



**The Corporation of the City of Stratford  
Finance and Labour Relations Sub-committee  
Open Session  
AGENDA**

**Date:** Tuesday, February 19, 2019  
**Time:** 3:30 P.M.  
**Location:** Council Chamber, City Hall  
**Sub-committee Present:** Councillor Clifford - Chair Presiding, Councillor Gaffney - Vice Chair, Councillor Beatty, Councillor Bunting, Councillor Ritsma  
**Staff Present:** Michael Humble - Director of Corporate Services, Joan Thomson - City Clerk, Jodi Akins - Council Clerk Secretary, Ed Dujlovic - Director of Infrastructure and Development Services, Taylor Crinklaw - Project Engineer

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Pages

**1. Call to Order**

The Chair to call the meeting to Order.

**2. Disclosure of Pecuniary Interest and the General Nature Thereof**

The *Municipal Conflict of Interest Act* requires any member of Council declaring a pecuniary interest and the general nature thereof, where the interest of a member of Council has not been disclosed by reason of the member's absence from the meeting, to disclose the interest at the first open meeting attended by the member of Council and otherwise comply with the *Act*.

Name, Item and General Nature of Pecuniary Interest

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.....

**3. Delegations**

None scheduled.

#### 4. Report of the Project Engineer

##### 4.1 Local Improvement – Past Practice and Policy Update (FIN19-005)

4 - 23

Motion by \_\_\_\_\_

**Staff Recommendation:** THAT the Local Improvement process remain as an option to recover costs of municipal infrastructure projects, where applicable;

THAT Policy L.3.1 be amended such that Local Improvement projects will only be engaged when the recoverable charges exceed \$40,000;

THAT Policy L.3.1 be amended such that sidewalks, road work and storm sewer, be subject to Local Improvement Charges based on 60% of costs attributable to the City and 40% of the costs attributable to the Owners;

THAT Policy L.3.1 be amended such that the Local Improvement Charges of sidewalks for collector and arterial roads be based on 50% of costs attributable to Development Charges and 50% of costs attributable to the City;

THAT Policy L.3.1 be amended such that residential sidewalk flankage exemption is increased from 30 m to 40 m;

THAT Policy L.3.1 be amended such that watermain be included as infrastructure eligible for Local Improvement charges, in the same manner as sanitary sewers;

AND THAT Council adopt the new Policy L.3.1 – Local Improvement Charges.

#### 5. Report of the Director of Corporate Services

##### 5.1 Vacant / Excess Land Subclasses For Commercial and Industrial Properties (FIN19-006)

24 - 27

Motion by \_\_\_\_\_

**Staff Recommendation:**

THAT the report of the Director of Corporate Services dated February 19, 2019 regarding tax policy considerations of vacant and excess land subclasses for commercial and industrial land be received for information;

**AND THAT direction be given to staff regarding any changes to the existing taxation policy.**

**6. Advisory Committee/Outside Board Minutes**

There are no Advisory Committee/Outside Board minutes to be provided to Sub-committee at this time.

**7. Next Sub-committee Meeting**

The next Finance and Labour Relations Sub-committee meeting is Tuesday, March 19, 2019 at 3:30 p.m. in the Council Chamber, City Hall.

**8. Adjournment**

Meeting Start Time:

Meeting End Time:

Motion by \_\_\_\_\_

**THAT the Finance and Labour Relations Sub-committee meeting adjourn.**



## MANAGEMENT REPORT

**Date:** February 19, 2019  
**To:** Finance and Labour Relations Sub-committee  
**From:** Taylor Crinklaw, Project Engineer  
**Report#:** FIN19-005  
**Attachments:** Council Policy L.3.1 – Local Improvements; Council Policy L.3.2. – Municipal Standard for Local Improvement Roads for Reconstruction; By-law 194-87 as amended by By-law 36-90; By-law 63-94; Incomplete List of Past Local Improvement Projects; draft Council Policy L.3.1 – Local Improvement Charges; Photos of Matilda Street Local Improvement.

**Title:** Local Improvement – Past Practice and Policy Update

**Objective:** To inform Council of the history, legislation, policy and past practice of local improvements in Stratford; to provide information to support a detailed discussion of Local Improvement options that would be applied by the City in the future; and to amend Local Improvement Policy L.3.1 for future use in City projects.

**Background:** The Local Improvement process is used to recover the cost of municipal capital improvements (e.g. sidewalk, roads, watermain, sewer, etc.) from owners who directly benefit from the improvement. The Province has provided a legislative framework to enable this process that began with the Local Improvement Act of 1914 and was subsequently revised to the current Ontario Regulation 586/06: Local Improvement Charges – Priority Lien Status under the *Municipal Act (2001)*.

In general, Local Improvement is used to partially fund upgrades or reconstruction in older neighbourhoods to achieve a level of service considered standard throughout the City. Recovery of partial or all costs is achieved through Local Improvement Charges (LIC). In Stratford, LIC in existing neighbourhoods only apply to the specific improvement of linear facilities that are not already in place (e.g. sidewalks, curb and gutter, sewers, etc.).

