



Corporate *NO: R220*

Report *COUNCIL DATE: October 22, 2001*

REGULAR COUNCIL			
TO:	Mayor & Council	DATE:	October 2, 2001
FROM:	General Manager, Engineering	FILE:	0023-3250
SUBJECT:	Amendments to Local Improvement Cost-Sharing By-law No. 3250		

RECOMMENDATION

That the “Local Improvement Cost-Sharing By-law, 1970, No. 3250” be amended, as shown in the attached Appendix, and that staff be authorized to bring forward similar amendments to the Water Extension By-law to revise the City's cost-sharing on sewer and water local improvement projects.

INTENT

To update the Cost-Sharing By-law with some housekeeping amendments as well as changes to reflect a more consistent and equitable municipal contribution.

BACKGROUND

The current ‘Local Improvement Cost-Sharing By-law’ was established under Section 661 of the Municipal Act Chapter 290, R.S.B.C., 1979. The Municipal Act has since been replaced by the Local Government Act, Section 634 of which provides the authority for the Cost-Sharing By-law. Our current By-law needs to reflect this change.

In addition, cost-sharing provisions in the Local Improvement By-law and the Water Extension By-law need to be made more consistent and equitable. Currently, the City's cost-sharing is either 10% for typical projects that provide service to both sides of the road or 55% where the works only service the parcels on one side of the road.

The original concept in the By-law was to provide City cost-sharing to offset the frontage of the sewer or water works constructed that did not directly service any benefitting properties.

Based on recent experience with a number of proposed and actual local improvement sewer and water projects, we believe that a more equitable approach that provides a range of cost-sharing, depending on the circumstances, is required. Additionally we believe that in view of the increasing demand for cost-sharing, that priority for cost-sharing be given where the Medical Health Officer has issued a Code 1 health warning for sewer, or a health warning relating to on-site water supply and where such health risks cannot be feasibly resolved on-site. The current By-law makes no reference to such health issues but the intent of the By-law was for pollution clean up and the resolution of health concerns.

Under the proposed changes, flexibility in cost-sharing will be provided by basing the City's cost-share on the lesser of the length of frontage serviced, or the number of parcels serviced compared with the total frontage or total number of parcels abutting the works. However, a City cost-sharing limit of 50% would apply which is just slightly less than the previous 55%. These changes will mean that the City would cost-share for the amount that a sewer or water main that fronts City parks or road allowances, etc., and would also provide for City cost-sharing where parcels abut the new works but are already serviced from another location.

Where there is no health issue involved, the proposed by-law does not include provision for the City to cost-share on water or sewer works.

The existing By-law also has the provision that the City fund 50% of the cost of sewer local improvements servicing industrial areas. No requests for LIPs in industrial areas have been received in the last 10 years or more. Currently servicing issues for industrial areas relate to the need for overall servicing rather than just sewer alone, hence the lack of use of this section of the By-law. The City's pre-servicing approach with full cost recovery from the benefiting properties, via a specified charge, for a full range of servicing is a more effective mechanism for the servicing of industrial land than this little used local improvement cost-sharing provision in the By-law. Hence, it is proposed to delete this specific reference to LIPs for industrial areas. The cost-sharing provisions outlined previously would apply to all land uses.

The proposed amendments are attached as Appendix "A". Excerpts of the relevant sections from the current Cost-Sharing By-law are attached as Appendix "B". Upon Council's approval of the recommendations, an amending By-law will be introduced to effect the proposed amendments.

Jorgen Johansen, P. Eng.

General Manager, Engineering

AL/PH:brb/sew

Attachment

g:\2001\utilities\sewer\10020915al.doc

BRB 10/23/01 3:27