Agenda – Executive Policy Committee – March 12, 2008

Report – Standing Policy Committee on Infrastructure Renewal and Public Works Committee – March 4, 2008

Item No. 5 Local Improvement Rates for Land Drainage Sewers
File SL-1

STANDING COMMITTEE RECOMMENDATION:

On March 4, 2008, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the recommendation of the Winnipeg Public Service and submits the following to Council:

1. That Section 4.2 of The Local Improvement Regulation By-law No. 98/72 of the City of Winnipeg regarding the flat rate local improvement charges to benefiting property owners for land drainage sewers be amended as follows:

   A. Land Drainage Sewer (Laterals) – from $18.00 for each foot of frontage or $0.135 for each square foot to $40.00 for each foot of frontage or $0.300 for each square foot of the area of that land to the depth deemed by Council to be benefited by the lateral land drainage sewer, whichever is greater.

   B. Land Drainage Sewer (Trunks) – from $30.00 for each foot of frontage or $0.225 for each square foot to $55.00 for each foot of frontage or $0.4125 for each square foot of the area of that land to the depth deemed by Council to be benefited by the trunk land drainage sewer, whichever is greater.

2. That the City Solicitor/Manager of Legal Services be requested to prepare the amending by-law and that the amending by-law be submitted to Council for March 19, 2008 in order that the new rates may be quoted for services to be advertised in the second quarter of 2008.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

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DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On March 4, 2008, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

RE: LOCAL IMPROVEMENT RATES FOR LAND DRAINAGE SEWERS

FOR SUBMISSION TO: Standing Policy Committee on Infrastructure Renewal and Public Works

ORIGINAL REPORT SIGNED BY: Barry D. MacBride, P. Eng.
Director, Water and Waste Department

REPORT DATE: February 26, 2008

RECOMMENDATIONS:

1. That Section 4.2 of By-law No. 98/72 of the City of Winnipeg regarding the flat rate local improvement charges to benefiting property owners for land drainage sewers be amended as follows:

   Land Drainage Sewer (Laterals) – from $18.00 for each foot of frontage or $0.135 for each square foot to $40.00 for each foot of frontage or $0.300 for each square foot of the area of that land to the depth deemed by Council to be benefited by the lateral land drainage sewer, whichever is greater.

   Land Drainage Sewer (Trunks) – from $30.00 for each foot of frontage or $0.225 for each square foot to $55.00 for each foot of frontage or $0.4125 for each square foot of the area of that land to the depth deemed by Council to be benefited by the trunk land drainage sewer, whichever is greater.

2. That the City Solicitor be requested to prepare the amending By-law and that the amending By-law be passed at Council's meeting on March 19, 2008 in order that the new rates may be quoted for services to be advertised in the second quarter of 2008.

Report Summary

Key Issues:

- Local improvement rates for Land Drainage Sewers have not been adjusted since 1979.

- The Department is recommending, for Local Improvement projects initiated in 2008 and future, an increase in the flat rate local improvement charges to benefiting property owners for lateral and trunk land drainage sewer to $40.00 and $55.00 for each foot of frontage, respectively ($18.00 and $30.00 for 2007). This rate reflects the current cost of construction.

- The rate be reviewed annually and adjusted accordingly.

Implications of the Recommendation(s):

General Implications

	None
X	For the organization overall and/or for other departments
X	For the community and/or organizations external to the City
	Involves a multi-year contract

Comment(s):

Policy Implications

X	No
	Yes

Comment(s):

Regulatory Implications

X	None
	Eliminates or reduces regulatory impact
	Proposes regulatory impact

Comment(s):

Environmental Implications

X	No
	Yes

Comment(s):

Human Resources Implications

X	No
	Yes

Comment(s):

Financial Implications

X	Within approved current and/or capital budget
	Current and/or capital budget adjustment required

Comment(s):

Report

REASON FOR THE REPORT:

Amendments to The City of Winnipeg By-law 98/72, being a By-law to provide for the regulation of local improvements, requires Council approval.

HISTORY:

Local improvement rates for Land Drainage Sewers were last updated in 1979.

DISCUSSION:

The construction industry has experienced rapid growth over the last several years and the land drainage local improvement rate has not been increased for almost 30 years. A rate increase is necessary to ensure that the rates used to recover costs for local improvements are consistent with current construction costs.

The Department is recommending an increase to the local improvement rates for lateral land drainage sewer and trunk land drainage sewer, also known as the trunk storm water drainage system, from $18.00 and $30.00 per foot of assessable frontage to $40.00 and $55.00 respectively. The increases reflect actual cost of construction and administration for projects in 2006 and 2007 adjusted for anticipated 2008 inflation.

Approval for the recommended rates is required at this time such that the new rates may be quoted for local improvements to be advertised in the second quarter of 2008.

Land drainage local improvement projects are rare. In the last 5 years there have only been 4 land drainage local improvements. These projects can be either residential or developer initiated, with the former being very infrequent. The majority of these projects are initiated by the development industry and the costs to the City come in the form of developer paybacks. The cost of a land drainage local improvement can vary, based upon the type of improvement and the benefiting area.

Because the majority of projects are in the form of developer paybacks, the actual costs of construction are not available in-house. Cost data was obtained from the development industry and the City conducted a review of this information to ensure the costs were reasonable:

Determination of Land Drainage Sewer (Laterals) Rate:

Generally lateral land drainage sewers are the smaller sized sewers located in residential streets that collect storm water runoff from streets, lanes and private properties. These sewers drain to the larger sized land drainage trunk sewers which convey the runoff to the rivers and streams.

In determining the costs associated with the local improvement rate for Land Drainage Sewers (Laterals), the Water & Waste Engineering Division, Services Development Branch obtained construction costs for two recent development projects, which are considered representative of typical lateral land drainage sewer costs. The resulting rate was approximately $35.00 and is the basis for the recommended increase.

Determination of Land Drainage Sewer (Trunks) Rate:

Generally land drainage trunk, also know as the trunk storm water drainage system, local improvement rates include costs for storm water retention basins, interconnecting pipes, outfalls to receiving streams/rivers and 750mm diameter and larger pipe. All properties within the catchment area of a drainage district benefit from the land drainage trunk system and thus should pay a proportionate share of the cost of the system.

In determining the costs associated with the local improvement rate for Land Drainage Sewer (Trunks), the Water & Waste Engineering Division, Services Development Branch carried out a detailed analysis of the trunk costs for a typical land drainage catchment area in the Old Kildonan area of the City (Amber Trails Subdivision). Since the Amber Trails trunk system has been constructed in phases over the past 18 years, unit prices for the most recent phase were used to estimate the cost of the entire system. In addition, as an independent comparison, land drainage trunk system costs which were estimated by an engineering consultant under the terms of a land drainage study commissioned by the City for the Charleswood area of the City were used to determine the trunk rate which would be applicable for the construction of this future system. The resulting rate was approximately $55 and is the basis for the recommended increase.

FINANCIAL IMPACT:

There is no financial impact associated with this report. In the case of developer payback projects, the developer has historically absorbed the difference between actual cost and amounts collected for local improvements. In the case of resident initiated projects, the City absorbs the difference between actual cost and amounts collected for local improvements.

"Original signed by M. L. Geer, C.A."
Moira L. Geer, C.A.,
Manager of Finance and Administration

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With:

Assessment & Taxation Department
Legal Services Division, Internal Services

External Consultation with:

N/A

THIS REPORT SUBMITTED BY:

Water and Waste Department
Finance and Administration Division
Prepared by: Angela Wiebe, Darlene Capp
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