

Title: Local Improvement Levy Policy

Resolution: 2023-0213 (Sept 25/23)

Special Notes/Cross Reference:

Revised:

Next Review Date:

POLICY STATEMENT: The Town of Westlock requires a policy to establish its process and procedures for identifying, initiating, assessing, and funding local infrastructure improvements, as defined by the Municipal Government Act, as amended.

PURPOSE: The purpose of this policy is to establish a framework for the implementation of local improvement levies in a fair and equitable manner, taking into consideration the debt-load of the Town, the impact to ratepayers, and the impact on benefitting properties.

1. DEFINITIONS

- 1.1. *Act* – means the *Municipal Government Act*, as amended from time to time.
- 1.2. *Actual Frontage* – means the true physical length of a property line used for its assessment.
- 1.3. *Administration* – means the CAO, Senior Management, or designated support staff of the Town of Westlock.
- 1.4. *Chief Administrative Officer (CAO)* – means the individual appointed by Council to the position of Chief Administrative Officer as per the Municipal Government Act.
- 1.5. *Collector Road* – means a road that collects traffic from local roads.
- 1.6. *Effective Frontage* – means the artificial or imaginary length of a property line used for its assessment.
- 1.7. *Flankage* – means the side of the property perpendicular to the one used for assessment. For Low-Density Residential Properties this will be the long side of the lot. For all other properties, this will be narrow side of the lot.
- 1.8. *Frontage* – means the length of the property used for its assessment. For Low-Density Residential Properties this will be the narrow side of the lot. For all other properties, this will be long side of the lot.

- 1.9. *Local Improvement* – means a project, purchase, structure, work, or other undertaking by the Town, which, in the opinion of the Council, is of greater benefit to the area in which it is undertaken than it is to the whole municipality, and that is to be paid for in whole or in part by a local improvement levy.
- 1.10. *Local Improvement Bylaw* – means a Bylaw that Council must pass in order to execute a local improvement levy as per the Act.
- 1.11. *Local Improvement Plan* – means the plan to execute the local improvement including location, improvement details, benefitting areas, estimated costs, payment term, sources of revenue, etc. as per the Act.
- 1.12. *Local Road* – means a road that does not generally collect traffic from any other roads.
- 1.13. *Lot* – means all single-titles properties, or properties that have been consolidated on the tax roll.
- 1.14. *Low-Density Residential Properties* – means any single-detached, semi-detached, or row-housing dwelling.
- 1.15. *Other Properties* – means all properties other than Low-Density Residential Properties, including higher density and mixed-use properties.
- 1.16. *Town* – means the Town of Westlock.
- 1.17. *Typical Frontage* – means the property line that exists along a rectangular lot with an area of average size for a given local improvement project.
- 1.18. *Typical Lot* – means a regular lot within the improvement area of average size for a given local improvement.

2. GUIDING PRINCIPLES

- 2.1. When infrastructure improvement needs are identified by members of the public or by Council, and determined to be a local improvement, Administration will levy local taxes with consistent methodology based on the type of improvement under consideration and according to legislation.
- 2.2. Local improvements are contributed assets to the Town. The life cycle operations, maintenance, renewal, and replacement of local improvements are the responsibility of the Town.
- 2.3. Whenever practical the Town will combine applicable projects with other planned work to leverage economies of scale, and reduce public disruptions associated with construction activities.

- 2.4. When a full road reconstruction project has been identified in the Town's capital plan, Administration will include in its estimates, the cost to provide a new/upgraded sidewalk, paving of lanes or street lighting improvements etc. (as the case may be) to align the street, where practical, with the Town's current Procedures and Design Guidelines and other plans.
- 2.5. In the event of a discrepancy, the Act will govern.

3. APPLICABILITY

- 3.1. This policy applies to all existing projects in the Town's Capital Plan that utilize local improvement tax as a funding source as well as all new projects that contemplate local improvement tax as a funding source.
- 3.2. This Policy does not apply to properties that have already paid for the same local improvement through an offsite levy or redevelopment levy or other agreement.
- 3.3. Council reserves the right to refuse to initiate projects for the following reasons:
 - a) Insufficient availability of funding;
 - b) The Town portion of costs are too high compared to the public benefit received;
 - c) Project is not consistent with other Town plans or good planning principles; or
 - d) The Town cannot sustainably operate, maintain, renew, and replace the infrastructure long term.

