TO:	**GENERAL COMMITTEE**
SUBJECT:	**2021 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 2021 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
i)	Landfills	1.067122

2. That the capping phase-out option for the commercial class be continued, for the second of four years as previously approved by Council and that the capping program be funded by clawing back decreases from within the affected property tax class.

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.

e) A minimum cap of 10% of the previous year's CVA taxes; and,

f) Reassessment related increases for 2021 be excluded from the capping calculations.

4. That the discounts for the commercial and industrial sub-classes for vacant land and excess land at 30% and 35% respectively for 2020, which are to be phased out over the next two years starting in 2021, set the 2021 discounts at 15% for the commercial sub-classes and 17.5% for the industrial sub-classes.

5. 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.

6. That the City of Barrie (City) continue with its existing Rebates for Charitable and Non-Profit Organizations Program providing a tax rebate at a rate of 40% of the current year's taxes applicable only to the leased space occupied by the organization and that the eligible organizations continue to submit an annual application and provide evidence of taxes paid satisfactory to the Treasurer or his/her designate.

7. That the City Clerk be authorized to prepare all necessary by-laws to establish the 2021 taxation ratios and capping policies as described herein.

PURPOSE & BACKGROUND

Report Overview

8. The purpose of this report is to recommend:

a) 2021 tax ratios.

b) Property tax capping parameters for commercial properties;

c) Property tax policies governing discounts for property tax sub-classes and

d) Rebates for charitable and non-profit organizations.

9. This report provides an update on the Small Business Tax Class and explains options related to bands of assessment for facilitating graduating tax rates in the commercial and industrial tax classes.

10. 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.

11. Rules governing property assessment values in Ontario are complex. However, the ultimate purpose of property assessment values and assigned ratios is straightforward – to determine how the City's tax levy is allocated among property classes and ultimately to each property.

12. 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:

Property tax rate = Annual Property Tax Levy X Tax ratio for the class Weighted

Assessment for All Classes

13. The Municipal Act allows municipalities to provide a rebate to registered charities and non-profit organizations that are tenants in commercial properties. The purpose of the rebate is to provide equity with similar organizations 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

14. 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 recent Covid-19 related ‘stay at home’ and ‘states of emergency’ orders, the Provincial government has postponed the reassessment. At the time of preparing this report, the Provincial government has announced that property assessment values for the 2021 and 2022 tax years will continue to be based on a January 1, 2016 date and for the most part will be the same values used for 2020 unless the property has undergone physical changes or finalized a successful assessment appeal.

Small Business Property Tax Class

15. The Province of Ontario has recently enabled single tier municipalities to provide property tax relief to small business through the creation of a new sub-class. Since the announcement, staff have been investigating and collaborating with various financial associations and doing some very preliminary analysis.

16. The Province is currently working on a detailed regulation that will provide municipalities with guidelines and legislated parameters as to what the program can or cannot do. As recently as last week, staff have been advised by Ministry of Finance staff that the regulation is still ‘pending’. Historically the Province has considered similar programs, however the definition of ‘small business class’ has been difficult to determine, and without the regulatory guidelines, staff are unable to proceed.

17. There are various approaches that may be taken. If an approach using individual business enterprise information, such as number of employees, income, expenses etc. is used, that information is not readily available to municipalities and may be a very labour intensive process, requiring a special skillset. Location of a business may be an alternative, for example the downtown core or a BIA area, however this may capture or exclude other businesses that should be included. MPAC has classifications of property that may be the most definitive method, and staff is working directly with them on that approach.

18. In addition to the regulation not being available, some municipal associations have requested the Province consult on the content. They have expressed concern that this type of tax policy will have long term effects, possibly entrench inequities into the taxation regime, and/or foster animosity between businesses, residents and municipalities if not implemented in a responsible manner.

19. If implemented in 2021, the understanding is that MPAC would issue Amended Notices to a list of properties supplied by the municipality. This will result in a loss of 2021 budgeted tax revenue. However, by fully analyzing the opportunity and possibly implementing the program for 2022, the tax losses can be mitigated by a redistribution of the lost revenue within the broad class or to all classes through a budgeted item.

