



ADMINISTRATIVE REPORT

Report Date: February 4, 2016
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VanRIMS No.: 08-2000-20
Meeting Date: March 8, 2016

TO: Vancouver City Council
FROM: General Manager of Engineering Services
SUBJECT: Local Improvement Flat Rates - 2015

RECOMMENDATION

THAT the flat rates (referred to as the "Actual P.O. Share Rate per ft.") shown on the "Local Improvement List of Projects Certified Complete in 2015", attached as Appendix A, be approved by Council.

REPORT SUMMARY

This report requests Council approval of flat rates to be charged to property owners for their share of local improvement projects certified complete in 2015. These rates will be used for the local improvement billing to be sent out in March 2016.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

Policies governing the Local Improvement process are set out in the Vancouver Charter and the Local Improvement Procedure Bylaw (#3614).

Section 9.20 of the Local Improvement Procedure Bylaw provides that, by resolution, Council may establish a flat rate per foot frontage with respect to any two or more projects of a like nature, based on the average cost per foot frontage of such projects, as established by Council.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The General Manager of Engineering Services recommends approval of the foregoing recommendation.

REPORT

Background/Context

The flat rates are the average costs (per foot of frontage of adjacent properties) for similar Local Improvement projects constructed in 2015. Flat rates are developed in accordance with the provisions of the Vancouver Charter and the Local Improvement Procedure Bylaw: they must not exceed by more than 10% the estimated rates approved by Council in the respective Second Step reports for each Court of Revision.

Standard City procedure for Local Improvement projects require flat rates to be derived from all costs associated with each Local Improvement project category (type of improvement). This could include external contract costs, general utility services provided by external agencies, costs for work conducted by City forces and allowances for interest over the construction period.

Local Improvement projects certified complete in 2015 include one lane paving project, one street lighting project and two lane lighting projects. There is a total of 96 properties involved with an expected recovery from those properties of \$82,572.93. The actual costs for the lane paving project were significantly lower than anticipated due to co-ordination with other capital projects in the area, reduced traffic control requirements, lower drainage costs and positive weather conditions. The actual costs for the lighting projects were very close to anticipated costs despite the fact that these projects were delayed by external agencies and the implementation of newer technology that will conserve energy and reduce operating costs in the long term.

Attached to this report is a copy of the "Local Improvement List of Projects Certified Complete in 2015" (Appendix "A") which details the estimated and actual costs of the individual projects. The original of this Appendix is on file and available in the City Clerk's office.

For further information regarding the Local Improvement process, see the FAQ sheet attached as Appendix B.

Strategic Analysis

Approval of this report, and the rates in Appendix A, would allow the City to recover each property owner's share of the project costs.

Financial

A total amount of \$82,572.93 would be recovered from the property owners with the approval of the rates in Appendix A.

CONCLUSION

This is the final formal step in the Local Improvement process which is done once the projects are complete. It is recommended that the flat rates be approved allowing for the recovery of the property owners share of the project costs.

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**LOCAL IMPROVEMENT PROJECTS CERTIFIED COMPLETE IN 2015
SUMMARY**

TYPE OF IMPROVEMENT	ESTIMATED P.O. SHARE	ACTUAL P.O. SHARE	INTERIM INTEREST INCLUDED	TEMPEST ADJUSTMENT	BILLING TOTAL
Street Lighting	\$6,073.20	\$6,680.52	\$162.94	-\$0.02	\$6,680.50
Lane Paving, Residential Centre-Strip	\$112,652.05	\$66,744.30	\$1,627.91	\$0.26	\$66,744.56
Lane Lighting	\$9,721.09	\$9,147.92	\$223.12	-\$0.05	\$9,147.87
TOTALS	\$128,446.34	\$82,572.74	\$2,013.97	\$0.19	\$82,572.93

I hereby certify that the parts of the above mentioned projects to be assessed against the rateable real properties benefited thereby are complete.

Certified that the above projects have been completed and were approved by Vancouver City Council on the 8th day of March, 2016.

City Engineer

City Clerk

Distribution of Certified Copies:

- City Engineer
- Director of Legal Services
- Collector of Taxes
- General Manager, Corporate Services
- City Clerk (File)

LIST OF LOCAL IMPROVEMENTS COMPLETED IN 2015										TYPE:		STREET LIGHTING							
Court of Revision Schedule # and Date	Item	Street	Side	Location	Width	Zoning	Assessable Length (ft.)	Estimated P.O. Share		Coded Reason for Difference in Length	Actual P.O. Share		Remarks						
								Rate per ft.	Amount		Assessable Length (ft.)	Rate per ft.		Amount					

STREET LIGHTING

June 14, 2011 #633 (PET)	1	Balaclava Street		51st Avenue - 53rd Avenue		R	1320.26	\$4.60	\$6,073.20		1320.26	\$5.06	\$6,680.52	1 light on existing utility pole	
TOTAL STREET LIGHTING							ESTIMATED		\$6,073.20		ACTUAL		\$6,680.52		
INTERIM INTEREST INCLUDED (.02439025)														\$162.94	

