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Property Tax and Assessment News from Around the World

# CANADA - March 2017

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## SASKATCHEWAN - Prince Albert approves $5.1 million tax settlement to Domtar

Prince Albert's city council has voted in favour of a $5.1 million settlement of a property tax dispute with Domtar Inc. over the assessment of the site of a now-defunct pulp mill.

On Monday, council approved the settlement, which applies to the 2009 and 2010 tax years. At issue was the valuation for the property, which Domtar argued was too high. The city's legal team negotiated the settlement, which was approved by both of Prince Albert's school boards.

The city will repay $2.85 million, the Saskatchewan Rivers Public School Division will repay $1.58 million and the Prince Albert Catholic School Division will repay $678,403.

In a statement issued after the council vote, Prince Albert Mayor Greg Dionne said the city set up an expense item in its 2015 financial statements for the settlement to cover the costs when it was concluded — so it will not affect property taxes.

"This settlement was a long time coming with legal negotiations taking place over several years," he wrote. "We are happy to have this wrapped up. The city has diversified since the closure of the pulp mill and evolved from a pulp mill town to becoming a regional economic hub providing retail and professional services for the northern half of the province."

## ONTARIO - Fort William chief seeking settlement of land tax issue with Thunder Bay

City still has taxing authority over former railway lands expropriated from First Nation in early 1900s

The chief of Fort William First Nation says the City of Thunder Bay should follow the federal government's lead concerning lands expropriated from the community over 100 years ago.

Peter Collins addressed city council on Monday, urging Thunder Bay to stop taxing lands that were the subject of a $99 million claim settlement with Ottawa in 2016, arguing the community never surrendered its claim to about 445 hectares (1,100 acres) of property taken from the First Nation for use by the former Grand Trunk Pacific Railway, and made part of the former city of Fort William.

"We feel that we shouldn't be waiting anymore," Collins told councillors.

"We settled this issue with Canada, now we need to settle it with the City of Thunder Bay, and we don't want to drag it out for another 10 years or 20 years or 15 years or whatever it may be."

The lands in question, along the southern bank of the Kaministiquia River, are within the city's municipal boundaries and registered to the First Nation's development corporation, said Linda Evans, the city treasurer. The corporation acquired those lands in 1999.

Collins added that no taxes have been paid for a couple of years now.

"We never relinquished our rights to the land," he said, adding that no settlements reached with Ottawa surrendered those properties.

Officials with the city and Fort William First Nation made it clear they're working toward a negotiated settlement.

"I don't want to talk about litigation, I don't like litigation," Collins said. "I'm hoping that we, as two strong-minded communities, resolve this issue."

Thunder Bay city manager Norm Gale said administration and council of the two communities are working towards an agreement — which would also include closer collaboration over the delivery of municipal services — and have been for some time.

"Now, both parties ... have agreed to continue on with those discussions with a sense of urgency," Gale told CBC News.

Prior to the start of Monday's council meeting, Collins shook hands and spoke with mayor Keith Hobbs; the chief greeted Gale as he was leaving council chambers after his deputation.

Collins offered to lead an application to the province's Ministry of Municipal Affairs to have the lands removed from Thunder Bay's taxing authority, but said he would need the city's support.

Collins said the forced relocation of the First Nation from the banks of the Kaministiquia River to its current location was devastating.

"I want this community, this city, to know and to understand what our community went through back in 1905," Collins told councillors.

"Our homes, our churches, our deceased, our loved ones were removed from that land," he continued. "This is the largest taken in Canadian history for rail purposes."

### ALBERTA - Fort McMurray gives wildfire-affected homeowners another year of property tax relief

Fort McMurray residents whose homes were destroyed or damaged beyond repair in last May's wildfire won't have to pay their municipal property taxes.

In a unanimous vote Tuesday, the Wood Buffalo municipal council approved the tax relief for homes that have not been rebuilt.

In addition to the municipal portion of the property tax, Wood Buffalo will also ask the province to waive its share of the tax on affected homeowners and make up for the estimated $1.3-million revenue shortfall on its own.

Last May's wildfire is considered Canada's costliest disaster for insurers. The fire destroyed more than 2,400 structures in Fort McMurray. Wood Buffalo council previously waived the municipal property tax for wildfire victims in 2016.

Coun. Sheldon Germain moved the motion and said the tax break is optional and homeowners can volunteer to pay it. However, most wildfire victims need the helping hand, he said.

"The fact that they are not enjoying their lots and access to Wood Buffalo municipal services, we should extend this relief," Germain said.

Some residents oppose the move

Resident Arianna Johnson, who lost her home during the wildfire, spoke against the motion. She said the exemption should not apply to people who own several investment properties and can afford to pay their taxes.

"The more tax breaks that are given, the more burden this municipality will have to bear," Johnson said. "I am asking you all to consider an amendment."

