

DATE: June 8, 2017

REPORT TITLE: **PROPOSED CHANGES TO THE VACANT UNIT REBATE PROGRAM FOR COMMERCIAL AND INDUSTRIAL PROPERTIES**

FROM: Stephen VanOfwegen, Commissioner of Finance and Chief Financial Officer

RECOMMENDATION

That the Commissioner of Finance and Chief Financial Officer be authorized to submit to the Ontario Ministry of Finance by July 1, 2017, a request for regulatory authority to phase out the current Vacant Unit Rebate program in the Region of Peel by 2020 as follows:

- For the 2017 tax year (applications received by February 28, 2018), the current rebate of 30% continue to be available;
- For the 2018 tax year (applications received by February 28, 2019), the rebate be reduced to 20%;
- For the 2019 tax year (applications received by February 28, 2020), the rebate be reduced to 10%; and
- For the 2020 tax year, the rebate is discontinued;

And further, that the subject request include regulatory authority to add the following eligibility criteria, beginning with the 2017 tax year to the current Vacant Unit Rebate program in the Region of Peel:

- An eligible vacant unit must not include any non-permanent structures and must not be used for any form of storage;
- A property / unit / delineated area will no longer be eligible if a vacant unit rebate has been provided in the last three consecutive years;
- Storage units, hotels, fuel storage tanks, gravel pits, a business closed due to strike or lockout and fixturing period will no longer be eligible; and
- Additional supporting documentation must be received within 30 days from the mailing date of the Notice that is sent for applications with incomplete information or the application will be considered void;

And further, that upon regulatory authority the 2017 Vacant Unit Rebate program be updated to reflect the changes to the program prior to the processing of 2017 vacant unit rebate applications.

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REPORT HIGHLIGHTS

- In 2015, the Province initiated a review of both the Vacant Unit Rebate and the Vacant Land / Excess Land Sub-class Reduction programs for commercial and industrial properties with municipal and business stakeholders.
- As a result of this review, the *2016 Ontario Economic Outlook and Fiscal Review* included legislative changes to provide municipalities with broad flexibility to tailor these programs to meet community needs.
- To support the implementation of changes to the vacant unit rebate and reduction programs, the Province has outlined a business community engagement process.
- The province will be implementing changes to these programs through regulation as requested by upper-tier and single-tier municipalities.
- For program changes being initiated for the 2017 taxation year, upper-tier and single-tier municipalities have until July 1, 2017 to notify the Minister of Finance of their intent to utilize this flexibility and provide details of the proposed changes along with a council resolution.
- In order to encourage infill development, reduce vacancies and promote equity amongst taxpayers, a phase-out plan to end the vacant unit rebate program by 2020 and eligibility changes beginning in 2017 are being proposed for the Region of Peel.
- 2017 Regional costs are budgeted at \$2.6 million; re-investment of the savings from the phase-out of the vacant unit rebate would be reviewed during the annual budget process.
- Since the vacant unit rebate is thought by some to be a deterrent to vibrant communities with the number of buildings left vacant, by eliminating the rebate it may encourage more creative ways of filling the vacancies leading to a more vibrant, healthy community.

DISCUSSION

1. Background

The Mandatory vacant unit tax rebate was introduced in 1998 with the provincial change to Current Value Assessment (CVA) taxation. As a result of the legislative changes and assessment reform, all commercial and industrial properties were assessed and taxed at the same rate as other properties within the same property class regardless of whether the building was occupied. Owners of commercial and industrial properties expressed their concern relating to the property tax increases resulting from the assessment reform to the Province and in response the province introduced the vacant unit tax rebate provision.

The tax rebate is through annual application by property owners in the commercial and industrial class. The program provides a rebate of 30 percent for commercial properties and 35 percent for industrial properties; upper-tier municipalities can establish a single uniform rate, which the Region of Peel has opted to do at 30 percent for both property classes. The program is administered by the lower-tier municipalities within the prescribed parameters as set out in Section 364 of the *Municipal Act, 2001*, and requires verification of the eligibility criteria for each application. Eligibility criteria can be very difficult to administer and confirm. Applications are received in the year following the year to which the rebate applies. A vacancy may have occurred in the early part of the year and subsequently been occupied requiring staff to rely on the applicant's disclosure and third party confirmation with tenants

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where possible to verify the vacancy. The nature of some vacancies due to the operation of some businesses also creates difficulties in verifying the eligibility.

