



TO: GENERAL COMMITTEE

SUBJECT: 2020 TAX RATIOS AND CAPPING POLICIES

WARD: ALL

PREPARED BY AND KEY CONTACT: C. SMITH, SENIOR MANAGER, ACCOUNTING AND REVENUE, EXT. 5128

SUBMITTED BY: C. MILLAR, DIRECTOR OF FINANCE AND TREASURER

GENERAL MANAGER APPROVAL: D. MCALPINE, GENERAL MANAGER OF COMMUNITY AND CORPORATE SERVICES

CHIEF ADMINISTRATIVE OFFICER APPROVAL: M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

RECOMMENDED MOTION

1. That the tax ratios for the 2020 taxation year be established as follows:

a)	Residential/farm property class	1.000000
b)	New Multi-residential	1.000000
c)	Multi-residential	1.000000
d)	Commercial Occupied	1.433126
e)	Industrial Occupied	1.516328
f)	Pipelines	1.103939
g)	Farmlands	0.250000
h)	Managed forest	0.250000
2. That the capping program be funded by clawing back decreases from within the affected property tax classes.
3. That the recommended capping parameters for commercial and industrial properties be maintained, as follows:
 - a) The property tax cap be set at an amount representing 10% of the previous year's annualized taxes.
 - b) Any property within +/- \$500 of the Current Value Assessment (CVA) taxes be moved directly to CVA taxation.
 - c) Any property that reaches the CVA level of taxation be removed from the capping program.
 - d) Exclude any property whose classification changes from capped to clawed back, or vice versa.

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- e) A minimum cap of 10% of the previous year's CVA taxes; and,
 - f) Reassessment related increases for 2020 be excluded from the capping calculations.
4. That the capping phase-out option for the commercial class be adopted, resulting in the reduction from CVA taxes to annualized taxes based on the following schedule:
- a) 1/4 in 2020.
 - b) 1/2 in 2021.
 - c) 3/4 in 2022; and
 - d) Full CVA in 2023.
5. That the discounts for the commercial and industrial sub-classes for vacant land and excess land at 30% and 35% respectively, be phased out over the next two years starting in 2021, subject to approval from the Province in the form of a regulation.
6. That two sub-classes for Farmland Awaiting Development be maintained in each of the multi-residential, commercial, and industrial property classes at the following discounts:
- a) Phase I - 25% discount from the residential tax rate; and,
 - b) Phase II - 0% discount from the applicable property class tax rate.
7. That the City of Barrie (City) continue with its existing Rebates for Charitable Organizations Program providing a tax rebate for Registered Charitable Organizations, as defined in Section 248(1) of the *Income Tax Act*, R.S.C. 1985, Chapter 1, at a rate of 40% of the current year's taxes applicable only to the space occupied by the Registered Charity.
8. That the Registered Charities eligible for the tax rebate program continue to submit an annual application and provide evidence of taxes paid satisfactory to the Treasurer or his/her designate.
9. That the City Clerk be authorized to prepare all necessary by-laws to establish the 2020 taxation ratios and capping policies as described herein.

PURPOSE & BACKGROUND

Report Overview

10. The purpose of this report is to recommend:
- a) 2020 tax ratios.
 - b) Property tax capping parameters for commercial and industrial properties; and,
 - c) Property tax policies governing discounts for property tax sub-classes and charities.
11. Provincial regulations require decisions regarding tax policy options to be made prior to issuing final property tax bills, even if existing tax ratios (status quo) are being maintained.

12. Rules governing property assessment values in Ontario are complex. However, the ultimate purpose of property assessment values is straightforward – to determine how the City's tax levy is allocated among property classes and ultimately to each property.
13. The City must establish its tax rates through a by-law on an annual basis to raise the required levy set out in the annual Business Plan. The municipal tax rates are based on assessment values, tax ratios, and the annual tax based Operating Budget. They are calculated as follows:

$$\text{Property tax rate} = \frac{\text{Annual Property Tax Levy}}{\text{Weighted Assessment for All Classes}} \times \text{Tax ratio for the class}$$

14. The Municipal Act allows municipalities to provide a rebate to registered charities that are tenants in commercial properties. The purpose of the rebate is to provide equity with registered charities that own their properties and are taxed in the lower residential class. The amount is to be set out in an annual by-law.

ANALYSIS

Reassessment Phase In – Year 4

15. Every four years, the Municipal Property Assessment Corporation (MPAC) updates assessment values province wide. Increases in assessed values between the January 1, 2012 and January 1, 2016 legislated valuation dates are being phased in equally from 2017 to 2020. The City's total assessed value for all classes increased by 25% between 2012 and 2016. A change in the value of a community's taxable assessment does not result in an increase in property taxation. This is accomplished by adjusting the current tax rates to reflect the new taxable assessment level. There may, however, be shifts in the tax burden between property tax classes. This usually occurs in the classes with higher than average assessment increases.
16. The next Province wide reassessment was scheduled to take effect for the 2021 tax year, based on a valuation base date of January 1, 2019, however given the current state of emergency, the government has postponed the reassessment. At the time of preparing this report no announcement has been made as to when the reassessment will occur. Property assessment values for the 2021 tax year will continue to be based on the January 1, 2016 values and for the most part will be the same value used for 2020 unless the property has under-gone physical changes or finalized a successful assessment appeal.

Tax Ratios

17. A tax ratio represents the assessment level for a property class in relation to the residential property class. The tax ratio for residential properties is required by legislation to be equal to one (1.0). The tax ratios established for property classes determine how the tax rate for that class compares to the residential tax rate. For example, the commercial tax ratio recommended for 2020 is 1.433126 which means that, for every residential property tax dollar paid, the commercial property class pays \$1.43.
18. While the tax ratios for commercial, industrial, and multi-residential properties are established by Council, the tax ratio for Managed Forests is prescribed by the Province at 25% of the residential tax rate.
19. The table below summarizes the tax ratio history for the City from 2016 to 2019.

Broad Property Class	Range of Fairness	2016	2017	2018	2019
Residential	1.000000	1.000000	1.000000	1.000000	1.000000
Multi-Residential	1.0 to 1.1	1.000000	1.000000	1.000000	1.000000
Commercial	0.6 to 1.1	1.433126	1.433126	1.433126	1.433126
Industrial	0.6 to 1.1	1.516328	1.516328	1.516328	1.516328
Pipelines	0.6 to 0.7	1.103939	1.103939	1.103939	1.103939
Farm	0.1 to 0.25	0.250000	0.250000	0.250000	0.250000
Managed Forests	0.250000	0.250000	0.250000	0.250000	0.250000

20. Maintaining existing tax ratios will allow assessment related tax shifts between classes to occur. This results in greater tax equity and predictability for taxpayers.
21. Adjustments to tax ratios can be used to mitigate the effect of assessment changes on individual properties and assessment shifts between property classes. 2020 is the fourth year of the latest assessment cycle. The following table shows how the transition ratios could be used to neutralize the effect of the assessment shifts for 2020.

Broad Property Class	Current Tax Ratios	Transition Ratios	Tax Shift (\$)	% Change	Prov. Limit Ratios
Residential	1.000000	1.000000	-\$43,979	-0.026%	N/A
Multi-Residential (Inc. New)	1.000000	0.959654	\$41,190	0.41%	2.00
Commercial (all subclasses)	1.433126	1.446738	-\$ 12	-2.33%	1.98
Industrial (all subclasses)	1.516328	1.537937	\$ 0	0.00%	2.63
Pipelines	1.103939	1.139878	\$ 0	0.00%	N/A
Farm	0.250000	0.250000	\$ 2,817	4.67%	N/A
Managed Forests	0.250000	0.250000	-\$ 2	0.10%	N/A

22. Property tax ratios can also be changed in order to achieve economic development objectives or to provide assistance to specific property classes. An example of this was the City's objective to support affordable housing initiatives by reducing the multi-residential tax ratio from 1.059025 in 2010 to 1.00 by 2013. It currently remains at 1.00, matching the burden of the overall residential class. However, adopting revenue neutral ratios would reverse this intention by shifting taxes from single residential onto the multi-residential class.
23. Economic development objectives can also be achieved by reducing commercial and/or industrial tax ratios which will create an incentive for businesses to locate in Barrie due to lower taxes. However, reductions in the commercial and/or industrial ratios will lead directly to a tax burden shift to the residential class. The City's commercial and industrial tax ratios are currently below the provincial average based on the 2019 Municipal Study prepared by BMA Management Consulting (Appendix "A"), therefore adjustments to tax ratios for economic development reasons are not recommended at this time.
24. The City also has the option of reducing the tax burden on farmlands by setting a tax ratio that is lower than the provincially prescribed ratio of 0.25. However, the City has historically maintained a tax ratio of 0.25 for farmlands.

