

Appendix A: Local Improvement Process Background

The Ministry of Government Relations provides guidance to municipalities through its *Local Improvement Manual for Local Governments, 2012* and the *Local Improvements Act, 1993* (the “Act”). The Act provides three ways in which a local improvement may be initiated:

- By petition from property owners requesting the work;
- By Council on its own initiative, with owners having the right to petition against the work; and
- By Council on its own initiative, with owners have no right of petition against the work.

This publication provides a flowchart outlining the process for implementing an owner-initiated local improvement, as shown in Figure 1. There are additional processes involved for the City of Regina (the “City”) in addition to what the province has outlined in this flowchart such as the Uniform Rate Report and bylaw process that proceeds the LIP process every year.

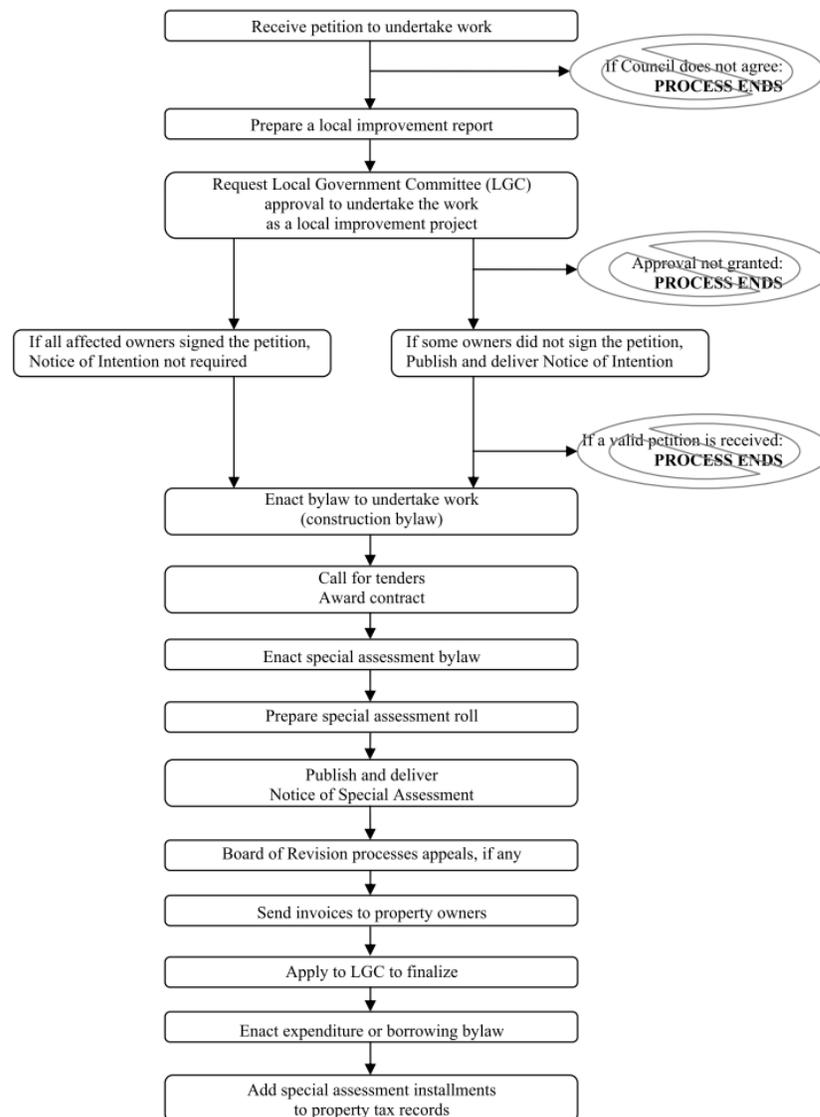


Figure 1: Local Improvement Process Flowchart

Recognizing the initial petitioning steps is key to the discussion in this report, there are two petition stages:

- Initial petition *in favour* of the project.
- Second petition allowing the opportunity to *oppose* the project.

Unless the initial petition has the support of every benefiting property owner, the City is required to post notice of the proposal and contact every benefiting land owner individually to allow them the opportunity to petition against the work. Between the two petition stages, a Local Improvement Report would be prepared that includes an engineer's report and cost estimate. This information may change the opinions of some of the petitioners.

A majority is defined in the Act as the owners of more than half the properties representing more than half the assessed value of the land – but the Act only defines this threshold for the second stage petition *against* the work.

A petition in favour of a project is not binding on the City. However, a petition against the work is binding for the next twelve months.

A new LIP may include projects that are entirely funded by property owners. The Act requires the City to pay its share for tax-exempt lands benefiting from the work, such as parks. The City is also responsible for maintenance of infrastructure completed as a local improvement during the life of the asset.

The use of a local improvement program will require ongoing and fluctuating levels of administrative effort on the part of the City. Administrative effort would include:

- Prepare Uniform Rates report and bylaw;
- Accepting a petition from property owners and checking the validity of the petitioners;
- Determining the lands benefiting from the proposed Local Improvement Project and subject to a Special Assessment;
- Preparing a preliminary design report, including a cost estimate of the proposed works, and identifying the lifetime of the proposed work;
- Determining the rate of Special Assessment;
- Preparing a Local Improvement Report and submitting it to the Saskatchewan Municipal Board Local Government Committee (LGC) for approval to proceed;
- Advertising a “Notice of Intention” publically and an individual notification to each property owner;
- Answering enquiries from residents;
- Accepting and validating petitions against the proposal;
- Preparing a report to Council on the petition outcome, unless no petition against the work is received;
- Preparing and adopting an enabling bylaw for construction which includes special assessment provisions (this is the City's annual LIP bylaw);
- Managing construction and tendering;
- Preparing a Special Assessment Roll and Special Assessment Notice;

- Handling any appeals against the Special Assessment;
- Invoicing property owners;
- Preparing and adopting an enabling bylaw for borrowing, if applicable; and
- Administering special assessment installment payments.

One important administrative function is to define the extent of the land benefitting from proposed work. In some cases, this is not as simple as the lands abutting the work. The Local Improvements Manual lists an example where after an appeal process, property owners on a local street with no work were assigned some of the costs for a street improvement on a nearby street, because their property had no access except via the other street. The exact details of who a “benefitting” property owner is will be more defined in the development of the new LIP.

There is also likely to be some administrative effort required to guide prospective petitioners, including assisting them with understanding the rules and finding assessed values and ownership information.

The Special Assessment will be based on the actual project costs, not those estimated in advance. However, the Administration must address concerns from citizens if actual project costs exceed the estimates resulting in a higher Special Assessment than indicated prior to the petitioning process.