

REPORT TO MAYOR AND COUNCIL

PRESENTED: OCTOBER 4, 2021 - REGULAR MEETING
FROM: ENGINEERING DIVISION
SUBJECT: SANITARY SEWER LOCAL AREA SERVICE
 28 AVENUE AND 204 STREET TO 24 AVENUE
 AND 208 STREET

REPORT: 21-110
FILE: 5320-20-SWR21-02

RECOMMENDATIONS:

That Council consider the request of property owners and authorize staff to prepare and distribute the official petition to the benefitting properties within the affected area, as shown in Attachment A, to determine the level of support to proceed with a Local Area Service (LAS) initiative for provision of municipal sanitary sewer in accordance with applicable regulations, policies, and procedures;

That subject to confirmation of sufficiency of the petition process, staff be authorized to set the interest rate for the subject Sanitary Sewer LAS at 2.86%, which is equivalent to the Municipal Finance Authority's 20-year Capital Financing Rate plus 0.25%; and further

That Council authorize funding for the subject LAS to be included in the 2022-2026 Financial Plan from borrowing in the form of a 20-year debt issue, through the Municipal Finance Authority.

EXECUTIVE SUMMARY:

Township of Langley is in receipt of a request from property owners in the area of 28 Avenue at 204 Street to 24 Avenue at 208 Street requesting initiation of a Local Area Service (LAS) process for expansion of the municipal sanitary sewer system. If the official petition is successful, a bylaw outlining the costs will be prepared for Council's consideration of adoption prior to commencement of construction works.

There are 47 properties benefitting from the proposed LAS, of which 32 expressed preliminary support for the LAS, representing 68% of the properties within the benefitting area, exceeding the 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 the costs may be recovered via local service taxation from benefitting properties.

The preliminary Class C cost estimate of \$2,647,000, has been prepared without the benefit of design or survey work, and excludes service connections and other work on private property. The property owners will be responsible for respective share of project costs, based on the actual costs to be determined as part of a competitive tender process should the petition be successful. For the official petition to be successful, it must be signed by the owners of at least 50% of the benefitting parcels representing at least 50% of the assessed value of the properties within the benefitting area. Property owners will have the option to either pay their portion of the actual costs in one single payment or have it amortized over 20 years at the Municipal Finance Authority of British Columbia's 20-year Capital Financing Rate plus 0.25% and collected with their property taxes.

PURPOSE:

To seek Council's authorization to prepare and distribute a sanitary sewer LAS petition.

BACKGROUND/HISTORY:

Township of Langley is in receipt of a request from property owners of 28 Avenue and 204 Street to 24 Avenue and 208 Street, as shown in Attachment A, submitted by Mr. Kal Bains, requesting initiation of a Local Area Service (LAS) for the expansion of the municipal sanitary sewer.

There are 47 properties benefitting from the proposed LAS of which 32 properties expressed preliminary support of the LAS, representing 68% of the properties within the benefitting area, which exceeds the required minimum 60% threshold for preliminary support pursuant to Township Policy. The preliminary petition mailed out to benefitting properties had 48 benefitting properties, but one property at 20287 - 27 Avenue was removed due to an active development and a separate servicing agreement. The property at 20785 - 24 Avenue is owned by the Langley School District (Glenwood Elementary School). Staff have been in contact with the Langley School District and will ensure the official petition package is sent to appropriate representatives should it be authorized to proceed.

As part of the preliminary petition, all benefitting property owners received a letter relating to process, scope of work, cost estimate, and funding utilization such that benefitting property owners can make an informed decision.

DISCUSSION/ANALYSIS:

Policy 05-007 Local Area Services and Business Improvement Area Services (the Policy) defines conditions where 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 the sanitary sewer works. The preliminary cost estimate to complete this project is \$2,647,000 and excludes service connections to the property line and any work on private property.

Cost Estimate Breakdown	
Sanitary Sewer	\$1,642,000
Road Works	\$162,000
Engineering	\$270,000
Contingency (25%)	\$471,000
Administration Fee	\$102,000
Total (Rounded)	\$2,647,000

The preliminary cost estimate is based on a Class C estimate as no design or survey work has 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 competitive tender process should the petition be successful. For the official petition to be successful, it must be signed by the owners of at least 50% of the benefitting parcels and these parcels must represent at least 50% of the assessed value of Land and Improvements. Property owners will have the option to either pay their portion of the actual costs in one single payment or have it amortized over 20 years at the Municipal Finance Authority of British Columbia's 20-year Capital Financing Rate plus 0.25% and collected with their property taxes.