The City of Stratford Policies L.3.1 and L.3.2 establish what services are eligible for LIC and outline the percentage of costs to be borne by the property owner and the percentage of costs to be borne by the City. The percentage splits may vary from the Policy only upon approval of Council, and generally account for site specific extenuating circumstances. Examples include improvements that also benefit the community; such as schools,

recreational facilities and public transit. LIC are shared amongst all the properties benefitting from the new service, and are calculated based on the owner/City percentage splits in Policy L.3.1 as they apply to benefitting property owners' frontages in metres.

Stratford's current Local Improvement Policy L.3.1 was adopted in 1998 and reaffirmed in November 10, 2014. The Local Improvement rates applied today are the result of adjustments made over revisions from 1987, 1990 and 1994. The following is a list of recent Local Improvement projects and their associated improvement subject to LIC.

- Dawson Street, from Delamere to Viola (2018)
  - Sidewalk
- Matilda Street, from Galt to the Roadhouse Drain (2015)
  - Road work and storm sewer
- Mornington Street, Delamere to Glendon (2014)
  - Sidewalk
- Linton Avenue, from Lorne to Corcoran (2009)\*
  - Road work, sanitary sewer, and watermain

\*Though the Linton Avenue project applied cost sharing percentages in the same manner as the Local Improvement Policy, it was actually processed through a request made by the property owners and implemented through Fees and Charges By-law 72-2009.

Attached to this management report is an extended incomplete list of Local Improvement Projects dating back to 1987. The list is based on a cursory review of an index of historical By-Laws.

**Analysis:** The Local Improvement process is time consuming and complex. Care should be given to the associated economic, functionality, and social components. The following analysis will go through the various components of Local Improvement individually to support discussion.

### **Economic Considerations**

The main purpose of implementing LIC is to secure funding for linear capital projects that provide standard municipal services to areas currently under serviced. The most common Local Improvement projects in the past include sidewalks, road works and storm sewers. Less common Local Improvement projects include water main and sanitary sewers. Partial or complete cost recovery assists the municipality and enables more of these projects to be completed to the desired level of service and the standards expected by the City and its residents. City staff are required to apply Local Improvements as per Council Policies L.3.1 and L.3.2 in all capital works projects, where applicable.

Financial evaluations are conducted for Local Improvement projects using basic cost/benefit ratios. There generally is a positive economic case for applying LIC in larger projects, as staff time and potential legal fees are negligible in terms of the overall funds

generated for the project. For smaller Local Improvement projects, the ratio is often more economically neutral or even negative when staff time is considered.

Matilda Street Local Improvement project is a recent example of a positive economic cost/benefit ratio. Road, sidewalk, sanitary sewer, storm sewer and water main work was completed on the street from Galt Road to the Road House drain. Recovered funding for road and storm sewer work was \$183,731.59 of the total \$878,079.68 project costs. As a result, the total portion of the project costs financed through LIC was 21%. Similarly, the proposed Pleasant Drive Local Improvement project has an estimated ratio of 18% to be financed through LIC.

Dawson Street Local Improvement is an example of a small project that has a lower cost/benefit ratio. The construction costs for the project were \$29,438.99, with a total of \$7,631.54 being recovered by LIC. Due to the opposition for the project, an application was made to the Ontario Municipal Board (O.M.B.), which was recently replaced by the Local Planning Appeal Tribunal (L.P.A.T.). The legal fees associated with proceeding through L.P.A.T. totalled \$3,317.37. These costs do not include the considerable time invested by staff for project management and for the multiple engineering redesigns over a two year period.

The Local Improvement process is intended to be fair and transparent; and provide multiple opportunities for resident involvement, both in support and opposition to the project. In doing so, the process takes a great deal of time and requires more resources.

### **Functionality**

The intent of the Local Improvement process is to be transparent in ensuring that the public is treated fairly. In doing so, the process becomes time consuming; draws from the resources of multiple departments; and typically requires iterative discussions at Sub-Committee, Committee and Council meetings. As a result, the duration to undergo Local Improvement may vary significantly from project to project. The Engineering Division is usually able to make provisions to account for the variation in duration of Local Improvements projects; as these projects often take more than two years to complete.

Larger reconstruction projects often take a year to go through the design, public consultation and Council approval process. At the public consultation stage for these projects, an open house is provided where the proposed design is displayed and a rough estimate of the charges proposed under Policy L.3.1 is outlined. Comments generated from the open house, along with staff recommendations for the project, are provided to Council for approval.

With the approval of Council, the City submits formal notification to residents of the proposed Local Improvement. The letter states whether the City intends to proceed only under Section 6 or also under Section 8 of the O.Reg. 586/06 and outlines the corresponding rights of each property owner to object or petition the project. Time and

resource requirements vary for each project and are dependent on the approach taken by the City.

O.Reg. 586/06 - Section 6 Approach:

- Section 6 of the regulation details the requirements for notification to the public of the proposed work and the costs involved. The notifications explain how to petition Council not to undertake the work as a Local Improvement.
- If a petition is received that is signed by a majority of owners representing at least one-half of the value of the lots charged, the project must be delayed for a period of 2 years before the process can start again.
- If no valid petition is received, the project may proceed.

O.Reg. 586/06 - Section 8 Approach:

- Section 8 of the regulation allows the municipality to apply for approval directly to the L.P.A.T.
- If no objection to the work is received, the work is automatically approved and can proceed. However, if there is a single objection, a potentially costly L.P.A.T. hearing would be required.
- L.P.A.T. hearings often require 6 to 9 months before cases are heard.

