



PUBLIC WORKS COMMITTEE

**Thursday, August 8, 2013
4:00 PM**

Henry Baker Hall, Main Floor, City Hall



**Public Agenda
Public Works Committee
Thursday, August 8, 2013**

Approval of Public Agenda

Minutes of the meeting held on May 9, 2013

Administration Reports

PW13-14 Edward Street Sewer and Drainage

Recommendation

That this report be received and filed.

PW13-15 2014 Servicing Agreement Fee Rates & Development Levy Bylaw

Recommendation

1. That the 2013 Servicing Agreement Fee (SAF) Rate of \$264,273 per hectare (ha) be approved to come into effect January 1, 2014.
2. That the 2013 Development Levy Bylaw Rate of \$264,273 per hectare (ha) be approved to come into effect January 1, 2014.
3. That the City Solicitor be instructed to prepare the necessary amendments to Bylaw 2011-16 *The Development Levy Bylaw, 2011* to include the new development levy rate.
4. That this report be forwarded to the September 9, 2013 City Council meeting to allow for sufficient time for public notice of the amendments to *The Development Levy Bylaw*.

Adjournment

AT REGINA, SASKATCHEWAN, THURSDAY, MAY 9, 2013

AT A MEETING OF THE PUBLIC WORKS COMMITTEE
HELD IN PUBLIC SESSION

AT 4:00 PM

These are considered a draft rendering of the official minutes. Official minutes can be obtained through the Office of the City Clerk once approved.

Present: Councillor Sharron Bryce, in the Chair
Councillor John Findura
Councillor Bob Hawkins
Councillor Barbara Young

Regrets: Councillor Terry Hincks

Also in Attendance: Committee Assistant, Elaine Gohlke
Solicitor, Jayne Krueger
Deputy City Manager, City Operations, Dorian Wandzura
Manager, Roadway Preservation, Nigora Yulyakshieva
Sustainability Outreach Coordinator, Sheri Birkeland

APPROVAL OF PUBLIC AGENDA

Councillor Hawkins moved, AND IT WAS RESOLVED, that the open agenda be approved, as submitted, after the withdrawal of report #PW13-12, regarding Amendment of *The Clean Property Bylaw No. 9881 - Outdoor Restaurant Regulations* and that the delegations be heard in the order they are called by the Chairperson.

ADOPTION OF MINUTES

Councillor Young moved, AND IT WAS RESOLVED, that the minutes for the meeting held on March 7, 2013 be adopted.

TABLED REPORTS

PW13-11 Car Share Parking Space

Recommendation

1. That City Council authorize a single metered parking space on the ground level of the City Hall parkade to be reassigned to private parking for a Regina Car Share vehicle;
2. That item PW11-7 be removed from the List of Outstanding Items for the Public Works Committee.

John Klein, Regina Car Share, addressed the Committee.

Councillor Hawkins moved, AND IT WAS RESOLVED, that the recommendation contained in the report be concurred in.

PW13-10 Environment Advisory Committee - 2012 Annual Report

Recommendation

The 2012 Annual Report for the Environment Advisory Committee be approved.

Councillor Young moved, AND IT WAS RESOLVED, that the recommendation contained in the report be concurred in.

ADMINISTRATION REPORT

PW13-13 Proposed 2013 Local Improvement Program and Amendments to the 2012 Local Improvement Program

Recommendation

1. That the City Solicitor be directed to prepare a bylaw based on Appendix A to authorize the 2013 Local Improvement Program for consideration by City Council.
2. The construction rates for alley lighting in the 2012 Local Improvement Program be revised in the *Local Improvement Bylaw, 2012 No.2012-37* to reflect the interest rate change and the change of the construction rate for alley lighting as described in Council Report (CR13-10).

Councillor Findura moved that the recommendation contained in the report be concurred in.

Councillor Hawkins moved, in amendment, AND IT WAS RESOLVED, that Appendix A be amended by deleting Work Project #18 for Rae Street, from 25th Avenue to 24th Avenue, and by deleting Work Project #21 for Newton Crescent from Hudson Drive to Hudson Drive.

The main motion, as amended, was put and declared CARRIED.

ADJOURNMENT

Councillor Young moved, AND IT WAS RESOLVED, that the meeting adjourn.

The meeting adjourned at 5:13 p.m.

Chairperson

Secretary

August 8, 2013

To: Members,
Public Works Committee

Re: Edward Street Sewer and Drainage

RECOMMENDATION

That this report be received and filed.

