

TO: CITY MANAGER

DATE: 1998 05 27

FROM: DIRECTOR ENGINEERING

FILE: 10-01-12

SUBJECT: THE 1999 LOCAL IMPROVEMENT CONSTRUCTION PROGRAM

PURPOSE: To obtain Council approval of the proposed 1999 local improvement construction program.

RECOMMENDATION:

1. THAT the proposed 1999 Local Improvements Construction Program encompassed in this report be approved and the Director Engineering be authorized to issue petitions for the approval of property owners, in accordance with Section 631 of the Municipal Act.
2. THAT a bylaw be brought down to amend the Burnaby Local Improvement Charges Bylaw 10502 to reflect the change in interest rates as detailed in this report.

REPORT

1.0 LOCAL IMPROVEMENT PROCESS

The Municipal Act prescribes that Council may, by bylaw, direct certain types of work be undertaken as local improvements. In Burnaby, however, local improvements have been limited to:

- ▶ Paving works (including lanes)
- ▶ Street lighting
- ▶ Traffic calming measures

The program responds largely to property owner requests for improvements, but may also include projects initiated by the City where there are concerns for traffic and pedestrian safety or maintenance considerations.

Property owner requests for improvements must be made in writing to the Engineering Department, stating the specific location and desired improvements. City initiated projects are generally collector streets compiled from Council requests and staff recommendations. Collector streets are an important component of the Transportation Network and the LIP program has been invaluable in their rehabilitation.

The roadworks program is the primary means of upgrading "unfinished" streets in residential areas. Streets that are candidates for upgrading typically have an aging interim strip pavement of asphaltic concrete, gravel road shoulders, ditches and culverts for storm drainage. An LIP project would eliminate gravel shoulders, provide proper storm drainage facilities, pavement widening with curbs and plant additional boulevard trees.

The cost impact of an LIP program is broken into two components:

- ▶ Property Owner Share
- ▶ City Share

At present, the annual charge per taxable foot paid by the property owners for paving works is based on 50% of the cost of constructing an average 8.5m (28ft) wide standard which is the established width for local residential streets. The City's share represents the remaining 50% plus the costs of storm sewers and any construction in excess of the basic 28ft width. Traffic calming measures are 100% recoverable from property owners within the benefiting block. Current rates are:

- ▶ \$6.00 per year/taxable ft. for 15 years for paving and curbs;
- ▶ \$7.00 per year/taxable ft. for 15 years for paving, curbs and replacement walk;
- ▶ \$7.50 per year/taxable ft. for 15 years for paving, curbs and walk;
- ▶ \$0.42 per year/taxable ft. for 5 years for speed humps.

A review of recent LIP construction contracts indicates that the general increase in costs is offset by the reduction in current interest rates. The effective frontage rate charged to abutting owners will therefore remain unchanged for the 1999 program. It is necessary, however, to amend the existing Charges Bylaw to reflect the reduction in interest rates as shown below:

	Amortization Period (Years)	Previous Interest Rate (%)	Current Interest Rate (%)
Paving	15	9.00	6.75
Street Lighting	10	8.50	6.25
Lanes	5	7.75	5.75
Traffic Calming	5	7.50	5.75

The LIP program has many advantages which speak in its favour as a valuable and integral component of our public works management system required to protect the City's significant investment in its infrastructure, namely:

- ▶ The improvements continue to be extremely popular with the property owners as requests have consistently exceeded budgetary provisions.
- ▶ The user-pay-concept is enhanced, with the benefiting property owners paying directly a portion of the total cost rather than the total burden falling on the taxpayers at large.
- ▶ Improved community aesthetics are realized, with local improvement programs contributing to making Burnaby a well developed, urban community.
- ▶ Pavement rehabilitation is achieved, with the program being an integral and very real component in offsetting maintenance requirements.
- ▶ Unsightly ditches are eliminated and proper long-term storm drainage facilities are put in place.

In view of the continued interest, it would be appropriate to put forward a program of local improvement paving works and traffic calming measures for construction in 1999.

2.0 PROPOSED 1999 CONSTRUCTION PROGRAM

Currently, there are thirty-nine (39) requests "on the books" for paving works with a total estimated cost in excess of \$10.0 million. In order that there not be an unreasonable waiting period in the LIP process and given the level of interest in the program, it would be appropriate to issue petitions for approval by property owners that would result in a construction value of approximately \$2.0 million of roadworks, including traffic calming measures, for construction in 1999.

