

Halifax Regional Council

April 16, 2002

*April 23, 2002*  
*May 14, 2002*

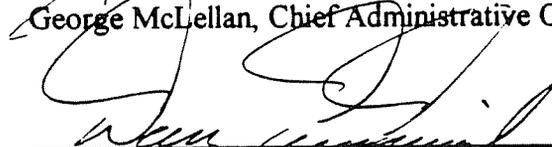
TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:



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George McLellan, Chief Administrative Officer



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Dan English, Deputy Chief Administrative Officer

DATE: April 8, 2002

SUBJECT: By-Law Number S-411, Respecting Charges for Street Improvements

**ORIGIN**

This report originates from staff.

**RECOMMENDATION**

It is recommended that Halifax Regional Council:

1. approve the new Local Improvement standard costs as per the attached Schedule "A,"
2. apply the new standard costs applicable to all 2002/03 capital projects and future projects, where such apply,
3. approve in principle the adoption of By-Law Number S-411, Respecting Charges for Street Improvements, attached, and also give notice of motion to begin the formal adoption process.

## **BACKGROUND**

By-Law Number S-400 deals with the recovery of costs where Council undertakes a project to install new street paving, new sidewalks (asphalt and concrete), new concrete curb and gutter and chipsealing. This By-Law provides the authority to impose a charge on persons owning property that abuts either side of the street as more particularly described in Schedule "B" (attached.)

## **DISCUSSION**

The approved Council policy for LIC rates for new sidewalk, new concrete curb and gutter, paving and chipsealing is based on the average cost of two consecutive years on an ongoing basis. Based on this policy, staff reviewed construction costs of various sidewalk, concrete curb and gutter and paving projects in Capital Budget years 2000/01 and 2001/02 and recommends that the standard costs be changed as per the policy. The attached Schedule "A" shows the actual construction costs and average costs for 2000 and 2001 and the recommended standard costs for 2002/03.

The rates for the replacement of asphalt sidewalk and curb and gutter with concrete is based on a 1/3 credit using the same criteria as previous years as per approved Council policy. The proposed 2002/03 unit costs are based on the average of the 2000 and 2001 actual construction unit costs as per Council's policy.

The proposed By-Law Number S-411, Respecting Charges for Street Improvements, is an amendment of By-Law Number S-400, The Street Improvement By-Law, and will enable HRM to charge Local Improvement Charges for new street improvements. The rates to be applied are shown on the attached By-Law Number S-411.

## **BUDGET IMPLICATIONS**

Upon Council's approved updated standard costs, Local Improvement Charges for 2002/03 capital projects will be levied using these standard costs and the amount will be collected as operating revenue as approved by Regional Council.

## **FINANCIAL MANAGEMENT POLICIES/BUSINESS PLANS**

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

The installation of new sidewalk, curb and gutter will provide better pedestrian safety. As the infrastructure ages, capital funds will be required for replacement.

**ALTERNATIVES**

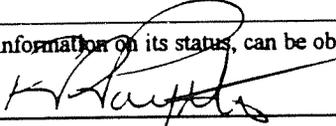
Council could choose not to increase the costs for 2002/03 capital projects. As the costs currently charged are lower than actual construction costs, staff does not recommend this alternative.

**ATTACHMENTS**

- Schedule "A" - Proposed Standard Costs for 2002/03 Capital Projects
- Schedule "B" - Schedule "A" of By-Law Number S-400
- By-Law Number S-411, Respecting Charges for Street Improvements
- Local Improvement Policy

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:

  
Rick Paynter, P.Eng., Manager, Design & Construction Services at 490-4845

Report Approved by:

