

Staff Report



Development Services Department

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REPORT TO: Finance and Corporate Services Committee

DATE OF MEETING: February 24, 2025

SUBMITTED BY: Chris Spere, Director, Engineering Services, 519-783-8897

PREPARED BY: Chris Spere, Director, Engineering Services, 519-783-8897

WARD(S) INVOLVED: Ward 4

DATE OF REPORT: January 16, 2025

REPORT NO.: DSD-2025-080

SUBJECT: New Dundee Road Local Improvement

RECOMMENDATION:

That a By-law to undertake the construction of a sanitary sewer and watermain on New Dundee Road, Regional Road 12, From Pinnacle Drive to 100m east of Robert Ferrie Drive, as a local improvement with petition in accordance with O.Reg. 586/06 be approved in the form shown attached to staff report DSD-2025-080; and,

That the General Manager of Development Services be authorized to approve and execute any agreements required to implement the local improvement project to construct a sanitary sewer and watermain on New Dundee Road as described in staff report DSD-2025-080, to the satisfaction of the City Solicitor.

REPORT HIGHLIGHTS:

- The purpose of this report is to seek authorization to proceed with a resident initiated local improvement to be undertaken by the City of Kitchener under O.Reg 586/06 for the construction of a sanitary sewer and watermain along New Dundee Road (Between 525 New Dundee and 375 New Dundee).
- The key finding of this report is there is adequate support from the benefiting properties for the City to install sanitary and water servicing with full payback from the properties
- The financial implications are that this project is initially funded by the City with payback from the benefiting properties
- Community engagement included a resident led petition and City notification to the properties within the local improvement area
- This report supports the delivery of core services.

BACKGROUND:

Ontario regulation O.Reg. 586/06 – Local Improvement Charges is a regulation that covers work, such as sanitary servicing, that would otherwise be privately completed to be completed by the municipality with no financial burden to the municipality, as the work is

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funded by the benefiting property owners. A local improvement is typically petitioned for by benefiting residents and requires support from two-thirds of the impacted properties and that support must represent more than 50% of the total assessed property value of the properties included in the local improvement.

A local improvement, including construction and engineering costs, is wholly funded by the benefiting properties with cost dispersed based on frontage of each property. A cost estimate was included in the petition, and final costs will be determined through a Region of Waterloo tender. The Region of Waterloo is undertaking a reconstruction of this section of New Dundee Road in 2025. The sewer and watermain will be installed through this tender. The project is funded by the City, and all costs are recovered from the benefiting properties. Property owners can elect to pay the balance through their annual tax bill and take up to 10 years to pay this with an annual interest charge.

A resident-led petition for local sanitary service along a portion of New Dundee Road was initiated in the fall of 2024. The City carries the responsibility to review the request to determine the limits and scope of the request. Once received, the City evaluated the request to determine that it was technically, administratively, and economically feasible.

- a) The City determined feasibility based on catchment wide analysis and can confirm that there are no detrimental impacts to public or private property.
- b) The City has determined that the project is economically feasible and the addition to the Regional contract is economically efficient. Staff have also determined that there is adequate funding available to complete the project.
- c) In approving the petition, staff determined the logical project limits of the project (based on the system design requirements and a cost benefits analysis (entire street/sector, etc.).
- d) The feasibility assessment considered the number of properties that will be affected.
- e) Staff circulated to the Region as regional roads are impacted to ensure that the City can obtain the authority to undertake the work and to assess the feasibility.
- f) The proposal for this local improvement is appropriate in the proposed area and will be cost efficient, minimize disruption, and provides consistent levels of service to adjacent properties.

New Dundee Road is located near the southern border separating Kitchener and North Dumfries, located in Ward 4. Sanitary and water servicing is available in the area, but not within this specific area. Properties within this area are either serviced by private well and septic system or are vacant land.

The City will retain the same consultant who has completed the engineering design for this work including application for permits on behalf of one of the property owners. This work has included all preliminary investigation work such as geotechnical and hydrogeological studies needed to support the design and can be incorporated into the Region of Waterloo's tender and engineering drawings. These costs will be re-imbursed in full by third parties, the benefiting properties.

Staff are seeking council endorsement for a bylaw to accept this local improvement, to support the reduction in special charges for specified properties.

REPORT:

New Dundee Road between Pinnacle Drive and Robert Ferrie Drive contains 12 properties with frontage varying between 25 and 350m and has 9 registered owners. The segment under consideration is approximately 750m in length.

A resident-led petition for local sanitary sewers was initiated in the fall of 2024. On February 4, 2025, the city received a completed petition. Regulations state that more than two-thirds of the owners representing at least one-half of the value of the lots to be specially changed are necessary to consider a petition to have been successful. This petition included support by more than two-thirds of the property owners (9 in favour or 75%) and more than 50% of the assessment value (\$14,082,500 of a total assessment of \$16,738,500 or 84%) of the impacted properties. The properties included in the petition included 375, 398, 404, 410, 424, 425, 430, 448, 508, 583 Pinnacle Drive, 32 Ridgemont Street, and vacant Commercial Land (New Dundee). 508 New Dundee, 583 Pinnacle and the vacant Commercial Land properties did not sign the petition.

The scope of the work will include the installation of a new sanitary sewer and new watermain, with necessary infrastructure components and service connections where a connection can be determined and/or is imminent. Service connections will be charged on a per-lot basis.

Time is of the essence for this work, as the Region of Waterloo is undertaking a reconstruction project in 2025 that includes road improvements along this section of New Dundee Road. Including the sewer and watermain in this project will ensure timing alignment, proper coordination between projects, cost savings, and efficiencies. The Region of Waterloo is a willing partner to accommodate the installation of the servicing.

Following the approval of the by-law, staff will work with the Region to undertake the work. It is acknowledged and anticipated that reduction in special charges will apply to various properties within the Local Improvement Boundary at the discretion of the City Engineer and in accordance with Ontario Regulation 586/06.

Following completion of the work, property owners will be issued a provisional invoice summarizing the costs that associated to each property owner, based on the regulation and benefits associated. Property owners will have the opportunity to appeal the initial assessment to the Court of Revision, who will assess each appeal on their own merits. The Court of Revision will issue decision, for final determination of associated costs, and staff will then bring forward a Special Charges By-law with final Local Improvements Charges which will then be directed to the tax roll. If no appeals are received, staff bring forward a Special Charges By-law for council's consideration.

STRATEGIC PLAN ALIGNMENT:

This report supports the delivery of core services.

FINANCIAL IMPLICATIONS:

Capital Budget – The recommendation has no impact on the Capital Budget.

Operating Budget – The recommendation has no impact on the Operating Budget.

The project will be funded through Sanitary and Water reserves with full payback expected within 10 years.

COMMUNITY ENGAGEMENT:

A resident led petition was completed by property owners to gauge if there was sufficient interest in proceeding with this local improvement and formally submitted to the City. Adhering to standard notification timelines, the City mailed and emailed (where email addresses were provided through the petition) letters to each of the properties to notify them of the next steps which includes notification of the February 24, 2025 committee meeting.

INFORM – This report has been posted to the City’s website with the agenda in advance of the council / committee meeting.

APPROVED BY: Justin Readman, General Manager, Development Services

ATTACHMENTS:

Attachment A - Draft Bylaw