CONCLUSION

No sewer upgrades are currently planned for this area. The impact to residents can be mitigated through installation of appropriate inline backflow prevention devices. Based on complaint data, existing drainage concerns are limited. Under the Master Plan Drainage Study, work in this area will begin within the five year planning horizon.

BACKGROUND

At the July 8, 2013 Council meeting, it was requested that the administration respond to Council with an informational report as outlined below:

CR13-93 Regina Planning Commission: Application for Contract Zoning
(13-CZ-03) - Proposed Planned Group of Townhouses - 2220 Edward
Street

5. That Administration be requested to prepare an informational report related to current flood and sewer system issues in the 2220 Edward Street area for the August 8 Public Works Committee meeting.

This report focuses on information regarding the existing system on Edward Street and Pasqua Street, in the immediate vicinity of 2220 Edward Street. The impact on the system of new development, either adjacent to the area or associated with the Wascana Valley Trunk, is not included.

DISCUSSION

Residents in the 2200 block of Edward and Pasqua Streets identified drainage and sanitary sewer backup issues in 2006 and 2013. A search of Service Request records for 2011 and 2012 does not indicate a high number of service calls in this area.

Low surface elevations and shallow services are contributing factors to the concerns in this area.

Domestic Sewer Issues

Edward Street was built in the early 1960's and is serviced by a 6 inch sanitary sewer line and 1½ inch copper water line installed in a common trench, which would not be considered sufficient by today's standards. The three southernmost houses on Edward Street are serviced by a small manhole style lift station. The sanitary sewer lines on both streets have limited elevation

drop to the Wascana Trunk, to which they both drain. These are localized concerns, which would not be greatly improved from an “area” upgrade.

Re-grading (involving re-installation) of the sanitary sewer mains and a larger lift station would likely be required to create a significant impact for these residences. The conditions of the underground utilities do not fall into an existing program to upgrade their capacity and/or size. The 2012 Lift Station Condition Assessment does not classify the Edward Street Lift Station as a priority. Use of a local improvement levy may be an option to fund corrective action for these issues. Residents have the opportunity to minimize the likelihood and severity of backflow through installation of appropriate inline backflow preventions.

Drainage Issues

A Master Plan Drainage Study for Area #14, the area in which these streets are located for drainage, was completed in 2000 by Agra Earth and Environmental Ltd., and incorporated into the overall Master Plan developed by KGS Group Consulting Engineers. In terms of prioritization, this area ranks above average but is not an immediate priority (8th out of the 17 areas) due to larger issues and broader impacts in other areas. Pre-design work for this area is currently within the five year planning horizon. This work will inform future upgrades for the area. The anticipated cost for this upgrade is quite high relative to the number of residents that would benefit from the work.

Correspondence with local residents in 2006 indicates that drainage runs south down Pasqua, ponds and then drains west through the lane. This drainage path has restricted flow to the south and west, which has made it less than ideal, but still serviceable. The concern raised in the 2006 letter was that development had blocked this path. There is no indication that the City has had to respond this year with pumping or maintenance equipment to alleviate ponding in the alley, which indicates that this issue may have been rectified since originally reported.

Water Works Services has proposed the completion of an overall pre-design report for Area #14, to explore the potential opportunities for improvements. The City is focussing design and construction work in other areas for the immediate future.

RECOMMENDATION IMPLICATIONS

Financial Implications

As the City’s infrastructure ages, there is increasing competition for limited capital dollars. In addition to larger projects that provide substantial benefits to large numbers of citizens, there are a growing number of situations where past building practices or standards create issues for a limited number of customers. This is a key point. As time passes and standards change, existing infrastructure is not automatically upgraded. Doing so would likely require a targeted program and dedicated funding, rather than redirecting funding currently in place.

In developing the capital investment plan for the Utility, projects are evaluated using a risk-based prioritization process that considers customer levels of service along with the cost-benefit ratio for each project. With limited capital dollars available to address the growing infrastructure issues, alternate means of funding certain types of projects may be appropriate, such as a local improvement levy.

Environmental Implications

None with respect to this report.

Policy and/or Strategic Implications

The City has adopted a Water and Sewer Asset Management Policy. This policy establishes principles, including risk-based prioritization of capital investments, which allows the City to use limited capital dollars to maximize customer levels of service.

