

Agenda Item # Page #

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TO:	CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON AUGUST 24, 2015
FROM:	JOHN BRAAM, P. ENG. MANAGING DIRECTOR, ENVIRONMENTAL & ENGINEERING SERVICES & CITY ENGINEER
SUBJECT:	LOCAL IMPROVEMENT INITIATION FRANKLINWAY CRESCENT & FRANKLINWAY GATE

RECOMMENDATION

That, on the recommendation of the Managing Director, Environmental & Engineering Services & City Engineer, the following actions **BE TAKEN** with respect to construction of sanitary sewer and watermain as part of the Local Improvement Program, on initiation, for Franklinway Crescent and Franklinway Gate:

- a) The City Clerk **BE AUTHORIZED** to proceed under the provisions of *The Municipal Act*, 2001, Ontario Regulation 586/06 with the publishing and the serving of Notice of the Municipal Council's intention to undertake these works in accordance with the following estimated cost breakdown:

Location	Owner's Share (After Exemptions)	Corporation's Share (After Exemptions)	Gross Cost
Franklinway Crescent & Franklinway Gate	\$408,723.75	\$281,276.25	\$690,000

- b) The financing for this project **BE APPROVED** in accordance with the "Local Improvement Report" attached hereto as Appendix "A"; and,
- c) The Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this project.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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None.

BACKGROUND

Purpose:

The purpose of the report is to seek direction from the Municipal Council to initiate a Local Improvement project to construct a sanitary sewer and watermain on Franklinway Crescent and Franklinway Gate. "Local Improvement Report" (Appendix "A"), Location Map (Appendix "B") and Cost Breakdown (Appendix "C") are included as supporting information. If Council authorizes the Civic Administration to proceed with the initiation of a Local Improvement for the sanitary sewer and watermain on Franklinway Crescent and Franklinway Gate, then staff will prepare the notices and circulate petitions to the abutting property owners for their consideration.

Context:

A series of letters, a community meeting, and a survey have been conducted to assess the interest of property owners to contribute funding towards the proposed services. An informal survey received a 79 per cent response rate from property owners, and of those 62 per cent of the properties on private septic and well and 50 per cent of the properties on well (municipal sanitary available to 4 properties) have indicated interest in obtaining municipal servicing. Staff

Agenda Item #	Page #

predicts a close split between property owners that want the services and those that do not want the services. However, staff believe the completed survey provides a representative sample and that the Local Improvement can be successful. A notice indicating the intention to undertake the work will be given to every effected property owner. A majority of the owners may prevent the municipality from undertaking the work by filing a petition.

Discussion:

Franklinway Gate and Franklinway Crescent, representing 19 residential properties, presently do not have a fronting sanitary sewer and watermain. The Local Improvement process provides an opportunity to extend municipal sanitary sewer and watermain servicing to these streets which have seen sewers extended to the area in recent years. The project costs would be shared between the City of London and property owners as follows: :

Road, boulevards, restoration	75% Owner Cost, 25% City Cost
Curb and gutter	75% Owner Cost, 25% City cost
Watermain	75% Owner Cost, 25% City cost
Sanitary sewer and private drain to property line	75% Owner Cost, 25% City cost
Water service to property line	100% Owner Cost
Exemptions and reductions	100% City Cost

Additional private property work by Owners:

Water and sanitary connections on private property	100% Owner Cost
Internal plumbing, decommissioning well	100% Owner Cost

The Local Improvement process is strictly laid out by the Municipal Act. Subject to the Local Improvement being initiated by Council, individual letters with estimated costs will be sent to property owners. Exact details on how to petition against the Local Improvement, response period, and other important details will be circulated by Clerks, consistent with legislation. If 50 percent of the owners representing a minimum of 50 per cent of the assessed property value petition against the works, then works will not proceed. If a petition is not submitted by a property owner, it is considered that they do not object to the works proceeding. Staff estimate 10 properties will need to petition against the works and represent a minimum 50 per cent of the total assessed property value for the project not to proceed. If the Local Improvement fails, then there is a minimum 2 year period before another Local Improvement can be initiated.