20. Once the regulation has been received and staff can fully understand the Provincial guidelines, some or all of the following actions could be taken:
    - Council provides a vision of their expectations of the program
    - Collaboration with MPAC, business property owners, the City's Economic and Creative Development team, other local municipalities
    - Bring forward a report to General Committee later in 2021 with recommendations and alternatives for 2022.

Tax Ratios

21. 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 2021 is 1.433126 which means that, for every residential property tax dollar paid, the commercial property class pays $1.43. An industrial property pays $1.51.

22. While the tax ratios for commercial, industrial, and multi-residential properties are established by Council, the tax ratios for managed forests and landfills are prescribed by the Province.

23. The City has maintained consistent tax ratios throughout the current assessment cycle, as shown below.

Broad Property Class	Range of Fairness	2016 - 2020	Recommended 2021
Residential	1.000000	1.000000	1.000000
Multi-Residential	1.0 to 1.1	1.000000	1.000000
Commercial	0.6 to 1.1	1.433126	1.433126
Industrial	0.6 to 1.1	1.516328	1.516328
Pipelines	0.6 to 0.7	1.103939	1.103939
Farm	0.1 to 0.25	0.250000	0.250000
Landfill	1.067122	1.067122	1.067122
Managed Forests	0.250000	0.250000	0.250000

24. Maintaining the existing tax ratios for 2021 will allow any tax shifts between classes to occur consistently. Due to the reassessment deferral, any assessments that did not have a physical change are the same as 2020, therefore using the same ratios for 2021 will for the most part be revenue neutral. This results in greater tax equity, stability and predictability for taxpayers.

25. Property tax ratios can also be changed 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.

26. Economic development objectives can also be achieved by reducing commercial and/or industrial tax ratios which may create an incentive for businesses to locate in Barrie due to slightly 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 2020 Municipal Study prepared by BMA Management Consulting (Appendix "A"), therefore adjustments to tax ratios for economic development reasons are not recommended at this time.

27. 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.

Graduated Tax Rates (Bands of Assessment)

28. The Municipal Act contains a provision in s.314 that allows municipalities to establish bands of assessment, for the purposes of facilitating graduated tax rates in the commercial and/or industrial class. Adopting this policy results in a tax reduction for low valued, as well as the lower portion of higher valued properties, however each dollar of tax not paid by the lower valued band is shifted directly to the higher valued band within the class.

29. Staff have analyzed two banding scenarios (Appendix "B") for illustrative purposes. Both scenarios reflect two bands of current value assessment (CVA) within the commercial class with Band 1 having a CVA of $1 - $500,000 and Band 2 having a CVA of $500,001 and above.

a) Scenario 1 – Provides a 30% discount to all assessments in Band 1.
b) Scenario 2 – Provides a 15% discount to all assessments in Band 1.

30. Scenario 1 depicts that $2.5M of City tax will shift from the lower band to the higher band as indicated in the first table. The result for 1,280 small commercial properties is an average savings of $1,170 as indicated on the Frequency Distribution of Tax Impact by Property table, with the median being $1,890. To offset this, 385 larger properties will receive an average increase of $4,010, however the 14 largest CVA properties in the class will receive an average tax increase of $51,375.

31. Scenario 2 depicts that $1.2M of City tax will shift from the lower band to the higher band. The result for the same 1,280 small commercial properties is an average savings of $569 with the median being $917. To offset this, the 385 larger properties will receive an average increase $1,959, however the 6 largest CVA properties will receive an average tax increase of $46,733.

32. Staff do not recommend establishing the graduated tax rates for a small business relief program. Some small business located in buildings with a higher CVA could see an increase in their property taxes due to shifting of the tax burden. As well, for buildings with a decrease in property taxes, there is no mechanism to ensure tenants will receive the benefits in a timely manner or at all.