Jim Rogers said he owns several properties that were destroyed in the wildfire and he doesn't consider them investments.

"[Paying taxes on those properties] does represent a hardship that myself and my family will be subject to," Rogers said.

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### ONTARIO - City loses tax assessment money from Big Box stores

The City of Sault Ste. Marie has been ordered to return about $1.24 million to Canadian Tire and Home Depot as a result of an assessment appeal settlement.

City council learned last week that the settlement for the city's Canadian Tire Store has been set at $1.3 million, of which about $930,000 is the municipal share and the city's Home Depot amount is $429,000 of which the city's share is $306,000.

Total tax assessment lost from 2016 to 2017 is $9.7 million, a report to council states.

In both 2008 and 2012, the first year of the four-year assessment phase-ins, Canadian Tire Corporation appealed its property assessment. Property assessment is used as a basis for property tax revenues collected by municipalities.

Similar appeals were made across Ontario by the Canadian Tire Corporation headquarters.

In early 2016 the Municipal Property Assessment Corp. (MPAC) and lawyers for Canadian Tire asked the assessment review board to consolidate the appeals with their common issues.

Municipalities were represented by a Municipal Working Group of which there was a member representing Northern municipalities, said Shelley Schell, the city's chief financial officer and treasurer.

“Our concerns were the same as other municipalities from the North so our issues were raised at the table,” Schell said.

While in the past each appeal was handled individually, the newer streamlined process is designed to resolve a significant number of appeals with similar issues.

A similar process was used for the Home Depot appeal and both appeals have been settled quicker than expected, Schell said.

The report to council states that the settlement agreement was based on three issues that include land, depreciation and replacement cost and is consistent with all 'Big Box' department stores.
Walmart withdrew its appeal locally.

Lowe's has filed an appeal under the Assessment Act but its situation is somewhat different because it is part of a shopping mall and not considered a Big Box store, Schell said.

Schell said she will complete a report for council in April that will examine refund options for the two stores.

That report will come in the way of a 2016 final financial position, or year-end actuals, for the city which will include the amount owing. That final report has not been presented yet because of the new budget process, she said.

While Schell wouldn't reveal whether there is actually a 2016 surplus, she said the city does have two funds that it can access for these types of repayments.

The city's contingency reserve, of which about $1 million remains uncommitted, can be accessed for unexpected costs, including assessment issues.

The city also establishes an 'allowance' fund for uncollected taxes or high risk, material taxes not collected that may be anticipated at year end. In this case, Schell said the appeal assessment was not anticipated to be concluded so quickly so funds were not set aside for it.

Moving forward, she said, the new assessment is out and MPAC is working closer with special purpose properties and municipalities to avoid appeals and surprises.

Ward 1 Coun. Paul Christian told council he was dismayed by the potential source of revenue reduction in the community by the appeals and their outcomes.

Ward 2 Coun. Sandra Hollingsworth said “it is disappointing when Big Box (stores) like Canadian Tire say they are giving back to the community and we're struggling with a loss of revenue.”

Last year, the city's heavy industrial assessment dropped significantly resulting in less property revenue from Essar Steel Algoma.

“We don't have a lot of say on the assessment side of things,” Schell said.

## NEW BRUNSWICK - 'They've seen so much go wrong:' Federation calls for cap on property-tax bills

Taxpayers group says property owners deserve more predictable, accountable system

New Brunswickers have lost confidence in the property assessment system, especially after the government's most recent mistakes, the Canadian Taxpayers Federation said Monday as it called for tax bills tied to the inflation rate.

"They've seen so much go wrong with these assessments that no longer people believe in the system anymore, and it demands real change," Kevin Lacey, the Atlantic director of the federation, said in an interview with Information Morning Fredericton.

Lacey was referring to problems that continue to arise with 2017 property assessments, including about 2,400 bills that were miscalculated, as well as tax-bill increases that have stunned property owners.

CBC has reported some homeowners seeing their assessments go up by 30 per cent and some landlords wondering how they'll handle increases of more than 50 per cent.

"Government can't sweep these problems under the rug," Lacey said. "They have to address them."

Property assessment cap

His group has recommend the province follow Nova Scotia's lead and bring in a property assessment cap for taxation purposes.

This would mean tax bills would not go up by more than the inflation rate. An assessment would not change until a house was sold, and the sale price became the new assessed value.

"Every year when the assessments come out, depending on what the inflation rate is … your tax bill will only go up by the rate of inflation," Lacey said.

He said he's hopeful government is open to the idea.

"What you're getting is an increase in the cost of inflation, which is the same cost that we all face," he said. "I don't think governments are giving anything up in this."

He said the property assessment cap would allow the system to be more predictable, especially when people are purchasing homes.

People can look at a home and make decisions based on the mortgage rate and whether they can afford the tax rate.

He said the cap would also increase accountability. If lawmakers decide they want taxes to increase, they'd have to raise the property tax rate, he said.

