



COMMITTEE OF THE WHOLE

Monday, May 15, 2017

7:00 p.m.

Council Chambers

360 Dibble St. W.

Prescott, Ontario

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Pages

1. CALL TO ORDER

*Chaired by Mayor Brett Todd*

2. APPROVAL OF AGENDA

**Suggested Motion**

*"THAT the agenda be adopted as presented."*

3. DECLARATIONS OF INTEREST

4. PRESENTATIONS

5. DELEGATIONS

5.1 Dennis Van Luit - Jr. C Hockey

6. COMMUNITY AND PROTECTIVE SERVICES

*Chaired by Councillor Leanne Burton*

7. FINANCE & CORPORATE SERVICES

*Chaired by Councillor Teresa Jansman*

7.1	Staff Report 28-2017 - Significant Commercial Assessment Appeals	1
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**Suggested Motion**

*"THAT Committee of the Whole receive this report on significant commercial assessment appeals for information purposes."*

7.2	Staff Report 29-2017 - Commercial / Industrial Vacancy Rebate Program	5
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**Suggested Motion**

*"THAT Committee of the Whole provide guidance to staff as to the intended form of the commercial and industrial vacancy rebate program for the Town of Prescott."*

**8. TOURISM & HERITAGE**

*Chaired by Councillor Fraser Laschinger*

**9. TRANSPORTATION & ENVIRONMENTAL SERVICES**

*Chaired by Councillor Lee McConnell*

**10. PLANNING**

*Chaired by Councillor Mike Ostrander*

**11. ECONOMIC DEVELOPMENT**

*Chaired by Councillor Ray Young*

**12. NEW BUSINESS**

12.1	Action Item List	9
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**13. PERIOD FOR MEDIA QUESTIONS**

**14. CLOSED SESSION**

**15. RISE AND REPORT**

**16. ADJOURNMENT**

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Information Purposes	X	May 15, 2017
Policy / Action Req'd		
Strategic Plan		

# STAFF REPORT TO COMMITTEE OF THE WHOLE

Report No. 28-2017

May 15, 2017

From: Matthew Armstrong, Treasurer

RE: Significant Commercial Assessment Appeals

**Recommendation:**

That Committee of the Whole receive this report on significant commercial assessment appeals for information purposes.

**Background:**

The Municipal Property Assessment Corporation is tasked with determining the current value assessment of properties at specific points in time. These values are then used to determine the property taxes owed to the municipality by taking the current value assessment and multiplying it by the applicable tax rate. Property owners have the right to request reconsideration or appeal their current value assessment. The Town of Prescott has properties currently going through the appeals process. One of these properties was settled in 2016 for the previous valuation dating back to the 2009 through 2012 tax years. Another property was settled in 2016 for the 2013 through 2016 tax years and a draft settlement was recently received on another property for the same tax years.

As the 2017 tax year is based on a new assessment cycle, the value of the two properties noted above have changed significantly and have been appealed by the property owners.



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**Analysis:**

Property A is the highest valued commercial property in the Town of Prescott.

**Final Settlement 2009 – 2012 Tax Years – Property A**

	2009	2010	2011	2012
<b>Original Assessment</b>	\$5,160,033	\$5,474,905	\$5,789,778	\$6,104,650
<b>Revised Assessment</b>	\$4,689,650	\$4,689,650	\$4,689,650	\$4,689,650
<b>Reduction in Assessment</b>	(\$470,383)	(\$785,255)	(\$1,100,128)	(\$1,415,000)
<b>Reduction in Municipal Tax</b>	(\$14,111)	(\$23,067)	(\$31,380)	(\$36,245)

The above table reflects the outcome of the revised assessment for the 2009 through 2012 taxation years. This revision results in a repayment of property taxes of \$104,803.

**Draft Settlement 2013 – 2016 Tax Years – Property A**

	2013	2014	2015	2016
<b>Original Assessment</b>	\$4,878,000	\$4,878,000	\$4,878,000	\$4,878,000
<b>Revised Assessment</b>	\$4,625,000	\$4,625,000	\$4,625,000	\$4,625,000
<b>Reduction in Assessment</b>	(\$253,000)	(\$253,000)	(\$253,000)	(\$253,000)
<b>Reduction in Municipal Tax</b>	(\$6,482)	(\$6,395)	(\$6,349)	(\$6,298)

The above table reflects the draft outcome of the revised assessment for the 2013 through 2016 taxation years. This revision results in a repayment of property taxes of \$25,524.