Other Implications

None with respect to this report.

Accessibility Implications

None with respect to this report.

COMMUNICATIONS

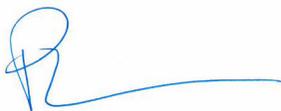
None with respect to this report.

DELEGATED AUTHORITY

City Council has delegated the authority to resolve public issues relative to infrastructure to the Public Works Committee.

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Respectfully submitted,



Pat Wilson, A/Director
Water Works Services

Respectfully submitted,



W. Dorian Wandzura, Deputy City Manager and COO
City Operations

Report prepared by:
Mike Binns, A/Manager, Water and Sewer Engineering

August 8, 2013

To: Members,
Public Works Committee

Re: 2014 Servicing Agreement Fee Rates & Development Levy Bylaw

RECOMMENDATION

1. That the 2013 Servicing Agreement Fee (SAF) Rate of \$264,273 per hectare (ha) be approved to come into effect January 1, 2014.
2. That the 2013 Development Levy Bylaw Rate of \$264,273 per hectare (ha) be approved to come into effect January 1, 2014.
3. That the City Solicitor be instructed to prepare the necessary amendments to Bylaw 2011-16 *The Development Levy Bylaw, 2011* to include the new development levy rate.
4. That this report be forwarded to the September 9, 2013 City Council meeting to allow for sufficient time for public notice of the amendments to *The Development Levy Bylaw*.

CONCLUSION

On December 21, 2009, Council approved report CR09-171 detailing the *Administration of Servicing Agreement Fees* policy (the “Policy”). As determined by a cash flow analysis of Servicing Agreement Fee revenues versus eligible capital projects funded in accordance with this policy, the required 2014 SAF Rate is \$264,273 per hectare of development, which represents an increase of 9.2% from the 2013 rate of \$241,958.

On August 22, 2011, Council approved report CR11-97 which authorized the preparation of Bylaw 2011-16 being *The Development Levy Bylaw* (the “Bylaw”). The Bylaw provides for a rate that is equivalent to the SAF Rate, which is \$264,273 per hectare of development for 2014.

Approval of the recommendations will result an SAF rate and Development levy rate for 2014 that reflect the capital cost of establishing water, wastewater, drainage, transportation, parks and recreation services in and as a result of new developments.

BACKGROUND

The Planning and Development Act, 2007 allows municipalities to establish Servicing Agreement Fees (SAFs) and Development Levies necessary to fund the infrastructure investment required for new growth. For developments that require subdivision in order to proceed, SAFs are collected from the developers when the servicing agreements are approved. Where no subdivision is required, Development Levies are collected from the developers when the development or building permits are approved.

SAFs and Development Levies reflect the costs directly related to providing, altering or upgrading water, wastewater, drainage and other utility services, as well as transportation and park and recreation facilities that directly or indirectly service new subdivisions. SAFs and Development Levies revenues are held in reserve and used only for projects that comply with legislative requirements and City Council's policies regarding these fees.

In 2007, Watson & Associates Ltd. (Watson) completed a review of the City's SAF policy. Prior to this review, principles related to SAFs were reviewed only once every five years and were never formally adopted as a Council-approved policy. Rapid changes in the pace of development between the years 2002 and 2007 resulted in inadequate SAF policies and a SAF Rate that did not reflect the true cost of providing services to new developments in the City. In order to ensure this did not occur in the future, City Council instructed the Administration to recommend a new SAF Rate for their approval on an annual basis. The policy also suggests a comprehensive review is to be conducted about every five years.

In 2009, the Administration submitted the Policy with the proposed SAF Rate for 2010. This Policy, adopted by Council on December 21, 2009 then later updated and adopted August 22, 2011 to become the *Administration of Servicing Agreement Fees and Development Levies* policy (the "Policy"). The Policy provided a more clearly defined policy based on the recommendations and principles contained within the Watson Report.

In 2011, Council authorized the preparation of a Bylaw to collect a Development Levy to recover the capital cost of infrastructure required for circumstances where development occurs without a subdivision, and therefore SAF cannot be applied. The Bylaw provides for a rate that is equivalent to the SAF Rate.

DISCUSSION

The authority to charge SAFs and Development Levies is provided to the City of Regina through *The Planning and Development Act, 2007*. The fees collected from new developments are used to provide water, wastewater, drainage, roadway, parks, and recreation services that directly or indirectly serve these developments.