"That would allow average taxpayers or organizations like mine … to weigh in and have a political debate about those tax increases.

"There's an issue here with regards to accountability. Taxpayers should get the tax rate they deserve."

Assessment mistakes

The Liberal government has said that mistakes this year were no more numerous that previous years, but it is providing more time for appeals for property owners whose assessments are being recalculated.

Service New Brunswick said the 2,400 property owners it identified as having received incorrect bills will get new bills.

But Lacey also believes government needs to tackle the issue of miscalculations by creating an agency, separate from government, to do the assessments.

A problem with the current system, he said, is it has no way of measuring people's ability to pay or whether they can afford increases.

A lot of New Brunswickers are facing big assessment increases and they want to know why, what the money is for and whether the bills are fair.

"It's time to take those out of government and create an arm's-length agency that would do assessments for the province," he said.

Lacey said the assessment agency would be run by an independent body consisting of average New Brunswickers who would hold the agency accountable. This would also empower New Brunswickers to take over the assessment process themselves, he said.

Lacey used the example of a senior couple, living on a fixed income in what has been their Fredericton home for 25 to 35 years. As as a result of changes in the real estate market, their assessments go up in a big way, without any changes to their income or personal finances.

"That's the type of people that really get hit when these assessments go up and these tax bills go along with it," Lacey said. "They can't afford it."

He said the same goes for working families who are living paycheque to paycheque.

"These assessments go up, the tax bill goes up, their services don't get any better, and yet government is raking in all the revenue."

## ONTARIO - Supreme Court dismisses Victoria University appeal bid

Vic President William Robins expects arbitration panel to “convene in the near future”

Victoria University's application for leave, appealing the judgement of the Court of Appeal for Ontario to the Supreme Court of Canada, was recently dismissed. This is the latest development in a 27-year dispute between the college and its tenants over rent reset negotiations.

Revenue Properties Company Limited and GE Canada Real Estate Equity Holding Company each hold 100-year leases from Victoria University for the land on 131 and 151 Bloor Street West respectively.

The parties were unable to agree as to whether the fair market value of the land should include the potential for freehold condominium projects, which would give the land a higher valuation.

An arbitration panel was convened and the majority ruled in favour of the higher land valuation, setting the values of 131 and 151 Bloor Street West respectively at $182,700,000 and $37,325,000.

The panel cited Musqueam Indian Band v. Glass which, amongst other important decisions, established that land should be valued as freehold, or as if there were no lease on it, and according to its "highest and best use" as per legal restrictions on land use.

The tenants appealed the panel's decision to the Ontario Superior Court, asking for a re-hearing with a new arbitration panel. While the Superior Court judge determined that the panel was mistaken for including the potential for freehold condominium development into the value of the land, the judge did not believe this warranted a new panel and remitted the issue back to the same arbitration panel. Last summer, the Court of Appeal for Ontario had dismissed appeals by both Victoria University and its tenants on the Superior Court decision and, again, remitted the issue back to the arbitration panel. It was this dismissal that the college tried to appeal with the Supreme Court.

William Robins, President of Victoria University, says that the college was "disappointed" with the dismissal. "It is part of the fiduciary responsibility of Victoria University and its Board of Regents to ensure that Revenue Properties and G.E. pay the fair and appropriate land rent due under the terms of their leases, and the application to the Supreme Court was part of the fulfilment of that fiduciary responsibility," Robins said, adding that the college "will continue [to] be strong advocates for Vic and its students at the negotiating table."

Victoria University is also participating in ongoing discussions with the City of Toronto on property taxes on the unoccupied land it owns. Currently, the college is exempt from paying such taxes in accordance with the Victoria University Act.

The land on 131 and 151 Bloor Street West are two of the most highly valued properties that the university leases out and would have incurred $5,027,736 and $1,052,611 in property taxes respectively from 2013 to 2015 if the taxes had not been exempt.

According to Robins, the rent reset negotiations and property tax discussions are "separate issues." He also says the arbitration panel is not currently meeting but the college expects it to "convene in the near future."

GE Canada Real Estate Equity did not answer repeated phone calls and messages to its Montréal office. Calls to Morguard Corporation, which now owns Revenue Properties, were also unanswered.

## ONTARIO - Vacant sites could lose property tax rebates in London

Property owners sitting on vacant land in London may lose a tax break, netting a $1.8-million windfall for the city.

Under current rules, owners with buildings empty for more than 90 days are eligible for a 30 per cent rebate on their property taxes. With about 500 annual rebates in the city, that's a lot of cash.

The policy benefits land speculators, those who buy land to sit on it, and hurts development, especially downtown and on the city boundary, Coun. Stephen Turner said.

"It seems it's being abused by land speculators, rather than offering genuine relief for someone who lost a tenant, on a temporary basis," he said. "We have to ask if that is what we want to subsidize. We want to offer incentives to develop, not disincentives."