Both approaches involve risk to any planned timeline and budget. Proceeding under Section 6, the risk is that a majority of owners will object, and the project would be cancelled for two years; at which time it has to start all over again. Proceeding under Section 8, the risk is that if any single owner objects, it will result in the time and expense of an L.P.A.T. hearing; which can also delay the project for a period of 1 to 2 years. The hearing could also result in L.P.A.T. making a decision favouring the objector.

Consequently, the time, effort and resources required to proceed with Local Improvement projects can be onerous for all those involved.

### **Social Considerations**

A common response from residents, when they are informed of a Local Improvement project that will impact them, is surprise. Many residents never expect that they will be required to pay directly for infrastructure installed in a City right-of-way. Some residents are concerned about their ability to afford Local Improvement especially for reconstruction projects where more than one improvement is proposed. For the proposed Pleasant Drive project, there are six property owners whose anticipated Local Improvement charge is greater than \$10,000; the average cost to property owners is \$6,500.

Regardless of the procedural approach, residents usually feel that Local Improvement is an encumbrance being forced upon them. The initial perception of some of the impacted residents is that the City is being unfair.

When first presenting the proposed LIC, residents often feel disadvantaged as the percentage splits reflects Policy rates and not necessarily what was applied in different

projects. Even after explaining the variation from Policy, residents insist that the lower LIC rates should apply in their instance as well.

Depending on where a resident lives, the perception of equity may differ. In newer neighbourhoods, developers are required to provide current standards of services. Residents in new neighbourhoods feel that they paid out of pocket for those current standard municipal services with the purchase of their house. Residents in older neighbourhoods requiring Local Improvement feel that they have not received equivalent services and that their taxes should have been going toward the installation of such deficient services.

Sidewalks, in particular, pose a challenge in justifying LIC in all cases. While sidewalks on local residential streets can easily be portrayed as serving mainly the residents of those streets, the same cannot be said for sidewalks in commercial areas or on arterial streets such as Lorne Avenue or Erie Street. These sidewalks provide a service to the broader community more so than just the owners in the area. For that reason, sidewalks on collector and arterial roads have been added to the Development Charges (DC) By-law. This means that those sidewalks can now be funded 50% from DCs and 50% according to the local improvement policy. The remaining 50% of the costs should give consideration to the benefitting recipients (i.e. the community as a whole) who use collector and arterial road sidewalks.

### **Application of Local Improvement in other Municipalities**

The *Municipal Act, 2001* through O.Reg. 586/06 Local Improvement Charges – Priority Lien Status, permits a municipality to raise all or any part of the costs of work through LIC. The economic, functionality and social considerations of implementing Local Improvement projects have resulted in municipalities applying their right to recover funds differently. The following list describes examples of Local Improvements as applied in Ontario.

**Table 1 - Applied Local Improvement Projects by Municipality**

<b>Municipality</b>	<b>Project</b>
Chatham-Kent	Curbs, road works, sidewalks, street lights, sanitary and storm sewers and watermain.
City of Brantford	Sanitary and storm sewers.
City of Hamilton	Noise walls and sidewalks.
City of Kitchener	Curbs, sidewalks, storm sewers and street lighting.
City of Kingston	Roads, sidewalk, and street lighting.
City of London	Curbs, sidewalks, street lighting, sewers and watermain.
City of Markham	Curbs, sidewalks, and storm sewers.
City of Mississauga	Noise walls, sanitary sewers and watermain.
City of Waterloo	None.
City of Windsor	Curbs, street lights, storm sewers and sanitary sewers.
Town of Oakville	Noise walls.



<b>Municipality</b>	<b>Project</b>
Region of Halton	Noise walls.
City of Richmond Hill	Curbs, sidewalks, sanitary sewers, storm sewers and street lighting.

It is the understanding of staff, that these municipalities apply Local Improvement Charges as outlined in the table above, however, staff was unable to verify the specific details prior to preparation of this report.

It should be noted that some of these municipalities apply flat rates by application of a Fees and Charges By-law; while other municipalities use actual construction costs.

### **Moving Forward – Keeping the Local Improvement Charges**

It is the opinion of staff, that even though the process is protracted, overall, LIC benefits the City and residents receiving infrastructure improvements.

The extent to which municipalities utilize Local Improvement Charges to fund projects varies. Each municipality has a unique perception regarding ownership and funding of municipal infrastructure. A general synopsis of LIC percentage split rates as per the current Policy L.3.1 is as follows:

- Intersections and storm catch basins are 100% at the cost of the City;
- Sidewalks are split 50% Property Owners / 50% City;
- Roadwork and storm sewer is split 60% Property Owners / 40% City; and
- Sanitary sewer is 100% the cost of the Property Owners.

Policy L.3.2 includes watermains, and states that new watermains will be paid for with LIC.

