

## COMMITTEE REPORT

**TO:** CHAIR AND MEMBERS  
FINANCIAL MANAGEMENT COMMITTEE

**DATE:** 2018 February 15

**FROM:** DIRECTOR ENGINEERING

**FILE:** 37500 01

**SUBJECT:** INTERIM STREET UPGRADE STRATEGY

**PURPOSE:** To provide background on interim street upgrades and approve the proposed Interim Street Upgrade Strategy.

### RECOMMENDATION:

1. **THAT** the Financial Management Committee recommend Council approve the proposed Interim Street Upgrade Strategy, implemented via Option 3 as outlined in this report.

## REPORT

### BACKGROUND

Approximately 25% percent or 150km of Burnaby's urban collector and local street network streets are currently built to an interim design, which includes a narrower pavement and gravel edge without any concrete curb & gutter or sidewalk (see Appendix A for city-wide sidewalk map). A standard City street includes concrete curb & gutter, separated sidewalks, boulevard trees & grass, and street lights. The benefits of a standard City street include improved pedestrian safety, improved aesthetics, improved drainage, and reduced operating and maintenance costs.



**Figure 1. Standard vs. Interim Street (Before & After)**

*See Appendix B for more photos showing Standard vs. Interim Streets.*

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The City currently utilizes the following three methods to upgrade interim streets:

**1) Development**

- a) Developers construct street improvements as a condition of rezoning and subdivision development applications.
- b) Developers of R12-zoned residential properties provide cash funding for future street upgrades by the City as a condition of subdivision.

**2) City Capital Program** - The City upgrades interim arterial and collector streets to a finished standard through the City Capital Plan (recent and upcoming upgrades include Rumble, Gilpin, Moscrop, Gamma, etc.). Locations are typically selected through coordination with planned water, sewer, and drainage construction.

**3) Local Area Service Program** - The Local Area Service (LAS) program provides an opportunity for cost-sharing between abutting property owners and the City. Since 1960, approximately 40% of all local streets have been upgraded through the LAS program. The majority of successful LAS projects were completed in the 1970's and 80's, and petition interest and petition success rates have been steadily dropping.

