Report – Executive Policy Committee - February 7, 2007

Item No. 1 Reactivation of Local Improvement Taxes deferred under By-laws 135/2006, 136/2006 and 225/2006 for Fairfield Park Local Improvement District Stage I Local Improvement Taxes imposed by By-law 70/2006 for Stage II and III Properties
File SL-3

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On February 7, 2007, the Executive Policy Committee concurred in the administrative recommendation and submits the following to Council:

1. That the deferment of the local improvement taxes for Fairfield Park Local Improvement District Stage II and III properties authorized under By-law Nos. 135/2006, 136/2006 and 225/2006 cease effective immediately.

2. That the assessment be reactivated and the Local Improvement - 2006, Fairfield Park Local Improvement District Stage I local improvement taxes, be imposed with a requirement for payment.

3. That the City Solicitor/Manager of Legal Services be requested to prepare the reactivation by-law.

4. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Report – Executive Policy Committee – February 7, 2007

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On February 7, 2007, the Executive Policy Committee concurred in the administrative recommendation and submitted the matter to Council.

RE: REACTIVATION OF LOCAL IMPROVEMENT TAXES DEFERRED UNDER BY-LAWS 135/2006, 136/2006 AND 225/2006 FOR FAIRFIELD PARK LOCAL IMPROVEMENT DISTRICT STAGE I LOCAL IMPROVEMENT TAXES IMPOSED BY BY-LAW 70/2006 FOR STAGE II AND III PROPERTIES.

FOR SUBMISSION TO: **EXECUTIVE POLICY COMMITTEE**

ORIGINAL REPORT SIGNED BY: **ACTING CHIEF FINANCIAL OFFICER**

REPORT DATE: **JANUARY 29, 2007**

RECOMMENDATION:

1. That the deferment of the local improvement taxes for Fairfield Park Local Improvement District Stage II and III properties authorized under By-laws 135/2006, 136/2006 and 225/2006 cease effective immediately.

2. That the assessment be reactivated and the Local Improvement – 2006, Fairfield Park Local Improvement District Stage I local improvement taxes, be imposed with a requirement for payment.

3. That the City Solicitor/Manager of Legal Services be requested to prepare the reactivation by-law.

4. That the Proper Officers of the City be authorized to do all things necessary to achieve the intent of the foregoing.

Report Summary

Key Issues:

- Deferment By-laws 135/2006, 136/2006 and 225/2006 granted some of the Stage II and III property owners of the Fairfield Park Local Improvement District , deferment of payment of the local improvement taxes for various local improvements in Stage I imposed by By-law No. 70/2006.

- The deferment by-laws provided that the deferments would cease upon the installation of services in the applicable Stage and Council reactivating the local improvement taxes that had been deferred.

- The services are now installed for Stage II and III and the composite Local Improvement taxes for various local improvements in the Stage II and Stage III areas of the Fairfield Park Local Improvement District will be imposed in 2007.

Implications of the Recommendation(s):

General Implications

( ) None

( ) For the organization overall and/or for other departments

(x) For the community and/or organizations external to the City

( ) Involves a multi-year contract

Comment(s): The reactivation by-law will impose local improvement taxes on the tax roll, thereby allowing the Taxation and Revenue Division to collect the taxes and apply payment to the property owners' accounts.

Policy Implications

(x) No

( ) Yes

Comment(s):

Regulatory Implications

(x) None

( ) Eliminates or reduces regulatory impact

( ) Proposes regulatory impact

Comment(s):

Environmental Implications

(x) No

( ) Yes

Comment(s):

Human Resources Implications

(x) No

( ) Yes

Comment(s):

Financial Implications

(x) Within approved current and/or capital budget

( ) Current and/or capital budget adjustment required

Comment(s): There is no financial impact to the City of Winnipeg. The deferment for the subject properties was recorded as a receivable on the Balance Sheet.

Report

REASON FOR THE REPORT:

Council approval is required for a by-law to reactivate deferred local improvement taxes.

HISTORY:

On February 22, 2006, Council passed By-law 70/2006 to impose local improvement taxes for various local improvements in the Stage I area of the Fairfield Park Local Improvement District. One of the conditions of this by-law is that property owners may at any time commute the annual local improvement taxes at a specified rate of interest at the date of commutation.

In March 2006, some of the Stage II and III property owners opted to defer the local improvement taxes for the Composite Local Improvement installed in the Stage I area of the Fairfield Park Local Improvement District as per conditions set forth in The Fairfield Park Local Improvement District By-Law No. 125/2003.

The Fairfield Park Local Improvement District Stage II and III Properties Deferment By-laws 135/2006 and 136/2006 were passed on April 26, 2006 and By-law 225/2006 was passed September 27, 2006. These by-laws permitted deferment of local improvement taxes for various local improvements installed in the Stage I area of the Fairfield Park Local Improvement District.

DISCUSSION:

The Condition set forth in Deferment By-laws 135/2006 and 225/2006 states:

> *"The deferments permitted under this by-law shall cease at such time as the Fairfield Park Local Improvement District services are installed in Stage II and Council enacts a by-law reactivating the local improvement taxes deferred by this by-law."*

The Condition set forth in Deferment By-law 136/2006 states:

> *"The deferments permitted under this by-law shall cease at such time as the Fairfield Park Local Improvement District services are installed in Stage III and Council enacts a by-law reactivating the local improvement taxes deferred by this by-law."*

The services were installed for Stages II and III in 2006 and accordingly the properties in Stages II and III are no longer entitled to deferment of the local improvement taxes.

By-laws to impose local improvement taxes against the properties in the Fairfield Park Local Improvement District, for various local improvements in the Stage II and Stage III areas will be presented to Council on February 21, 2007.

Upon Council adoption of the reactivation by-law, the local improvement taxes will be imposed on the subject properties. Property owners will be sent cash cost statements and be given an opportunity to pay the local improvement taxes in full. Any unpaid local improvement taxes will be billed and collected as part of the annual Statement and Demand for Property Taxes beginning in 2007.

The Notices of Deferment that had been registered in the Winnipeg Land Titles Office on the titles for the Stage II and Stage III properties will be discharged.

Financial Impact Statement **Date:** January 29, 2007

Project Name: Fairfield Park Local Improvement District

COMMENTS:

There is no financial impact to the City of Winnipeg. The deferment for the subject properties was recorded as a receivable on the Balance Sheet.

\

original signed by Carrie Erickson
Carrie Erickson
Manager of Finance & Administration

1120

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

Corporate Services Department, Legal Services Division

External Consultation With:

THIS REPORT SUBMITTED BY:

Department: Corporate Finance
Division: Taxation & Revenue
Prepared by: Mel Chambers, Acting Manager of Taxation and Revenue
File No. Fairfield Reactivation Report Stage II and III.doc