

## **COMMITTEE OF THE WHOLE - NOVEMBER 18, 2002**

### **PROVISION OF SANITARY SEWER SERVICES OLD YONGE STREET AND MILL STREET, THORNHILL**

Council adopted the following resolution at the Council meeting of November 11, 2002 with respect to Item 9, Report No. 76 of the Committee of the Whole meeting of November 4, 2002:

**“The Committee of the Whole recommends that this matter be referred to the Committee of the Whole meeting of November 18, 2002, to allow staff to consult with the property owners of Mill Street and Old Yonge Street regarding the sewer construction method.”**

#### **Recommendation**

The Commissioner of Engineering and Public Works in consultation with the Director of Legal Services recommends:

- 1) That this report be received for information;
- 2) That Council direct staff regarding the preferred means of providing sanitary sewer services for the residents of Old Yonge Street and Mill Street; and
- 3) That staff include proposed watermain replacement and road reconstruction of Old Yonge Street and Mill Street for consideration in the 2003 Capital Budget.

#### **Purpose**

To respond to Council's direction (Item 10, Report No. 5 of the Committee of the Whole, which was adopted, as amended, by Council on January 28, 2002) to provide a cost estimate and a review of alternative means of funding the construction of sanitary sewers on Old Yonge Street and Mill Street.

#### **Background - Analysis and Options**

##### **Previous Council Reports and Directions**

Item 10, Report No. 77 which was adopted without amendment by Council December 18, 2001 authorized staff to prepare a preliminary design and cost estimate for the construction of sanitary sewer services on Old Yonge Street in Thornhill. Shortly thereafter, Item 10, Report No. 5 which was adopted by Council January 28, 2002 directed staff to also prepare a preliminary design and cost estimate for the construction of sanitary services on Mill Street, and to report back to Council regarding the means of funding this work prior to advising residents of the costs. The requested information is provided below and the location of the proposed works is illustrated on Attachment 1.

##### **The Need for Sanitary Services**

Sanitary sewers are needed on Old Yonge and Mill Streets for the following reasons:

- The City Building and Facilities Department must connect the Thornhill Park to a sanitary sewer to accommodate improved facilities at the park and to provide for pool water drainage. (2002 Capital Project No. 7958-0-02).

- Residents of Mill Street have expressed concern about the on-going operation and maintenance of their on-site sewage (septic) systems and have petitioned the City to install sanitary services.
- St. Michael's Chapel (located at 7788 Old Yonge Street) must connect to a sanitary sewer and abandon their on-site sewage (septic) system in order to accommodate parking requirements as required by their Zoning Amendment conditions. (File Z.94.117).
- Replacement of on-site sewage systems in an urban area with City sanitary sewers will reduce the risk of negative environmental impacts.

#### Cost of Sanitary Sewers

A preliminary design and cost estimate has been prepared by City Engineering staff. The estimated cost of the Old Yonge Street sewer is \$182,000, with \$85,000 (or 47 percent) attributed to the City's Thornhill Park to provide sanitary sewer services for the park facilities. On a frontage basis, the cost per property for the seven properties on the east side of Old Yonge Street would range between \$8,000 to \$16,000 (based on a frontage rate of \$400 per metre – refer to Attachment No. 2). The seven properties include St. Michael's Chapel, one business, one vacant property owned by the Region of York (abutting Yonge Street) and four single family homes.

The estimated cost of the Mill Street sewer is \$175,000, with \$32,000 attributed to the property at the southwest corner of Mill Street and Old Yonge Street which is owned by the City. On a frontage basis, the cost per property for the four properties remaining on Mill Street would range between \$25,000 to \$48,000 (based on a frontage rate of \$480 per metre – refer to Attachment No. 2). It is important to note that some of these properties are quite large, comprised of multiple lots.

The City will contribute to a portion of the sanitary sewer cost in order to provide a connection for both the Old Yonge Street sewer and the Mill Street sewer to the sanitary trunk sewer in the Don River Valley. Funding has already been allocated in the 2002 Capital Budget (Project #1475-0-02) to cover this cost estimated to be \$50,000.

