MINUTES

CORPORATE SERVICES AND ECONOMIC DEVELOPMENT COMMITTEE

REGIONAL MUNICIPALITY OF OTTAWA-CARLETON

CHAMPLAIN ROOM

10 AUGUST 1998

8:00 A.M.

PRESENT

Chair: R. Chiarelli

Members: D. Beamish, R. Cantin, B. Hill, P. Hume, M. Meilleur and R. van den Ham

REGRETS

G. Hunter, A. Loney, W. Stewart

REGULAR ITEM

FINANCE

1. 1998 PROPERTY TAX POLICY
- Finance Commissioner's addendum report dated 04 Aug 98
- Finance Commissioner's report and annex document dated 21 Jul 98
- Public written submissions on file with the Regional Clerk's Department

J. LeBelle, Finance Commissioner, opened with introductory comments and reviewed the process to date referencing the 21 Jul and 4 Aug 98 reports. Mr. LeBelle reported that subsequent to the 4 Aug 98 meeting, the Deputy Treasurer and staff had completed additional substantial analysis of the files. He emphasized the analysis showed there was a very serious implication of choosing between the phase-in program and the rebate program in terms of the impact it would have on the payment-in-lieu (PIL) revenues received from the Province.

Notes: 1. Underlining indicates new or amended recommendations approved by Committee.
2. Reports requiring Council consideration will be presented to Council on 12 August 1998 in Corporate Services and Economic Development Committee Waived Report Number 18.

K. Kirkpatrick, Deputy Treasurer, reported that while the rebate legislation was clearly designed to try to assist small commercial properties, it was important to note that a municipality must be careful about how it structured the eligibility criteria under the program. Mr. Kirkpatrick reviewed the proposed criteria and the rationale with the Committee. Referencing the cost of the program to the Region, Mr. Kirkpatrick confirmed it was estimated at $9 million, with the Regional share being $3.5 million and the lower-tier portion being $1 million; the Province would share approximately one-half being $4.5 million.

Mr. Kirkpatrick reviewed the major positives and negatives of each scenario.

Rebate Program - Positives:

- Offered maximum mitigation for small commercial properties in that it would provide 100% of assessment-related increase on first $500,000.
- The Province funded 50% of the cost.
- There was a minimal loss of PIL revenues.

Rebate Program - Negatives:

- There was no significant mitigation for large commercial properties.
- The municipal share of the cost of $6.2 million was to be funded across all taxpayers.

Three Year Phase-in Program - Positives:

- All properties in the commercial class would receive 2/3 of their qualifying assessment-related increase in 1998 and 1/3 in 1999; they would be required to pay their full value tax bill by 2000.
- The cost of the program was funded by taxpayers in the same class who would otherwise be receiving decreases.

Three Year Phase-in Program - Negatives:

- Would not be availing the maximum mitigation for the small commercial properties.
- There was a significant loss in PIL revenues; a potential loss of $5 million for the Region and $8 million for the area municipalities.

Combined Rebate and Phase-in Program - Positives:

- All properties would receive at least 2/3 of mitigation.
- The smaller commercial properties, those under the threshold of eligibility criteria for the rebate program, would receive maximum mitigation.
- The program would be partially funded by taxpayers receiving decreases in the class.

Combined Rebate and Phase-in Program - Negatives:

- The loss of PIL revenue.
- There would still be about 1/3 of the rebate program cost being funded across all taxpayers.

In closing, Mr. Kirkpatrick emphasized the Committee must have significant regard to the issue of lost PIL revenues. He stated staff continued to recommend the use of a rebate program in the residual commercial and industrial property classes.

In response to a question from Chair Chiarelli regarding the rebate program, Mr. Kirkpatrick reported that based on the staff recommendation, all properties would receive a rebate of the assessment-related increases relating to the first $500,000 of current value assessment, resulting in all properties receiving some form of rebate. The Deputy Treasurer noted staff were recommending that Committee make a decision on a program for 1998 only as the Minister would only approve their participation on an annual basis. He added if Committee was to consider a program beyond 1998, it must be subject to the Minister continuing to participate in the funding.

