
District of Lantzville
REPORT TO COUNCIL

Regular Council Agenda Item
September 11, 2017

File: 1855-03-SPH3 & 3900.20.143

T:\DOL\RTC\2017\Phase III Sanitary Sewer Collection System Local Aea Service Establishment Bylaw No. 143 Sept 11 2017

AUTHOR: Trudy Coates, Director of Corporate Administration

SUBJECT: Phase III Sanitary Sewer Collection System Local Area Service Establishment Bylaw No. 143, 2017

RECOMMENDATIONS

THAT Council receives the Certificate of Sufficiency for the proposed Phase III Sanitary Sewer Collection System Local Area Service Establishment and requisite borrowing, and instructs staff to continue with the project.

THAT Council adopts "District of Lantzville Phase III Sanitary Sewer Collection System Local Area Service Establishment Bylaw No. 143, 2017".

ALTERNATIVES

1. Other action as directed by Council.

ATTACHMENTS

1. Certificate of Sufficiency.
2. District of Lantzville Phase III Sanitary Sewer Collection System Local Area Service Establishment Bylaw No. 143, 2017.

PURPOSE

To provide Council with the results (Certificate of Sufficiency) of the Petition Against process regarding the proposed Phase III Sanitary Sewer Collection System Local Area Service Establishment and requisite borrowing; to obtain Council's approval to proceed with next steps for the Phase III Sanitary Sewer Collection System project; and to present, for Council's consideration of adoption, "District of Lantzville Phase III Sanitary Sewer Collection System Local Area Service Establishment Bylaw No. 143, 2017".

BACKGROUND

Council has proposed to undertake a local area service on its own initiative, to complete Phase III of the sanitary sewer collection system, bringing the community sewer service to another 307 properties through works to be funded through grant funds and by the benefiting property owners (located within the local service area).

Since incorporation, the District of Lantzville has been working towards completion of a municipal sanitary sewer collection system to be delivered in three phases, jointly funded through grants, and with phases beyond Phase III to be development driven. Council has previously adopted bylaws to establish and enlarge local area service areas that are on municipal sanitary sewer collection system for specified areas in the District of Lantzville, including Bylaw No. 47, 2007 for Phase 1 (as amended to Bylaw No. 47.2, 2011) and Bylaw No. 75, 2009 for Phase II (as amended to Bylaw No. 75.3, 2016).

Council, at its February 16, 2015 meeting, passed a motion to apply for funding for Phase III of the Sanitary Sewer Collection System, which was unsuccessful, and on January 11, 2016 Council passed the following motion:

THAT Council directs staff to proceed with submitting a New Building Canada Fund – Small Communities Fund grant application to the B.C. Ministry of Community, Sport and Cultural Development for Phase 3 of the District of Lantzville Sanitary Sewer Collection System; AND FURTHER THAT the District's share of the project cost will be subject to the establishment of local area service on Council initiative - subject to petition against.

As noted in the Phase III grant application report, the:

- District's Phase III sanitary sewer collection system will consist of approximately 307 parcels
- southern portion of Phase III (upper Lantzville) will be serviced by gravity and the northern portion (lower Lantzville) will include a small lift station to service low-lying waterfront areas
- infrastructure works will generally be located within existing road rights-of-way or on rights-of-way secured on private property.

On March 11, 2017 the Province issued a News Release, followed by a letter with the Shared Cost Agreement March 14, 2017, confirming that the District's application for infrastructure funding under the NBCF-SCF was approved at a maximum federal/provincial contribution of \$4,373,332. On March 20, 2017 Council passed the following motion:

THAT the District of Lantzville enters into the Shared Cost Agreement SCA N20184 with the Province of British Columbia for the Phase III Sanitary Sewer Collection System (Project #N20184) commencing March 6, 2017 through the New Building Canada Fund – Small Communities Fund (NBCF-SCF); AND FURTHER THAT Council authorizes the Mayor and the Director of Corporate Administration to execute the NBCF-SCF Shared Cost Agreement substantially in the form as presented March 20, 2017.

Preliminary Phase III construction cost estimate provided by the District's consulting engineers was \$6.6 million. The 2017-2021 Financial Plan includes \$2,000,000 in 2017 and \$4,880,000 in 2018 for the Phase III Sanitary Sewer Collection System (funding from 2/3 Grant and 1/3 Debt). On March 20, 2017, Council approved \$2,000,000 in 2017 and \$4,880,000 in 2018 for the Phase III Sanitary Sewer Collection System included in the 2017-2021 Financial Plan for immediate release. The March 20, 2017 staff report also reviewed the steps in this multi-million dollar, complex project.