Discounts for Vacant and Excess Commercial/Industrial Properties

25. On December 12, 2019, Council directed Finance staff to examine alternatives to the City's current policies for Property Tax Discounts for vacant and excess industrial and commercial subclasses, and report back to General Committee
26. The Province allows discounted tax rates to apply to commercial and industrial vacant and excess land property sub-classes. The Province permits municipalities to set the discounts for either class at a level between 30% and 35%. Historically, the City discount rates for the commercial and industrial vacant and excess land sub-classes have been 30% and 35% respectively.
27. In response to municipal and other stakeholders' requests, the Province has provided municipalities with broad flexibility to tailor the vacant and excess land subclass rate reduction programs to reflect community needs and circumstances, while considering the interests of local businesses. Details of proposed changes must be submitted to the Province along with a Council resolution to ensure amendments are included in a regulation. Changes to the programs will be implemented through regulation for each municipality; however, the Province has an interest in continuing to ensure tax competitiveness and consistency for taxpayers and as such, the Minister will consider proposed program changes within this context.
28. The Province has phased out the vacant and excess land tax rate reduction for education tax rates over a two year period in 2019 and 2020, which results in approximately 40% to 45% of the taxes levied on vacant and excess lands being increased, The City collects the remaining 55% to 60% of the taxes on these properties. A similar removal of the discount for the City portion would not provide additional revenue, however, it would shift some burden off other classes onto the commercial and industrial vacant/excess land sub-classes.
29. Notifications to the Minister for changes applicable to 2021 and future years are being accepted until August 1, 2020.
30. Feedback on the City's current policies with respect to these subclasses was solicited through public consultation with the business community and the general public. An online survey was advertised on social media, on buildingbarrie.ca and in the newspaper. Emails were sent to the Downtown Barrie Business Improvement Association and the Barrie Chamber of Commerce. In addition, letters were mailed to all current recipients of the vacant and excess land property tax discounts inviting them to participate in the survey.
31. The online survey was available between March 10 and March 31, 2020 for people to share their views and comments on the current program and the potential options for change. 200 residents, businesses and property owners participated in the survey. A summary report of the survey results including participant comments is attached as Appendix B to this report.
32. Of the 200 responses to the survey, 77% of respondents do not own excess industrial or commercial property in the City. 22% of the respondents stated that the elimination of tax rate discount would have a very significant impact on their business plan. 52% indicated that the discount creates a disincentive for development of the excess/vacant lands. A number of respondents indicated that vacant lands did not require municipal services to the same extent as fully developed lands and the discount reflects this aspect. Others commented that the discount allows a developer to cover its costs of holding the lands while there isn't any rent achieved, allows for the time necessary to developing a stronger plan for the lands, or is required to ensure that it doesn't drive up rent costs for those remaining businesses. Overall, 72% of respondents would like to see the discount program either eliminated in 2021 or phased out over the next two years. Various other municipalities surveyed were fairly evenly split between the options to phase in over

two years or eliminate in one year, however most will have completely eliminated the discount by the end of 2020

33. Staff recommend the phasing out of the rate discounts in 2021 and 2022. The impact of this approach will be to shift the tax burden of these discounts off the residential and other sectors back on to the vacant and excess lands over a two-year period. This approach will mirror the position taken by the Province of Ontario in 2018 and is in line with the City's survey results. The estimated impact is approximately \$661,982 for the Commercial class and \$843,159 for the Industrial class. Council approval at this time will allow staff to move forward with a request to the Province for the necessary regulation to have this in place for phase out beginning in the 2021 tax year.
34. Municipal tax revenue from vacant and excess commercial and industrial tax classes in 2019 was \$3.3 million, or 1.39% of total revenue. Removing the discounted tax rate would result in a shift of \$1.5 million or .60% of total municipal tax revenue from the residential and other tax classes onto the commercial and industrial vacant/excess land tax classes. In 2019, there were 387 roll numbers in the commercial and industrial vacant/excess land classes.

Farmland Awaiting Development

35. As a matter of public policy, farmland in Ontario has traditionally received preferential property tax treatment while it is a working farm by having a maximum tax ratio of 25% of the residential tax rate. By providing tax discounts for farmland waiting for development, municipalities are providing incentives to keep this land under cultivation during the development period.
36. The Province of Ontario prescribed two sub-classes for Farmland Awaiting Development for the purpose of providing tax reductions. Farmland Awaiting Development Phase I applies to those properties that have a registered plan of subdivision. This sub-class tax discount can be set between 25% and 75% of the residential property class tax rate, as long as the land continues to be farmed, even if the properties in the future may be classed as multi-residential, commercial or industrial. It is recommended that the City continue to provide a 25% discount from the residential rate for Farmland in Phase I. This represents a balance between maximizing tax revenue and providing an incentive to continue farming. However, it is important that the lands be monitored to ensure farming has not ceased. In this regard, Finance staff plan to implement a monitoring schedule and work with MPAC to ensure these properties continue to be eligible to receive the benefit.
37. Farmland Awaiting Development Phase II applies to properties once a building permit has been issued. The Phase II sub-class tax discount can be set between 0% and 75% of the property class rate for the specific property after the building permit has been issued. It is recommended that the City provide no discount (0%) for the Farmland Awaiting Development Phase II sub-class. This means that once a building permit is issued, the property would be taxed at 100% of the applicable property tax class rate.
38. Without these sub-classes, if a developer purchases land and continues to farm they would be taxed at 25% of the residential rate, or 100% of the residential rate if it is not farmed. The taxes would not change when plans are registered but would remain at the lower level until the land is scraped or buildings are occupied.
39. Barrie introduced these sub-classes in 2013 due to the pending development of the Salem and Hewitt's Secondary Plan lands. The objective of the sub-classes is to encourage farming between the plan of subdivision and building permit stage and increase property tax revenue throughout the development. This also has the effect of encouraging the developer to complete construction on a timely basis once a building permit is issued, since 100% of the applicable property tax rate would be applied.

Capping Options

40. Since 1998 business properties in Ontario have enjoyed some protection against assessment shifts as a result of the property tax capping legislation that was introduced by the Province to assist with the transition towards CVA. Capping is a provincially mandated program that applies to the multi-residential, commercial, and industrial property classes and limits assessment-related increases on any property in the specified classes to a prescribed maximum percentage each year.
41. In late 2016, the Province provided municipalities with additional flexibility in managing the property tax capping program to accelerate the movement of properties to CVA level taxes. The capping program parameter options include increasing the current maximum from 5% to 10%, increasing the threshold parameters from +/- \$250 to +/- \$500, allowing a four-year phase-out from the capping program when all properties within a class, excluding vacant properties, are within 50% of CVA level taxes. Municipalities also have the option of limiting capping protection only to reassessment-related changes prior to 2017.
42. It is recommended that the City continue to make use of all available capping options for each property class to exit the capping program as quickly as possible and move properties to their CVA level of taxation.
43. The multi-residential class reached its full CVA in 2017 and is no longer part of the program. The industrial class completed a 2-year phase-out program in 2019 and no longer has any properties being capped or clawed back. The only class remaining for 2020 is the commercial class and it is now eligible to commence a 4-year phase-out program which is being recommended. There are only 3 properties remaining which the phase out will be applied to.

Funding of Capping Program

44. Regulations governing the capping program allow capping costs to be funded from assessment-related tax decreases on other properties within the class; this is known as a "claw back". Using a claw back within a class is not mandatory, and Council may consider spreading the cost of the capping program across the entire assessment base, funding any shortfalls from other municipal funds or a combination of both. Barrie has historically used claw back as the means to finance capping program costs within the property class and staff recommend this approach be continued. Claw back rates will be established once the 2020 tax ratios are approved by Council, however, will be immaterial given the low number of properties remaining in the program.

Rebates for Charitable Organizations

45. Prior to the 1998 provincial tax reforms, charitable and non-profit organizations were taxed at the residential property tax rate. With the tax reform, when such organizations are tenants in a commercial or industrial premise, they are taxed as such when property taxes billed to the property owner are passed on to the tenant(s). It was due to this difference in property classification that the Province mandated municipalities provide tax rebates between 40% and 100% of the property taxes paid by registered charitable organizations, as defined by subsection 248(1) of the *Income Tax Act*. Council approved a rebate at a level of 40% in 1998. This charity rebate level has been maintained since that time.
46. It is recommended that the existing program of providing rebates to registered charitable organizations at a rate of 40% of the current year's taxes applicable to the space occupied, continue for all applications received in 2020. This will be in line with the budget for 2020 which reflects a cost of \$240,000.

ENVIRONMENTAL MATTERS

47. There are no environmental matters related to the recommendation.

ALTERNATIVES

48. The following alternatives are available for consideration by General Committee:

Alternative #1

General Committee could choose to adjust the multi-residential, commercial, and/or industrial tax ratios for social and/or economic development purposes.

This alternative is not recommended as the City's multi-residential, commercial, and industrial tax ratios are very competitive relative to other Ontario municipalities. Also, any reduction to these tax ratios will result in an increase in property taxes for residential property owners.

Alternative #2

General Committee could choose to exit the capping program more gradually. The impact of this approach is to further slow the pace at which properties reach their CVA level of taxation.

This alternative is not recommended as there are only a small number of properties in the Commercial class that are impacted by the capping program. The estimated impact is only \$116, and the City has historically used a "claw back" within the property class as the means to finance capping program costs.

Alternative #3

General Committee could choose one of the following options for Discounts for Vacant and Excess Commercial/Industrial Properties:

- a) keep the current 30% and 35% tax rate discounts for commercial and industrial vacant lands, or
- b) phase out the discounts over a longer period of time
- c) eliminate the discounts completely in one year being 2021.

These alternatives are not recommended as keeping the current tax rate discounts for commercial and industrial vacant lands is seen as a disincentive to developing lands. Eliminating the discount completely in 2021 will have a greater impact on these two property tax classes, given our current economic conditions. A two year phase out period is reasonable and consistent with the approach the taken by the Province and some other Municipalities.

Alternative #4

General Committee could choose to set the registered charity rebate at a percentage anywhere between 40% and 100% and fund the additional costs from the Tax Rate Stabilization Reserve.

This alternative is not recommended as it will result in unbudgeted costs which would be required to be funded from the Tax Rate Stabilization Reserve. An increase to 75% would require additional funding in the amount of \$210,000, an increase to 100% would require an additional \$360,000.

FINANCIAL

49. There are no direct financial implications for the City associated with the recommendations regarding the tax ratios, tax rates, or capping options. Each option raises the required levy for the tax based operating budget. However, each recommendation impacts various property classes and property types to varying degrees.

LINKAGE TO 2018-2022 STRATEGIC PLAN

50. The recommendations included in this Staff Report support the following goals identified in the 2018 - 2022 Strategic Plan:
- a) Growing Our Economy.
51. The objectives of the property tax policies recommended in this staff report are to maximize property tax revenue, maintain the City's competitive position with respect to economic development while ensuring a fair and equitable property tax policy framework for residents and business owners.