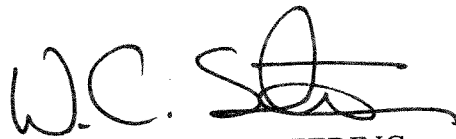
The proposed program is comprised of fourteen paving and seven speed humps projects as listed in **Appendix A**. The total estimated cost of the proposed program is \$3.5 million including \$20,000 for traffic calming measures for 7 local residential streets.

The precise level of required funding and its impact on future City budgets is not known at the outset because it is contingent on which and how many projects will be approved by the property owners. Recent experience would indicate that an acceptance rate of 60% could be reasonably expected, with the City's share of total construction costs in the range 55-70%. Thus "petitioned" projects of \$3.5 million would translate into approximately \$2.0 million construction costs. The 1998 - 2002 Capital Budget includes an allocation of \$2.0 million for LIP roadworks in 1999.

The calculated range of gross additional annual cost of servicing debt for every \$1.0 million worth of construction financed from Capital Reserves and repaid at 6.75% - over fifteen (15) years for paving - would extend from approximately \$60,000, assuming the City paid 55% of the total cost to approximately \$75,000 if the City's share were as high as 70%. If approved, debt repayment of local improvements constructed in 1999 would have its first budgetary impact in the year 2000 and is anticipated to be in the range \$120,000 - \$150,000 based on the above acceptance rate.

Optimal timing for competitive tenders on local improvement paving contracts tend to be late winter/early spring when there is generally "slack time" in the road construction industry. An early start to construction would also ensure that final paving and boulevard restoration would be completed before the onset of fall weather.

In order to meet key target construction dates, petitions will be mailed to property owners for their approval in early June. The program will be subsequently returned to Council through the City Clerk's certificate of sufficiency for approval to bring down the necessary construction bylaws. Engineering designs and preparation of contract documents would proceed over the winter period in anticipation of a construction start in April of next year.


DIRECTOR ENGINEERING

AAS:
Attach.

cc: Director Finance
City Solicitor

APPENDIX A

ROADWORKS:

15th Ave	1st St to cul-de-sac	8.5 meters of pavement with curb and walk both sides, storm sewer and trees as required
Frederick Ave	NPL 6849 Frederick Ave to Victory St	8.5 meters of pavement with curb and walk east side, curb and replacement walk west side, and trees as required
Gilpin St	Royal Oak Ave to EPL 5770 Gilpin	11 meters of pavement with curb and walk both sides, and trees as required
Gilpin Ct	Gilpin St to end	8.5 meters of pavement with curb only on both sides, storm sewer, and trees as required
Grant St	Carleton Ave to Madison Ave	8.5 meters of pavement with curb and walk both sides, and trees as required
Jubilee Ave	Victory St to Watling St	8.5 metres of pavement with curb and replacement walk both sides, except curb and walk east side from NPL 7242 Jubilee Ave to Watling St, and trees as required
Madison Ave	Graveley St to Kitchener St	8.5 meters of pavement with curb and walk both sides, storm sewer and trees as required
Pandora St	Gilmore Ave to Carleton Ave	8.5 meters of pavement with curb and walk north side, curb and replacement walk south side, and trees as required
Pandora St	Madison Ave to Rosser Ave	8.5 metres of pavement with curb and walk both sides, except curb and replacement walk north side from EPL 4913 Pandora St to Rosser Ave, and trees as required
Triumph St	Rosser Ave to Willingdon Ave	8.5 meters of pavement with curb and walk both sides, and trees as required

APPENDIX A

Triumph St	Boundary Rd to Esmond Ave	8.5 meters of pavement with curb and replacement walk both sides, storm sewer, trees as required
Union St	Delta Ave to Springer Ave	8.5 meters of pavement with curb and walk south side, curb and replacement walk north side, and trees as required
Union St	Gamma Ave to Delta Ave	8.5 meters of pavement with curb and walk south side, curb and replacement walk north side, and trees as required

SPEED HUMPS:

18th Avenue	Canada Way to Mary Ave
Avalon Ave	Cariboo Road to WPL 9145 Avalon
Bartlett Court	Erickson Drive to end
Bond Street	Barker Avenue to Halley Ave
Caulwynd Pl	Brynlor Drive to end
Linwood St	Boundary Road to Smith
Welsley Drive	Morley Street to 6th