If the Local Improvement is successful, construction would be planned for 2016 and all owners would be required to pay their share for the works based on their effective frontage in one lump sum payment or on their taxes over a 10 year span starting in the year following construction. The cost to each property for works in the public right-of-way is unique and based on a property's effective frontage. Effective frontage is calculated by averaging the frontage and the rear lot line. Where lots are of an irregular shape, effective frontage produces a more accurate representation of the value of the lot compared to simply measuring the length of frontage at street line. Additional information on effective frontage can be found on the Municipal Property Assessment Corporation website.

Owners are solely responsible for private property works including connection to water service, connection of sanitary building sewer, and decommissioning of private septic system and water well. Costs for work or alterations on private property will vary from property to property, depending on the extent of works, location for works, surface treatments, landscaping, etc.

There is no requirement for a property owner to immediately connect their water and sanitary services. Owners can arrange for and pay for their water service at the time of construction by providing a letter committing to connecting their water within 12 months. If the property owner is not willing to pay and connect to the watermain with 12 months, then the City will not build the water service to avoid leaving stagnant water in that service which leads to water quality concerns. All sanitary private drain connections will be installed and left capped at the property line for future connection by owners. When an owner wishes to connect to either sewer or water, they will be responsible for obtaining a building permit and paying any related fees.

Agenda Item #

Page #

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Acknowledgements:

This report was prepared by Mitchell Heighway, Engineer-in-Training, with the assistance of Erik Veittiaho, P.Eng of the Wastewater and Drainage Engineering Division.

PREPARED BY:	SUBMITTED BY:
TOM COPELAND, P. ENG. DIVISION MANAGER, WASTEWATER & DRAINAGE ENGINEERING	JOHN LUCAS, P. ENG. DIRECTOR, WATER AND WASTEWATER
RECOMMENDED BY:	
JOHN BRAAM, P.ENG. MANAGING DIRECTOR, ENVIRONMENTAL & ENGINEERING SERVICES & CITY ENGINEER	

August 17, 2015

Appendices:

Appendix "A" – Local Improvement Report

Appendix "B" – Location Map

Appendix "C" – Cost Breakdown

Appendix "D" – Franklinway Crescent and Franklinway Gate Questions and Answers

cc. John Braam, P. Eng., Managing Director, EES & City Engineer
 Roland Welker, P. Eng., Division Manager, Water
 Tom Copeland, P. Eng., Division Manager, WADE
 Aaron Rozentals, P. Eng., Environmental Services Engineer, Water

Agenda Item #	Page #

APPENDIX "A"
LOCAL IMPROVEMENT REPORT

SUBJECT: *Franklinway Gate & Franklinway Crescent Local Improvement*

1. INTRODUCTION

In accordance with the provisions of *The Municipal Act*, the following report is presented for the design and construction of a sanitary sewer and watermain on **Franklinway Gate and Franklinway Crescent**.

2. LIMITS OF WORK

The limits of work are shown on the Location Map in "Appendix B". Approximated 430m of watermain and 371m of sanitary sewer will be constructed in order to service 19 residential properties. The frontages are the effective frontage in accordance with the latest assessment information. This is in accordance with the provisions of *The Municipal Act*.