APPENDIX "A"

Excerpt from 2019 BMA Municipal Study

2019 Tax Ratios

Municipality	Multi-Residential	Commercial - Residual	Industrial - Residual
Barrie	1.0000	1.4331	1.5163
Belleville	2.2390	1.9191	2.4000
Brampton	1.7050	1.2971	1.4700
Brant County	1.7000	1.9000	2.5500
Brantford	1.8762	1.7911	2.2745
Brockville	1.7700	1.9482	2.6131
Bruce	1.0000	1.2331	1.7477
Caledon	1.7223	1.3475	1.5910
Chatham-Kent	1.9404	1.9404	2.0350
Cornwall	2.1971	1.9407	2.6300
Dufferin	2.1500	1.2200	2.1984
Durham	1.8665	1.4500	2.1040
Elgin	1.9999	1.6376	2.2251
Elliot Lake	1.8630	1.5111	1.5111
Essex	1.9554	1.0820	1.9425
Greater Sudbury	1.9650	1.9420	3.7263
Greenstone	2.0000	1.4967	2.5000
Grey	1.4412	1.3069	1.8582
Guelph	1.8254	1.8400	2.2048
Haldimand	2.0000	1.6929	2.3274
Halton	2.0000	1.4565	2.3599
Hamilton	2.5671	1.9800	3.3696
Kenora	1.5462	2.1522	2.1298
Kingston	1.8000	1.9800	2.6300
Lambton	2.0000	1.6271	2.0476
London	1.7491	1.9200	1.9200
Middlesex	1.7697	1.1449	1.7451
Mississauga	1.3461	1.5007	1.6266
Muskoka	1.0000	1.1000	1.1000
Niagara	1.9700	1.7349	2.6300



APPENDIX "A" (Continued)

2019 Tax Ratios Cont'd

Municipality	Multi-Residential	Commercial - Residual	Industrial - Residual
Norfolk	1.6929	1.6929	1.6929
North Bay	2.0000	1.8822	1.4000
Orillia	1.4240	1.8653	1.8500
Ottawa	1.4005	1.8249	2.5521
Owen Sound	1.7600	1.7800	2.1570
Oxford	2.1850	1.9018	2.6300
Parry Sound	1.5145	1.6646	1.5162
Perth	1.4751	1.2469	1.9692
Peterborough	1.9472	1.5200	1.6372
Prescott and Russell UCO	2.0000	1.4410	2.7215
Prince Edward County	1.4402	1.1125	1.3895
Quinte West	2.0000	1.5385	2.4460
Sarnia	2.0000	1.6271	2.0476
Sault Ste. Marie	1.0820	2.1829	4.6948
Simcoe	1.1346	1.2521	1.3476
St. Marys	1.1000	1.5463	2.4812
St. Thomas	2.2472	1.8645	2.2418
Stratford	2.0000	1.9759	2.7347
Sudbury District	1.9953	1.8715	2.4000
Thunder Bay	2.2850	2.1152	2.4151
Timmins	1.8452	2.0454	2.5000
Toronto	2.3444	2.7800	2.7632
Waterloo	1.9500	1.9500	1.9500
Wellington	1.9000	1.4910	2.4000
Windsor	2.0000	2.0187	2.3200
York	1.0000	1.2794	1.5704
Average	1.7801	1.6785	2.1931
Median	1.8714	1.6929	2.2016
Minimum	1.0000	1.0820	1.1000
Maximum	2.5671	2.7800	4.6948

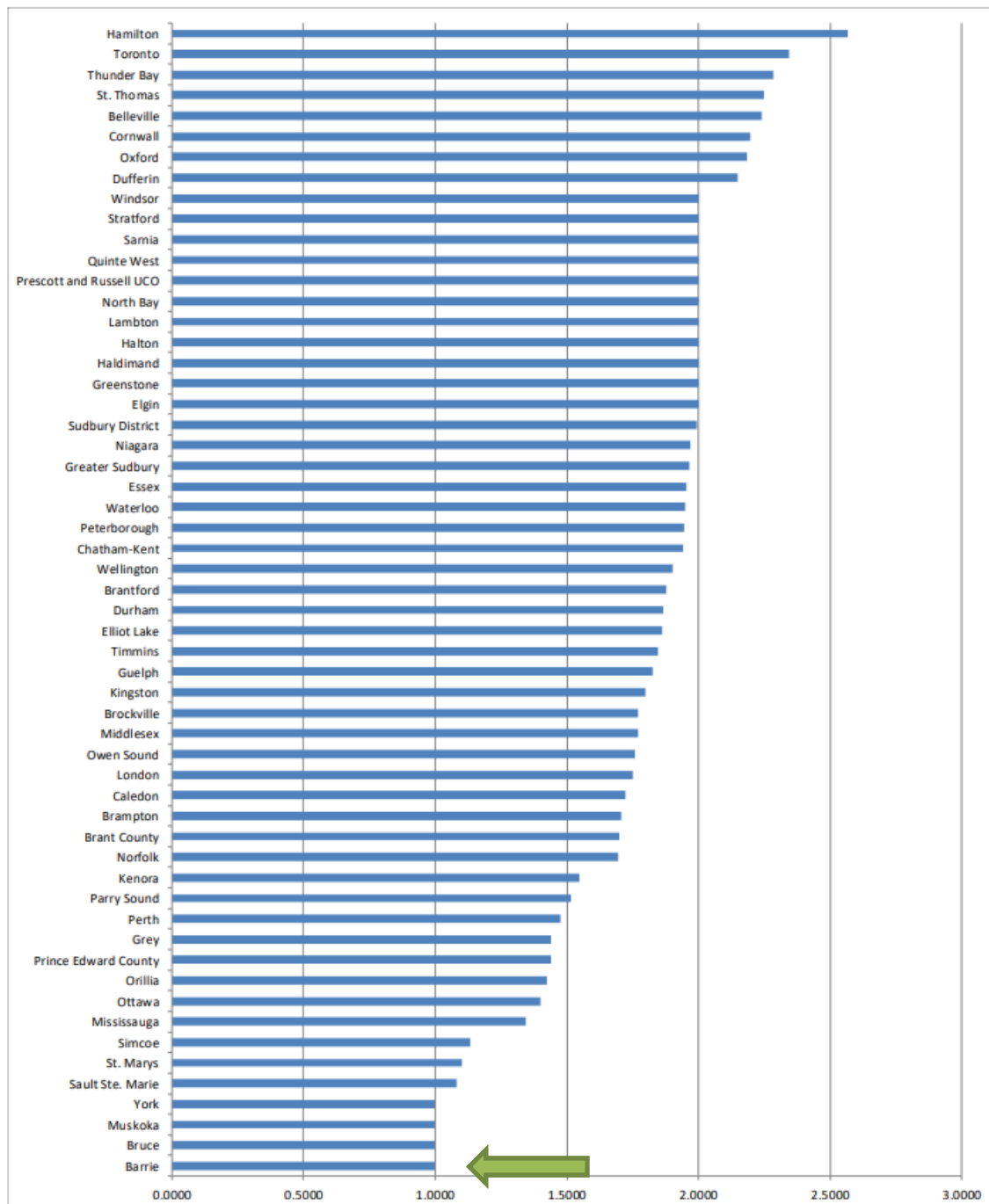


APPENDIX "A" (Continued)

BMA
MANAGEMENT CONSULTING INC.

Municipal Study 2019

Multi-Residential Tax Ratios

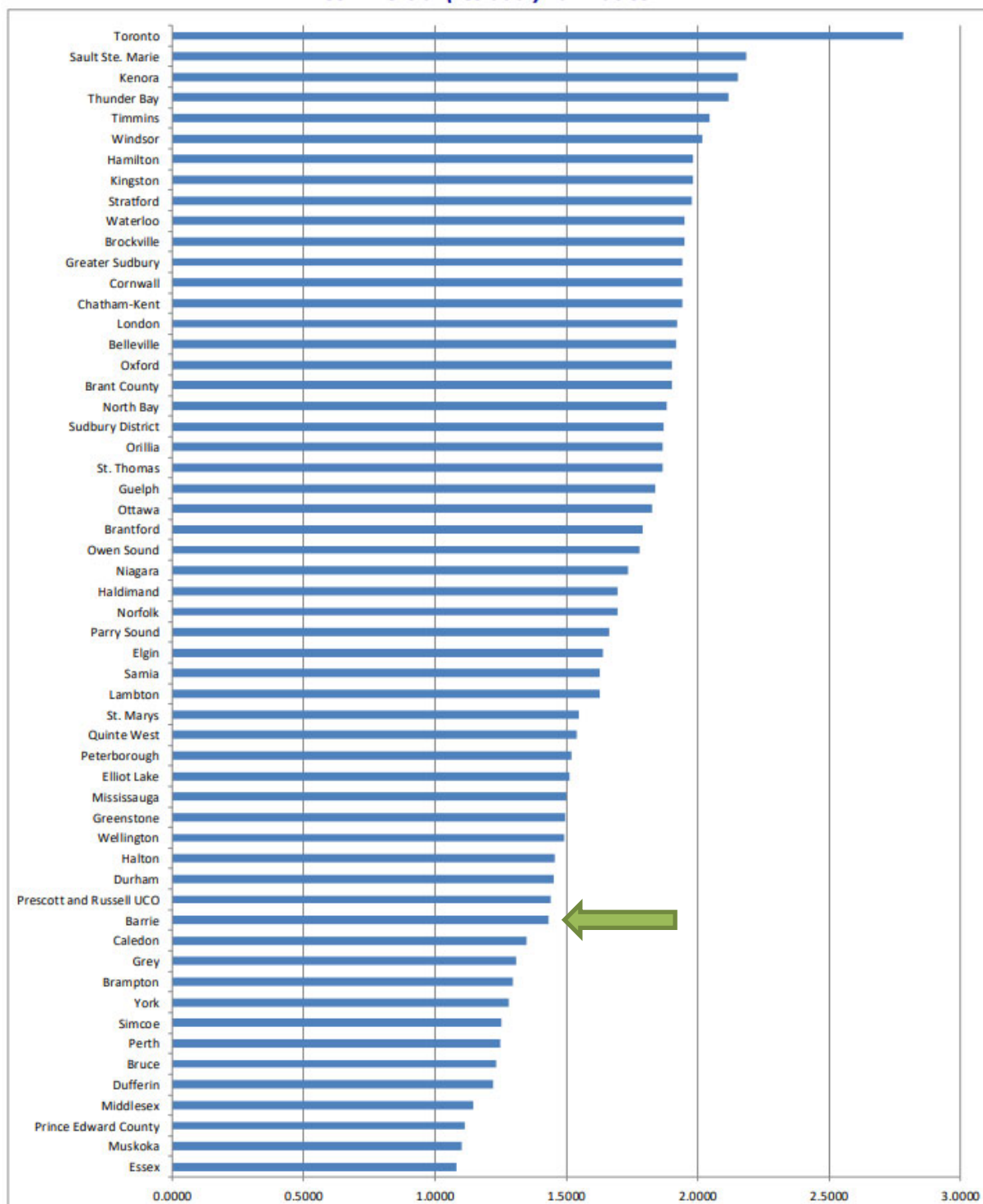


APPENDIX "A" (Continued)

BMA
MANAGEMENT CONSULTING INC.