In administering SAFs and Development Levies, the City creates a list of projects that are necessary to provide services to new developments expected to be built over a certain time horizon (generally 20 years), as determined through information provided by the development community, the Official Community Plan, and the pace of development during the previous five years. On a simplified level, the SAF and Development Levy Rate is the cost of providing services divided by the number of hectares that will benefit from those services, to determine a cost per hectare. Financing and administrative costs are also included in the model.

2014 SAF and Development Levy Rate Calculation

In February of 2013, the Administration and Regina and Region Home Builders Association (RRHBA) met to begin discussions on a comprehensive rate review. At this meeting the Administration informed RRHBA that the projects and project costs were in the process of being adjusted and the Administration requested that the developers update their development phasing plans for the model.

The Administration has completed the comprehensive review and revised the current capital projects model including additional lands required to maintain a 20-year model. Completed projects have been removed from the model; pending projects have been reviewed to ensure cost

estimates and project scheduling include the most current available information; and additional projects have been added to the model, beyond the Stage I scenario, to ensure the Capital Projects Model reflects a 20-year horizon. The additional projects representing development within the Stage II scenario are generic and not specific within the future growth areas but have a cost attached to them that is comparable to current development projects.

The City's Construction & Compliance Department in coordination with the Finance Department has calculated the final 2014 SAF and Development Levy Rate, including carrying costs, over a 20-year period. When adjusted for inflation and interest, the recommended SAF and Development Levy Rate for 2014 requires an 9.2% increase, to \$264,273 per hectare from \$241,958 for 2013.

This increase is higher than an increase based primarily on inflationary increases as future growth driven infrastructure projects have either been only identified recently or have seen a greater short term capital cost escalations. A significant new project included with the analysis also increased the rate. The Official Community Plan (OCP) process currently underway identified the need for a third pressure zone to provide adequate water pressures as Regina grows to 300,000 people and beyond. This project is estimated at \$65 million and needs to be operational within 5 to 10 years in order to ensure new growth has appropriate water pressures and that existing parts of east Regina do not experience unacceptable reductions in pressure. In addition, this years rate analysis attempted to align capital costs associated with the anticipated new OCP growth plan. Further refinement of the analysis will be required in future rate analysis once the OCP is approved and an examination of phasing is completed.

RECOMMENDATION IMPLICATIONS

Financial Implications

Collecting and managing SAFs and Development Levies appropriately is important for the sustained financial health of the City. If inadequate SAFs and Development Levies are collected to provide the new infrastructure required for growth, the projects will have to be funded from other sources such as current contributions to capital or provincial and federal funding, as the demand for them will exist with the development of new neighbourhoods. Alternatively, new infrastructure could be deferred until the required resources become available, but with the effect of slowing the pace of new development. A properly calculated and applied SAF and Development Levy Rate is essential to ensure there is adequate capital investment to provide future infrastructure requirements related to growth.

Environmental Implications

There are no environmental implications with respect to this report.

Policy and/or Strategic Implications

Strengthening City infrastructure and managing public assets will be achieved through effective financial management. Appropriate SAF and Development Levy Rates enable the City to

provide reliable water, wastewater, storm and roadway, as well as park and recreation infrastructure through SAF and Development Levy funding, ensuring other funds remain available for other City priorities.

Other Implications

Alignment between the Official Community Plan (OCP) currently being completed and SAF and Development Levy Rates is critical. To this end, funding to conduct a comprehensive review of SAFs and Development Levies has been requested in the 2014 budget in order to ensure the new OCP and the rates are compatible.

Accessibility Implications

There are no accessibility implications with respect to this report.

COMMUNICATIONS

Amendments to *The Development Levy Bylaw* are subject to public notice requirements as well as the requirement to hold a public hearing. Given this, it is recommended that this report be forwarded to the September 23, 2013 City Council meeting to allow for sufficient time for the advertising requirements to be met.

Ongoing consultation has occurred between the Administration and the Regina and Region Homebuilders Association. The finalized rate will be communicated with the development community once approved.

DELEGATED AUTHORITY

The disposition of this report requires City Council approval.

Respectfully submitted,



Kelly Wyatt, Director,
Construction & Compliance

Respectfully submitted,



For Jason Carlston, Deputy City Manager,
Community Planning & Development

Report prepared by:
Yafei Hu, Project Engineer
Geoff Brown, Manager
Infrastructure Planning

GB/YH/bz/cm