



THE CORPORATION OF THE

Municipality of Neebing

4766 Highway 61

Neebing, Ontario P7L 0B5

TELEPHONE (807) 474-5331

FAX (807) 474-5332

E mail – neebing@neebing.org

Councillors
Erwin Butikofer
Curtis Coulson
Bill Lankinen
Mike McCooeye
Roger Shott
Brian Wright

Mayor Ziggy Polkowski

Rosalie Evans,
Solicitor-Clerk
Erika Kromm,
Treasurer

May 19, 2016

Sent by Email, followed by Regular Letter Mail to:

The Honourable Kathleen Wynne,
Premier of Ontario
Legislative Building
Queen's Park
Toronto, ON M7A 1A1
premier@ontario.ca

COPY

Dear Honourable Premier:

**Re: Continuing Concern Regarding the Erosion of the Municipal Assessment
Base Caused by Conservation Land exemptions given to Private Property Owners**

Madam Premier, you have stated in many speeches that Ontario wants to work with its municipalities. We need your attention to this issue immediately for the sake of the future of our municipality.

We have written to you on this subject matter on several prior occasions, most recently on February 18th, 2016. We are enclosing a copy of that letter to remind you of its contents, as we have yet to receive a reply to our issues from any person to whom that letter was addressed.

Despite your assurance to us that Neebing's concerns are being heard, we are on the brink of losing another 2500 acres of prime development land to the Conservation Land Tax Incentive Program administered by Ontario.

Our request of the Province is not difficult and will not cost the taxpayers of the Province anything. Yet it will save Neebing considerable financial benefit immediately, and retain Neebing's future development potential for even greater financial stability in the future.

Since we wrote on February 18th, 2016, we attempted to raise this issue at the "Bear Pit" sessions of the combined OGRA/ROMA conference in Toronto in late February and at the NOMA conference in late April. On both occasions, the Honourable Minister Mauro did not listen to the municipality's concerns and was rude to the person attempting to raise the issue (Mayor Polkowski in February and Deputy Mayor Butikofer in April). The Province is not taking Neebing's concerns seriously.

Not only is the Provincial government failing to consider Neebing's needs, it is actively working against Neebing in this concern in two ways. Firstly, the Ministry of Natural Resources continues to process applications under the Conservation Land Tax Incentive Program without heeding Neebing's concerns. Secondly, Provincial tax dollars support organizations like the Nature Conservancy of Canada, allowing them to purchase more and more lands with the intention of placing them into the program.

Here are some facts:

The residential tax rate in Neebing is almost double that in Toronto. While we recognize that many things factor into this, you need to understand that it is becoming unaffordable for people to live in Rural Ontario. Toronto-centric policies and programs like the Conservation Land Tax Incentive Program, are being implemented at the expense of the rural residents of Ontario. They simply cannot afford to keep bearing the burden. Rural Ontario is an essential part of Ontario's life blood. Look at the "big picture" and stop spilling that life blood before the heart stops beating.

Funding from the Province in the form of the "Ontario Municipal Partnership Fund" has decreased by almost 30% percent for Neebing between its 2009 grant and this year's grant. At the same time, the cost of policing is tripling for our residents.

Communities like ours are homes to many senior citizens living on fixed incomes. We are currently experiencing high rates of residential tax arrears, and seeing properties readying for municipal tax sale process at unprecedented numbers. Many of our residents have had to leave the Province and head to the Alberta oil sands for work. With the crisis in Alberta, our residents are returning home without work. We need to sustain an affordable living environment for our residents.


The property being purchased by the Nature Conservancy of Canada comprises 2500 acres which had previously been approved for shoreline subdivision development containing 258 lots. If those lots were developed, the tax revenue (at 2015 figures for comparable properties) would be in excess of \$1.2 Million. Most shoreline subdivision developments have second-tier ("back lot") developments that follow. If that happened in this case, even if only an additional 50 lots were developed, an additional \$90,000.00 in tax revenue would have been realized. Our current annual budget is just over three million dollars. This explains the enormity of the impact that this program is wreaking on our municipality.

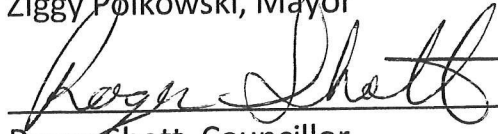
Let us re-iterate, Madam Premier, that Neebing is not "anti-conservation". We enjoy breathtaking natural scenery in our community, and it is appreciated by everyone. Our point is that we already have enough protected natural land areas. Between provincial land ownership and acreage already entered into this program, together with land that is Provincially significant wetland or sheer escarpment-like cliffs, there is not a lot of developable acreage left. *Please do not allow our last privately owned waterfront property, prime development land, to be lost to the Conservation Land Tax Incentive Program.* It may be argued that some of those 2500 acres require protection, but it is Neebing's considered opinion that most of them do not.