Discounts for Vacant and Excess Commercial/Industrial Properties

33. In June of 2020, Council directed Finance staff to implement a 2-year phase-out of the discount being provided to vacant land in the commercial and industrial classes. The discounts for the commercial and industrial sub-classes for vacant land and excess land will be phased out over the next two years starting in 2021, setting the discounts at 15% for the commercial sub-classes and 17.5% for the industrial sub-classes. Previously, the Province required a regulation to make these changes, however, in the 2020 Budget, the Province changed that direction. Municipalities can now pass by-laws for this change and no separate regulation is required. There is a direct benefit to the occupied commercial and industrial properties by making this change. Property taxes will shift off the occupied class onto the vacant land sub-class.

34. The Province has already completed a phase out of the vacant and excess land tax rate discounts for the education portion of the tax rates over the two-year period 2019 and 2020. The City mirroring this reduction will not provide additional revenue, however, it will shift some tax burden off other properties as noted above.

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 prescribes 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 monitor and work with MPAC to ensure these properties continue to be eligible to receive the benefit and if not, they are adjusted.

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 with an objective 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 tax 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. This is desirable as it means every property pays their fair share, based on current values. 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. This ensures equitable taxation for all properties within a class.

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 2021 is the commercial class and it is currently in Year 2 of a 4-year phase-out program which Council approved last year. There are only 2 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 along with an option to include similar not for profit 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 and similar not for profit organizations at a rate of 40% of the current year’s taxes applicable to the space occupied, continue for all applications received in 2021. This will be in line with the budget for 2021 which reflects a cost of $240,000.

ENVIRONMENTAL AND CLIMATE CHANGE IMPACT MATTERS

47. There are no environmental or climate change impact 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 $244, 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 taken by the Province and other Municipalities.

Alternative #4

General Committee could choose to set the registered charity and similar organization rebate at a percentage anywhere between 40% and 100% and fund the additional costs from the Tax Rate Stabilization Reserve. General Committee could also choose to eliminate 'similar not-for-profit' organizations from the rebate as the Regulation only requires registered charities to be included.

These alternatives are not recommended as an increase would 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. It is further not recommended to eliminate not-for-profit organizations as this would cause an additional hardship for these organizations in year that has already seen extraordinary struggles.

Alternative #5 General Committee could choose to implement Graduated Tax Rates for 2021 at the analyzed bands and set the discount at 15% or 30% or:

a) set an alternative discount;

b) select alternate bands of assessment for the program, up to 3 within the class;

c) the industrial property class could be included in the policy

These alternatives are not recommended as relief may not reach the intended recipients and will place additional burden on other commercial properties due to the following:

i) Any property tax relief will be passed on to the owner of the property. In the short term there is no mechanism to ensure relief to the small properties will reach any tenants in a timely manner or at all. Many commercial properties are owned by larger companies and the businesses are tenants;

ii) Small businesses located in buildings with a higher CVA could see an increase in their property tax due to the shifting of the burden;

iii) This is a broad property tax tool resulting in reductions for all properties within a class including vacant and excess unused lands, along with some multi-residential properties, and businesses such as auto dealerships, LCBO's, and banks. Properties that are not the intended target cannot be eliminated;

iv) Shifts taxes to larger properties that are more likely to appeal their assessments and receive settlements, increasing the City's potential losses annually;

v) In the long term, a policy that shifts taxation away from smaller properties onto larger ones may be viewed as a detriment to larger employers locating or expanding in Barrie if nearby municipalities are not implementing similar measures.

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 2020 BMA Municipal Study

2020 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	1.8678	1.7836	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	2.1132	1.9407	2.6300
Dufferin	2.0000	1.2200	2.1984
Durham	1.8665	1.4500	2.0235
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	1.9120	3.7263
Greenstone	2.0000	1.4967	2.5000
Grey	1.4412	1.3069	1.8582
Guelph	1.7863	1.8400	2.2048
Haldimand	2.0000	1.6929	2.3274
Halton	2.0000	1.4565	2.0907
Hamilton	2.4876	1.9800	3.3153
Kenora	1.5513	2.1567	2.0866
Kingston	1.7000	1.9800	2.6300
Lambton	2.0000	1.6271	2.0476
London	1.7119	1.9100	1.9100
Middlesex	1.7697	1.1449	1.7451
Mississauga	1.2656	1.5170	1.6150
Muskoka	1.0000	1.1000	1.1000
Niagara	1.9700	1.7349	2.6300