Staff recommend Policy L.3.1 be updated and amended for clarity as follows:

a) Local Improvement Charges should only be implemented when the recoverable funds exceed \$40,000. This will ensure that the encountered legal fees and staff time, often exceeding \$10,000 for a Local Improvement project, justifiably achieves a positive cost/benefit ratio.

b) Add watermains to the policy, with 100% of the costs to be borne by the property owners. This would reflect how new watermains in existing neighbourhoods have been funded in the past; be consistent with sanitary sewer cost recovery in the policy; and align more clearly with Policy L.3.2.

c) Change the LIC percentage split rates of sidewalks, road work and storm sewer, so that 60% of the cost is to be borne by the City and 40% of the cost is to be borne by the Property Owners. This would simplify Local Improvement charges by maintaining the same ratio rates for several improvements (i.e. sidewalk, road work and storm sewer); rebalance

cost sharing so that the majority of the costs are borne by the City; and be consistent with the Matilda Street Local Improvement project and the proposed Pleasant Drive Local Improvement Project.

d) Increase the exemption for residential sidewalk flankage from 30 m to 40 m. The flankage exemption reduces LIC to a manageable level for residents on corner lots that have two, and in some cases, three sides that abut streets. Increasing the length of exemption from 30 m to 40 m better represents depth of lots in Stratford. Extending the exemption would be particularly beneficial for the current Policy, where residential properties have flankage onto high priority collector and arterial streets. In all cases, providing the exemption ensures that small bits of sidewalk outside the scope of a project are able to be constructed in a timely manner without delay of a Local Improvement process.

e) Change the LIC percentage split rates for sidewalks on collector and arterial roads to 50% of the costs to be borne by Development Charges and 50% of the costs to be borne by the City. This avoids delays for identified priority projects and ensures that sidewalks benefitting the community are paid for by the City on the community's behalf.

A draft version of the updated policy is attached to this report.

### **Moving Forward – Removing Part of the Local Improvement Charges**

Some municipalities include curbs and gutters, but not the remaining work associated with the upgrade of roads, as Local Improvements. Recent City projects have utilized LIC to pay for a portion of the entire roadworks including curb and gutter, as the existing roads were significantly substandard in structural composition and dimension to what is deemed acceptable today. This is particularly common for roads in neighbourhoods that were developed prior to annexation into the City. Staff recommends no change to the inclusion of roadworks as eligible for LIC.

### **Moving Forward – Removing All Local Improvement Charges**

Some municipalities have abandoned using Local Improvement as a funding source entirely. If Council proceeds to abandon Local Improvement entirely, there are three main considerations to review.

First, the replacement rate of linear infrastructure is less its deterioration rate, resulting in overall asset decline. The City faces enough challenges already with deteriorating infrastructure.

Second, the City will lose a substantial funding source for projects. This will result in the delay of some projects until funding is available, and fewer overall projects being completed.

Third, the City has implemented Local Improvement to recover project costs for decades. Previous residents impacted by Local Improvement, and particularly those still paying their charges, may see the charges for their benefits as unfair and may request reimbursement.

Adjustments and potential postponements would be required for 2019 capital infrastructure projects. Three projects in 2019 were to utilize the Local Improvement process. Pleasant Drive, Frederick Street and Burritt Street, and Erie Street Sidewalk, are proposed to receive LIC funding in the amount of \$230,000, \$300,000 and \$75,000, where the total budget is \$1,600,000, \$1,450,000 and \$300,000, respectively. Funding shortfalls would likely result in the Pleasant Drive and the Frederick Street and Burritt Street projects, being postponed until next year. Erie Street Sidewalk funding would require a new funding source, which would likely take away from a different capital infrastructure project. These three projects represent the bulk of 2019 capital infrastructure work; reorganization of the capital budget would also be required to accommodate these changes.

**Financial Impact:** Currently, LIC generate substantial funding for the applicable municipal infrastructure construction projects. For example, approximately 20% of the entire costs for Pleasant Drive and Matilda Street Local Improvement projects would be generated from LIC.

Amendment of the current policy to revise the LIC splits will have minor impact, as the portion of costs charged to Property Owners has repeatedly been amended in the past from that stated in the policy.

Removal of LIC will require additional funding sources to complete such projects. Reconstruction projects requiring the addition of new services also tend to have higher costs, as there is usually no or otherwise significantly substandard existing infrastructure in place.

If it is the decision of Council to remove LIC as a funding source for projects entirely, discussion is required on whether previous projects should receive reimbursement. It is Staff's recommendation not to provide reimbursement for past projects, as finding funds for the more than 19 past Local Improvement projects engaged by the City since 1987 would be difficult.

**Staff Recommendation: THAT the Local Improvement process remain as an option to recover costs of municipal infrastructure projects, where applicable;**

**THAT Policy L.3.1 be amended such that Local Improvement projects will only be engaged when the recoverable charges exceed \$40,000;**

**THAT Policy L.3.1 be amended such that sidewalks, road work and storm sewer, be subject to Local Improvement Charges based on 60% of costs attributable to the City and 40% of the costs attributable to the Owners;**

**THAT Policy L.3.1 be amended such that the Local Improvement Charges of sidewalks for collector and arterial roads be based on 50% of costs attributable to Development Charges and 50% of costs attributable to the City;**

**THAT Policy L.3.1 be amended such that residential sidewalk flankage exemption is increased from 30 m to 40 m;**

**THAT Policy L.3.1 be amended such that watermains be included as infrastructure eligible for Local Improvement charges, in the same manner as sanitary sewers;**

**AND THAT Council adopt the new Policy L.3.1 – Local Improvement Charges.**



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Taylor Crinklaw, Project Engineer



