

# Report to Council



**Date:** March 21, 2022  
**To:** Council  
**From:** City Manager  
**Subject:** South Okanagan Mission Agricultural Users Local Area Service Amendment and Parcel Tax Bylaw  
**Department:** Utility Services

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## **Recommendation:**

THAT Council receives for information the report from Utility Services dated March 21, 2022, directing staff to levy a parcel tax under Section 200 of the *Community Charter* on the benefiting parcels in the South Okanagan Mission Agricultural Users Local Area Service;

AND THAT Council receives the Certificate of Sufficiency dated March 15, 2022 pertaining to the South Okanagan Mission Agricultural Users Local Area Service;

AND THAT Bylaw No. 12334 being Amendment No. 1 to the South Okanagan Mission Agricultural Water Establishment Bylaw No. 11745 be forwarded for reading consideration;

AND FURTHER THAT Bylaw No. 12288 being the South Okanagan Mission Agricultural Users Local Area Service Parcel Tax be forwarded for reading consideration.

## **Purpose:**

To add a property to the South Okanagan Mission Agricultural Customer User Local Area Service and to approve the South Okanagan Mission Agricultural Users Local Area Service Parcel Tax Bylaw for upgrading of a water irrigation system servicing the Local Area Service.

## **Background:**

In March 2017, the City received an unprecedented grant of \$43.9 million to deliver clean drinking water to southeast Kelowna and provide adequate agriculture water capacity to properties in the South Okanagan Mission Irrigation District (SOMID). The grant was specified for upgrades required to the City's south end water system including the supply of water to SOMID for irrigation use and for decommissioning of the Frazer Lake Dam.

The Local Area Service (LAS) was initiated by the benefitting property owners to assist with funding additional infrastructure and servicing needs.

The City assumed all assets and liabilities following SOMID dissolution on January 1, 2020. Water supply to all property owners was maintained during the transition and construction period. Construction of the works is now complete, all invoices are submitted, and relevant contracts closed.

**Discussion:**

At the time of initiating the LAS the owner of 4855 Chute Lake Road did not wish to participate but chose to rely on his wells for irrigation instead. That property owner recently contacted the City requesting to join the LAS and has submitted a signed petition. In order for 4855 Chute Lake to participate in the LAS Bylaw 12334 must be amended.

The total cost applicable to the LAS properties is \$472,349.29. These costs are to be borne by the benefiting area, as identified in Schedule A of Bylaw 11745, and shall be raised by way of a local service parcel tax under Section 216 of the Community Charter. A commutation option will be available to property owners for them to make a one-time payment of the total cost of construction assessed upon their parcel, provided this request is made within the timeframe outlined in the written letter to affected properties, and applied based on land area. Should the commutation be declined, then the default approach is the parcel tax method, where the City will levy payments including financing charges annually over 20 years per parcel commencing upon adoption of this bylaw. The annual payment amounts, by property, are presented in Table 1.

**Table 1. Estimated Annual Payment Schedule**

Address	Property Information	Annual Payment	Cash Commutation Option
559 Barnaby Rd	Lot 3 Plan 1743	\$3,626.09	\$48,729.96
579 Barnaby Rd	Part SE ¼ Exc Plan 1743, 20228, KAP72443	\$4,269.54	\$57,377.10
4895 Frost Rd	Lot A Plan 40061	\$2,998.95	\$40,302.12
4915-4923 Frost Rd	Lot A Plan EPP82930	\$3,709.49	\$49,850.75
4950 Frost Rd	Lot 1 Plan 90220	\$ 2,876.03	\$ 38,650.17
5001-5055 Frost Rd	Lot B Plan EPP82930	\$ 3,481.04	\$ 46,780.77
4855 Chute Lake Rd	Lot A Plan 31228	\$4,340.43	\$58,329.77
4870 Chute Lake Rd	Lot 1 Plan 78562	\$ 9,846.82	\$ 132,328.65
4870 Chute Lake Rd	SRW as to Part Former Lot A Plan KAP 67429		Excluded
Total			\$472,349.29

Before the parcel tax can be applied, the Parcel Tax Roll Review Panel must meet to consider any complaints regarding the parcel tax roll and to authenticate the roll. The members appointed by Council to the Parcel Tax Review Panel are Councillors Hodge, Singh and Wooldridge.

The Panel must consider any complaints regarding the parcel tax roll based on one or more of the following reasons:

- a) there is an error or omission respecting a name or address on the parcel tax roll;
- b) there is an error or omission respecting the inclusion of a parcel;
- c) there is an error or omission respecting the taxable area; or
- d) an exemption has been improperly allowed or disallowed.

The Parcel Tax Roll Review Panel will hear any complaints on the following completed local service area identified on Schedule "A" as attached to this report.

If a property owner wishes to file a complaint on the above noted properties, they must provide written notice of the complaint to the Revenue Supervisor by 16:00 Thursday, April 14, 2022.

#### **Next Steps**

**March 22, 2022** – All owners on the parcel tax roll will be notified by mail of the service for which the parcel tax is to be levied, the time and place of the Parcel Tax Review Panel meeting, and the availability of the parcel tax roll for inspection at City Hall during regular business hours.

**April 25, 2022** – As per Section 204 of the Community Charter, the City will convene a parcel tax roll review panel to consider any complaints regarding the roll and authenticate the rolls.

#### **Conclusion:**

This new bylaw, cited for all purposes as being "South Okanagan Mission Agricultural Users Local Area Service Parcel Tax Bylaw 12288", establishes parcel taxes levied in accordance with the Community Charter.

This bylaw does not require a change to City budgets.

#### **Internal Circulation:**

Communications  
Controller  
Financial Planning  
Asset Management and Capital Planning  
Purchasing  
Revenue  
Utility Services  
Water Operations

#### **Considerations applicable to this report:**

Legal/Statutory Authority:

*Community Charter* Division 4 – Parcel Taxes

Legal/Statutory Procedural Requirements:

Before a parcel tax is imposed for the first time, a parcel tax roll review panel must consider any complaints respecting the parcel tax roll.

*Community Charter*, Section 94 – Post on a notice board and advertise two consecutive weeks in a local newspaper. The required advertisements will be placed in the Daily Courier Wednesday, April 13 and Wednesday, April 20, 2022.

*Community Charter*, Section 204(3) – Financial Services will mail letters to owners of affected parcels 14 days prior to the Parcel Tax Review Panel meeting date stating:

- a) the service in relation to which the parcel tax is to be imposed;
- b) the taxable area;
- c) the time and place of the sitting of the review panel; and
- d) that the parcel tax roll is available for inspection at the municipal hall during its regular business hours.

**Considerations not applicable to this report:**

Existing Policy:

External Agency/Public Comments:

**Submitted by:** K. Van Vliet, Utility Services Manager

**Approved for inclusion:** M. Logan, General Manager, Infrastructure

cc: City Clerk  
Divisional Director, Financial Services  
Divisional Director, Corporate Strategic Services

Schedule "A" – Map of South Okanagan Mission Agricultural Customer User Local Area Service  
Schedule "B" – Certificate of Sufficiency