



LOCAL IMPROVEMENTS

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INTRODUCTION

This brochure explains Local Improvements and how they affect your property and your taxes.

DEFINING LOCAL IMPROVEMENTS

Local Improvements are construction projects that Council considers to be of greater benefit to a particular area of the municipality than to the whole municipality. Examples include curb and gutter, sidewalks, and roadways specific to your street that do not serve the entire community.

With Local Improvements, a portion of the costs for these improvements is charged to the benefitting property owners.

REASONS FOR LOCAL IMPROVEMENTS

Through the Local Improvement process, the City and property owners facilitate and support efforts to improve neighborhood assets. Local Improvement projects maintain or improve amenities, increase attractiveness and accessibility without burdening all City taxpayers with the full financial responsibility of improving these areas.

The local improvement process provides a mechanism for adjacent residents to improve public infrastructure such as replacing a sidewalk, while sharing the cost with other benefitting property owners. This is decided by the property owners through the petition process.

GOVERNING LOCAL IMPROVEMENTS

Section 391 to 409 of the Municipal Government Act (MGA) are the Provincial statutory guidelines for the administration of local improvements.

INITIATING A LOCAL IMPROVEMENT

Local improvements can be initiated by the Residents or the City. If residents wish to initiate a local improvement, please contact the Engineering and Development Department to obtain instructions and package information.

Once the City or Residents initiates a local improvement. The Local Improvement Process must be followed.

LOCAL IMPROVEMENT PROCESS

STEP 1: City Prepares Local Improvement Plan

The Local Improvement plan must include:

- Description of the local improvement with location
- List the properties and persons responsible to pay
- How the tax rate will be established
- Estimated cost of the work
- Term of cost to the property owners
- How much of the project cost will be allocated to each party:
 - City funded
 - Local Improvement Tax
 - Other revenue sources (grants, etc.)

STEP 2: Local Improvement Assessment Notices and Plan Sent to Owners

STEP 3: Bylaw is Prepared

As a general note a bylaw must receive 3 readings to be passed and that includes an opportunity for the public to voice their opinions before Council on the proposed project.

STEP 4: 30-DAY PETITION PERIOD

See PETITION PROCESS for more information.

STEP 5: Bylaw Passed by City Council

If the Local Improvement Plan has survived the petition process, Council can impose the Local Improvement tax any time in the 3 years following the Notice. Council can either pass the Bylaw before the final cost is determined or wait until the project is complete and the final costs are determined.

STEP 6: Project Construction

An open house will be held to give those affected an overview of the construction process and find out how it will affect them specifically. Everyone is encouraged to bring concerns forward as soon as possible so the project team can try to address them and help the process run as smoothly as possible for everyone.

STEP 7: Local Improvement Tax Levy is Imposed

The levy will not be put on your taxes (if you choose that method of payment) until the year after the construction has been completed.

PETITION PROCESS

If you wish to petition against a Local Improvement Plan, a sufficient petition must be submitted to the Engineering and Development Department within the 30-day petition period. You may obtain a *Petition Information Package* which clearly outlines the petition process from City Hall.

For a petition (for or against) a Local Improvement Plan to be sufficient, it must have:

- Support from 2/3 of the property owners responsible to pay local improvement tax **AND** must represent half (50%) of the assessed value of identified properties.
- Validity of the petition, determined by the CAO
- If it is determined to be a valid petition against the local improvement, Council will not proceed with the local improvement.

Did You Know? When you petition against the local improvement project, you are only petitioning against the portion of work that you as a property owner would be responsible for (sidewalks, curb & gutter, road surface, and medians). The City of Wetaskiwin will proceed with all necessary utility work funded through utility reserves.

SUCCESSFUL PETITION AGAINST A LOCAL IMPROVEMENT

When a local improvement is defeated by way of a formal petition, the project moves to the bottom of the rebuild list for the City and will be revisited according to the 10-year capital plan. The redevelopment will also be moved to the bottom of the priority list which could result in to a lower level of service by this reprioritization i.e. you could be left with asphalt patches or a gravel road or.

If residents want to have the project reconsidered, they must wait five (5) years from the last petition to reapply for the work to be completed.

LOCAL IMPROVEMENT TAX LEVIES

Cost allocations for local improvement projects will be levies as follows:

Road Designation	City's Allocation	Property Owner's Allocation
Highway	100%	0%
Major Truck Route	100%	0%
Distributor Roads	75%	25%
Local Roads	50%	50%

(See ROAD CLASSIFICATIONS below)

The City will include in the costs, replacement of aprons, a pre-existing private sidewalk connection on city property, and soft landscaping that is damaged or removed as part of the project.