  
Kulvinder Dhillon, P.Eng., Director, Public Works and Transportation at 490-4855

RP/klz

**PROPOSED STANDARD COSTS FOR 2002/03 CAPITAL PROJECTS**

Description of Project	Cost Per Foot to Each Side of Street				
	Actual cost, 2000	Actual cost, 2001	Average cost, (2000,2001)	Current standard costs for 2001/02 as per By-Law Number S-400	Proposed standard costs for 2002/03 capital projects
*New concrete sidewalk on one or both sides	C\$13.54	C\$15.58	C\$14.56	C\$13.27	C\$14.56
* Replacement of asphalt sidewalk with concrete on one or both sides	C\$9.03	C\$10.39	C\$9.71	C\$8.85	C\$9.71
New concrete curb and gutter on one side	C\$9.33	C\$13.18	C\$11.25	C\$9.17	C\$11.25
New concrete curb and gutter on both sides	C\$18.66	C\$26.36	C\$22.50	C\$18.33	C\$22.50
Replacement of asphalt curb and gutter with concrete curb and gutter on one side	C\$6.22	C\$8.79	C\$7.50	C\$6.11	C\$7.50
Replacement of asphalt curb and gutter with concrete curb and gutter on both sides	C\$12.44	C\$17.58	C\$15.00	C\$12.22	C\$15.00
New paving	C\$9.75	C\$12.85	C\$11.30	C\$11.83	C\$11.30
New Chipsealing	C\$3.78	C\$3.78	C\$3.78	C\$3.78	C\$3.78

\* There is no cost to property owners for second sidewalk on same street

For new concrete sidewalk on one or both sides of a street, the charge per foot of frontage to be applied to both sides of the street shall be \$8.00.

For replacement of existing asphalt sidewalk with new concrete sidewalk on one or both sides of a street, the charge per foot of frontage to be applied to both sides of the street shall be \$5.33

For new concrete curb and gutter on one side of a street, the charge per foot of frontage to be applied to both sides of the street shall be \$5.00.

For new concrete curb and gutter on both sides of a street, the charge per foot of frontage to be applied to both sides of the street shall be \$10.00.

For replacement of existing asphalt curb and gutter with new concrete curb and gutter on one side of a street, the charge per foot of frontage to be applied to both sides of the street shall be \$3.33

For replacement of existing asphalt curb and gutter with new concrete curb and gutter on both sides of a street, the charge per foot of frontage to be applied to both sides of the street shall be \$6.66

For new asphalt paving, the charge per foot of frontage to be applied to both sides of the street shall be \$14.00.

For new chipsealing, the charge per foot of frontage to be applied to both sides of the street shall be \$5.00.

Done and passed by Council this 31<sup>st</sup> day of March, A. D. 1998

DEPARTMENT OF HOUSING  
& MUNICIPAL AFFAIRS

Recommended for  
approval of the Minister

*Elizabeth Grady*  
Department Solicitor

APPROVED this 28<sup>th</sup> day

of April 1998

*Wayne Sandel*  
Minister of Housing & Municipal Affairs

*Walter S. [Signature]*  
Mayor

*Vi Carmichael*  
Municipal Clerk

I, Vi Carmichael, 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 March 31, 1998

*Vi Carmichael*  
Vi Carmichael  
Municipal Clerk

HALIFAX REGIONAL MUNICIPALITY

BY-LAW NUMBER S-411

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 after January 1, 2002, the charges shall be as follows:

For new concrete sidewalk on one or both sides of a street, the charge per foot of frontage to be applied to both sides of the streets shall be \$14.56.

For replacement of existing asphalt sidewalk with new concrete sidewalk on one or both sides of a street, the charge per foot of frontage to be applied to both sides of the street shall be \$9.71.

For new concrete curb and gutter on one side of a street, the charge per foot of frontage to be applied to both sides of the street shall be \$11.25.

For new concrete curb and gutter on both sides of a street, the charge per foot of frontage to be applied to both sides of the street shall be \$22.50.

For replacement of existing asphalt curb and gutter with new concrete curb and gutter on one side of a street, the charge per foot of frontage to be applied to both sides of the street shall be \$7.50.

For replacement of existing asphalt curb and gutter with new concrete curb and gutter on both sides of a street, the charge per foot of frontage to be applied to both sides of the street shall be \$15.00.

For new asphalt paving, the charge per foot of frontage to be applied to both sides of the street shall \$11.30.

For new chipsealing, the charge per foot of frontage to be applied to both sides of the street shall be \$3.78.

Done and passed by Council this      day of      , A.D. 2002.

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Municipal Clerk

I, Vi Carmichael, 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      , 2002.