The three sanitary sewer components listed below are illustrated on Attachment 1 and the associated cost estimates for each are listed on Attachment 2:

- Provision of a connecting sewer link from Old Yonge Street and/or Mill Street to the City's trunk sewer,
- Old Yonge sanitary sewer, and
- Mill Street sanitary sewer.

#### Alternative Means of Funding the Provision of Sanitary Sewer Services

Staff have identified and reviewed the following alternatives:

- Local Improvement,
- Private (Proponent) Front-Ending Agreement, and
- City Initiated Project through a Section 221 Municipal Act By-law.

Issues considered in the evaluation included:

- Provision of sanitary sewer services for Thornhill Park required by May 2003,

- Expedite the provision of sanitary sewer services to residents of Mill Street who have petitioned for these services citing concerns regarding septic system performance and maintenance (refer to Attachment 3),
- That badly needed watermain replacement and road reconstruction for both Old Yonge Street and Mill Street is best carried out together with the installation of sanitary sewers.
- Avoiding forcing residents of Old Yonge Street who are unable or unwilling to pay for sanitary sewer services from doing so at the present time, and
- Respond to the request for the provision of sanitary sewer services for St. Michael's Chapel so that this condition of their Zoning Amendment might be satisfied so that they can proceed.

Staff have reviewed the alternative means of funding the provision of sanitary sewer services:

#### 1. Local Improvement

Council has generally undertaken local improvements on the initiative plan, which provides for notification to owners of Council's intention to proceed. Owners then have the opportunity to stop the project if the required number of owners object. If this happens, Council cannot proceed under the initiative plan with the proposed works for a two year period and must look to another method.

#### 2. Private (Proponent) Front-Ending Agreement

There have been a number of instances in recent years where private residents or landowners (both individuals and groups) have front-ended the entire cost of a "local improvement" type project themselves. The City provides the necessary legal agreements, engineering design, tendering, construction administration and inspection, as well as financial management of cost-sharing arrangements.

Most private front-ending agreements involve a proponent, some benefiting parties who participate at the "front end" of the project and some benefiting parties who may connect to the services at a later date. In these circumstances, the City must keep track of which parties have not contributed so that when they request connection to the services at a later date, the City collects their proportional share of the cost (plus carrying costs) and then reimburses the "front-ender". These agreements have proven to be very complex and a long-term burden for staff of the Legal, Finance and Engineering Departments. In the Oakbank area of Thornhill for example, the City has entered into 7 private front-ending agreements for extensions of sanitary services over the past 11 years and yet some homes remain unserved. This situation has prevented much-needed road reconstruction from proceeding until the area is fully serviced with all the underground works completed.

#### 3. Section 221 Municipal Act Sewer By-law

The Ontario Municipal Act states that "the Council of a local municipality, in authorizing the construction of sewage works or water works, may by by-law impose a sewer rate or water works rate upon owners or occupants of land who derive or will or may derive a benefit therefrom sufficient to pay all or such portion of the capital costs of the works as the by-law may specify" (Section 221. (2)). It is important to note that Council may enact a Section 221 Municipal Act By-law without agreement of the benefiting property owners. This process is distinct from the Local Improvement Act requirements which required at least 51 percent to be in favour.

Either or both the Old Yonge Street sanitary sewer and the Mill Street sanitary sewer could be constructed as City initiatives by Council enacting a Section 221 Municipal Act Sewer By-law. Section 221 provides the City with flexibility regarding repayment provisions. The City constructs

the works and the benefiting (property) owners repay the City, with an option to spread the repayments (with interest) over a specific number of years.

The City has successfully used the Section 221 Municipal Act By-law process to undertake water and sewer projects several times in recent years (example: Sylvan Brook watermain and sanitary sewer, 2001).

#### Watermain Replacement and Road Reconstruction

The existing cast iron watermains are approximately 50 years old and having reached the end of their expected life are in need of replacement. It is important to note that because the width of the road allowance of Old Yonge and Mill Streets is very narrow at only 10 metres (33 feet), it would be very difficult and costly to replace the watermain after sanitary sewers are installed.

Old Yonge Street and Mill Street are both high priorities for reconstruction in the City's proposed 5 Year Road Program. It would be most cost effective to reconstruct these roads as the work area is restored following the installation of the underground (sanitary and water) services. Therefore, staff have included proposed watermain replacement and road reconstruction of Old Yonge Street and Mill Street for consideration in the 2003 Capital Budget.

