

ITEM 13
MANAGER'S REPORT NO. 45
COUNCIL MEETING 88 06 27

RE: 1988 TAXATION FOR LOCAL IMPROVEMENTS ON
SPERLING AVENUE - OAKLAND STREET TO ARCOLA STREET
(ITEM 9, MANAGER'S REPORT NO. 43, 1988 JUNE 20)

ACTING MUNICIPAL MANAGER'S RECOMMENDATION:

1. THAT the recommendation of the Director Engineering be adopted.

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TO: MUNICIPAL MANAGER 1988 JUNE 21

FROM: DIRECTOR ENGINEERING

SUBJECT: 1988 TAXATION FOR LOCAL IMPROVEMENTS ON
SPERLING AVE. - OAKLAND ST. TO ARCOLA ST.

RECOMMENDATIONS:

1. THAT the Local Improvement Frontage Tax Bylaw No. 8971 be amended by deletion of Schedule 7, Construction Bylaw No. 8720 (Sperling Ave. Oakland St. to Arcola St.)
2. THAT a copy of this report be sent to Stewart B. Peach, 6088 Sperling Avenue, Burnaby, B.C., V5E 2T9; and W. Griffiths, 101-7257 Kingsway, Burnaby, B.C., V5G 1G5.

REPORT

Appearing on last week's Council Agenda was an item discussing the completion of local improvement paving on Sperling Avenue between Oakland Street and Arcola Street. Council asked staff for additional information pertaining to the implications of the completion date.

Final paving was undertaken on 1988 June 13 which brought the project to 100% completion of the works as described in Construction Bylaw No. 8720. The Municipal Act under Section 661 (6) states:

"When a work is completed, the charges referred to in subsection (1)(a), or the proportion of the cost to be specially charged, as the case may be, shall be specially charged against the parcels benefiting from or abutting the work, payable by a frontage tax levied year by year for the requisite number of years."

(Cont'd.)

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The local improvements charges for Sperling Avenue were included in the 1988 tax billing, to the affected property owners and the due date for taxes is 1988 July 05.

Notwithstanding the above, the Notice of Intention which was mailed to all affected property owners prior to approval of the works stated:

"6. COMMUTATION OF CHARGES

Your charges may be paid in cash on receipt of your first tax bill following construction of the work. If the work is completed between 1 January and 31 May the first annual charge will appear on the tax bill for that year, otherwise it will appear in the year following."

Technically, the Corporation did not meet its self imposed completion deadline of 1988 May 31. Staff is of the opinion that the Corporation should adhere to its commitment and recommends that commencement of local improvement annual charges on Sperling Avenue - Oakland Street to Arcola Street be deferred until the 1989 tax year.

Council has previously approved a frontage tax Bylaw No. 8971 which imposes a local improvement frontage tax on benefiting properties including the Sperling Avenue project. In order to delay charges until 1989 it would be necessary to amend Bylaw No. 8971 by deletion of Schedule 7, Construction Bylaw No. 8720 namely Sperling Avenue - Oakland Street to Arcola Street. The Sperling Avenue project would subsequently be included in a future frontage tax bylaw brought down for 1989 taxation.

The Municipal Solicitor concurs with this result.

Local improvement frontage tax charges, when approved by Council through bylaw, become a part of the tax levy. Tax bills for 1988 have been sent to all properties in Burnaby, including those affected by the Sperling Avenue local improvement. If taxes are unpaid after 1988 July 05 a 5% penalty will be applied. In order to avoid the penalty on the Sperling Avenue properties, it is necessary for Council to approve the recommendations in this report and to adopt an amending frontage tax bylaw. Council's schedule does not allow three readings and final adoption of the bylaw amendment to be completed before 1988 July 05 (the date after which the 5% tax penalty is applied). When the bylaw amendment has final adoption, on 1988 July 11, the local improvement taxes will be reversed and no penalty will be payable with respect to these changes. Any of these owners who have already paid their 1988 taxes will receive a refund in the amount of the local improvement and sidewalk crossing charge.

Any owner who does not wish to keep the refund may return it to the Municipality and it will be treated as an overpayment of 1988 taxes. After sixty days, the overpayment will receive the specified interest rate until 1988 December 31, after which the overpayment becomes a prepayment for 1989 taxes. No interest is paid on tax prepayments in 1989.

There are 102 properties affected by this local improvement. Charges of approximately \$21,000 would be reversed.

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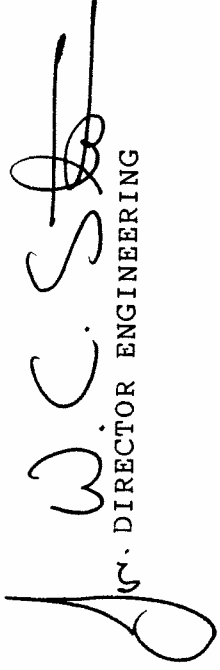
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The revenue shortfall will be reflected in the 1988 recast budget. In the interim, \$21,000 will be transferred from the operating contingency to balance the 1988 operating budget.

All other projects included in Local Improvement Frontage Tax Bylaw No. 8971 were fully completed by 1988 May 31 and therefore would not be subject to any amendment.

WCS:ka

cc: Director Finance
Municipal Solicitor
Municipal Clerk


J. W. C. STEBBINS
DIRECTOR ENGINEERING