\_\_\_\_\_  
Vi Carmichael  
Municipal Clerk

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APPROVED  
S TO FORM  
*[Signature]*  
Municipal Solicitor

9.1.1

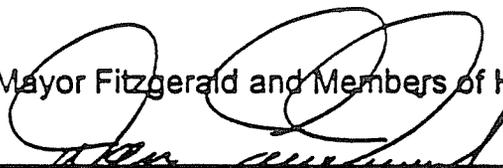
# Halifax Regional Municipality

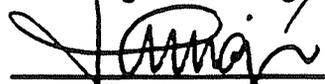
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Halifax Regional Council  
Tuesday, April 29, 1997

TO: Mayor Fitzgerald and Members of Halifax Regional Council

SUBMITTED BY :

  
\_\_\_\_\_  
Dan English, Acting Chief Administrative Officer

  
\_\_\_\_\_  
Larry Corrigan, Commissioner of Corporate Services

  
\_\_\_\_\_  
Brian Smith, Acting Commissioner of Regional Operations

DATE: April 25, 1997

SUBJECT: **LOCAL IMPROVEMENT POLICY**

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## STAFF REPORT

### ORIGIN

As of April 1, 1996, the Halifax Regional Municipality (HRM) required a policy for local improvements. The following recommendation and proposed policy, if approved, will supersede the present application of former or interim local improvement policies and procedures.

### RECOMMENDATION

To approve the attached Local Improvement Policy effective beginning in the fiscal year 1997/98.

## BACKGROUND

The former municipal units had policies and levies for local improvement charges ranging from inclusion in the general tax rate, to a percentage of standard costs apportioned based on property frontage or actual costs apportioned using property assessment values. Refer to Appendix 1 for details of Local Improvement Policies of the former municipal units.

## LOCAL IMPROVEMENT POLICY

### Halifax Regional Municipality Act

The Halifax Regional Municipality Act Section 117(1)(c) provides for the creation of by-laws for local improvement charges to recover all or part of the cost of constructing, repairing, improving and maintaining streets, curbs, sidewalks, gutters, bridges, culverts and retaining walls. Section 117(2) further clarifies that the local improvement charges can be charged based on proportion of frontage, area, assessment of the properties fronting on the street or by some other method formulated to fairly proportion the charges.

### Cost of Local Improvements: Actual vs. Standard Costing

**It is recommended standard costs be charged for local improvement projects.** This allows for a more customer-orientated approach, enabling HRM to advise each affected property owner, in advance, of the total cost prior to approval. When actual costs are used, the local improvement charge is dependent and known only when the project is completed. The use of standard costing for new sewer installations is not practical because costs vary significantly on a project to project basis. **It is therefore recommended actual costs be charged for new sewer installations in HRM.**

### Municipal Cost Sharing

The proposed policy assumes that the Province of Nova Scotia's Department of Transportation and Communication (DOTC) responsibilities still apply outside the Core Area. All local improvement projects (excluding new sewer installations) which fall outside the Core Area will require DOTC approval and funding. If the DOTC does not approve of the project then the ratepayers will be responsible for 100% of the project funding.

Local improvement projects are considered to provide a greater benefit (enhancement) to a select group of taxpayers as opposed to providing a benefit to all taxpayers. As a result, it is considered fair to charge this select group more of the cost of the project and not spread it equally across the general tax base. There may be, however, some residual benefit of the local improvement to all taxpayers. It may also be financially prohibitive to initially offer the improvements without some assistance from the general tax base.

**For the Core Area, it is proposed the municipality contribute 50% of the cost towards all local improvement projects.** The remaining 50% would be funded by the property

owners deemed to benefit directly from the local improvement. Outside the Core Area, HRM project cost sharing would be offered only for new sewer installations. Cost sharing for paving, sidewalk and curb and gutter projects would have to be applied for through the DOTC. Services funded by area rates are not included in the general rate and therefore there is no municipal cost sharing for local improvements funded by area rates.

#### Cost Allocation : Assessment Value vs. Property Frontage

It is recommended the cost of local improvements be charged based on frontage to the area deemed to benefit, which in most cases, will be the abutters of the property who share the benefit of this local improvement. This provides a logical method to allocate the construction cost based on the number of lineal feet in the local improvement project.

Where the local improvement, such as a sidewalk, is positioned on one side of a street there is a benefit to both sides of a street and therefore it is recommended the cost be shared. It is also proposed, that the benefit on both the receiving and opposite side of the street is equal. Therefore, the proposed standard rate to be applied per lineal foot would be equal for both the receiving and the opposite side of the street for sidewalks.

