Report – Executive Policy Committee – July 11, 2007

Item No. 2 Deferment of Fairfield Park Stage II, III and Retention Pond Local Improvement Taxes imposed by By-law Nos. 67/2007, 68/2007 and 69/2007 for Stage IV Properties
File SL-3

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On July 11, 2007, the Executive Policy Committee concurred in the administrative recommendation and submits the following to Council:

1. That the property listed in Appendix I to the report from the Acting Chief Financial Officer dated June 13, 2007, be granted a deferment of the Local Improvement taxes imposed by By-law Nos. 67/2007, 68/2007 and 69/2007 until such time as the Fairfield Park Local Improvement District services are installed in Stage IV.

2. That the City Solicitor/Manager of Legal Services be directed to prepare the deferment by-laws.

3. That the Chief Administrative Officer be delegated authority to approve discharges of Notices of Deferments that are registered in the Winnipeg Land Titles Office pursuant to the deferment by-laws passed in accordance with the report from the Acting Chief Financial Officer dated June 13, 2007, upon receipt of payment in full of the applicable deferred Local Improvement taxes.

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

Report – Executive Policy Committee – July 11, 2007

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On July 11, 2007, the Executive Policy Committee concurred in the administrative recommendation and submitted the matter to Council.

RE: DEFERMENT OF FAIRFIELD PARK STAGE II, III and RETENTION POND LOCAL IMPROVEMENT TAXES IMPOSED BY BY-LAWS 67/2007, 68/2007 AND 69/2007 FOR STAGE IV PROPERTIES.

FOR SUBMISSION TO: **EXECUTIVE POLICY COMMITTEE**

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

REPORT DATE: **June 13, 2007**

RECOMMENDATION (S):

1. That the property listed in Appendix I be granted a deferment of the Local Improvement taxes imposed by By-laws 67/2007, 68/2007 and 69/2007 until such time as the Fairfield Park Local Improvement District services are installed in Stage IV.

2. That the City Solicitor prepare the deferment by-laws.

3. That the CAO be delegated authority to approve discharges of Notices of Deferments that are registered in the Winnipeg Land Titles Office pursuant to: the deferment by-laws passed in accordance with this report, upon receipt of payment in full of the applicable deferred Local Improvement taxes.

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

Report Summary

Key Issue(s):

- The Fairfield Park Local Improvement District Proposal, passed under By-law 125/2003 as amended, granted the property owners in later Stages of the Fairfield Park development the ability to defer payment of the composite Local Improvement taxes for earlier Stages until the installation of services in their own Stage and imposition of their Stage's composite Local Improvement taxes.

- The Stage II composite Local Improvement taxes were imposed in 2007 under By-law 67/2007, the Stage III composite Local Improvement taxes were imposed in 2007 under By-law 68/2007 and the Retention Pond Local Improvement taxes were imposed in 2007 under By-law 69/2007.

- It is anticipated that the Stage IV composite Local Improvement taxes will be imposed in 2008.

- Deferrals were granted to Twenty-seven (27) Stage IV properties under By-laws 106/2007, 107/2007 and 108/2007.

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): Property Owner would have to pay the frontage levies in current year if Report is not approved.

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): The financial impact of the one year Local Improvement charge delay is the city's internal cost of borrowing and is considered minimal. The deferments for the properties will be recorded as a receivable on the Balance Sheet.

Report

REASON FOR THE REPORT:

The Fairfield Park Local Improvement District Proposal, passed under By-law 125/2003 and amended by By-law 184/2004, granted the property owners in later Stages the ability to defer the payment of the composite Local Improvement taxes for earlier Stages until the imposition of their Stage's composite Local Improvement taxes. Council approval and a by-law are required for deferment of the Local Improvement taxes.

HISTORY:

On October 22, 2003 Council passed By-law No. 125/2003 establishing the Fairfield Park Local Improvement District.

On February 23, 2005, Council passed By-law No.184/2004 to amend By-law No. 125/2003 to accelerate the timing of the installation of the services in response to the demand for and absorption of serviced lots in the southwest quadrant of the City.

On February 21, 2007 Council passed By-laws 67/2007, 68/2007 and 69/2007 imposing the Stage II, III and Retention Pond Local Improvement taxes on all properties in the Fairfield Park Local Improvement District.

On February 23, 2007 a letter was sent to all Stage IV property owners reminding them of their option to defer the Stage II, III and Pond assessments. In order to simplify the process a form was attached for property owners to return indicating their desire to defer the assessment. The deadline for the form was March 16, 2007. A form for this property was not received.

On April 13, 2006 Fareed Khan filed an application for deferment of Local Improvement Levies missing the deadline to be included with the other properties for deferment.

On April 25, 2007 Council passed By-laws 106/2007, 107/2007 and 108/2007 granting deferrals to Twenty-seven (27) Stage IV properties.

DISCUSSION:

Conditions set forth in The Fairfield Park Local Improvement District By-law No. 125/2003 state:

"This local improvement district proposal calls for the services to be installed over four years and to have separate levies for the cost of the pond and the cost for each of the four stages. All properties within the district will be assessed all five levies, although properties in the latter stages will have their levies for earlier stages deferred until after the services are installed in their own stage."

Local Improvement taxes for Stage II and III services and the Retention Pond have been imposed under By-laws No. 67/2007, 68/2007 and 69/2007 on all properties in all Stages. It is anticipated that Stage IV works will be completed in 2007 and those taxes imposed in 2008.

Therefore, under the provisions granted in By-law No. 125/2003 as amended, property owners in Stage IV are also eligible to have their Stage II, III and Retention Pond Fairfield Park Local Improvement District taxes deferred until services are installed in their Stage.

In order to simplify the deferral process a letter was sent to all Stage IV property owners reminding them of their option to defer the Stage II, III and Retention Pond assessments with an attached form for property owners to return indicating their desire to defer the assessment. It was recognized that some property owners may miss the deadline for the simplified method and that these owners would then be required to use the standard process for requesting a deferral.

In accordance with The City of Winnipeg Charter, notice of any deferments approved will be filed in the Winnipeg Land Titles Office and an entry will be made on the affected certificates of title. The cost for filing these notices is included in the Fairfield Park Local Improvement District budget.

Financial Impact Statement - Date: April 10, 2007

The financial impact of the one and two year local improvement charge delay is the city's internal cost of borrowing and is considered minimal. The deferments for all properties will be recorded as a receivable on the Balance Sheet.

"Original signed by Carrie Erickson"
Carrie Erickson
Manager of Finance & Administration

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

Internal Services Department, Legal Services Division

External Consultation With:

THIS REPORT SUBMITTED BY:

Department: Corporate Finance
Division: Taxation & Revenue
Prepared by: Bill Newall, Acting Manager of Taxation and Revenue
File No. Fairfield Park Stage II and III Deferment Report Roll 03062017000.doc

Appendix I
Stage IV Properties Deferral Requests

					Stage II		Stage III		Retention Pond		
Roll Number	Lot	Block	Plan	Taxable Measurement* (Feet)	Annual LI Tax Levy	Total LI Tax	Annual LI Tax Levy	Total LI Tax	Taxable Measurement* (Square Feet)	Annual LI Tax Levy	Total LI Tax
03062017000	22	22	1991	50	$504.50	$5,751.00	$469.00	$5,345.50	5,950.00	$119.00	$6,636.50

Note: *The Taxable Measurement is the Frontage Foot calculation for each property for Stage II and III and the Square Foot area calculation for each property for the Retention Pond.