LIST OF LOCAL IMPROVEMENTS COMPLETED IN 2015										TYPE: LANE PAVING				Coded Reason for Difference in Length	Actual P.O. Share		Remarks
Court of Revision Schedule # and Date	Item	Street	Side	Location	Width	Zoning	Assessable Length (ft.)	Estimated P.O. Share Rate per ft.	Estimated P.O. Share Amount		Assessable Length (ft.)	Actual P.O. Share Rate per ft.	Actual P.O. Share Amount				

LANE PAVING

June 2, 2015 #635 (PET)	1	L/E of Cypress Street		54th Avenue - L/N 57th Avenue		R	1295.00	\$86.99	\$112,652.05		1295.00	\$51.54	\$66,744.30		
TOTAL LANE PAVING							ESTIMATED				ACTUAL		\$66,744.30		
INTERIM INTEREST INCLUDED (.02439025)													\$1,627.91		

LIST OF LOCAL IMPROVEMENTS COMPLETED IN 2015										TYPE:		LANE LIGHTING				
Court of Revision Schedule # and Date	Item	Street	Side	Location	Width	Zoning	Assessable Length (ft.)	Estimated P.O. Share		Coded Reason for Difference in Length	Actual P.O. Share		Remarks			
								Rate per ft.	Amount		Assessable Length (ft.)	Rate per ft.		Amount		

LANE LIGHTING

June 8, 2010 #631 (PET)	2	L/E of Commercial Street		43rd Avenue - 47th Avenue		R	1976.50	\$4.24	\$8,380.36		1976.50	\$3.99	\$7,886.24		
	3	L/E of Fraser Street		51st Avenue - 52nd Avenue		R	316.21	\$4.24	\$1,340.73		316.21	\$3.99	\$1,261.68		
TOTAL LANE LIGHTING							ESTIMATED		\$9,721.09		ACTUAL		\$9,147.92		
INTERIM INTEREST INCLUDED (.02439025)														\$223.12	

Local Improvements FAQ's

Q - What is the Local Improvement process?

A - The Local Improvement process provides an opportunity for property owners to work with the City to make improvements to streets, lanes and sidewalks. This process is authorized and managed through the Vancouver Charter and the Local Improvement Procedures By-law #3614 which outline the various steps by which owners can participate in approving improvements in their neighbourhood and the associated sharing of costs between the owners and the City.

Q - What types of projects does the Local Improvement process typically include?

A - Projects typically undertaken through the Local Improvement process include:

- Pavement & Curbs - full-width asphalt pavement and concrete curb and gutter on streets. These projects may also include the planting of trees and/or installation of corner bulges.
- Sidewalks - concrete sidewalks usually on City streets. May include curb ramps to facilitate accessibility.
- Lane Paving - asphalt paving of back lanes. Typically a centre-strip design in residential lanes and full-width paving in higher-zoned lanes. There is also an option for 'Country Lane' in residential lanes.
- Speed humps - in paved back lanes to reduce traffic speeds (does not include speed humps on streets).
- Street lighting - this could include standard lighting, decorative lighting or pedestrian lighting.
- Lane lighting - typically this involves installation of lighting on existing utility poles in back lanes.
- Traffic circles - typically at the intersection of two streets.
- Other less common projects may include beautifications, undergrounding of power lines, corner bulges, parks, community centres and collective parking facilities.

Q - How are Local Improvement projects funded?

A - Most types of Local improvement projects are funded by the adjacent/benefitting property owners and the City of Vancouver.

- Pavement & Curbs - projects are undertaken on a cost-share basis with the property owners funding 60% of the costs for residential streets and 90% of the costs for higher-zoned streets. The City may contribute a greater portion if there are unusually shaped or situated lots involved.
- Sidewalks - projects are undertaken on a cost-share basis with the property owners funding 25-35% of the costs. The City may contribute a greater portion if there are unusually shaped or situated lots involved.
- Lane Paving - projects are undertaken on a cost-share basis with the property owners funding 70% of the costs for residential lanes and 90% of the costs for higher-zoned lanes. The City may contribute a greater portion if there are unusually shaped or situated lots involved.
- Speed Humps in lanes - projects are 100% funded by property owners.

- Street and Lane Lighting Projects - lighting projects are undertaken on a cost-share basis with the property owners funding 85%-100% of the costs. The City may contribute a greater portion if there are unusually shaped or situated lots involved. The City is in the process of converting to the use of LED fixtures to reduce energy consumption and reduction in long-term maintenance costs.
- The majority of other types of projects such as traffic circles and corner bulges are 100% funded by property owners.

Q - How are Local Improvement projects advanced or promoted?