Property owners will have the opportunity to have service connections installed at the time of mainline construction 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 cost based on taxable frontage:

Number of Parcels	Total Sanitary Sewer Length (m)	Total Taxable Frontage (m)	Cost per Meter of Taxable Frontage	Estimated Project Cost
47	1,995	2,792	\$947.94	\$2,647,000

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28 AVENUE AND 204 STREET TO 24 AVENUE
AND 208 STREET
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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 Policy, a LAS Bylaw outlining the costs will be prepared for consideration and adoption by Council.

Financial Implications:

The estimated cost of this project is \$2,647,000 and will be recovered from benefitting property owners. Budget authority for the project will be included in the 2022-2026 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 the following two sections:

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 part of the costs of borrowing are to be repaid by the owners of the benefitting properties in the local service area, the benefitting 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.*

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 would be 2.86%, which reflects the Municipal Finance Authority of British Columbia's 20-year Capital Financing Rate of 2.61% 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	S. Ruff

ATTACHMENT A Map of Benefitting Properties

ATTACHMENT B Estimated Costs for Each Benefitting Property

- Legend**
- Township Owned Properties
 - Properties Benefiting from LAS (47)
 - ALR - Agricultural Land Reserve
 - Existing Sanitary Manhole
 - Preliminary sanitary main
 - Proposed Sanitary Sewer Main



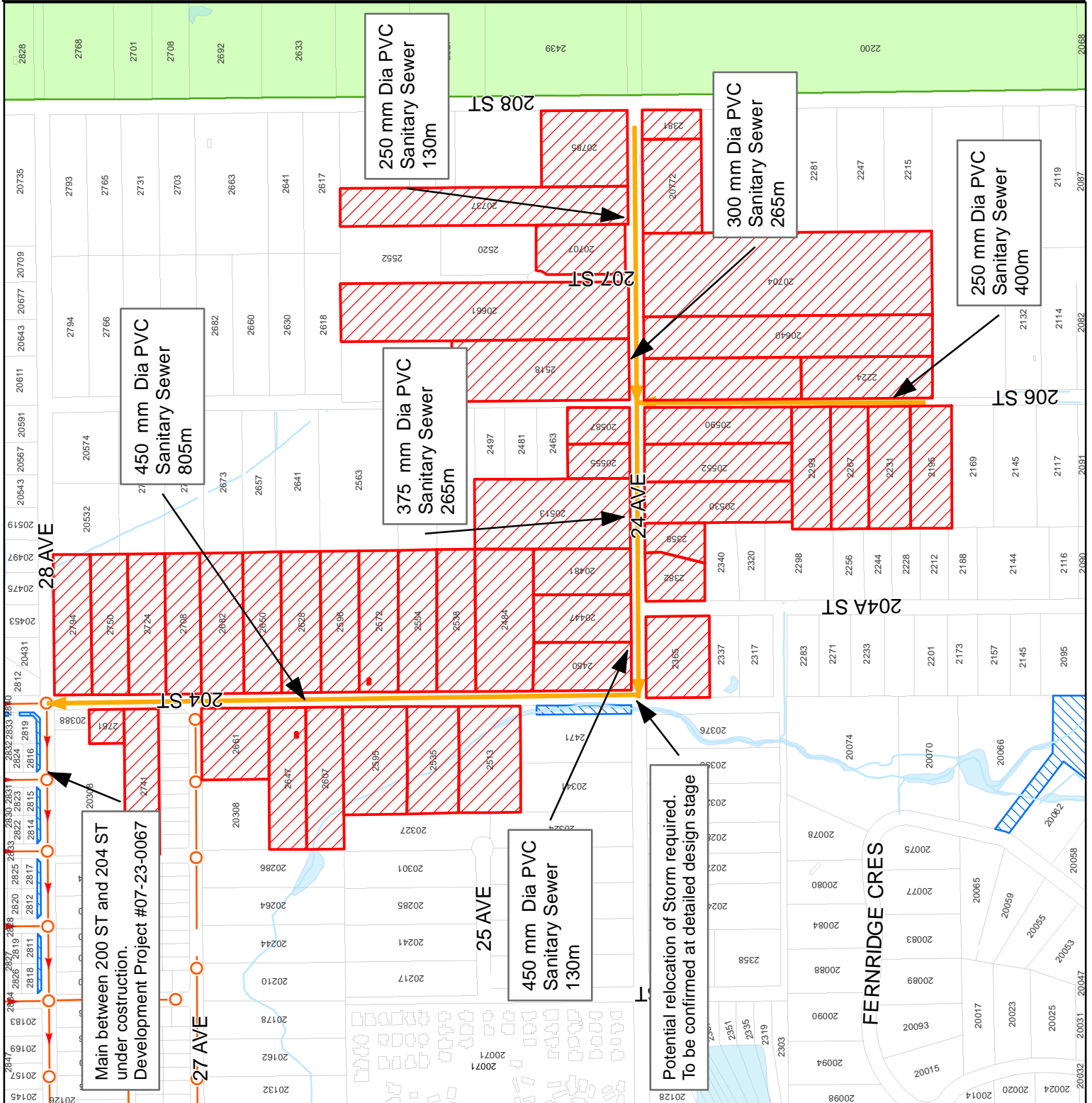
Disclaimer: The data provided had been compiled from various sources and is not warranted as to its accuracy or sufficiency by the Township of Langley. The user of this information is responsible for confirming its accuracy and sufficiency.