Municipal Study 2019

Commercial (residual) Tax Ratios

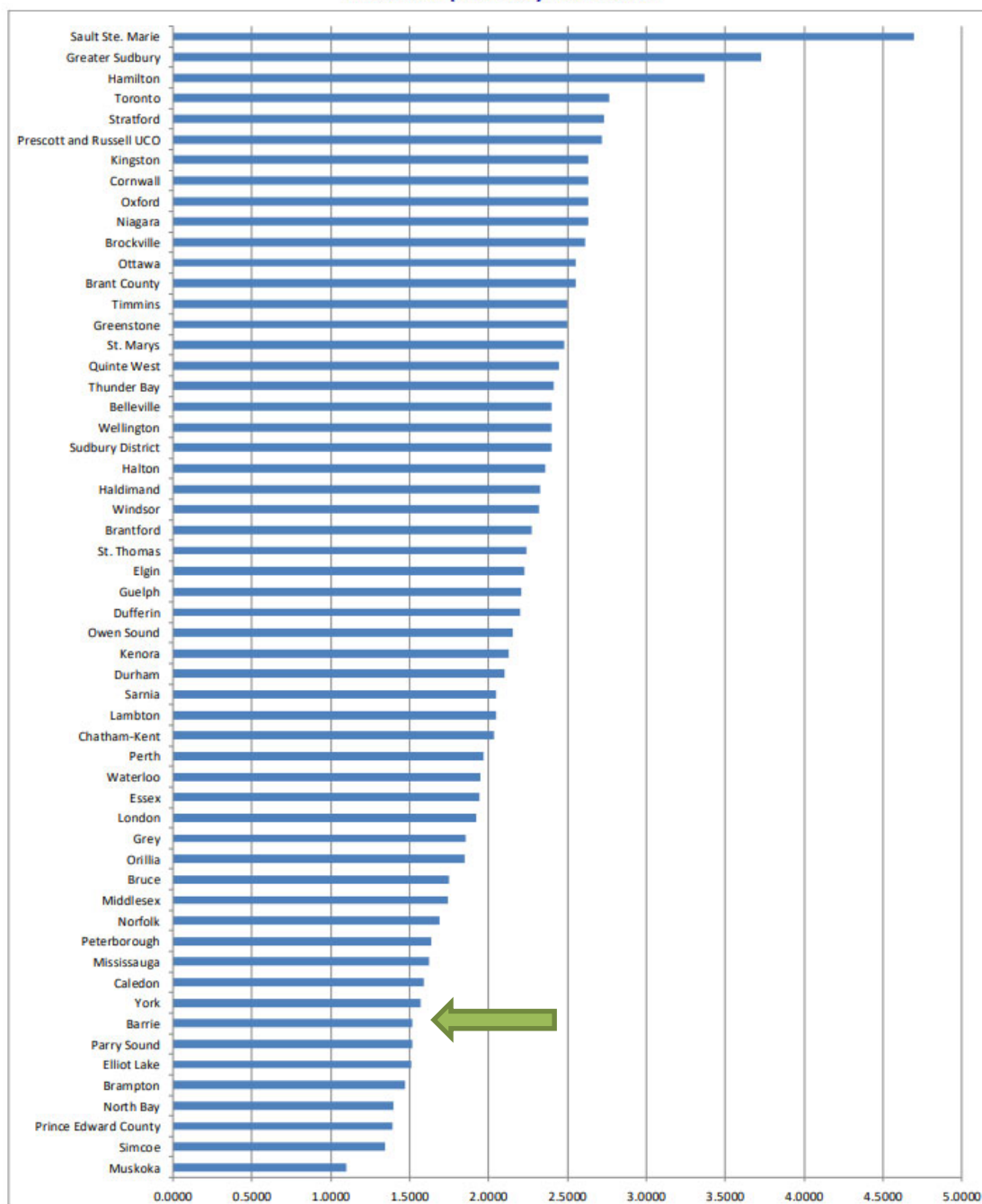


APPENDIX "A" (Continued)

BMA
MUNICIPALITY ASSOCIATION OF ONTARIO

Municipal Study 2019

Industrial (residual) Tax Ratios

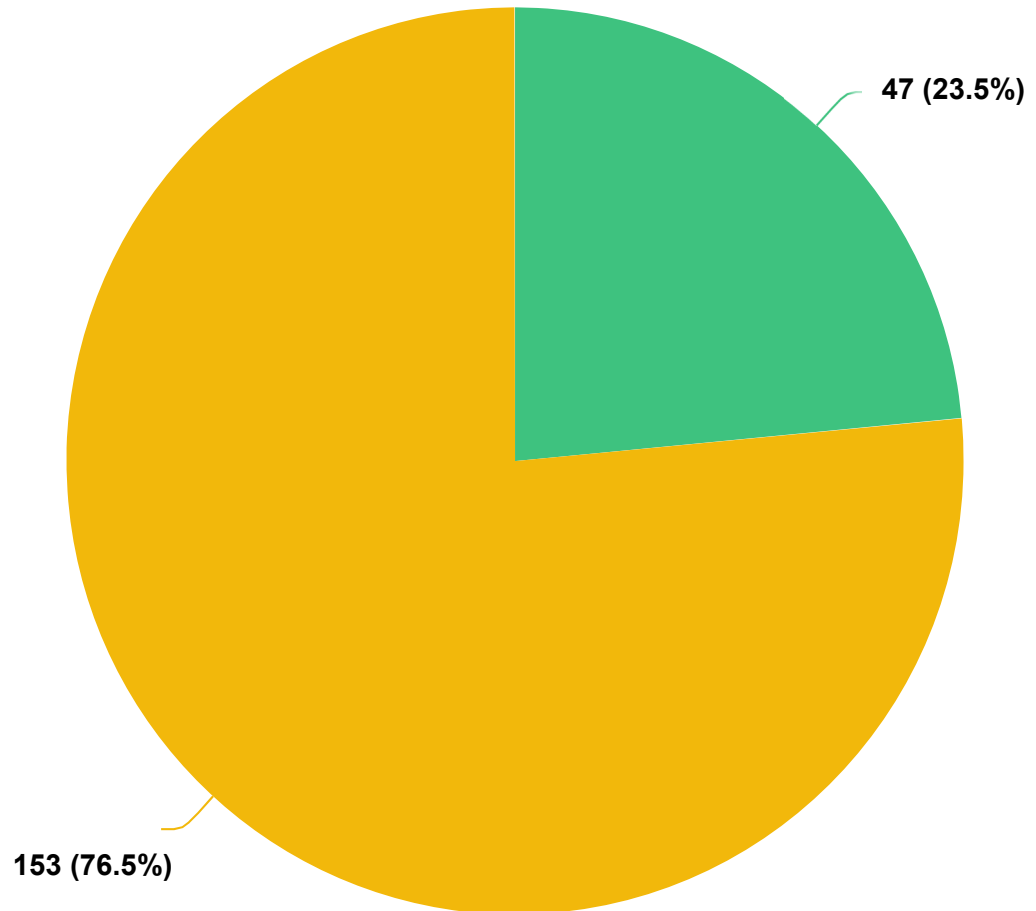




APPENDIX "B"

Online Survey re Commercial and Industrial Excess/Vacant Land Tax Rate Reduction

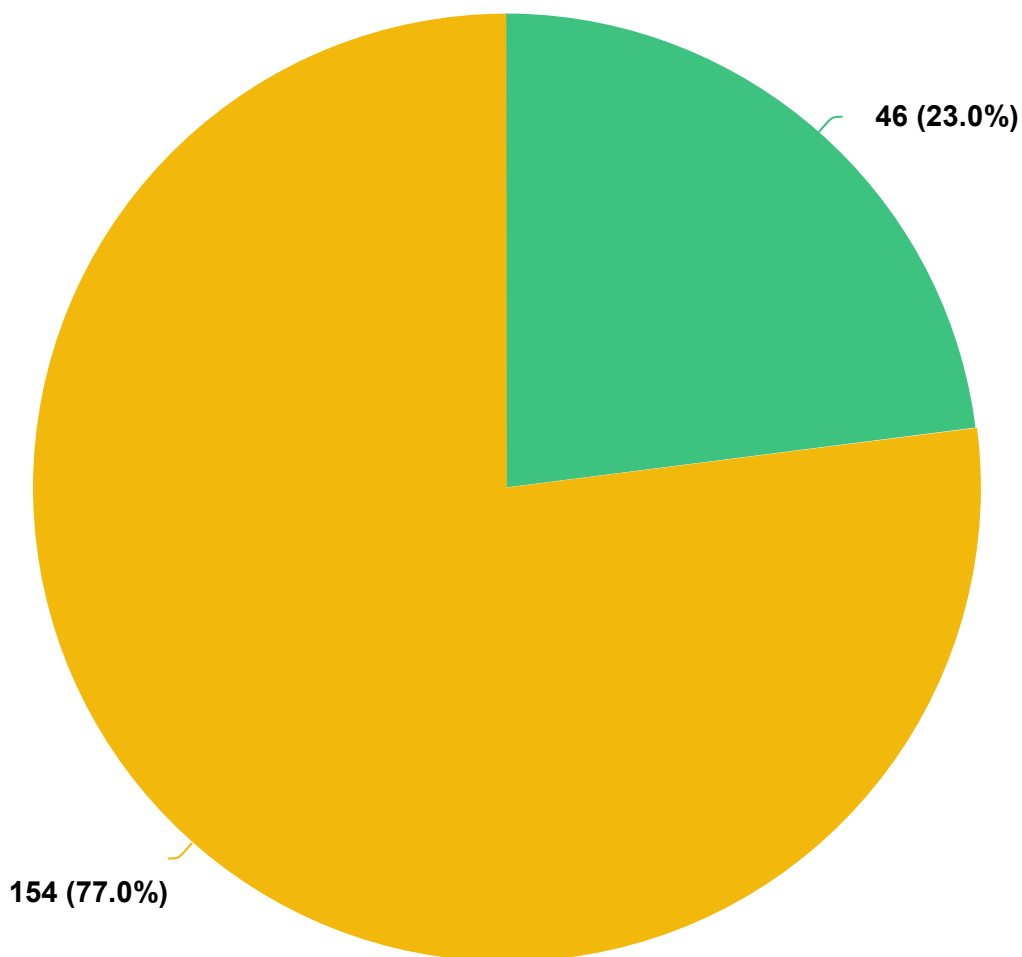
Q1: Do you own commercial or industrial property in the City of Barrie?



