



**City of Kingston
Report to Council
Report Number 19-160**

To:	Mayors and Members of Council
From:	Peter Huigenbos, Acting Commissioner, Community Services
Resource Staff:	Same
Date of Meeting:	June 18, 2019
Subject:	Write off of Uncollectible Property Taxes and Vesting of Lands – Portion of Little Cataraqui Creek West Branch

Executive Summary:

In March, an approximately 1.2 acre parcel of land that is designated Environmental Protection Area (EPA), containing wetlands and a portion of the west branch of the Little Cataraqui Creek between Centennial Drive and Malabar Drive, was offered for tax sale (Exhibit A). The surrounding natural area, which is all owned by the City of Kingston, is comprised of wetlands, the creek and some public park lands. The parcel was offered through the tax sale process for a minimum bid of \$7,071.75 to recover several years' worth of unpaid taxes and associated fees, penalties and interest. The process closed in March 2019, and no bids were received.

The *Municipal Act, 2001* (the Act) provides that the City Treasurer may recommend to Council that uncollectible property tax amounts be written-off when a property has been subject to an unsuccessful tax sale. Council has the authority to write-off the taxes from the tax roll. The amount recommended for write-off in this report is for an approximately 1.2 acre unaddressed property located along the West Branch of the Little Cataraqui Creek between Centennial Drive and Malabar Drive.

Additionally, the Act allows for the municipality to register a Notice of Vesting to acquire a property which was unsuccessfully offered through the tax sale process. This report recommends that Council vests this property into City ownership to align with the Council strategic priority of enhancing and expanding green spaces and protecting wetlands.

Recommendation:

That Council approve the acquisition of the property known municipally as Roll No. 110 11 080 180 00898 0000 Part Lot 13 Concession 2 former Kingston Twp., along the West Branch of Little Cataraqui Creek between Centennial Drive and Malabar Drive; and

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That the City Treasurer be authorized to prepare and register a Notice of Vesting in the name of The Corporation of the City of Kingston pursuant to subsection 379(5) of the *Municipal Act, 2001* for the property known municipally as Roll No. 110 11 080 180 00898 0000 Part Lot 13 Concession 2 former Kingston Twp., along the West Branch of Little Cataraqui Creek between Centennial Drive and Malabar Drive; and

That Council approve the write-off of uncollectible taxes in the amount of \$6,053.07, of which \$5,889.07 is the City's portion and \$163.99 will be charged back to the school boards.

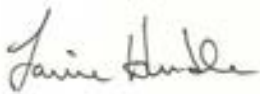
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Authorizing Signatures:



**Peter Huigenbos, Acting
Commissioner, Community
Services**



**Lanie Hurdle, Acting Chief
Administrative Officer**

Consultation with the following Members of the Corporate Management Team:

Gary Dyke, Commissioner, Corporate Enterprise Services	Not required
Peter Huigenbos, Acting Commissioner, Community Services	Not required
Jim Keech, President & CEO, Utilities Kingston	Not required
Desirée Kennedy, Chief Financial Officer & City Treasurer	OK
Sheila Kidd, Commissioner, Transportation & Public Works	SK

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Options/Discussion:

Under the authority of the *Municipal Act, 2001 (the Act)*, municipalities are empowered to utilize tax sale processes in certain situations to recover tax arrears on a property. A property is eligible for tax sale proceedings when the associated tax account has any part of two years or more taxes outstanding at January 1st of a given year. In addition, the Act permits the City Treasurer to recommend that taxes be written off the tax roll when the property has been subject to an unsuccessful tax sale, and it also provides for the ability of the City to vest (take ownership) of such properties if it chooses.

The property in question is an approximately 1.2 acre parcel designated EPA, containing wetlands and a portion of the west branch of Little Cataraqui Creek between Centennial Drive and Malabar Drive (Exhibit A). The parcel was offered through a tax sale process for a minimum bid of \$7,071.75 which closed in March 2019; no bids were received. After it failed the tax sale process, the Finance Department circulated this property to internal City departments. The circulation identified an interest in acquiring the property in support of the Council strategic priority of enhancing and expanding green spaces, and protecting wetlands. The surrounding natural area, which is all owned by the City of Kingston, is comprised of wetlands, the creek and some public park lands.

The Act also provides that a municipality may advertise the property for sale a second time within two years of the tax sale date. If the taxes have been written off, the property can presumably be offered for sale at a minimum tender amount that might be more attractive to purchasers. If the municipality has not registered a Notice of Vesting or re-advertised within 2 years of the tax sale date, the whole process is deemed to be cancelled. Staff is not recommending advertising the property a second time.

