



## MANAGEMENT REPORT

**Date:** March 27, 2024  
**To:** Infrastructure, Transportation and Safety Sub-committee  
**From:** Nick Sheldon, Project Manager  
**Report Number:** ITS24-006  
**Attachments:** None

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**Title:** Moderwell Street Local Improvement Project – Open House and Recommendations

**Objective:** To present the feedback received from the Open House, and to obtain Council approval to initiate the Moderwell Street Reconstruction Project as a Local Improvement under the *Municipal Act, 2001*.

**Background:** Moderwell Street from St. Vincent Street South to Monteith Avenue was selected for reconstruction in the summer of 2024. This project would partially upgrade existing underground infrastructure and reconstruct the roadway.

The 300m section of road abuts twenty-two properties that are a combination of residential (20 properties), industrial (Stackpole International) and institutional (St. Joseph's Catholic School) uses.

Moderwell Street is an underdeveloped cross section with a sidewalk, a tar and chip surfaced road varying in width from 4.3 to 5.5 metres, gravel shoulders and ditches. The existing road infrastructure does not meet current standards and the condition has significantly deteriorated. As a result of the inadequate road condition, the street is subject to extensive recurring remedial work. Street drainage has become ineffective over time and contributes to the increased frequency of roadside ponding, which in turn increases the rate of deterioration and failure of the road. The road has been assessed as having a pavement quality rating of very poor (PQI=23.8).

Staff frequently receive comments and complaints regarding road condition from Moderwell Street residents and guardians of students who attend St. Joseph's Catholic School.

The proposed road works include the construction of an 8.5m wide road with asphalt pavement, granular road substructure, curb, and gutter.

A review of traffic and turning movements on Moderwell Street identified that the existing geometry at the intersection of Moderwell Street and Monteith Avenue does not accommodate truck turning movements. This intersection is proposed to be reconfigured to improve turning movements, driver sightlines, and increase pedestrian safety with a reduced pedestrian crossing distance.

The existing storm sewer was constructed in 1989 and is of adequate condition. Minor modification to the storm system is proposed to accommodate converting the road from rural to an urban cross section.

The watermain on Moderwell Street was constructed in 1989 connecting to Monteith Avenue and dead ending 160m east of St. Vincent Street South. Following industry best practices and recommendations from the 2018 Water Infrastructure Needs study, the watermain is proposed to be extended and connected to the existing watermain on St. Vincent Street. This extension will improve water age and fire protection by enhancing continuity in the water network.

The Local Improvement process, as outlined in the *Municipal Act, 2001*, and supported by Council Policies L.3.1 Local Improvements and L.3.2 Municipal Standards for Local Improvement Roads for Reconstruction, is used to recover the cost of capital improvements required to add missing services necessary to reconstruct the road to current municipal standards. Typically, this would include upgrading a road with curb and gutter, or sidewalks, or storm sewers, for example. Local Improvements offer benefits to a particular area or property, with the cost of those benefits distributed between the municipality and the property owners who directly benefit from the improvement. Property owners may be required to pay a portion of the cost through special assessments or levies, which are added to their property tax bills over a specified period or paid as a lump sum.

The City of Stratford has completed numerous local improvement projects to construct infrastructure omitted from the original street. The most recent examples include Frederick Street Reconstruction, Burritt Street Reconstruction, Pleasant Drive Reconstruction and Dawson Street Sidewalk.

In accordance with Policies L.3.1, L.3.2 and past practice, staff are proposing initiating a Local Improvement for the omitted road infrastructure on Moderwell Street specifically, asphalt, granular road base, subdrainage, curb and gutter.

**Analysis:** On February 9, 2024, a notice of Open House containing project information and an estimated local improvement charge per metre of frontage was delivered to all property owners on Moderwell Street. Property owners with business or residential tenants were instructed to share the invitation with their tenants. The notice and project information were posted on the City of Stratford Website and Engage Stratford.

The Open House was held on Tuesday, February 20, 2024, in the City Hall Auditorium from 4:00p.m. to 6:00p.m. Property owners and property owner representatives from

five of the twenty-two properties on the street attended the Open House and resident questionnaires were received from 5 of 22 properties. The Manager of Engineering, Project Manager and Design Technician, were available throughout the meeting to respond to questions raised by the property owners and representatives. The property owners unable to attend the Open House were requested to review project information posted on Engage Stratford or to contact Engineering staff to review project plans and to provide comment.

The purpose of the Open House was to present the proposed improvements on Moderwell Street and explain the Local Improvement process to impacted property owners.

The following design objectives were discussed by the Engineering Division in the Open House:

- The existing 150mm watermain would be extended to St. Vincent Street.
- The existing tar and chip road with gravel shoulders, substandard base, and with surface treatment (typical rural tar and chip), would be replaced with an 8.5m road with asphalt, structurally appropriate granular base, curb and gutter.
- A parking layby would be provided along the north side of the street along the school property to provide a safe drop-off location opposite the truck entrances to Stackpole.
- The Moderwell/Monteith intersection would be reconfigured to better accommodate existing truck traffic and to provide a shorter, safer, pedestrian crossing.