Question options

● Yes ● No

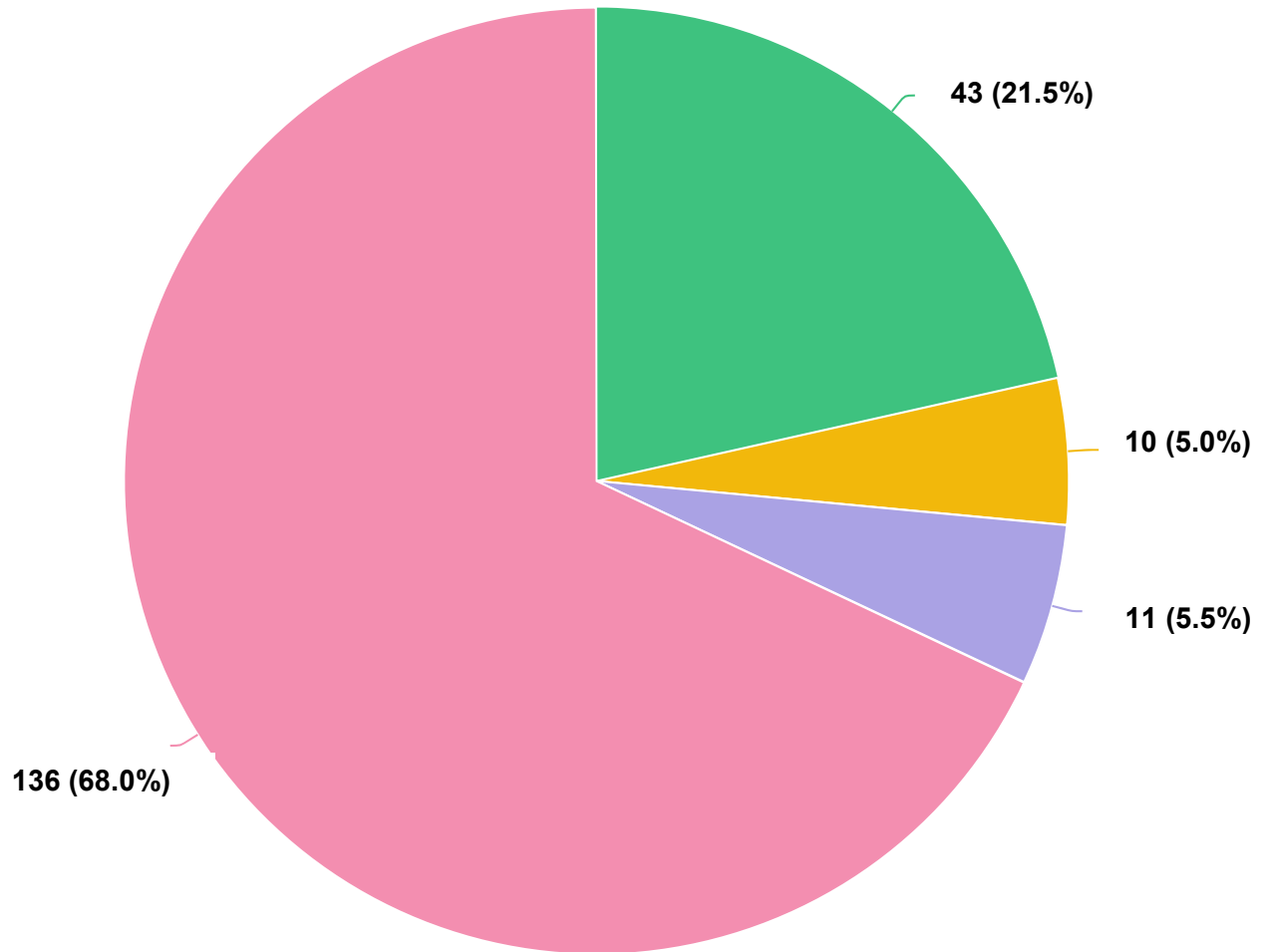
Q2: Do you own vacant or excess commercial or industrial property in the City of Barrie?



Question Options

● Yes ● No

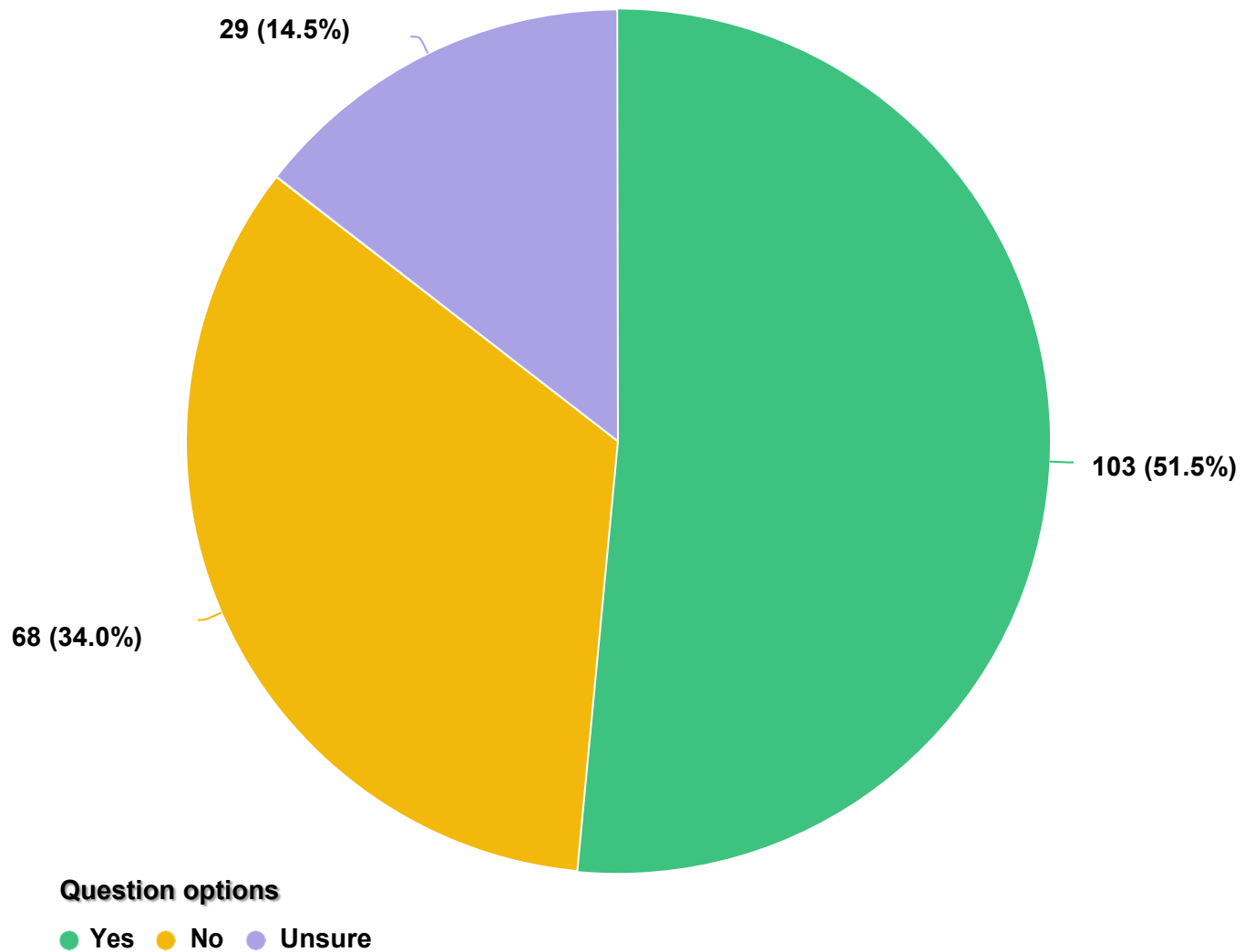
Q3: How significant an impact would a discontinuation of the vacant and excess land tax reduction (30% reduction to commercial, 35% reduction to industrial) have on your business plan?



