

Est. 1873

## REPORT TO MAYOR AND COUNCIL

**PRESENTED:** OCTOBER 1, 2018 - REGULAR AFTERNOON MEETING  
**FROM:** ENGINEERING DIVISION  
**SUBJECT:** 216 STREET FROM 58 AVENUE TO 64 AVENUE  
WATER LOCAL AREA SERVICE

**REPORT:** 18-139  
**FILE:** 5320-20-WTR18-05

### RECOMMENDATIONS:

**That** Council consider the request of property owners on 216 Street from 58 Avenue to 64 Avenue and authorize staff to prepare and distribute the official petition to owners of property within the benefitting area, as shown on Attachment A, in accordance with applicable regulations, policies and procedures;

**That** Council authorize staff to set the interest rate for the 216 Street 64 Avenue to 58 Avenue Local Area Service at 3.67%, based on the Municipal Finance Authority of British Columbia's 20-year Capital Financing Rate of 3.42% plus 0.25%;

That Council authorize funding for this local area service project to be included in the 2019-2023 Financial plan from borrowing in the form of a 20-year debt issue, through the Municipal Finance Authority; and further

**That** Council authorize staff to proceed with the preparation of necessary bylaws, subject to completion of a successful petition process.

### EXECUTIVE SUMMARY:

The Township of Langley is in receipt of a request from property owners on 216 Street from 64 Avenue to 58 Avenue neighbourhood submitted by Ms. Tracy Van Huizen, requesting initiation of a Local Area Service (LAS) for the expansion of the municipal water network.

There are twenty-nine (29) properties benefitting from the proposed LAS. Eighteen (18) properties expressed preliminary support of the LAS, representing approximately 62% of the properties within the benefitting area, which exceeds the required minimum 60% threshold for preliminary support pursuant to Township Policy. The Community Charter provides authorization for local governments to provide local area services for which all of the costs may be recovered via a local service tax. Accordingly, benefitting property owners shall be liable for all of the related costs.

The preliminary cost estimate is based on a Class C estimate, as no design or survey work have been completed. The property owners will be charged their appropriate share of costs based on the actual project costs that will be finalized and determined as part of the normal competitive tender process should the petition be sufficient. Property owners will have the option to either pay their full share of costs in one single payment or have it added to their property taxes for payment over 20 years, pursuant to applicable regulations.

### PURPOSE:

To seek Council's authorization to prepare and distribute the 216 Street 58 Avenue to 64 Avenue water Local Area Service official petition as per established policies and procedures.

#### **BACKGROUND/HISTORY:**

The Township of Langley is in receipt of a request from property owners on 216 Street from 58 Avenue to 64 Avenue submitted by Ms. Tracy Van Huizen, requesting initiation of a Local Area Service (LAS) for the expansion of the municipal water network.

There are twenty-nine (29) properties benefitting from the proposed LAS. There are no Township of Langley owned properties that benefit from this proposed LAS. Eighteen (18) properties expressed preliminary support of the LAS, representing approximately 62% of the properties within the benefitting area, which meets the required minimum 60% threshold for preliminary support pursuant to Township Policy.

As part of the preliminary petition, all benefitting property owners received a letter related to process, scope of work, cost estimating, as well as funding utilization such that the benefitting property owners may make an informed decision.

#### **DISCUSSION/ANALYSIS:**

Policy 05-007 Local Area Services and Business Improvement Area Services, defines conditions whereby the Township may undertake certain works as a local area service by petition from property owners or on the initiative of Council.

Pursuant to the Policy, benefitting property owners shall be 100% liable for the costs of installation for water works. The preliminary cost to complete this project is estimated at \$1,380,000 and excludes service connections to the property line and any work on private property.

<b>Cost Estimate Breakdown</b>	
Water Works	\$730,000
Road Works	190,000
Engineering	138,000
Contingency (30%)	276,000
Administration Fee	46,000
<b>Total (Rounded)</b>	<b>\$1,380,000</b>

The preliminary estimate is based on a Class C estimate, as no design or survey work has been completed. The property owners will be charged based on the actual project costs, which will be finalized and determined as part of the normal competitive tender process, should the petition be sufficient. Property owners will have the option to either pay the full cost share in one single payment or have it added to their property taxes over 20 years, pursuant to applicable regulations and policies.

Property owners will have the opportunity to have service connections installed at the time of mainline construction but at their cost. The cost of such a connection is typically less than if the connection is installed after the mainline construction has been completed.

The table below provides additional information and estimated frontage costs:

<b>Number of Parcels</b>	<b>Total Water Main Distance (m)</b>	<b>Total Taxable Frontage (m)</b>	<b>Cost per Meter of Taxable Frontage</b>	<b>Estimated Project Costs</b>
29	1325	1464	\$942	\$1,380,000

Attachment B contains the approximate commuted costs for all benefitting properties.