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Ed Dujlovic, Director of Infrastructure and Development Services



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Rob Horne, Chief Administrative Officer

# The Corporation of the City of Stratford

## Policy Manual

### L.3 Local Improvements

Dept: Infrastructure and Development  
Services

Committee: Infrastructure, Transportation and  
Safety

### L.3.1 Local Improvements

Adopted: September 28, 1998 by R98-504

Amended:

Reaffirmed: November 10, 2014

Related Documents: By-law 194-87 as amended by By-law 36-90; By-law 63-94

☒ Council Policy ☐ Administrative Policy

That new sidewalks continue to be done under the *Local Improvement Act*. If there are objections to the Local Improvement, the matter would be referred to the Ontario Municipal Board to obtain a ruling on whether the work could proceed. The first priority is to get one sidewalk on all arterial roads. The second priority would be to get at least one sidewalk on all collector roads and the third priority would be to get two sidewalks on arterial roads.

#### Roadwork:

- (a) up to and including 28 feet (8.5m) wide  
Frontage share is 60%. City share is 40% less MTO subsidies.
- (b) over 28 feet (8.5m) wide is 100% city share less MTO subsidies.

#### Storm Sewer:

- (a) up to and including 27 inches (675 mm) diameter.  
Frontage share is 60%. City share is 40% less MTO subsidies.
- (b) over 27 inches (675 mm) diameter. is paid by the city on a prorated basis according to the diameter of the sewer. Storm services are paid 100% by the owner.

#### Sanitary Sewer:

- (a) up to and including 8 inch (200mm) diameter.  
Frontage share is 100%
- (b) over 8 inch (200mm) diameter is paid by the city on a prorated basis according to diameter of the sewer. Sanitary services are paid 100% by the owner.

#### Sidewalk:

50% frontage share to property abutting work. 50% city share.

#### Flankage Exemptions:

If any of the above works abut a corner lot in a residential zone, the city shall pay for the first 100 feet (30.48m) along the flankage of the lot. Any flankage over 100 feet (30.48m) shall be assessed to the abutting property.

Catchbasins:

Present city policy is that all catchbasins and leads are paid 100% by the city.

Intersections:

Section 23(b) of the *Local Improvement Act* states that all work at street intersections shall be paid 100% by the city.

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Policy L.3.1 replaced the following policy:

- That the City's policy for the construction of new sidewalks on arterial and collector roads be that a uniform flat rate per foot frontage be assessed as a local improvement to cover approximately 50% of the total cost, with the City assuming the balance. Established September 24, 1979. Rescinded September 28, 1998.

# The Corporation of the City of Stratford

## Policy Manual

### L.3 Local Improvements

Dept: Infrastructure and Development  
Services

Committee: Infrastructure, Transportation and  
Safety

## L.3.2 Municipal Standard for Local Improvement Roads for Reconstruction

Adopted: November 10, 2014 by R2014-444

Amended:

Reaffirmed:

Related Documents:

☒ Council Policy ☐ Administrative Policy

Further, that the Municipal Standard be adopted for local improvement roads for reconstruction as follows:

- Municipal Standard
  - The road will be brought up to the current municipal standard which includes the following: sidewalk, curb and gutter, asphalt, storm sewers, watermain and sanitary sewers.
  - Services which were originally omitted will be paid for under the *Municipal Act*, Local Improvement Charges.
  - Existing services which are in need of replacement will be paid for by the City.

BY-LAW NUMBER 194-87 OF THE CORPORATION OF THE CITY OF STRATFORD

BEING a By-law to apportion the costs of certain works undertaken pursuant to the provisions of the Local Improvement Act.

WHEREAS the Local Improvement Act, R.S.O. 1980, Chapter 250 provides that municipalities may by By-law, passed by a vote of three-fourths of all the members of council provide for the reduction of the special assessments of certain works and for the assumption of all or part of the costs of certain works by the municipality of works carried out under the Local Improvement Act;

AND WHEREAS by By-law 126-62, passed on September 17th, 1962, the municipal council authorized certain reductions in special assessments for certain works, and the assumption of the costs for certain works by the municipality, in accordance with the Local Improvement Act;

AND WHEREAS the municipal council deems it desirable and in the public interest to change the policies established by By-law 126-62, and establish new policies with respect to the aforesaid.

NOW THEREFORE BE IT ENACTED as a By-law of The Corporation of the City of Stratford as follows:

1. In this by-law "Corporation" means The Corporation of the City of Stratford.
2. ~~The cost of standard residential street pavement and curbing up to and including 28 feet (8.53 metres) in width shall be assessed 100 per cent upon the lands abutting directly on the work, and the cost of standard residential street pavement in excess of 28 feet (8.53 metres) in width shall be paid 100 per cent by the Corporation for such excess width.~~
3. The additional cost for any heavy duty street pavement in excess of standard residential street pavement specifications shall be paid by the Corporation.
4. The cost of sidewalks shall be assessed 50 per cent upon the lands abutting directly on the works and 50 per cent shall be paid by the Corporation.
5. ~~The cost of a storm sewer up to and including 18 inches (45.7 centimetres) in diameter shall be assessed 100 per cent upon the lands abutting on the work. The additional cost of the storm sewer which is larger than 18 inches (45.7 centimetres) in diameter shall be paid by the Corporation on a pro-rated basis according to the diameter of the said storm sewer, with the balance to be assessed upon the lands abutting on the work.~~
6. The cost of a sanitary sewer up to and including 8 inches (20.3 centimetres) in diameter shall be assessed 100 per cent upon the lands abutting on the work. The additional cost of the sanitary sewer which is larger than 8 inches (20.3 centimetres) in diameter shall be paid by the Corporation on a pro-rated basis according to the diameter of the said sanitary sewer, with the balance to be assessed upon the lands abutting on the work.

