots that have subdivision potential. Property assessment values are not consistent and changes, for whatever reason, will allow the annual charge to fluctuate thereby making this an inappropriate charge structure. A levy based upon a frontage rate has the potential of favoring those properties with a small road frontage, yet substantial acreage that would allow for subdivision once serviced. As a result, staff have determined that a per property charge is the most appropriate charging mechanism for his project, if and when, infrastructure funding is available and the project is approved by Halifax Regional Council.

Based on current HRM planning and zoning regulations the following properties, once serviced, would have the potential to be subdivided as follows:

Civic Address	Potential Parcels
16 Kent Ave	6
6 Kent	10
15 Kent	2
5 Princess Walk	2
12 Princess Walk	2
16 Princess Walk	2
25 Lodge Drive	8

Thus staff has developed an estimated per property charge (after infrastructure funding) of \$6,650 based on the property owners portion of the estimated project cost (\$539,000) divided by the number of existing and estimated potential lots (as per the above assessment).

Each of the above sub dividable properties would be charged the per property charge multiplied by the number of lots as indicated.

Charges can be financed over 20 years with interest charged at the rate of 2% above the Municipality's Bankers Prime Rate of Interest at the time the project is presented to the residents as a go forward project and a recommendation to Halifax Regional Council by staff. Billings will be issued annually and additional or full payments can be made at any time without penalty. Any property lien as a result of charges can be transferred to new owners as long as it is requested by legal counsel and communicated to the HRM by the counsel.

The HRM currently offers assistance programs for properties occupied by the owner. You will find enclosed a brochure and application form which provides detailed information on the **current** assistance program. **Please note that these programs are subject to change.**

Property owners should also be aware that the Sewer Charges By-Law, which applies to all of the Municipality, requires payment of Trunk Sewer Charges for all existing buildings in the amount of \$500.00

per dwelling unit and \$0.30 per square foot for all new buildings and building additions. The costs associated for water and sewer service from your property line to your residence, any internal plumbing changes and permits is the property owner's responsibility.

Subsequent to the installation of services, residents will be billed quarterly for water usage and sewer discharge based on metered water consumption. The current rate structure is as follows:

Environmental Protection & Wastewater/Stormwater Mgmt	\$.8328/m3
Water consumption	\$.2780/m3
Water base rate	\$33.05/quarter

For information purposes, the average quarterly water consumption within HRM is 64 m3 resulting in an average quarterly (three months) water and sewer bill of \$104.14.

For current or future lots that are not subject to charges under this plan, a fee, yet to be determined, will be levied at the time of service connection as a capital contribution towards the project cost.

In an effort to determine full input from the community on the desire to continue the project based on the above plan, we are requesting that each property owner fill out the attached form to indicate their support for or against the plan. **Please provide a response by April 5, 2004.**

Please note that any plan must be approved by Halifax Regional Municipality Council.

Jamie Hannam, PEng
Chief Engineer
Halifax Regional Water Commission
490-4804

Charles Lloyd, PEng
Sr. Environmental Engineer
Halifax Regional Municipality
490-6942

Reg Ridgley, CDA
Manager, Strategic Capital Project Support
Halifax Regional Municipality
490-6475

Petition

Petition to be completed and returned to HRM by April 5, 2004.

Question:

Pending Infrastructure Funding and based upon the plan and estimated per property cost formula provided herein, are you in favor of receiving Water and Sewer Services ?

YES NO
(Circle One)

Name - Please Print

Civic Address- Please Print

Signature(s)

Date

This questionnaire and any written comments should be forwarded via one of the following:

By Mail: Halifax Regional Municipality
 Design Services
 P. O. Box 1749
 Halifax, NS B3J 3A5
 Attention Ann Reid

By Hand: Halifax Regional Municipality
 Design Services
 21 Mt. Hope Avenue
 Dartmouth, NS
 Attention Ann Reid

By Fax: (902) 490-4858