Councillor Meilleur referenced the rebate program and 1999. Mr. Kirkpatrick explained if the Ministry did not approve participation in 1999, the rebate would only be provided on the municipal portion of bill. However, he believed the Minister would participate in 1999 in particular if they approve 1998's participation. Mr. Kirkpatrick expected they would have the Provincial approval within a week after Council on 12 Aug 98.

Councillor van den Ham referenced other municipalities and inquired what they had decided. Mr. LeBelle reported that in most cases Council's had already approved tax rates and some had approved mitigation measures. The Commissioner noted the circumstances were drastically different in Ottawa-Carleton due to the PIL revenues. Mr. LeBelle noted it was necessary to review each Council's decision in the context of the impacts on each individual Region.

Mr. LeBelle confirmed there was authority to require the landlord to pass on savings to the tenant for the rebate program, but not the phase-in program. He added in terms of being able to direct the mitigation measures to small business, Council had the legislative authority to do so through the rebate program.

Chair Chiarelli referenced a letter from Mayor C. Cain, City of Gloucester. Mr. LeBelle suggested the letter should have been addressed to the Minister of Finance because the legislation specifically required that any mitigation measure taken by the upper-tier Council must be apportioned between the three bodies, that including the lower-tier.

The Committee then heard from the public delegations.

Mr. Larry DeRocher, Ontario Specialty Tenant Tax Coalition

Mr. DeRocher expressed concern that the legislation would cause significant increases to its members and threaten the viability of their businesses. He outlined two factors; firstly, that the shopping malls were experiencing large increases and these costs must be passed along. The second factor was that within the shopping centre class, there was a shift of taxes away from large anchor tenants and toward the small specialty tenants. Mr. DeRocher stated some retailers were facing up to a 200% increase and the organization was concerned this would threaten their survival, and could potentially create enough vacancy in shopping centres so as to weaken the shopping centre in total. Speaking to the mitigation measures, Mr. DeRocher believed adopting a separate class for shopping centres would help, but only in a minor way. Rather, the OSTTC was recommending either a rebate or, ideally, a three year phase-in program for shopping centres to allow time to re-negotiate leases with landlords and attempt to set up a new business situation combining the cost of rent and taxes. In closing, the speaker said he was seeking assistance to protect small retail tenants in shopping centres.

Chair Chiarelli outlined that Council was not considering a 2.5% cap, as the regulations provided by the Province did not accommodate the realities in Ottawa-Carleton, in that there were not enough in the commercial and industrial sector receiving tax decreases to fund those having increases. As a result, the residential class would be required to subsidize the commercial class.

Councillor Cantin said he believed when the question of tax reassessment was brought about, it was supposed to be a fair tax scheme based on floor space value within the framework as opposed to what the tenants actually paid (lease value).

Mr. Kirkpatrick explained for shopping centres and other large commercial office buildings, the reassessment was based on a net income approach, where the assessment office looked at what it believed was the income generating potential of the property in terms of market rent rather than the value of the land and replacement cost of structures.

In response to a question from Councillor Davis regarding working with the Province, Mr. DeRocher reported the meetings with the Ministry had led to little gain; resulting in the OSTTC concentrating their efforts at the Regional level. He added they intended to go back to the Province to address a number of issues, and that perhaps *en masse*, the impact would be greater and demonstrate how the increases have negatively impacted the retail sector.

Councillor van den Ham reported staff were proposing a one-year rebate program, and that Committee was attempting to address the concerns of small business for this year. The Councillor indicated another part of the equation dealt with tenant and landlord situations, and how shopping centres chose to deal with an increase was beyond Council's control. Councillor van den Ham asked if it was possible for small retailers to negotiate with their landlords as to how this rebate was passed along.

