
SUBJECT: Victoria Square Boulevard – Sanitary Sewer and Watermain Improvements

PREPARED BY: Alberto S. Lim, Sr. Capital Works Engineer, Ext. 2860
Salia Kalali, Manager, Infrastructure and Capital Projects

RECOMMENDATION:

1. That the report entitled “Victoria Square Boulevard – Sanitary Sewer and Watermain Improvements” be received; and,
2. That Engineering Capital account 23113, approved by Council for road construction in the amount of \$20M, be increased by the amount of \$627,300.00 for the Victoria Square Boulevard local sanitary sewers and service connections to the sanitary and watermain; and,
3. That the amount of \$627,300.00 referenced in recommendation #2 be up-fronted from the Life Cycle Replacement Fund and be recovered from the seventeen (17) benefitting property owners with appropriate interest, if applicable; and,
4. That staff proceed with including the scope of work for the sanitary sewer and lateral service connections for the 17 properties in the overall project construction tender for the Victoria Square Boulevard Reconstruction work as a provisional item; and,
5. That if as a result of the tender process, the final project cost from the bid price is greater than the estimated cost (\$627,300.00) by 10% (\$690,030.00) or more, the City will seek further commitment for the increased costs from the benefitting owners, with minimum support required from 12 of the 17 (70%) owners, in order to proceed to construction; and,
6. That the benefitting property owners be allowed to have the option of paying the full amount of their allocated construction project costs at the time of the completion of work or in installments on their tax bill with interest; and,
7. That the necessary By-law to levy the associated cost against each benefitting property be prepared in accordance with the requirements of Section 391 of the *Municipal Act* and be forwarded to Council for adoption when the final construction cost of the project has been determined; and,
8. That the total project costs, including actual construction costs, all the engineering and related administrative costs by the City for detailed design and construction, be recovered in accordance with the requirements of Section 391 of the *Municipal Act* 2001 and the by-law approved by Council; and,
9. That the Mayor and Clerk be authorized to execute an agreement with the owner of 3009 Elgin Mills Rd. to pay the City an amount of \$77,000.00 for the City to construct additional sanitary, storm and water services for the future re-development on this property; and,
10. 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 obtain Council approval for the proposed construction of a sanitary sewer and lateral service connections (sanitary and water) that would ultimately be funded by the benefitting property owners. The proposed infrastructure will service seventeen (17) properties on Victoria Square Boulevard (“VSB”) between Rinas Avenue and Elgin Mills Road. It is proposed that the sanitary sewer and the lateral service connections be included in the scope of work in the VSB road construction project, which is anticipated to commence in late 2023 or early 2024 pending final construction phasing plan. All costs of the sanitary sewer and the lateral service connection work including all engineering and related administrative fees, etc., will be recovered from the benefitting property owners in accordance with Section 391 of the *Municipal Act*.

This report is also seeking authority from Council to enter into an agreement with the owner of 3009 Elgin Mills Road for the owner to up-front the cost of site servicing construction for a future redevelopment of the site and for the owner be responsible for the full cost of the site servicing construction.

BACKGROUND:

A City policy established in 2003 outlines the process by which private property owners on a septic system for sanitary service and well system for water supply can request a connection to a newly constructed municipal servicing system. This process typically includes the City carrying out the design and construction of all underground infrastructure and associated road restoration works including the appropriate servicing service connections to the property line only. Costs for such work are typically recovered from the benefitting residences through their tax bill over options of 10-year, 15-year or 20-year periods. In order to proceed with the above servicing infrastructure, there should be support from at least 67% of all the benefitting residences before the City proceeds with the proposed improvements. Benefitting property owners are also responsible for the costs to extend the service connections from the property line to their homes. This is not part of the scope of work for the VSB road construction project.

There have been a number of requests in the past from various property owners of the Victoria Square Community for sanitary service improvements. As part of the City’s process, a survey/petition from the benefitting property owners was taken. Petition votes were carried out in 2011 and 2017, with each one failing to receive the necessary support from 67% of the benefitting property owners due mainly as a result of high project costs that were to be recovered from the property owners. Staff presented a report to Council on September 27, 2011 recommending that the City not proceed with the proposed sanitary sewer and service connections to the sanitary sewer and watermain project for VSB, at the time comprising of over 300 properties. In 2017, the petition request comprised a total of 91 properties but only received 26% support from the benefitting owners which resulted in the request not proceeding.

