

TO: CITY MANAGER

DATE: 1999 OCT. 8

FROM: DIRECTOR ENGINEERING

FILE: 10-01-12

SUBJECT: LOCAL IMPROVEMENTS

PURPOSE: To obtain Council approval of the proposed year 2000 local improvements construction program

RECOMMENDATION:

1. THAT the proposed year 2000 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, according to Section 631 of the Municipal Act.
2. That a bylaw be brought down to amend the Burnaby Local Improvement Charges Bylaw 10770 to reflect the new frontage rates as detailed in Appendix A of this report.

REPORT

The local improvement (LIP) roadworks program is the primary means of upgrading "unfinished" streets in residential areas and provides a means by which property owners can cost-share with the City to enhance their neighbourhood. Streets that are candidates for upgrading typically have aging interim strip pavements of asphaltic concrete, gravel road shoulders, ditches and culverts for storm drainage. A LIP project would provide proper storm drainage facilities, eliminate gravel shoulders, rehabilitate the asphalt pavement and plant additional boulevard trees.

The LIP program is a valuable and integral component of our public works practice necessary to protect the City's significant investment in its infrastructure. It has many advantages including:

- Pavements are rehabilitated with attendant reduction in maintenance requirements.
- Unsightly ditches are eliminated and proper long-term storm drainage facilities are put in place.
- The user-pay-concept is enhanced, with the benefiting property owners paying part of the total cost rather than the total burden falling on the taxpayers at large

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

- Property Owner Share
- City Share

Now, the annual charge per foot of taxable frontage paid by abutting property owners for roadworks is based on 50% of the cost of constructing a standard 8.5m (28-foot) local residential street. The City's share represents the remaining 50% plus the costs of storm sewers and any construction greater than the basic 8.5m width.

A review of construction prices over the past few years suggests that existing frontage charges should be adjusted to reflect current conditions. As part of the review, we have also examined the method of determining the interest rates used in calculating the LIP frontage charge.

The Director Finance advises that:

"Interest rates have traditionally been based on long term bond rates. Bonds are investment instruments, the rates of which is the monetary return one would expect from the purchase of the particular bond. LIP charges are more aligned to borrowing funds than they are to the investment of funds and it is, therefore, recommended that the interest rates imbedded in the LIP charges be based on the Royal Bank long term mortgage rates rather than bond rates. Unfortunately this results in large increases in the LIP frontage charge (14%) at a time when the success rate for petitions has dropped from 80% to about 35%. It is, therefore, further recommended that the use of long term mortgage rates be phased in over the next two LIP programs.

The recommended interest rates to be used in calculating frontage charge for the proposed year 2000 LIP projects are shown in the table below.

	Amortization Period (Years)	Current Interest Rate (%)	Proposed Interest Rate (%)
Paving	15	6.75	7.5
Streetlighting	10	6.25	7.5
Lanes	5	5.75	7.0
Traffic calming	5	5.75	7.0

Based on the change in interest rates noted above and a general increase of 2% experienced on recent LIP construction contracts, it is recommended that the new foot frontage charges shown in **Appendix A** be adopted and that a bylaw be brought down to amend the current LIP Charges Bylaw 10770."

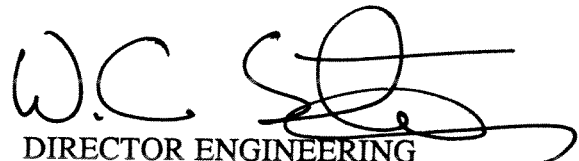
The amended Charges Bylaw appears elsewhere on this agenda.

2.0 PROPOSED YEAR 2000 CONSTRUCTION PROGRAM

In September 1996, residents abutting Sixteenth Avenue, Sixth Street to Mary Avenue, successfully petitioned for local improvement roadworks. Construction was delayed pending the outcome of outstanding issues regarding the proposed improvements. This process has now been concluded, however, according to the Municipal Act, the approval process must be repeated due to the elapse time since the original petition. Council at its meeting of 1999 September 20, approved a city initiated LIP on Sixteenth Ave. with a frontage charge that was in effect at the time of the original approvals. Initiative letters were mailed in early October and, if approved by abutting property owners, the project will be completed next year at a total estimated costs of \$565,000.

The 1999 - 2003 Capital Budget includes an allocation of \$2.0 million for LIP roadworks in the year 2000. Currently, there are thirty (30) requests "on the books" for paving works with a total estimated cost of approximately \$8.0 million. To fully carry out next year's program and to ensure that there is not an unreasonable waiting period in the LIP process, it would be appropriate to issue petitions for approval by property owners that would result in an additional \$1.4 million of construction. Recent experience suggests that we could expect an acceptance rate of about 45%. Thus "petitioned" projects of \$3.2 million would translate into construction costs of approximately \$1.4 million. **Appendix B** lists the ten projects included in the proposed program.

To meet key target construction dates, petitions will be mailed to property owners for their approval in late October of this year. 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. Detailed design of approved projects will be undertaken over the winter period in anticipation of construction commencing in late spring of next year.


DIRECTOR ENGINEERING

AAS/RAE:

cc: Director Finance
City Solicitor
City Clerk

APPENDIX A

LOCAL IMPROVEMENT FRONTAGE RATES				
Description of Works	Period (Yrs)	Current Rates ('96)	Proposed Rates	% Change
		\$/ft	\$/ft	
1: Minimum 8.5m pavement, with storm sewers and tree planting as required, - curb only - curb and walk - curb and replacement walk	15	6.00 7.50 7.00	6.50 8.10 7.50	8.3 8.0 7.1
2: Minimum 11m pavement, with storm sewers and tree planting as required, - curb only - curb and walk - curb and replacement walk	15	6.00 7.50 7.00	6.50 8.10 7.50	8.3 8.0 7.1
3: Streetlighting	10	1.25	1.36	9.0
4: Lane Paving	5	2.50	3.00	20.0
5: Lane Lighting	5	1.00	1.10	10.0
6: Traffic calming measures (100% recoverable from property owners) - traffic circle - speed humps - low profile speed humps	5	0.76 0.42 0.49	0.76 0.42 0.49	
		\$/Crossing	\$/Crossing	
7: Sidewalk Crossings: - Residential (*) - Commercial (*)	15	9.85 40.20	10.65 43.50	8.1 8.2

(*)Annual Charge per crossing

APPENDIX B

ROADWORKS:

Bainbridge Ave	Buffalo St to Winston St	14 meters of pavement with curb and walk both sides, and trees as required.
Boundary Road (Burnaby's side)	Laurel St to Linwood St	12 meters of pavement with curb both sides, and trees as required.
Boundary Road (Burnaby's side)	Nithsdale St to Elmwood St	12 meters of pavement with curb both sides, and trees as required.
Buckingham Ave	Burris St to Haszard St	8.5 meters of pavement, flaring to 11m at Burris Street, with curb and walk west side, curb and replacement walk east side, and trees as required.
Dundas St	Willingdon Ave to Rosser Ave	8.5 meters of pavement with curb and walk both sides, and trees as required.
Fulwell Street	Westminster Ave to Canada Way	8.5 meters of pavement with curb and walk both sides, storm sewer, and trees as required.
Jubilee Ave	Victory St to Watling St	8.5 meters 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.
Lake City Way	Broadway to Enterprise	Sidewalk east side, and trees as required.
Linwood St	Boundary Rd to Smith Ave	8.5 meters of pavement with curb and walk both sides, and trees as required.
Napier St	Sperling Ave to Cliff Ave	8.5 meters of pavement with curb and walk both sides, and trees as required.