4. ROLES AND RESPONSIBILITIES

4.1. Council

- a) Approve this policy and any amendments.
- b) Consider the allocation of resources for successful implementation of this policy in the annual budget process.
- c) May direct Administration to develop a local improvement plan under this policy.
- d) Review and either approve or reject local improvement plans, and bylaws presented by Administration.

4.2. Chief Administrative Officer

- a) Ensure staff compliance with this Policy.
- b) Implement policy, ensure policy reviews occur as scheduled, and verify the implementation of policy.

4.3. Administration

- a) Prepare local improvement plans and bylaws for Council's review and consideration after initiation by Council or members of the public.
- b) Ensure this Policy meets legislative standards.
- c) Communicate the methodology outlined in the policy to the Public/Citizens and educate them on the process for initiating a local improvement.

4.4. Public/Citizens

- a) Understand the rules for petitioning specific to local improvement taxation, as outlined in the Act and this policy.

5. PROCEDURE

5.1. *Eligible Projects*

- a) An eligible project is one identified by members of the public or by Council that have not been fully funded by other means. This includes, but is not limited to, the construction, re-construction, or replacement of municipal infrastructure items noted in *Table 1*.
- b) The payment term for each individual project will be determined as part of the Local Improvement Bylaw but may not exceed the Maximum Terms noted in *Table 1*.



Table 1 – Maximum Payment Terms by Local Improvement

Local Improvement	Maximum Term
Streets & Associated Infrastructure	15 Years
Lane Paving/Reconstruction	10 Years
Sidewalk Only	20 Years
Curb and Gutter Only	20 Years
Sidewalk, Curb, and Gutter Only	20 Years
Decorative Lighting	15 Years
Other Municipal Improvements requested by a specific area and deemed by Council to be a greater benefit to that area.	20 Years

5.2. Initiation of Local Improvement

- a) Local improvements may be initiated by Council through resolution, by Council through the adoption of a capital budget where local improvement taxes are identified as a funding source, or upon petition by the affected property owners.
- b) Council reserves the right to defer or refuse to initiate a local improvement project except in the case of a valid petition by the affected property owners.
- c) Petitions requesting a local improvement shall be in a form specified in the Act, signed by a minimum of 2/3 of the property owners who would be liable to pay the local improvement tax, and representing at least 1/2 of the value of assessments prepared under the Act for the parcels of land in respect of which the tax will be imposed.
 - i. If a property owner has multiple properties liable to pay the local improvement tax of a single project, that person's signature will be counted for each parcel owned.
 - ii. If a property has more than one owner, only one signature may be counted for that property.
 - iii. For condominiums, one signature may be counted for each titled condominium unit.
- d) Administration shall prepare a Local Improvement Plan, with estimated costs apportioned to benefiting properties as per the terms specified in Section 5.7.




- e) A letter providing a Notice of Intent for the local improvement and soliciting public feedback shall be sent to all owners liable to pay the local improvement levy at least thirty (30) days before the Local Improvement Plan is presented to Council. The letter shall summarize the Local improvement Plan including the proposed local improvement, benefiting areas, estimated costs, and maximum payment term.
- f) Local Improvement Plans shall be presented to Council, including any feedback received from the public. Council shall approve the project and direct Administration to proceed with the preparation of a Local Improvement Bylaw or provide alternative direction.
- g) If Council endorses the Local Improvement Plan, Administration will give official notice with a second letter to the property owners on the plan and intentions of the local improvement in accordance with the Act including directions for the petition process.
- h) Petitions against a local improvement shall be in a form specified in the Act, signed by a minimum of two-thirds (2/3) of the property owners who would be liable to pay the local improvement levy, and representing at least one-half (1/2) of the value of assessments prepared under the Act for the parcels of land in respect of which the tax will be imposed.
- i) If a valid petition is received, the local improvement will not proceed, and property owners will be notified. Otherwise, Administration will proceed with preparation of a Local Improvement Bylaw.
- j) All Local Improvement Bylaws shall be prepared in accordance with the Act. The Local Improvement Bylaw will set the maximum rate of interest for the local improvement levy, as per the Act.
- k) Prior to the first reading of the Local Improvement Bylaw, a public hearing shall be held to solicit public feedback on the project.
- l) When a local improvement is approved, Council may implement the local improvement and impose a local improvement levy at any time within the following three (3) calendar years after the sending of notices.
- m) Prior to initiating borrowing on a Local Improvement project, the Town shall provide each property owner with the opportunity to prepay their total assessment for the local improvement.