APPENDIX "A" (Continued)

2020 Tax Ratios Cont'd

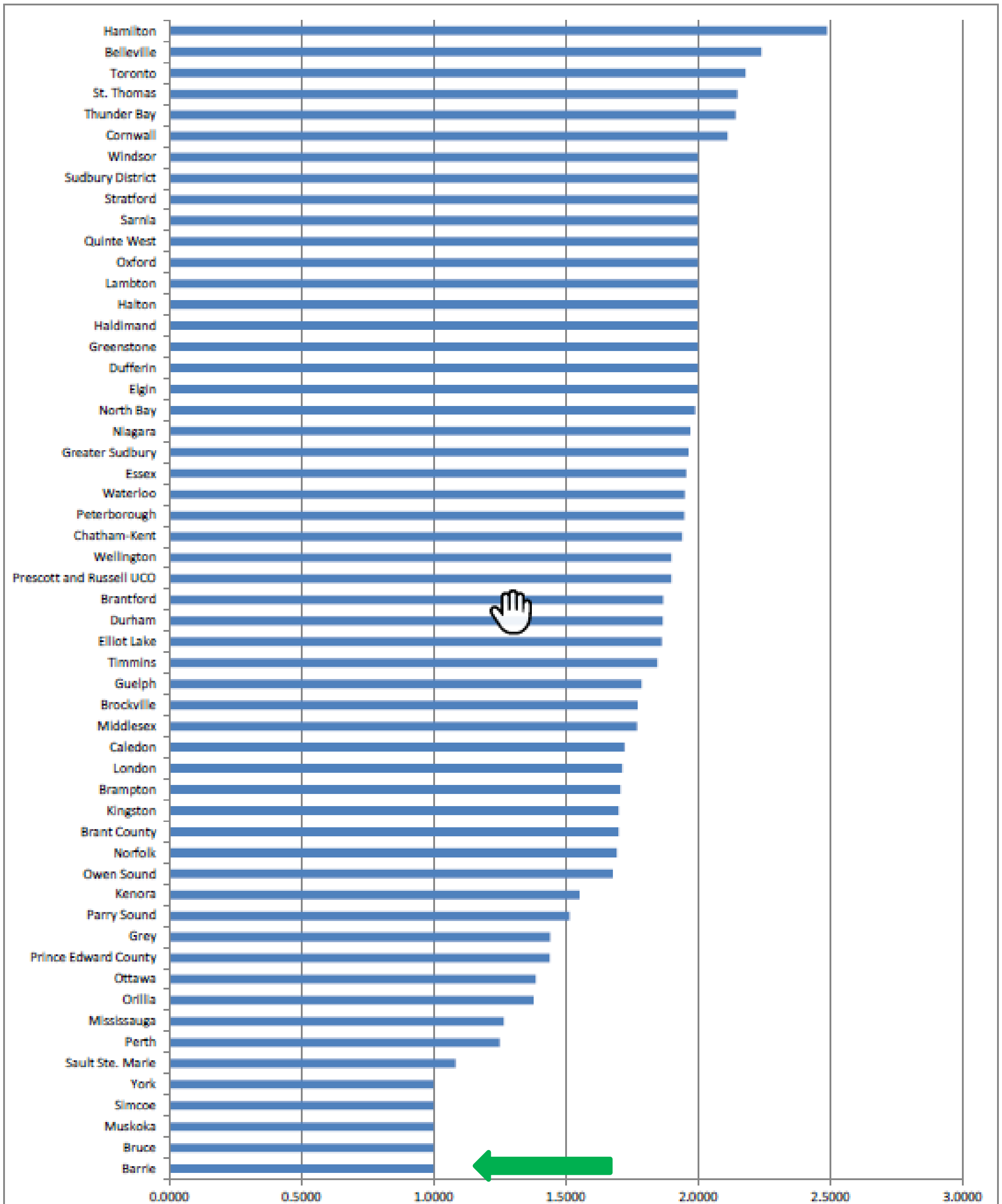
Municipality	Multi-Residential	Commercial - Residual	Industrial - Residual
Norfolk	1.6929	1.6929	1.6929
North Bay	1.9900	1.8800	1.4000
Orillia	1.3780	1.8495	1.8420
Ottawa	1.3867	1.8064	2.5023
Owen Sound	1.6779	1.7338	1.8519
Oxford	2.0000	1.9018	2.6300
Parry Sound	1.5145	1.6646	1.5162
Perth	1.2500	1.2469	1.9692
Peterborough	1.9472	1.5000	1.5686
Prescott and Russell UCO	1.9000	1.4410	2.4469
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	2.1420	4.6068
Simcoe	1.0000	1.2521	1.2521
St. Thomas	2.1485	1.7926	2.2546
Stratford	2.0000	1.9759	2.6944
Sudbury District	2.0000	1.8087	2.3250
Thunder Bay	2.1425	2.1087	2.4077
Timmins	1.8452	2.0454	2.5000
Toronto	2.1788	2.7000	2.6838
Waterloo	1.9500	1.9500	1.9500
Wellington	1.9000	1.4910	2.4000
Windsor	2.0000	2.0178	2.3200
York	1.0000	1.3321	1.6432
Average	**1.7603**	**1.6747**	**2.1610**
Median	**1.8678**	**1.6929**	**2.0907**
Minimum	**1.0000**	**1.0820**	**1.1000**
Maximum	**2.4876**	**2.7000**	**4.6068**

