



Staff Report

Finance – Revenue

Report To: Committee of the Whole
Meeting Date: June 15, 2021
Report Number: FAF.21.094
Title: Vacant Unit Rebate Program Elimination
Prepared by: Kris Couture, Manager of Revenue

A. Recommendations

THAT Council receive Staff Report FAF.21.094, entitled “Vacant Unit Rebate Program Elimination”;

AND THAT Council pass a By-Law to eliminate the “Vacant Unit Rebate Program” for business properties.

B. Overview

Grey County Council received Report No. FR-CW-10-21 “Vacant Unit Rebate Program” at their March 25, 2021 meeting. A copy of the report is attached. County Council supports the elimination of this program and circulated the report to local municipal councils in the County for their information, consideration and possible action.

C. Background

The Vacant Unit Rebate Program provides eligible business properties in the commercial and industrial classes with the ability to apply for a percentage rebate for the tax levied on vacant space. The rebate percentages are 30% and 35% respectively.

In order to qualify for a rebate there are a number of eligibility requirements that must be met, including:

- the area must be vacant for a minimum of 90 consecutive days;
- the area must be physically separated from the used portions of the building;
- the business must not be seasonal in nature; and
- the area must be capable of being leased for immediate occupation or undergoing renovations.

In late 2020, the Municipal Act was changed to enable local municipalities to pass a by-law to eliminate the rebate.

D. Analysis

The vacant unit rebate program has become increasingly problematic for various reasons including:

- Properties remaining eligible for rebate program for years at a time or indefinitely;
- Properties that have received rebates after securing assessment reductions;
- The application and enforcement of eligibility criteria are difficult to administer due to loosely defined rules and limited compliance provisions.

As shown in the table below, in The Blue Mountains, the historical impact of the rebate program to Town revenue has been minimal, usually under \$1,000. From 2016 to 2019, the aberration was due to the vacant former Foodland.

	Town	County	Education	Total
2020	\$771	\$752	\$0	\$1,522
2019	\$1,460	\$1,372	\$1,892	\$4,724
2018	\$2,225	\$2,128	\$6,077	\$10,430
2017	\$2,394	\$2,291	\$4,919	\$9,604
2016	\$1,758	\$1,721	\$4,607	\$8,086
2015	\$889	\$873	\$2,626	\$4,389
2014	\$605	\$636	\$1,842	\$3,082
2013	\$581	\$637	\$1,820	\$3,038
2012	\$926	\$1,074	\$3,011	\$5,011

In consideration of this report and the County report attached, Town staff recommend that the Vacant Unit Rebate Program be eliminated effective with the 2021 tax year and forward.

E. Strategic Priorities

1. Communication and Engagement

We will enhance communications and engagement between Town Staff, Town residents and stakeholders

2. Organizational Excellence

We will continually seek out ways to improve the internal organization of Town Staff and the management of Town assets.

3. Community

We will protect and enhance the community feel and the character of the Town, while ensuring the responsible use of resources and restoration of nature.

4. Quality of Life

We will foster a high quality of life for full-time and part-time residents of all ages and stages, while welcoming visitors.

F. Environmental Impacts

N/A

G. Financial Impacts

As noted in the “Analysis” section of this report

H. In Consultation With

Mary Lou Spicer, Director of Finance, County of Grey

I. Public Engagement

The topic of this Staff Report has not been the subject of a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required. However, any comments regarding this report should be submitted to Kris Couture, Manager of Revenue, fitrevenue@thebluemountains.ca.

J. Attached

1. Grey County Report No. FR-CW-10-21 “Vacant Unit Rebate Program”
2. Draft Town By-Law

Respectfully submitted,

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Ruth Prince
Director Finance & Information Technology Services

For more information, please contact:
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Report Approval Details

Document Title:	FAF.21.094 Vacancy Rebate Program For Commercial Tax.docx
Attachments:	- FAF.21.094 Attn 1.pdf - FAF.21.094 Attn 2.pdf
Final Approval Date:	Jun 7, 2021

This report and all of its attachments were approved and signed as outlined below:

Ruth Prince - Jun 3, 2021 - 2:27 PM

Shawn Everitt - Jun 7, 2021 - 8:51 AM