City staff are recommending the rebate be phased out, after the province gave municipalities the authority to end the program. The staff's case is outlined in a report that will be discussed Tuesday at a meeting of city council's corporate services committee.

"If someone has been holding on to a vacant building since 1998, they are clearly speculators. That decreases development potential," Turner said.

He declined comment on whether the recommendation is aimed at London landlord Shmuel Farhi, who has more than 100 properties in the downtown alone, many of them vacant or with vacancies.

Farhi also has large parcels of land along Highway 401 that are not developed and he is known as a buy-and-hold landlord. He bought the former Central Library on Queens Avenue in 2005, and it remains empty.

Farhi could not be reached for comment.

Turner would like to see a rebate the first year a building is vacant, with the rebate being phased out after that.

The rebate also applies to partly vacant space. If a building is 50 per cent vacant, the owner gets a 30 per cent rebate on that half-empty portion, said Jim Logan, tax manager for the city.

In December, the Ontario government ended its practice of forcing municipalities to offer the rebate and in February the issue came to council. "We are suggesting it be phased out gradually, eliminating tax reductions for vacancies," Logan said.

The report recommends the London Economic Development Corp., business improvement areas and London Chamber of Commerce be asked for feedback on the issue.

"The province wants the municipality to consult with the business community before they decide what to do," said Logan.

The argument for continuing the rebate is that it can help development in a depressed area, the report says.

"Property owners can argue that the vacancy rebate can provide some tax relief to depressed areas and provide funds to encourage productive use and occupancy," it stated.

Those who own property that is vacant, or partly vacant, also get some relief on their property taxes from the Municipal Property Assessment Corp., because vacant land is assessed at a lower rate, Logan said.

Owners can appeal their MPAC assessment annually.

If city councillors decide to phase out rebates, it would be a second measure in a trend to spur more development downtown. The city has also decided to look more critically at applications by land owners operating parking lots downtown, Turner said.

"They can apply for temporary usage" as a parking lot "and when they do council will decide whether to grant it or not. We will not routinely do this anymore," he said.

## N.B. real estate sector renews call for property tax overhaul

*'Miscalculation' that drove up many tax bills should spur government to action, spokesperson suggests*

The New Brunswick Real Estate Association says there may be a way for the province to avoid sending out jarring property tax bills based on miscalculations, as it did this year in the case of at least 2,400 property owners.

For years, the association has asked for changes in the New Brunswick property tax system, and now it is hoping the uproar over recent mistakes will spur the Liberal government to act.

"We want a complete overhaul of the taxation system," said Kari McBride, past president and chair of government relations for the association. "We want everything to be fair … and equitable."

The association has submitted a paper to the government that recommends basing property tax on market values, not on assessments by government officials.

"In today's market, more times than not, the assessed value is higher than the sale price," she said on *Information Morning Fredericton.* "The assessments are not being applied based on actual market value, which is sale price of properties."

Under the real estate group's proposal presented to earlier governments, tax would be based on what a house sold for, whether in the previous year or many years earlier. The market value of a property that exchanged hands years earlier would also reflect inflation during the time that has elapsed since the sale.

Several groups across the province are being treated unfairly, McBride said, citing apartment owners, owners who aren't the occupants of their properties, and cottage owners.

And commercial properties also take a large hit under the New Brunswick way of taxing. McBride pointed to the finding that a commercial property in Doaktown pays 60 per cent more taxes than a commercial owner in Toronto per $100,000 of assessment.

"It's not welcoming to New Brunswick to try and create new revenues or investments in this province," she said. "We want it to be fair overall."

A break in the system

McBride said there's the system has broken, and the problems with unfairly high taxes is not new.

"Be it an oversight in the system, a system glitch we don't really know why it's happening, but we know it needs to be fixed," she said.

McBride said the association is waiting for reaction from Finance Minister Cathy Rogers to its position paper

The association will be meeting with provincial official in April.

"Things obviously don't happen in a vacuum but that's why our proposal is a phased-in approach." she said. "It's definitely time to stand up and listen to your New Brunswickers."

## ONTARIO - City loses $1.2 million in big-box property tax appeals

City councillors will learn Monday that the City of Sault Ste. Marie has lost big cash in property tax appeals launched by Canadian Tire and Home Deport.

Shelley Schell, the city's treasurer and commissioner of finance, is recommending a $1.24 million payout to settle appeals by the two big-box retailers covering eight years from 2009 to 2016.

The amount of the payout is from a province-wide settlement of Assessment Review Board appeals based on decreased land value, lower sales and changes in the replacement cost of building a new store.

"The city has the right to appeal the minutes of settlement and require a further view," says Schell.

"It is staff's opinion that because there was significant municipal involvement in the process, including representation from Northern Ontario in the municipal working group, the likelihood of being successful is minimal," Schell said in a report.