Version Date: Monday, August 30, 2021



ATTACHMENT A

Local Area Service (LAS)
Key Plan
SWR21-02
28 AVE and 204 ST
to
24 AVE and 208 ST



ATTACHMENT B**Table 1: SWR21-02 28 Ave and 204 St to 24 Ave and 208 St**

House	Street	Frontage	Rearage	Perimeter	Taxable Frontage (Max/Min Applied)	Commuted
2195	206 ST	56.81	56.81	447.52	61.00	\$57,824.55
2224	206 ST	178.38	178.36	470.18	61.00	\$57,824.55
2231	206 ST	56.81	56.81	447.48	61.00	\$57,824.55
2267	206 ST	51.91	51.91	437.65	58.22	\$55,190.22
2293	206 ST	51.91	52.15	437.85	58.27	\$55,237.16
2358	204A ST	40.59	54.93	259.21	43.76	\$41,484.77
2365	204A ST	110.75	110.71	393.62	61.00	\$57,824.55
2381	208 ST	40.00	40.00	240.92	40.05	\$37,961.54
2382	204A ST	65.66	51.55	280.58	57.64	\$54,640.03
2450	204 ST	64.05	64.05	396.43	61.00	\$57,824.55
2484	204 ST	76.62	76.33	534.28	61.00	\$57,824.55
2513	204 ST	84.12	84.12	457.34	61.00	\$57,824.55
2518	206 ST	83.83	84.03	650.66	61.00	\$57,824.55
2535	204 ST	70.10	70.10	429.49	61.00	\$57,824.55
2538	204 ST	52.66	52.70	489.69	61.00	\$57,824.55
2554	204 ST	52.66	52.70	489.74	61.00	\$57,824.55
2572	204 ST	52.63	52.63	489.71	61.00	\$57,824.55
2595	204 ST	85.95	85.95	461.39	61.00	\$57,824.55
2596	204 ST	52.63	52.63	489.75	61.00	\$57,824.55
2607	204 ST	50.19	50.41	484.53	59.40	\$56,306.86
2628	204 ST	52.61	52.61	489.76	61.00	\$57,824.55
2647	204 ST	50.19	50.41	484.55	59.40	\$56,307.88
2650	204 ST	52.61	52.61	489.80	61.00	\$57,824.55
2661	204 ST	90.53	90.53	373.04	61.00	\$57,824.55
2682	204 ST	58.02	58.02	500.67	61.00	\$57,824.55
2708	204 ST	47.18	47.18	500.74	58.07	\$55,042.85
2724	204 ST	50.65	50.55	485.91	59.73	\$56,624.30
2741	204 ST	47.70	47.70	489.70	57.87	\$54,860.43
2750	204 ST	50.65	50.55	485.93	59.73	\$56,625.25
2761	204 ST	47.72	47.72	186.89	42.75	\$40,524.61
2794	204 ST	50.65	50.56	485.95	59.74	\$56,626.98
20447	24 AVE	64.05	64.05	396.76	61.00	\$57,824.55
20481	24 AVE	63.98	64.05	397.11	61.00	\$57,824.55
20513	24 AVE	96.04	96.08	613.40	61.00	\$57,824.55
20530	24 AVE	56.44	56.69	514.79	61.00	\$57,824.55
20552	24 AVE	50.26	50.04	502.03	60.25	\$57,113.15
20555	24 AVE	48.02	48.04	265.19	46.88	\$44,435.03
20587	24 AVE	48.02	48.04	265.01	46.87	\$44,426.37
20590	24 AVE	50.26	50.04	502.13	60.25	\$57,117.94
20640	24 AVE	56.72	56.72	897.95	61.00	\$57,824.55
20661	24 AVE	77.50	77.50	937.82	61.00	\$57,824.55
20704	24 AVE	113.43	113.43	1011.32	61.00	\$57,824.55
20707	24 AVE	64.54	62.12	367.39	61.00	\$57,824.55
20737	24 AVE	51.68	51.70	885.93	61.00	\$57,824.55
20772	24 AVE	127.39	127.64	415.93	61.00	\$57,824.55
20785	24 AVE	103.43	103.43	441.62	94.48	\$89,562.58
<Null>	206 ST	56.72	56.72	541.22	61.00	\$57,824.55

Total TF (m) **2792.36**
 Cost Estimate **\$2,647,000.00**
 Est. \$ per TF (m) **947.94**