



Staff Report for Committee of the Whole Meeting

Date of Meeting: May 17, 2023

Report Number: SRCFS.23.016

Department: Corporate and Financial Services

Division: Financial Services

Subject: **SRCFS.23.016 – Local Improvement Project –
Treasurer Report, Special Assessment for
Powell Street and Wright Street, from Mill Street
to Hall Street**

Purpose:

The purpose of this report is to establish By-law Number 37-23 to authorize the amounts to be charged to benefiting property owners for the reconstruction of the subject roads. This report also seeks approval for the annual per meter frontage rate to be used for calculating the amount to be paid over ten (10) years for property owners who do not wish to prepay the special charge.

Recommendation(s):

- a) That the special charges allocated to each lot as set out and certified in Schedule "A" Local Improvement Roll, to draft By-law 37-23, attached as Appendix 'A' to SRCFS.23.016 for the reconstruction of Powell Street and Wright Street, from Mill Street to Hall Street be authorized;
- b) That properties exempt from property taxation continue to be liable for special charges relating to Local Improvement Projects;
- c) That the Local Improvement rate be set at \$161.40 per meter frontage for lump sum payments or an annual payment of \$18.81 per meter frontage per year paid over ten (10) years; and
- d) That draft By-law 37-23 be enacted.

Contact Person:

Gigi Li, Director Financial Services and Treasurer, ext 6435

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Report Approval:

Submitted by: Sherry Adams, Commissioner of Corporate and Financial Services

Approved by: Darlene Joslin, City Manager

All reports are electronically reviewed and/or approved by the Division Director, Treasurer (as required), City Solicitor (as required), Commissioner, and City Manager. Details of the reports approval are attached.

Background:

On November 28, 2011, Council approved the continuation of the Local Improvement process as a means of partial funding for reconstruction projects that relate to the upgrade of roads by charging the approved annually indexed per meter property frontage rates to properties that benefit from the upgrades.

On January 30, 2020, Richmond Hill circulated a notice to all 33 property owners advising of the intent to reconstruct Powell Street and Wright Street, from Mill Street to Hall Street as Local Improvement project. Property owners were provided with approximate costs, along with a deadline and instructions for filing an objection. None of the property owners objected. Fifty percent plus one objection is required to prevent the project.

As the proposed projects had not been sufficiently petitioned against, Council approved the road reconstruction project at its meeting held on April 8, 2020 under the authority provided for within Ontario Regulations 586/06, which authorized the reconstruction of Powell Street and Wright Street, from Mill Street to Hall Street as a Local Improvement project. This means that a portion of the costs of reconstruction relating to the upgrade of the roads are charged to the properties that benefit from the upgrade, based on the assessable portion of their total frontage.

The reconstruction is now substantially complete which enables the municipality to begin levying the special charges to the benefiting property owners as set out in the Local Improvement Roll.

Notices of special charges were issued to benefiting property owners on March 10, 2023 and a Committee of Revision Hearing was not required as no objections were received that met the criteria set out in Ontario Regulation 586/06. Therefore, there were no changes made to the Local Improvement Roll.

Special Assessment on Tax Exempt Properties

Occasionally, properties which front a local improvement project may be exempt from paying annual property taxes. Such properties could include schools, hospitals, other public sector owners and places of worship.

O.Reg 586/06 provides municipalities with the option of exempting these properties

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from paying the special charges for local improvements that are exempt from property taxation. Under these circumstances, the special charges would still be calculated for the frontage of the exempt property. However, the municipality would assume the responsibility for the payment of them.

At this time there are no exempt properties and 6 non assessable properties on the Local Improvement Roll. However, assessment appeals or change in use of the property may result in additional exempt properties during the ten year annual payment period. If such a change in the assessment of a property happens, staff recommend that these properties continue to be liable for special charges for local improvements as owners of these properties will receive the benefit of the upgrade in the road standard from rural to urban and will also benefit from the increased property value when the property is sold.

Financial/Staffing/Other Implications:

Project Costing

When the Notice of Intention to Pass a Local Improvement Charges By-law was circulated, the benefiting taxpayers were informed that the special charge to be levied on the assessable portion would be \$161.40 per meter frontage. This has been established by By-law No. 31-20. The property owners and Richmond Hill are therefore responsible for:

Powell Street and Wright Street, from Mill Street to Hall Street Local Improvement

Owner's Share	Corporation Share	Total
\$76,658.54	\$18,565.84	\$95,224.39

Payment Options

The certified Local Improvement Roll for the project indicating those affected properties and related charges are attached as Schedule "A".

The Taxpayer has two options for the repayment of special charges to Richmond Hill:

- 1) Lump sum payment
- 2) Annual payments over 10 years

Property owners have been given until May 10, 2023 to make the lump sum payment. If a lump sum payment is not received by this date, the first of ten (10) annual payments will be added to the 2023 Final Property Tax Bills. The annual charge over ten (10) years will be \$18.81 per meter frontage. This rate is based on an interest rate of 2.89% (same as 10 years Government of Canada Bond Yield on January 27, 2023).

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As an example, a homeowner having 15.24 meters (50 feet) frontage will pay under option:

- 1) Lump sum payment (\$161.40 per meter frontage) \$2,459.74
- 2) Annual payment for 10 years (\$18.81 per meter frontage) \$286.66

In accordance with By-law No. 047-03, a By-law regarding the commutation of annual payments, property owners who choose to pay the special charges over 10 years may choose to pay the remaining balance at any time. The amount payable will be equal to the remaining principal plus interest since the last annual payment was applied to the account.

Relationship to Council's Strategic Priorities 2020-2022:

The report is required to meet the statutory obligations of Richmond Hill under the Municipal Act, 2001. The appropriate adjustment of property tax accounts in a timely manner and with clear application of procedures meets the Strategic Plan goal of Fiscal Responsibility.

Climate Change Considerations:

Climate change considerations are not applicable to this staff report.

Conclusion:

By-law 37-23 must be enacted to authorize the levying of a special charge as set out in the Local Improvement Roll to allow for the collection from the benefiting property owners of their portion of the Local Improvement Project Costs.

Attachments:

The following attached documents may include scanned images of appendixes, maps and photographs. All attachments have been reviewed and made accessible. If you require an alternative format please call the contact person listed in this document.

- Appendix A – Draft By-law 37-23
- Schedule A – Local Improvement Roll to Draft By-law 37-23

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Report Approval Details

Document Title:	SRCFS.23.016 - Powell Street and Wright Street Local Improvement.docx
Attachments:	- SRCFS.23.016 - Appendix A - By-law 37-23 Powell Street and Wright Street Local Improvement.docx - SRCFS.23.016 - Schedule A - Powell Street and Wright Street Local Improvement Roll Certified.pdf
Final Approval Date:	May 2, 2023

This report and all of its attachments were approved and signed as outlined below:

Gigi Li - May 2, 2023 - 8:08 AM

Sherry Adams - May 2, 2023 - 8:52 AM

Darlene Joslin - May 2, 2023 - 10:05 AM