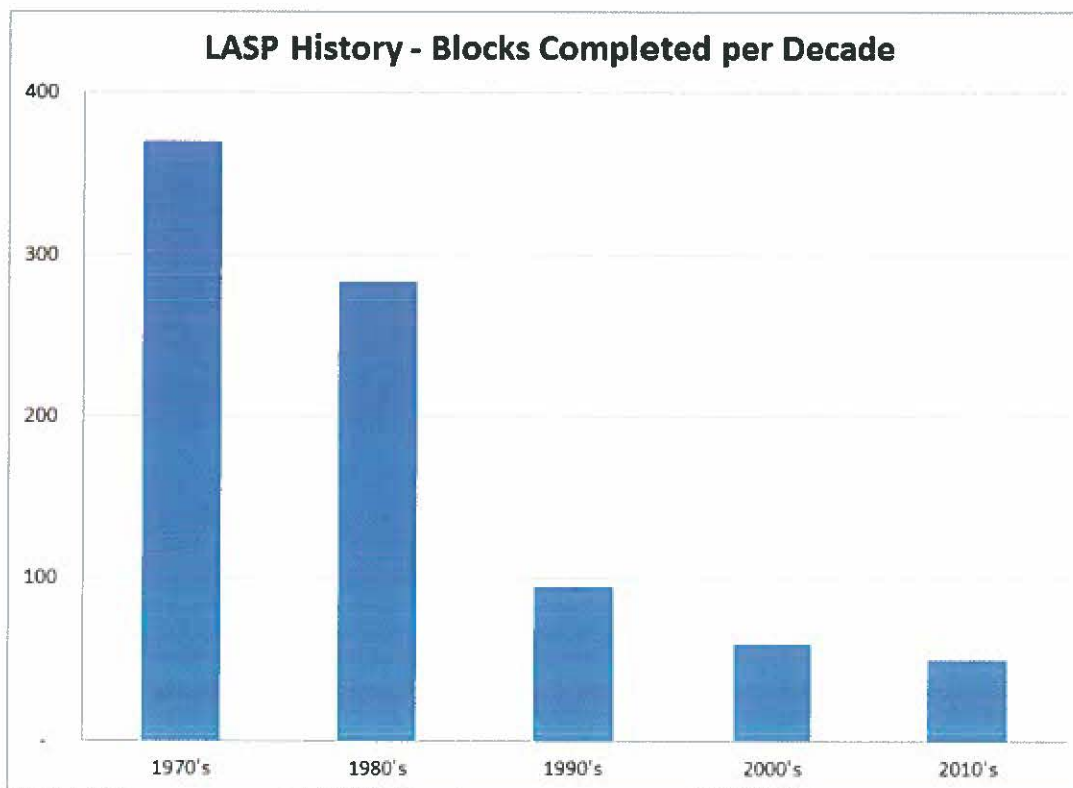


Figure 2. LAS Program History

For interim street upgrades, property owners are responsible for 50% of the road costs, and the City is responsible for 50% of the road costs and 100% of any associated drainage costs. Based on past projects, the average overall cost sharing is 30% property owner and 70% City.

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At current LAS rates, this works out to \$286/m for owners and \$1,335/m for the City. Depending on lot frontage, this results in owners providing a lump sum payment of approximately \$3,000-6,000 or \$350-700 annually over 15 years.

There are three Local Area Service (LAS) initiation options:

- a) **Owner-Initiated** – Property owners initiate a petition for LAS upgrades, which proceed upon approval from more than 50% of adjacent properties, representing at least 50% of the assessed values.

Year	Petitions		
	Defeated	Approved	Percent Successful
2012	5	6	55%
2013	0	1	100%
2014	5	6	55%
2015	1	1	50%
2016	3	0	0%
2017	2	0	0%

Table 1. Owner-initiated LAS Road Projects



Figure 3. Owner-initiated LAS Road Projects



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- b) **City-Coordinated** - For capital works planned on local streets, the City solicits the local street for LAS champions (petitioners), and proceeds with incorporating the street upgrades into the capital program if the petition is successful. If no owner initiates a petition or the petition fails, the City repaves the street according to the interim standard.

Year	Petitions			
	No interest	Defeated	Approved	Percent Successful
2012	12	19	3	9%
2013	6	3	1	10%
2014	9	5	3	18%
2015	0	2	2	50%
2016	0	5	1	17%
2017	0	12	0	0%