In addition within the commercial and industrial property classes are sub-classes for vacant and excess land, this relates to commercial and industrial properties assessed by the Municipal Property Assessment Corporation (MPAC) as land without buildings/structures; land not needed to support business. Section 313 of the *Municipal Act, 2001* states that the tax rates for these sub-classes will be discounted. Current legislation also provides for discount percentages of 30 percent for commercial sub-classes and 35 percent for industrial sub-classes or for municipalities to set a uniform discount rate between 30 and 35 percent, which the Region of Peel has also opted to do at 30 percent for both property classes.

In 2015, the Province initiated a review of both the Vacant Unit Rebate and the Vacant Land / Excess Land Sub-class Reduction programs with municipal and business stakeholders. This review was initiated in response to municipal concerns regarding the appropriateness of the tax rebate and any unintended impact it may have to the local economy. Through municipal information, reported in the Provincial Financial Information Return (FIR), the value of the vacant unit rebate varies from year to year but has generally been increasing and has nearly doubled between 2008 (\$32.1 million) and 2014 (\$60.1 million). As a result of this review, the *2016 Ontario Economic Outlook and Fiscal Review* included legislative changes to provide municipalities with broad flexibility to tailor these programs to meet community needs.

Potential changes to the programs include:

- Adjusting the percentage of rebate / reduction (including a full removal)
- Enhancing or refining eligibility requirements for the rebate
- Refining administrative policies / procedures

The Region's current review focusses on the vacant unit rebate program and does not include a review of the discount factors for vacant land /excess land for commercial and industrial properties. Adjusting the discount factors for the vacant land /excess land sub-classes does not impact the overall tax levy collected. Any reduction to the discount factors would shift the relative tax burden on to the commercial and industrial vacant land / excess land sub-classes and away from the other property classes. This may be reviewed at a later date in context with other policy initiatives that could benefit from a change to the property tax treatment of these sub-classes.

To support the implementation of changes to the vacant unit rebate and reduction programs, the Province has outlined a business community engagement process.

The province will be implementing changes to these programs through regulation as requested by upper-tier and single-tier municipalities. For program changes being initiated for the 2017 taxation year, upper-tier and single-tier municipalities have until July 1, 2017 to notify the Minister of Finance of their intent to utilize this flexibility and provide details of the proposed changes along with a council resolution.

The following resolution was approved by Regional Council on April 13, 2017:

Resolution 2017-304

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And further, that the Region of Peel, in collaboration with the Cities of Brampton and Mississauga and the Town of Caledon, host a public consultation process to further engage and seek input from the local business community regarding the appropriateness of the Vacant Unit Rebate and Vacant/Excess Land Subclasses Programs.

This report details the proposed changes to the vacant unit rebate program and of the consultation with the business community.

2. Findings

Regional and local municipal tax staff have met several times to review current vacant unit rebate program and discuss proposed changes. Information considered as part of this review included:

- The rebate is a benefit to the business community that is borne mainly by the residential class;
- Landlords of both single and multi-unit residential properties are not entitled to a rebate when their property is vacant;
- MPAC factors a vacancy allowance, chronic vacancy and/or reduced income and obsolescence (unused/unfit areas) due to vacant space into assessment values for those classes already;
- As the vacancy is built into the assessment value, the ability to then apply for tax relief results in property owners benefiting from two types of tax relief for vacant space.
- These types of valuation adjustments are most often targeted during the property assessment appeal process;
- The program impedes landlords from accepting requests for short term or seasonal revenue generating uses;
- Although difficult to demonstrate, there is a belief that the program discourages the leasing of some vacant properties or to improve vacant buildings that are in need of repair; and
- The administration / staff costs of maintaining this program, staff must complete a review and verification of each application and supporting documentation.