A - Local Improvement projects can be advanced in three ways:

- By Petition: When residents would like an improvement project undertaken, they obtain a Local Improvement Petition form from the City and then gather signatures of support for the project. If a majority of the affected property owners sign the petition (at least two thirds of the properties representing at least 50% of the property value), the project is advanced to Council for consideration at a Court of Revision;
- By Initiative: When the City determines that there is a desire for an improvement project to be undertaken, Council approves the initiation of a project and then the City notifies and ballots the affected property owners. As long as a majority of owners do not register objections (more than 50% of the properties representing more than 50% of the property value), the project is advanced to Council for consideration at a Court of Revision;
- On Special Grounds: When the City determines that there is a need for an improvement project that would normally be advanced as a Local Improvement project and that, due to the benefits to the greater community, should be undertaken even if there is not sufficient support from the affected property owners, these projects are advanced to Council for consideration at a Court of Revision.

Q - How are Local Improvement projects brought before Council for consideration?

A - Projects are presented to Council for consideration at a Court of Revision. Prior to the Court of Revision several steps must be taken to inform Council and the affected property owners about the projects.

- Information such as the type of project, location, estimated costs and funding sources are presented to Council for approval in the 1st and 2nd Step Report.
- After the 1st and 2nd Step Report is approved, the affected property owners are notified in writing regarding the Court of Revision date and time and the project information.
- Other information in the notification includes individual property cost estimates, how to object to the project, how to register to speak to Council at the Court of Revision meeting and how to contact City staff for further information.

Q - What is a Court of Revision?

A - A Court of Revision takes place at a special Council meeting. There are several steps involved at this meeting:

- The meeting begins much in the same way as a regular Council meeting.
- Council then resolves itself into a Court of Revision. The purpose of the Court of Revision is to hear from the affected property owners and City staff regarding errors and/or omissions in the assessment roll for the projects being considered. Council will then provide direction to staff if any errors or omissions are brought forward. The report from the Collector of Taxes is then adopted and the Court is adjourned.
- The Council meeting is then reconvened and the report from the Court of Revision is accepted. At this point, Council will hear from speakers regarding the individual projects and determine the outcome of those individual projects and may give direction to staff depending on the outcome. Projects that have no speakers are normally approved.

Q - When are Courts of Revision held?

A - There are normally two Courts of Revisions in each calendar year. One in the spring (May/June) and one in the fall (October/November). Current policy is to begin the meeting at 6:00 PM. Individuals that wish to speak to Council at the meeting must register between 5:00 and 5:45 PM that evening.

Q - What actions can Council take at the Court of Revision meeting?

A - Council can approve or defeat a project, reduce its scope or provide direction to staff.

- Approval: If there are no speakers against a project, the project is normally approved. If there are speakers, Council will consider the submission(s) from the speaker(s), may hear from staff and then vote to approve or defeat/cancel the project.
- Reduction of scope: Council has the authority to reduce the scope of a project at the Court of Revision prior to approval. Council also has the authority to reduce the scope of an approved project after the Court of Revision. The reasons for a reduction in scope may include unforeseen circumstances, changes beyond the City's control or financial implications for the affected property owners or the City.
- Defeat or Cancellation of projects: Council has the authority to defeat or cancel a project at the Court of Revision. Council also has the authority to cancel an approved project after the Court of Revision for reasons similar to the those listed in reduction of scope above.
- Direction to staff: Council may defer their decision to a later date. Council may give direction to staff to report back to Council with further information. An example of this may be that staff conduct a re-ballot of a petition project that no longer has two-thirds support from the property owners that originally signed the petition.

Q - How and when are Local Improvement projects built or installed?

A - The construction or installation of Local Improvement projects may occur in a number ways.

- By whom: Local Improvement projects may be installed or constructed by City crews, private contractors or utility agencies or any combination thereof depending on the type of work and resources available.
- Timing: Typically construction of most Local Improvement projects is scheduled as soon as possible after Council approval. Delays may result due to coordination with other projects, crew scheduling conflicts and/or financial or budgetary considerations. Projects may be delayed for a number of years.

Q - How do the property owners pay their share of the costs of a project?

A - The billing of the affected property owners for their share of the costs of a project is the final step in the Local Improvement process.

- When - The billing of property owners for their share happens after the project has been completed. Council must approve the billing rates through an averaging process referred to as flat rating. The billing normally takes place in March of the year following completion of the project.
- How much - The owners are billed based on rates derived from the actual costs for material and labour, contract costs, overhead and interest during the construction period. Costs for all similar types of projects are combined to produce a common cost per frontage foot for all owners on similar projects. This process must be approved by Council through the Local Improvement Flat Rate Report.
- Cost limitations - The amounts billed to property owners cannot exceed the estimates approved by Council at the Court of Revision by more than ten percent (10%) as mandated by the Vancouver Charter.
- Payment options: Each property owner is given two payment options. A single lump-sum payment for their share of the costs or spreading payments over a number of years with interest and having this amount included with their annual property tax statement. The number of years depends on the type of project and the interest rate is determined by the City's Director of Finance.