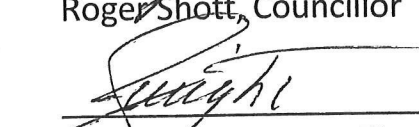
Accordingly, the Neebing Council respectfully requests a response to this letter, and the one sent in February (enclosed) which will answer our questions and explain exactly why the Province is unwilling to assist Ontario's municipalities by limiting this program or by providing compensation for the work that has to be undertaken in spite of the reduction in revenue.


Please do not send us yet another letter stating that some other person or agency will respond to us – Madam Premier – they do not respond. We need your direct input and attention to this matter before it is too late.

Yours truly,
Neebing Council
Per:


Ziggy Polkowski, Mayor


Roger Shott, Councillor


Brian Wright, Councillor


Erwin Butikofer, Councillor


Bill Lankinen, Councillor


Mike McCooye, Councillor


Curtis Coulson, Councillor

(Resolution #2016-05-148)

cc. Association of Municipalities of Ontario
200 University Avenue, Suite 801
Toronto, ON M5H 3C6
pvanini@amo.on.ca

Rural Ontario Municipal Association
200 University Ave., Suite 801
Toronto, Ontario M5H 3C6
roma@roma.on.ca

Northwestern Ontario Municipal Association
P.O. Box 10308
Thunder Bay, ON P7B 6TB
admin@noma.on.ca

(continues)

Municipal Property Assessment Corporation
Municipal Stakeholders Department
1001 William Street,
PO Box 10578, Stn P.,
Thunder Bay, ON P7B 6T9
craig.nuttall@mpac.ca & chad.tanner@mpac.ca

Thunder Bay District Municipal League
c/o Beth Stewart, Secretary-Treasurer
343 Parker Road, R.R. #1
Kakabeka Falls, ON P0T 1W0
bstewart@tbaytel.net

and via Email to all Members of Provincial Parliament



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Bill Lankinen
Mike McCooeye
Roger Shott
Brian Wright

Mayor Ziggy Polkowski

Rosalie Evans,
Solicitor-Clerk
Erika Kromm,
Treasurer

February 18, 2016

Sent by Email, followed by Regular Letter Mail to:

COPY

The Honourable Kathleen Wynne,
Premier of Ontario
Legislative Building
Queen's Park
Toronto, ON M7A 1A1
premier@ontario.ca

and The Honourable Charles Sousa,
Minister of Finance
7 Queen's Park Crescent
7th Floor
Toronto, ON M7A 1Y6
Csousa.mpp.co@liberal.ola.org

The Honourable Bill Mauro,
Minister of Natural Resources and Forestry
Constituency Office
240 South Syndicate Avenue
Thunder Bay, ON P7E 1C8
Bmauro.mpp.co@liberal.ola.org

and The Honourable Mr. Glen Murray,
Minister of the Environment & Climate Change
11th Floor
Ferguson Block
77 Wellesley St. W.
Toronto, ON M7A 2T5
Gmurray.mpp.co@liberal.ola.org

The Honourable Mr. Michael Gravelle,
Minister of Northern Development and Mines
Constituency Office
176 Algoma Street South
Thunder Bay, ON P7B 3C1
Mgravelle.mpp.co@liberal.ola.org

and The Honourable Mr. Ted McMeekin,
Minister of Municipal Affairs and Housing,
17th Floor,
777 Bay Street
Toronto, ON M5G 2E5
Tmcmeekin.mpp.co@liberal.ola.org

Dr. Dianne Saxe,
Environmental Commissioner for the
Province of Ontario
1075 Bay Street, Suite 605
Toronto, ON M5S 2B1
commissioner@eco.on.ca

and Ms. Bonnie Lysyk, MBA, CPA, CA, LPA,
Auditor-General for the Province of Ontario
20 Dundas St. West, Suite 1530
Toronto, ON M5G 2C2
comments@auditor.on.ca

Dear Honourable Ladies and Gentlemen:

**Re: Ongoing Concern Regarding the Erosion of the Municipal Assessment
Base Caused by Conservation Land exemptions given to Private Property Owners**

For the past several years, Neebing Council has been raising our significant concern with the Province over the fact that we are losing assessable acreage to conservation land program approvals. We have requested that

the Province institute a cap on the program so that no one municipality has to bear the expense to an unfair extent. Alternatively, we have asked for financial compensation for the lost revenue.

