

5. Re: Local Improvement -
46 Foot Pavement with Six Foot Curb Sidewalks
Grange Street - Dover Street from Kingsway to Royal Oak

Appearing on the Agenda for the May 29, 1972, Council meeting is a letter from Mrs. S. Crockett contesting an assessment of her property which is located on Dover Street.

Mr. Crockett appeared before the Court of Revision of the Local Improvement Frontage Tax Assessment Roll and Sewer Utility Assessment Roll on May 4, 1972. He advised the Court that the people along Dover Street, who had already paid for a sidewalk, should be considered separately in determining the 50% petition for the works between Nelson Avenue and Royal Oak Avenue. Mr. Crockett advised that his property had depreciated in value because of the wall constructed in front of his place due to the raise in elevation of the road grade. Mr. Crockett also objected to the fact that apartments are only required to pay on a 66' frontage basis. The Court unanimously approved a motion that Mr. Crockett's appeal be denied.

In considering Mr. and Mrs. Crockett's latest appeal, Council should recall that the Local Improvement Sections of the Municipal Act which pertain to street improvements are applied by the Municipality when:

1. owners on a residential street express a written interest in having the street fronting their properties improved. Initiation of the project is related to the availability of funds and the date on which the request for improvement was received;
2. such improvements are considered to be in the best interests of the community. This category includes all streets having a width of 36 feet or greater. The Municipality selects the streets and decides the distance which will be affected by the improvement project (the beginning and terminal points). The street improvement project is not defined or broken down into block designations, except when legal technicalities are involved as in the case of Government Road.

Under the present policy established by Council, no person shall be required to pay for more than 14 feet of pavement plus curbing or curb sidewalks. The rates are fixed at 75¢ per taxable front foot for paving and curbing, 89¢ per taxable front foot for paving and 5' curb sidewalks and 92¢ for paving and 6' curb sidewalks. In addition, no property owner shall be assessed for frontage greater than 66 feet. Special rules for corner lots prevent owners from having to pay more than owners of non-corner lots.

The 66 foot maximum assessment applies to all properties irrespective of use. On Grange-Dover, the owner of a high rise complex will pay \$60.72. Mrs. Crockett, with 33' frontage, will pay \$30.36. A residential parcel with frontage of 66 feet will be taxed \$60.72. It seems unfair, but in reality it is not.

On the Grange-Dover project, only 7% of the cost of the project is chargeable as a frontage tax. The average for all projects undertaken in the past 15 years is 41%. The balance of the cost is borne by the general mill rates. In 1971, this cost to the general mill rate amounted to 1.29 mills.

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Using 1971 assessments for calculation purposes, Mrs. Crockett's property would be assessed as follows:

Frontage taxes on 33 feet at \$.92	\$30.36
Local Improvement debt charges on general purposes assessment of \$8,506	<u>10.97</u>
Total tax applicable to Local Improvements	<u>\$41.33</u>

Details for several high rise apartment buildings recently completed on Grange Street are not available. However, there are two smaller apartment high rise buildings on Sanders Street which, if located on Grange, would be assessed as follows:

Frontage taxes on 66 feet at \$.92	\$ 60.72
General purposes tax for Local Improvements	<u>997.55</u>
	<u>\$1,058.27</u>

This is 25 times greater than the amount chargeable to Mrs. Crockett's property.

A good example of a residential property located on Grange Street is as follows:

Frontage taxes on 66 feet (maximum frontage)	\$60.92
General purposes taxes for Local Improvements	<u>18.85</u>
	<u>\$79.77</u>

This is 13 times less than the amount shown above for the high rise building.

The appellants at the Court of Revision called attention to the fact that some of the owners will be paying 37¢ per front foot less than others. Along part of Grange Street is a four foot sidewalk for which Local Improvement charges are still in effect. The last year of levy is 1974. However, the charges for a similar work along Dover expired in 1970. The affected owners will be paying the full charge of 92¢ per front foot.

The reason for this is because the cost of constructing a curb is almost as much as the cost of constructing a curb sidewalk. Therefore, when the present system of local improvements was drawn up many years ago, it was considered that an owner should not have to pay materially more for local improvements installed separately than he would if a combined work was constructed. In other words, it was not considered fair to charge one owner twice as much as another for similar work just because, through no fault of his own, the complete work could not be undertaken at one time.

However, as is often the case in municipal work, available legislation is such that a reduced rate must be charged for the lifetime of the new work and not just for a portion thereof. This means that the affected owners on Grange Street will pay 56¢ for fifteen years for the new work and 45¢ for the sidewalk for a period of three years, after which time only the 56¢ charge will apply.

In reducing the rates, Council had the option of applying the reduction for the balance of the lifetime of the levy (the levy being for fifteen years) or the balance of the lifetime of the works (twenty years). The first option was adopted. It is not completely fair, but taxation itself is seldom ever fair to everyone.