"Staff has the authority to sign off on the minutes of settlement on behalf of the municipality and will be doing so unless otherwise directed by council."

The proposed settlement would return $931,740 in city taxes to Canadian Tire and $306,010 to Home Depot.

Area school boards are also expected to lose big, with a $333,803 refund to Canadian Tire and $122,996 to Home Depot.

Walmart Canada also appealed its property assessment but subsequently dropped its appeal in Sault Ste. Marie.

## NOVA SCOTIA - CBRM mines taxes from Donkin coal property

There are no property taxes under the sea.

The Donkin coal mine, re-opened and in the early stages of production, will pay property tax on its above-ground buildings, not the millions it spent rehabilitating a tunnel that extends four kilometres under the Atlantic Ocean.

“We don’t assess what’s under the ground,” said Lloyd MacLeod, senior commercial manager for Nova Scotia’s Property Valuation Services Corporation.

“It’s not much different than any other property,” MacLeod said. “What we’re assessing out there is the land and any structures that are built on the property.”

“So, for instance, back in 2015, the Donkin mine site was assessed at $720,000. During 2015, they started construction of a building, so the assessment for 2016 went up to $1.6 million, and for 2017, it’s now at $2.7 million,” he said.

“In the fall of 2017, we’ll go out and inspect the property again, as we do with any property that has new construction.”

MacLeod said the provincial agency typically finds out about new buildings in the fall, when it obtains copies of all the building permits that are issued by municipalities.

“But in the case of something like the Donkin mine, where it’s a little bigger and it’s industrial, we’ll go there whether we have a permit or not, just to see if there’s any changes from the previous years,” MacLeod said. “If there’s any new buildings or structures erected on the property, we’ll assess it.”

The specialized equipment that mine owners Kameron Collieries, a subsidiary of The Cline Group, has installed in the Donkin mine, including conveyors, does not come into the picture.

“Equipment is not assessable in Nova Scotia,” MacLeod said.

Nor long dark corridors with miles of rock and ocean above them.

“Tunnels that go underneath the ground — we don’t assess tunnels,” MacLeod said.

The tax rate on assessed value for Nova Scotia industrial properties is the same as all other commercial properties, varying only by region.

In Donkin, the commercial tax rate is $5.062 per $1,000 of assessed value.

That may change if the Cape Breton Regional Municipality succeeds in obtaining greater control over its affairs from the province, in the same style as Halifax, through a municipal charter, which Mayor Cecil Clarke has declared a goal.

“A big part of the concept of the CBRM having its own charter is the ability to have more flexibility in the tax system,” said CBRM spokesperson Christina Lamey.

## NEW BRUNSWICK - Tax records show huge jumps in assessments in province

*Some New Brunswick communities show an increase of more than 20 per cent in property tax this year*

A CBC review of New Brunswick property tax records in six communities shows the provincial government billed 1,186 homeowners for property tax increases of more than 20 per cent this year, despite legislation that forbids increases above 10 per cent, plus the cost of new construction.

It is more than 10 times the number of homeowners who got a tax increase that large last year.

Jamie Watling lives in Quispamsis and saw his tax bill increase 32.9 per cent after the province raised his assessment $59,700.

His renovation? Two $300 laundry room windows he installed himself on a Saturday last year.

"I think our reaction was laughter," Watling said when he and his wife opened their tax bill. "We couldn't believe it."

By law, Watling's tax bill can only increase $241 this year [10 per cent of last year's bill] plus 1.28 per cent of the value of his two new windows.

That's the tax rate in Quispamsis and would add another $7 to Watling's increase.

But like it did for hundreds of other homeowners, the province ignored those rules when it issued Watling's bill and charged him $794 more than last year.

"It's not going to bankrupt us. It's more the principle of it than anything," said Watling.

Saint John area hit worse

CBC's review shows the heaviest concentration of homeowners being overcharged on their property tax bills is in the greater Saint John area, including Rothesay and Quispamsis.

Opposition leader Blaine Higgs represents Quispamsis and in the legislature Wednesday, pressed the Gallant government to acknowledge it has wrongly been overcharging homeowners.

"There have been major issues with assessments. Will the the minister responsible agree to help publicize the fact that many New Brunswickers might overpay their property taxes by many hundreds of dollars?" said Higgs.

Service New Brunswick is responsible for assessments but Minister Ed Doherty has answered no questions in the legislature about the foul up.

Instead Local Government Minister Serge Rousselle claimed problems were worse under the previous government.

To gauge the extent of the problem CBC News reviewed data compiled by Shawn Peterson of propertize.ca.

He generated a spreadsheet from the province's master list of 467,606 properties showing the 4,492 that received both an assessment and tax increase this year of between 20 and 40 per cent.

From that list CBC News isolated properties in the six communities of Moncton, Dieppe, Fredericton, Saint John, Rothesay and Quispamsis.