Last February, we included the issue in our submissions to the Province on the draft 2015 provincial budget. The submissions were approved by Council on February 4th and subsequently forwarded. We received no response.

A month later, on March 4th, 2015, Council passed a resolution, as follows:

Res. No. 2015-03-59

Moved by: Councillor Butikofer

Seconded by: Councillor Wright

WHEREAS the Provincial and/or Federal Conservation Lands programs being applied within the Municipality of Neebing are removing much-needed revenue from the Municipality without compensation to the Municipality and without notice to the Municipality;

AND WHEREAS the Municipality has expressed its concern in this regard on several occasions over the past few years, including passing a by-law to prohibit the application of these programs within Neebing;

AND WHEREAS, despite these efforts, Neebing continues to lose property tax revenue under these programs as, year after year, more acres of land are considered tax exempt;

AND WHEREAS large tracts of land within Neebing, which land is in a pristine and natural state, are currently being advertised for sale;

AND WHEREAS Neebing cannot afford to have any more land classified as municipally tax exempt under any type of Conservation Land program operated by other orders of government to benefit certain private land owners at the expense of others:

THEREFORE, BE IT RESOLVED THAT:

The Council of The Corporation of the Municipality of Neebing calls upon the Province of Ontario and the Federal Government of Canada to place a moratorium on any further land within Neebing's geographic boundaries being considered municipally tax exempt under Conservation Land (and similar) programs;

AND THAT, should this call for a moratorium be ignored, the senior Orders of Government are hereby put on notice that The Corporation of the Municipality of Neebing will hold them financially responsible and liable for any future tax revenue losses that Neebing experiences under these programs.

This resolution was directly sent to the Honourable Premier Wynne, (then) Honourable Federal Minister Leona Aglukkaq, and copied to the Ontario Ministers of Environment and Climate Change, Municipal Affairs and Housing, Natural Resources and Forestry, Finance, and Mining and Northern Development. We received a response from the Federal Minister, stating that the federal "records indicate that there has never been a donation" under the "Ecological Gifts Program" within Neebing. We received a letter from Premier Wynne expressing her thanks for the letter and indicating she had confidence we would hear from the relevant Ontario ministries in due course. We have heard nothing else as a result of this circulation.

The lack of response is disappointing, considering that we have legislation that facilitates Neebing's request for compensation. The Provincial Parks and Conservation Reserves Act, 2006, read together with the Municipal Tax Assistance Act, allows the Province to include conservation lands in its provision for "payment in lieu of taxes" made to the municipality in which the conservation land lies. Clearly, the legislature recognized that this program would have a negative effect on Ontario's municipalities.

In April, 2015, at a meeting of the Northern Ontario Municipal Association ("NOMA"), several Neebing councilors, together with Mayor Polkowski met with representatives of the Municipal Property Assessment Corporation ("MPAC") and asked specific questions relating to the assessed land values being applied to the conservation lands. It appears to Neebing councilors that land values are artificially inflated for the purposes of allowing the donor to receive the maximum possible charitable receipt for income tax purposes for donating the property, and once the environmental corporation obtains ownership, the property is re-assessed to a value far lower than the property should have. Answers were promised, but never received. When the councillors followed up with MPAC representatives, they could not recall having promised to answer any questions to Neebing. We are in the process of re-formulating our questions in writing and asking them again, so that a paper trail can be managed.

Councillor Butikofer recently emailed the Ministry of Finance's information query email address regarding the Ontario Municipal Partnership Fund ("OMPF"). He had been previously advised that Neebing is compensated for the loss of assessment base due to conservation programs through the OMPF. He wanted to know exactly how much compensation Neebing was receiving. The response was that "the weighted assessment/household used in the calculation of Neebing's OMPF does not include tax exempt conservation lands". This does not help one iota in determining how much compensation Neebing receives for the loss of assessment through conservation lands.

Our concerns relating to the conservation lands program issue were included again in our pre-budget submissions to Ontario for the 2016 provincial budget, sent in late January, 2016. It had been included as a topic for discussion in a delegation request with the Honourable Minister of Finance during the upcoming OGRA/ROMA conference. We were disappointed to be advised, on February 16th, that the Minister of Finance was not accepting any meetings at this year's conference.

