

<b>TO:</b>	<b>CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON DECEMBER 4, 2017</b>
<b>FROM:</b>	<b>KELLY SCHERR, P.ENG., MBA, FEC MANAGING DIRECTOR, ENVIRONMENTAL AND ENGINEERING SERVICES AND CITY ENGINEER</b>
<b>SUBJECT:</b>	<b>LOCAL IMPROVEMENT POLICY REVIEW</b>

**RECOMMENDATION**

That, on the recommendation of the Managing Director, Environmental and Engineering Services and City Engineer, the following actions **BE TAKEN** with respect to the Local Improvement process:

- (a) The Civic Administration **BE DIRECTED** to implement the revised local improvement initiation process, and
- (b) The Civic Administration **BE DIRECTED** to create educational materials in the form of web content and a brochure to assist in communicating the local improvement process and regulation.

**PREVIOUS REPORTS PERTINENT TO THIS MATTER**

4<sup>th</sup> Report of the Governance Working Group – Strategic Priorities and Policy Committee Agenda Item #8, September 18, 2017

[Local Improvement Initiation Franklinway Crescent & Franklinway Gate - Civic Works Committee Agenda Item #7, August 24, 2015](#)

**2015-2019 STRATEGIC PLAN**

This report supports the Strategic Plan in the following areas:

- Building a Sustainable City: robust infrastructure; strong and healthy environment; responsible growth.
- Leading in Public Service: Open, accountable and responsive government; excellent service delivery.

**BACKGROUND**

**Purpose**

*Municipal Council, at its meeting held on September 1, 2015, resolved:*

7. That the following actions **BE TAKEN** with respect to the construction of sanitary sewer and watermain as part of the Local Improvement Program, on initiation, for Franklinway Crescent and Franklinway Gate:

- e) the Civic Administration **BE REQUESTED** to report back on:
  - i) potential improvements to community outreach related to the local improvement process, particularly related to informal surveys; and,

*ii) setting clear guidelines for the condition under which Council will consider initiating a local improvement; and,*

*f) the Civic Administration **BE REQUESTED** to review the regulation for petitions under the local improvement process to ensure that the process is fair and equitable for those who are potentially impacted by the process and to include any suggested improvements in feedback to the Province of Ontario.*

The purpose of this report is to discuss potential improvements to community outreach and set clear guidelines for the conditions under which Council would consider initiating a local improvement. Additionally, staff were asked to provide input on whether current practices of the petitioning process under Ontario Regulation 586/06 appear fair and equitable and suggest possible improvement feedback (if required) which could be provided back to the Province of Ontario.

## **Context**

For many years, the local improvement process has been available and used within the City of London to offer municipal services such as a sanitary sewer, watermain, storm sewer, curb and gutter, and street lighting. This program allows property owners that purchased a building (home or business) without municipal services to pay for new or enhanced servicing. The costs to a property owner vary depending on the scope of the local improvement. Costs to a property owner could be in the tens of thousands of dollars for a single family home when both water and wastewater servicing are provided. Municipal services are often desired as they provide a higher level of service and provide an alternative to private systems, such as sanitary septic systems or water wells. The London Plan further reinforces that servicing will be provided, in a financially viable way, to protect public health and safety and the natural environment. In Ontario, local improvement petitions are now governed by the Municipal Act, 2001; Ontario Regulation 586/06 Local Improvement Charges – Priority Lien Status.

## **DISCUSSION**

Under the Municipal Act, 2001; Ontario Regulation 586/06 Local Improvement Charges – Priority Lien Status, a local improvement may be triggered in the following ways:

1. Recommendation of the Minister of Health or Municipal Board of Health,
2. Petition by property owners,
3. Initiative of City Council, and
4. Approval from the Ontario Municipal Board,

These triggers are discussed in more detail in Appendix 'A': Local Improvement Triggers.

The City's previous practice with respect to local improvement projects was to rely on the "Initiative of Council" trigger listed above. The process would begin when a property owner would make a request to staff for a local improvement, staff would consider the merits of the project, and then undertake the design work associated with the local improvement. In some instances, following the notification of the area property owners of the proposed project, the local improvement would be defeated by the area residents and would not proceed.