Mr. DeRocher stated this was not possible, as the landlord was in the business of running a business, had a legal contract, shareholders and a Board to report to. He believed the suggested development of a more equitable system would take time, and a three year phase-in would coincide with a new period of assessment and buy more time to negotiate with all parties.

Councillor Beamish inquired if the Region had the ability to phase-in only the shopping centre class and whether the costs of such a program had been examined.

Mr. Kirkpatrick explained Council had the ability to elect a phase-in program in any of the classes, including any of the optional commercial or industrial classes. Referencing the 4 Aug 98 staff report, Mr. Kirkpatrick noted staff felt that the frequency distribution for the shopping centre property group (those 115 properties that have the majority of their assessment in the shopping centre class), was relatively normal, but that 26 of the 115 properties would be experiencing increases of more than 15%. The majority of those 26 properties were made up of the large regional shopping centres and large neighbourhood shopping centres. Referencing the cost to the Region, Mr. Kirkpatrick reported they would be borne by other properties in the group that would be receiving assessment related decreases in their taxes. Mr. Kirkpatrick reiterated Council could elect to have a phase-in program for the shopping centre class independently.

Chair Chiarelli noted there had not been any representations from the area municipalities and asked staff what discussions they have had with them. Mr. Kirkpatrick reported they had been working closely with area municipal staff and have had discussions on the proposed recommended mitigation measures. Mr. Kirkpatrick stated the City of Ottawa was concerned with the mitigation measure of phase-in due to the potential lost of PIL revenue; they concurred with the recommended rebate program. He added the City of Nepean did not indicate any concern over the rebate program and the City of Gloucester had not commented on the program, except through Mayor Cain's letter dated 7 Aug 98. Chair Chiarelli pointed out there had not been any official delegations from the area municipalities. Councillor Hill noted she had made a presentation on behalf of the Townships of Goulbourn and West Carleton.

Mr. Randall Kemp

Mr. Kemp stated he would be experiencing increases between 20% and 50% under the new system. He noted that in five years the taxes had almost doubled. Mr. Kemp expressed his support for the rebate option and not phase-in. The speaker stated the creation of optional classes was a step in the right direction. Speaking to the residual commercial class, Mr. Kemp stated there were fundamental flaws as there were inequalities in the assessment process, which resulted in a segment of the commercial class not paying their fair share of property tax and in order to compensate, the other had to pay additional taxes. Mr. Kemp did not support phase-in as he could not afford the tax increases and referenced the results of the unreasonable increases. In speaking to the rebate option, Mr. Kemp reviewed the benefits of the program. However, he pointed out rebating was not putting money into the community; it was simply not taking the money out of the community. In closing, Mr. Kemp stated the rebate option would allow Council to research and fix the problem such as considering a separate class for small commercial properties.

Chair Chiarelli stated it was his intention to protect small businesses and would take the submission under advisement. He hoped they could improve the assessment rolls and noted it was a Provincial system of taxation which provided few tools for mitigation. Speaking to the problems with the assessment and the need for a balance, Chair Chiarelli asked the speaker what he wished to see. Mr. Kemp responded that he had been looking forward to the 1997 reassessment based on 1992 values; however, the 1996 assessment represented the bottom of the worst real estate depression since the 1930's. He stated there was a need for equity within the assessment process.

Mr. Chuck Shields, Canadian Society of Associations Executives

Mr. Shields stated the non-profit organizations were small organizations that would be experiencing a 40% increase The speaker reiterated the number of difficulties this was going to cause. Referencing the staff recommendations, Mr. Shields stated he was pleased to see Committee would consider the mitigation measures. The speaker noted they had been working with the Province and would continue to do so, however, the current situation was not expected and they required assistance to work through the changes.

Mr. Kirkpatrick pointed out there was some confusion with the Assessment Office and staff were attempting to resolve it with them. He explained the regulation in the *Act* stated that not-for-profit organizations would be classified as residential properties and taxed at residential rates. The Deputy Treasurer added they were awaiting a response from the Ministry on the extent of a broader definition for not-for-profit organizations, but assumed they were referring to groups such as rotary and lions clubs.