The Sanitary Sewer Phase III project is currently budgeted at \$6,880,000. Of this, \$4,373,332 will be funded by the grant and up to \$2,506,668 will be funded by those in the LAS. Some of the home owners may elect to pay upfront the total cost, thereby reducing the amount of debt required.

On April 10, 2017, Council received the Phase III Sanitary Sewer Collection System – Financial Report and a report on the Phase III Sanitary Sewer Collection System Loan Authorization Bylaw No. 144, 2017, and gave first three readings to Bylaw No. 144 to authorize:

- borrowing up to \$2,506,668 towards the construction of the Phase III sewer system which borrowed amounts to be recovered by a local service tax, with a maximum term for debentures to secure the debt of thirty years
- acquiring all such real property, easements, rights-of-way, licenses, rights or authorities as may be requisite or desirable for or in connection with the construction of the Phase III sewer system.

On July 24, 2017, Council established a 20-year term for the parcel tax for the repayment of a loan as authorized by Bylaw No. 144; gave first three readings to "District of Lantzville Phase III Sanitary Sewer Collection System Local Area Service Establishment Bylaw No. 143, 2017"; and directed staff to proceed with statutory requirements for the Phase III project to proceed, including the Petition Against process.

DISCUSSION

Following the July 24, 2017 Council meeting, the District published the requisite notifications (two publications in the newspaper and posted on the bulletin board plus a notice with Petition Against form sent to each of the owners of each property located within the proposed Phase III Local Service Area). Staff also published a Question & Answer document that was posted on the District's website and sent to each Phase III Local Service Area property owner.

The statutory Petition Against process required that if an owner of a parcel that is located within the proposed benefiting local service area (and therefore, subject to the local service tax) objected to the establishment of the proposed Local Area Service and the requisite borrowing and tax, they must submit a petition against on or before the September 5, 2017 deadline (within 30 days after the second notice is published) to the Director of Corporate Administration who must determine the sufficiency and validity of the petitions and certify the determination, which is final and conclusive.

In order for a petition against the establishment of the local area service to be successful:

- (a) the Petition Against must be signed by the owners of at least fifty percent (50%) of the parcels located in the Local Service Area subject to the local service tax; and
- (b) The persons signing the official Petition Against must be the owners of parcels that in total represent at least fifty percent (50%) of the assessed value of land and improvements in the Local Service Area subject to the local service tax.

Attachment #1 is the Certificate of Sufficiency which confirms that at the conclusion of the petition process a total of 22 property owners petitioned against the project. This represented 8% of the assessed value and 7% of the assessed parcels that would be subject to the local service tax; well below the statutory threshold of at least 50%.

Therefore, the Petition Against was insufficient and, in accordance with the *Community Charter*, Council may now proceed with this project.

It would now be in order to pass the recommended motions for staff to continue with the project, and to adopt the Phase III Sanitary Sewer Collection System Local Area Service Establishment Bylaw. The next step would be for staff to provide the Ministry with the Certificate of Sufficiency to confirm the Petition Against results and a copy of Bylaw No. 143 as adopted to confirm establishment of the Local Area Service, and await the Inspector of Municipalities' approval of the Phase III Sanitary Sewer Collection System Loan Authorization Bylaw No. 144, 2017 as at third reading. After receipt of the Ministry's approval, which may take 4-6 weeks, Council may consider adoption of Bylaw No. 144, and staff can proceed with next steps in the project.

FINANCIAL IMPLICATIONS

As previously described, funds for the project in the Financial Plan have been authorized for early release, funding source is by grant and by borrowing (repaid by parcel tax to benefiting property owners) if the project proceeds. The April 10, 2017 Council Agenda Report – Phase III Sanitary Sewer Collection System – Financial Report (Attachment #1) also provides financial information.

COMMUNICATION STRATEGY

This report will be available for review by the public in the September 11, 2017 Council meeting agenda package and available on the District of Lantzville website. The District is subject to the Communications Protocol referenced in the NBCF-SCF Shared Cost Agreement and is also guided by the Protocol in the NBCF-SCF Program Guide. If the recommendations are approved, staff will continue to communicate with Phase III Property Owners to keep them up to date on the status of the project and next steps.

STRATEGIC PLAN ALIGNMENT

Sewer Phase III is included on Council's 2016-2018 Strategic Priorities.

SUMMARY

If Council wishes to proceed with the Sewer Phase III project, the next steps are as recommended above.



Trudy Coates,
Director of Corporate Administration

Reviewed By:

CAO	J.L.C.	Dir. CA		Dir. FS	SB	Dir. PW	
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Certificate of Sufficiency

Local Area Service on Council Initiative & Borrowing Bylaw Subject To Petition Against

The deadline for the receipt of property owner Petition Against response forms for Phase III Sanitary Sewer Collection System Local Area Service Establishment Bylaw No. 143, 2017 and Phase III Sanitary Sewer Collection System Loan Authorization Bylaw No. 144, 2017 was 4:00 pm on Monday, September 5, 2017.

