

DATE OF MEETING FEBRUARY 27, 2023

AUTHORED BY JAMIE SLATER, MANAGER, FINANCIAL SERVICES & SPECIAL PROJECTS

**SUBJECT MORNINGSIDE DRIVE LOCAL AREA SERVICE PARCEL TAX AMENDMENT 2023**

## **OVERVIEW**

### **Purpose of Report**

To introduce and seek first three readings of “Morningside Drive Local Area Service Parcel Tax Amendment Bylaw 2023 No. 7288.02”.

### **Recommendation**

1. That “Morningside Drive Local Area Service Parcel Tax Amendment Bylaw 2023 No.7288.02” (To adopt amendments to reflect the change in the year of parcel tax commencement) pass first reading.
2. That “Morningside Drive Local Area Service Parcel Tax Amendment Bylaw 2023 No.7288.02” pass second reading.
3. That “Morningside Drive Local Area Service Parcel Tax Amendment Bylaw 2023 No. 7288.02” pass third reading.

## **BACKGROUND**

In July 2018, Council approved the installation of a sanitary sewer line along Morningside Drive through the Local Area Service process. The five property owners on Morningside Drive completed a formal petition for a local area service, which was completed pursuant to Section 212 of the *Community Charter*.

On 2019-FEB-11, the Corporate Officer certified that the petition for Morningside Drive Sanitary Sewer was sufficient and valid.

The establishment of the Local Area Service outlined that a portion of the costs would be recovered from the property owners, to a maximum of \$12,200 per property, or \$61,000 in total:

- o (5 Properties x \$12,200 = \$61,000)

The cost recovery can be paid by property owners in one of two ways:

- 1) A lump sum capital payment of \$12,200; or
- 2) By way of a 10 year parcel tax at \$1,220 per year, plus applicable 3.3% interest |

## **DISCUSSION**

The work was originally expected to be completed by the end of 2020. However, during the installation of the service connections, archeological material was discovered. This discovery required the City to obtain a permit from the Archeological Branch to complete the project. This can be a complex process, and in February 2022 the City of Nanaimo received the appropriate approvals to complete the project, and the sewer line work was successfully completed in 2022.

The original bylaw estimated that the parcel tax would commence in 2020. As the project did not move ahead with the expected timeline and the properties were not connected to a sanitary sewer line, the parcel tax bylaw now needs to be amended to indicate that the parcel tax will commence in 2023.

As always, the parcel tax will only apply to property owners that have chosen that option. If the lump-sum payment option is chosen, there will be no parcel tax applied. Capital cost payments must be received by February 28, 2023. This has been outlined in registered letters sent to property owners in January 2023.

This bylaw can be considered a housekeeping amendment. As such, the name of the bylaw will also be changed to refer to “Local Area Service”, as opposed to “Local Service Area”, to match what is written in legislation. Due to timing and legislated deadlines, this report is being brought forward to a Council meeting, as opposed to the Finance and Audit Committee. ]

## **OPTIONS**

- 1) That “Morningside Drive Local Area Service Parcel Tax Amendment Bylaw 2023 No. 7288.02” (To adopt amendments to reflect the change in the year of parcel tax commencement) pass first reading.

That “Morningside Drive Local Area Service Parcel Tax Amendment Bylaw 2023 No. 7288.02” pass first reading.

That “Morningside Drive Local Area Service Parcel Tax Amendment Bylaw 2023 No. 7288.02” pass third reading.

### **Advantages:**

The bylaw will now match the actual parcel tax commencement year, which is 2023. This will ensure that the City’s records are complete and consistent. The name of the bylaw will also be consistent with section 212 of the *Community Charter*.

### **Disadvantages:**

None noted.

### **Financial Implications:**

There are no financial implications to amending the start date of the parcel tax in this bylaw. The cost recoveries related to the establishment of the local area service were outlined in the May 27, 2019 staff report, and have not changed.

2) Finance and Audit Committee direction is sought. ]

**SUMMARY POINTS**

- A Local Area Service for connection to the sanitary sewer system was previously established in the Morningside Drive area in 2019 through a formal 'Petition For' process under section 212 of the *Community Charter*
- Due to archeological delays, the project was not completed within the expected timeline
- The project work is now complete and the City can proceed with the collection of the parcel tax effective in 2023 (for property owners that have chosen the 10 year parcel tax option)
- The parcel tax bylaw needs to be amended to reflect the correct 2023 year

**ATTACHMENTS:**

ATTACHMENT 1 - Morningside Drive Local Area Service Parcel Tax Amendment Bylaw 2023 No. 7288.02

ATTACHMENT 2 - Morningside Drive Local Area Service Property Listing and Map |

**Submitted by:**

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**Concurrence by:**

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Director, Finance |