5.3. *Benefitting Area*

- a) All properties that are directly adjacent to a proposed Local Improvement project may be assessed with a local improvement levy.
- b) For sidewalk improvements, benefitting properties will include both sides of the road even if the sidewalk is installed on one-side only.

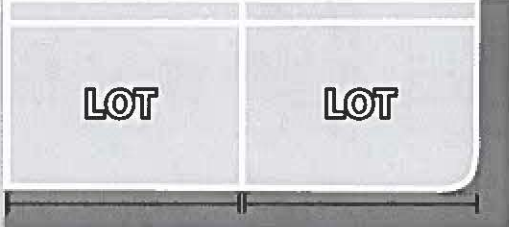
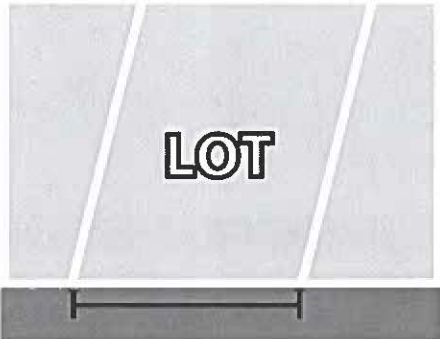
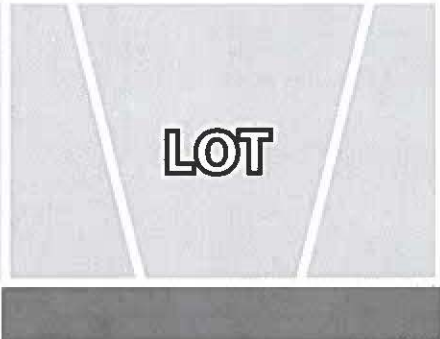
5.4. *Improvement Assessment*

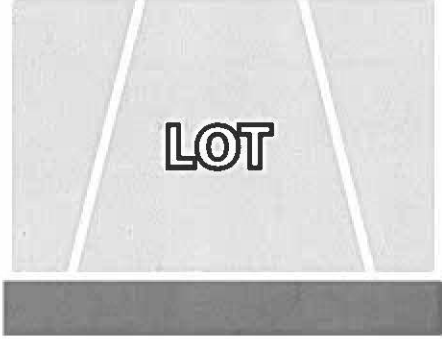
- a) Assessment to properties may be calculated on an Effective Frontage, Actual Frontage, parcel area, per parcel, uniform unit rate basis or assessed property value as described in the Act.
- b) If a property, which is subject to a local improvement, is subdivided:
 - i. The outstanding amount of the local improvement may be paid in full as a condition of the subdivision, or
 - ii. The original local improvement bylaw for the local improvement shall be amended to redistribute the outstanding amount of the local improvement to the properties that will be created as a result of the subdivision, in accordance with Section 402 of the Act.
 - iii. These considerations must be satisfied prior to endorsement of the subdivision.

5.5. *Frontage for Low-Density Residential Properties*

- a) If a Low-Density Residential Properties is assessed for local improvements on the basis of Effective Frontage, those properties of irregular size or shape may require adjustment of their Frontage to reflect an Effective Frontage (EF) as defined in *Table 2*.
- b) For condominium titled units the effective frontage of the condominium plan, will be divided by the number of titled condominium units.

Table 2 – Effective Frontage by Low-Density Residential Lot Description

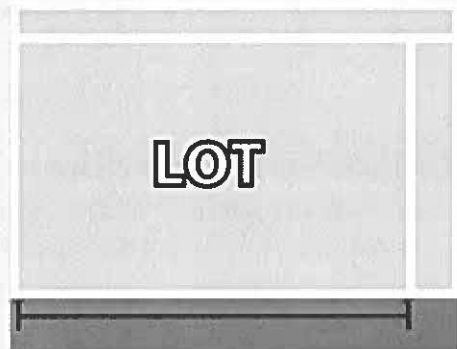
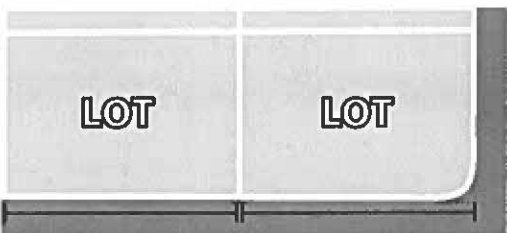
Lot Descriptions	Effective Frontage	Figure
Rectangular Lots (including Corner lots with a corner cut-off)	<p>EF = <i>Actual Frontage</i> (Disregarding corner cut-off)</p> <p>Where a local improvement affects:</p> <ul style="list-style-type: none"> • A side yard, they will be assessed up to the maximum length of the frontage • A flankage, they will be assessed up to 25% of the length of the flankage 	
Irregular Lots (Sides are approximately perpendicular to the improvement)	<p>EF = <i>Typical Lot Frontage</i> x <i>Lot Area/Area of Typical Lot</i></p>	
Pie Shaped (Irregular lots with narrow side adjacent to improvement)	<p>If Actual Frontage is greater than Typical Lot Frontage: EF = <i>Actual Frontage</i></p> <p>If Actual Frontage is less than Typical Lot Frontage: EF = <i>Typical Frontage</i></p>	