3. OWNER COST

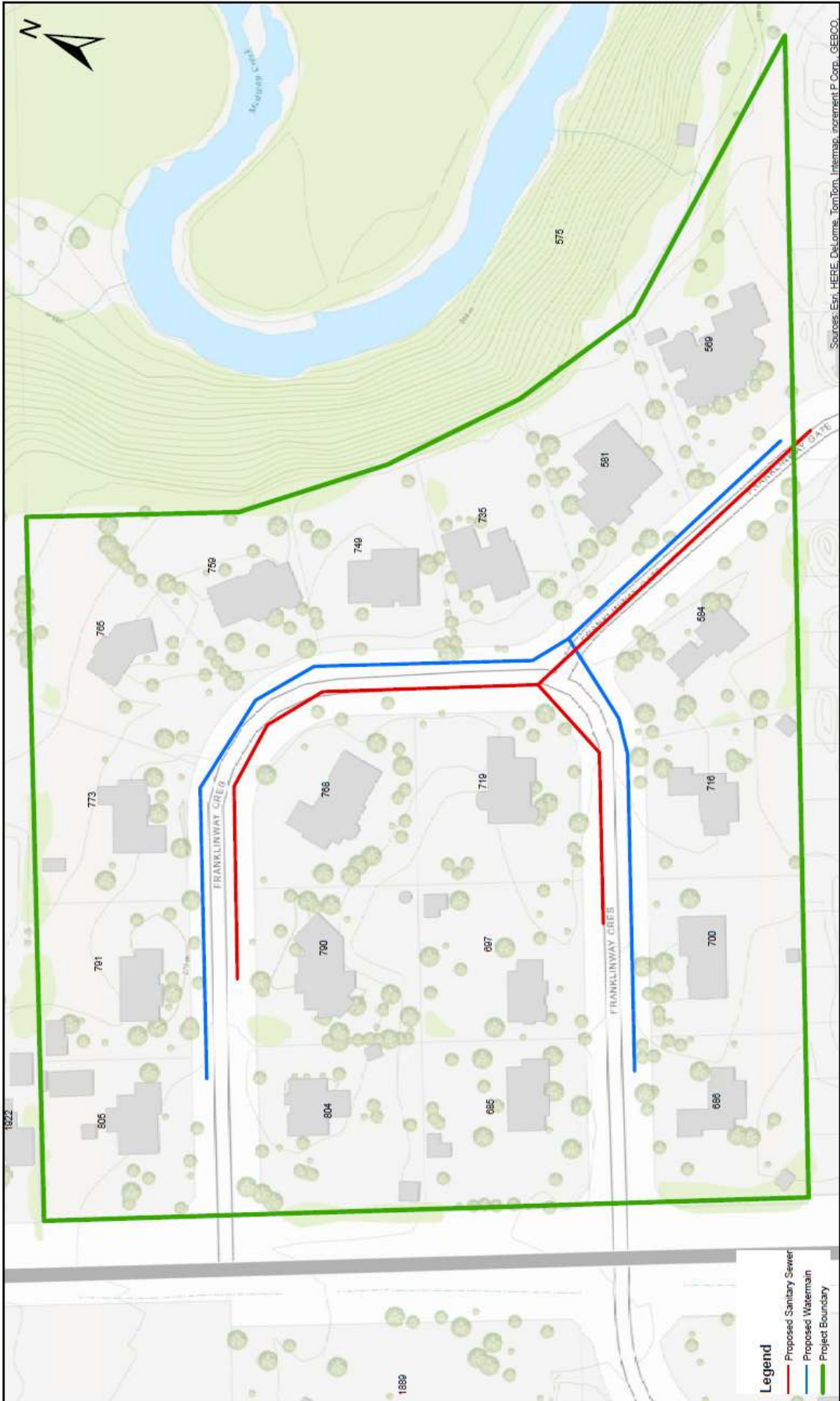
Sanitary sewer and watermain servicing to each of the 19 properties comes at a cost of approximately **\$491.46 per meter of effective frontage**.