Regional staff with support from local municipal staff conducted consultation meetings with representatives from the business community. Three meetings were held during the first week in May, one located in each local municipality. Meeting dates and locations were provided through a news release and included in a news story on the Region's website, invitations were also sent to identified representatives of the business community. Local municipal Economic Development staff also attended these meetings. The news release and story on the Region's website also contained an on-line questionnaire form for additional feedback from interested parties. A presentation was given at the meetings summarizing the current program, costs and proposed changes, followed by an open discussion for comments, questions and other feedback. Attendance at the meetings was minimal, below the number that had expressed an interest in attending, with the discussion including a mixed reaction to the proposed changes. Regional staff received an email from one of the participants thanking them for hosting the consultation meetings and noted that staff had been receptive, patient and extremely helpful.

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The on-line questionnaire requested responses to the following questions:

- Do you benefit from a tax reduction for a vacant unit or vacant land?
- How important is a tax reduction for vacant units or vacant land in your business plan?
- What impact would a discontinuation of the vacant unit rebate or vacant land tax reduction have on your business plan?
- Is there anything else you would like to tell us about that would provide direction moving forward?

The number of responses to the on-line questionnaire was also minimal. Below is a summary of the key comments received during the meetings and from the questionnaire.

- Vacancy rebates encourage absentee landlords and vacant storefronts. There can't be growth if buildings are vacant.
- The vacant unit rebate is highly administrative and costs are being largely borne by the residential class.
- It's about fairness. Investors in land, buildings, and units should pay the same tax rate whether occupied or not. Encouraging empty spaces to be filled might help lower existing small business tax burdens or at least prevent a future increase. When everyone is on the same playing field, everyone has a better chance to prosper and so to, it's community.
- Potential tenants such as non-profit agencies find it difficult to rent as it is more profitable to leave properties vacant than rent at a reduced rate.
- The elimination of the vacant unit rebate does not support economic growth, business development and attracting new businesses.
- The vacant unit rebate allows some costs to be offset when declining lower quality tenants, enabling the unit to remain vacant until a quality tenant is found. Removing the rebate will make it more challenging to be selective, which will have a negative impact on the community.
- The loss of anchor tenants can result in chronic vacancies as this can cause chain departures of other tenants making it difficult to attract new lessees.
- Operational costs are still incurred by the landlord when a tenant leaves, the rebate helps to mitigate losses to landlords.
- MPAC's vacancy adjustment is a long and complex process and does not always translate to lowered assessment values.
- The elimination of the Business Occupancy Tax (paid by tenants) created an increase in taxes for commercial and industrial property owners. The vacant unit rebate was introduced to mitigate this increased tax burden. Eliminating the rebate program is sending a negative message to the business community.

Regional staff have also conducted a jurisdictional scan of surrounding municipalities to determine the uptake of the provincial flexibility allowing changes to the vacancy rebate programs, the type of changes being proposed and the potential reinvestment of the municipal savings. The uptake has been varied with some municipalities opting to submit changes to the Province by the July 1, 2017 deadline for implementation for the 2017 taxation year, while other have opted for a slower approach and plan to submit changes for the 2018 taxation year. Of the municipalities that have opted to submit changes this year, the proposed changes include immediate elimination of the program or some form of

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program phase-out, some also include eligibility changes. Details of the jurisdictional scan are provided in Appendix I to this report.

Staff also reviewed the historical costs of providing this rebate and the frequency of applications. It was determined that approximately 35 percent of the applications received in the Region in 2016 had qualified for a vacant unit rebate in at least the last three consecutive years.

As shown in the table below, the total costs of the vacant unit rebate program for the Region of Peel since 2010 (applications for the 2009 taxation year) have ranged between \$9.7 million and \$11.2 million, which is a significant increase over the costs prior to 2010. Also shown in this table is the number of applications received and approved for the rebate. Details by local municipality are provided in Appendix II to this report.