Table 2. City-coordinated LAS Road Projects

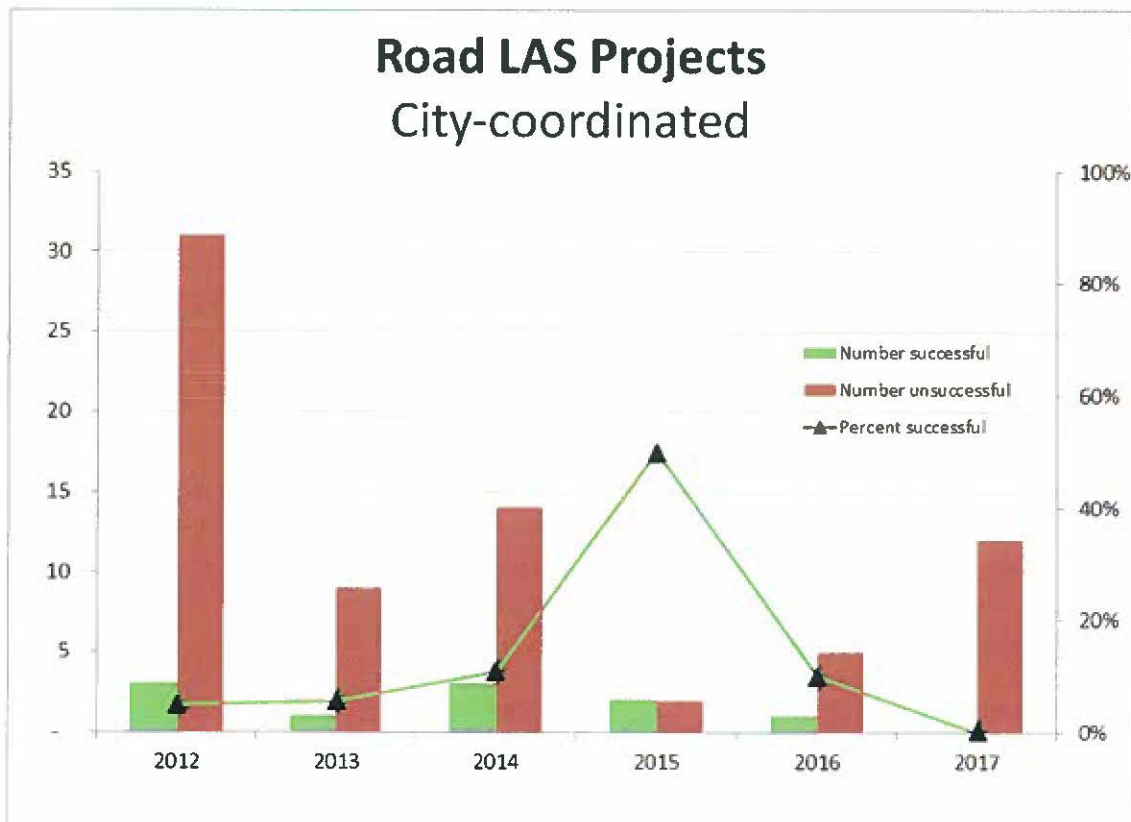


Figure 4. City-Coordinated LAS Road Projects

- c) **City-Initiated** - The City initiates an LAS project, which proceeds unless more than 50% of adjacent properties representing at least 50% of the assessed value vote to reject the upgrades and associated cost. The City has not initiated an LAS road upgrade project in at least ten years.

## CURRENT CHALLENGES

The current methodology to upgrade interim streets is working well in some areas (Town Centres, development areas, arterial/collector streets), and has opportunity for improvement in other areas (local streets in single family residential neighbourhoods). Three challenges with the current interim street upgrade process are identified below.

### 1. Local Area Service program coordination with the Capital Plan on interim local streets

If no owner initiates a petition, or the petition fails, the City currently repaves the street according to the interim design. Repaving a street to the interim design typically costs approximately 20% of the cost to upgrade a street to the finished standard, including curb & gutter, sidewalk, and street trees. If an LAS petition is successful on this same street in the future, the earlier effort to pave to an interim design is sacrificial, and does not reduce the future cost of a full street upgrade. Therefore, under this scenario, the overall street upgrade ends up costing 120% of a one-time upgrade, which includes 90% of City spending (20% now, and 70% in the future) and 30% of owner spending (future).

### 2. Developer R12 Funding contribution

When the City collects money from residential developments in R12 zoned areas for future street frontage improvements (ie. curb & gutter, sidewalk, and street trees), in the majority of circumstances, implementation of those improvements is deferred until an LAS project petition is successful. This practice has resulted in owners/developers paying for upgrades but not receiving any near-term benefit.

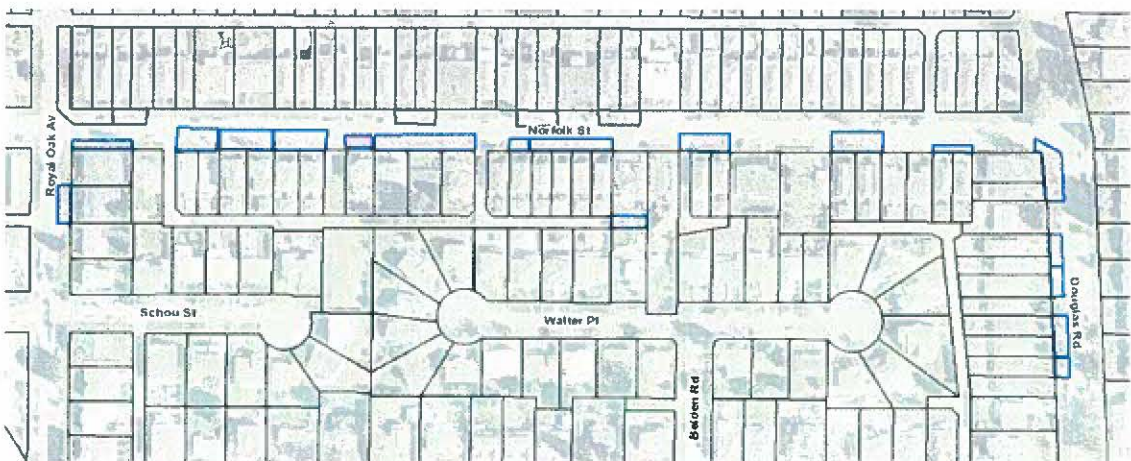


Figure 5. Sample R12 Funding Collected  
(With no benefit provided yet to residents or the neighbourhood)



### 3. Delayed Community Benefits

While most owners are supportive of a finished standard street with curb & gutter, sidewalk, and street trees, and might only vote against approving an LAS project due to personal cost, some owners with significant personal encroachments such as fences, hedges or retaining walls might not want an LAS project to proceed, regardless of personal versus City cost. In this scenario, the owner is prioritizing the personal benefit provided by their illegal encroachment over the community benefit of sidewalk and trees.

