



**FINANCE DEPARTMENT,  
MEMORANDUM**

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**TO: MAYOR J. LEHMAN AND MEMBERS OF COUNCIL**

**FROM: C. SMITH, SENIOR MANAGER, ACCOUNTING AND REVENUE**

**NOTED: C. MILLAR, DIRECTOR OF FINANCE AND TREASURER**

**D. MCALPINE, GENERAL MANAGER OF COMMUNITY AND CORPORATE SERVICES**

**M. PROWSE, CHIEF ADMINISTRATIVE OFFICER**

**RE: MOTION 21-G-097 CONCERNING PROPERTY TAX POLICY – VACANT AND EXCESS LANDS DISCOUNTS**

**DATE: APRIL 26, 2021**

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As requested by General Committee, the purpose of this Memorandum is to provide members of Council with additional information showing the impact of fully eliminating the vacant and excess commercial/industrial discounts in 2021, compared to phasing the removal of the discounts over two years.

Both tables below show the total number of properties and total estimated tax impacts for 2021, which includes both the City and Educational charges. The Province of Ontario reduced the Education tax charges by 10.89% in 2021 to help offset impacts related to COVID-19 for Commercial/Industrial properties.

Table 1 on the following page reflects General Committee's recommendation to eliminate the discounts entirely in 2021. Table 2 reflects the previous direction (motion 20-G-080), which approved 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.

Eliminating the discounts in 2021, as compared to a phased-in approach, reduces total tax charges on occupied commercial/industrial buildings by \$163,453 on 1,830 properties, while increasing total tax charges on excess and vacant land by \$720,232 spread over 386 properties. Out of the increase on vacant lands, \$376,647 is related to the Industrial vacant subclass, representing over 177 properties.

The total tax levy or taxes collected does not change. Whenever taxes with a tax ratio other than 1.0000 are shifted either between or within tax classes, there will be a shift to all other property classes, primarily residential, based on the tax ratio and the total current value assessment within those classes.



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**Table 1**  
**Eliminate Discounts in 2021 (General Committee Approved Motion)**

Class	# of Properties	CVA	2020 Total Tax			2021 Estimated Tax			Difference					
			Municipal	Education	Total 2020	Municipal	Education	Total 2021	Municipal		Education		Total Change	
									\$	%	\$	%	\$	%
<b>Taxable</b>														
Com. Occupied	1,621	3,368,406,815	51,035,776	33,010,387	84,046,163	51,234,209	29,660,414	80,894,622	198,433	0.39%	-3,349,973	-10.15%	-3,151,540	-3.75%
C Excess Land	104	71,998,800	763,614	705,588	1,469,202	1,095,118	633,589	1,728,707	331,504	43.41%	-71,999	-10.20%	259,505	17.66%
C Vacant Land	70	65,255,100	692,090	639,500	1,331,590	992,544	574,931	1,567,475	300,454	43.41%	-64,569	-10.10%	235,885	17.71%
Ind. Occupied	209	327,373,885	5,248,111	3,428,495	8,676,606	5,268,516	2,890,283	8,158,799	20,405	0.39%	-538,212	-15.70%	-517,807	-5.97%
I Excess Land	35	12,804,300	133,422	133,462	266,885	206,063	115,055	321,118	72,641	54.44%	-18,407	-13.79%	54,234	20.32%
I Vacant Land	177	135,586,600	1,412,827	1,440,450	2,853,278	2,182,032	1,196,321	3,378,353	769,204	54.44%	-244,129	-16.95%	525,075	18.40%
<b>Com Total Taxable</b>	<b>1,795</b>	<b>3,505,660,715</b>	<b>52,491,480</b>	<b>34,355,475</b>	<b>86,846,955</b>	<b>53,321,871</b>	<b>30,868,934</b>	<b>84,190,805</b>	<b>830,391</b>	<b>1.58%</b>	<b>-3,486,541</b>	<b>-10.15%</b>	<b>-2,656,150</b>	<b>-3.06%</b>
<b>Ind Total Taxable</b>	<b>421</b>	<b>475,764,785</b>	<b>6,794,361</b>	<b>5,002,408</b>	<b>11,796,768</b>	<b>7,656,611</b>	<b>4,201,659</b>	<b>11,858,270</b>	<b>862,251</b>	<b>12.69%</b>	<b>-800,749</b>	<b>-16.01%</b>	<b>61,502</b>	<b>0.52%</b>
<b>Total Taxable</b>	<b>2,216</b>	<b>3,981,425,500</b>	<b>59,285,840</b>	<b>39,357,883</b>	<b>98,643,723</b>	<b>60,978,482</b>	<b>35,070,593</b>	<b>96,049,075</b>	<b>1,692,641</b>	<b>2.86%</b>	<b>-4,287,290</b>	<b>-10.89%</b>	<b>-2,594,648</b>	<b>-2.63%</b>



