
REPORT TITLE: Imposing a Special Charge under the Municipal Act, 2001 for Local Improvement Project 15-2701 for Saint Lukes Court, City of Brampton, Ward 10

FROM: Kealy Dedman, Commissioner of Public Works

RECOMMENDATION

That the imposition of a special charge upon the lots of lands that benefit from directly abutting the construction of the sanitary sewer previously authorized by Regional Council under By-law 10-2016 in the City of Brampton, be approved;

And further, that the necessary by-law to impose the special charges be presented for enactment.

REPORT HIGHLIGHTS

- Regional Council authorized the construction of sanitary sewer project 15-2701 (the “Project”) under By-law 10-2016 at its meeting held on January 28, 2016. The owners’ share of the cost of the works is to be collected as a special charge pursuant to Ontario Regulation 586/06.
- There were four properties approved to be part of the Project with a total estimated cost of \$220,000, of which \$139,320 is the total owners’ share of the estimated cost.
- The Saint Lukes Court sanitary sewer local improvement project was completed at \$16,496 less than the original estimate. The cost reduction represents a \$4,124 savings per owner.
- A Committee of Revision Hearing was scheduled for April 1, 2021 to consider potential objections from both the property owners and the public, and to review staff proposed revisions to the local improvement roll.
- There were no objections or proposed revisions received to the local improvement roll within the seven-day period prior to the scheduled Committee of Revision Hearing. The subject Committee of Revision Hearing was therefore cancelled in accordance with section 21 of O.Reg. 586/06. The Treasurer subsequently certified the local improvement roll in accordance with subsection 21(5) of O.Reg 586/06 on March 29, 2021.
- A by-law to impose the special charges is required in order to commence cost recovery for the owners’ share of sanitary sewer project.

DISCUSSION

1. Background

Local Improvements are owner-initiated construction projects for municipal services administered under the Ontario Regulation 586/06 local Improvement Charges – Priority Lien Status (O.Reg.586/06) made pursuant to the *Municipal Act, 2001*. A local

Imposing a Special Charge under the Municipal Act, 2001 for Local Improvement Project 15-2701 for Saint Lukes Court, City of Brampton, Ward 10

improvement project is paid, in whole or in part, by the property owners who are benefitting from it. In the Region of Peel, local improvement projects are typically for watermain, sanitary sewer, or noise walls.

The subject local improvement is located on Saint Lukes Court in the City of Brampton, Ward 10. Saint Lukes Court is a cul-de-sac comprising of six properties located in north east Brampton at the corner of The Gore Road and Countryside Drive.

Four of the six properties on Saint Lukes Court are included in this Project, bearing municipal property addresses of 2, 4, 6, 8 Saint Lukes Court, as outlined in Appendix I. The owners of the properties bearing municipal addresses 2, 4, 6 and 8 Saint Lukes Court submitted a petition sufficient under O.Reg. 586/06 for the construction of a local improvement sanitary sewer directly abutting their properties. The properties located at 10 and 12 Saint Lukes Court were provided access to municipal sanitary sewer services in 2015, and access to municipal water services in 2001 and 2014 respectively.

The owner-initiated petition met sufficiency and was certified by the Regional Clerk on October 1, 2015. Pursuant to O.Reg. 586/06 at least two-thirds of the owners representing at least one-half of the value of the lots must sign in favour. Specifically, three of the four eligible properties signed in favour of the project, which represents 75 per cent of the total properties and 68 per cent of the total value of the lots liable to be specially charged.

At the January 28, 2016 Regional Council meeting, the Project was approved to be undertaken in accordance with O.Reg. 586/06. The corresponding By-law 10-2016 was also approved on January 28, 2016 to authorize the construction of the Project. The Project was completed in August 2020 and cleared with final inspection in December 2020.

Under subsection 12(1)(i) of O.Reg. 586/06 a municipality shall specially charge the owners' share of the cost of the Project by imposing an equal special charge per metre of frontage, on the lots that abut directly on the work. As outlined in O.Reg. 586/06, upon completion of this Project, and in order to impose a special charge and certify the local improvement roll, a hearing is scheduled to consider potential objections from both the property owners and the public, and to review staff proposed revisions to the local improvement roll.

The Committee of Revision Hearing scheduled for April 1, 2021 was cancelled as there were no objections or proposed revisions received by March 25, 2021, being seven days prior to the scheduled Hearing. Subsection 21(5) of O.Reg. 586/06 provides that if no objection or proposed revision is received under this section, the Treasurer shall certify the local improvement roll, without a hearing by the committee.