## **Moving Forward**

As the local improvement process is complex, it is recommended that a clear process be established and improvements be made to the existing public local improvement

educational materials.

### ***Local Improvement Process Improvements***

In the future, when an inquiry is made for a local improvement, it is suggested that the “petition of property owners” trigger be used. This trigger is property owner driven and would allow the community to initiate a local improvement. Local improvements create substantial social and financial impacts on a neighbourhood. From a fairness and equality perspective, a community driven process will ensure that the local improvement is something the majority of the community endorses. The diagram of the proposed process has been included as “Appendix ‘A’ - Proposed Local Improvement Process Diagram”. Given that the proposed process is property owner led, the need for City staff to administer the initiation portion of the local improvement will no longer be required.

### ***Local Improvement Educational Materials***

The local improvement process is outlined in a complex regulation and can be challenging to understand. Currently, the City of London’s website does not have an information page dedicated to explaining the local improvement process or an information package/fact sheet (Frequently Asked Questions (FAQ’s)) that prospective interested parties could either pick up in person or be mailed out upon request. In order to provide enhanced information to the public on local improvements, it is suggested that improvements be made to london.ca web content and that a brochure be created that could be made available on www.london.ca, by mail, or in person.

The webpage and fact sheet would include important and commonly asked questions such as:

- What is a local improvement?
- How is a local improvement request initiated?
- What does signing a local improvement petition mean?
- How is a local improvement petition approved?
- What happens when a local improvement petition fails?
- Who pays for a local improvement?

In order to better inform those who may be interested in a local improvement, staff are recommending dedicating a webpage on the City of London website to explain local improvement procedures in everyday language. The webpage will include FAQ’s so that commonly asked questions can easily be referred to. This basic information can then be used to create an information packet that can be given out over the counter in person, or mailed out upon request.

### **Community Outreach**

The mandatory points of contact through the local improvement process are laid out by the Ontario Regulation 586/06 of the Municipal Act, 2001. In the past, the City has explored additional engagement opportunities, such as informal surveys, above minimum regulation requirements in an attempt to fully inform property owners of the fairly complex process. Considering the new process, staff will engage in an outreach program similar to that used for the lifecycle infrastructure renewal program. This will ensure that residents are provided project information consistent with the level of service provided for infrastructure renewal program projects.

### **Local Improvement Charges Regulation: Improvements and Feedback**

The local improvement charges regulation is an important tool to allow both the

community and the municipality to provide improved services to an existing community. There are significant implications to a local improvement project including costs (tens of thousands of dollars) and the impacts caused by major construction activities (tree removals, road closures, etc.). The proposed community driven process should alleviate the concerns related to fairness and equality. This revised process will ensure that property owners have the ability to initiate local improvement projects, and when needed, the revised process provides Council the ability to initiate local improvements that provide a wider social or economic benefit. City staff will continue to monitor any further changes to the local improvement charge regulation and, at the next opportunity, provide comment on future changes and provide recommended improvements to the province.

<b>CONCLUSION</b>
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Staff recommend that the proposed local improvement process and educational materials be implemented in order to provide residents with a better understanding of the local improvement process. Moving to a community driven process will ensure that local improvements are both fair and equitable for those who are potentially impacted. In the future, city staff will continue to monitor and comment on future changes to the local improvement regulation, and when applicable, provide recommended improvements to the province.

**Acknowledgements**

This report was prepared with the assistance of Kevin Graham of the Wastewater and Drainage Engineering Division.

<b>PREPARED BY:</b>	<b>SUBMITTED BY:</b>
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<b>RECOMMENDED BY:</b>	
<b>KELLY SCHERR, P.ENG., MBA, FEC MANAGING DIRECTOR ENVIRONMENTAL AND ENGINEERING SERVICES AND CITY ENGINEER</b>	

November 27, 2017

Attach:      Appendix 'A' – Local Improvement Triggers  
                  Appendix 'B' - Proposed Local Improvement Process Diagram

cc:             David Mounteer