<table>
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<th>TO:</th>
<th>Chair and Members</th>
<th>WARD(S) AFFECTED: WARDS 3, 7, 10, and 13</th>
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<tr>
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<td>Audit and Administration Committee</td>
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<td>COMMITTEE DATE:</td>
<td>September 8, 2010</td>
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<td>SUBJECT/REPORT NO:</td>
<td>Treasurers Write-off of Taxes under Section 354 of the Municipal Act, 2001 (FCS10065) (Wards 3, 7, 10 and 13)</td>
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<td>SUBMITTED BY:</td>
<td>Antonio D. Tollis</td>
<td>PREPARED BY: Larry Friday 2425</td>
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<td>Treasurer</td>
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<td>Corporate Services Department</td>
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<td>SIGNATURE:</td>
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**RECOMMENDATION**

(a) That the Treasurer, under Section 354(3) of the Municipal Act (2001), write-off taxes as uncollectible due to a failed tax sale on 25 Ann Street (Tax Roll Number 260.100.24800) (Ward 13) in the amount of $19,668.30;

(b) That the Treasurer, under Section 354(3) of the Municipal Act (2001), write-off taxes as uncollectible due to a failed tax sale on 278 Wilson Street (Tax Roll Number 030.213.04680) (Ward 3) in the amount of $34,024.38;

(c) That the Treasurer, under Section 354(3) of the Municipal Act (2001), write-off taxes as uncollectible due to a failed tax sale on 0 East 12th Street (Tax Roll Number 070.811.01651) (Ward 7) in the amount of $397.34;

(d) That the Treasurer, under Section 354(3) of the Municipal Act (2001), write-off taxes as uncollectible due to a failed tax sale on 112 Peachwood Crescent (Tax Roll Number 003.250.31550) (Ward 10) in the amount of $9,855.82; and

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**Vision:** To be the best place in Canada to raise a child, promote innovation, engage citizens and provide diverse economic opportunities.

**Values:** Honesty, Accountability, Innovation, Leadership, Respect, Excellence, Teamwork
(e) That the Treasurer, under Section 354(3) of the Municipal Act (2001), write-off taxes as uncollectible due to a failed tax sale on 380 Sherman Avenue North (Tax Roll Number 030.271.00520) (Ward 3) in the amount up to $29,643.44.

EXECUTIVE SUMMARY

Section 354(3) of the Municipal Act, 2001 allows Council to write-off taxes as uncollectible upon the recommendation of the Treasurer, after a failed tax sale.

The five properties identified did not receive any bids at the tax sales the properties were offered at.

Alternatives for Consideration – Not Applicable

FINANCIAL / STAFFING / LEGAL IMPLICATIONS (for Recommendation(s) only)

Financial: The total taxes to be written off are $93,589.28; of which $549.33 will be applied to HAMTN 12643.000100 (Water Rate Budget), $549.32 to HAMTN 12642.000100 (Sewer Rate Budget), $2,456.67 to the various School Boards, and $90,033.96 to HAMTN 12040.000100 (Tax Write-Offs).

Staffing: None

Legal: None

HISTORICAL BACKGROUND (Chronology of events)

Two tax sales are run per year. There are many reasons why properties do not have any bids on them at a tax sale. Two of the more common reasons are the properties are vacant land with little or no value, or the property is in a dilapidated state where a combination of the taxes and property standards charges are greater than the value of the property. The Tax Section works in unison with the Legal Services, Real Estate, Property Standards and Planning Divisions to identify issues with properties eligible for tax sale.

The property at 25 Ann Street was offered for tax sale in May 2008, at which time, no bids were received. The property is on a flood plain and testing has determined that the property is unbuildable. The Real Estate Division of the Planning and Economic Development Department has been unsuccessful in selling the property on the open
market or to the abutting owners. It is recommended that the taxes now be written off and removed from the City’s receivables.

The property at 278 Wilson was offered for tax sale in May 2006, at which time, no bids were received. This property is a vacant lot that had the home demolished in 2001 by the City under our property standards by-law. The property may be required by the City for the potential street widening of Wilson Street. The Real Estate Division of the Planning and Economic Development Department has been unsuccessful in selling the property on the open market or to the abutting owners. It is recommended that the taxes now be written off and removed from the City’s receivables.

The property at 0 East 12th Street was offered for tax sale in May 2010, at which time, no bids were received. This property is a narrow strip of land that served as a walkway onto the former school yard at the corner of Fennell and Upper Wellington. Upon the redevelopment of this property, the walkway remained in the developer’s name that eventually walked away from the property. The property will be transferred to one of the abutting homeowners on East 12th Street by the Real Estate Division of the Planning and Economic Development Department. The property, in and of itself, has no value. It is recommended that the taxes now be written off and removed from the City’s receivables.

The property at 112 Peachwood Crescent was offered for tax sale in May 2010, at which time, no bids were received. This property is a vacant piece of land left over from the development of Peachwood Crescent. A subdivision agreement has rendered this property unbuildable, due to an easement on the property in favour of the City due to buried sewer lines. It is recommended that the taxes now be written off and removed from the City’s receivables.

The property at 380 Sherman Avenue North was offered for tax sale in May 2010, at which time, no bids were received. This property contains a home, in need of repairs, that has had in excess of $28,000 in property standards charges added onto the tax roll. The Real Estate Division of the Planning and Economic Development Department have a potential purchaser for this property at well below the taxes and property standards charges owed. That sale is expected to close by August 6, 2010, with the net proceeds of $19,000 to be applied to the outstanding tax liability. In order to complete the sale of the property, the remaining taxes outstanding need to be written off.

**POLICY IMPLICATIONS**

Municipal Act (2001), Part XI, Section 354.
RELEVANT CONSULTATION

Real Estate Division, Planning and Economic Development Department

ANALYSIS / RATIONALE FOR RECOMMENDATION

(include Performance Measurement/Benchmarking Data, if applicable)

All means to collect the outstanding taxes have now been exhausted for the five tax sale properties. A portion of the taxes has been recovered with the property sale of 380 Sherman Avenue North, per Procedural By-Law 04-299, for the Sale of Lands. By removing the taxes outstanding on the balances, our taxes receivable will show a truer picture of what is collectible by the City.

ALTERNATIVES FOR CONSIDERATION

(include Financial, Staffing, Legal and Policy Implications and pros and cons for each alternative)

None.

CORPORATE STRATEGIC PLAN (Linkage to Desired End Results)


Skilled, Innovation & Respectful Organization.

APPENDICES / SCHEDULES

None.