

File #: 3255-01 HCR

ADMINISTRATIVE REPORT

TO: Development Services Committee
FROM: Administration
DATE: 15 May 2017
RE: Public Hearing Report – Local Improvement Hillcrest Reconstruction

ISSUE

Report on the Public Hearing regarding Local Improvement Bylaw 2017-05 proposed for Hillcrest Reconstruction.

REFERENCE

Bylaw 2017-05
Municipal Act

Schedule A – Local Improvement Charges
Sketch of Hillcrest Concept Design

Local Improvement Charge Policy

HISTORY

After a lengthy process of community requests and community meetings and input, pre-design, feedback, and revisions which began in 2006 and culminated in a concept design being presented to Hillcrest owners in January 2017, the proposed Hillcrest Area Local Improvement (LI) Project received first reading from Council in March 2017.

A Public Hearing for the Hillcrest Local Improvement Charge (LIC) was held on 8 May 2017; eight delegates appeared all against the LIC. Seven written submissions were received, three were in support of the LIC. Three other presentations were made as delegates to previous Council meetings in April and May regarding the Hillcrest Local Improvement Project.

Notice of the Hillcrest LIC and ballots were mailed to 168 benefitting property owners the week of 29 March 2017, and the vote closed on 9 May 2017. The following results of the ballots received on or before the closing date were:

- Rejected: 94 votes (55.9% of total votes sent out)
- Approved: 33 votes
- Did not submit, or submitted blank: 41 votes

ALTERNATIVES

1. Cancel the proposed Hillcrest Reconstruction project and revisit at a future year.
2. Undertake the Hillcrest LI project without levying an LI charge.

ANALYSIS

The vote:

The majority of benefitting Hillcrest property owners have rejected the reconstruction of their neighbourhood through this Local Improvement Charge process.

Section 269(3) of the *Municipal Act*, states that “If the majority (50% plus 1) of the benefiting property owners object to a local improvement, then Council cannot proceed with the local improvement bylaw as presented and no further proposals for the same local improvement can be made for a period of one year.” With almost 56% of the votes objecting to the local improvement, Council may not proceed with the bylaw as presented.

The total estimated cost of the Hillcrest Reconstruction Project is \$17,050,000, of which \$2,482,242 was proposed to come from the Local Improvement Charge, and the balance from the Federal Building Canada Fund and City Reserves. Section 269(4) of the *Municipal Act* states: “Subsection (3) does not prevent the municipality from undertaking the local improvement without levying a local improvement tax.”

PUBLIC HEARING AND PRESENTATIONS

Costs to property owners

Concerns raised were about the financial burden of the LI charge on homeowners as many lots have large road frontages and therefore large costs. Some residents are low income or on a set pension and cannot afford the LI. Concerns were also raised about the interest rate that was determined.

The LIC rate is that is set only for surface works and follows the procedures used on previous LI projects, but for this LI, the rate remains the same even though all work would not be done for several years. The interest rate shown was a conservative estimate; the actual rate is determined when the LI is completed and this is passed on to the property owner. The City does not make money on interest. Regardless of lot size, the per-metre charge follows the established procedure. The property owner does not pay for water line replacement except for re-plumbing within the home, and that cost is in addition to the LI and varies depending on home renovation needs. Property owners have the option to pay the cost for sewer service replacement on their property, if necessary, but confirmation of condition would be done during detailed design.

Replacing water and sewers and rebuilding roads

Some have questioned why the City is rebuilding water and sewer infrastructure when there has not been a history of significant operational issues, where the number of lots that bleed water is not significant, and where some lots will not be able to upgrade their services unless the unit is re-developed or reconstructed in the future. Others expressed concern that the City should just maintain the infrastructure and avoid the costly reconstruction. Some felt that the costs of building the narrow roads Hillcrest residents preferred is not reflective of the cost rate they are being charged.

The cost per metre for road reconstruction for each property is the same for all properties whether they are adjacent to narrow roads or the bus routes. The overall cost of the project also includes the expansion of active transportation sidewalks and paths from the Highway to the west end of the area, with an improved look for Hillcrest Drive with landscaped medians.

Rebuilding the utilities is necessary to ensure they are all located within City roadways, to avoid costly repairs in the future by the City or homeowner to dig up public utilities on private property and to ensure that water and sewers meet current bylaws. The road is

deteriorating and needs to be built to new standards, but the utilities have to be upgraded to avoid repairs later that would undo the new surface work.

The look of the neighbourhood:

Many have expressed a desire to just keep the look of their neighbourhood as it is, which means neither reconstructing the roads to current design standards, nor including changes to improve the drainage, nor relocating existing roads to be centred in roadways.

The 2017 concept design reflects the desire to keep the character of the neighbourhood. Many meetings and discussions with the community emphasized that desire. The relocation of the roads is necessary though, as the edge of road pavement and the drainage ditches are right up to or even within some people's property, while being widely offset from properties on the opposite side. This results in some people using the City right of way for their exclusive use, while properties on the crowded side may not be able to construct a fence or do landscaping as a buffer between their lot and traffic.

Voting Process unfair and undemocratic:

The City follows the voting process provided by the *Municipal Act*. Records show that the project was initiated following requests that were made in 2006. In 2007 the City funded a background infrastructure assessment which was followed by planning, design and consultation over a decade. The process is initiated by the neighbourhood and ultimately confirmed or rejected by the property owners prior to Council deciding on the Local Improvement Bylaw.

Properties in Takhini North, Marwell and various segments of Downtown have all recently approved Local Improvements with shared costs and benefits in accordance with the LI policy. This policy was developed and implemented for other residential areas throughout the city over the past 30 years and follows the *Municipal Act*.

Although the *Municipal Act* allows Council to decide to proceed with the reconstruction project without levying a local improvement charge, past precedent in Whitehorse is that when roads need to be upgraded to meet acceptable city standards, the properties that directly benefit from the improvement cover a small portion of the cost of the surface works, in accordance with City LIC policy. They do not pay for the upgrading of the water and infrastructure including the portion on their property and into their building. It is not recommended to do one without the other.

Given the low support for the Hillcrest LI at this time, and that the water and sewer infrastructure is not causing significant maintenance issues for the City or residents, revisiting the LI in the future would not be unreasonable. Funding for this project was proposed for the Building Canada Fund and the Fund is anticipated to be available for a number of years, although there is no guarantee.

ADMINISTRATIVE RECOMMENDATION

THAT Council defeat Bylaw 2017-05, a bylaw to provide for a Local Improvement Charge with respect to the Hillcrest area, and cancel the Hillcrest Reconstruction project.