An improved neighbourhood sidewalk network and general beautification with street trees are strategic priorities identified in the Social Sustainability Strategy and Environmental Sustainability Strategy (Social Sustainability Strategy – Items 100 and 101, Environmental Sustainability Strategy Quick Start 11/Goal 5.1).

Relying solely on abutting property owners to approve and pay for street upgrades can prevent all users from benefitting from the improvements, and rejected property owner interest on one block can prevent the implementation of safe walking routes to parks, schools, transit, community centres, and other neighbourhood amenities. A specific recent example includes Humphries, 19<sup>th</sup> to Edmonds, and pedestrian connectivity to the Edmonds Community Centre.

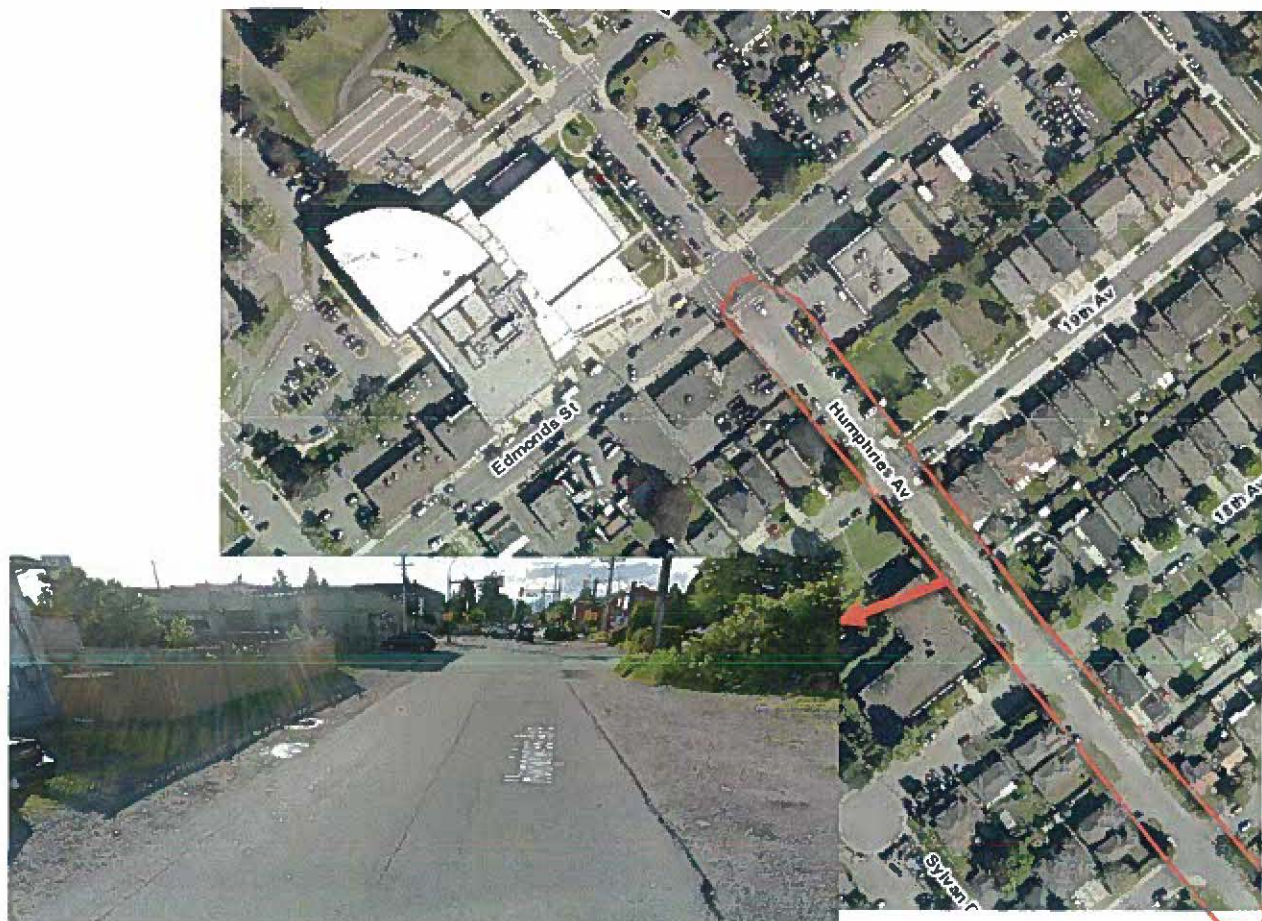


Figure 6. Humphries Pedestrian Connectivity



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## OPTIONS

There are four main options to address the current challenges associated with interim local street upgrades, with three of the options including City Capital Plan coordination, where interim local streets are upgraded when coordinated with the Capital Plan.

City Capital Plan coordination means that where the City Capital Plan involves interim local streets, the City would upgrade from interim design to finished standard. This would reduce the overall long term cost for a street upgrade by 20%, provide a coordinated neighbourhood improvement, expand the sidewalk network, reduce long-term operating costs, and improve overall City beautification. This approach would also enable the City to prioritize interim local streets with wide-spread R12 contributions, in order to provide the neighbourhood benefit historically paid by owners/developers.

In all scenarios, the owner-initiated LAS program could still continue, in the event a group of owners would like their interim street upgraded in advance of a larger, coordinated City project.

### **Option 1 → Status quo**

Accept the challenges associated with interim local street upgrades.

### **Option 2 → City Capital Plan Coordination, Full City Funding**

Upgrade an interim local street when coordinated with the Capital Plan, with the City paying the entire street upgrade cost.

### **Option 3 → City Capital Plan Coordination & Critical Links RECOMMENDED OPTION**

Upgrade 'critical link' interim local streets when coordinated with the Capital Plan, with the City paying the entire upgrade cost for critical links or priority streets closer to schools, parks, community centres, Skytrain stations, and other high pedestrian areas. Critical links or priority streets could include locations such as the following and will be defined and updated by staff as necessary:

