



**TOWN OF MINTO**

**DATE:** April 11<sup>th</sup>, 2017  
**REPORT TO:** Mayor and Council  
**FROM:** Gordon Duff, Treasurer  
**SUBJECT:** Changes to the Vacancy Rebate Program

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**STRATEGIC PLAN:**

5.3 Ensure financial plans to include a blend of capital financing methods including long-term debt, user fees, grants, internal reserves and taxation, and maintain reserves to the point where Minto reduces reliance on borrowing or tax increases to finance major capital expenditures.

5.8 Ensure operations, facilities and programs operate efficiently and effectively through a business plan process implemented at budget.

**BACKGROUND:**

The Vacancy Rebate Program provides a reduction in the assessment for certain Commercial and Industrial properties that are available for rental use. The amount given to landlords under this program has increased substantially in the past six years. Under current legislation, the Treasurer has no option to deny the rebate if the entire structure is vacant. However, if it is a partial vacancy, the Treasurer is allowed to verify that the space is indeed in rentable condition and the landlord has been making efforts to rent the space or it is under active renovations.

Many municipalities have expressed the wish to get rid of the entire program. The Town of Minto has enacted programs which encourage the use of vacant storefronts for temporary uses such as Renew Northern Wellington. We have expanded the geographic boundaries of the Community Improvement Plan as well as added incentives for structural improvements.

At the 2017 Association of Municipalities of Ontario conference, the Town of Minto was able to express our concerns and possible solutions to Ivan Baker, Parliamentary Assistant to the Minister of Finance. The Province has been studying this issue and Minto Treasurer Gordon Duff was appointed to the Municipal and Business Reference Group which was set up to consult on changes to the Vacancy Rebate Program. The Province has enacted legislation which grants much greater flexibility to municipalities in designing their own Vacancy Rebate Programs.

This legislation includes provision to modify or eliminate the assessment reduction factors for vacant or excess commercial and industrial land. The issue of whether or not to make changes in the assessment classes is under review by Wellington County staff and they will make a recommendation on this matter. Due to the assessment class issue, the Province has decided that the Upper Tier will be the level which is allowed to request the Minister of Finance to make changes to local Vacancy Rebate Programs.

The Upper Tier may pass a By-Law which contains various regulations for different lower tiers which comprise the Upper Tier municipality. For example, the Town of Minto would like to restrict the vacancy rebates for properties lying with a Community Improvement Plan area to those who are actively taking advantage of such incentives as façade grants, structural grants and the Renew North Wellington program. Other legitimate vacancies would be evaluated according to the attached criteria.

**COMMENTS:**

The Minister of Finance has set intake dates to receive applications from Upper Tiers which would ensure that any changes to the Vacancy Rebate program would be retroactive to January 1, 2017. The deadline for submission to the Minister is July 1, 2017. In addition, municipalities must prove to the satisfaction of the Minister that the local business community has been consulted on any proposed changes. Minto staff and Council representatives have communicated these possible changes to the Economic Development Committee, Downtown Revitalization Committees, the Chamber of Commerce and the County of Wellington Economic Development group.

**FINANCIAL CONSIDERATIONS:**

The average amount of vacancy rebates over the past five years has been \$12,309 annually with Minto's share being \$3,607. These amounts are skewed higher by the vacancy of a large factory in 2012 and 2013. Under the proposed changes, this amount may be reduced or at least they will be more of an investment in our community with the goal of leading to higher assessments in the long term.

**RECOMMENDATION:**

THAT Council accepts the Treasurer's report dated April 11<sup>th</sup>, 2017 and requests that the County of Wellington proceed to formally request the Province of Ontario to make changes to the Vacancy Rebate Program as noted.

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Gordon Duff  
Treasurer