APPENDIX "A" (Continued)

BMA

Municipal Study 2020

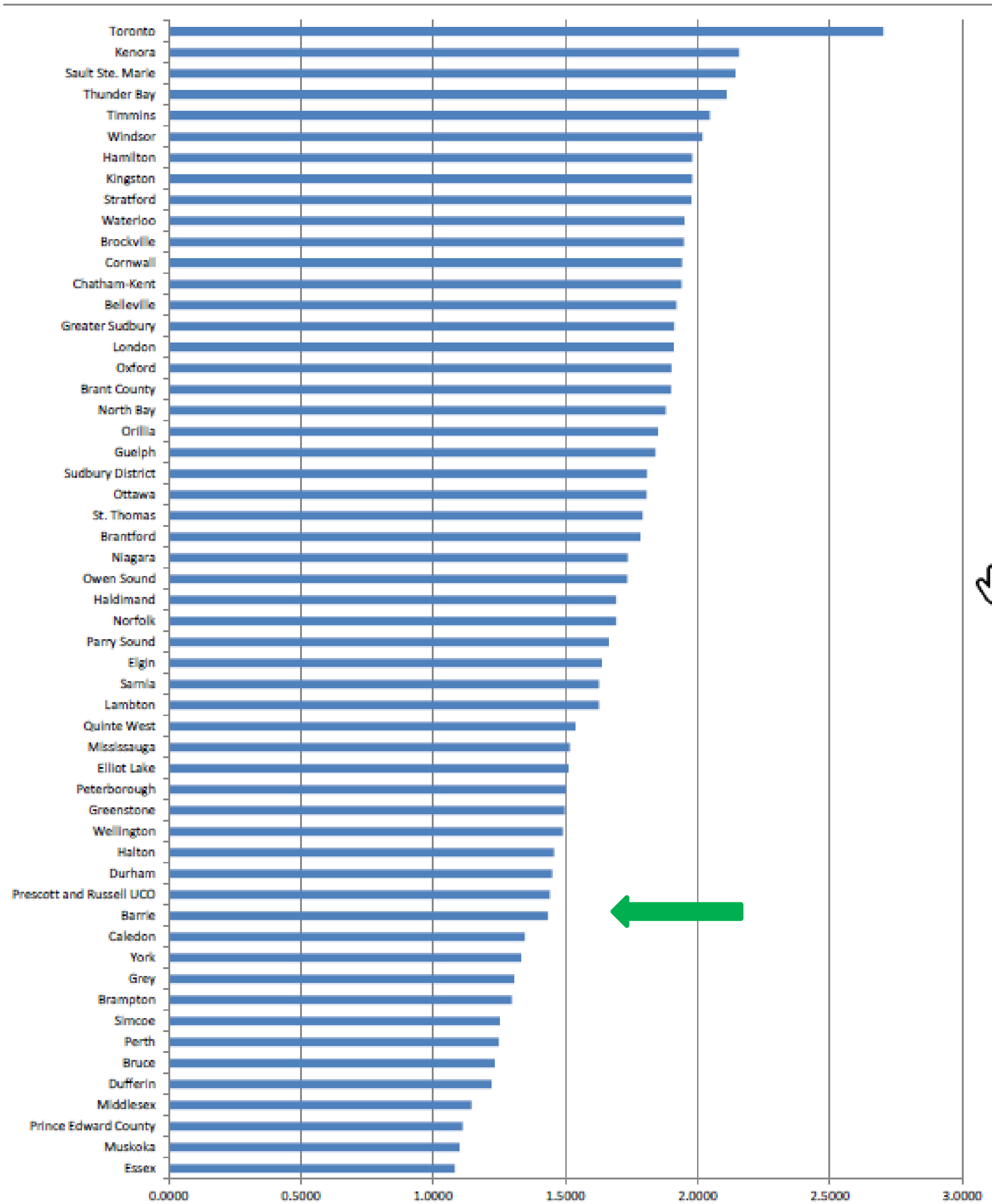
Multi-Residential Tax Ratios



APPENDIX "A" (Continued)