**New Assessment 2017 – 2020 Tax Years – Property A**

	2017	2018	2019	2020
<b>Original Assessment</b>	\$5,397,000	\$5,916,000	\$6,435,000	\$6,954,000
<b>Revised Assessment</b>				
<b>Reduction in Assessment</b>				
<b>Reduction in Municipal Tax</b>				

The assessment for property A has increased by 50.36% between the draft settlement result and the new reassessment cycle value that is phased in over 4 years. Given that much lower values were appealed and resulted in the assessments being lowered it



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would be assumed that the \$6.9 million value will not be the final outcome. The property owner has already submitted an appeal on the value of this property for this new assessment.

Property B is the second highest valued commercial property in the Town of Prescott

**Final Settlement 2013 – 2016 Tax Years – Property B**

	2013	2014	2015	2016
<b>Original Assessment</b>	\$3,540,001	\$3,624,000	\$3,708,001	\$3,792,000
<b>Revised Assessment</b>	\$3,468,501	\$3,481,000	\$3,493,501	\$3,506,000
<b>Reduction in Assessment</b>	(\$71,500)	(\$143,000)	(\$214,500)	(\$286,000)
<b>Reduction in Municipal Tax</b>	(\$1,832)	(\$3,614)	(\$5,383)	(\$7,119)

The above table reflects the outcome of the revised assessment for the 2013 through 2016 taxation years. This revision results in a repayment of property taxes of \$17,948.

**New Assessment 2017 – 2020 Tax Years – Property B**

	2017	2018	2019	2020
<b>Original Assessment</b>	\$2,312,000	\$2,312,000	\$2,312,000	\$2,312,000
<b>Revised Assessment</b>				
<b>Reduction in Assessment</b>				
<b>Reduction in Municipal Tax</b>				

The assessment for property B has decreased by 34.06% between the settlement result and the new reassessment cycle value. The Town requires additional information to understand the underlying reasons which caused the significant decline. The property owner has already submitted an appeal on the value of this property for this new assessment.

**Alternatives:**

The Town of Prescott along with other separated municipalities in Eastern Ontario have started to engage MPAC to foster a discussion as to how large swings in values can be explained, analyzed and supported.



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**Financial Implications:**

The Town has provided for the repayment of municipal taxes based on the settlements noted above totaling \$148,275 up to the end of 2016.

**Attachments:** None.

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Pierre Mercier  
Chief Administrative Officer

*Original signed by*

\_\_\_\_\_  
Matthew Armstrong  
Treasurer



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# STAFF REPORT TO COMMITTEE OF THE WHOLE

Report No. 29-2017

Date: May 15, 2017

From: Matthew Armstrong, Treasurer

RE: Commercial / Industrial Vacancy Rebate Program

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**Recommendation:**

That Committee of the Whole provide guidance to staff as to the intended form of the commercial and industrial vacancy rebate program for the Town of Prescott.

**Background:**

Section 364 of the Municipal Act 2001 states:

Vacant unit rebate

364. (1) Every local municipality shall have a program to provide tax rebates to owners of property that has vacant portions if that property is in any of the commercial classes or industrial classes, as defined in subsection 308 (1), or in a class prescribed under clause (12) (a.0.1). 2016, c. 37, Sched. 15, s. 12 (1).

Requirements of program

(2) A tax rebate program under this section must meet the following requirements:

1. The program shall apply to eligible property as prescribed by the Minister of Finance for the purposes of this section.
2. If the property is in any of the commercial classes, the rebate shall be equal to 30 per cent, or such other percentage as may be prescribed, of the taxes applicable to the eligible property as determined under clause (12) (b).



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3. If the property is in any of the industrial classes, the rebate shall be equal to 35 per cent, or such other percentage as may be prescribed, of the taxes applicable to the eligible property as determined under clause (12) (b).

3.1 If the property is in a class prescribed under clause (12) (a.0.1), the rebate shall be equal to the percentage prescribed in the regulations.

4. An application may be made by or on behalf of the owner.

5. The application shall be made to the local municipality by the last day of February of the year following the taxation year in respect of which the application is made or such later date as the Minister of Finance may prescribe, either before or after the expiry of the time limit.

6. Unless otherwise prescribed by the Minister of Finance, an owner or a person on behalf of the owner shall submit one application for a taxation year, except that an interim application may be made for the first six months of the taxation year. 2001, c. 25, s. 364 (2); 2016, c. 5, Sched. 16, s. 3 (1); 2016, c. 37, Sched. 15, s. 12 (2).