The Treasurer of the Region of Peel certified the local improvement roll on March 29, 2021. Upon being certified by the Treasurer, the local improvement roll, and the special charges set out in the Certified Roll are final and binding, except where otherwise provided in O.Reg. 586/06. The Certified Roll is attached as Appendix II.

In accordance with Section 30 of O.Reg. 586/06, after the Treasurer of the municipality has certified the local improvement roll, the municipality shall through the by-law provide that the amount specially charged on each lot set out in the local improvement roll shall be sufficient to raise that lot's share of the cost by a specified number of annual payments. A special charge shall be imposed each year on each lot equal to the amount of the payment payable in that year. A special charges by-law is being presented for Council approval to authorize

Imposing a Special Charge under the Municipal Act, 2001 for Local Improvement Project 15-2701 for Saint Lukes Court, City of Brampton, Ward 10

the imposition of special charges to the property owners for the Region of Peel to recover the owners' share of the Project. The by-law will be presented for enactment on May 13, 2021.

2. Project Details

The owners' share of the cost of construction was calculated based on a \$1,365 cost per meter of assessed frontage as well as a mandatory connection fee of \$4,800 per lot. These fees are in accordance with amounts referenced in By-law 10-2016, wherein Council approved the Project, and the Region's Local Improvement Sanitary Sewer Charges set out in Schedule "A" of the Region's Fees By-law 10-2015, which was the Fees By-law in effect at the time of the petition by the property owners. The Project was completed at a cost of \$203,504, which is \$16,496 less than the original total estimate of \$220,000. Pursuant to Subsection 22 (3)(c) of O.Reg. 586/06 the difference in cost will be applied toward the special charges imposed. As a result, the Region's portion remains at \$80,680 and the owners' portion will be reduced to \$122,824 compared to the \$139,320 total owners' portion set out in the original estimate. Therefore, each owner's portion will be reduced to \$30,706 from the original estimate of \$34,830. Interest charges will apply for owners opting for annual repayments of the special charge amortized over 15 years. The owners' share of the cost shall be collected as a special charge pending By-law enactment for the special charge on May 13, 2021.

The Region of Peel did not borrow funds from a third party to complete construction of the Project since Regional reserves were sufficient to finance the owners' share of the construction costs.

Based on final costs, the following table summarizes the Project costs represented on the local improvement roll.

Project Number	Location	Final Cost at Completion	Total Owners' Portion	Region's Portion
15-2701	Saint Lukes Court, City of Brampton	\$203,504	\$122,824	\$80,680

Final costs have been calculated and the owners' share has been determined as noted in the above table. As per Appendix II – Project 15-2701 Certified Roll, the Treasurer certified the local improvement roll on March 29, 2021. After the by-law for the special charge is enacted the four property owners whose property benefited from the Project will be invoiced annually starting in June 2021 and will have 60 days from the invoice date to render payment. Each property owner may either pay in full the special charge outstanding in the amount of \$30,706.10, or pay an annual amount of \$2,434.65 based on the special charge being amortized over 15 years with an annual interest rate of 2.25 per cent, which represents the average interest rate that would be payable had the Region of Peel issued debentures for the owners' share of the Project's costs over a 15 year period. If in the case of amortized repayment, an annual payment is not made within 60 days of the invoice date, the annual amount will be transferred to the City of Brampton to be added to the tax roll account for the property.

Imposing a Special Charge under the Municipal Act, 2001 for Local Improvement Project 15-2701 for Saint Lukes Court, City of Brampton, Ward 10

CONCLUSION

Subject to Council approval, special charges outstanding in the amount of \$30,706.10, or an annual repayment amount of \$2,434.65 (based on the special charge being amortized over 15 years with an annual interest rate of 2.25 per cent) will be imposed to the property owners for properties bearing municipal addresses 2, 4, 6 and 8 Saint Lukes Court in order for the Region of Peel to recover the owners' share of the Project in accordance with O. Reg 586/06 made pursuant to the *Municipal Act, 2001*.

APPENDICES

Appendix I - Project 15-2701 Map

Appendix II - Project 15-2701 Certified Roll

For further information regarding this report, please contact Steven Fantin, Director Operations Support, Ext. 4438, steven.fantin@peelregion.ca

Authored By: Teresa Martins, Supervisor, Utility Receivables

Reviewed and/or approved in workflow by:

Department Commissioner, Division Director, Financial Support Unit and Legal Services.