BMA — *Municipal Study 2020*

Commercial (residual) Tax Ratios

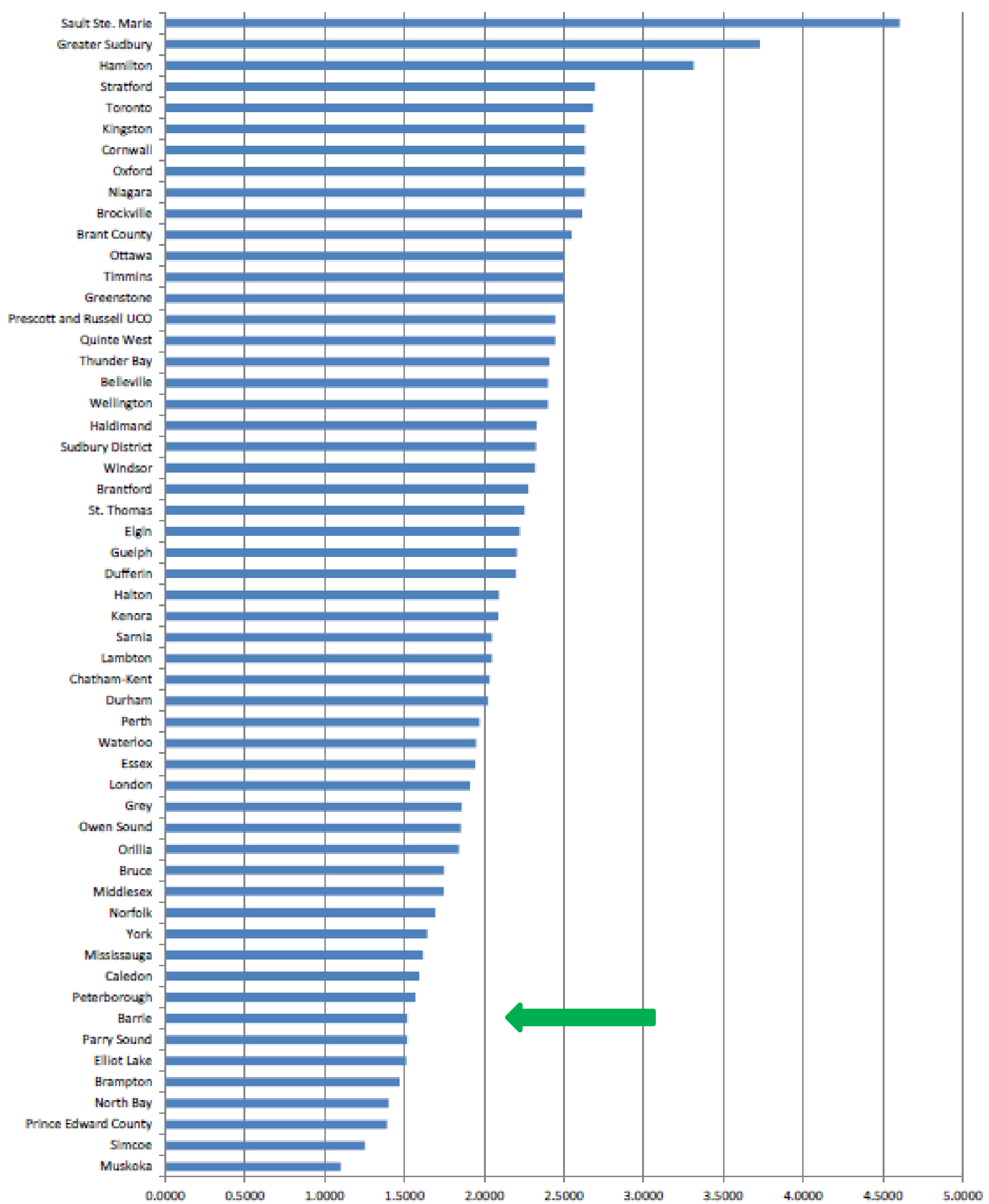


APPENDIX "A" (Continued)

BMA

Municipal Study 2020

Industrial (residual) Tax Ratios



APPENDIX "B"
Banding Analysis

Scenario 1 – 30% Discount

Municipal Taxation Only - 30% Discount - CVA <$500,000

	Taxation Before Banding			Taxation After Banding			Difference Between Before and After Banding			
	Low Band	High Band	Total	Low Band	High Band	Total	Low Band		High Band	
							$	%	$	%
Occupied	9,283,936	42,757,444	52,041,380	6,872,374	45,215,629	52,088,004	-2,411,562	-25.98%	2,458,185	5.75%
Excess Land	107,599	658,237	765,837	79,650	696,080	775,730	-27,950	-25.98%	37,843	5.75%
Vacant Land	304,774	394,176	698,951	225,607	416,838	642,446	-79,167	-25.98%	22,662	5.75%
Sub-Total	**9,696,310**	**43,809,858**	**53,506,168**	**7,177,632**	**46,328,548**	**53,506,180**	**-2,518,678**	**-25.98%**	**2,518,690**	**5.75%**

Municipal Tax Impact on Median Small Commercial Property

Rollnum	RTC	RTQ	Description	Prop Code	Prop Count	2020 CVA	2021 CVA	% CVA Change	2020 Municipal CVA Taxes	2021 Municipal CVA Taxes	$ Tax Change	% Tax Change
4342031008009009801	Commercial	Taxable	Small Office	400	43	653,000	653,000	0.00%	9,893.81	8,059.25	-1,834.56	-18.54%
4342022008108000000	Commercial	Taxable	Small Retail	410	69	531,000	531,000	0.00%	8,045.35	6,104.52	-1,940.83	-24.12%