Region of Peel Historical Vacant Unit Rebate

Region of Peel								
	2009	2010	2011	2012	2013	2014	2015	2016
Applications	#	#	#	#	#	#	#	#
Received	775	912	1,041	1,123	1,317	1,204	1,353	1,155
Approved	651	849	942	989	1,231	1,137	1,174	1,052
Rebate Cost	\$	\$	\$	\$	\$	\$	\$	\$
Education	3,692,849	5,385,792	6,094,207	5,904,066	5,768,613	5,753,279	5,217,279	5,080,993
Local	1,103,944	1,771,982	2,096,629	2,171,041	2,217,770	2,267,724	2,203,861	2,202,688
Region	1,627,929	2,560,440	3,036,856	3,044,270	2,925,340	2,916,005	2,668,803	2,606,694
BIA	9,603	9,843	7,320	6,976	11,161	16,069	19,050	16,697
Total	6,434,325	9,728,057	11,235,013	11,126,352	10,922,884	10,953,077	10,108,994	9,907,071

Note: Annual amounts relate to the previous taxation year (i.e. 2010 cost relates to 2009 taxation)

One item to note is that a property that is under repair or renovation that prevents the normal use of the land for a period of at least three months during the year, the property would be eligible for a tax reduction under Section 357 (g) of the *Municipal Act, 2001*.

3. Proposed Direction

Based on the review of the program with local municipal tax staff, outcomes of the consultation meetings and responses to the on-line questionnaire, staff are recommending that the vacant unit rebate program be phased-out and that the program eligibility and application process be adjusted as detailed below. The elimination of the vacant unit rebate also supports the Region's Strategic Plan and Region Official Plan policies to promote economic sustainability and future investments in Peel by discouraging properties being left vacant.

Proposed Changes

A gradual phase out of the vacancy rebate program by 2020:

- 2017 – current rebate of 30% with some eligibility changes
- 2018 – rebate of 20%, same eligibility as 2017

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- 2019 – rebate of 10%, same eligibility as 2017
- 2020 – rebate of 0%, program ended

Eligibility / Process Changes to be introduced for 2017:

- An eligible vacant unit must not include any non-permanent structures and must not be used for any form of storage;
- A property / unit / delineated area will no longer be eligible if a vacant unit rebate has been provided in the last three consecutive years;
- Storage units, hotels, fuel storage tanks, gravel pits, a business closed due to strike or lockout and fixturing period will no longer be eligible; and
- Additional supporting documentation must be received within 30 days from the mailing date of the Notice that is sent for applications with incomplete information or application will be considered void.

FINANCIAL IMPLICATIONS

The Regional cost of providing the vacant unit rebate is budgeted at \$2.6 million for 2017. Ending the vacant unit rebate through the recommended phase-out would reduce the annual cost beginning with the 2019 budget by approximately \$880,000 and completely remove the cost for the 2021 budget. Re-investment of these savings would be considered through the annual budget process. There will also be cost savings for each local municipality that will be reviewed as part of their annual budget process during the phase-out of the vacant unit rebate.

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CONCLUSION

The vacant unit rebate is thought by some to be a deterrent to vibrant communities with the number of buildings left vacant. Eliminating the rebate may encourage more creative ways of filling the vacancies leading to a more vibrant, healthy community. One of the goals of the Region's Strategic Plan is for a community that promotes economic sustainability and future investments in Peel. It is staff's recommendation that the vacant unit rebate program be phased-out at a savings in regional cost of approximately \$2.6 million annually once fully implemented.



Stephen VanOfwegen, Commissioner of Finance and Chief Financial Officer

Approved for Submission:



D. Szwarc, Chief Administrative Officer

APPENDICES

Appendix I – Jurisdictional Scan of Other Municipal Program Changes

Appendix II – Historical Cost of Vacant Unit Rebates

For further information regarding this report, please contact Dave Bingham at extension 4292 or via email at dave.bingham@peelregion.ca.