Following the failed 2017 petition request, the City received another sanitary sewer improvement request from property owners of VSB for a localized improvement between Rinas Avenue and Elgin Mills Road. Refer to attached map (Attachment 'A'). This request was comprised of seventeen (17) properties that would benefit from the sanitary sewer and lateral service connections. At this time, the City was undertaking the Environmental Assessment (EA) Study for the road improvements of VSB and the proponents of the sanitary sewer improvement requested that the City consider the opportunity to include the sewer improvements in the VSB road construction project in order to reduce the costs associated with road restoration.

The detailed design of the VSB road improvements commenced in December 2019 upon completion of the VSB EA Study. Staff presented a report to Council on May 30, 2022 which defined the phasing limits of the VSB road construction project with Phase 1 limits from Woodbine Avenue (South) to Elgin Mills Rd. and Phase 2 limits from Elgin Mills Rd. to Woodbine Avenue (North). As a result, the scope of work for the proposed sanitary sewer improvements were planned to be included in Phase 1 construction anticipated to commence in late 2023 or early 2024 pending final construction phasing plan.

See Attachment 'B' for the local service improvements design plan.

City staff held a general public meeting with the benefiting property owners on March 8, 2023 to provide details of the service improvement process including high level project cost estimate of \$627,300. The petition letter was distributed to all 17 benefiting property owners on March 23, 2023 and voting closed April 6, 2023. A copy of the petition letter to initiate the tendering process and construction that was submitted to the affected property owners is shown in Attachment 'C'. Fifteen out of 17 properties voted in favour of the work (88%).

3009 Elgin Mills Rd.

The owner-developer of 3009 Elgin Mills Rd. is planning a re-development of three existing lots that currently occupy the southeast corner of the Elgin Mills Rd/ Victoria Square Boulevard intersection. The three existing lots are 3009 Elgin Mills Rd., 10745 VSB and 10743 VSB. The site plan application for this re-development may take some time to be processed and approved by the City. The owner-developer is requesting that the City include the construction of the site services (storm, sanitary, water services) for the future redevelopment within the overall VSB road construction tender.

DISCUSSION:

Design:

The proponents of the sanitary sewer and lateral service connections requested the City to include the design in the City's overall VSB road construction project. The design consists of extending the existing sanitary sewer for approximately 120m from north of Rinas

Avenue to Elgin Mills Rd and providing lateral service connections to the property lines only of existing properties. The cost for the design of the sanitary sewer improvement components from our engineering consultant was \$36,000.00 and this cost is included in the total cost to be recovered from the benefiting property owners. The design has been completed and a construction cost estimate has been prepared and presented in this report.

The current project cost estimate is \$627,300 for the construction of the sanitary sewer system and lateral service connections. The cost for the road restoration was not included in the service improvements cost estimate as this was to be part of the VSB Road Improvement Project. In addition to the construction costs, there are costs associated with the tender preparation, contract administration, Engineering administration fee and contingencies. In all, the total estimated cost of the local improvements is \$627,300 or \$36,900 for each of the seventeen (17) benefiting properties. These costs are summarized in Financial Consideration section of this report.

Petition Voting:

The City undertook the petition voting process with the benefiting property owners. The petition letter was distributed to all 17 property owners on March 23, 2023. The closing date of the petition voting was set for April 6, 2023.

Summary of the results of the petition voting is shown in the following Table I below. The detailed petition voting is shown in Attachment 'E'.

Table I

Petition Votes Summary	
No. of Residences:	17
Voting Period	March 23 - April 6
No. of Votes Received:	16
No. of Abstained Votes:	1
No. of YES votes:	15
No. of NO votes (incl. abstained votes):	2
% of Support (Min. 67% to proceed):	88%
Action to be taken by the City:	Proceed to Tender

Tender:

With 88% support received from the benefiting property owners, staff recommend that City proceed with tendering the VSB Road Construction project and include the sanitary sewer and lateral service connections as part of the overall VSB road construction tender in August 2023. If the sanitary sewer and service connection component costs exceeds \$690,030 (the estimated project cost of \$627,300 plus 10% contingency), the City will

contact the 17 property owners with the revised costs and seek further commitment from them on the additional costs. At least 67% of the benefiting owners need to provide their support on the final project cost in order for the City to proceed to construction of the sanitary sewer improvement components.

The City will recover the actual costs of the works in accordance with Section 391 of the *Municipal Act*.

Construction:

Subject to Council approval to front-end the related to the sanitary sewer and lateral service connection works for the 17 properties and the property owners' approval of the tender costs, the City will award the contract and proceed with construction anticipated to commence in late 2023 or early 2024. Construction completion of Phase 1 is anticipated to be November 2025.