#### Analysis of Alternatives and Recommendations

The City has sufficient funding available in the 2002 Capital Budget (Project No. 1475-0-02) to provide a connecting sanitary sewer to the trunk sewer which would service both the Old Yonge Street and the Mill Street sewers.

Construction of a sanitary sewer on Old Yonge Street could be undertaken either through a Private Front-Ending Agreement between the City and St. Michael's Chapel or as a Section 221 Municipal Act By-law. A Front-Ending Agreement between the City and St. Michael's Chapel would mean that the total construction cost would be shared by these two parties who need the works to be constructed now. Any future connection by one of the remaining six properties on the east side of Old Yonge Street would be subject to cost recovery charges to that property, payable to the City, with a proportional credit of these funds back to the front-enders. Last year St. Michael's Chapel approached neighboring property owners on the east side of Old Yonge Street and determined that two of the five occupied properties were interested in connecting to the sewer and three were not.

A Section 221 Municipal Act Sewer By-law would impose a frontage-based sewer rate on all benefiting property owners on Old Yonge Street. Payment could be made in year 1 after completion of the project (lump sum) or by annual payments to the City over a specified term (10 years for example). Concerns that some property owners may not be able to afford the charges may be addressed by considering that the costs per property are relatively low over a longer term repayment plan and that connection to sanitary sewer services would protect homeowners against potential costs and liability associated with aging on-site sewage (septic) systems.

Provision of sanitary sewers to property owners on Mill Street could also be undertaken either through a Private Front Ending Agreement or as a Section 221 Municipal Act Sewer By-law project. It appears based on the unsolicited petition to the Engineering Department (letter as Attachment 3) that all property owners desire sanitary services.

Mill Street and Old Yonge Street works could be constructed as separate projects or together as one project. Construction together as one project may provide some cost savings.

## **Conclusion**

Staff recommend that the provision of sanitary sewers to both Old Yonge Street and Mill Street be undertaken as a City-initiated project through a Section 221 Municipal Act Sewer By-law. Design of the new sanitary sewer, together with needed watermain replacement and road restoration could be completed and tendered early in 2003. The watermain and road reconstruction components would proceed subject to the approval of additional funding required in the 2003 Capital Budget. The sanitary sewer on Old Yonge Street must be constructed by May 2003 in order to service the Thornhill Park.

Staff request Council direction regarding the preferred means of providing sanitary services for Old Yonge Street and Mill Street. Residents should be notified of the City's plans in accordance with Council's direction in order that the engineering design can be completed over the coming winter. A Section 221 By-law would be brought forward to Council for enactment at the next Council meeting.