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Vacant Unit and Vacant Excess Land Rebate | Jurisdictional Scan

Municipality	Consultation Process Summary/ Audience	Changes Proposed and Phase Out Schedule	Reviewing Excess / Vacant Land Sub-class Reductions	Plan to Re-Invest Savings	Council Decision
Region of Peel	<ul style="list-style-type: none"> • Meetings with BIAs and business representatives in each local municipality • Online survey 	<p>4 year phase out program with an elimination of the program by 2020</p> <ul style="list-style-type: none"> • 2017 – current rebate of 30% with some eligibility changes • 2018 – rebate of 20%, same eligibility as 2017 • 2019 – rebate of 10%, same eligibility as 2017 • 2020 – rebate of 0%, program ended <p>Eligibility Changes to be introduced for 2017:</p> <ul style="list-style-type: none"> ○ An eligible vacant unit must not include any non-permanent structures and must not be used for any form of storage. ○ A property / unit / delineated area will not be eligible if a vacancy rebate has been provided in the last three consecutive years ○ Storage units, hotels, fuel storage tanks, gravel pits, a business closed due to strike or lockout and fixturing period will no longer be eligible. ○ Additional supporting documentation must be received within 30 days or application will 	<p>The review is focussing on the vacant unit rebate. The excess / vacant land sub-class reductions may be reviewed at a later date.</p>	<p>The Regional cost budgeted in 2017 is \$2.6 million. Ending the vacant unit rebate through the recommended phase-out would reduce the annual cost beginning with the 2019 budget by approximately \$880,000 and completely remove the cost for the 2021 budget. Re-investment of these savings would be considered through the annual budget process.</p>	

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Vacant Unit and Vacant Excess Land Rebate | Jurisdictional Scan

Municipality	Consultation Process Summary/ Audience	Changes Proposed and Phase Out Schedule	Reviewing Excess / Vacant Land Sub-class Reductions	Plan to Re-Invest Savings	Council Decision
Region of Halton	Regional staff carried out a consultation process with the local municipalities and Halton Area Municipal Treasurers to review options for the policy change. Staff from the Region and the local municipalities also met with Halton Economic Development Partnership group and BIA representatives.	<p>be considered void.</p> <p>For the 2017 tax (application due by Feb. 28, 2018), the existing vacant unit rebate will continue to be available;</p> <p>For the 2018 tax (application due by Feb. 28, 2019), the rebate rate will be reduced to 15% for commercial and 20% for industrial vacant units; and</p> <p>For the 2019 Tax (application due by Feb. 28, 2020), the rebate will be fully removed.</p>	No	<p>Savings will help to support the Regional Official Plan which states the Region consider intensification and development of Intensification Areas as the highest priority of urban development within the Region and implement programs and incentives, including Community Improvement Plans to promote and support intensification.</p> <p>Savings will also go towards encouraging the Local Municipalities to consider planning approval, financial and other incentives to promote the</p>	On April 19, 2017, Council approved staff's recommendations

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Vacant Unit and Vacant Excess Land Rebate | Jurisdictional Scan

Municipality	Consultation Process Summary/ Audience	Changes Proposed and Phase Out Schedule	Reviewing Excess / Vacant Land Sub-class Reductions	Plan to Re-Invest Savings	Council Decision
Region of York	<p>Conducting consultations with businesses in local municipalities this June.</p> <p>Planning to separate discussions into two meetings: one in the northern six municipalities (Newmarket, Aurora, King, Georgina, East Gwillimbury, Whitchurch-Stouffville) and one in the southern urban municipalities (Vaughan, Richmond Hill, Markham)</p>	<p>Waiting for local consultations to conclude before outlining proposal. Anticipating having changes in place for January 1, 2018.</p>	<p>Conducting a separate analysis</p>	<p>development of Intensification Areas. Not yet determined</p>	
Region of Durham	<p>Have not yet determined approach.</p>	<p>Anticipating putting a new program in place by January 1, 2018.</p>			
Region of Waterloo	<p>Not engaging with stakeholders until June. Looking to propose changes to come into effect January 1, 2018.</p> <p>Region discussing proposed options with local municipal staff before consulting with the</p>	<p>Yet to be determined.</p>	<p>Yes</p>	<p>Eliminating the programs would save the Region approximately \$1.7 million. These funds may be invested in either local economic development</p>	

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Vacant Unit and Vacant Excess Land Rebate | Jurisdictional Scan

