


Item No. 11.1.7
Halifax Regional Council
July 5, 2011

TO: Mayor Kelly and Members of Halifax Regional Council

Original signed by 

SUBMITTED BY: _____

Richard Butts, Chief Administrative Officer

Original Signed by 

Mike Labrecque, Deputy Chief Administrative Officer, Operations

DATE: June 16, 2011

SUBJECT: **Proposed By-Law S-431, an Amendment to By-Law S-400 Respecting Charges for Street Improvements**

ORIGIN

This report originates from staff.

RECOMMENDATIONS:

It is recommended that Halifax Regional Council:

1. Approve the 2011 Local Improvement Charges as outlined on the attached Schedule "A";
2. Approve in principle the adoption of By-Law S-431, Respecting Charges for Street Improvements as attached, and also give notice of motion to begin the formal adoption process;
3. Apply the new charges to all completed 2010/11 Projects where such charges apply; and
4. Direct staff to review the current LIC By-Law and Policy requirements for possible improvement to the process, and to present to Council varying options for discussion.

BACKGROUND

By-Law S-400 deals with the recovery of costs where Council undertakes a project to construct new street paving, new sidewalks, and new concrete curb and gutter. This By-Law provides the authority to impose a levy on property owners as described in By-Law S-400 and the local improvement policy.

DISCUSSION

The approved Council policy for Local Improvement Charges (LIC) for new sidewalks, new concrete curb and gutter, and paving of gravel roads, is based on the total construction costs of all such projects divided by the total recoverable frontage. As per the policy, staff reviewed construction costs of new sidewalks, new concrete curb and gutter, and paving of gravel roads from the 2010/11 project program and, as a result, have determined the charges for 2011 as outlined in attached Schedule A and By-Law S-431 of this report. The proposed By-Law S-431, Respecting Charges for Street Improvements, is an amendment to By-Law S-400 - The Street Improvement By-Law, and will enable HRM to charge Local Improvement Charges for new street improvement projects. As a note, pursuant to Administrative Order 32, a public hearing is not required on the enactment or amendment of a By-Law unless specifically directed by Council.

The approved Joffre Street project included a pavement renewal from Tremont Street to Portland Street, sidewalk renewal on the west side from Civic 1 to Civic 27, and sidewalk renewal on the east side from Civic 2 to Tremont Street. The original scope and budget did not include the construction of a new curb. When the as-of-right new townhouse development on the west side of Joffre Street (from civic 33 to 85) was constructed several years ago, the installation of concrete curb and gutter was not a requirement.

During the preliminary design review of the paving upgrade project, HRM staff initially believed the curb and gutter was not required. However, further analysis during detailed design revealed that the street and abutting properties would better benefit with the installation of the curb and gutter. An item was added in the tender and during construction, a final decision was made to install the curb and gutter. The area Councillor had requested that the LIC be charged to only the west side of Joffre Street from civic 33 to 85. These property owners were notified prior to construction that 50% of the actual cost to install the curb would be recovered from them, and that the estimated LIC rate was \$30 to \$35 per foot. It is noted, staff did receive significant interest from a number of the townhouse property owners to construct the curb.

The installation of new concrete curb and gutter is subject to an LIC rate as per By-Law S-400. As mentioned above, the total construction costs of all like infrastructure are to be added and then divided by the total recoverable frontage. As a note, the overall Joffre Street project included the installation of the curb and gutter which was completed within the approved Purchase Order amount.

With respect to recommendation no. 4, staff believes there are opportunities to simplify the current requirements under the LIC By-Law and Policy. As an example, there are inconsistencies in the process with the funding recovery for new sidewalks and curbs. When one side of the street currently has an existing sidewalk and a new sidewalk is constructed on the other side, the By-Law suggests

there are no LIC charges. However, the same principle does not apply to the installation of a second curb. Under the curb scenario, there is a cost recovery requirement. As well, the determination of the annual rates and method of recovery has become complicated and time consuming and staff believes a more efficient process can be established.