Using residential tax rates in each community, all the owner-occupied homes were pulled out. For comparison purposes the procedure was repeated for the previous 2016 tax year.

Huge jump in new assessments

The review revealed a stunning jump in the number of homeowners being charged more than 20 per cent increases on their property tax bills this year.

In Quispamsis, four homeowners received increases like that in 2016 compared to 157 this year.

It was even worse in Rothesay, where another four homeowners received large increases in 2016 compared to 224 this year.

The highest amount billed more than 20 per cent, a total of 355 homeowners, was in Saint John.

The province has acknowledged there were "miscalculations" on 2,400 bills this year but will not say if those are in relation to incorrect assessments, a failure to cap increases at 10 per cent or another issue.

It has also not explained what caused the problem other than to call it "human error."

Watling said he has heard nothing so far.

"I'm kind of hoping I'm one of the 2,400."

| Owner-occupied homes with tax increases from 20% to 40% | | | |
|---|---|---|---|
| Community | 2016 | 2017 | Change (%) |
| Rothesay | 4 | 224 | +5,500% |
| Quispamsis | 4 | 157 | +3,825% |
| Dieppe | 13 | 193 | +1,385% |
| Saint John | 24 | 335 | +1,379% |
| Fredericton | 27 | 156 | +478% |
| Moncton | 44 | 101 | +130% |
| **Total** | **116** | **1,186** | **+922%** |

## BRITISH COLUMBIA - City will look to increase property taxes on top of BC Assessment increased assessment

Review and analysis of the 2017 completed assessment roll indicates that the assessed value of residential properties in Grand Forks has increased an average of 4.08 per cent due to market changes.

Grand Forks taxpayers are getting hit with a double whammy this year.

City council is considering a 3.5 per cent increase for property taxes — to be voted on in earnest March 27 — in addition to a 4.8 per cent increase in property values from B.C. Assessment.

Council voted on an increase of 3.5 per cent — $125,062 — on top of the previously proposed $3,573,211, for total property tax revenues of $3,698,273. But it did not come without much debate, and the motion was not unanimous.

Coun. Julia Butler contended that the city’s asset management policy says it could only increase taxes two per cent over the consumer price index, which works out to 3.5 per cent.

But because of the increased assessments the city has had from B.C. Assessment a lot of the property values have gone up in the city, she added, that the actual increase the city is realizing already in taxes is 4.08 per cent, meaning a tax increase of $163,000.

“Because we are already seeing a 4.08 per cent increase in our gross revenue from property taxes, I don’t feel comfortable increasing it another 3.5 per cent on top of that,” she said. “I would be favour of keeping the rates where they are.”

Review and analysis of the 2017 completed assessment roll indicates that the assessed value of residential properties in Grand Forks has increased an average of 4.08 per cent due to market changes, plus a further approximately three per cent overall as a result of the desktop review process recently conducted by B.C. Assessment, read a city staff report to council.

City chief administrative officer Doug Allin said the Asset Management Financial Plan Bylaw outlined that the city should reach 50 per cent of its asset replacement. The city was currently only at 44 per cent.

“The windfall we will realize as a result of property taxes and the B.C. Assessment rate going up will allow us meet that objective,” he said. “If you hold the line now you won’t reach your objective and you are so close to the 20-year plan.”

Coun. Christine Thompson agreed.

“If we don’t continue to increase our taxes somewhat, we are going to keep going down the hole, instead of trying to have the money there to do the upgrades required, to have some money we can put away into capital for the rainy day fund,” she said.

“I think we are going to get some flack for it, but I think we really have to be able to move forward so our community can. If we don’t start to put our money into the repair of our assets, we are hooped.”

Mayor Frank Konrad said no one wants taxes increased, but it was a very real possibility that assessments will go down next year.

“So what kind of tax increase would we be looking at then, which would make matters worse?” he asked.

Butler said property values are going through the roof in most areas, but Grand Forks was on the low end of that spectrum.

She felt the city could tighten its belt in a few different areas to save the pennies it needs to still fix the roads and whatever needed to be done, but to cut back extra and pass savings on to the taxpayers.

Coun. Chris Hammet argued that tax increases were not done in previous years to build the asset plan — which helps fund the repair of roads and infrastructure — but now council has gradually built it up.

“Now we are almost there and if we can just take a bit more of a step and then we can maintain,” she said.

Konrad said the scenario of two taxation increases was very beneficial to the city because now it only has to implement a minimal tax increase, and the city “was fortunate” that assessments went up and it helped the municipal bottom line.

“But, having said that, if it goes down next year or it drops, then we have to increase our percentage, which then we will be under bigger scrutiny from the taxpayers,” he said. “So, while it’s going good, let’s not go and fix it.”

The motion to increase property taxes by 3.5 per cent passed, with Butler and Coun. Colleen Ross voting against the increase.