Municipality	Consultation Process Summary/ Audience	Changes Proposed and Phase Out Schedule	Reviewing Excess / Vacant Land Sub-class Reductions	Plan to Re-Invest Savings	Council Decision
	business community.			initiatives or increase contributions to reserve funds.	
City of Toronto	<p>The consultation process comprised of three phases:</p> <ul style="list-style-type: none"> meetings with representatives from large commercial and industrial property owners, and BIA's; public consultation sessions open to all interested parties; and an on-line survey <p>Stakeholders were able to complete the survey between April 11 and April 21. Feedback was received from a wide range of stakeholders ranging from commercial/industrial property owners, the business community at large, non-profit organizations, the arts and culture community and city residents.</p> <p>A total of 415 people responded to the survey. A total of 164 surveys were completed fully.</p>	<p>January 1- June 30, 2017: Status quo – Commercial at 30%, Industrial at 35%.</p> <p>July 1, 2017 – June 30, 2018: Reduction in commercial rate from 30% to 15%; industrial stays the same (35%).</p> <p>July 1, 2018: Vacancy Rebate program eliminated for both Commercial and Industrial.</p> <p>Deferring consideration of changing the Excess Land reduction to the 2018 budget process. Proceeding with changes to the vacant rebate for Commercial, may not consider changes for Industrial.</p>	<p>Yes</p>	<p>Industrial: tax rate reductions for Industrial class in 2018 and 2019</p> <p>Commercial: Reinvestment of savings in program to provide economic development in high vacancy areas, poverty reduction initiatives, and budgetary savings.</p>	Report presented to the Executive Committee on May 16, 2017.

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Vacant Unit and Vacant Excess Land Rebate | Jurisdictional Scan

Municipality	Consultation Process Summary/ Audience	Changes Proposed and Phase Out Schedule	Reviewing Excess / Vacant Land Sub-class Reductions	Plan to Re-Invest Savings	Council Decision
City of Hamilton	<p>City staff meeting with BIA's and Chamber of Commerce, soliciting written submissions from the business community and welcomes delegations to their General Issues Committee meeting on June 7th.</p>	<p>Considering a number of options:</p> <ul style="list-style-type: none"> • continue with the current programs; • put time limits on the number of years owners are eligible or can apply • eliminate the program <p>Final recommendations would affect the 2018 taxes and beyond.</p>	Yes		Final recommendation report to the General Issues Committee on June 7, 2017.
City of Ottawa	<ul style="list-style-type: none"> • In person consultation sessions with property owners, tax agents, associations, Chamber of Commerce and local Boards of Trade • Online survey • Telephone conference calls with those who could not make it in person 	<p>Report to the Finance and Economic Development Committee recommend Council approve:</p> <ol style="list-style-type: none"> 1. That the City of Ottawa's Vacancy Rebate Program (VRP) be phased out over a period of three years as described in this report and such that the rebate amount is reduced to 20% in 2017, reduced to 10% in 2018, and eliminated in 2019. 2. That the City request that the Minister of Finance implement Council's decisions with respect to the Vacancy 			<p>On May 2, Committee has recommended a two year phase out by 2018.</p> <ul style="list-style-type: none"> • A rebate of 15% in 2017 • Rebate eliminated in 2018 <p>On May 10, 2017, Council approved</p>

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Vacant Unit and Vacant Excess Land Rebate | Jurisdictional Scan

Municipality	Consultation Process Summary/ Audience	Changes Proposed and Phase Out Schedule	Reviewing Excess / Vacant Land Sub-class Reductions	Plan to Re-Invest Savings	Council Decision
		Rebate Program by provincial Regulation.			the Committee recommendations.
City of Kawartha Lakes	<ul style="list-style-type: none"> In person consultation meetings with property owners Communications were sent to Chambers of Commerce, Downtown Revitalization Committees and the BIA Ad placed in local newspaper, Facebook page and City's website 	<p>Eligibility criteria to include the following:</p> <ul style="list-style-type: none"> the vacant building, or portion of, is not less than 1,000 contiguous square feet. the City's Property Standards By-law be adhered to during the period of the vacancy to be eligible for a rebate; an administration fee, be charged for the application; where there was a strike, lockout or other labour disruption that caused the stoppage of the activity that was undertaken at the property during the period of application, the property would not be eligible for a rebate; where there was an order under the City's Property Standards Bylaw or an order by the Chief Building Official against the property for the period of the vacancy, the property would not be eligible for a rebate. <p>Phase out over 3 years:</p>			On April 18, 2017, Council adopted eliminating the rebate in 2018 rather than the phase-out recommended by staff.