FINANCIAL CONSIDERATIONS

Sanitary Sewer and Service Connection Cost

Table II below outlines the estimated total costs for the sanitary sewer and service connections and the cost per benefitting property. The costs do not include the property owners' cost of connecting the services from the property line to their building structure.

Table II
Total Estimated Project Costs and Cost per Property

Sanitary Sewer Construction (Sewers, Manholes, Service Connections)		
Project Cost (A)	\$	507,713.88
Cost per property (B=A/17)	\$	29,865.52
Round-up Cost per property (C)	\$	29,900.00
Watermain Construction (Service Connections)		
Project Cost (D)	\$	118,701.53
Cost per property (E = D/17)	\$	6,982.44
Round-up Cost per property (F)	\$	7,000.00

Cost Per Property (G=C+F):	\$	36,900.00
Total Project Cost (H=G*17):	\$	627,300.00

Project costs (A& D) include the following:

- Consultant design work;
- Tender and specification preparation;

- Contract administration, site inspection and technical support during construction;
- As-builts preparation;
- Post inspection services
- City's engineering fees, contingencies and HST Impact

Construction Cost of Services for 3009 Elgin Mills Rd.

Table III below outlines the estimated total costs for the servicing of 3009 Elgin Mills Rd. (sanitary, storm and water services).

Table III
Construction Costs for Site Servicing of 3009 Elgin Mills Rd.

Site Servicing Construction		
Storm Servicing	\$	19,987.50
Sanitary Servicing	\$	14,062.50
Water Servicing	\$	25,900.00
Sub-Total Site Works	\$	59,950.00
10% Contingency	\$	5,995.00
Sub-Total: Site Work	\$	65,945.00
9% Engineering Fees	\$	5,5935.00
7.5% C.A. and Site Inspections	\$	4,945.88
Total	\$	76,825.93
Round-up Cost (to the nearest thousand)	\$	77,000.00

If approved by Council, the City will up-front the sanitary sewer and service connection to the sanitary sewer and watermain costs from the Life Cycle Replacement Fund and recover the actual total project costs from the seventeen (17) benefitting property owners with interest, if the amount owing is not paid in full on completion of the project.

The City will request the owner of 3009 Elgin Mills Rd. to up-front the cost of \$77,000.00 for the construction of the servicing of the future redevelopment. The City will not proceed with this scope of work unless the payment is received from the owner.

Method of Payment:

If approved by Council, a By-law will be prepared in accordance with the requirements of Section 391 of the *Municipal Act* that will provide the property owners with the option of paying the full amount either as one interest free lump sum payment or annually with options to pay in full in 10, 15 or 20 years with interest rates tied to York Region debenture rates. Payment in full of the outstanding balance plus accrued interest would be permitted at any time.

ALIGNMENT WITH STRATEGIC PRIORITIES:

Eliminating the septic system and replacing with sanitary sewer system will reduce the discharge of Sulphur in soil and groundwater in adjacent areas and enhance the overall environment especially since these homes are in close proximity to the Carlton Creek. As such, the recommendations align with the City's Strategic Plan goals of "Safe & Sustainable Community" and "Stewardship of Money & Resources".

BUSINESS UNITS CONSULTED AND AFFECTED:

The Finance, Legal, Operations and Environmental Services Departments have been consulted in the preparation of this report and their comments have been incorporated. Should Council approve this project, 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*, upon project completion.

RECOMMENDED BY:

