

Calgary



Local improvements



Introduction

This brochure explains local improvements and how they affect your property and your taxes.

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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 lane paving, driveway crossing construction, sidewalk and/or curb and gutter replacement.

The full costs for these improvements are charged to the benefitting property owners.

Governing local improvements

The Municipal Government Act provides statutes for the administration of local improvements.

Initiating local improvements

Property owners or The City of Calgary can initiate local improvements. In either case, a Notice of Intention to Undertake a Local Improvement is sent to affected property owners by The City after a valid petition has been received. This indicates the type of work proposed and the estimated cost to the affected property owner. When a local improvement is initiated, the property owners and Council ultimately decide whether the project will be constructed.

Concrete local improvements

If The City of Calgary replaces infrastructure (e.g. sidewalks or curb and gutter) that has reached the end of its lifecycle in a community, and the location is on the Block Replacement List, the replacement would only take place based on priorities and available funding.

If The City does not plan to replace the infrastructure for years and the location is on the Block Replacement List, the property owner(s) who wants the replacement completed earlier can have this done under a Local Improvement with the property owner(s) and The City sharing the cost of the replacement and each paying 50% of the cost.

What regular taxes cover

Regular taxes support City operations and essential services including police and fire protection, and maintain existing infrastructure, snow and ice control, and sweeping.

Reasons for local improvements

Through the local improvements process, The City and property owners facilitate and support efforts to improve neighbourhood assets. Local improvement projects maintain or improve accessibility, and enhance appearance without burdening all taxpayers with the full financial responsibility of improving these public spaces.

Local improvement projects can improve amenities in a specific area and can contribute to increased attractiveness. The local improvement process provides a mechanism for adjacent residents to improve public infrastructure such as paving a lane, while sharing the cost with other benefitting property owners.

Lane paving is an effective means of dust reduction, offers better drainage, and prevents erosion of the lane surface.

Proper driveway crossings often replace ramps or built-up material in the gutter, resulting in improved drainage.

In addition, The City works with Business Improvement Areas, Community Associations, and other groups to identify improvements in specific areas, including downtown malls and streetscape improvements.

Requesting a local improvement

STEP 1. Request a petition package by creating a City of Calgary Service Request online at Calgary.ca/localimprovements or by calling 311. The petition package includes includes a Petition Form, a Rate Sheet, initial estimated costs, a map, Petition Information Sheet, a Statement of Representative, and an Affidavit of Witness.

STEP 2. To be valid, the petition must be signed by at least two-thirds of the affected property owners. The owners who sign the petition must also represent at least half of the value of total assessments of all properties affected by the local improvement. All signatures must be obtained within a 60-day period, in accordance with the provisions in the Municipal Government Act.

The owner of multiple properties within the affected area will count as only one vote. City-owned properties remain neutral in the petition process and do not appear on the petition form; however, City-owned property is assessed in the same manner as privately-owned properties (i.e. pay their share).

STEP 3. Each witness must complete and sign a Statement of Representative and an Affidavit of Witness to the signatures. The affidavit must be completed and signed in the presence of a Commissioner for Oaths. This service is available free of charge (by appointment only) at the Local Improvements office with the number provided in the petition package.

STEP 4. All completed petition packages must be returned to the Local Improvements office at the time of scheduled Commissioner for Oaths appointment or mailed/dropped off at the location indicated in the petition package.

STEP 5. The Local Improvements office will receive and validate completed petition and advise affected property owners in writing whether or not the petition is valid. If the petition is valid, the proposed project is included in the next available group of local improvements. If the petition is invalid, no further action takes place.

STEP 6. The City will send a Notice of Intention to affected property owners. This indicates the type of work proposed and the estimated cost to each property owner. Affected property owners have **30 days from the mailing date of this notice** to appeal through the Petition Against process, outlined on the next page.

STEP 7. The City typically processes two groups of local improvement projects each year. The first group of projects is scheduled for Council's approval prior to the beginning of the construction season. The second group of projects is scheduled for Council's approval in mid-summer.

Depending on the amount of work and weather conditions throughout the construction season, projects in the second group may be completed by the end of the construction season, or they may be deferred to the following year.



