

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF OCTOBER 24, 2017

Item 2, Report No. 9, of the Finance, Administration and Audit Committee, which was adopted without amendment by the Council of the City of Vaughan on October 24, 2017.

2 VACANCY REBATE PROGRAM – COMMERCIAL AND INDUSTRIAL PROPERTIES

The Finance, Administration and Audit Committee recommends:

- 1) That the City of Vaughan support the elimination of the Vacancy Rebate Program effective for the 2018 tax year;
- 2) That the following report of the Chief Financial Officer and City Treasurer and the Director of Financial Services/Deputy Treasurer, dated October 2, 2017, be received; and
- 3) That Communication C1, memorandum from the Chief Financial Officer and City Treasurer and the Director of Financial Services/Deputy City Treasurer, dated October 2, 2017, be received.

Recommendation

The Chief Financial Officer and City Treasurer and the Director of Financial Services/Deputy Treasurer, in consultation with the Manager of Property Tax & Assessment recommend:

1. THAT Council provide direction to staff on whether to communicate a preference for elimination or modification of the Vacancy Rebate Program to York Region staff for input into York's position paper to the Minister of Finance.

Contribution to Sustainability

Elimination of the Vacancy Rebate Program contributes to sustainability by reducing funds rebated to commercial and industrial properties and thereby increasing resources to deliver the City's programs and services, achieve the priorities set out in the Term of Council Service Excellence Strategy map, and achieve long-term financial sustainability.

Communications Plan

Advertised notices for any changes made to the Vacancy Rebate program will be posted in all local papers as well as the City's website.

Economic Impact

A review of the years 2011 through 2015 indicates that staff processed an average of 339 applications annually and that annual average savings of \$309,000 in rebates and a further \$44,000 in expenses dues to the verification process could be achieved, if the Vacancy Rebate program was eliminated. Staff time saved would be redeployed to more value-added customer service functions.

Purpose

The purpose of this report is to provide Council with background on the current Vacancy Rebate program that is in place to provide annual property tax rebates to eligible vacant commercial and industrial properties and to inform Council on the current policy changes being considered for the program.

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Background - Analysis and Options

We reported to the Finance, Administration and Audit Committee on March 6, 2017. At that time, Council was advised that consultations would take place over the summer. Discussions are ongoing, at a staff level, with York Region Municipalities. York Region staff anticipate providing a report to Regional Council in November. We will provide a communication to the October 2nd Finance, Administration and Audit Committee on the consultations that occurred over the summer.

Attached is the extract from the referred item of March 6, 2017 Finance, Administration and Audit Committee that provides the background.

Relationship to Term of Council Service Excellence Strategy Map (2014-2018)

The elimination of the Vacancy Rebate Program supports the strategic priorities established by the Service Excellence Strategy Map, in particular to ensure "Financial Sustainability".

Regional Implications

A review of the years 2011 through 2015 indicates that an approximate average annual savings of \$551,000 would be returned to the Region as well as \$1,237,000 for Education, if the Vacancy Rebate Program was eliminated.

Conclusion

The elimination of the Vacancy Rebate Program will return approximately \$2,097,000 in tax rebates back to the City, Region of York and School Boards.

Attachments

1. Extract FAA Report - March 6, 2017 – Referred Item

Report prepared by:

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(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)