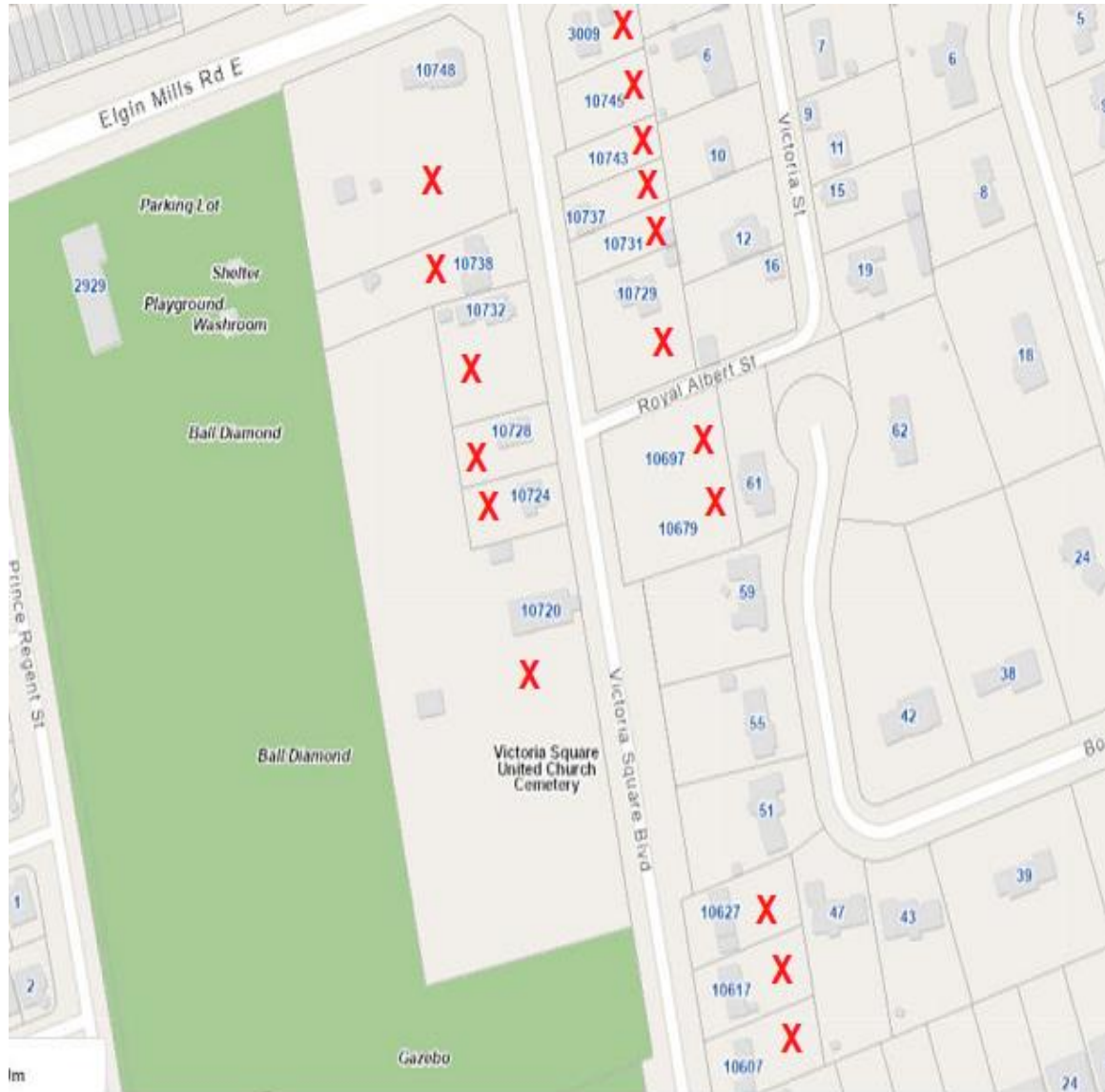
Frank Clarizio, P. Eng.
Director of Engineering

