



Staff Report for Council Meeting

Date of Meeting: October 27, 2021

Report Number: SRPI.21.098

Department: Planning and Infrastructure
Division: Infrastructure and Engineering Services

Subject: **Muirhead Crescent and Stouffville Road
Watermain and Sanitary Sewer Servicing**

Purpose:

To report back to council on options to provide municipal water and sewer services to the residents of Muirhead Crescent and Stouffville Road including the option to provide the servicing as a local improvement where the residents portion of the costs of the project would be payable upon the sale of the residents property.

Recommendation(s):

- a) That staff report SRPI.21.098 be received for information.

Contact Person:

David Dexter, Director, Financial Services and Treasurer

Bob Levesque, Director, Infrastructure Delivery

Report Approval:

Submitted by: Kelvin Kwan, Commissioner of Planning and Infrastructure Department;

Approved by: Mary-Anne Dempster, City Manager

All reports are electronically reviewed and/or approved by the Division Director, Treasurer (as required), City Solicitor (as required), Commissioner, and City Manager. Details of the reports approval are attached.

Page 2

Background:

In 2021, Council approved the recommendations to close the Capital Project account for the Muirhead Crescent and Stouffville Road Municipal Servicing Project resulting from the findings outlined in SRPI.21.054

In November 2020, council approved the recommendations to staff report SRPI.20.022 (Attachment 2 to staff report SRPI.21.098) to adjust the project timing as part of the Ten Year Capital Plan and to re-engage the benefiting property owners of the Muirhead Crescent and Stouffville Road community to verify that support remains favorable.

On March 11, 2021 City staff re-engaged the community in a virtual public meeting to discuss the Local Improvement Process, share information regarding project scope, preliminary design findings, updated cost estimates and emphasized the obligation that the cost for servicing is borne by benefitting residents as per Ontario Legislation. New petitions in favor of the City undertaking the work as a local improvement were presented to the property owners to confirm community support. The separate petitions for watermain and sanitary sewers did not meet the required community support in accordance with Ontario Regulation 586/06, s.9 (2). The insufficiency of the petitions was certified by the clerk as per O. Reg. 586/06, s. 10(2).

Based on the failed petition and findings, Council, at its meeting dated May 26, 2021, considered staff report SRPI.21.054 (Attachment 1 to staff report SRPI.21.098) and passed the following resolution:

Moved by: Regional and Local Councilor Perrelli

Seconded by: Councilor Muench

- a) That the approved 2020 capital project for design be closed based on the results from the petitions received which did not meet the required community support in accordance with Ontario Regulation 586/06, as amended, Local Improvement Charges - Priority Lien Status;*
- b) That the Capital Project accountable closed and the remaining funds returned to source as part of the 2021 Capital Status process;*
- c) That Staff provide notice back to the community regarding the results of the petitions and closure of the project*

Any resolution to re-open the Capital project account will require a motion to reconsider pursuant to procedure by-law 74-12 as amended.

Options to finance the project were investigated in response to the Council motion dated September 13, 2021

A review of Ontario Regulation 586/06 has confirmed that the Act does not have provisions for cost recovery at the sale of the property. Special charges imposed on land under the regulation would become an encumbrance on the land if unpaid (Annually) and in arrears (O.REG. 586/06, S.33 (1)). Rather, the Regulation allows for a

Page 3

special charge imposed each year on each lot as an annual payment. The annual payments with respect to the work shall not extend beyond its lifetime. (O.REG.322/12, S.7.) Special charges imposed at the sale of a property does not comply with the legislation.

Options to Finance:

- 1) Wait until the constraints detailed in staff report SRPI.20.022 (Attachment 2 to staff report SRPI.21.098) are satisfied, which is anticipated on or about 2023 at the earliest, and redirect staff to initiate a new petition with the following re-payment options:
 - a. Full payment up front, once construction is complete, after the notice of imposition.
 - b. Payment over a 10 year period with interest (Taxes adjusted for equal payments).
 - c. Payment over a 20 year period with interest (Taxes adjusted for equal payments).

Typically the City utilizes option a) and b) for these types of projects. In the last petition, the city wanted to demonstrate flexibility and option c) was provided as a payback option. With option c), it still failed to receive community support.

Financial/Staffing/Other Implications:

There are no financial or staffing implications associated with this report.

Relationship to Council's Strategic Priorities 2020-2022:

This report is aligned with Strategic Priority Area Four– Strong Sense of Belonging by keeping residents and stakeholders informed and engaged about what is going on in the City.

Climate Change Considerations:

Climate change considerations are not applicable to this staff report.

Conclusion:

A review of Ontario Regulation 586/06 has confirmed that the Act does not have provisions for cost recovery at the sale of the property. However, the City can consider the provision of municipal servicing with the above noted re-payment options, providing that the project constraints detailed in staff report SRPI.20.022 (Attachment 2 to staff report SRPI.21.098) are satisfied and in the best interest of the Municipality.

Any resolution to re-open the Capital project account will require a motion to reconsider pursuant to procedure by-law 74-12 as amended.

Page 4

Attachments:

The following attached documents may include scanned images of appendixes, maps and photographs. All attachments have been reviewed and made accessible. If you require an alternative format please call the contact person listed in this document.

- SRPI.21.098 Attachment 1 – Staff Report SRPI.21.054
- SRPI.21.098 Attachment 2 – Staff Report SRPI.20.022

Page 5

Report Approval Details

Document Title:	SRPI.21.098 Muirhead Crescent and Stouffville Road Watermain and Sanitary Sewer Servicing.docx
Attachments:	- SRPI.21.098 Attachment 1- SRPI.21.054.pdf - SRPI.21.098 Attachment 2- SRPI.20.022.pdf
Final Approval Date:	Oct 6, 2021

This report and all of its attachments were approved and signed as outlined below:

Bob Levesque - Oct 4, 2021 - 5:42 PM

Antonio Dimilta - Oct 4, 2021 - 6:34 PM

David Dexter - Oct 5, 2021 - 9:02 AM

Paolo Masaro - Oct 5, 2021 - 9:40 AM

Kelvin Kwan - Oct 5, 2021 - 2:42 PM

MaryAnne Dempster - Oct 6, 2021 - 9:58 AM