This report recommends that the City exercise its powers under the Municipal Act (2001) to take ownership of this property now, which would be in alignment with Council's recently approved strategic priorities, including the priority of enhancing and expanding green spaces and protecting wetlands. Staff at the Cataraqui Region Conservation Authority were contacted regarding the potential acquisition and are strongly in support, noting that City ownership of this property will help ensure the long-term protection of the Little Cataraqui Creek Valleylands and their associated environmental features and functions.

As part of the City's normal environmental due diligence practices, qualified staff in the Real Estate & Environmental Initiatives Department performed an environmental property screening which consisted of a site inspection and a review of available records and historical aerial photos to assess the potential for areas of environmental concern. The review found that there is a low risk of encountering environmental conditions that would discourage the City from taking ownership of the property.

Existing Policy/By Law:

The Acquisition of Real Property Policy is not applicable to real property vested in the municipality pursuant to the Municipal Act.

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Notice Provisions:

Not applicable

Accessibility Considerations:

Not applicable

Financial Considerations:

As the property is a failed tax sale, there is no purchase price for the City to acquire the property. Tax arrears on the property have accumulated in the amount of \$6,053.07, of which \$5,889.08 is the City's portion and \$163.99 will be charged back to the school boards. The City's portion of \$5,889.08 is comprised of \$966.79 in outstanding municipal taxes with the remainder being legal fees, penalties and interest. The property was listed for a minimum bid of \$7,071.75 which included website advertising and tax deed preparation fees. The City's portion of the arrears has already been provided for in the City's allowance for doubtful accounts and, therefore, write-off of the balance will not affect current operating budgets. Education levies are paid to the school boards in the year in which the taxes are levied; therefore, education taxes in the amount of \$163.99 will be recovered from the school boards in 2019.

At current assessed value, the municipal portion of property taxes for the property in 2019 would be \$150.07.

Contacts:

Peter Huigenbos, Acting Commissioner, Community Services 613-546-4291 extension 3148

Jeff Walker, Manager, Taxation & Revenue 613-546-4291 extension 2484

Other City of Kingston Staff Consulted:

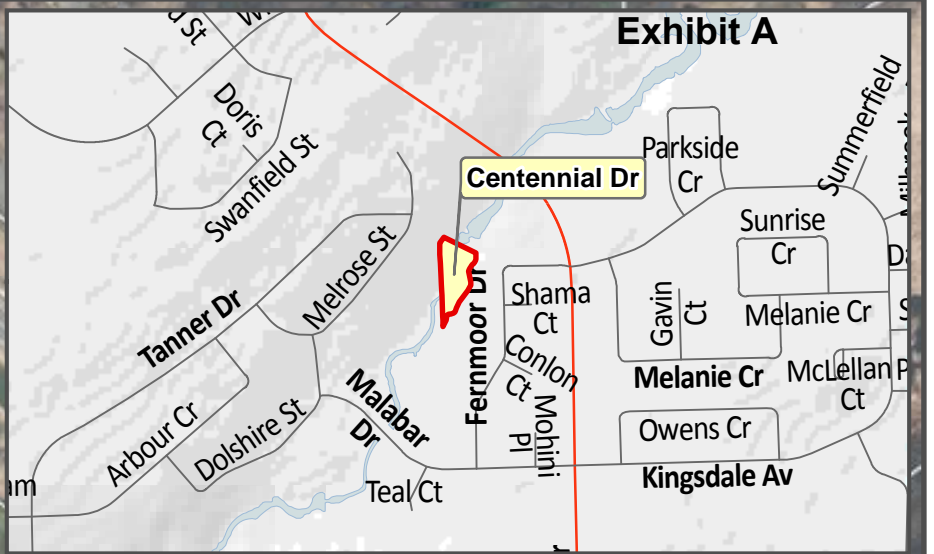
Troy Stubinski, Operations Manager, Public Works Services

Neal Unsworth, Manager, Parks Development, Recreation & Leisure Services

Exhibits Attached:

Exhibit A Site Sketch

**City of Kingston
Tax Sales Property
Roll # 080 180 00898
Centennial Dr**



Source: GIS Enterprise Geodatabase, MPAC, Ortho Photo 2018.
Disclaimer: The Corporation of the City of Kingston assumes no responsibility for inaccurate or inconsistent data set out in this map product. CentennialDr Nov 2018