The property owner will be responsible for the costs of additional improvements that are adjacent to the work such as the remaining sidewalk, driveway or landscaping, etc.

All encroachments must be removed and will not be replaced as part of the project.

ASSESSMENT

The City uses the word "assessed" to indicate how a property owner will be billed or charged for a local improvement.

Properties benefitting from a local improvement are assessed in a fair and equitable manner, according to provisions in the Municipal Government Act. The cost of a local improvement may be assessed against:

- Properties that abut the work;
- Properties that are not adjacent to the work but benefit from it; or
- Both of the above.

All properties that benefit from the improvement, excluding Highways and Major Truck Routes, may be assessed a local improvement tax. Even properties typically exempt from taxation are required to contribute to local improvements. City owned properties are assessed in the same manner as privately-owned properties and pay their share.

Assessments to properties are calculated as follows:

RESIDENTIAL PROPERTIES

Residential properties are assessed on a per-parcel basis, unless the frontage of the lot is greater than 23 metres. If the property is greater than 23 metres, it is assessed an additional per-metre cost up to a maximum of 150% of the typical residential parcel.

SPECIAL CIRCUMSTANCES

All properties that are not considered residential in this policy will be considered special circumstances and are assessed on a per-metre of frontage basis.

MIXED LAND USE

In cases where there is mixed land use, the contribution for residential properties will be calculated by developing a per-metre rate as if all the parcels in the local improvement area have a 15.24 metre frontage. The per-metre rate is then applied to the typical residential properties as per the Residential Property calculation method. The total residential contribution is then removed from the total property owner's allocation and the remaining balance is calculated and taxed based on a per-metre frontage rate.

Corner Lots: Corner lots will only be responsible for local improvement charges for the road based on their address. For example: a house (123 Birch Street) sits on the corner of Birch Street and Bark Road but will only be responsible for local improvement costs resulting from work completed on Birch Street (because their address is 123 Birch Street).

PAYING LOCAL IMPROVEMENT LEVIES

In the year following construction, affected property owners will be mailed a *Local Improvement Assessment Notice* and a *Payout Notice*. The assessment notice provides details of the assessable metres, term, the annual rate, etc. The payout notice provides the rate of interest and the annual payout amounts.

Each property owner will have the following options for payment once construction is complete:

- Payment in full of the total amount (no interest included); or
- Annual payments that are included on the annual property tax bill for the term of the bylaw (with a typical term of 25 years). Interest is included and is fixed for the term of the bylaw.

If you do not specify which payment option you would prefer after receiving your local improvement assessment notice, the charges will automatically be applied to your annual property tax bill.

Local improvement balances can be paid out in full at any time during the term of the bylaw. Once paid, the interest charges are applied up to that year only. Local Improvements remain with the property and transfer upon sale to a new property owner, unless paid out in full prior to closing.

DISAGREEING WITH LOCAL IMPROVEMENT ASSESSMENT

After receiving a *Local Improvement Assessment* Notice, property owners can appeal to the Assessment Review Board within 60 days from the mailing date of the notice.

Some items, which can be appealed, are:

- Incorrect assessable footage
- Incorrect owners assessed
- Incorrect calculations

In many cases, assessment concerns can be resolved without going through the complaint process. For this reason, we suggest that you phone the Engineering and Development Department to discuss the assessment before loading your concerns; resolving the issue in this manner can save time and expenses for both you and the City.

Note: A formal complaint can be made only once after the local improvement assessment has been levied. The rates per foot cannot be appealed.

WHAT REGULAR TAXES COVER

Regular taxes are used to finance City operations including snow and ice control, street sweeping and essential service, such as Police and Fire, as

well as maintain existing infrastructure. When a house is built the cost of the original road is borne by the developer and recovered from all new homes on that street, through the purchase price. Asphalt overlays and sidewalk rehabilitations are completed by the city during the life of the roadway however, when the road needs to be reconstructed it is the homeowners along that street that need to pay to have that done. A typical roadway has an expected life of 25 years but with proper maintenance and care it can last closer to 50 years.

