

Appendix B: History of Local Improvement Programs in Regina

History:

Early in 1979, the Public Works & Engineering Department proposed a fifteen year Catch-Up Program to improve the City of Regina's (the "City") road infrastructure. At that time, City Council also directed that the priority for maintaining roadways infrastructure to be targeted to arterials and collector roadways since they are responsible for carrying 80 per cent of vehicular traffic. The Administration had reviewed several options to fund this Catch-Up Program and it was agreed that the most equitable method of funding this was through the Local Improvement Program (LIP) and that the work be completed over a fifteen year period.

In 1993, the *Local Improvements Act, 1993* (the "Act") was revised by the provincial government. At that time the City revised its LIP to follow the requirements as prescribed by the revised Act.

Discontinued Process for Local Improvement:

The following information describes the City's LIP up to 2014, when the previous LIP was discontinued. Each year the Administration proposed a program of local road improvements for rehabilitation. The Act requires that the projects selected for local improvement be approved by City Council and then submitted to the Saskatchewan Municipal Board for approval prior to the work being advertised.

The City used the LIP to repair infrastructure at locations where the full replacement of sidewalk, curb and gutters was required. This applied to all classifications of roadways including arterials, collectors, bus routes and residential streets. Another existing, yet infrequently used aspect of the local improvement program was for the installation of lighting in alleys.

The Act prescribes the manner in which the local improvement program was applied including, but not limited to the:

- Determination of costs of local improvement;
- Basis for determining special assessments against the benefiting lands;
- Process to initiate a local improvement; and
- Process to petition for/against the work.

The Act provides limited latitude in the way that cities can determine the costs for local improvement or the basis for determining special assessments against the benefiting lands. An area where latitude is provided to cities is the amount that benefiting property owners are expected to share in the cost of local improvement work.

The previous LIP was developed on the basis that property owners that benefit from the work being done should be the ones that are expected to pay. That program was designed so that property owners paid a portion of the cost for installation of sidewalk, curb, gutter and the City paid for removal of old infrastructure and all other road related work. There was no charge to the property owners for pavement rehabilitation or any other work related to roadway reconstruction,

as well as renewal or replacement of the underground utilities done in conjunction with this program.

The contribution rate (i.e. uniform assessment rates) for property owners was reviewed annually and was based on actual construction costs for both surface works and underground works in new neighbourhoods. The property owners' share of the cost was further based on the frontage length of their property abutting the work and on the type of work being done.

Property owners benefiting from proposed local improvements were notified by mail of the actual costs that would be assessed to them for the proposed work. If they did not want the work to proceed they had the option to petition against it.

Challenges with the previous LIP:

The main challenges with the previous LIP were:

1. In the situations that property owners petitioned against the proposed work, the Administration had few options left to execute the planned work. Although City Council had the option to pass a bylaw for undertaking local improvement work by removing the right to petition or by passing the result of the petition, this required approval by Saskatchewan Municipal Board as per the *Local Improvements Act, 1993, Section 11 & 12*. The practice in this situation where property owners petitioned against work was to cancel the proposed work and to continue to provide maintenance services to these locations. After a period of two to five years the rejected LIP location was often re-proposed as a LIP location and a new petition process was started. The cancellation of proposed work on higher traffic volume roads affected the level of service (such as ride comfort and safety) for many road users.
2. Not all construction costs were paid by property owners. This was more profound in the areas of reduced property tax assessment. These areas all received a 50 per cent reduction of special assessment charges for surface works (street, sidewalk, curb and gutter replacement). The overall contribution by property owners was limited, on average to \$345,000 (for the period 2004 – 2013) for all LIP locations together within a single year.
3. As the required budget for LIP projects was a very significant part of the available budget for local roads (i.e. on average 25 per cent of the annual Street Infrastructure Renewal budget) and the LIP work needed to be completed within a two year time frame, the Administration had few options available to select other possibly higher priority project locations within the local road network.
4. The administrative burden for City staff to manage the LIP was high and included:
 - Communication with residents, such as letters, advertisement process, service requests (Engineering, Assessment, Communication);
 - Program planning (Engineering);
 - Establishment annual special assessment rates (Engineering);
 - Review outcome Petitioning process (City Clerk, Engineering, Legal);

- Council reporting and approval Bylaw (Engineering, Legal, Senior Management, Council); and
 - Collecting special assessment payments (Finance).
5. Uncertainty regarding the outcome of the annual LIP petitioning process made it difficult to plan the annual Street Infrastructure Renewal Program.
 6. The previous special assessment method (as well as the cost of the uniform rates) was sometimes viewed as unfair (based on feedback of individual residents). For example, a street with a sidewalk on one side and a curb and gutter on the other side would lead to higher special assessment rates for the owners with the sidewalk in front of their property than for the owners with only the curb and gutter.
 7. Construction costs were typically rising much quicker than the incomes or general consumer prices. Therefore, there was a growing challenge among property owners to pay the assessed costs.