Reverse Pie Shaped (Irregular lots with wide side adjacent to improvement)	$EF = \text{Typical Lot Frontage} \times \text{Lot Area} / \text{Area of Typical Lot}$	
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5.6. *Frontage for Other Properties*

- a) Other Properties (including higher density residential and mixed-use) are typically assessed for roadway improvements on the basis of Actual Frontage. Those properties of irregular size or shape may require adjustment of their Frontage to reflect an Effective Frontage (EF) as defined in *Table 3*.
- b) Properties not described specifically in this policy may be evaluated on an individual basis and assessed in a manner considered reasonable by Council.

Table 3 – Effective Frontage by Other Property Lot Description

Lot Descriptions	Effective Frontage	Figure
Rectangular Lots	$EF = \text{Actual Property Length Adjacent to Improvement}$ (regardless of frontage or flankage)	
Corner Lots	$EF = \text{Actual Property Length Adjacent to Improvement}$ (disregarding corner cut-off)	

Rectangular Lots adjacent to streets on 3 sides	<p>EF = <i>Actual Property Length Adjacent to Improvement</i></p> <p>Up to the maximum frontage of the greater of:</p> <p>a) The length of the sum of the two opposite sides; or</p> <p>b) The length of the remaining, "Center" side</p>	
Rectangular Lots adjacent to streets on 4 sides	<p>EF = <i>Actual Property Length Adjacent to Improvement</i></p> <p>Up to the maximum frontage of the greater of:</p> <p>a) The sum of the length of the front and back sides of the property; or</p> <p>b) The sum of the length of the two remaining sides of the property</p>	

5.7. *Apportionment of Costs*

- a) When projects funded in whole or in part by a local improvement levy assessed to benefitting properties under a local improvement Bylaw, the apportionment of the project costs are to be as noted in *Table 4*.
- b) Council may alter the apportionment of costs from those noted in *Table 4* by resolution for an individual project.

Table 4 – Apportionment of Costs by Local Improvement

Local Improvement	Property Owner	Town
Streets and Associated Infrastructure		
Local Road	90%	10%
Collector Road	70%	30%
Lane Paving/Reconstruction	100%	-
Sidewalk Only		
Local Road	25%	75%
Collector Road	10%	90%
Curb and Gutter Only		
Local Road	25%	75%
Collector Road	10%	90%

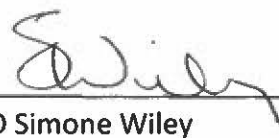
Sidewalk, Curb, and Gutter Only		
Local Road	25%	75%
Collector Road	90%	10%
Decorative Lighting	100%	-
Other Municipal Improvements requested by a specific area and deemed by Council to be a greater benefit to that area.	TBD	TBD

- c) Local improvements on or adjacent to Local Roads typically benefit only properties directly adjacent to that Local Road.

5.8. *Project Inclusions and Exclusions*

- a) Asphalt overlays will include where applicable minor curb, sidewalk, and road base repairs as part of the estimated project costs.
- b) Roadway reconstruction will include where applicable, base work, paving, utility relocations, curb and gutter, sidewalks, driveways, landscaping and tie-ins as part of the estimated project costs.
- c) In the case of curb, sidewalk or street paving improvements, the Town will replace any existing private driveway aprons, private sidewalk connections, and typical landscaping which are damaged or removed during construction or modified to ensure positive drainage.
- d) The property owner will typically be responsible for the costs not covered by the Town in Section 5.8. c) and any additional paved, concrete or landscaped areas outside of the improvement area.
- e) For any additional assessment not covered in this policy, the apportionment will be assessed by Administration and approved by Council.


 Mayor Ralph Leriger


 CAO Simone Wiley