ROAD CLASSIFICATIONS

All roads within the City of Wetaskiwin have been classified into one of the following groupings, these classifications do not match the transportation master plan and are specific to local improvements only:

- **Provincial Highway** – refers to a roadway with the primary function to provide for through traffic movements and accommodate longer distance trips. A Highways will typically be an approved truck route.
- **Distributor Road** – refers to roadways that have less than 50% adjacent residential properties, that provide a link for traffic to travel through more than one neighborhood in the City of Wetaskiwin and is not primarily for direct residential access
- **Major Truck Route** – refers to roads that are designated truck routes that also connect to provincial highways and that do not have direct residential access.
- **Local Road** – refers to roadways that the primary function is to provide direct access to adjacent land uses.

The following are roadways within the City that have classifications for Provincial Highways, Distributor Roads and Major Truck routes. All other roads in the City are deemed Local Roads for the purposes of this process.

Provincial Highways	Distributor Roads	Major Truck Routes
Hwy 13	50 th Ave	36 th St
Hwy 2A	50 th St from the North City boundary to 40 th Ave	47 th St from Hwy 13 to 49 th St
Hwy 613	49 th St from 47 th St to 40 th Ave	
	Northmount Dr from 50 th St to 47 th St	
	47 th St South of 49 th St to 40 th Ave	

LOCAL IMPROVEMENT FAQ'S

WHAT IF I CANNOT AFFORD TO PAY FOR THE LOCAL IMPROVEMENT LEVY?

Senior citizens who are local homeowners can apply to the government for tax relief as long as they have a minimum of 25% equity in their home. Visit www.seniors-housing.alberta.ca for more information. All other tax payment options can be discussed if required, however, penalties will be applied in non-payment situations.

WILL THE COMPLETED WORK AFFECT MY FUTURE PROPERTY ASSESSMENTS?

As you would expect improved road, sidewalk and curb and gutter in front of your home may make your property more valuable, but no, the assessed value of your property will not increase as a direct result of the local improvement.

WHAT AM I PAYING FOR WITH THE LOCAL IMPROVEMENT TAX?

Property owners in your area will be asked to contribute a percentage of the cost of roads and sidewalks only. The utility work is funded through the City of Wetaskiwin utility reserve.

DO ALL CITY RESIDENTS HAVE TO PAY FOR THE LOCAL IMPROVEMENTS?

The local improvement charge is only charged to properties that are deemed to benefit from the proposed reconstruction. Notices are only sent to the residents where a local improvement is being considered. There is a specific order of events which either the City or Residents initiate a local improvement. Please refer back to Page 3: LOCAL IMPROVEMENT PROCESS.

WHY IS THIS NOT COVERED BY THE INFRASTRUCTURE MAINTENANCE TAX?

The Infrastructure Surcharge Reserve (received through property taxes) is limited to use for maintenance of existing road infrastructure (overlays), sidewalk infrastructure (spot repairs or connectors), trail and park systems (trail overlays or extensions and existing park routine rehabilitation) and building envelope projects. *Policy #1807: Infrastructure Surcharge, does not differentiate between use for city wide projects vs site specific locations.*

DO I STILL HAVE TO PAY THE LOCAL IMPROVEMENT TAX IF I MOVE?

No, the local improvement tax stays with the property and the remaining payments become the responsibility of the new owner, unless paid-out at the time of sale.

DO OTHER COMMUNITIES HAVE LOCAL IMPROVEMENT TAXES?

Yes, communities such as Ponoka, Medicine Hat, Edmonton, Calgary, Red Deer, Camrose, and Grande Prairie, to name a few, all use local improvement taxes.

Below is some information the City of Wetaskiwin has collected regarding other communities that have local improvement plans.

Community	Utilities	Roads	Lanes	Sidewalks	Medians	Curbs & Gutters	Street Lights
Camrose	✓	✓	✓	✓	✓	✓	-
Calgary	-	-	✓	✓	✓	✓	-
Edmonton	-	-	✓	✓	✓	✓	✓
Grande Prairie	✓	-	✓	✓	✓	-	✓
Medicine Hat	✓	✓	✓	✓	-	✓	✓
Ponoka	✓	✓	✓	✓	✓	✓	-
Red Deer	✓	✓	✓	✓	-	-	✓
Wetaskiwin	-	✓	-	✓	-	✓	-

WHAT CAN I DO IF I DISAGREE WITH THE CLASSIFICATION OF MY ROAD?

If you disagree with the road classification, please contact Legislative Services directly. They will explain how you can approach Council to have your concerns heard.

CONTACT

For more information, please contact the Engineering Department by:

Email	engineering@wetaskiwin.ca
Phone	780-361-4432
In Person	Wetaskiwin City Hall 4705 – 50 th Ave