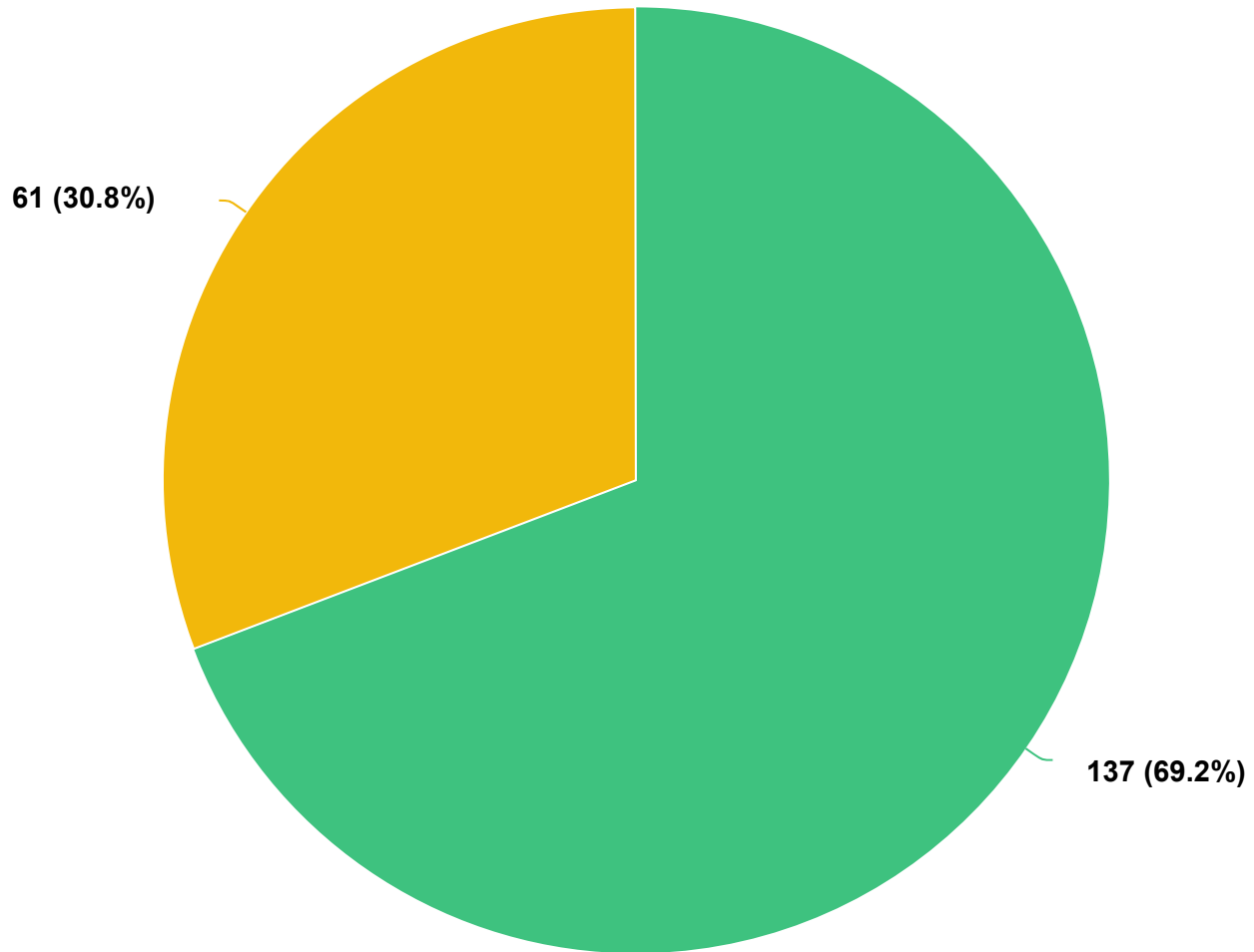
Question options

- Very significant
- Somewhat significant
- Not significant
- This question does not apply to me

Q4: Do you believe the tax rate discounts to commercial and industrial vacant and excess land creates a disincentive for land development?



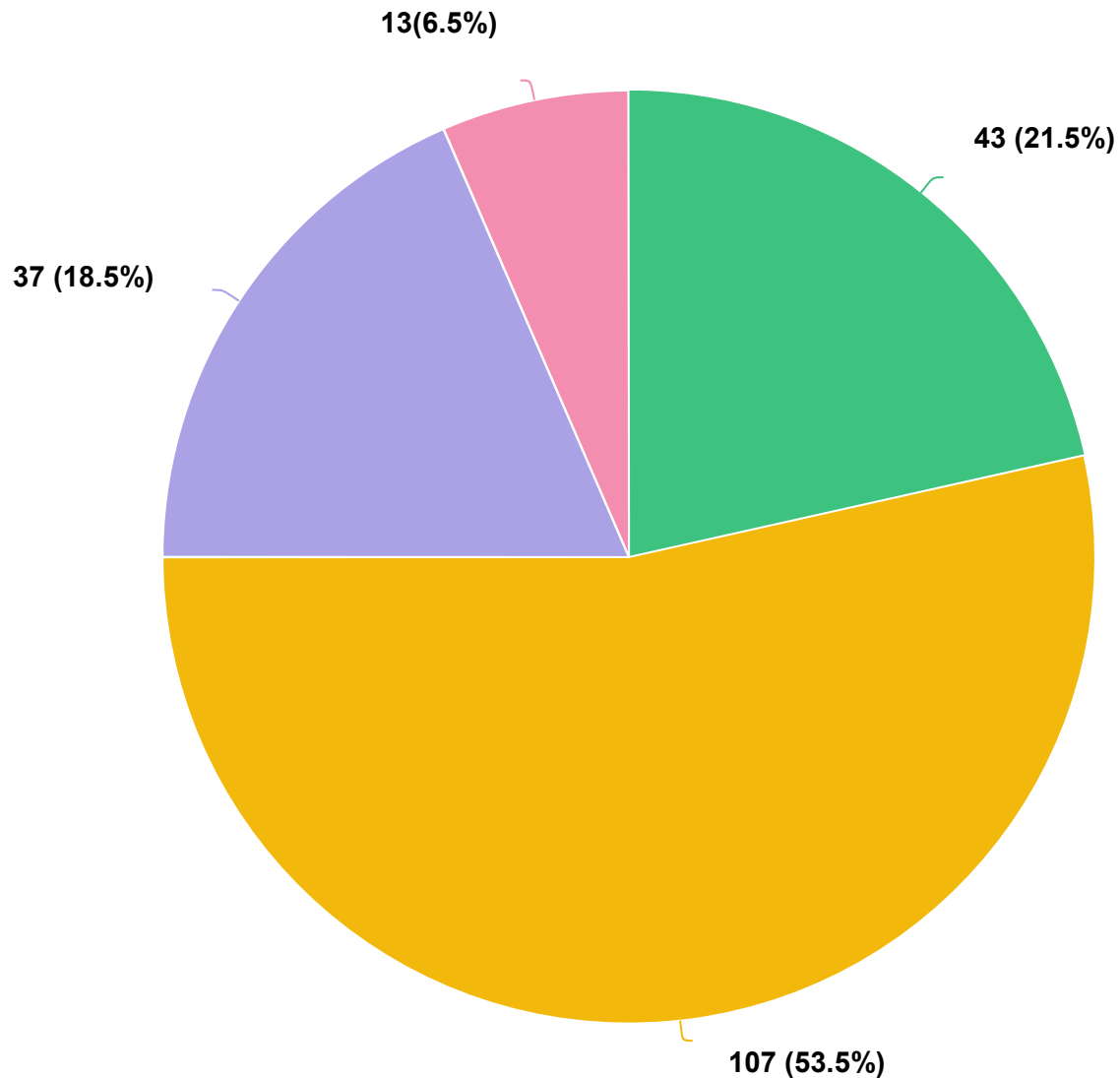
Q5: Did you know that the vacant/excess land tax reduction program, valued at approximately \$1.5 million, shifts the tax burden to other property classes including commercial and industrial occupied as well as the residential property class?



Question options

● Yes ● No

Q6: Which option do you support for the future of this program?



Question options

- No change
- Eliminate the program in 2021
- Phase out the program over two years- 2021 and 2022
- Other (please explain)

Q7: Do you have any additional comments?

There are many locally owned small and medium sized businesses looking to purchase land in Barrie to grow their business and create employment. There is very little land available and due to this lack of supply it is prohibitively expensive. Offering a discount on vacant land taxes encourages people to sit on land for long periods of time slowing economic development. Thank you for the opportunity to provide an opinion.

Businesses receive too many property allowances in their favour.

Why would anyone develop the land if it meant more taxes? Why put the burden on the rest of us and not have an incentive to develop land where applicable or have a tax incentive if the land is developed for a public use green space.

Why are there approvals for so many commercial plazas given, and most are vacant. And why is the city giving them a discount on vacant land when it is an investment for the owners as property prices go up all the time. This city needs to do a better job getting well-paying jobs in Barrie. Endless openings of restaurants and retail stores is not the answer. Stop tax incentives on these and stop burdening others. Barrie seems to be in desperate need of attracting new commercial/industrial operations. I therefore believe that tax incentives should be used to encourage change and disincentives applied to discourage empty spaces falling into disrepair.

I am tired of folks with cash getting tax breaks for doing nothing. This seems like a no brainer to me.

I feel that if you own land of any kind, you need to be prepared to pay taxes on it, whether it is currently being used or not.

Residential taxes should not be increased to cover losses in commercial taxes. Taxes for residential are too high. We need to take a conservative approach to the next budget.

It is crazy that other taxpayers are subsidizing a company to sit on land and speculate on its increase in value, while contributing NOTHING to the value of this community. This tax reduction is outrageous and should be discontinued immediately. Then prime real estate will not for years be looking trashy. Prime example the former Molson property on Big Bay Point, or the former Barrie Racetrack. Both sites are visible from the highway and look terrible. But what incentive do the property owners have to develop them if they are being given a HUGE tax break, at every other taxpayer's expense! This program seems like just another way for the rich to pay less tax.

Why should anyone who owns property not have to pay taxes. Also, would like to have religious churches be taxed like everyone else. No one gets a free ride of a discount.

Barrie cannot afford higher residential property taxes. Too high already. If eliminating the rebate will prevent residential taxes from rising further in the short term, council has no possible alternative.

Stop the rape of residential taxes!

The opposite to question 4 is true. It is a disincentive to build new buildings if there is no rebate. Especially heading into a recession. This drives up rents making it hard for businesses to survive.

This should be phased out.

It allows owners to sit on properties and speculate instead of trying to develop them.

I want more development on properties. If they are just vacant for years, that is not helping the housing issue. There is no affordable housing for minimum wage workers like me. My husband and I rent an apartment and we cannot move. We cannot afford more than 1400 for a home. We see ads for 1600 or 1800. We cannot afford that, and we cannot afford to move because of it. We wake up to see mice scurrying about. People partying so we cannot sleep. The heat is too cold so its freezing. We cannot live like this. Barrie is pricing itself out and the poor are suffering.