Humphries, 16<sup>th</sup> – Edmonds  
Lozells, Winston – Government  
Beta, Pender – Union  
Macdonald, Parker – Williams

Piper, Winston – Government  
Warwick, Sumas – Halifax  
Rosser, Albert – Eton  
Irmin, Gray – Jubilee

The remaining interim local streets would be upgraded through the LAS program.

### **Option 4 → City Capital Plan Coordination, City and Property Owner Funding**

Upgrade an interim local street when coordinated with the Capital Plan, with property owner and City funding.

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Under Option 4, the property owner funding recovery rate can be set anywhere from 1-100%. The current average recovery rates for interim local street upgrades are as follows:

- **LAS street upgrades** – 30% from property owners, 70% from City
- **R12 street upgrades** – 100% from property owners, 0% from City

Property owner funding can be recovered as follows:

**1. Before Completing Street Upgrades**

Under *Section 507 of the Local Government Act*, the City is authorized to require property owners to provide works and services immediately adjacent to their property as a condition of subdivision approval or building permit issuance. For the R12 Zoning District, the City requires property owners to pay money in lieu of providing these works and services. The cash-in-lieu program can be expanded to all properties on interim streets in order to collect money to be used toward street upgrades in the broader area over time. The *Subdivision Control Bylaw* would need to be amended to expand the program, and would involve replacing the R12 program with this new cost recovery program across all remaining interim local streets.

**2. After Completing Street Upgrades**

Funds collected from the cash-in-lieu program, together with money from the City's capital plan, would be used to upgrade interim streets to City standards. Once streets are upgraded, cost recovery can be by way of a fee imposed on all benefitting properties. The fees would be collected as a condition of subdivision approval or building permit issuance based on parameters established by bylaw.



Figure 7. Typical Finished Street



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For option 4, the property owner contribution could be based on the following:

- **Trigger**

- ☒ building permit received within 15 years of street upgrade.