Mr. Francis Paddle, Tax Lawyer

Mr. Paddle acknowledged the new property tax system was created by the Province, however, believed the Region should take some responsibility. Mr. Paddle noted they have been reviewing the issues for some ten years and have made four presentations to the Fair Tax Commission where a lot of this type of legislation originated. The speaker believed there was going to be a great deal of jostling in future. Mr. Paddle expressed concern with the process of obtaining data and information from the Province. The speaker reviewed the legislation and emphasized it was important for the Committee to keep their options open. He suggested if a rebate program alone was approved, Council would be at the mercy of the Province for their participation and contribution.

Mr. LeBelle reminded Committee to consider 1998 as a transitional year and not to make substantive decisions such as shifting tax burden from one class to another prior to going out into the community and consulting with all of the stakeholders. The Finance Commissioner referenced the Property Tax Policy Committee that will review the 1999 issues.

Mr. Gerry LePage, Bank Street Promenade

Mr. LePage reviewed some of the preliminary numbers he received from their tax consultant and noted in some instances they we're expecting increases from 24% to 200%. Speaking to the rebate program, Mr. LePage suggested it was more appropriately considered a re-investment in the business sector and community, to restore viability and confidence. This reinvestment would allow for rehabilitated buildings and renovated properties, resulting in increased assessment and ultimately increased tax flow. Mr. LePage stated the phase-in option was not feasible as it only postponed the inevitable and the cost was the money taken out of the economy. Whereas, he pointed out, a rebate program would return the money into the economy and avoid serious urban decay, higher social and policing costs, infrastructure costs, etc. In closing, Mr. LePage referenced Bank and Rideau Streets and their appearance without the independent business which were being replaced by multi-nationals from the United States. He stated the rebate program would provide the small business sector time to find and consider options such as the creation of a new small business class.

Mr. Ed Mitchell, Somerset Village BIA

Mr. Mitchell stated this was not just a problem for the downtown core, but a common problem across the Region. The speaker referenced the commercial class in the Ottawa-Carleton Region and noted this group required mitigation to survive. Speaking to the staff recommendation for a revised rebate program, the speaker explained it would reach many of the businesses that without help would fail. He concurred that the phase-in program would not be successful and the end result would be the same as no mitigation applied. In reviewing particular properties, Mr. Mitchell stated they were struggling businesses that were severely hit in 1992, have not changed in usage or physically, but still face large increases with no correlation in the ability to pay. He emphasized that the tax system was clearly flawed, but acknowledged it could not be changed today.

Mr. Mitchell echoed a previous speaker's comments that Council must assume some responsibility in permitting these increases to be considered, and pointed out the Region and City have, in the past, accepted, perpetuated, and imposed rates that created these onerous taxes. He emphasized it was time for Council to take a leadership role, assist the small business sector and immediately address the improvement of the system to ensure these problems do not reoccur to any sector.

Councillor Meilleur pointed out that in the past four years there had not been an increase to the Regional tax requirement.

Referencing the speaker's request for the Region to take a leadership role, Councillor van den Ham noted there was going to be constant change. He suggested perhaps Council could establish a type of stabilization fund (creation of a reserve) which the business sector, or all sectors, could contribute to through a levy. Mr. Mitchell stated the business community would probably participate in such a fund, however, anticipated it would be spread equitably across all classes. The Councillor noted it was an option the Finance staff and Tax Policy Committee could consider.

Ms. Gwen Toop, Somerset Heights BIA

Ms. Toop stated she represented the area well known as China Town that consisted of small, independent buildings with one tenant, usually the business and property owner. She emphasized some of the increases where in excess of 200%. Ms. Toop reported the buildings were physically in disrepair and many owners did not consider improvements for fear of increased taxes. She expected the area to become further run down with 50% of the businesses closed. Speaking to the rebate program, Ms. Toop believed it was a re-investment in the community; one that provided businesses with a means to improve their business, employ more people and pay more in services.