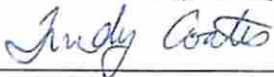
Pursuant to Section 212 and 213 of the *Community Charter*, I, Trudy Coates, Director of Corporate Administration for the District of Lantzville in the Province of British Columbia, certify that I have given notice of Council’s intention to undertake the work as a Local Area Service and requisite borrowing, as required by the *Community Charter* and that a sufficient Petition Against the District’s proposal to establish the Phase III Sanitary Sewer Collection System Local Area Service (Bylaw No. 143), and borrow funds to provide sanitary sewer service to Phase III (Bylaw No. 144) has not been received.

Summary of Determination of Sufficiency and Validity of Petition Against			
Total Number of Parcels & Assessment within the Phase III SSCS Local Area Service Boundary (the petition area)	#307 \$147,957,600	100%	<i>Forms signed by the owners of at least 50% of the 307 parcels and representing at least 50% of \$147,957,600 assessed value, subject to the local service tax, are required for a sufficient petition</i>
Valid Petitions Against forms received before deadline represented this total Number of Parcels:	22	7%	
Valid Petitions Against forms received before deadline represented this total Assessed Value:	\$12,257,000	8%	

On the basis of the Petition Against response forms received before the deadline, I have determined and hereby certify that the Petition Against was insufficient and approval in accordance with Section 212 and 213 of the *Community Charter* has been obtained.

The Council may, by bylaw, proceed with the local area service.

Dated this 6th day of September, 2017.



 Trudy Coates
 Director of Corporate Administration

**DISTRICT OF LANTZVILLE
BYLAW NO. 143, 2017**

Attachment #2

**A BYLAW TO ESTABLISH A LOCAL AREA SERVICE FOR THE CONSTRUCTION OF
A SANITARY SEWER COLLECTION SYSTEM BENEFITING PART OF THE MUNICIPALITY**

WHEREAS Section 210 of the *Community Charter* provides authority for local area services, a municipal service that is to be paid for in whole or in part by a local service tax under Section 216 for services that the Council considers provide particular benefit to part of the municipality;

AND WHEREAS Section 211(1)(b) of the *Community Charter* authorizes Council to establish a local area service by bylaw, if the service and its cost recovery methods have been proposed by Council initiative subject to a petition against by the property owners subject to the local service tax;

AND WHEREAS Council has initiated a local area service subject to petition against to extend sanitary sewer service to an area to be known as Phase III, pursuant to Section 213 of the *Community Charter*;

AND WHEREAS the *Community Charter* provides for a part of the cost to be borne by property owners benefitting from a local area service and for the levy and imposition of a local service tax to be imposed on benefitting properties to recover the owners' portion of the costs;

AND WHEREAS the Corporate Officer has certified that the petition against received for the works does not constitute a sufficient petition signed by a majority of the owners, representing at least half of the assessed value of the parcels that would be subject to the local service tax;

NOW THEREFORE, the Council of the District of Lantzville, in open meeting assembled, enacts as follows:

Citation

1. This Bylaw may be cited as "District of Lantzville Phase III Sanitary Sewer Collection System Local Area Service Establishment Bylaw No. 143, 2017".

Establishment of Local Area Service

2. The District hereby establishes a local area service under the provisions of Section 211 of the *Community Charter* to be known as the "Phase III Sanitary Sewer Collection System Local Area Service".

Description of Service

3. The description of the local area service is the construction of a sanitary sewer collection system to serve a specified local service area.

Boundaries of Local Service Area

4. The Phase III Sanitary Sewer Collection System Local Service Area includes all of the parcels within the area outlined in heavy dashed black line on the plan attached to and forming part of this bylaw as Schedule 'A' – Phase III Sanitary Sewer Collection System Local Service Area Boundaries (the "Local Service Area").

Method of Cost Recovery

5. The cost recovery method for an amount not exceeding \$2,506,668, which is a portion of the estimated total construction cost of \$6,880,000 for constructing the sanitary sewer collection system, plus the cost of borrowing up to \$2,506,668 and interest, that is the subject of the local area service established under this bylaw, shall be recovered by way of a parcel tax under Division 4 of Part 7 of the *Community Charter* imposed only within the Local Service Area on the basis of a single amount for each parcel.

As an alternative to the preceding cost recovery method, an owner of a parcel within the Local Service Area may elect to pay their portion of the Local Area Service charge levied for their parcel in the form of a one-time cash payment.

READ A FIRST TIME this 24th day of July, 2017.

READ A SECOND TIME this 24th day of July, 2017.