This matches typical 'latecomer' expiration periods, ensures that a property owner is not paying for 'old' infrastructure, and reduces the administrative effort of fee collection.

- ☒ building permit valued greater than \$250K.

Over the last three years, Burnaby has received approximately 500-600 residential building permit applications per year, and more than 70% of the permits are valued greater than \$250K.

Value Range	Percent
< \$50K	16%
\$50K - \$100K	7%
> \$100K and <= \$250K	4%
> \$250K	72%

Table 3. Building Permit Value

Building Permit Type	Percent of Applications	Average Value
Other	2%	90,000
Addition	6%	45,000
Alteration	18%	140,000
New construction*	75%	530,000

Table 4. Building Permit Type and Value

\*excludes outliers

- **Value**

- ☒ calculated based on lot frontage.

- ☒ mirroring LASP frontage rates.

2018 LASP rates

- Road = \$258.85/m
- Street lights = \$79.61/m

- ☒ maximum contribution of \$8,500 per property.

This reduces the amount that corner, double-fronting, or irregularly shaped lots would otherwise be required to pay, and represents a lot frontage of 25.11m based on 2018 LASP rates for road and street lights.

Approximately 95% of residential lots in Burnaby have a typical frontage less than 25.11m.

- **Exemption** ☒ if a rezoning application is received for an applicable parcel, the applicant could be required to build the street to finished standard, and then would not be required to also pay the fee.

## IMPLICATIONS AND ADDITIONAL CONSIDERATIONS

### Practical Considerations

#### 1. Modified Designs

Some interim streets have challenging existing conditions, such as a steeper grade or a narrower right-of-way which might require a modified street cross section with narrower pavement and abutting rather than separated sidewalks. These adjustments would be incorporated into the design and consultation process.

#### 2. Personal vs. Community Benefit

Some property owners have significant illegal personal encroachments such as fences, hedges, retaining walls, and parking areas, which essentially function to use public property for personal benefit. A finished standard street with curb & gutter, sidewalk, and street trees might require removal of illegal encroachments in order to provide the neighbourhood benefits of a safe, continuous sidewalk network and consistent tree canopy. These property owners who are prioritizing the personal benefit provided by their illegal encroachment over the community benefit of sidewalk and trees might be opposed to completion of the finished street network.



Figure 8. Encroachments



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## Strategy Considerations

### 1. Existing LAS Program

The existing LAS program can continue, allowing owners the opportunity to choose to upgrade their street in advance of the prioritized and coordinated City Capital Program.

### 2. Funding

Depending on the preferred funding methodology, long term cost recovery similar to the LAS program cost sharing percentages can be achieved.

Nevertheless, ongoing pavement rehabilitation is a priority, as a reduction in rehabilitation spending now could result in significantly higher future costs (ie. costly road replacement instead of minor rehabilitation). Therefore, to fund these critical and coordinated road upgrades, the capital program related to Roads would need to be temporarily increased by approximately \$1.5M - \$4.0 per year, depending on the number of coordinated interim local street upgrades. The funding amount required would decrease over time as more interim streets are completed to the finished standard, and would also lead to an earlier completion of the LAS program.

### 3. Boulevard Maintenance & Ongoing Beautification

It is common practice for property owners or occupiers to provide horticultural and other maintenance for the grass boulevard adjacent their property. However, despite provisions of the *Local Government Act* and unlike most local municipalities, Burnaby does not currently have a bylaw formalizing this common practice. Formalizing the practice would help to clarify responsibilities, avoid confusion, and similar to unsightly premises, provide staff authority to follow up as necessary. Therefore, given the proposed additional City investment in street upgrades and beautification, it would also be a good opportunity to consider introducing a bylaw amendment to the *Unsightly Premises Bylaw* to formalize current boulevard maintenance practices. Staff will report back to Council later in 2018 upon further research, including boulevard standards (ie. permitted materials, heights, placement, etc.).

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**RECOMMENDATION:**

It is recommended that the Financial Management Committee recommend Council approve the proposed Interim Street Upgrade Strategy which includes Capital Plan coordination and Critical Links (Option 3).

The Interim Street Upgrade Strategy meets the goals of the Social Sustainability Strategy and Environmental Sustainability Strategy, and if approved, the approach and commitment would be included in the next progress reports.