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Vacant Unit and Vacant Excess Land Rebate | Jurisdictional Scan

Municipality	Consultation Process Summary/ Audience	Changes Proposed and Phase Out Schedule	Reviewing Excess / Vacant Land Sub-class Reductions	Plan to Re-Invest Savings	Council Decision
		<ul style="list-style-type: none"> • 2017- 30% • 2018- 20% • 2019- 10% • 2020- 0% 			
City of Windsor	<ul style="list-style-type: none"> • Survey to BIA members • Open House/ community consultation • Considering a focus group with those property owners that have chronic vacancies 	<p>Proposals include:</p> <ul style="list-style-type: none"> • Imposing a phase-out period for the program • Imposing a phased reduction in allowable rebate for multi-year applications • Refining the eligibility criteria • Implementing a self-funding mechanism to limit the cost to other municipal taxpayers • Imposing a fee to assist in the cost of administering the program <p>*Changes proposed for Downtown BIA only</p>			<p>On March 6, 2017 Council directed staff to review the program as it relates to the downtown BIA only rather than city-wide</p> <p>Final recommendations to Council in June for July 1, 2017 Provincial deadline</p>
City of Parry Sound	<p>Open houses with the business community and staff directly contacted commercial property owners for comment.</p> <p>Proposed option was also</p>	<p>Staff recommend the elimination of the Vacant Unit Tax Rebate Program.</p>		<p>Elimination of the Vacant Unit Rebate Program would enable the Town to use the money saved, approximately</p>	<p>Staff's recommendations were approved by Council on April 18, 2017</p>

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Vacant Unit and Vacant Excess Land Rebate | Jurisdictional Scan

Municipality	Consultation Process Summary/ Audience	Changes Proposed and Phase Out Schedule	Reviewing Excess / Vacant Land Sub-class Reductions	Plan to Re-Invest Savings	Council Decision
	brought to the Downtown Steering Committee which is comprised of representatives from the Downtown Business Association and the Chamber of Commerce. Who supported the recommendation.			\$20,000.00, on other projects which would benefit the whole community and not just those property owners who apply for the rebate.	
City of Peterborough	City is holding open houses with the business community to solicit information.	<p>Discussing 4 options with the business community:</p> <ul style="list-style-type: none"> • Eliminating the rebate program in its entirety beginning in 2018 for the 2017 tax year; • Phasing out the program over a 3 year period; • Status Quo - no changes to the current program; • Revising the current program by considering changes to eligibility requirements. 			Final recommendations to Council on June 5, 2017
City of Brantford	Consultation occurring with the business community and direct mailing to all businesses that applied for the rebate in 2016.	To be determined.	Yes		Presentation to the Finance Committee on April 5, 2017. Final report to the in June for

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Vacant Unit and Vacant Excess Land Rebate | Jurisdictional Scan

Municipality	Consultation Process Summary/ Audience	Changes Proposed and Phase Out Schedule	Reviewing Excess / Vacant Land Sub-class Reductions	Plan to Re-Invest Savings	Council Decision
City of London	<p>Consulting with London Economic Development Corporation, BIA's and Chamber of Commerce.</p> <p>Contacting property owners that received the rebate or sub-class reduction in 2016.</p> <p>Email provided on City website for those wishing to provide comments.</p> <p>Requesting feedback by August 31, 2017.</p>	Phase out the current vacancy rebate program and eliminate the subclass tax reductions on vacant commercial and industrial land and excess land either immediately beginning with the calendar year 2018, or over a two-year period beginning in the year 2018 with complete elimination before the 2020 calendar year; it being noted that any timing will be determined after consultation with the business community.	Yes		<p>program changes to be submitted to the Province by July 1, 2017.</p> <p>On April 5, 2017, Council adopted in principle the phase out of the vacancy programs with the final recommended approach to be determined following consultation with the business community.</p>

