



2024 Prince of Peace Sage Local Improvement Tax Bylaw C-8520-2024

Electoral Division: 6

File: N/A

Date:	April 23, 2024		
Presenter:	Issy Agbonkhese, Manager		
Department:	Financial Services		
Approved by:	<input checked="" type="checkbox"/> Executive Director / Director	and/or	<input checked="" type="checkbox"/> Chief Administrative Officer

REPORT SUMMARY

Section 403(3) of the Municipal Government Act (MGA) states that if, after a local improvement tax rate has been set, it is discovered that the actual cost of the local improvement is higher than the estimated cost on which the local improvement tax rate is based, Council may revise, once only over the life of the local improvement, the rate with respect to future years so that the local improvement tax bylaw will raise sufficient revenue to pay the actual cost of the local improvement.

Approval of Bylaw C-8520-2024 is required as the actual cost of the local improvement is higher than the estimated cost on which the local improvement tax rate in Bylaw C-8402-2023 was based due to higher-than-anticipated borrowing costs. Whereas Bylaw C-8402-2023 was approved on April 23, 2023, the cost of borrowing was finalized with the debenture approval on September 8, 2023.

Approval of Bylaw C-8520-2024 will replace Bylaw C-8402-2023, authorizing Council to revise the local improvement tax for the benefitting lands in Prince of Peace Sage Properties (Portion of NE 19-24-28-W4).

ADMINISTRATION'S RECOMMENDATION

THAT Bylaw C-8520-2024 be given first reading.

THAT Bylaw C-8520-2024 be given second reading.

THAT Bylaw C-8520-2024 be considered for third reading.

THAT Bylaw C-8520-2024 be given third and final reading.

BACKGROUND

Section 399 of the MGA states that the undertaking of a local improvement may be started, the local improvement tax bylaw may be passed, and debentures may be issued before or after the actual cost of the local improvement has been determined.

Section 396(4) of the MGA states that if a sufficient petition objecting to the local improvement is not filed with the Chief Administrative Officer within 30 days from sending the notices under subsection (1), Council may undertake the local improvement and impose the local improvement tax at any time in the three years following the sending of the notices.

Approval of Bylaw C-8402-2023 on April 23, 2023, was before the actual cost of the local improvement tax was finalized. This allowed the County to keep within the regulated time frame of imposing a local improvement tax within three years of sending the notices. Communication with affected parties at the

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time stated that the final project cost may vary from the estimate, and interest rates are subject to change, and as such, the actual payment may vary slightly.

As per borrowing Bylaw C-8432-2023, Council accepted local improvement tax petitions to upgrade the water and wastewater infrastructure for the Prince of Peace Sage Properties. Under Sections 397 and 402 of the MGA, Council must approve a local improvement tax bylaw to impose a local improvement tax. The maximum borrowing cost detailed in Bylaw C-8180-2021 was amended from 5% to 8% by Bylaw C-8432-2023 to reflect the borrowing cost environment when the local improvement was completed.

ANALYSIS

Approval of Bylaw C-8520-2024 is required as the actual cost of the local improvement is higher than the estimated cost on which the local improvement tax rate in Bylaw C-8402-2023 was based due to higher-than-anticipated borrowing costs. Whereas Bylaw C-8402-2023 was approved on April 23, 2023, the cost of borrowing was finalized with the debenture approval on September 8, 2023.

COMMUNICATIONS / ENGAGEMENT

Upon approval of the Bylaw, tax notices, including taxes imposed by Bylaw C-8520-2024, will be mailed to residents on May 17, 2024.

IMPLICATIONS

Financial

There are no budget implications currently. Completion of this project will be funded by the benefitting owners for \$12,000 per year (annual interest and principal payment), based on each parcel's area (in square meters).

The increase in funding from \$11,397.34 to \$12,000.00 between Bylaw C-8402-2023 (Bylaw to be repealed) and Bylaw C-8520-2024 (Bylaw to be approved) is a result of interest rates increasing from 4.84% in April of 2023, when Bylaw C-8402-2023 was approved, to 5.43% in September of 2023 when project cost and borrowing were finalized. Below is the impact per benefitting owner:

\$137.31 increase to Prince of Peace – Manor (increased from \$4,042.27 to \$4,179.58)
\$205.81 increase to Prince of Peace – Harbor (increased from \$3,413.18 to \$3,618.99)
\$344.13 increase to Prince of Peace – School (increased from \$3,941.89 to \$4,286.02)

STRATEGIC ALIGNMENT

The proposed bylaw supports financial prosperity by ensuring that the County remains financially sustainable for future generations.

ALTERNATE DIRECTION

Administration does not have an alternate direction for Council's consideration.

ATTACHMENTS

Attachment A: 2024 Prince of Peace Sage Local Improvement Tax Bylaw C-8520-2024
Attachment B: Prince of Peace Sage Properties Area Map