Frequency Distribution of Tax Impact by Property

Com. Occupied

Properties with Increases						Properties with Decreases					
Dollar Increase	No. of Properties	% of Total	% of Grand Total	Average Change	Total Dollar	Dollar Decrease	No. of Properties	% of Total	% of Grand	Average Change	Total Dollar Decrease
0 - 300	58	15.06%	3.48%	122	7,090	0 - 300	123	9.61%	7.39%	131	16,078
300 - 500	16	4.16%	0.96%	359	5,751	300 - 500	77	6.02%	4.62%	405	31,176
500 - 1,000	69	17.92%	4.14%	716	49,371	500 - 1,000	290	22.66%	17.42%	769	223,154
1,000 - 2,000	93	24.16%	5.59%	1,494	138,972	1,000 - 2,000	790	61.72%	47.45%	1,553	1,226,820
2,000 - 3,000	48	12.47%	2.88%	2,391	114,776	2,000 - 3,000	0	0.00%	0.00%		0
3,000 - 5,000	42	10.91%	2.52%	3,794	159,367	3,000 - 5,000	0	0.00%	0.00%		0
5,000 - 7,000	20	5.19%	1.20%	5,975	119,507	5,000 - 7,000	0	0.00%	0.00%		0
7,000 - 10,000	19	4.94%	1.14%	8,483	161,174	7,000 - 10,00	0	0.00%	0.00%		0
10,000 - 15,000	6	1.56%	0.36%	11,433	68,596	10,000 - 15,0	0	0.00%	0.00%		0
15,000 - Over	14	3.64%	0.84%	51,375	719,246	15,000 - Over	0	0.00%	0.00%		0
Total	**385**	**100.00%**	**23.12%**	**4,010**	**1,543,851**	**Total**	**1,280**	**100.00%**	**76.88%**	**1,170**	**1,497,228**
Grand Total	**1,665**			**28**	**46,623**	**This difference is picked up by Vacant/Excess Land**					