In cases where the benefit extends beyond the property abutters, and is considered by Council to be reasonably shared by all in a designated area, the cost may be allocated on the basis of the assessment or per lot charge to all properties in the designated area.

#### Project Approval

This report proposes two levels of project approval with respect to local improvements namely, Council and the affected property owners. This report recommends approval from property owners receiving the local improvement, who collectively own a minimum of 50% of the total frontage, be required prior to a project going to tender. Council may initiate or proceed with a project without this approval, if Council determines it is required based on consideration of HRM's best interests and the local improvement charges will still apply.

#### Payment of Local Improvement Charges

According to Section 117 of the Halifax Regional Municipality Act, the total project repayment may be either as one lump sum upon project completion, or over a period not to exceed twenty years, with interest on the outstanding principal amount. It is recommended payment terms be extended beyond the ten year period only in unusual circumstances such as the project size, cost and the abutter's financial position. These charges also become a lien on the property and are collectible in the same manner, and time, as other charges under the Assessment Act. Current interest rates are at prime, plus 4%.

## FINANCIAL CONSIDERATIONS

### ESTIMATED ANNUAL FINANCIAL IMPACT PER RESIDENTIAL LOT

LIP Project Type	Estimated Standard Charge Per Lot - 60x100
New Paving Each Side	\$2,000
New Curb & Gutter Installed on Each side*	\$1,000
New Sidewalk- Installed on Each Side	\$1,500

- \* For example, assume a total standard project cost of \$10,000 for a Curb & Gutter on both sides of a street. This street has ten houses with equal frontage on the street with five on each side. This results in a per lot charge of  $\$10,000/10=\$1,000$ .

### ALTERNATIVES

- ▶ Local improvement charges could be applied based on actual costs.
- ▶ HRM Cost Sharing alternatives to 50% could be selected.
- ▶ Sidewalks could be alternatively applied at 2/3 or 100% to the receiving side based on the assumption property values increase as a result of the sidewalk.
- ▶ Local improvement costs may be allocated on the basis of assessment to all properties which are deemed to benefit from the local improvement.
- ▶ Local improvement projects outside of the Core Area would be subject to the same cost sharing as those inside, with funding received from the DOTC to reduce HRM's funding.
- ▶ Include local improvement charges in the general tax rate.

Further information regarding the contents of this report may be obtained by contacting: Marlene Morrison, CA, Manager of Financial Planning at 490-6490, Kulvinder Dhillon, P.Eng., Director of Engineering at 490-4855; Ron Singer, Director of Finance at 490-6488; For additional copies or for information on the report's status, please contact the Office of the Municipal Clerk at 490-4234 or 490-4208 (fax).

**APPENDIX 1**  
**Proposed HRM and Former Municipalities' Local Improvement Policy**  
**Summary Table**

Local Improvement Project	Municipal Share	Abutters' Share	Type of Costing	Basis for Charging
<b>New Paving</b>				
<b>HRM (Proposed)</b>	<b>50%</b>	<b>50%</b>	<b>Standard</b>	<b>Frontage</b>
Halifax	33%	67%	Standard	Frontage
Dartmouth	100%	0%	Actual	N/A
County **	N/A	50%	Actual	Frontage
Bedford	33%	67%	Actual	Frontage
<b>New Sidewalk</b>				
<b>HRM (Proposed)</b>	<b>50%</b>	<b>50%</b>	<b>Standard</b>	<b>Frontage</b>
Halifax*	75%	25%	Standard	Frontage
Dartmouth	100%	0%	Actual	N/A
County **	N/A	30%	Actual	Area Rate
Bedford	33%	67%	Actual	Frontage
<b>New Curb &amp; Gutter</b>				
<b>HRM (Proposed)</b>	<b>50%</b>	<b>50%</b>	<b>Standard</b>	<b>Frontage</b>
Halifax*	75%	25%	Standard	Frontage
Dartmouth	100%	0%	Actual	N/A
County **	N/A	30%	Actual	Area Rate
Bedford	33%	67%	Actual	Frontage
<b>Sewer</b>				
<b>HRM (Proposed)</b>	<b>50%</b>	<b>50%</b>	<b>Actual</b>	<b>Frontage</b>
Halifax	50%	50%	Actual	Frontage
Dartmouth	Remainder	\$1,500/lot	Standard	Per Lot
County	60%	40%	Actual	Area Rate
Bedford	33%	67%	Actual	Frontage

\* In the former City of Halifax, Sidewalks and Curb and Gutter located on only one side of the street were cost shared by abutters on both sides of the street - the receiving side 2/3 and the opposite side 1/3.