Eliminate the program.

If someone can afford to own commercial property, they can afford to pay the full tax allotted.

There are a lot of residents who go away for an extended period over the winter months and therefore technically their property is vacant or unused however they do not get a discount.

Too many sites have sat empty for far too long. We need affordable housing in Barrie, so tax the hoarders and put the money to good use.

Why should other property classes take on the additional tax burden. eliminating the program may encourage use or development of the property or the sale of the property to someone who has more interest in using or developing the property.

Offer discounts on taxes for new business that hire x-number of employees in the first year. Bring more jobs in. Barrie is too expensive and has barely any jobs that pay well enough to own a home with two incomes. Entice people to open large businesses here by offering them the tax cut.

I also disagree with discounted development charges ...and when development is done, I feel strongly that trees taken down, must be replaced on outer area of the land, and when parking lots are put in, that trees must be planted every 2 car spaces for shade, bird travel, and decreasing heat of asphalt.

Vacant land and tax breaks do not equal build. If they have land that is prime for a build, they should have to develop it or sell it.

Some commercial/retail stores are vacant for a long period of time due to tax write offs for the owner of same property. Lower the rent and some people would open shop.

The fact that you charge \$71k fee for a house building permit is disgusting.

Support businesses and help bring new industry to Barrie.

In my opinion, anyone holding vacant land for future development and is currently paying 65 or 70 percent of the tax would continue to do so even if they had to pay 100 percent of the tax owing. They either think the vacant land holds future value or they sell. It makes no sense to penalize the rest of the tax base to benefit speculators. I had no idea that was going on.

I believe the City of Barrie has a considerable debt. Pay off this debt no discounts period. Also, how much unpaid taxes are owing to the city. Times are tough collect what is owing.

It is fair to all taxpayers to eliminate it.

Regular property owners do not need anything more shifted to our taxes.

Stop supplementing speculating landowners. Prime land sits vacant, they can pay full freight, develop or sell!

Eliminate the program in 2021 may push owners into filling the vacant spots, rather than scrambling to fill the spaces.

Small businesses and non-profits are looking for spaces to set up shop, but rent prices are out of reach. There is plenty of empty commercial space, but property owners aren't lowering rent to fill them. These empty spaces are a blight, particularly in the downtown area, and yet commercial property owners are currently incentivized to leave them empty. A two-year phased in approach for removing the tax break will give the owners a chance to find appropriate tenants.

Will the discontinuation of this tax discount lead to lower property taxes for residential properties? Or will the added tax revenue be directed to another municipal program? It would be good to know if there are plans for this added revenue and when the discount program is discontinued.

If the goal is to discourage properties being held for the sake of manipulating property values, or waiting for property values to increase, I would suggest a more targeted approach. Continue the discount with the condition that upon transfer of a property under the program, discounts applied in the previous 3 years are repaid. This should provide some relief for non-profitable properties without rewarding speculative behaviour which can hinder growth.

As a resident, I do not pay lower taxes if my property sits empty. Likewise, industry and commerce should be paying their full taxes if they own a property in Barrie. Residents should not be on the hook for this. If this tax incentive is left in place, industry and commerce should face a tax hike to cover the shortfall, instead of shifting it to residents

Eliminating the program evens the load for all taxpayers.

At the very least, the impact of this discount should be recouped within the industrial and commercial occupied tax class and not passed onto the residents of Barrie through property taxes. Perhaps there should also be an additional levy to the owner upon the sale of this vacant and excess land which would act as a deterrent to purchasing and holding the land simply to benefit from the increase in market value. The must motivate property owners to develop with the highest and best use to support the property tax base.

We need to increase the tax base to support affordable housing. Commercial owners of undeveloped property should bear more of the tax burden.

The properties are not creating any demand on the infrastructure and as such does not create any costs. Also depending on where the vacant property is, there was most likely development charges applied to the property. Once the property is developed/built, taxes will be then collected to contribute the usage of the services.

It is about time to stop subsidizing land squatters. We should be charging an extra tax on empty residential units also.

Reduce residential property taxes

As a homeowner we should not have to cover this cost, people cannot afford our city anymore and this is sad!

Vacancy in Barrie is low, we have had trouble finding suitable industrial for my employer. Encouraging building would help. Lowering my home taxes would be welcomed.

See the documentary PUSH for background on why developers do not care. Holding on to empty and vacant properties is too lucrative over the last several years. Housing has become a commodity rather than a human right. Totally disagree with this program and cannot understand why would have such a program.

On a short-term basis, I understand having a discount to give owners time to find another business. Anything empty for a year should be taxed at the full amount.

Business owners leasing commercial and industrial space would not be as likely to be illegally evicted if there was not such a huge, vacant property tax discount offered by the City. As a resident of Barrie, I am not offered a property tax discount because the secondary suite I renovated to add is currently empty.

A tax incentive to leave property/land vacant is only bad for our city. It offers an incentive to buy up land and let it sit; it offers an incentive to push out tenants in favour of letting a property sit vacant in anticipation of future benefit. Why should others be required to pick up that slack? There is nothing in it for those of us who are forced to cover it. Get rid of it!

No free lunch for any group.

We were advised by one of your staffers two years ago that the program was discontinued! This resulted in not submitting an application as it is very costly.

I am tired of subsidizing other people or business people all the time. Stop this now. It is unfair.

We need to fill these properties, so the city gets the full tax involved.

Eliminating this program would encourage owners of vacant property to lower the asking price for sale or rent. Keeping the program encourages land speculation. Of course, an exception should be made for vacant property which is under active development.

Not fair to other taxpayers. They can afford the property; they can afford to pay the taxes.

Not fair for us lower income taxpayers to support a more affluent landowner. If they want a tax incentive maybe they could charge less for rent or sell to someone which could open a business and employ other individuals as well as pay their fair share of property tax.

Property which is being actively developed should be exempt from the increased tax.

1.5 million dollars is a large sum of money that the City could spend in other areas.

As this city expands so does the need for more tax dollars, extra money from developers, commercial or industrial firms may help. Homeowners are already taxed enough and cannot continue to float increased costs.

Properties that are vacant with a reduced tax rate is a great incentive for owner/developers to do nothing with the property. Bill them the full tax rate and either they will sell to someone who cares or pay their tax bill.

Yes, as a taxpayer in the city of Barrie I do not want my hard-earned dollars going to pay for someone else's tax bill. Thank you.

There are so many vacant/excess commercial and industrial buildings in Barrie and there are so many new builds going up, I seem to notice a new one every day in the south end. Just because builders want the latest and greatest. It is very sad to see the vacant buildings going to waste, it would be interesting to hear if certain vacant properties could be used to make the city better. For example, investigate what it would take to turn them into more subsidized living space for those who need it. If Orillia can turn storage

containers into reasonably priced housing, Barrie should be able to do something with excess large buildings.

There is a lack of industrial land in the City and the County. People are sitting on land for increase values. Either sell it for development or pay full value.

In favor of elimination of the program.

Taxes for residential properties in Barrie are absurd. If we want Barrie to evolve and become more attractive to investment the costs for living here must come down. I was not even aware of this tax program, but it clearly hasn't helped effective development rather allowed for owners to hold land in excess for a discounted rate.

Barrie has so many vacant lands and properties. Often holding on to land until it raises in value, but as a result devaluing the neighborhood due to its vacancy. Let's eliminate the incentive to leave these scars on the properties.

I did not know this existed and it is disappointing. If it is not worth the \$\$ to develop the land, the City can buy it back and make more parks.

The commercial classes already get too many breaks. They need to pay their fair share to make this an equitable community for all.

Eliminate it sooner. Residential taxes are too high, and these businesses and investors should be fitting more of the bill not less.

Let's be fair. Why should these properties get a break?

Reduce development charges to inventory building on vacant lots

That is a lot of lost revenue that is put on the backs of our Barrie residents.

Vacant property should be taxed at a rate above the standard property tax rate to create an incentive to use property.

Rewarding vacant properties does not contribute to a sense of community. There needs to be more incentive to property owners to have tenancy, not disincentives.

The advantage of one tax discounted property should not have to be carried by others.

Residential property taxes are high enough now. A little break would be fair.

Why should the taxpayer absorb the tax loss?

Residential taxpayers should not pay higher rates to compensate for commercial and industrial tax breaks.

I can only imagine this is a result of the cronyism of the decision makers with the developers who have made a mess of this town.

This needs to end.

Good idea...maybe this will encourage those to either pass on creating vacant land or in fact develop properly the land that they have or are going to make vacant just for the current relief, make this happen.

\$1.5 million could be put to better use like a donation to create much needed affordable housing.

The intention of the program is to encourage business development/expansion and more importantly, provide jobs - which is a good thing. As 430 properties have enjoyed the reduction, yet have not done what they are supposed to, suggests changes are needed. Either phase the program out over 2 years (to allow them an opportunity to develop their lands). Another option would be to revise the program by providing a property tax reduction after lands have been developed to a pre-determined standard as established by the city- and only for a pre-determined time period (i.e. businesses will receive a reduction for 2 years after satisfactory completion, and once they have hired (and employed) a set number of employees for that 2 year period. It would be interesting to learn just how many properties were part of this program and how many did develop their properties. As this important information was not provided, it is difficult to fully understand how effective or successful the program has been.

Tax rate discounts are a disincentive for land development, while further penalizing the commercial or industrial occupied properties.

There should be no reward for leaving developable land vacant. Not only is it a disincentive, and an unfair shift of the costs, it also adds pressure for development in other areas they may not be suitable or pushes employment lands further away from town, adding to commute times and increasing carbon emissions, or are environmentally sensitive lands.

I am so happy I was alerted to this survey. I am shocked this exists. This program needs to be eliminated. It does not help our city.

Property taxpayers should not be shouldering the burden of this tax benefit to wealthy developers. Create a stronger incentive for them to rent out the space by eliminating this incentive. These commercial land taxes should not fall on the shoulders of the residential landowner.