Petitioning against a local improvement

STEP 1. Request a petition against package by creating a City of Calgary Service Request either online at calgary.ca/localimprovements or by calling 311. The petition against package includes a Petition Form, a map, a Statement of Representative, and an Affidavit of Witness.

STEP 2. To be valid, the petition against must be signed by at least two-thirds of the affected property owners. The owners who sign the petition against must also represent at least half of the value of total assessments, of all properties affected by the local improvement.

The owner of multiple properties within the affected area will count as only one vote. City-owned properties remain neutral in the petition process and do not appear on the petition form; however, City-owned property is assessed in the same manner as privately-owned properties (i.e. pay their share).

STEP 3. Each witness must complete and sign a Statement of Representative and Affidavit of Witness to the signatures. The Affidavit of Witness must be completed and signed in the presence of a Commissioner for Oaths. This service is available free of charge (by appointment only) at the Local Improvements office with the number provided in petition package.

STEP 4. All completed petition packages must be returned to the Local Improvements office at the time of scheduled Commissioner for Oaths appointment or mailed/dropped off at the location indicated in the petition package.

Completed petitions must be received at the Local Improvements office within 30 days from the mailing date of the Notice of Assessment, in accordance with the provisions in the Municipal Government Act.

STEP 5. The Local Improvements office will receive and validate completed petition and advise affected property owners in writing whether or not the petition is valid.

STEP 6. If the **Petition Against** the proposed local improvement is valid, The City cannot proceed with the proposed improvement and will advise Council of the valid Petition Against.

STEP 7. If the petition against the proposed local improvement is invalid, Council is advised of the results, and then decides if the proposed local improvement will be constructed.

STEP 8. Affected property owners will be notified in writing of Council's decision.

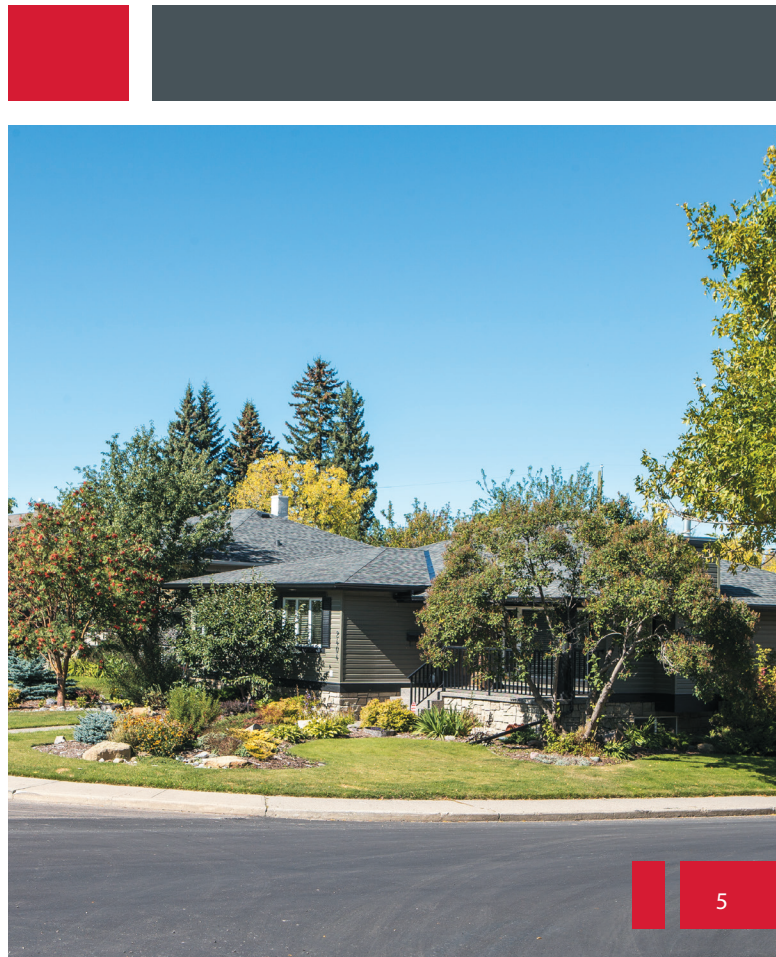
Assessing (billing for) a local improvement

The City uses the word “assessing” 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 adjoin the work.
- properties that don't adjoin the work but benefit from it.
- both of the above.