At present, there are approximately 2,666 acres of land in Neebing that are privately owned and not assessed for property tax, as they have been accepted as nature conservation areas. The assessed land values total \$610,000.00. At last year's tax rate, this represents \$5,888.00 in lost revenue. Many of the properties appear to be under-valued, with 160 acre tracts assessed at \$14,700 in some circumstances, despite the amount of money paid to acquire the land. Based on this under-valuing, the actual tax losses are significantly higher.

Neebing recently received a document from the Ministry of Natural Resources and Forestry, in support of its calculation of Neebing's share of provincial fire fighting costs. Costs are calculated at \$1.21 per hectare of applicable categories of land. With respect to "conservation lands" the document states "M.N.R. gives Grant for significant conservation lands". Neebing does not receive any such grant.

Neebing is asking now, as it has asked before, whether the fact that the conservation lands' assessment is not included in the calculation for OMPF results in a grant payment to Neebing in the amount of \$5,888.00?

To the best of the knowledge of Neebing Council, properties designated as "conservation lands" are not open to the public to use or explore. They remain private property. Most of them are accessible by the municipal road network, which the Municipality must maintain in summer and winter. All of them require police protection, fire protection and access road maintenance at the expense of the municipality, with no financial contribution from the owners. This creates an unfair tax burden on the other property owners in the municipality.

Neebing also experiences "lost opportunity" costs because these lands become sterilized and un-developable. To the best of the knowledge of the Municipality, the designation is a permanent one.

This erosion of our tax base continues to date. At present, there are several vast tracts of undeveloped land for sale in Neebing that would probably qualify for the program. We are aware that some of the agencies who already have lands within Neebing under this program are fund-raising for the express purpose of purchasing more land, and that, if they are successful in fund-raising and acquiring the property, it, too, will be sterilized under these programs.

In fairness to our hard-working taxpayers, Neebing Council must insist that our concerns be addressed, and promptly. There can be no more "free ride" properties in Neebing.

The Far North Act, 2010 includes a planning objective to protect "areas of cultural value in the Far North andecological systems in the Far North by including at least 225,000 square kilometres of the Far North in an interconnected network of protected areas designated in community based land use plans" (paragraph 2 of Section 5 of the legislation). If allowing conservation lands to be approved for municipal tax exemptions is a way to contribute to this goal, Neebing submits this is not "community based", since no input is sought or considered by the impacted communities. Neebing finds out after-the-fact, through MPAC, that more acreage has been lost to this program. There is no opportunity for input and no apparent community-based planning.

According to the website Ontario.ca (under "Crown Lands"), the Province of Ontario owns 85% of the Province. Neebing submits this provides plenty of opportunity for conservation of land without adding privately held land into the equation through the conservation lands program, at the expense of municipal property tax payers.

If the Province does not have the financial resources to compensate municipalities for their loss of revenue due to the conservation lands program, it could, instead, take some of the developable land that it owns and convert it to private property for development. Neebing submits this can be done on an acre-for-acre basis. This would allow the municipality to recoup its assessment losses as well as re-instate the future revenue opportunity that is also lost to the conservation lands program.

Neebing is not the only entity that has pointed out its unfairness to the government. The Environmental Commissioner of Ontario, in his 2010-2011 Annual Report Supplement, pointed this issue out to the Province by stating that "the province may need to pay attention to and, on occasion, financially assist certain smaller municipalities with limited tax bases and extensive eligible conservation lands....(T)he OMPF does not directly compensate municipalities for revenue losses resulting from conservation lands exempt from property taxes, the calculation of the total weighted assessment, and hence the calculation of some OMPF grant components..."

Neebing is aware that it is not the only municipality experiencing this significant concern. An article in the Manitoulin Expositor in September of 2013 pointed out that several municipalities on Manitoulin Island are experiencing similar financial losses. The chair of the Manitoulin Municipal Association wrote to the Honourable Charles Sousa about this issue. He was also seeking a fair limit to the acreage that can be designated under this program.

While there is some comfort in knowing we are not the only municipality whose voice is not being heard on this issue, it remains disheartening that no reply has been received to our very reasonable requests.

Accordingly, the Neebing Council respectfully requests a response to this letter which will answer our questions and explain exactly why the Province is unwilling to assist Ontario's municipalities by limiting this program or by providing compensation for the work that has to be undertaken in spite of the reduction in revenue.