4. EFFECTIVE FRONTAGES

TOTAL ESTIMATED GROSS COST	\$690,000.00
CORPORATIONS SHARE OF THE COST	\$172,500.00
OWNERS SHARE OF THE COST	\$517,500.00
The frontages are adjusted based on exemptions and reductions (as detailed in the next section) in accordance with the provisions of <i>The Municipal Act</i> :	
Flankage Exemptions	136.611m
Frontage Exemptions	6.425m
Credit equivalent	78.29m
Frontage + Flankage Exemptions + Credits	221.326m
TOTAL EXEMPTIONS @ \$491.46/m	\$108,776.25
OWNERS SHARE AFTER EXEMPTIONS	\$408,723.75
CORPORATIONS SHARE AFTER EXEMPTIONS	\$281,276.25

Agenda Item #	Page #

APPENDIX "B" Location Map



Appendix 'D'

Franklinway Crescent and Franklinway Gate Questions and Answers

Q: *Why is a Local Improvement proposed?*

A: Presently, properties on Franklinway Crescent and Franklinway Gate are serviced by private septic systems and wells. A Local Improvement provides an opportunity to extend municipal services to urban areas with aging private systems. The City of London Engineering Department determined through a survey that there is interest for a Local Improvement for this area.

Q: *Why don't my taxes cover these works?*

A: The subdivision was constructed with private septic systems and wells. If new services are added, residents pay for the installation and pay for the future usage via utility bills.

Q: *Can these works be stopped from proceeding?*

A: Yes. A petition against the Local Improvement will stop the works.

A petition needs to be signed by at least a majority of owners representing at least one-half of the value of the lots liable to be specially charged for the work. (O.Reg. 586/06, s. 9 (3))

If 10 properties representing at least one-half of the overall property value petition against the works, then the project will not proceed.

Q: *How long can a property owner petition against undertaking the works?*

A: Within 30 days after a notice is given (O.Reg. 586/06, s. 9 (3))

Q: *Do all property owners pay the same amount?*

A: No. The amount is dependent on the effective frontage of a property.

Q: *What is effective frontage?*

A: Effective Frontage is the average between the frontage (portion of the lot that abuts the roadway) and the rear lot line (portion of the lot that abuts the rear).

Q: *What is the estimated cost per property?*

A: Right-of-Way cost

The cost to each property for works in the public right-of-way is unique and based on a property's effective frontage. The cost is estimated at \$491.46 per metre of effective frontage. If a lot had an effective frontage of 50 metres, this property would have a cost of \$24,573.

Private property cost

Property owners are solely responsible for future works required on private property which include but may not be limited to:

- Connection of water service
- Connection of sanitary building sewer
- Decommissioning of private septic system
- Decommissioning of private water well
- Restoration of surface works and ornamental landscaping
- Conflicts with privately owned lawn watering systems or fencing.

Property owners would have to consider these costs and disruption associated with private side works.

Consumption Charges and Utility Bills

Once connected, property owners would be subject charges associated with usage. There is wastewater usage charge and water usage charge and an infrastructure connection charge which includes fire protection.

An average London family (3.2 people) consumes approximately 15m³ of water a month, which results in a monthly ongoing utility charge of \$72.31 for water and sewer.

Q: ***How much is the City proposing to share in the cost?***

A: The City's share in the costs for the Local Improvement is 41 per cent after taking into account exemptions and reductions covered by the City.

Q: ***When are the costs of a Local Improvement paid?***

A: The costs of a Local Improvement area can be paid in full the year following construction or dispersed on your property taxes at the City's interest rate. (2015 rate is 3.55%)

Q: ***Can tenants vote?***

A: No. The choice will be made by the property owners as they will cover the cost of upgrading the servicing.

Q: ***Will my taxes go up?***

A: If property is already a legal lot and includes a building, the Municipal Property Assessment Corporation (MPAC) will not reassess properties that receive servicing improvements.

Q: ***Is it mandatory to connect to the new services?***

A: It is not mandatory to connect to the new services once available. However, every property owner pays their proportional share if a Local Improvement is successful.

Q: ***When would construction begin?***

A: If the project is supported by the owners and the Local Improvement passes, then construction will take approximately 4 months and will likely start in Spring 2016.