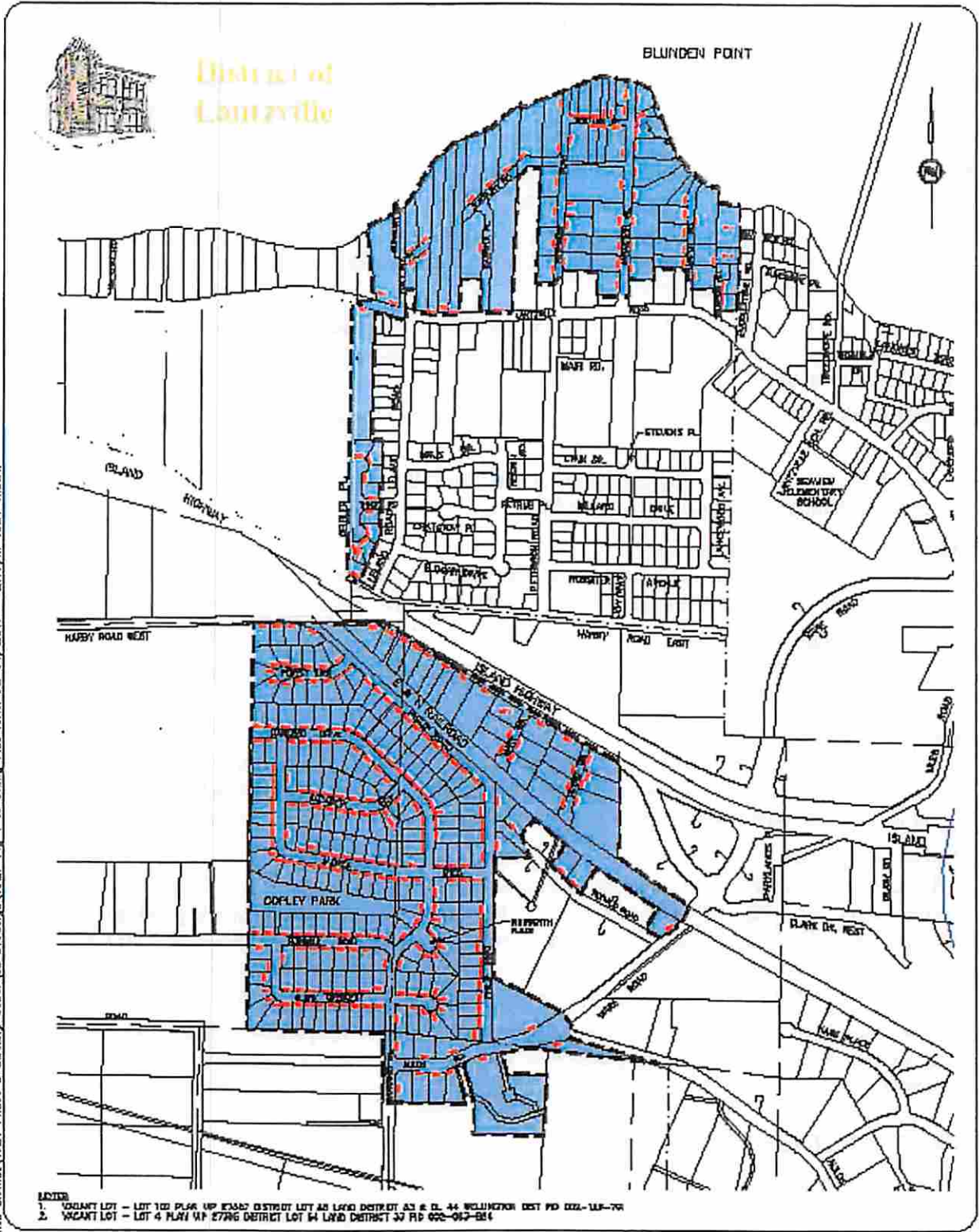
READ A THIRD TIME this 24th day of July, 2017.

ADOPTED this day of , 2017.

Mayor

Director of Corporate Administration

SCHEDULE "A"
 Phase III Sanitary Sewer Collection System Local Area Service Boundaries



File: H:\4254 Lantzville District\1721 Phase 3 Sanitary Sewer\03 Drawing\1721-Fig 1 to Subg Plot Three.dwg, 04_04_2017 - 2:10pm User: chern

CDDIT	DISTRICT OF LANTZVILLE
PROJECT	SANITARY SEWER COLLECTION SYSTEM - PHASE III

TITLE	SCHEDULE "A" - PHASE III SANITARY SEWER COLLECTION SYSTEM LOCAL SERVICE AREA SERVICE BOUNDARIES	
APPROVED	SCALE	NTS
DATE	APR 04, 2017	DWG No. 1721-Fig 5 Rev. A
JOB No.	1721	