## **Attachments**

1. Location Map
2. Project Cost Estimate
3. Mill Street Sewers (Thornhill)

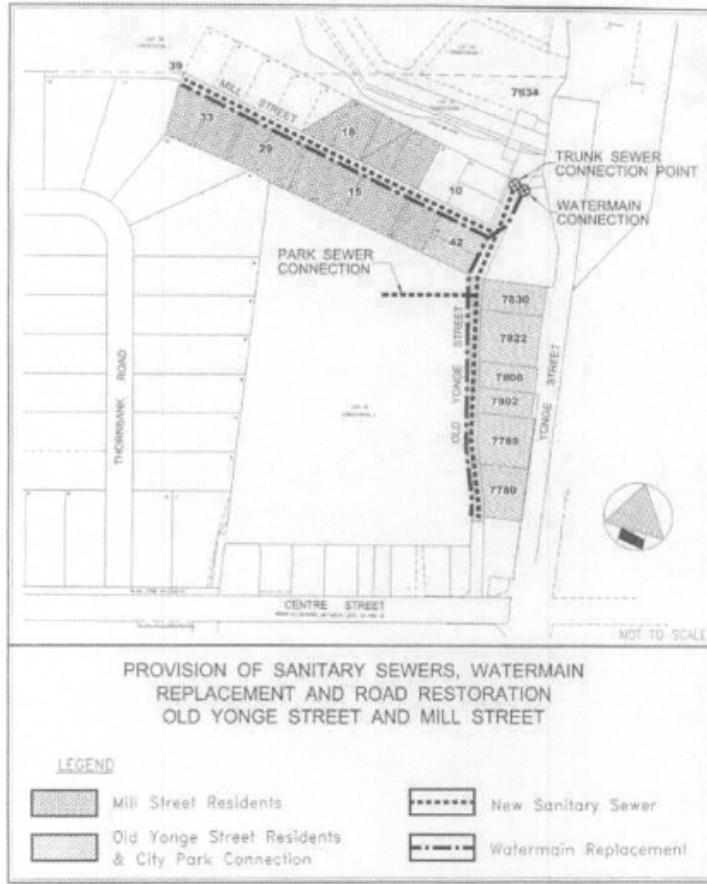
## **Report prepared by:**

Fred Lam, P. Eng. – Design Engineer, ext. 8638

Dan Stevens, P. Eng. – Manager of Engineering/Construction Services, ext. 8257

DS:MC

# ATTACHMENT No. 1



## ATTACHMENT NO. 2

### OLD YONGE AND MILL STREETS SANITARY SEWER CONSTRUCTION

#### PROJECT COST ESTIMATE

Connection to Sanitary Trunk Sewer	\$ 50,000	(City share – Pr. #1475-0-02)
Old Yonge Street Sewer	\$182,000	
Mill Street Sewer	\$175,000	

**Total** **\$407,000**

#### Sanitary Sewer Construction – Estimated Apportionment of Costs

##### Old Yonge Street:

- total estimated frontage = 458m
- frontage rate approximately = \$400/m
- City share (park, west side) = \$85,000
- Property Owners (east side – 7 properties) = \$98,000
- Estimated cost per property (east side) = \$8,000 - \$16,000

##### Mill Street:

- total estimated frontage = 363m
- frontage rate approximately = \$480/m
- City share (#42 Old Yonge) = \$32,000
- estimated cost per property = \$25,000 - \$48,000
- note that some properties are comprised of multiple lots.

#### Notes:

- All costs include 31% for engineering, tax, finance administration and contingencies.
- Frontages and cost estimates to be finalized prior to completion of legal agreements and start of construction.

ATTACHMENT NO. 3

MR. BILL ROBINSON  
Commissioner of Engineering and Public Works  
CITY OF VAUGHAN  
Engineering Department  
2141 Major Mackenzie Drive, Vaughan, Ontario L6A 1T1

CITY OF VAUGHAN ENGINEERING DEPARTMENT	
RECEIVED	
October 2, 2002	
REFER TO:	FILED:
35	DL

RE: MILL STREET SEWERS (THORNHILL)

Dear Mr. Robinson:

Over the past months I have been in discussion with Dan Stevens of the Vaughan Engineering Department and Councillor Susan Kadis to voice the strong and unanimous support of the Residence of Mill Street, for the necessity of a sewer on Mill Street in Thornhill.

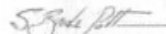
There are many compelling reasons why this is a very important project to the residence of Mill Street which I have discussed in great detail with both Mr. Stevens and Ms. Kadis. These reasons include significant problems with septic systems and seepage on the street. This is an old and historic area of the City but we have reached a breaking point where the quaintness and charm of the street now becomes it's liability because of it's age and desperate need of attention.

Mill Street remains as one of the very few remaining streets in the City of Vaughan with no sewers. It is my understanding that a proposal to have this work done shall be put before Council later this month with proposed work to be commenced in Spring of 2003.

The Residence of Mill Street understand that it is preferable to complete this work at the same time as other watermain work on Mill Street and also in conjunction with the proposed similar work to be done on adjoining Old Yonge Street. Having all of this done at once upgrades this historic area and results in significant cost savings over attacking these problems individually. Still the sole importance of installing sewers on Mill Street must be addressed regardless of this other work.

I have been assured that because of these serious problems, this work is a high priority for the City and that the will is there to have this project successfully moved ahead. We do not want the importance of this work to be underestimated upon reviewing priorities for this budgeting period.

Yours truly,

  
S. Brooke Patton  
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Business 416.636.6277

CC: Councillor Susan Kadis  
Mr. Dan Stevens