

2014 GROUP TWO LOCAL IMPROVEMENT PROJECTS

EXECUTIVE SUMMARY

The purpose of Bylaws 3R2014 and 4R2014 is to carry out owner-initiated local improvement projects in 2014. These projects include laneway paving in residential areas, driveway crossings by lowering the height of the curb, construction of four residential sidewalks, including one residential curb and gutter and one commercial monolithic sidewalk, curb and gutter. Adoption of these bylaws is required to facilitate completion of these projects.

All of the projects included in these bylaws were initiated or requested by adjacent property owners.

ADMINISTRATION RECOMMENDATIONS

That Council:

1. Increase budget and appropriation to Roads Capital Program 147-148 by 1,586,783 in 2014;
2. Give three readings to Bylaw 3R2014; and
3. Give three readings to Bylaw 4R2014.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2014 March 10 Council approved Local Improvement Bylaws 1R2014 and 2R2014 for 2014 Group One Local Improvement Projects.

BACKGROUND

A local improvement (LI) is a project that is defined as: A project that Council considers to be of greater benefit to an area of the municipality than to the whole municipality, and is to be paid for in whole or in part by a tax imposed on the properties affected by the project. Examples include street or lane paving and driveway crossings.

Municipalities have a long history of using LIs to help cover the cost of infrastructure and facilitate projects. LI charges are assessed to adjacent benefiting properties and then added to property taxes until the costs are repaid. The Municipal Government Act (MGA) provides provincial statutory guidelines for LI administration.

There is no cost sharing between The City and property owners with respect to first-time laneway and roadway paving, driveway crossings and new concrete sidewalks (i.e. where no sidewalks previously existed). The full costs for these improvements are charged to the property owners. Lifecycle replacement of concrete is typically funded by The City, per Council policy. However, in some cases, property owners wish to have concrete replaced sooner than The City is prepared to do so. The City undertakes area wide replacement, not site specific. In these cases, residential owners can initiate the work, and replacement of existing concrete is based on 50/50 cost-sharing between The City and the property owners. For commercial properties, the cost sharing is 25 per cent City, and 75 per cent property owners.

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INVESTIGATION: ALTERNATIVES AND ANALYSIS

Local Improvement Bylaws are processed according to the MGA (section 396) and various policies and guidelines, as follows:

- A petition package to initiate the local improvement is obtained by calling The City of Calgary Operations Centre at 3-1-1.
- To be valid, a petition must be signed by at least two-thirds (2/3) of the affected property owners representing at least one-half (1/2) the assessed value of land.
- The completed petition form is returned to The City for validation.
- When a valid petition is received, the proposed project is included in the next available group of local improvements.
- A Notice of Intention is mailed to each affected property owner outlining the type of proposed construction, the estimated cost and the property owner's estimated share of the cost.
- Property owners have the right to submit petitions to The City against the proposed local improvements. To be valid, a petition must be signed by at least two-thirds (2/3) of the affected property owners representing at least one-half (1/2) the assessed value of land.
- A "petition against" must be received within the 30 days of the mailing date of the Notice of Intention.
- If a valid petition against a project is received, The City is prohibited from proceeding with the work (MGA 396 (3)). In this case, The City deletes the local improvement from the LI bylaw.
- In all cases, The City advises affected property owners in writing whether or not the petition is valid.

Bylaw 3R2014 is required for lane paving in residential areas with standard lane widths, and owner initiated residential replacement of sidewalks and curb and gutter (Attachment 1).

Bylaw 4R2014 is required for new residential driveway crossings, and commercial replacement of monolithic sidewalk curb and gutter (Attachment 2).

The scope of improvements, program costs and specific tax rates used for the Group Two LIs are set forth in the Bylaws. A general listing of tax rates used by The City is included with this report (Attachment 3).

Stakeholder Engagement, Research and Communication

Notices of The City's intention to undertake 19 LI projects were sent to affected property owners on 2014 April 28. The deadline for receiving petitions against these projects was 2014 May 28 at 4:30 p.m.

"Petitions Against" were requested and sent out for five projects. No petitions against were returned for validation. Council will be informed by Administration at the 2014 July 28 Council meeting of any additional petitions received subsequent to preparation of this report.

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If this occurs, it will be recommended that Council identify and approve the withdrawal of any project prior to second reading of the bylaws, direct Administration to recalculate dollar values and amend the bylaw content accordingly. Second and third readings may be given to the bylaws, as amended, with Council's understanding that all changes will be made by Administration and delivered to the City Clerk's office to serve as the legal corporate record.

Affected property owners will be notified in writing of Council's decision.

Strategic Alignment

Through the owner-initiated LI process, The City and property owners facilitate and support efforts to improve neighbourhood assets. LI projects maintain or improve local accessibility, and enhance appearance without burdening all taxpayers with the full financial responsibility of improving these public spaces.

Social, Environmental, Economic (External)

Owner-initiated LI projects can improve a specific area's liveability. They can contribute to increased attractiveness, and accessibility. The LI process provides a mechanism for adjacent residents to improve public infrastructure such as paving a lane, while sharing the cost over numerous properties.

Lane paving is an effective means of dust reduction, offers better drainage, and prevents erosion of the lane surface. Proper driveway crossings often replace ramps or built-up material in the gutter, resulting in improved drainage. Replacement sidewalks provide many benefits including safety and increased mobility which results in healthier communities.

Low effective interest rates, as set by the Alberta Capital Finance Authority, and a 15 year amortization help lower annual costs for affected property owners.

Financial Capacity

Current and Future Operating Budget:

n/a

Current and Future Capital Budget:

The full costs for first time paving of lanes, roads and construction of new sidewalks and driveway crossings are borne by the property owners. The current budget includes funds borrowed by The City to contract work outlined in the Bylaws. The borrowed funds are ultimately repaid by the property owners and are not mill rate supported.

Total budget available is \$2,931,455 however; these funds are fully allocated to the Group One Local Improvement Projects. An increase in appropriation of \$1,586,783 is required for the Roads Capital Program 147-148, resulting in a total 2014 budget of \$4,518,238 Details are shown in the Summary of Financial Impact (Attachment 5).

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Risk Assessment

The City's ability to complete needed LI projects and service customers (property owners) in a timely manner could be negatively impacted if the LI bylaws are not approved.

REASON FOR RECOMMENDATIONS:

Through the LI process, property owners have the opportunity to upgrade infrastructure to improve quality of life in their community.

ATTACHMENTS

1. Proposed Local Improvement Bylaw No. 3R2014 of The City of Calgary
2. Proposed Local Improvement Bylaw No. 4R2014 of The City of Calgary
3. 2014 Local Improvement Uniform Tax Rates
4. Petition Against Summary Report
5. Summary of Financial Impact