Mr. Terry Jaja, Westboro BIA

Mr. Jaja stated he supported the rebate option as it would assist the small business community as well as the residents of Ottawa-Carleton. He noted the rebate option was considered a re-investment of small businesses and offered a win win scenario. Mr. Jaja reviewed the benefits of the rebate program and stated this program did not impact any other class or require reserves to fund.

Ms. Dawn Dannehl, Byward Market BIA

Ms. Dannehl reviewed statistics from bankruptcies in the market area over the last four years. She stated there was a high turn over in the Byward Market and the taxes were eventually paid, however, at a high expense through business turnover and bankruptcy. Speaking to the Regional Official Plan and the "Restore the Core" project, Ms. Dannehl suggested the infrastructure was not needed if the businesses and communities were not there to use it. The speaker referenced the two options and reported they supported the rebate option and reviewed its benefits. Speaking to phase-in, she noted if businesses could not afford the large increase in 1998, they would not be in the position in 1999. She requested the Committee to take the initiative to begin to right a wrong.

Ms. Allison Erickson, Capital Property Tax Consultants

Ms. Erickson stated these were major tax shifts which occurred under major reassessment. She noted over time the imbalances would be eliminated, the market would stabilize and there would not be large changes as the assessments would be produced on an annual basis. Ms. Erickson stated her clientele preferred the rebate program. She did not support the phase-in as it would penalize those that should rightfully experience a decrease.

Speaking to the proposed phase-in program for above 5% for the residential class, Ms. Erickson urged the Committee to consider a similar threshold for the decrease. She believed any decrease over 10 - 15% was a direct result of being over-taxed or incorrectly assessed / classified, and rightfully deserved the benefit of the decrease in taxes. Ms. Erickson indicated there were property owners that will experience a large decrease and should benefit from this tax relief.

Councillor van den Ham acknowledged the appeal process was difficult, however, felt property owners had the responsibility to review and appeal their assessment if it was unjust. Speaking to Ms. Erickson's request for a threshold for the decreases phase-in, the Councillor explained it was a very complicated process and stated the request would add additional complexities. Councillor Hume, Acting Chair, stated there may be a need to refined the phase-in program for the residential class to take into consideration renovations, changes in use and decreases.

Ms. Mona Monkman, Treasurer, City of Ottawa

Ms. Monkman referenced the impact of the PIL's on the City of Ottawa budget. She noted there would be a significant impact on these revenues with the phase-in program, and therefore, supported the rebate program. Ms. Monkman reported the City of Ottawa had been aggressive in terms of obtaining a commitment from the Federal Government to pay additional payments in lieu as a result of the elimination of the business occupancy tax. As a result, there would be an additional $30 million paid to the Region, some going to the Cities of Ottawa, Gloucester and Nepean; resulting in all taxpayers benefiting. She noted a phase-in program would eliminate those additional monies.

Speaking to the City of Ottawa situation and the additional monies, she explained they would gain an additional $10 million from the $30 million. Ms. Monkman reported they had already incorporated this into the 1998 budget, however, did not consider it a long term commitment. The speaker pointed out they had to reduce their budget by $10 million in order to meet the expenditure reduction program imposed by the Province; this being done through a re-organization which had one-time disengagement costs of $10 million build into the budget from the PIL's. In closing, Ms. Monkman stated the City of Ottawa supported mitigation through a rebate program targeted to small business. With regard to the residential class, she indicated City Council supported the recommended phase-in program.

Ms. Karen Tippett, Treasurer, City of Gloucester

Ms. Tippett reported the City of Gloucester's share of the Provincial $30 million was approximately $2.8 million. She explained the impact in lost PIL's for the three year phase-in program would be between $1.5 and $1.8 million. Ms. Tippett added the City had budgeted a significant portion of the PIL increase in the base operating budget (which would otherwise be a 5% tax increase) as well as to use it on a one-time basis. Referencing the potential loss on the rebate program, Ms. Tippett stated it would be significantly lower than a phase-in program. In summary, the City Treasurer stated of the three options, preference was for the rebate program.