Arvin Prasad, MCIP, RPP
Commissioner, Development Services

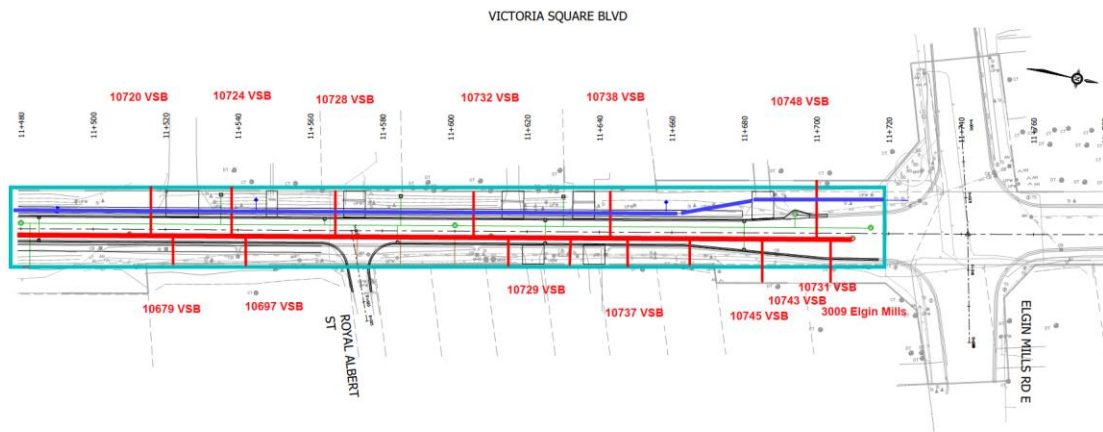
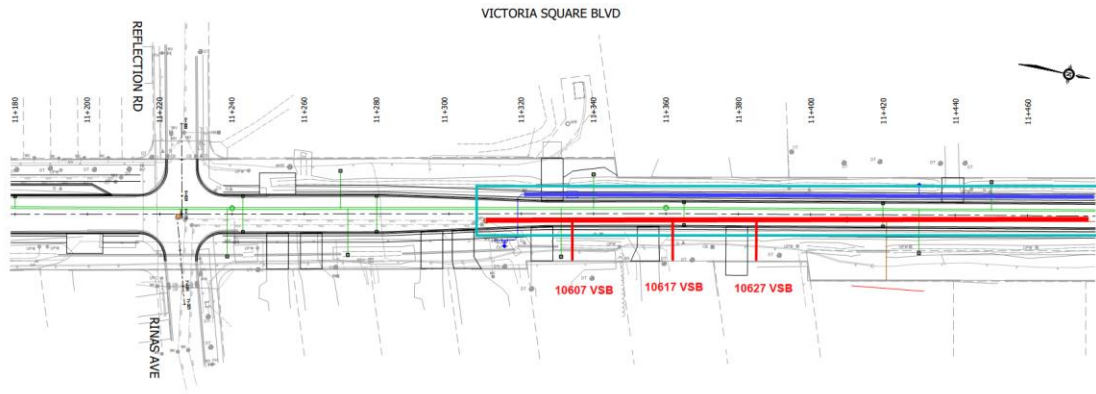
ATTACHMENTS:

Attachment 'A' – Sanitary Sewer Improvements – Benefitting Properties Plan
Attachment 'B' –Sanitary Sewer Improvements Design Plan
Attachment 'C' –VSB Petition Letter
Attachment 'D' –Proposed Site Servicing Plan – 3009 Elgin Mills Rd.
Attachment 'E' – Petition Voting Results

**Attachment A –
Sanitary Sewer – Benefitting Properties Plan**



Attachment B – Victoria Square Boulevard Sanitary Sewer Improvements Design Plan



Attachment 'C' VSB Petition Letter



Engineering Department

Petition

The undersigned owners of lands abutting directly on the proposed work referred to above:

1. Acknowledge that the actual construction cost of the proposed sanitary sewer and water service, including service connections to the property line, (excluding lateral connection to the dwelling) will be allocated equally to each of the seventeen (17) benefiting properties, estimated at approximately \$36,900.00/lot including HST, not including any plumbing, landscaping or repair to structures or landscaping, on private property.
2. Acknowledge that if the project costs increase by more than 10% of the above estimate (\$36,900.00/lot), the residents will be resurveyed for support of the increased cost.
3. Acknowledge that each of the benefiting property owners will have the option of paying their share either as a one-time lump sum payment upon completion of construction without interest; or by installments over an option of 10, 15 or 20 years on their tax bills with interest payable.

We further acknowledge that:

- Sanitary service and water service connections from the property line to each dwelling will not be included as part of the City's project, and the City will not be providing any cost estimate to the property owners for such connections; and,
- Each property owner will be required to arrange and pay for the construction of sanitary and water service connections from the property line to their dwelling, at a future time when each of them choose to do so.

Please note that if no response is received from a property, it will be considered as a "NO" vote for this project.

