Minutes - Executive Policy Committee - September 17, 2003

REPORTS

Minute No. 334 **Reactivation of Levy for Local Improvement deferred on 2460 Dugald Road**
File SL-3

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the administrative recommendation and recommends to Council:

1. That the deferment for the Sewer Connection Local Improvement authorized under By-law No. 7159/98 be ceased and the appropriate assessment be reactivated with a requirement for payment in order to provide the new owners with a discharge of the Notice of Deferment.

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

DECISION MAKING HISTORY:

Moved by Councillor Clement,
That the administrative recommendation be concurred in and forwarded to Council.

Carried

REPORT

RE: REACTIVATION OF LEVY FOR LOCAL IMPROVEMENT DEFERRED ON 2460 DUGALD ROAD PURSUANT TO BY-LAW 7159/98

FOR SUBMISSION TO: EXECUTIVE POLICY COMMITTEE

ORIGINAL REPORT SIGNED BY: CHIEF FINANCIAL OFFICER

REPORT DATE: September 4, 2003

RECOMMENDATION(S):

That the deferment for the Sewer Connection Local Improvement authorized under By-Law No. 7159/98 be ceased and the appropriate assessment be reactivated with a requirement for payment in order to provide the new owners with a discharge of the Notice of Deferment.

REPORT SUMMARY

Key Issue(s):

- The property subject to the deferment of local improvement charges pursuant to By-Law No. 7159/98 has been sold.
- By-Law No. 7159/98 granted the vendor a partial deferment for payment of the Sewer Connection Local Improvement.
- Although, the deferment granted has not expired, reactivation is being requested at this time to provide the purchaser with a discharge of the Notice of Deferment.
- Payment of the local improvement has already been remitted to the Taxation and Revenue Division by the purchaser.

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 the local improvement taxes on the tax roll, thereby allowing the purchasers to pay off the assessment and to receive a discharge of the Notice of Deferment.

Policy Implications

X	**No**
	Yes

Comment(s):

Environmental Implications:

X	**No**
	Yes

Comment(s):

Human Resources Implications:

X	**No**
	Yes

Comment(s):

Financial implications

	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 was recorded as a receivable on the Balance Sheet.

Report

REASON FOR THE REPORT:

The attorney representing the purchasers of the property located at 2460 Dugald Road has consulted with the Legal Services Division regarding a discharge of the Notice of Deferment and has provided payment of the Sewer Connection Local Improvement. In order for the payment to be processed, the local improvement taxes must be added to the tax roll. Council approval is required by way of a Reactivation By-Law permitting the assessment on the property owner's tax roll.

HISTORY:

In 1967, an interceptor sewer was constructed in Dugald Road by the City of Transcona. It is not generally intended for private connection to be made to an interceptor but to common sewers (or laterals) running off the interceptor. However, many properties on Dugald Road did connect to and utilize the sewer service and paid for the cost as required by By-Law No. 126/67 passed at that time.

On December 7, 1988, By-Law No. 5058/88 was passed by Council. Subsection 2.1 of the By-Law states that owners of abutting properties have no right to connection to the interceptor sewer. Under clause 4.5(5), a provision was made for a sewer connection to an interceptor if approved by the Sewer Utility through the permit process. Further to this, the Sewer Utility may approve special sewer connections to properties not serviced by a fronting sewer provided that the owner prepay the full cost equivalent of the current local improvement rate of installing a sewer over the actual frontage of the owner's property or such portion thereof as determined by the Sewer Utility.

On August 7, 1992, the then property owner petitioned the City to connect to the interceptor sewer and further acknowledged his responsibility to contribute to the cost of construction by paying the local improvement levy of $38.00 per frontage foot amortized over 20 years.

The connection was subsequently made and the resulting assessment was levied in 1993 under By-Law No. 6105/93.

On November 24, 1997, an application for deferment was received from the property owner and processed by the Taxation and Revenue Division. A partial deferment was granted on February 25, 1998 under By-Law No. 7159/98 to allow a reduction for a portion of the land, which did not receive an immediate useable benefit from the sewer connection service. The original assessed annual levy of $699.14 (based on 165 frontage feet) was reduced to $275.42 (based on 65 frontage feet).

DISCUSSION:

Conditions set forth in Deferment By-Law No. 7159/98 state the following:

"1. The partial deferment permitted under this By-law shall cease upon the occurrence of any of the following:

a. There can be legal registration of a plan of subdivision affecting part or all of the property where deferment has been permitted;

b. Where part or all of a property enjoying deferment is rezoned permitting a change in land use. The effective date upon which the special assessments shall become due and payable under this sub-clause shall be the day the rezoning permitting a change of a land use comes into force and effect under the appropriate by-law;

c. Granting of a variance, allowing change in land use. The effective date upon which the special assessment shall become due and payable under this sub-clause shall be the date of the variance order.

d. Any other condition which, in the opinion of Council, would remove or alter the reasons originally advanced to support the deferment, such as a consent to convey a portion of the site to a developer, where a change in land use in contemplated;

2. When the lands herein described become subject to special assessments as a result of cessation of this deferment, such special assessments shall be levied against the said lands at the then prevailing rates and paid at the prevailing cash cost or amortized at the then current capital borrowing rates."

Although none of the above mentioned conditions have occurred, reactivation of the levies is necessary in order to allow the cost of the sewer connection to be added to the tax roll. Payment for the local improvement has already been remitted and the Legal Services Division has advised to proceed with processing the payment.

Upon Council approval of the reactivation by-law, the local improvement taxes will be imposed on the subject property. The payment that has been received will be processed and a discharge will be provided to the lawyer of the purchaser. Once the discharge has been registered, the Winnipeg Land Titles Office will cancel the Notice of Deferment that is currently registered on the title.

FINANCIAL IMPACT STATEMENT

There is no financial impact to the City of Winnipeg. The deferment was 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 CONSULTATION WITH AND CONCURRENCE BY:

Corporate Services Department, Legal Services Division

THIS REPORT SUBMITTED BY:

Department:	Corporate Finance Department
Division:	Taxation & Revenue
Prepared by:	Mel Chambers, A/Manager of Taxation and Revenue
File No.	2460 DugaldRd.doc