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Table 2

Phasing Discounts over Two Years (Council Motion 20-G-080)

Class	# of Properties	CVA	2020 Total Tax			2021 Estimated Tax			Difference					
			Municipal	Education	Total 2020	Municipal	Education	Total 2021	Municipal		Education		Total Change	
									\$	%	\$	%	\$	%
<b>Taxable</b>														
Com. Occupied	1,621	3,368,406,815	51,035,776	33,010,387	84,046,163	51,382,419	29,660,414	81,042,833	346,643	0.68%	-3,349,973	-10.15%	-3,003,330	-3.57%
C Excess Land	104	71,998,800	763,614	705,588	1,469,202	933,543	633,589	1,567,132	169,929	22.25%	-71,999	-10.20%	97,931	6.67%
C Vacant Land	70	65,255,100	692,090	639,500	1,331,590	846,103	574,931	1,421,034	154,013	22.25%	-64,569	-10.10%	89,444	6.72%
Ind. Occupied	209	327,373,885	5,248,111	3,428,495	8,676,606	5,283,759	2,890,283	8,174,041	35,648	0.68%	-538,212	-15.70%	-502,565	-5.79%
I Excess Land	35	12,804,300	133,422	133,462	266,885	170,494	115,055	285,549	37,072	27.79%	-18,407	-13.79%	18,664	6.99%
I Vacant Land	177	135,586,600	1,412,827	1,440,450	2,853,278	1,805,384	1,196,321	3,001,706	392,557	27.79%	-244,129	-16.95%	148,428	5.20%
<b>Com Total Taxable</b>	<b>1,795</b>	<b>3,505,660,715</b>	<b>52,491,480</b>	<b>34,355,475</b>	<b>86,846,955</b>	<b>53,162,065</b>	<b>30,868,934</b>	<b>84,030,999</b>	<b>670,585</b>	<b>1.28%</b>	<b>-3,486,541</b>	<b>-10.15%</b>	<b>-2,815,955</b>	<b>-3.24%</b>
<b>Ind Total Taxable</b>	<b>421</b>	<b>475,764,785</b>	<b>6,794,361</b>	<b>5,002,408</b>	<b>11,796,768</b>	<b>7,259,637</b>	<b>4,201,659</b>	<b>11,461,296</b>	<b>465,276</b>	<b>6.85%</b>	<b>-800,749</b>	<b>-16.01%</b>	<b>-335,472</b>	<b>-2.84%</b>
<b>Total Taxable</b>	<b>2,216</b>	<b>3,981,425,500</b>	<b>59,285,840</b>	<b>39,357,883</b>	<b>98,643,723</b>	<b>60,421,702</b>	<b>35,070,593</b>	<b>95,492,295</b>	<b>1,135,862</b>	<b>1.92%</b>	<b>-4,287,290</b>	<b>-10.89%</b>	<b>-3,151,428</b>	<b>-3.19%</b>