All benefitting properties will be forwarded a letter outlining these costs as part of the official petition mailing package. If the official petition is deemed successful in accordance with Sections 211 and 212 of the Community Charter and pursuant to Township's Policy, a Local Area Service Bylaw outlining the costs will be prepared for consideration of adoption by Council.

#### **Financial Implications:**

The estimated cost of this project is \$1,380,000 and will be recovered from benefitting property owners over 20 years. Budget authority for the project will be included in the 2019-2023 Financial Plan. The Local Improvement Reserve is not sufficient to fund this project. Therefore, funding for this local area service project is proposed to come from a 20-year debt issue, through the Municipal Finance Authority pursuant to the Community Charter.

Section 217 (1) (a) of the Community Charter states the following,

If all of the costs of borrowing for the purposes of a local area service are to be recovered by a local service tax, the loan authorization bylaw does not require the approval of the electors under section 180, but it may only be adopted if, the borrowing has been proposed by petition in accordance with section 212 [petition for local area service],

Since all or part of the costs of borrowing are to be repaid by owners of properties in the local service area, the property owners of the local service area must approve the borrowing to establish the local area service.

Section 212 (2) (d) states the following:

Each page of a petition for a local area service must do the following:  
 If it is proposed that the municipality borrow for the purposes of the service and all or part of the costs of borrowing are to be recovered by means of a local service tax, indicate

- i. The total amount proposed to be borrowed under the bylaw,
- ii. The maximum term for which the debenture may be issued, and
- iii. The portion of those costs that are to be recovered by a local service tax.

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WATER LOCAL AREA SERVICE  
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It is Township policy that the fixed interest rate to be charged on a new local area service be established at the time a petition is approved by Council for circulation. The current LAS rate is 3.67%, which reflects the Municipal Finance Authority of British Columbia's 20-year Capital Financing Rate of 3.42% plus 0.25% as per Policy 05-007.

Respectfully submitted,

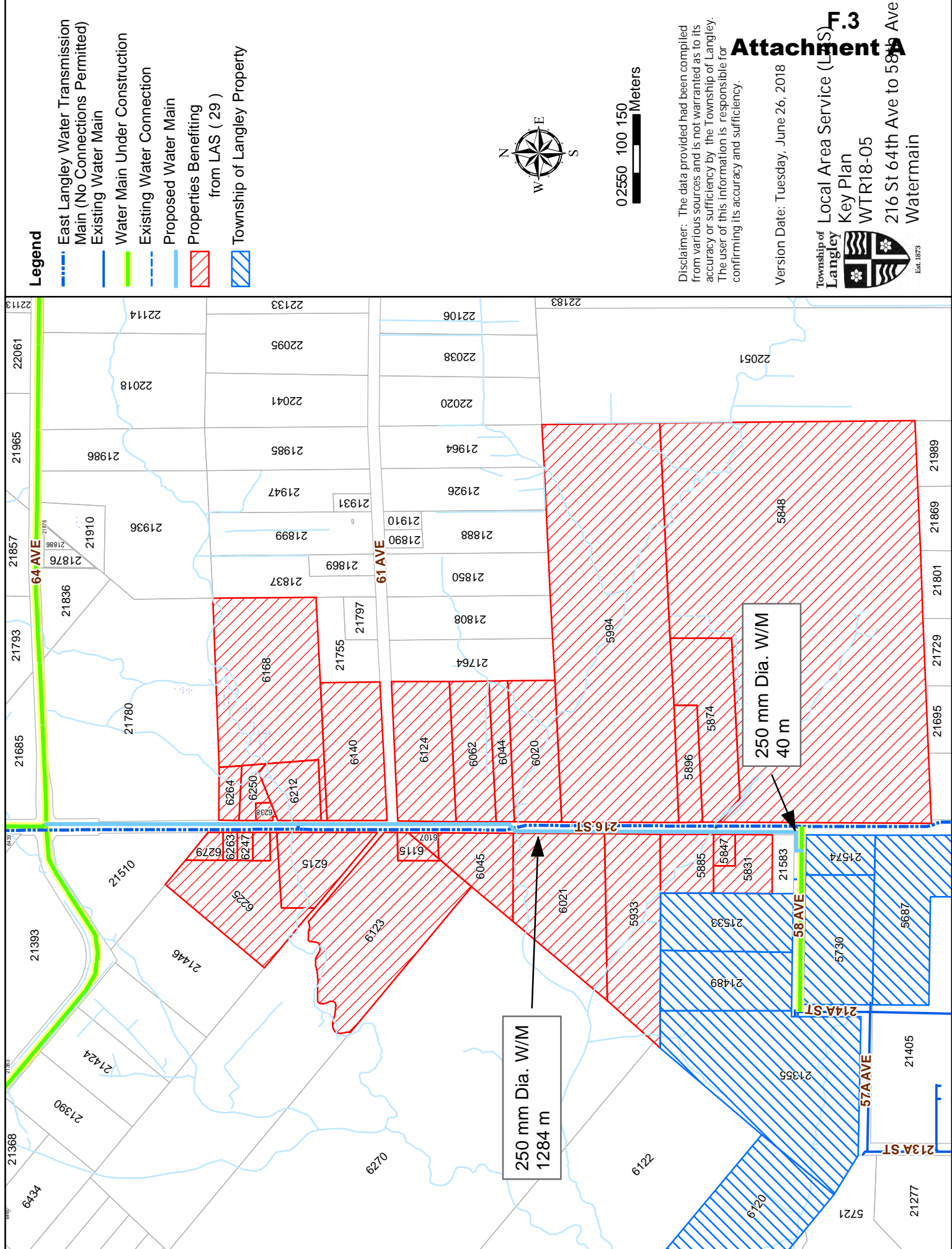
Richard Welfing  
MANAGER, ENGINEERING SERVICES  
for  
ENGINEERING DIVISION