No properties are exempt from local improvement assessments. City-owned properties are assessed in the same manner as privately owned properties (i.e. pay their share).



Assessing (billing for) residential properties

Properties abutting a local improvement are typically assessed based on assessable metres. In most cases, assessable metres are the same as the width of the property.

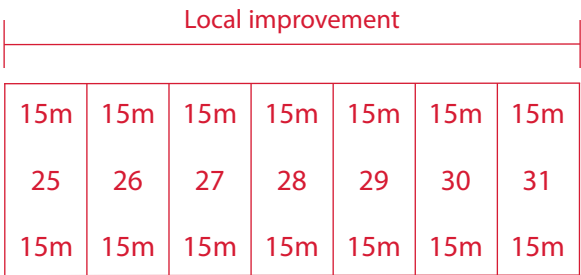
Frontage assessment

Properties abutting a local improvement “front” the work. Figure A illustrates a frontage assessment.

Properties 25 through 31 are charged for the local improvement based on an assessable frontage of 15 metres.

Each property would be charged the rate per metre x 15 metres = cost per property.

Figure A



In the case of irregularly shaped lots (where the sides are not parallel), the following formula is used to determine assessed frontage:

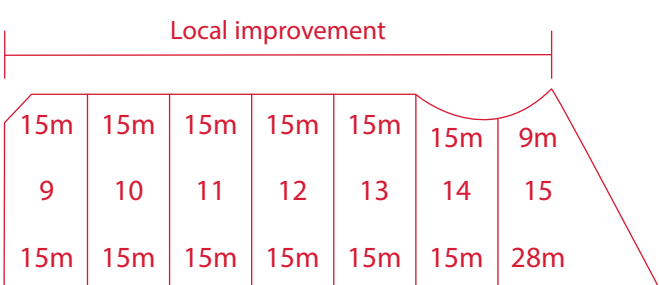
Longest width - shortest width x 35% + shortest width.

This formula ensures that all properties are assessed fairly. Property 15 in Figure B is an example of how this formula would apply.

$28 - 9 = 19 \times 35\% = 6.65 + 9 = 15.65\text{m}$

Rate per metre x 15.65 = cost for irregular shaped lot

Figure B

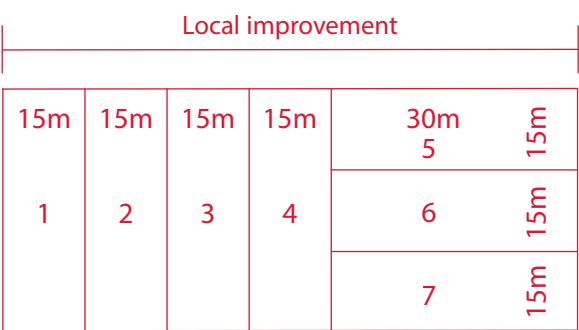


Assessing (billing for) non-residential properties

Typically, non-residential properties are assessed in the same manner as residential unless the work is considered to be beneficial to the portion running parallel to the lane construction. See Figure C.

In Figure C, lots 1 to 4 would be charged for 15 metres, and lot 5 would be charged for 30 metres. Lots 6 and 7 would not be charged.

Figure C



How is the cost determined?

The cost assessed to property owners is calculated in one of two ways.

Uniform tax rate

For common types of residential local improvements, like lane paving and sidewalks, uniform tax rates are approved by Council each year for each type of improvement. The rates are based on actual construction costs. The cost for a property owner is calculated by multiplying the property's assessable metres by the uniform tax rate.

Actual cost

Non-standard types of improvements are assessed on the actual cost of the work. To calculate the cost per metre for the project, the total cost of the project is divided by the total assessable frontage of the project. The cost for each property is then calculated by multiplying its assessable frontage by the cost per metre.

Other assessment methods

Assessments can also be based on each parcel of land or each unit of area.

Examples:

In the case of condominiums, a local improvement of \$10,000 may affect 100 units; therefore, the cost to each unit would be:

$$\$10,000 \div 100 = \$100/\text{unit}$$

A local improvement of \$100,000 may affect 20 parcels with a total area of 100 hectares.

Cost: $\$100,000 \div 100 = \$1,000/\text{hectare}$. For a 5-hectare parcel, total cost would be:

$$5 \times \$1,000 = \$5,000$$

Paying for local improvements

Each property owner has three options for payment once construction is completed.