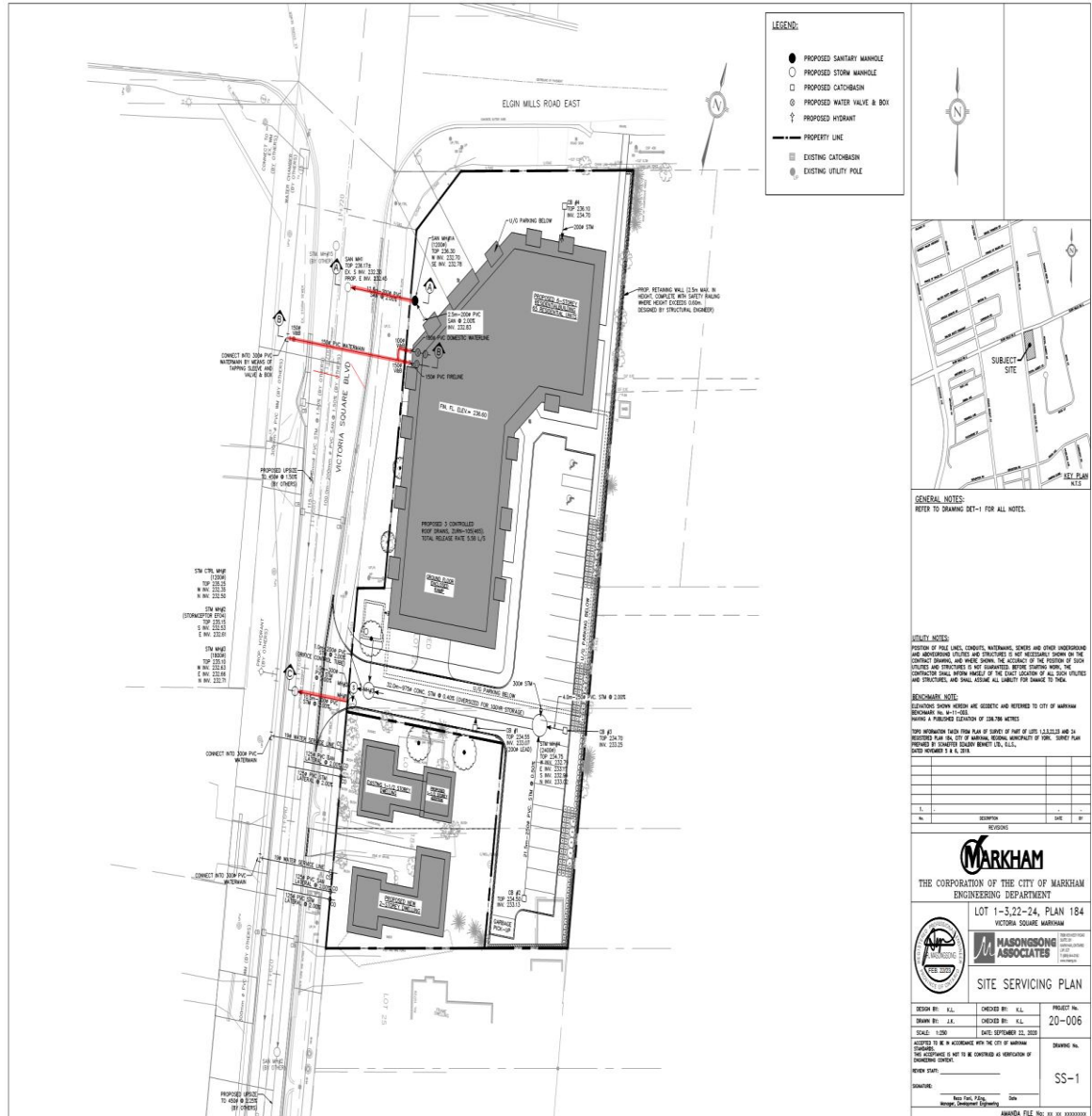
VOTE YES	VOTE NO
Address: _____	Address: _____
Name (Please Print): _____	Name (Please Print): _____
Signature: _____	Signature: _____
Date of Signature: _____	Date of Signature: _____

Please send the petition to:

Alberto S. Lim, P.Eng.
Engineering Department
City of Markham, 101 Town Centre Boulevard
Markham ON L3R 9W3
Phone: (905) 477.7000 ext. 2860 Fax: (905) 479.7773
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Website: www.markham.ca • Tel: 905-477-5530 • Fax: 905-479-7767

Attachment 'D'
Proposed Site Servicing Plan – 3009 Elgin Mills Rd.



Attachment 'E'
Petition Voting Results

VSB Petition Voting				
No. of Residences:		17		
Voting Period:		March 23 - April 6, 2023		
West Side	Address	Vote Received	VOTE	
			YES	NO
	10720 VSB	✓	YES	
	10724 VSB	✓	YES	
	10728 VSB	✓	YES	
	10732 VSB	✓	YES	
	10738 VSB	x		NO
	10748 VSB	✓		NO
East Side	Address	Vote Received	VOTE	
			YES	NO
	10607 VSB	✓	YES	
	10617 VSB	✓	YES	
	10627 VSB	✓	YES	
	10679 VSB	✓	YES	
	10697 VSB	✓	YES	
	10729 VSB	✓	YES	
	10731 VSB	✓	YES	
	10737 VSB	✓	YES	
	10743 VSB	✓	YES	
	10745 VSB	✓	YES	
	3009 Elgin Mills	✓	YES	
Votes Received		16		
VOTES TOTAL			15	2