**AMENDED BY**

#36-90	

see  
By-law  
36-90

see  
By-law  
36-90



7. Pursuant to Section 28(1) of The Local Improvement Act, any sidewalk, pavement, curbing, storm sewer or sanitary sewer constructed under the Local Improvement Act which abuts a corner lot, the use of which is residential, 100 per cent of the cost of such sidewalk, pavement, curbing, storm sewer or sanitary sewer for the first 100 feet (30.48 metres) along the flankage of the lot shall be paid by the Corporation and the cost of such works in excess of the first 100 feet (30.48 metres) of the flankage shall be assessed upon the lands abutting on the works.

In this section "flankage" means the side of the corner lot not considered the frontage.

8. By-law Number 126-62 of the Corporation is hereby repealed.
9. This by-law shall come into effect on the date of final passing thereof and shall be known as the "Local Improvement Exemption Policy By-law".

Read a FIRST, SECOND and THIRD time and

FINALLY PASSED this 13th day of October, 1987.

  
MAYOR

  
DEPUTY CLERK

BY-LAW NUMBER 36-90 OF THE CORPORATION OF THE CITY OF STRATFORD

BEING a By-law to amend By-law Number 194-87 of this Corporation, being a By-law to apportion the costs of certain works undertaken pursuant to the provisions of the Local Improvement Act.

BE IT ENACTED as a By-law of the Corporation of the City of Stratford that By-law Number 194-87 be amended by deleting therefrom Sections 2 and 5 and inserting therein in place thereof, the following new Sections 2 and 5:

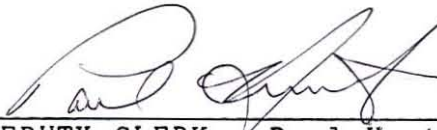
- "2. The cost of standard residential street pavement and curbing up to and including 28 feet (8.53 metres) in width shall be assessed 60 per cent upon the lands abutting directly on the work, and the remainder of the cost, less subsidies paid by the Ministry of Transportation, shall be paid by the Corporation. The cost of standard residential street pavement in excess of 28 feet (8.53 metres) in width, shall be paid 100 per cent by the Corporation for such excess width.
5. The cost of a storm sewer up to and including 27 inches (675 mm) in diameter shall be assessed 60 per cent upon the lands abutting directly on the work, and the remainder of the cost, less subsidies paid by the Ministry of Transportation, shall be paid by the Corporation. The cost of the storm sewer in excess of 27 inches (675 mm) in diameter, shall be paid by the Corporation. The cost herein shall be determined on a pro-rated basis according to the diameter of the said storm sewer where the said sewer exceeds 27 inches (675 mm) in diameter."

READ a FIRST, SECOND and THIRD time and

FINALLY PASSED this 26th day of March, 1990.



MAYOR - Dave Hunt



DEPUTY CLERK - Paul Hunt

BY-LAW NUMBER 63 -94 OF THE CORPORATION OF THE CITY OF STRATFORD

BEING a By-law to provide for the terms and conditions upon which local improvement rates specially assessed against property lying within the City of Stratford may be commuted by the owners of such property as authorized under Section 56 (3) of The Local Improvement Act, R.S.O. 1990, Chapter L.26.

BE IT ENACTED as a Byplaw of The Corporation of the City of Stratford as follows:

1. Any person whose lot is specially assessed under the terms of The Local Improvement Act may commute any such special rate imposed thereon by making such payment to the Treasurer of the City of Stratford within a period of Thirty (30) days following the date of the mailing of Notice of such special rate.
2. The Treasurer is hereby authorized and directed to accept such commutation payment, provided that such payment, or the arrangements for such payment to the satisfaction of the Treasurer, is made within the period specified in such Notice of special rate.
3. Notwithstanding the foregoing, the Treasurer may authorize the commutation of payment of any special rates imposed in accordance with this by-law after the period specified in such notice provided such payment, together with interest, is made to the Treasurer prior to the passing of the by-law to debenture the said special rate.
4. The interest rate to be applied to any commutation of payment made in accordance with Section 3 herein shall be the rate in effect for overdue accounts with the City of Stratford at the time such special arrangements were made.
5. That By-law Number 211-66 be and the same is hereby repealed.

*SENT TO ANDRÉ AT 3:20 PM*

Read a FIRST, SECOND, and THIRD time and  
FINALLY PASSED this 27th day of June, 1994.