Road map to fiscal freedom

Sections 165 and 166 of the Community Charter require a municipality to adopt a five-year financial plan each year, before the annual property tax bylaw is adopted, and to include public consultation as part of the process prior to adoption of the financial plan.

A series of four workshops, open to the public, were held in Council Chambers on Jan.

16 and 30, and Feb. 6 and 14, in which the capital and operating budgets for 2017 were presented and discussed.

The financial plan for 2017-2021 was presented for review and discussion at a public workshop on Feb. 27.

At the Feb. 27 workshop, city staff presented council with a draft financial plan which included an increase of tax revenues of $162,128 from 2016, for total 2017 property tax revenues of $3,573,211.

This amount was determined by applying 2016 tax rates to the 2017 completed assessment roll, and thus represented an increase in tax revenues attributable to changes in property values and new construction.

### ALBERTA - Bingo halls in Calgary won't have to pay municipal property taxes for a second year

Three Calgary bingo halls got some good news from the City of Calgary Tuesday.

For the second year in a row they won' t have to pay municipal property taxes.

In an 8-5 vote council approved the tax break. It's a move to help the non-profit groups that hold fundraisers at the facilities.

Councillor Andre Chabot said he expects the provincial government will rewrite the rules and give the bingo facilities a permanent tax exemption.

"The province has imposed taxation on to those bingo facilities because I think they're struggling with interpretation of their own rules which is why they're looking at amending them."

Bingo halls are currently excluded from tax exemption status but that is set to be reviewed before the fall sitting of the legislature.

"All I'm asking us to do is not burden these guys with the tax this year when ultimately it's going to be eliminated in the future," said Chabot.

The three facilities would have owed over $189,000 this year.

### ONTARIO - Artificially Low Property Taxes Are Bad for the Health of Toronto Residents

Two Toronto doctors say the cuts made in the 2017 City Budget will put vulnerable residents at risk.

By Dr. Stephen Hwang, and Dr. Ketan Shankardass

Toronto's 2017 City Budget process is now behind us. While the City has adopted strategies related to poverty reduction, housing and homelessness, older adults, and more, they are just words on paper until resources are allocated to them. This budget left many important programs with insufficient resources. It also cut frontline staff and hours of service in several departments, making it more difficult for these strategies to become a reality.

During the budget vote, Council voted for about a 12 person cut to the staff complement for city-run shelters on the argument that this would have a minor impact on services. As people who do research and see patients in city-run shelters, we can tell you that shelter workers are already stretched thin. The result: People stay in the shelter system longer, and under poorer conditions, as they do not have the support necessary to get better (people are often dealing with complex health problems), access appropriate services, find housing, and get out.

Even if additional staffing were not necessary, the more than $1 million taken out of the budget for city-run shelters is sorely needed in other areas. Last year, we worked with Toronto Public Health to develop an evidence-based approach to cold weather alerts. We found that a high number of cold-related injuries among people experiencing homelessness occur on days that are only moderately cold.

Currently—and despite the addition of new shelter beds—almost every type of homeless shelter is above the 90 per cent maximum occupancy rate. Housing allowances, an increase in eviction prevention supports, additional shelter beds, outreach staff: any of these would have been an important and much-needed use of more than $1 million in annual funding.

City Council also voted to cut 17,000 hours of service from long-term care homes. In addition, they cut 111 frontline positions from the staff complement for community centres—jobs that largely seem to have been left vacant, and that often go to youth. Recently, Parks, Forestry and Recreation (PFR) released the waiting lists from 2015. There were more than 180,000 wait-listed spots. Of these, 86 per cent were for children. The top three wait-listed programs were swimming, summer day camps, and pre-school programs.

Council also voted to increase TTC fares, and to impose a 12.5 percent increase to user fees for programs such as homework clubs, craft clubs, and family gym time. At the same time, according to an analysis by Social Planning Toronto, Council added funds so that the Toronto Community Housing Corporation and TTC could, in essence, carry on existing services. They also added approximately $6 million in new initiatives related to the Poverty Reduction Strategy (PRS). These include expanded school nutrition programs, library youth hubs, and 300 new childcare subsidies.

While we applaud these initiatives, it’s important to look at both sides of the balance sheet. The cuts to the community centre staff complement, long-term care home hours, and city shelter staff alone add up to more than $6 million each year. The result: the erosion of access to services while selected programs expand or come online through the PRS. As an example, a mother with a child who attends a school nutrition program may also have that child on the waiting list for summer day camps and swimming lessons. She is now paying more for TTC. She may have a parent in a long-term care home. We don’t live in silos—robust healthy policy looks at the system as a whole, and our lives in all their complexity.

This situation should not be acceptable to Toronto residents, or to members of City Council. It is not acceptable, and it is not necessary. Resources are absolutely needed from other levels of government.