I believe the owners of these properties use them as tax write-offs rather than be pressed into developing them or having the building occupied.

Totally wrong to use my residential tax to fund this discount.

Best to use or to sell such lands.

Barrie is so beautiful; I am proud of my hometown. Please maintain the protection of the waterfront for the use of the residents.

I do not believe it is fair for other property owners to be taxed more because of the discount given to those who own unoccupied property. If they are unwilling to pay the regular tax rate, then perhaps they should sell the property so it can be put to good use. As a homeowner I would not accept the fact that my personal property tax was increased because the house down the street from me sits vacant and they are given a discount that I have to pick up.

I feel giving a discount to a corporation and expecting the burden of that discount be placed on other property taxpayers is not appropriate. With property taxes consistently rising 2% or more per year it is pricing some property owners to the point where it is not worth owning the property. While this is a positive for commercial property owners it is not for anyone else.

Barrie requires an influx of affordable housing options close to the core. De-incentivizing the hoarding of vacant properties will help with development.

Stop corporate handouts. Asap. Tax relief for residents only. Increase development fees yesterday.

Phasing this out would provide an incentive for these owners to either turn the site into a functioning property or sell it to someone who would develop it. Have no idea why there was such tax relief provided in the first place.

The rapid growth of the City of Barrie will eliminate this issue on its own. You will force the sale of properties unnecessarily - especially from stakeholders who have invested risk capital in Barrie.

Vacant land should not be taxed at the same rates as developed properties as it does not cost the City anywhere near the same amount for services. Question #5 above is totally unfair in the options provided to answer. It is clear this survey is intended to support and justify the reduction or elimination of this reduction. Very self-serving by the author.

For property owners who are faced with vacant and excess lands, unexpectedly, the additional taxes can be significant. These properties do not require certain services while they are vacant, such as waste disposal, and usually water and sewer, and therefore a reduction is fair.

I have never understood why the city would subsidize companies for hanging on to property and letting it go to waste.

Barrie has become a bedroom for Torontonians. Businesses will start and thrive whether there are tax incentives or not. The tax burden that has been placed on residential homes in Barrie has stopped many lower income families from being able to afford a home here. The businessmen are making money, we are just trying to survive.

Developers will go to other Cities who are offering the program and we will lose valuable jobs and taxes from the affected group.

Seeing a poll just to get public support, so you can justify raising the taxes so it can be misspent and drive business away is pretty sad. But then you can wash your hands of it and say this is what the people wanted. 99% of us never knew this was even a program in place.

We should NOT be subsidizing vacancy or under-use of land in Barrie. Vacant or underutilized land is already a burden on the city, giving it a subsidy only makes it worse and reduces the incentive to USE this land, or to sell/rent/lease it to someone else who will use it. Subsidizing vacancy also drives up market rents, as it reduces the cost of not renting land, so landowners have a higher tolerance to hold out for a higher rent. This is bad for business in Barrie as it increases the cost of operating here. Every vacant or under-utilized lot in the city forces the city to sprawl further out into Greenfields to provide the services the vacant lot should be providing, thus further increasing the City's cost to service new greenfield lands, passed along to the other taxpayers. If anything, there should be an extra vacancy tax on underutilized land, not a subsidy.

Do not cancel the vacancy tax.

Give the owners of these lands the time necessary to improve or build on them. You may be taxing them out of their properties after they have spent risk capital to procure them. The market will dictate their development. Why add an undue burden?

The program is helpful if there are a lot of vacant units at the commercial property.

Would like a credit on the property taxes to vacant industrial land.

The developers invested in Barrie knowing this vacant land tax reduction program was available. To remove it would be an act of bad business and bad faith. Barrie is better than that.

We have owned this vacant land since 1996.

We have had this vacant land since 1988.

The vacant land tax reduction is appropriate due to the fact vacant land has NO INCOME.

Vacant LAND does not generate income to offset the tax, whereas other commercial industrial land does generate income and should pay full tax as assessed. Vacant land, especially in the downtown core is owned for higher density future construction as the market permits. My land is being developed to a 17-storey condo building and will generate plenty of tax dollars in the next few years.

Timing is very poor.

It is not realistic to ask a small business owner who owns vacant land that is not generating revenue to pay the same tax rate on it as a property that is generating revenue. How can anyone afford that? It's not making any money.

Businesses should not get tax breaks. Citizens certainly do not and cannot afford another increase, especially now.

Taxes in Barrie are already excessive!

I think the added burden on active businesses is not fair and does not promote businesses or owners into utilizing the property by making it active.

Eliminating the program is in line with what other cities/municipalities are doing.

Your holding the land and is still appreciating in value without having to do anything but cut the weeds in the summer. Or using it for a snow removal dump in the winter and probably collecting some form of payment I don't this is reasonable to discount the tax burden and pass it into other properties that are contributing to the growth or wellbeing of the city.

It is difficult to imagine why these tax rate discounts were put in place in the first place. It's irresponsible of the City in at half s dozen ways.

If you seek expansion and development, incentives that encourage squatting on property prevent the exchange and taxation that could benefit the goal.

I own a big building with a lot of air due to large products. The taxes are way too high already and I feel a tax rate on size and revenue should be considered not just size of building and how much land. What is the business able to afford due to sales and how many employees does the business employ? That too should be a consideration.

I would support a tax break for commercial or industrial businesses and owners that utilize existing structures to open or expand their businesses. Even if that meant a few dollars added to my own residential tax bill to make sure that our industrial and commercial "neighborhoods" are functioning as efficiently as possible.

Tax rate discounts does not create a disincentive for land development, land is being developed as quickly as is feasible and prudent by the owners.

Thanks for asking for our input. I hope the responses are respected.

No breaks.

The vacant/excess land class does not disincentivize development of properties in Ontario. It encourages landowners to obtain properties in upcoming areas or hold excess land on their current developments until the market demand is there to develop further. It encourages owners to create well-planned mixed-use communities, and only grow as the demand grows.

By eliminating the program there is an extra burden on the owners of land. Trust me if we could develop the land and have tenants or business pay a reasonable tax amount it would be better for us. However, with the sites we own there is no development opportunity or interest from a tenant to lease our land unless there is rezoning. This will not create encouragement to develop these sites, it will just create more expense until such a time as a development can be financially viable. If you think that it will encourage development that is also wrong. What encourages development is bringing business into the community that requires buildings. If this does not happen, development won't happen. Property owners are not going to build buildings and have them sit vacant where their tax burden would be even greater.

My vacant land is under half an acre. It is used for excess parking to operate my business that is on the adjacent property. Paying higher taxes for unused land that requires no services is not fair. If this happens, I will be forced to move my business south where all taxes are more affordable.

With retail the way it is in the commercial sector, vacancy is more than usual and the loss from the vacancy will be passed on to other businesses/tenants increasing their costs and forcing them into closing as well.

I do not think residences should suffer when land is just being held vacant. Develop it.

When is the City going to take Sophia Creek off my property? I received a letter over 10 years ago that this was going to be done. 30 Sophia St. W. Thank you

As owners of occupied and operating commercial properties in Barrie, the savings on the vacant/excess lands allows for investment in the other properties.

The City of Barrie is amongst the highest property tax in province of Ontario.

I have owned 521 Huronia Road, Barrie for 30 years and for the past 10 years have attempted to sell this property but the current Employment Land Zoning is of no interest to any potential purchaser. Many attempts have been made to change the zoning to something usable, but the City refuses to re-zone. So now I have paid over \$400,000 in property taxes and cannot find a purchaser who will accept the Employment Land Designation. The land is not usable at the current Zoning and yet I have to pay taxes as if the property had some value. This is totally shortsighted on the City's part and I am totally frustrated with the attitude of the City. This property could have been producing jobs and additional tax revenue for the city, but the Planning Department does not seem to understand. Industrial usage on this corner property is not suitable for anyone.

Owners of vacant commercial or residential land do not require the same level of municipal services as improved properties. Therefore, it would be unfair to set the same tax rates for vacant land and improved land. By suggesting that the vacant and excess land tax rate discounts create a "disincentive" for land development, the City appears to believe that owners of vacant land are intentionally delaying development of their site. In the vast majority of cases, this is certainly not true. In many cases, owners are unable to develop due to various restrictions put in place by the municipal or government entities themselves (environment, zoning, infrastructure requirements etc.) Often, development is stalled simply due to an absence of market demand. If there was any demand for construction of a certain product, owners would certainly rather build than continue to incur holdings costs on the land. If the vacant/excess land discounts are eliminated, this will not only result in massive increases for commercial/industrial land owners in the city, but will also create a significant and unfair disparity in the

holding cost for lands with commercial/industrial zoning, as compared to residential or multi-residential zoning.

The property tax cost to carry vacant commercial land in this City is crippling. The prop tax cost to carry developed commercial land in this City is astronomical. Is the City of Barrie actually "open for business?" Raising property tax on vacant land is a step toward bankrupting the smaller developer (meaning owner of one or two small parcels of land, 1-2 acres) who is actively pursuing tenants to decrease the disgusting lack of intensification that is rampant throughout the City of Barrie. Please do not eliminate this program or raise the percentage

DCs are single most significant obstacle to building on spec. With the current pandemic, there are no crystal balls to predict the changes it will have on the way we continue with business.

The COVID-19 situation will hit everyone, businesses & individuals alike, and we should try to avoid changes until we recover from this. It is a frightening and uncertain time. Consistency and normalcy are needed now. This issue can be revisited.

We recommended that our land located at 399 Tiffin Street, be rezoned to residential for building up to Five story Condo or Retirement building. Also, our Tax has been doubled?! It is not Fair and now working with planners and LSCA Found that three quarter belonging to them?! Why have we paid Taxes for them? Please, consider our case seriously and credit back all extra taxes that we have paid since the year 2,000! Furthermore, considering the Ravine behind and Trees west of this land, is the best choice to be used as residential Condos.

Development fees and dealing with a very uncooperative building department is keeping the property from development. I feel I am hanging on to a white elephant that cannot be sold for its true value.