



Report to: Development Services Committee

Meeting Date: March 9, 2020

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**SUBJECT:** Recovery of Payment for Construction of Storm and Sanitary Sewer System on Houghton Boulevard (Ward 4)

**PREPARED BY:** Alberto S. Lim, Senior Capital Works Engineer, Ext. 2860  
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**REVIEWED BY:** Alain Cachola, Senior Manager, Infrastructure and Capital Works, Ext. 2711

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**RECOMMENDATION:**

1. That the report entitled “Recovery of Payment for Construction of Storm and Sanitary Sewer System on Houghton Boulevard (Wards 4)” be received; and,
2. That the Finance Department recover the total project cost of \$387,250.00 for the installation of storm and sanitary sewers and service connections to the property line (including construction costs, engineering and contract administration fees) for the subject properties equally and that the following items be approved;
  - a. Council enacts a Local Sewer Fee By-Law pursuant to Section 391 of the *Municipal Act, 2001*, SO 2001 c25, for the recovery of costs associated with the storm and sanitary sewer installation substantially in the form attached as per Attachment ‘A’ – Local Sewer Fee By-law;
  - b. Costs per lot be paid either as a one-time payment or annual payment up to a maximum of 10 years accruing interests at the same rate as the York Region 10 Year Debenture Rate, 3.00% starting in 2020 and ending in 2029;
  - c. There will be no interest payable if the costs per lot are paid in full with a one-time payment by April 30, 2020;
  - d. The collected funds for the storm and sanitary local sewers be reimbursed to the Life Cycle Replacement and Capital Reserve Fund; and further,
3. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

**PURPOSE:**

The purpose of this report is to provide background and analysis for Council to enact a Local Sewer Fee By-Law pursuant to Section 391 of the *Municipal Act 2001* to recover costs associated with the storm and sanitary sewer installation on Houghton Boulevard including all engineering and related administrative fees from the benefiting residents.

**BACKGROUND:**

Houghton Boulevard is located north of Highway 7 and east of Main St. Markham North. It intersects with Albert Street to the west and turns to a private cul-de-sac Alma Walker Way to the east. Five property owners of Houghton Boulevard (Nos. 4, 6, 7, 8 and 10), signed a petition in May 2018 requesting for the City to construct sanitary and storm sewers to provide municipal service connections to the said properties, at the estimated total cost of \$387,250.00 or \$77,450.00 per resident lot.

A report was approved by Council on June 11, 2018, for the City to up-front the total project cost from the Life Cycle Replacement and Capital Reserve Fund and recover the actual total project costs from the five benefitting property owners with interest, by adopting a by-law when the final project costs are determined.

**OPTIONS/ DISCUSSION:**

The City completed the installation of the storm and sanitary sewer systems, service connections and associated road restoration on Houghton Boulevard in the fall of 2019. A Local Sewer Fee By-law has to be enacted to recover the final project costs.

**FINANCIAL CONSIDERATIONS:**

Table 1 outlines the final project costs and the cost per benefitting property. The costs do not include the property owners' cost of connecting the services through their private property.

**Table 1 – Final Project Costs and Cost per Property**

<b>Description</b>	<b>Amount</b>
Construction Costs (Storm, Sanitary and Road Reconstruction)	\$ 328,515.35
Tender Preparation, Technical Support and Soil Testing	\$ 11,521.80
Engineering and Construction Administration Fees	\$ 47,213.38
Total Project Cost (A)	\$ 387,250.53
Round-down (B)	\$ 387,250.00
<b>Cost per Property (C) = (B)/5</b>	<b>\$ 77,450.00</b>

**ALIGNMENT WITH STRATEGIC PRIORITIES:**

The construction of the municipal sanitary sewer system allows the five (5) benefitting residents to remove old septic tanks. The storm sewers will assist with alleviating flooding on these properties. These homes are in close proximity to the Rouge River and connection to the municipal system results in overall enhancement of the environment.

**BUSINESS UNITS CONSULTED AND AFFECTED:**

The Finance and Legal Departments have been consulted in the preparation of this report and their comments have been incorporated. The Clerks Department, in consultation with the Legal and Finance Departments, will prepare the municipal By-Law with appropriate terms in accordance with Section 391 of the *Municipal Act, 2001*.

**RECOMMENDED BY:**

Brian Lee, P.Eng.  
Director of Engineering

Arvin Prasad, MCIP, RPP  
Commissioner, Development  
Services

**ATTACHMENTS:**

Attachment 'A' – Local Sewer Fee By-law