

RE: 1986 LOCAL IMPROVEMENT STREETS PROGRAM

MUNICIPAL MANAGER'S RECOMMENDATION:

1. THAT the recommendation of the Director Engineering be adopted.

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TO: MUNICIPAL MANAGER
FROM: DIRECTOR ENGINEERING

1986 06 10

SUBJECT: 1986 LOCAL IMPROVEMENT STREETS PROGRAM

RECOMMENDATION:

THAT the Local Improvement Streets Program encompassed in this report be approved and the following implementation steps taken:

- (a) Determine estimated costs;
- (b) Prepare required assessment rolls;
- (c) Prepare cost report in accordance with Section 662 of the Municipal Act;
- (d) Prepare and distribute initiative notices;
- (e) Obtain proposals from engineering consultants for the purpose of completing all design work.

R E P O R T

Background and Summary

The proposed 1986 Local Improvement Streets Program as shown on the schedule of works attached is being presented to Council for its consideration and approval. Council will recall that L.I.P. roadworks which were initiated in 1985 were well received by the public with over 80% of initiated projects being approved for construction currently in progress. The steps recommended above are necessary in order that the 1986 Program can proceed towards construction in 1987.

Program Composition

The Program has been compiled from requests received from property owners, Council requests and staff recommendations. the majority of projects, in terms of numbers, are requests from property owners and the Program includes all requests which have been received to date. The Corporation initiated projects are generally the longer collector streets shown on the Program list with the exception of Oxford Street which has been requested by the property owners. All projects have been reviewed as to the proposed street width and the need for sidewalks.

The 1986 Capital Budget contains \$4,000,000 for Local Improvement Street Construction and this provision would form the funds for initiation of the 1986 Program. Preliminary overall estimates indicate that the total Program would be \$5,000,000. Assuming an 80% acceptance rate, as per last year's experience, it is anticipated that actual construction value will be in line with the Budget provision. A more accurate estimate of frontage rates will be made during the time of the preparation of the 662 Report.

(Cont'd.)

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Program Cost Impact

As Council is aware, the abutting property owners pay a portion of the cost of the local improvement construction works. The percentage of the total construction costs paid by the property owners varies according to the street type and individual property assessments, however in 1985 the owners share was approximately 29% of the total program cost. The annual charge per taxable foot paid by the property owners is based on the abutting property owners paying for 60% of a basic "average" 8.5 metre (28 ft.) wide street with provision for financing and amortization of the annual construction costs over 15 years. Current annual charge rates are \$3.27/taxable foot for curbs only and \$3.73/taxable foot for curbs and sidewalk. Although construction costs have increased from 1985 to 1986, preliminary indications are that current rates can remain in effect for the 1986 Program because the construction cost increases are offset by a reduction in interest rates.

The precise impact of the 1986 Program on future Municipal budgets is not known at this time because of the many variables in the Program mix as to class of works and ancillary works in each project. Nor is it known which and how many projects will be approved by the property owners. The gross additional debt of a \$4,000,000 program at 11% over 15 years is approximately \$550,000 annually. However this figure will be offset by the fact that debt charges totalling \$250,000 on existing Local Improvement borrowing will be retired in 1987 and further offset by the owners' share of the cost which is estimated at \$150,000 annually. Thus the net impact of the 1986 Program may be in the \$150,000 range annually.

Three projects in the 1986 Program require replacement of existing sidewalks due to a grade conflict with the proposed road construction and/or poor condition. These projects are marked with an asterisk on the attached list and are namely Gilley, Oxford and Sperling. The existing bylaw which establishes the annual charges to property owners has no provision for sidewalk replacement. It is recommended that a rate be established for curbs and replacement sidewalk. In order to recognize the fact that the original sidewalk may have been installed by means of a previous charge against the property owners, it is recommended that the new rate be calculated as follows:

Annual charge for curbs and sidewalk replacement -
 derived by reducing the curb and sidewalk rate
 by an amount equal to 50% of the difference
 between the curb only rate and the curb and
 sidewalk rate.

Using current rates the charge would be:

$$(3.73 - (\$3.73 - \$3.27)) = \$3.50/\text{ft.}$$

This calculation provides the property owner a 50% "break" in the cost of the new sidewalk. For the information of Council, this policy would be similar to the practice in the City of Vancouver where the City only charges property owners 50% of the total cost of a sidewalk replaced under L.I.P. This replacement charge would only apply in the circumstance where the original sidewalk was beyond its "lifetime" as stipulated in the Construction Bylaw. The "lifetime" of the works for road improvements is currently 20 years. Specific charge rates will be provided to Council at the time the Director Finance prepares a cost report in accordance with Section 662 of the Municipal Act. Approval will also be sought from the Inspector of Municipalities to borrow the necessary funds prior to issuance of the initiative notices.

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Program Schedule

It will be advantageous to call construction contracts in the Spring of 1987 to maximize the optimum summer construction period. Council approval of the steps contained in the recommendation will permit initiative notices to be sent to the property owners for their approval in the Fall 1986. The Program will be subsequently returned to Council through the Municipal Clerk's Certificate of Sufficiency for Council approval to bring forward the necessary construction bylaws by year end. There are distinct advantages to be gained in having the Program fully designed ahead of time in the form of identifying special construction problems, in taking off quantities and in preparing contract packages ready to take early advantage of available capacity in the construction market before others do so and it is therefore recommended that the Director Engineering be authorized to arrange for preparation of design drawings. A further report will be presented to Council prior to award of an Engineering Agreement.


DIRECTOR ENGINEERING

WCS:cf
cc: () Director Finance
() Director Planning & Building Inspection
() Municipal Solicitor
() Municipal Clerk

Attach.