MAYOR - Dave Hunt



DEPUTY CLERK - Paul Hunt

### **Incomplete List of Past Local Improvement Projects**

- Cawston Street, from Forman to 61 Cawston Street (2002)
  - Sidewalk
- Glastonbury Drive (2002)
  - Sidewalk
- Brydges Street (2001)
  - Sidewalk
- Huron Street, from Forman to 551 Huron Street (2001)
  - Sidewalk
- Bruce Street, from Taylor Street to Anne Hathaway School (2001)
  - Sidewalk
- Romeo Street (2000)
  - Sidewalk
- Borden Street, from Norfolk to Elgin (2000)
  - Sidewalk
- Forman Avenue, from Huron to Cawston (1995)
- York Street, from Huron to Erie (1992)
  - Road work and sidewalk
- Britannia Street, from Forman to West (1990)
  - Road work and sidewalk
- Matilda Street, from Huron to Galt (1989)
- Victoria Street, from Kent Lane to Cambria (1989)
- Kent Lane, from Downie to Victoria (1989)
- Downie Street, from Player to Lorne (1989)
- Hibernia Street, from Forman to O'Loane (1988)



# The Corporation of the City of Stratford

## Policy Manual

### L.3 Local Improvements

Dept: Infrastructure and Development  
Services

Committee: Infrastructure, Transportation and  
Safety

### L.3.1 Local Improvement Charges

Adopted:  
Amended:  
Reaffirmed:  
Related Documents:  
☒ Council Policy ☐ Administrative Policy

The Local Improvement process is used to recover the cost of municipal capital improvements (e.g. sidewalk, roads, watermain, sewer etc.) from property owners who directly benefit from the improvement. Costs are recovered from property owners through Local Improvement Charges. The process to administer Local Improvement is set through the Municipal Act (2001) under Ontario Regulation 586/06: Local Improvement Charges – Priority Lien Status. This Policy itemizes the cost sharing specifics for the City of Stratford.

#### Eligible Projects:

Local Improvement Charges shall only be applied to eligible capital works projects that result in a minimum recovery of \$40,000 from total Property Owner assessments.

#### Sidewalk:

Local street sidewalks 40% frontage share to property abutting work, 60% City share.

Collector and arterial street sidewalks 50% frontage share to Development Charges Bylaw, 50% City share.

The first priority is to get one sidewalk on all arterial roads. The second priority would be to get at least one sidewalk on all collector roads and the third priority would be to get two sidewalks on arterial roads.

Roadwork:

- (a) Up to and including 8.5m (28 feet) wide  
Property Owner frontage share is 40%. City share is 60%;
- (b) Over 8.5m (28 feet) wide is 100% City share;
- (c) Additional material required for heavy duty street pavement is 100% City share.

Storm Sewer:

- (a) Up to and including 675mm (27 inches) diameter  
Property Owner frontage share is 40%. City share is 60%;
- (b) Over 675mm (27 inches) diameter is paid by the City on a prorated basis according to the diameter of the sewer.
- (c) Storm services are paid 100% by the owner.

Sanitary Sewer:

- (a) Up to and including 200mm (8 inch) diameter  
Property Owner frontage share is 100%;
- (b) Over 200mm (8 inch) diameter is paid by the City on a prorated basis according to diameter of the sewer.
- (c) Sanitary services are paid 100% by the owner.

Watermain:

- (a) Up to and including 200mm (8 inch) diameter  
Property Owner frontage share is 100%;
- (b) Over 200mm (8 inch) diameter is paid by the City on a prorated basis according to diameter of the main.
- (c) Water services are paid 100% by the owner.

Flankage Exemptions:

If any of the above works abut a corner lot in a residential zone, the City shall pay for the first 40m (131 feet) along the flankage of the lot. Any flankage over 40 m (131 feet) shall be assessed to the abutting property.

Catchbasins:

All catchbasins and leads are paid 100% by the City.

Intersections:

All work at street intersections shall be paid 100% by the City.

## Photos of the Matilda Street Local Improvement Project Curb and Sidewalk



**Matilda Street 2014 Before Local Improvement.  
Looking South at Poor Drainage, Deteriorating Road and Sidewalk.**



**Matilda Street 2016 After Local Improvement.  
New Curb and Gutter (Image from Google Street View).**



## Corporate Services Department

# MANAGEMENT REPORT

**Date:** February 19, 2019  
**To:** Finance and Labour Relations Sub-Committee  
**From:** Michael Humble, Director of Corporate Services  
**Report#:** FIN19-006  
**Attachments:** None

**Title:** Vacant / Excess Land Subclasses For Commercial and Industrial Properties

**Objective:** To provide Council with background on the discounted tax subclasses that are currently in place for vacant / excess commercial and industrial land, and to seek Council direction on the policy changes that are available.

**Background:** Since 1998, Provincial legislation has required Municipalities to have mandatory tax subclasses that discount the tax paid on vacant/excess commercial and industrial land.

Section 313 (1) of the Municipal Act specifies that the *tax rates that would otherwise be levied for municipal purposes for the subclasses prescribed under subsection 8 (1) of the Assessment Act shall be reduced in accordance with the following rules:*

- *30 percent reduction, or such other percentage as may be prescribed, to the tax rates that would otherwise be levied for municipal purposes on commercial properties to the **commercial** vacant/excess land subclasses; and*
- *35 percent reduction, or such other percentage as may be prescribed, to the tax rates that would otherwise be levied for municipal purposes on industrial properties to the **industrial** vacant/excess land subclasses.*

As a result of changes to the Municipal Act under Bill 70, municipalities now have the option, via Council resolution and with approval from the Ministry of Finance, to alter the existing tax subclasses for vacant / excess commercial and industrial land.