The Committee adjourned for one-half an hour and resumed at 12:00 noon.

Councillor Hume moved a Motion for the implementation of a full rebate program for 1998 with certain criteria and 50% for 1999.

Councillor Cantin expressed support for the Motion, however, hoped it would be made clear to the landlords that the rebate was to be shared with the tenants and this was required under the legislation.

Councillor Beamish questioned if it was appropriate to commit to the 50% rebate for 1999. He suggested the Tax Policy Committee may want to examine such an option for 1999. Councillor Hume explained he felt it was necessary to avoid a repetition of the debate in 1999, but at the same time, put the property owners on notice that eventually the Region would not be able to rebate. E. Johnston, Deputy Regional Solicitor, confirmed the Motion would not restrict the Property Tax Committee or Council from decisions in 1999.

Councillor Meilleur referenced a small family business in the Market that was going to experience a 200% tax increase. The Councillor expressed support for the Motion and stated it would be necessary to work with the business sector and Province to correct the problems. Councillor Meilleur stated she wished to help the small business sector and thanked staff for their assistance in meeting with them to explain the issues and complexities of the system.

Councillor van den Ham agreed with the spirit of the Motion. However, he stated it was of value to send out a signal to the small businesses knowing the cost to the Region.
K. Kirkpatrick noted the amended cost of the rebate program was $4.8 million and the cost in 1999 would be 50% of that figure.

Councillor Cantin expressed support for the Hume Motion, however, moved an amendment regarding the 50% rebate for 1999 and suggested it should read “be considered” rather than confirm. The Councillor referenced past experiences with the Province, pointed out it was not known what challenges lay ahead and flexibility may be needed. Councillor Cantin referenced the Policy Tax Committee and their mandate for 1999.

Moved by R. Cantin

That the Hume Motion be amended to read (c) “that a rebate of 50% be *considered* for qualifying net assessment-related increase of the first $500,000 of residual commercial assessment …. for the 1999 tax year.”

LOST

YEAS:	R. Cantin … 1
NAYS:	D. Beamish, B. Hill, P. Hume, M. Meilleur, R. van den Ham R. Chiarelli … 6

Speaking to the rebate program, Chair Chiarelli inquired where the money would come from. Mr. LeBelle reported the 1998 General Rebate Program would be offset through an increased budgetary provision for payments-in-lieu of taxation.

Moved by P. Hume

9. **(a) A rebate program be implemented for 1998 under subsection 442.2 of the *Municipal Act*, operating with the following criteria:**

- eligible assessment would include that in the residual commercial and residual industrial property;
- that a rebate of 100% of the qualifying net assessment-related increase on the first $500,000 of residual commercial assessment (all sub-classes) and/or residual industrial assessment (all sub-classes) for a property for 1998;
- that the Minister of Finance be requested to share in the cost of the rebate program for the education share and should approval not be received, that the qualifying rebate be limited to the upper and lower tier portions;
- property owners who receive a rebate shall share the rebate with any person who has an interest in the property, including a leasehold interest, in proportion to the taxes paid in 1997 between the tenant and the owner;
- property owners and/or tenants that qualify for the registered charity tax rebate are ineligible for the general rebate program.

(b) That the Regional Assessment Office No. 3 be requested to provide the information necessary to identify properties whose residual commercial and /or residual industrial assessment related increase is due to physical changes to the property thereby rendering them ineligible for this rebate program prior to the issuance of property tax bills.

(c) That a rebate of 50% of the qualifying net assessment-related increase on the first $500,000 of residual commercial assessment (all sub-classes) and / or residual industrial assessment (all sub-classes) for a property be provided for 1999.

