
REPORT TITLE: **Proposed Construction of Sanitary Sewer for Cadetta Road, Capital Project Number 21-2710, City of Brampton, Ward 10**

FROM: **Kealy Dedman, Commissioner of Public Works**

RECOMMENDATION

That a 250mm diameter sanitary sewer be constructed on Cadetta Road, in the City of Brampton, Ward 10, as a Local Improvement under *Ontario Regulation 586/06*;

And further, that the proposed Local Improvement project with a total estimated project cost of approximately \$1,317,784 (excluding applicable taxes) be funded from Capital Project 21-2710;

And further, that the allocated portion to the benefiting property owners in the amount of \$1,317,784 (excluding applicable taxes) be set up as an external recovery under Capital Project 21-2710 and collected as a special charge;

And further, that the necessary by-law be presented for enactment authorizing the undertaking of the work under *Local Improvement Charges – Priority Lien Status Regulation (O.Reg.586/06)*, filed under the *Municipal Act, 2001*, and the imposition of sanitary sewer cost per property be resolved at completion of construction, and divided equitably amongst the benefitting properties, 50 per cent based on assessed lot frontage, and 50 per cent based on assessed lot size;

And further, that notice of the intention to pass a Local Improvement construction by-law be given in accordance with O.Reg.586/06;

And further, that the benefiting property owners be charged annually for 15 years, including an interest rate which shall be determined at the time the by-law is enacted;

And further, that those property owners be given the opportunity to commute the special charge by advance payment at any time during the 15-year period;

And further, that the Regional Clerk forward a copy of the report of the Commissioner of Public Works, listed on the November 11, 2021 Regional Council agenda, titled “Proposed Construction of Sanitary Sewer for Cadetta Road, Capital Project 21-2710, City of Brampton, Ward 10” to the City of Brampton;

And further, that a “Notice to Amend” the tax rolls of the affected owners be sent to the City of Brampton for appropriate action.

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REPORT HIGHLIGHTS

- The property owners of Cadetta Road, in the City of Brampton, Ward 10, submitted a sufficient petition to construct a sanitary sewer approximately 477 metres in length under O.Reg.586/06, in 2020.
 - The proposed 250mm sanitary sewer will abut 12 properties and extends the entire length of Cadetta Road.
 - The total estimated cost for the design and construction of the sanitary sewer is estimated to be approximately \$1,317,784 (excluding applicable taxes).
 - The estimated owners' portion in the amount of \$1,317,784 (excluding applicable taxes) will be established as an external recovery under Capital Project 21-2710 and collected as a special charge as per O.Reg.586/06.
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DISCUSSION

1. Background

Local Improvements are owner-initiated construction projects for municipal services administered under the *Municipal Act, 2001, Ontario Regulation 586/06 Local Improvement Charges – Priority Lien Status* (O.Reg.586/06) (the “Regulation”). They offer communities the opportunity to obtain municipal services. In the Region of Peel, Local Improvement projects are typically for watermains, sanitary sewers or noise walls.

All properties on Cadetta Road are currently serviced by septic systems. The nearest sanitary sewer is located at the intersection of Cadetta Road and Highway 50. Staff recommend that construction of a 250mm diameter sanitary sewer on Cadetta Road abutting all twelve properties be undertaken as a Local Improvement project.

The property owners have submitted a petition in accordance with the Regulation, for the construction of a Local Improvement sanitary sewer abutting their properties for a total approximate length of 477 metres. Pursuant to Ontario Regulation 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 to this application, nine of the 12 benefitting property owners signed in favour of the project, which represents 75 per cent of the total properties and 71 percent of the total value of the lots liable to be specially charged. This petition was certified by the Regional Clerk on April 1, 2021 and is considered satisfactory under the Regulation.

Please refer to Appendix I for the proposed sanitary sewer location map.

Notice of the Region's intention to pass a by-law to undertake the Works as a Local Improvement at the meeting of the Regional Council to be held on November 11, 2021, was given to the public in the Brampton Guardian, on October 14 and 21, 2021, and to the owners of the lots on Cadetta Road, on October 8, 2021, in accordance with sections 4 and 6 of the Regulation.

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FINANCIAL IMPLICATIONS

The total estimated cost to design, construct, and provide overall administration for approximately 477 metres of 250mm diameter sanitary sewer on Cadetta Road, to service all 12 properties, is \$1,317,784 (excluding applicable taxes).

Staff recommend that a new Capital Project 21-2710 be created, with a project cost of \$1,317,784 (excluding applicable taxes). The entirety of the project cost will be created as an external recovery and collected as a special charge. The benefiting properties will pay the full (100 percent) cost of design and construction of the Cadetta Road sewer, as well as general staff design, construction, inspection and administrative support costs after project approval. The special charge may be paid in a lump sum at project completion, or over a 15-year period through a bill generated from the Region's billing system and administered by Operations Support. Additionally, an interest rate will be added to the costs, to be determined at the time the by-law is enacted.

Upon completion of the project the new sewer will be incorporated into the Region's wastewater system, and no further costs for operations and maintenance, outside of normal fees for water and wastewater servicing, will be borne by the property owners. This project will not affect the debt capacity of the Region, as this type of financing is considered "self-liquidating" by the Province of Ontario.

The project cost will be paid proportionally by the benefitting properties based on lot size in assessed area and lot frontage. Property area was included to resolve fair proportional costs, given the irregular shaped nature of the Cadetta Road properties.

Please refer to Appendix II for the detailed design and construction cost allocation summary.

RISK IMPLICATIONS

A perceived risk is implied in the Region paying for the project up-front and recovering the cost after completion. This implied risk is negated by the fact that non-payment of Regional billing will result in the addition of the costs being transferred to property taxes. Any non-paid amounts will be collected in a like manner to outstanding property taxes.

LEGAL IMPLICATIONS

Section 20 of the Regulation provides that before a special charge may be imposed for local improvements the Regional Treasurer shall prepare a local improvement roll setting out the cost of the work; every lot to be specially charged, the name of the owner and the number of metres of its frontage to be specially charged; every lot that would be exempt from being specially charged, and the number of metres of its frontage; the special charges per metre of frontage with which each lot is to be specially charged; when the special charges shall be paid; and the lifetime of the Project.

As outlined in the Regulation, upon completion of this project, and in order to impose a special charge and certify the Local Improvement Roll, a Committee of Revision hearing may be held to consider any objections to the special charge and any staff proposed revisions.

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The Committee of Revision hearing shall be cancelled if there are no objections or proposed revisions received seven days prior to the scheduled hearing. Subsection 21(5) of the Regulation 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.

CONCLUSION

Property owners of Cadetta Road have submitted a sufficient petition to install approximately 477 metres of 250mm diameter sanitary sewer. It is recommended that the proposed sanitary sewer be constructed in accordance with *Local Improvement Charges – Priority Lien Status Regulation* (O.Reg.586/06), filed under the *Municipal Act, 2001*, and the necessary by-law for recovery of the owners' 100 percent share of the cost.

APPENDICES

Appendix I – Proposed Sanitary Sewer Location Map

Appendix II – Detailed Design and Construction Cost Allocation Summary

Authored By: Mike Faye, Project Manager, Water & Wastewater Division