- eliminate the discounts completely;
- maintain the status quo;
- decrease the discount percentage.



The increased flexibility will now allow each municipality to design tax subclasses that align with, and support Council strategic direction.

In order to make changes to this tax policy direction, the process required is the same as changes to the Tax Rebate Program for vacant industrial / commercial properties.

- A consultation with the business community,
- A resolution of Council confirming the changes desired, and
- Submission to the Ministry of Finance for approval.

### **Analysis:**

Eligibility for the vacant/excess land subclasses is determined by the Municipal Property Assessment Corporation (MPAC) annually and reflected in the year-end tax roll provided to the municipality, effectively discounting the upfront annual tax bill for such property owners.

### 2018 Impact of Vacant/Excess Land Tax Subclasses For Industrial/Commercial Properties

Summary of Commercial / Industrial Vacant/Excess Lands Property Tax Classes (2018 Data)						
Property Tax Class	Property Count	CVA (2018)	Discounted Property Tax (2018)	At Full Rate Property Tax (2018)	Cost to the City	Cost to the Province (Education)
Commercial	51	\$ 5,754,200	\$ 148,635	\$ 214,268	\$ 41,982	\$ 23,650
Industrial	93	\$ 7,644,069	\$ 230,142	\$ 354,613	\$ 89,520	\$ 34,951
<b>TOTAL</b>	<b>144</b>	<b>\$ 13,398,269</b>	<b>\$ 378,778</b>	<b>\$ 568,880</b>	<b>\$ 131,502</b>	<b>\$ 58,601</b>

There are 144 affected properties, based on the current tax roll: 51 commercial properties and 93 industrial properties.

The cost to the City of continuing to offer these tax subclasses is \$131,502 plus \$58,601 cost to the Province for education taxes.

The phase-out of this program would provide an incentive to develop these properties or convert them to active uses leading to increased economic development and future property taxes.

While it has not been as popular a tax policy tool as the elimination of the Vacancy Rebate program, there has still been considerable interest in amending these tax subclasses by a number of municipalities

#### VACANT AND EXCESS LAND SUBCLASSES

TABLE 6: MUNICIPALITIES THAT PROPOSE TO PHASE-OUT AND ELIMINATE DISCOUNT

Municipality	2018	2019	2020	2021
City of Greater Sudbury				
City of St. Thomas				
Elgin County				
Town of Thessalon				
Village of Hilton Beach				
Town of Espanola				
Municipality of Oliver Paipooonge				
Township of Nairn and Hyman				
Durham Region				
Town of St. Marys				
Haldimand County				

Phase-out  
Eliminate

TABLE 7: HOW MUNICIPALITIES WILL PHASE-OUT DISCOUNT

MUNICIPALITY	DESCRIPTION
Town of Espanola	<ul style="list-style-type: none"> <li>Reduce commercial and industrial discounts to 15% in 2017</li> </ul>
Durham Region	<ul style="list-style-type: none"> <li>Reduce commercial discount to 20% in 2018 and 10% in 2019</li> <li>Reduce industrial discount to 23.33% in 2018 and 11.67% in 2019</li> </ul>
Town of St. Marys	<ul style="list-style-type: none"> <li>Reduce commercial and industrial discounts to 20% in 2018 and to 10% in 2019</li> </ul>
Haldimand County	<ul style="list-style-type: none"> <li>Reduce commercial discount to 22.5% in 2018, 15% in 2019 and 7.5% in 2020</li> <li>Reduce industrial discount to 26.25% in 2018, 17.5% in 2019 and 8.75% in 2020</li> </ul>

Should Council consider a phase-out of the commercial and industrial vacant/excess property subclasses, this could be achieved over a 2 year period, starting in 2020 and ending 2021. The intent of the four year phase-out is to match the property re-assessment cycle of MPAC. By matching MPAC's reassessment cycle, it will allow for a "fresh" start in 2021 when the property values are next updated.

A suggested phase-out plan is summarized in the below table:

Phase-Out of Vacant/Excess Land Tax Subclasses		
Year	Vacant/Excess Land	
	Commercial	Industrial
2019 - Current Rate	30%	35%
2020	15%	15%
2021 and Onwards	0%	0%

If so directed, staff would follow a communication plan similar to that required to vary the Vacancy Rebate program. The process would involve extensive consultation with the business community through various media and face-to-face meetings.

A resolution of Council would then follow that confirms the desired changes to the tax subclasses.

All of which would then need to be submitted to the Ministry of Finance for approval.

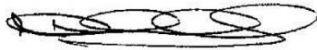
**Financial Impact:** The financial cost to the City of maintaining vacant/excess property subclasses for Industrial and Commercial properties is \$131,502 in 2018 dollars.

Encouraging development of vacant land will lead to an increased assessment base and higher tax revenue to the City.

**Staff Recommendation:**

**THAT** the report of the Director of Corporate Services dated February 19, 2019 regarding tax policy considerations of vacant and excess land subclasses for commercial and industrial land be received for information;

**AND THAT** direction be given to staff regarding any changes to the existing taxation policy.



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Michael Humble, Director of Corporate Services



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Rob Horne, Chief Administrative Officer