OPTION 1: Payment of the full payout amount (no interest is included).

OPTION 2: Annual payments that are included in the property tax bill for the term of the bylaw with a typical bylaw term of 15 years. Interest is included and the interest is fixed for the term of the bylaw.

OPTION 3: Partial or entire payments can be applied to the account at any time. Note: Partial payments will only reduce the principal balance and not the annual payment amount. Annual payments, including interest, will continue until the outstanding balance is paid in full.

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 and payout amounts.

If a property owner chooses not to pay the full payout amount, the charges are automatically applied to the property owner's annual property tax bill.

Property owners may request a payout balance at any time during the term of the bylaw. Interest charges are included up to that year only.

Local improvement balances can be paid out in full at any time during the term of the bylaw. Once paid, the annual payment charge is removed for current year only, provided payment is received by the deadline of the billing year.

Example 1:

If your lane is paved and your property has an assessable frontage of 15 metres, and the uniform tax rate per assessable metre is \$396.00, then the total payout cost would be:

$$15 \text{ metres} \times \$396.00 = \$5,940.00$$

If amortized at 4 per cent over 15 years, the annual charge, including interest, would be \$35.62 per metre. The cost would then be:

$$15 \text{ metres} \times \$35.62 = \$534.30 \text{ per year for 15 years} \\ \text{or a total of } \$8,014.50$$



Example 2:

For a double-driveway crossing improvement, the total cost of the project is \$5,000. This is the total payout amount.

If amortized at 4 per cent over 15 years, the annual charge would be \$449.71. The total cost over 15 years would be \$6745.65.

Tax Installment Payment Plan (TIPP)

If you are a TIPP participant, your annual charge will automatically be recalculated in your monthly installment amount.

Disagreeing with my assessment

After receiving the Local Improvement Assessment Notice, property owners can appeal to the Assessment Review Board within 30 days from the mailing date of the Assessment Notice.

Items for appeal include:

- incorrect assessable frontages
- incorrect owners assessed
- incorrect calculations

In many cases, assessment complaints can be resolved without going through the appeal process. For this reason, property owners should contact the Local Improvements Unit by calling 311 before filing a complaint. City representatives can then meet with the property owner to explain the assessment and review the complaint. Resolving complaints this way can help save time and expenses for both the property owner and The City.

The uniform cost rates cannot be appealed.

Local improvement FAQs

Do I have to pay if I don't support the local improvement project?

Once Council approves the project and construction has been completed, all property owners affected by the improvement are required to pay their assessed cost, even if they are opposed to the project.

Why is the payout amount less than the annual charge multiplied by the number of years?

In order to finance these projects, The City borrows funds and pays interest on these funds. This cost of borrowing is passed on to the property owners.

Who does the construction work?

Generally, local improvement projects are tendered out to private contractors.

Will you pave up to my garage?

For lane paving, the area that will be paved extends from the property line on one side of the lane to the property line on the other side. If an owner's garage slab does not extend to the property line, a complete connection can be arranged at the time of construction between the property owner and the contractor. This work would be at an additional cost to the property owner and payable directly to the contractor.

Are there any options for individuals that cannot afford to pay the local improvement charges?

Financial assistance is not available on local improvement projects. If you are a property owner experiencing financial hardship, you may be eligible for assistance through the Property Tax Assistance Program. Visit Calgary.ca/propertytax or call 311.



How do I prepare for construction?

Informational door hangers from The City's Infrastructure Services Department are delivered to all properties affected by the local improvement 48 hours prior to construction. By carefully reading the information provided, you can take all the necessary precautions for a successful local improvement. If you have questions or concerns, please contact the Local Improvement Unit by calling 311.

Are names of the registered property owners provided with the petition?

The City is not able to supply the names of the affected property owners for privacy reasons. As you are circulating the petition, you need to ensure the person signing is the registered property owner.

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Notes

Local improvements

For further information, please contact:

The Local Improvements Unit within
Public Spaces Delivery at The City of Calgary:

By phone: 311

Online: [Calgary.ca/localimprovements](https://calgary.ca/localimprovements)

Additional Resources:

[Calgary.ca/propertytax](https://calgary.ca/propertytax)