\*\* In the former Halifax County Municipality, prior to April 1, 1995, the Department of Transportation was responsible for Paving, Sidewalks and Curb and Gutter installations. Because of this relationship, ratepayers paid the unfunded balance through either a frontage charge or an area rate which was administered by the Municipality on behalf of the province.

## By-Law Implementation Table

**PURPOSE**      The purpose of this Business Plan is to document the development and approval process of a new or amended by-law prior to its effective date.

Implementation Activities	Activity Description	Accountability Staff Name / Dept. / Div.	Phone / Fax
<i>This column identifies the possible activities that should be considered before implementing a by-law.</i>	<i>This column should be filled out by the staff member who is responsible for implementing the by-law. The outline should give the reader a basic understanding of how the by-law or policy will be implemented and sustained.</i>	<i>This column identifies the staff member(s) responsible for each activity and their department &amp; division.</i>	<i>Record the staff members' telephone and fax number here.</i>
1. <b>By-Law Number &amp; Name</b>	<i>By-Law Number S-411, Respecting Charges for Street Improvements</i>	n/a	n/a
2. <b>By-law Contact/ Development Coordinator</b>		Rick Paynter, P.Eng., Public Works & Transportation Services - Design & Construction Services	490-4845 490-4858
3. <b>Target Market</b>	<i>This By-Law will enable HRM to recover Local Improvement Charges for Street Improvements.</i>	n/a	n/a
4. <b>Key Stakeholders - Internal</b>	<i>Public Works and Transportation Services, Legal Services</i>		
5. <b>Key Stakeholders - External</b>	<i>All Councilors</i>		
6. <b>Related By-laws</b>	<i>By-Law Number S-400</i>		
7. <b>Revenue Stream</b>	<i>LIC recovery in the same manner as taxes under the Assessment Act. The charges imposed will be collected as Operating Revenue.</i>		
8. <b>Expenditures</b>	<i>No additional expenditures required other than staff's time in the Tax Collection Department.</i>		
9. <b>Other Information</b>			

**Approval Date:** \_\_\_\_\_  
*Indicate date on which Council approved the by-law or policy.*

**Effective Date:** \_\_\_\_\_  
*Indicate date the by-law or policy goes into effect (date of advertisement unless otherwise specified)*

**New or Amended:** Amendment to By-Law Number S-400  
*Indicate whether this by-law or policy is new or an amendment to one currently in place.*

**HALIFAX**  
REGIONAL MUNICIPALITY

**By-Law:** Number S-411

**By-Law Name:** Respecting Charges for Street Improvements

**Short Title:** By-Law Number S-411

**By-Law:** 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 after January 1, 2002, the charges shall be as follows:

For new concrete sidewalk on one or both sides of a street, the charge per foot of frontage to be applied to both sides of the streets shall be \$14.56.

For replacement of existing asphalt sidewalk with new concrete sidewalk on one or both sides of a street, the charge per foot of frontage to be applied to both sides of the street shall be \$9.71.

For new concrete curb and gutter on one side of a street, the charge per foot of frontage to be applied to both sides of the street shall be \$11.25.

For new concrete curb and gutter on both sides of a street, the charge per foot of frontage to be applied to both sides of the street shall be \$22.50.

For replacement of existing asphalt curb and gutter with new concrete curb and gutter on one side of a street, the charge per foot of frontage to be applied to both sides of the street shall be \$7.50.

For replacement of existing asphalt curb and gutter with new concrete curb and gutter on both sides of a street, the charge per foot of frontage to be applied to both sides of the street shall be \$15.00.

For new asphalt paving, the charge per foot of frontage to be applied to both sides of the street shall be \$11.30.

For new chipsealing, the charge per foot of frontage to be applied to both sides of the street shall be \$3.78.

Done and passed by Council this      day of      , 2002.

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
MUNICIPAL CLERK

I, Vi Carmichael, Municipal Clerk of the Halifax Regional Municipality, hereby certify that the above noted by-law was passed at a meeting of Halifax Regional Council held on      2002.

\_\_\_\_\_  
Vi Carmichael  
Municipal Clerk