BUDGET IMPLICATIONS

Upon Council's approval of By-Law S-431, the Local Improvement Charges for the applicable 2010/11 projects will be levied to the relevant property owners. By ensuring that the charges reflect the actual cost of the projects, the revenue collected will offset the cost of the projects so that there is no net impact on the Approved Operating and Project Budgets.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

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

COMMUNITY ENGAGEMENT

Birch Hill Drive, Chani Drive and Lylewood Drive are located in district 19 and have been successfully surveyed for paving. Chamberlain Drive, Lenora Lane and Bainbridge Court are within District 3 and have also been successfully surveyed for paving. Lorne Drive and Charter Road were not surveyed; however, the property owners were notified that the area Councillor had requested these streets be included for consideration in the 2010/11 project budget. Other than Joffre Street, there was no public consultation regarding the installation of new concrete sidewalk and curb & gutter as the LIC's are typically recovered via an area rate. Regarding Joffre Street, the property owners on the west side only were notified, as the area Councillor was requesting to recover the LICs from that side of the street only.

ALTERNATIVES

Council may choose to not adopt the new charges for 2011; however, staff does not recommend this alternative as the previous year's rates would not represent the appropriate level of cost recovery.

With respect to the Joffre Street curb, one alternative would be to charge the LIC to both sides of the street (it is noted the current practice is to charge both sides of the street). As mentioned above, the original scope and budget did not include a new curb for this street and the decision to install the curb was not finalized until during the construction phase. As well, only the west side residents were notified that charges would apply.

ATTACHMENTS

- A1 By-Law Number S-431, Respecting Charges for Street Improvements
- A2 Schedule "A"

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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Report Approved by: _____
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Phillip Townsend, Director, Infrastructure and Asset Management at 490-7166

Original Signed

By-Law Number S-431 A-1

HALIFAX REGIONAL MUNICIPALITY

BY-LAW NUMBER S-431

RESPECTING CHARGES FOR STREET IMPROVEMENTS

BE IT ENACTED by the Council of the Halifax Regional Municipality that By-Law Number S-400, The Street Improvement By-Law, is hereby amended as follows:

1. Schedule "A" of By-Law Number S-400 is amended by adding the following:

For all projects approved and completed between January 1, 2010 to December 31, 2010, the charges shall be as follows:

For **new** concrete sidewalk the charge per foot of frontage to be applied to both sides of the streets shall be \$58.34 plus \$5.83 for the engineering fee for a total charge of \$64.17.

For **replacement** of existing asphalt sidewalk with new concrete sidewalk, the charge per foot of frontage to be applied to both sides of the street shall be \$38.90 plus \$3.89 for the engineering fee for a total charge of \$42.79.

For **new** concrete curb and gutter, the charge per foot of frontage to be applied to both sides of the street shall be \$38.89 plus \$3.89 for the engineering fee for a total charge of \$42.78.

For **new** asphalt paving, the charge per foot of frontage to be applied to both sides of the street shall be \$33.52 plus \$1.68 for the engineering fee for a total charge of \$35.20.

Done and passed by Council this day of , A.D. 2011.

Mayor

I, Cathy Mellett, Municipal Clerk of the Halifax Regional Municipality, hereby certify that the above-noted by-law was passed at a meeting of the Halifax Regional Council held on ,2011.

Cathy Mellett
Municipal Clerk

Local Improvement Rate By-Law S-431
 Projects Completed 2010

LIC Project	50% Construction Cost to Residents	Cost per foot to Residents	Engineering Fee Revenue	Engineering Fees per foot	LIC + Eng Fees
New Sidewalk	\$ 937,994.04	\$ 58.34	\$ 93,799.40	\$ 5.83	\$ 64.17
Curb & Gutter	\$ 354,751.76	\$ 38.89	\$ 35,475.18	\$ 3.89	\$ 42.78
New Paving	\$ 430,054.56	\$ 33.52	\$ 21,502.73	\$ 1.68	\$ 35.20
Upgraded Sidewalk (Trunk 7)	\$ 79,113.00	\$ 38.90	\$ 7,911.30	\$ 3.89	\$ 42.79
TOTAL RECOVERY	\$ 1,801,913.36		\$ 158,688.61		\$ 1,960,601.97