APPENDIX "B" Continued

Scenario 2 – 15% Discount

Municipal Taxation Only - 15% Discount - CVA <$500,000

	Taxation Before Banding			Taxation After Banding			Difference Between Before and After Banding			
	Low Band	High Band	Total	Low Band	High Band	Total	Low Band		High Band	
							$	%	$	%
Occupied	9,283,936	42,757,444	52,041,380	8,111,851	43,952,178	52,064,029	-1,172,086	-12.62%	1,194,734	2.79%
Excess Land	107,599	658,237	765,837	94,015	676,630	770,646	-13,584	-12.62%	18,393	2.79%
Vacant Land	304,774	394,176	698,951	266,297	405,191	671,488	-38,477	-12.62%	11,014	2.79%
Sub-Total	**9,696,310**	**43,809,858**	**53,506,168**	**8,472,163**	**45,034,000**	**53,506,163**	**-1,224,147**	**-12.62%**	**1,224,142**	**2.79%**

Municipal Tax Impact on Median Small Commercial Property

Rollnum	RTC	RTQ	Description	Prop Code	Prop Count	2020 CVA	2021 CVA	% CVA Change	2020 Municipal CVA Taxes	2021 Municipal CVA Taxes	$ Tax Change	% Tax Change
43420310080	Commercial	Taxable	Small Office	400	43	653,000	653,000	0.00%	9,893.81	9,002.16	-891.65	-9.01%
43420220081	Commercial	Taxable	Small Retail	410	69	531,000	531,000	0.00%	8,045.35	7,102.05	-943.30	-11.72%

Frequency Distribution of Tax Impact by Property

Com. Occupied

Properties with Increases						Properties with Decreases					
Dollar Increase	No. of Properties	% of Total	% of Grand Total	Average Change	Total Dollar Increase	Dollar Decrease	No. of Properties	% of Total	% of Grand Total	Average Change	Total Dollar Decrease
0 - 300	96	24.94%	5.77%	128	12,241	0 - 300	254	19.84%	15.26%	148	37,661
300 - 500	52	13.51%	3.12%	394	20,465	300 - 500	251	19.61%	15.08%	403	101,173
500 - 1,000	93	24.16%	5.59%	752	69,969	500 - 1,000	775	60.55%	46.55%	760	588,861
1,000 - 2,000	72	18.70%	4.32%	1,391	100,140	1,000 - 2,000	0	0.00%	0.00%		0
2,000 - 3,000	25	6.49%	1.50%	2,426	60,644	2,000 - 3,000	0	0.00%	0.00%		0
3,000 - 5,000	28	7.27%	1.68%	3,891	108,934	3,000 - 5,000	0	0.00%	0.00%		0
5,000 - 7,000	5	1.30%	0.30%	5,676	28,381	5,000 - 7,000	0	0.00%	0.00%		0
7,000 - 10,00	7	1.82%	0.42%	8,128	56,895	7,000 - 10,00	0	0.00%	0.00%		0
10,000 - 15,0	1	0.26%	0.06%	12,280	12,280	10,000 - 15,0	0	0.00%	0.00%		0
15,000 - Over	6	1.56%	0.36%	46,733	280,395	15,000 - Over	0	0.00%	0.00%		0
Total	**385**	**100.00%**	**23.12%**	**1,949**	**750,344**	**Total**	**1,280**	**100.00%**	**76.88%**	**569**	**727,696**
Grand Total	**1,665**			**14**	**22,649**	**This difference is picked up by Vacant/Excess Land**					