The Interim Street Upgrade Strategy aligns with the City's Strategic Plan, supporting the key goals of a safe, connected, inclusive, healthy, and dynamic community, and can be achieved through the efforts of a thriving organization.



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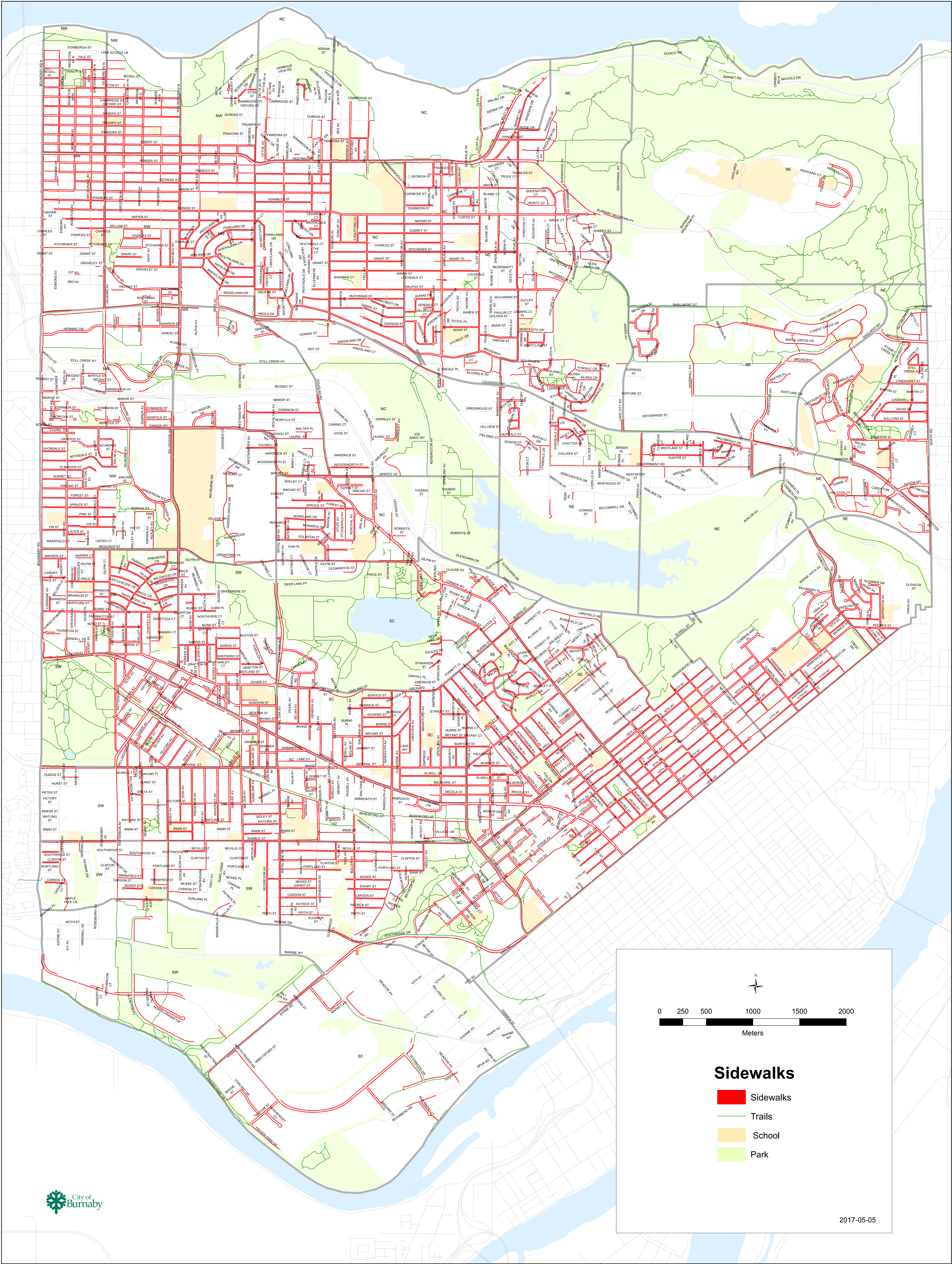
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Attachments

Copied to: City Manager  
Director Planning & Building  
City Solicitor  
Chief License Inspector



Appendix A





## Appendix B – Pictures of Standard vs. Interim Streets

### Standard City Streets





Interim City Streets