CARRIED

Councillor Beamish moved a Motion outlining a phase-in program for the shopping centre commercial property class. Mr. Kirkpatrick explained the financial impact to the Region was zero as there was little PIL assessment in that class and costs would be borne by other properties in the class that would experience decreases.

Moved by D. Beamish

<u>That the assessment related tax impacts be phased in over three years for the shopping center commercial property class.</u>

CARRIED

Speaking to the amendment tabled at the Committee on 4 Aug 98 regarding the 100% rebate for houses of refuge and registered charities, the Finance Commissioner suggested the following wording

Moved by D. Beamish

That Recommendation No. 6 be amended to read "The provision of a 100% rebate to any <u>religious organization that would otherwise be eligible for property tax exemption, for any space the organization leases to a registered charity.</u>

CARRIED <u>as amended</u>

The Committee approved the report recommendations as amended.

That the Corporate Services and Economic Development Committee and Council approve:

1. **The adoption of the provincially prescribed transition ratios as the tax ratios for the 1998 tax year;**

2. **The adoption of the following tax ratios for the mandatory property subclasses;**

   i) **vacant commercial units/land - 70% of the commercial property class tax ratio;**
   ii) **vacant industrial units/land - 65% of the industrial property class tax ratio;**
   iii) **farmlands pending development class I - 35% of the residential property class tax ratio;**

iv) farmlands pending development class II - 100% of the respective own property class tax ratio.

3. The use of all optional property classes, namely, the shopping center commercial property class, the office tower commercial property class, the parking lot commercial property class and the large industrial property class;

4. The assessment related tax impacts be phased in over three years for the shopping center commercial property class;

5. The provision of a 40% rebate to charitable organizations as defined in the legislation;

6. The provision of a 100% rebate to any religious organization that would otherwise be eligible for property tax exemption, for any space the organization leases to a registered charity;

7. The provision of a tax relief (deferral) program for low income seniors and disabled as defined in this report;

8. The current value assessment related to tax increases above 5% for the residential property class be phased-in over a three year period;

9. (a) A rebate program be implemented for 1998 under subsection 442.2 of the *Municipal Act*, operating with the following criteria:

- eligible assessment would include that in the residual commercial and residual industrial property;
- that a rebate of 100% of the qualifying net assessment-related increase on the first $500,000 of residual commercial assessment (all sub-classes) and/or residual industrial assessment (all sub-classes) for a property for 1998;
- that the Minister of Finance be requested to share in the cost of the rebate program for the education share and should approval not be received, that the qualifying rebate be limited to the upper and lower tier portions;
- property owners who receive a rebate shall share the rebate with any person who has an interest in the property, including a leasehold interest, in proportion to the taxes paid in 1997 between the tenant and the owner;
- property owners and/or tenants that qualify for the registered charity tax rebate are ineligible for the general rebate program.

(b) **That the Regional Assessment Office No. 3 be requested to provide the information necessary to identify properties whose residual commercial and /or residual industrial assessment related increase is due to physical changes to the property thereby rendering them ineligible for this rebate program prior to the issuance of property tax bills.**

(c) **That a rebate of 50% of the qualifying net assessment-related increase on the first $500,000 of residual commercial assessment (all sub-classes) and / or residual industrial assessment (all sub-classes) for a property be provided for 1999.**

10. **The adoption of the by-laws necessary to implement the aforementioned recommendations in accordance with the legislation.**

CARRIED as amended

Chair Chiarelli thanked the representation from the community and for their ongoing advice and acknowledgment of the difficult issues surrounding the new system. The Chair believed it would continue to be difficult over the next number of years and Council would do what they could to accommodate the pressures. In addition, the Chair thanked the area municipalities for their participation. In conclusion, Chair Chiarelli referenced the high level of professionalism and dedication by staff and thanked them for their responsibility and hard work spent on the subject matter and assistance they provided to Committee and the public.

ADJOURNMENT

The meeting adjourned at 12:30 p.m.

NEXT MEETING

01 Sep 98

CO-ORDINATOR CHAIR