

**MILL STREET AND OLD YONGE STREET –
SPECIAL PROPERTY TAX LEVY – WARD 5**

Recommendation

The Director of Financial Services in consultation with the Director of Engineering Services and the Manager of Property Tax & Assessment recommends:

That Council authorize a Special Property Tax Levy and enact a By-law pursuant to Section 326(4) and 312(4) of the Municipal Act, 2001 for the repayment of the costs of construction for sanitary sewers on Mill Street and Old Yonge Street as authorized under By-laws 369-2003 and 212-2005.

Contribution to Sustainability

This is not applicable to this report.

Economic Impact

The final costs of construction for sanitary sewers for the Mill Street project is \$107,161.00 and for Old Yonge Street \$107,223.00. These construction costs will be recovered from each of the 12 owners of the subject properties. The City owns one of the properties on Old Yonge Street, the City's share of the cost is \$15,523.00 which will be funded from the wastewater reserve.

Communications Plan

The twelve (12) benefitting property owners were previously notified by letter in 2004 and 2005 prior to the actual construction work taking place.

Once the Special Property Tax levying by-law is enacted the property owners will receive a billing information letter that will provide general information, total cost of the project, their apportioned costs and the payment options.

Purpose

To enact a Special Property Tax Levy and enact a by-law for the recovery of costs from the owners of the subject lands as attached who derived a benefit from the construction of the sanitary sewers on Mill Street and Old Yonge Street.

Background - Analysis and Options

The residents on both Mill St and Old Yonge St through a petition expressed an interest in having the City construct sanitary sewers due to their aging septic systems. On November 22, 2002, Council directed that construction of sanitary sewer services on both Mill Street and Old Yonge Street be undertaken. By-laws were established for both projects by-law 369-2003 for Mill St and by-law 212-2005 for Old Yonge St. The Old Yonge St project was delayed until 2005 due to a property related matter. These by-laws authorized both the construction and the recovery of the costs from the benefitting landowners through a special levying by-law pursuant to Section 326(4) and Section 312(4) of the Municipal Act, 2001. The benefitting land owners were notified regarding the construction projects in 2004 (Mill St.) and 2005 (Old Yonge St) via letter.

The finalization of the costs of the Old Yonge project was further delayed due to a minor litigation issue; the final costs of the projects were received in 2008. A "pending charge" notification was placed on each tax roll account for tax certificate purposes so as to make any interested party of the property aware of the future outstanding charge.

The recovery of the costs from the benefitting land owners through a special property tax levy will now proceed as outlined below.

Recovery of Costs

The total construction cost for the Mill Street project is \$107,161.30 and for Old Yonge Street \$107,223.00. Per the above noted by-laws the City must now enact a special local municipal levy and separate tax rate by-law each year. The costs of construction for each project will be recovered through a levy on each benefitting owner's property assessment over the ten year period. Interest will be charged pursuant to the above noted by-laws at the City's bank prime rate currently at 3% plus 1%. There are five (5) property owners on Mill Street and seven (7) property owners on Old Yonge Street including one property owned by the City.

Payment Options

Each property owner will have an option of either remitting a single payment in full by a specific date (to be determined) or to make payment including interest over a ten year period. This timeframe is based on the City's usual practice of debenturing construction projects over a ten year period. The recovery of the construction costs through a special property tax levy will now proceed as outlined below.

The second option provides for an annual payment over 10 years plus applicable interest. The annual charge including interest will be placed on their final tax bill each year. Under this option the property owners will have the opportunity to commute the outstanding balance plus outstanding interest at any time during the ten year period.

Once the charge is placed on the owner's property tax account the outstanding amount is deemed to be taxes and therefore is subject to legislation governing municipal property taxes.

Relationship to Vaughan Vision 2020

This report is consistent with the priorities previously set by Council and the necessary resources have been allocated and approved.

Regional Implications

There are no regional implications in this report.

Conclusion

That Council authorize a Special Municipal Tax Levy and Separate Tax Rate for the repayment of costs for the construction of sanitary sewers on Mill Street and Old Yonge Street pursuant to By-laws 369-2003 and 212-2005. Each benefitting landowner (12 in total) abutting Mill Street and Old Yonge Street will be required to pay an apportioned amount based on their property assessment for the subject lands. The charge can be paid either as a single payment in full or billed over a 10 year period including applicable interest. Under the ten year option the owner will be billed annually through their final tax bill. The owner will have the opportunity to commute the amount at anytime during the ten year period.

Attachments

None

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Respectfully submitted,

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