Starting in 2017, the Province has provided municipalities with flexibility in respect to how they wish to administer the Vacancy Tax Rebate program in their area. This could include eliminating the rebate altogether or adjusting the rebate percentages. These tools are helpful to some municipalities that find themselves with a shortage of commercial or industrial space by encouraging property owners to fully utilize their properties thereby alleviating upward pressures of land costs.

If a municipality wishes to change their Vacancy Tax Rebate program they are required to notify the ministry by March 1<sup>st</sup>, April 1<sup>st</sup>, or July 1<sup>st</sup> of 2017. As part of the process the municipality must consult with the business community if it intends to change the program.

**Analysis:**

Vacancy Tax Rebates are processed in the year following the payment of property taxes. For instance, rebates for 2015 are processed in 2016. There were 30 such rebates processed in 2016. 28 rebates pertained to commercial properties, while 2 were processed for industrial properties. The total municipal portion of the rebate



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amounted to \$26,114.99 while the school support portion was \$14,136.37. The total amount rebated was \$40,251.36.

If a change is to be implemented in 2017, a submission must be made to the Ministry of Finance by July 1, 2017. Prior to the submission being made, the local business community must first be engaged. Once the form of the rebate program has been determined, then a public session will need to occur by June 14, 2017 for interested business parties to have the opportunity to understand the impacts of the changes to the vacancy rebate program will have on them.

**Program Options:**

Possibility
Complete Elimination – Port Hope
Phased Elimination - Ottawa  2017 – 15% 2018 – 0%
Elimination based on location – Toronto
Criteria based  Available to rent with minimal renovation required and Be able to demonstrate active attempt to rent / lease throughout period  or actively renovating the property for rent / lease (1 year limit)

\* Adding a criteria based on the locality of the property owner is not recommended as it may be discriminatory in nature



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**Financial Implications:**

The elimination of the vacancy rebate program would result in \$26,115 being available for reallocation to other budgetary needs. Changing the program to base it on criteria would result is less of a savings.

**Attachments:**

None

\_\_\_\_\_  
Pierre Mercier  
Chief Administrative Officer

*Original signed by*

\_\_\_\_\_  
Matthew Armstrong  
Treasurer

**ACTION ITEM LIST – FROM JANUARY 2017**

<b>Date</b>	<b>Department</b>	<b>Item &amp; Action</b>	<b>Status</b>
Prior to January 2017	Finance	RFPs for Building Services, Banking and Audit Services	In progress
Prior to January 2017	Operations	Lighthouse Staircase – Safety Cost to Repair – staff report	In progress
Prior to January 2017	Operations	Traffic Light Cost – staff report	In progress
Prior to January 2017	HR	Employee Policies (banked hours, sick days, carryover, further education, etc.)	In progress
January 9, 2017	CAO	Schedule an Economic Development Session & Review of Strategic Plan	In progress
January 9, 2017	CAO's	Parks and Rec Master Plan RFP	In progress
January 16, 2017	Clerk's	Report on Use of Ranked Ballots in the 2018 Municipal Election	2019
January 16, 2017	Clerk's	<i>Municipal Elections Act</i> amendments – Information Report (stated in Ranked Ballot report)	In progress
January 23, 2017	CAO/Operations	Report and resolution of support re: Municipal Fire Service as Critical Infrastructure as part of the Province's Infrastructure	In progress

<b>Date</b>	<b>Department</b>	<b>Item &amp; Action</b>	<b>Status</b>
		Strategy	
January 23, 2017	Finance	Report on Property Taxation for Railway Right-of-ways	In progress
January 23, 2017	CAO/By-Law	Parking By-law Review	In progress
February 6, 2017	CAO	Report re: future involvement with the Leeds and Grenville Immigration Partnership	In progress
February 13, 2017	Operations	Additional Clock Tower Repairs	In progress
March 20, 2017	CAO	Update on Kriska ball field improvements	In progress
March 27, 2017	Clerk's	Automated External Defibrillators in all schools (find more information and bring report/resolution forward)	In progress – Council May 23
March 27, 2017	CAO	Contact MTO re: regulations surrounding transportation of hazardous material during inclement weather – possible resolution	In progress
March 27, 2017	CAO/Clerk's	Regional school closures and Wellington Elementary School Update	In progress
April 3, 2017	Operations	Jean Casselman Wadds Memorial	In progress
April 3, 2017	Operations	Centennial Park Improvements	In progress