**APPENDIX II - PROPOSED CHANGES TO THE VACANT UNIT REBATE PROGRAM FOR
COMMERCIAL AND INDUSTRIAL PROPERTIES**

Appendix II

Region of Peel
Historical Vacant Unit Rebate

Mississauga								
	2009	2010	2011	2012	2013	2014	2015	2016
Applications	#	#	#	#	#	#	#	#
Received	457	513	551	672	833	797	788	676
Approved	364	499	539	604	807	760	748	650
Rebate Cost	\$	\$	\$	\$	\$	\$	\$	\$
Education	2,828,732	4,010,962	4,630,744	4,397,839	4,108,638	4,174,901	3,791,220	3,702,466
Local	739,674	1,111,401	1,336,329	1,362,838	1,381,588	1,471,427	1,400,660	1,405,223
Region	1,227,395	1,861,732	2,234,038	2,212,075	2,123,653	2,149,306	1,962,058	1,933,288
BIA	4,555	3,427	3,115	3,469	3,375	6,570	10,069	3,446
Total	4,800,356	6,987,522	8,204,226	7,976,221	7,617,254	7,802,205	7,164,007	7,044,422

Brampton								
	2009	2010	2011	2012	2013	2014	2015	2016
Applications	#	#	#	#	#	#	#	#
Received	318	399	490	451	484	407	565	479
Approved	287	350	351	340	383	325	381	355
Rebate Cost	\$	\$	\$	\$	\$	\$	\$	\$
Education	798,953	1,218,259	1,229,931	1,309,787	1,398,216	1,388,075	1,250,056	1,188,031
Local	315,321	526,377	560,127	639,827	734,809	776,025	711,982	709,784
Region	336,514	542,138	569,286	635,756	700,525	690,945	623,266	596,891
BIA	5,048	6,416	4,204	3,507	7,786	9,499	8,982	13,250
Total	1,455,835	2,293,190	2,363,549	2,588,876	2,841,335	2,864,544	2,594,286	2,507,956

Caledon								
	2009	2010	2011	2012	2013	2014	2015	2016
Applications	#	#	#	#	#	#	#	#
Received *	-	-	-	-	-	-	-	-
Approved *	-	-	52	45	41	52	45	47
Rebate Cost	\$	\$	\$	\$	\$	\$	\$	\$
Education	65,164	156,571	233,532	196,439	261,759	190,303	176,003	190,496
Local	48,950	134,204	200,174	168,377	101,372	20,272	91,219	87,681
Region	64,020	156,571	233,532	196,439	101,163	75,754	83,479	76,515
BIA	-	-	-	-	-	-	-	-
Total	178,134	447,346	667,239	561,255	464,294	286,329	350,701	354,693

Region of Peel								
	2009	2010	2011	2012	2013	2014	2015	2016
Applications	#	#	#	#	#	#	#	#
Received	775	912	1,041	1,123	1,317	1,204	1,353	1,155
Approved	651	849	942	989	1,231	1,137	1,174	1,052
Rebate Cost	\$	\$	\$	\$	\$	\$	\$	\$
Education	3,692,849	5,385,792	6,094,207	5,904,066	5,768,613	5,753,279	5,217,279	5,080,993
Local	1,103,944	1,771,982	2,096,629	2,171,041	2,217,770	2,267,724	2,203,861	2,202,688
Region	1,627,929	2,560,440	3,036,856	3,044,270	2,925,340	2,916,005	2,668,803	2,606,694
BIA	9,603	9,843	7,320	6,976	11,161	16,069	19,050	16,697
Total	6,434,325	9,728,057	11,235,013	11,126,352	10,922,884	10,953,077	10,108,994	9,907,071

Note: Annual amounts relate to the previous taxation year (i.e. 2010 cost relates to 2009 taxation)

* Information not available