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MANAGER'S REPORT NO. 35

COUNCIL MEETING May 29/72

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In her letter, Mrs. Crockett makes reference to the owners of certain properties who would not likely petition against the project. All of her references except the Post Office are taxable. There are 93 properties affected by the project. Seven are exempt or have had reduced frontages because they are corner lots. The Post Office and a school are statutorily exempt.

The attached letter from the Municipal Treasurer to a concerned citizen gives further clarification on the manner in which local improvement assessments are made.

RECOMMENDATION:

THAT a copy of this Report be sent to Mr. and Mrs. Crockett.

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MANAGER'S REPORT NO. 35

COUNCIL MEETING May 29/72

31 August 1971

File: I52-6

cc: I52-6

Mrs. M. Brocke,
4644 Grange Street,
Burnaby 1, B.C.

Dear Mrs. Brocke:

I understand that you have taken exception to the proposed local improvement on Grange Street for the reason that all properties including those used as apartment sites will be taxed up to maximum frontage of sixty-six feet.

Rather than attempt to explain this situation to you over the telephone I consider it best to do so by letter. Then, if there are still points left unexplained, you can telephone me at 299-7211, local 220, if you wish to do so.

The following are the rules whereby a municipality may charge benefiting properties for local improvements:

1. Every property may be taxed on full frontage.
2. Conversely, every property may be taxed on actual frontage not to exceed a specified maximum frontage with special rules being applied to corner lots.
3. Or, every property may be deemed to have the same specified taxable frontage which will result in every property being taxed an identical sum.
4. The annual rate per front foot must be either a fixed sum or a percentage of the actual cost of the work.
5. Whatever system is chosen for a specified class of work must be used for all works coming within the classification.

These rules are set down in the Municipal Act which governs all municipalities in B.C., Vancouver excepted.

Many years ago, Council chose to tax for pavements, curbs and sidewalks, as the case may be, at a fixed rate per front foot and apply it to actual frontage up to a maximum of sixty-six feet. The main reason for adopting this set of rules was and is that there are many streets in Burnaby on which the residences face one other street. In other words, if it were not for these rules the owners of such properties would be taxed on the portion of their properties facing the work. Rather than repeat the error of some other communities in Canada where streets

Mrs. N. Brooke

on which the majority of properties fronting the work are paved or brought to finished standards and streets on which the majority of the properties are frontages and remain unfinished, Council decided that it would be best to encourage the work by limiting the sum any one owner would have to pay. In doing so Council realized that it would not be able to discriminate between properties because of their ownership (commercial or industrial).

There were some other reasons for this action of Council and there are some other ways of absorbing a part of the cost in some special circumstances open to Council which are not relevant to the case in point. The point I stress is that Council either assesses on full frontage for a particular class of work wherever the work may be situated in Burnaby, or if it limits the cost for any particular property, it must do so for all similar properties affected by that class of work.

The system is not as unjust as it may seem.

Council has chosen to tax for the works at a flat rate per front foot; in the case of Grange Street at 92¢ per front foot. The actual cost of the work varies job by job but in the case of Grange Street if the entire cost was to be borne by benefiting properties the annual tax would be \$5.00 per front foot. Since only 92¢ per front foot is actually passed on as a direct tax to the benefiting owner, the difference, and the taxes that are abated because of the sixty-six foot rule, must be paid for from the proceeds of general taxation.

In 1971 the portion of the costs of a variety of local improvements borne by the general mill rate represents 1.29 mills. This means that whether or not the Grange Street project is approved, you are paying on your property on Grange Street in the year 1971, \$18.85 towards local improvements in Burnaby. Owners of commercial properties pay much greater sums for this purpose.

At the moment there are no high-rise apartments on Grange-Dover on which the construction is finished. There are, though, several on Sanders with which to make a comparison. If the local improvement on Grange goes through you will be taxed:

Frontage taxes on 55.66 feet at \$.92	\$ 51.21
Local improvement debt charges	
1.29 mills on \$14,591 general purposes assessment	<u>18.85</u>
	<u>\$ 70.06</u>

If a Sanders Street high-rise were on Grange it would be taxed:

Frontage tax on 66 feet at \$.92	\$ 60.72
Local improvement debt charges	
1.29 mills on \$772,095 general purposes assessment	<u>997.55</u>
	<u>\$ 1,058.27</u>

or fifteen times as much as you are being asked to pay. The actual frontage of the apartment block is 282.51 feet.

The actual frontage of your property is 65 feet but since its width at the rear property line is much less, your assessment has been established at 55.66 feet.

I hope this gives you a better understanding of the problems involved. Council must work within the framework of the law and at the same time establish as equitable a sharing of taxes as possible.

Once again, if you care to telephone me, please do so.

Yours truly,

Jack McCarty,
 MUNICIPAL TREASURER