This report has been prepared in consultation with the following listed departments.

CONCURRENCES	
Division / Department	Name
FINANCE DIVISION	K. Sinclair

ATTACHMENT A      Local Area Service – Site Plan

ATTACHMENT B      Estimated Costs for Each Benefitting Property



Disclaimer: The data provided had been compiled from various sources and is not warranted as to its accuracy or sufficiency by the Township of Langley. The user of this information is responsible for confirming its accuracy and sufficiency.

Version Date: Tuesday, June 26, 2018

216 St 64 Ave to 58 Ave - Water LAS  
Estimated Costs for Each Benefitting Property

**F.3**  
**Attachment B**

	House	Street	Folio	PID	Taxable Frontage	Estimated Commuted	Estimated Yearly Payment
1	<Null>	216 ST	474011111	010-027-793	28.87	\$27,217.96	\$2,002.75
2	5831	216 ST	478911113	013-002-643	61.00	\$57,508.07	\$4,231.54
3	5847	216 ST	479011110	000-642-169	36.20	\$34,123.02	\$2,510.83
4	5848	216 ST	398511117	009-341-447	61.00	\$57,508.07	\$4,231.54
5	5874	216 ST	398611116	009-341-439	61.00	\$57,508.07	\$4,231.54
6	5885	216 ST	478911006	008-035-156	61.00	\$57,508.07	\$4,231.54
7	5896	216 ST	398711115	004-829-361	52.48	\$49,472.78	\$3,640.29
8	5933	216 ST	478613007	006-886-574	61.00	\$57,508.07	\$4,231.54
9	5994	216 ST	398811114	013-278-843	61.00	\$57,508.07	\$4,231.54
10	6020	216 ST	399211118	012-700-495	61.00	\$57,508.07	\$4,231.54
11	6021	216 ST	479111119	010-219-455	61.00	\$57,508.07	\$4,231.54
12	6044	216 ST	399111119	002-101-815	48.79	\$46,001.08	\$3,384.84
13	6045	216 ST	479211118	010-219-595	61.00	\$57,508.07	\$4,231.54
14	6062	216 ST	399011110	012-700-479	61.00	\$57,508.07	\$4,231.54
15	6107	216 ST	479311117	000-650-692	44.45	\$41,908.87	\$3,083.73
16	6115	216 ST	472511110	012-574-511	31.12	\$29,334.93	\$2,158.52
17	6123	216 ST	472611119	002-288-460	61.00	\$57,508.07	\$4,231.54
18	6124	216 ST	398911113	012-700-461	61.00	\$57,508.07	\$4,231.54
19	6140	216 ST	400911117	012-700-622	61.00	\$57,508.07	\$4,231.54
20	6168	216 ST	768125057	029-928-575	61.00	\$57,508.07	\$4,231.54
21	6212	216 ST	768125048	029-928-567	61.00	\$57,508.07	\$4,231.54
22	6215	216 ST	473911114	012-574-732	61.00	\$57,508.07	\$4,231.54
23	6225	216 ST	473811115	012-574-775	61.00	\$57,508.07	\$4,231.54
24	6238	216 ST	401212004	002-705-591	25.81	\$24,336.77	\$1,790.74
25	6247	216 ST	474111110	010-027-785	26.04	\$24,551.34	\$1,806.53
26	6250	216 ST	401213003	002-705-621	37.12	\$34,992.94	\$2,574.84
27	6263	216 ST	474211119	010-027-777	24.34	\$22,942.17	\$1,688.13
28	6264	216 ST	401214002	002-705-648	37.83	\$35,662.75	\$2,624.13
29	6279	216 ST	474311118	010-027-751	33.75	\$31,818.27	\$2,341.24
					1463.79	\$1,380,000.00	