Yours truly,



Rosalie A. Evans
Solicitor-Clerk
On behalf of Council
(Resolution #2016-02-063)

cc. Association of Municipalities of Ontario
200 University Avenue, Suite 801
Toronto, ON M5H 3C6
pvanini@amo.on.ca

Northwestern Ontario Municipal Association
P.O. Box 10308
Thunder Bay, ON P7B 6TB
admin@noma.on.ca

Municipal Property Assessment Corporation
Municipal Stakeholders Department
1001 William Street,
PO Box 10578, Stn P.,
Thunder Bay, ON P7B 6T9
craig.nuttall@mpac.ca & chad.tanner@mpac.ca

Thunder Bay District Municipal League
c/o Beth Stewart, Secretary-Treasurer
343 Parker Road, R.R. #1
Kakabeka Falls, ON P0T 1W0
bstewart@tbaytel.net



THE CORPORATION OF THE

Municipality of Neebing

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RECEIVED JUN 07 2016

Rosalie Evans,
Solicitor-Clerk
Erika Kromm, Treasurer,
Deputy Clerk

Councillors
Erwin Butikofer
Curtis Coulson
Bill Lankinen
Mike McCooney
Roger Shott
Brian Wright

Mayor Ziggy Polkowski

May 31, 2016

Sent by Regular Mail to:

Municipality of Northern Bruce Peninsula
56 Lindsay Road 5
R.R. # 2
Lion's Head, Ontario
NOH 1W0
Attention: Ms. Standen, Clerk

and Norfolk County and
County Administration Building,
50 Colborne St. S.
Simcoe, Ontario
N3Y 4H3
Attention: Ms. Boughner, Tax Collector

Township of Dawson
211 Fourth Street
P.O. Box 427
Rainy River, Ontario
P0W 1L0
Attention: Mr. Giles, Clerk-Treasurer

and Township of Morley and
P.O. Box 40
Stratton, Ontario
P0W 1N0
Attention: Ms. Desserre, Clerk-Treasurer

Township of Baldwin
11 Spooner Street
P.O. Box 7095
McKerrow, Ontario
P0P 1M0
Attention: Ms. Young-Lovelace, CAO/Clerk-Treasurer

and ✓ Town of Minto and
5941 Highway 89
Harriston, Ontario
N0G 1Z0
Attention: Mr. White, CAO/Clerk

Township of Ryerson
R. R. # 1, 28 Midlothian Road,
Burks Falls, Ontario
P0A 1C0
Attention: Ms. Kosowan, CAO/Clerk/Deputy Treasurer

and Township of Armour and
P.O. Box 533
56 Ontario Street
Burk's Falls, Ontario
P0A 1C0
Attention: Ms. Whitwell, Clerk Administrator

Township of Mulmur
758070 2nd Line East
Mulmur, Ontario
L9V 0G8
Attention: Ms. Vroom, Deputy Clerk-Treasurer

and Tarbutt Township and Tarbutt Additional and
27 Barr Road South
Desbarats, Ontario
P0R 1E0
Attention: Mr. Martin, Clerk

Township of Burpee and Mills
R.R. # 1
Evansville, Ontario
P0P 1E0
Attention: Ms. Bailey, Assistant Clerk

Townships of Blake, Crooks, Pardee, Pearson and Scoble

Dear Sirs and Mesdames:

Re: Conservation Land Tax Incentive Program

On (or about) March 15, 2016, at Neebing Council's direction, I sent an enquiry email to all municipalities in Ontario to determine whether others shared Neebing Municipality's concerns relating to the Conservation Land Tax Incentive Program, known as "CLTIP". Neebing's Council has grave concerns about this program, as it appears to have no limits and has devastating financial impacts to municipalities in Ontario who are blessed with natural land areas.

I am writing because you responded to our correspondence, indicating that your municipality either has similar concerns at present, or anticipates that the program may cause similar concerns in the relatively near future.

The Council of the Municipality of Neebing has been taking action on this issue, but feels that the adage "there is strength in numbers" is appropriate, and that our collective voices may be more effective than Neebing's solo voice has been. Neebing is interested in forming a coalition of municipalities to collectively put forward our concerns.

We are not opposed to the program per se, however, we have been lobbying the government to either impose limits on the acreage (whether by percentage or actual numbers) of land which can be accepted into the program in any one municipality, or to financially compensate municipalities for their loss in tax revenue relating to the lands which are accepted into the program.

Would your municipality be interested in joining its voice to ours in this regard? Please contact the undersigned to indicate your level of participation. My direct email address is clerk@neebing.org.

Please feel free to share this invitation with other municipalities who may not have responded to our email, but whom you are aware share our concern.

I am enclosing some of Neebing's recent correspondence for your information.

Thank you in advance for your consideration of Council's request.

Yours truly,



Rosalie A. Evans
Solicitor-Clerk