The following local improvement aspects of the project were discussed by the Engineering Division at the Open House as follows:

- Local Improvement is supported by the Municipal Act for the recovery of capital infrastructure costs from the nearby benefitting properties.
- The City has a longstanding record of Local Improvement projects, most recently:
  - Pleasant Drive Reconstruction (2019).
  - Dawson Street Sidewalk (2018);
  - Matilda Street Reconstruction (2015); and
  - Mornington Street Sidewalk (2015).
- The Engineering Division is only proposing charges for:
  - Road work including curb and gutter.
  - The remaining reconstruction work would be covered by the City.
- A general outline was provided of the Local Improvement process:
  - Council to review and either accept, modify, or reject staff's proposal.
  - Council may initiate the plan to proceed with Local Improvement, at which property owners are given a chance to appeal the respective charges.
  - If sufficient appeals are received, then there is a need to submit the proposed by-law to the Ontario Land Tribunal ("OLT", and formerly titled

'Ontario Municipal Board' and then 'Local Planning Appeal Tribunal') for approval.

- Final costs provided once work is complete.
- Property owners are provided an opportunity to appeal costs at the Court of Revision thereafter.
- Finance division arranges for residents who choose financing options and annual payments.
- The method for how property owners may voice their concerns and object to the process was also provided.

Overall, the project received both positive and negative responses. Many property owners were in favour of upgrading the road infrastructure on Moderwell Street.

The disapproving comments and concerns were related to why all costs are not accounted for in property taxes. Staff provided background information on Local Improvement in the City of Stratford and the process for appearing as a delegate at the March 27, 2024, Infrastructure, Transportation and Safety Sub-committee meeting.

The main concerns focused on construction logistics; how access will be maintained daily during the project, construction scheduling, temporary parking conditions and waste collection. Engineering staff provided detailed explanations of how these logistical challenges will be managed. If Council directs staff to proceed with the Moderwell Street Reconstruction, additional information related to construction logistics will be distributed to residents.

The Council Policy L.3.1 Local Improvements, identifies that 40% of the cost of roadwork is charged to the abutting property owners and 60% to the City of Stratford. Corner lots in a residential zone are exempt for the first forty metres of lot flankage and assessed flankage exceeding forty metres, two properties on Moderwell Street are subject to this exemption.

A prior Development Servicing Agreement with Kubassek Holdings Ltd. resulted in the pre-payment of future Local Improvement charges for 10 of the 22 Moderwell Street properties. Having already paid their contribution, no further funds would require to be collected from these 10 properties.

The 2024 Capital Budget contains a total of \$1,200,000 for this project. Based on current estimates and Council policies, property owners' local improvement charges are estimated at \$392 per metre of assessable frontage. When including flankage exemptions and pre-payments as noted above, an estimated \$165,000 in local improvement charges will be collected from abutting property owners. These estimates are subject to change based on tendered prices.

Upon Council authorization to proceed with the project, a tender will be issued, and Staff would report to Council the anticipated financial impacts to both the City and residents at the time of the tender award. Payment for charges are not required until

construction costs are finalized, which typically occurs one year after substantial completion.

A subsequent report will be forthcoming from Corporate Services seeking to establish a standard approach and methodology in offering repayment options and rates. Until now, the interest rate and repayment terms were discretionary and unilaterally applied, resulting in lesser amounts being paid over 10 years, and interest rates charged without reflecting the City's costs of lending funds. In interim as a process becomes established, Staff are recommending proceeding with a repayment option for Local Improvement Charges at the Bank of Canada Prime Rate plus 1.5% for up to a 5-year period, due at the time of finalized construction costs.

**Financial Implications:**

**Financial impact to current year operating budget:**

This project has been included in the 2024 draft budget with estimated proportional costs as noted from the policy for the City and from Local Improvement charges. Therefore, there is no significant impact to the City because of proceeding currently.

**Financial impact on future year operating budget:**

Reconstruction of the linear assets will result in reduced maintenance costs in the years following construction. Deferring of this project will result in increased costs to maintain the current level of service and higher costs in future years to perform the work.

**Link to asset management plan and strategy:**

This project will result in a replacement of the current assets in the City's asset inventory.

The new assets would be added to the asset management plan, and the old assets removed. New asset replacements are planned for based on estimated useful life. The adjustment to the asset management plan will impact future capital planning forecasts and funding strategies will be updated accordingly.

**Alignment with Strategic Priorities:**

**Developing our Resources**

Optimizing Stratford's physical assets and digital resources. Planning a sustainable future for Stratford's resources and environment.

**Alignment with One Planet Principles:**

**Equity and Local Economy**

Creating safe, equitable places to live and work which support local prosperity and international fair trade.

**Staff Recommendation: THAT Council receive the description of the proposed design for the Moderwell Street Reconstruction for information;**

**THAT staff be authorized to proceed under the provisions of Section 6 of the Municipal Act, 2001, O. Reg. 586/06 to initiate the local improvement process, for installation of curb and gutter and road work as part of the Moderwell Street Reconstruction Project, including giving notice of intention to the public and owners of the lots liable to be specially charged;**

**THAT property owners of Local Improvement Charges be offered a repayment option at a rate of Bank of Canada Prime Rate plus 1.5% for up to a 5-year period, due at the time of finalized construction costs;**

**THAT should a sufficient number of petitions against the proposed local improvement be received in accordance with the Municipal Act, 2001, O. Reg. 586/06, City staff be authorized to apply to the Ontario Land Tribunal under Section 8 for approval to undertake the proposed work as a local improvement;**

**AND THAT a by-law for the reconstruction of Moderwell Street under O. Reg. 586/06, as amended, be prepared for Council's consideration, subject to Ontario Land Tribunal approval.**

**Prepared by:** Nick Sheldon, Project Manager

**Recommended by:** Taylor Crinklaw, Director of Infrastructure Services  
Joan Thomson, Chief Administrative Officer