As many have pointed out, however, City Council has revenue sources it has chosen not to use. This year, City Council voted for a property tax increase that was below inflation. Property tax rates for condos and houses in Toronto have been kept artificially low for years—lower than all other GTA municipalities, Hamilton, and Ottawa. Toronto also has—and could expand—mechanisms to mitigate the impacts of property tax increases for households living on low incomes.

In addition, the City has access to revenue tools it’s not using, such as bringing back the motor vehicle registration tax.

What is needed now is the bold and courageous expansion of resources and services. It’s possible, however, that future budgets will instead make things worse. During the budget process, the Budget Committee called for the City Manager to explore additional cuts in future years.

As experts in public health, we would like to say clearly that failing to appropriately resource the operating budgets for services such as housing, shelters, community centres, child care, and transit will further entrench the deep health inequities already present in our city, and lead to predictable increases in preventable illness.

City Manager Peter Wallace has said that it’s what we fund—not what we say—that is an “expression of the values” of the city. We have often acted as expert advisors to city policies and strategies, and we have done so with the understanding that these policies and strategies would be made real through the allocation of funding. Going forward we will be watching the numbers. They are the best indication of Mayor Tory and City Council’s intentions towards our city, the people who live here, and our health and well-being.

Dr. Stephen Hwang is a physician specializing in internal medicine and a Professor of Medicine at the University of Toronto. Dr. Ketan Shankardass is an epidemiologist and an Associate Professor at Wilfrid Laurier University.

## NEW BRUNSWICK - 'It doesn't make sense': Large property tax hikes defy law

Province admits 2,400 'miscalculations', apologizes for inconvenience

Evidence of significant problems with property tax bills in New Brunswick continues to mount and not just with excessive assessment increases.

Records show numerous homeowners who undertook no renovations on their properties in 2016 were hit with tax increases above 10 per cent — contrary to a law that forbids large tax hikes, no matter what happens with assessments.

Margaret Penchoff lives in a three-year-old home on Saint John's west side and saw her tax bill jump $1,274 (36.1 per cent) this year. That's more than triple the increase allowed by law in the absence of improvements made to her property.

"Nothing has been done," said Penchoff. "It was a brand new build. Nothing has been added since 2014."

New Brunswick limits property tax increases to homeowners to 10 per cent per year plus the value of "major renovations" done in the previous year. But in Penchoff's case there were no renovations.

That means even if her 36 per cent assessment increase is accurate, which she doubts, a tax increase based on it would have to be phased in over four years, beginning with a 10 per cent ($353) hike in year one. Instead the province billed her for the entire $1,274 increase at once.

"I was shocked," said Penchoff. "I thought there was something wrong for sure because there is no way the value of the property has increased by 36 per cent. If there's no resolution I'm probably going to have to consider selling. There's no way I can carry that."

The province has offered no explanation for why homeowners have been billed for higher increases than are allowed, although it appear hundreds of properties may be involved.

On Saint John's Pine Street, Douglas Brenton's tax bill jumped 43.3 per cent ($771) instead of the 10 per cent ($178) allowed in legislation. He says he hasn't upgraded his property since he won an appeal on a previous tax bill in 2009.

"Since that time I have done absolutely nothing and the house has only deteriorated," said Brenton. "Absolutely nothing."

Law changed in 2012

In 2012 the province outlawed property tax increases above 10 per cent in a single year for homeowners.

"These types of large, one-year increases are unfair," said a white paper on property tax reform by the former Progressive Conservative government of David Alward. The government then passed legislation forbidding property tax increases of more than 10 per cent unless it was caused by a major renovation.

"If an assessment goes up by more than 10 per cent the maximum upon which a person would be expected to pay tax is the 10 per cent," Bruce Fitch, the minister of local government at the time, said in the legislature during debate on the measure. The bill passed and received royal assent in December 2012.

Law not always followed

But according to homeowners the province has not been honouring the law in many cases this year.

On Rothesay's Ian Crescent, Glenn Galbraith's property tax jumped $631 (28 per cent) and his next door neighbour Joseph LeBlanc's jumped $598 (29 per cent) even though both men say no improvements were made to either property.

"A lot of people's around here went up," LeBlanc said. "I understand taxes go up. But that amount? It doesn't make sense."

Around the corner on Highland Avenue, Carl Porter says he also performed no renovations, but his bill increased $617 (29 per cent).

According to data compiled by Shawn Peterson of propertize.ca, more than 800 residential properties in Saint John alone received both assessment and tax increases above 10 per cent this year, with 400 of those getting an increase above 25 per cent.

Some of those are exempt from the 10 per cent limit on tax increases, including homes constructed in 2016, purchased in 2016 or renovated in 2016. Still, many were entitled to the 10 per cent cap and did not receive it.

Margaret Penchoff said she can only assume something in the provincial assessment system has broken down.

"There's something that must have gone wrong in order for it to have been this much of an increase and to affect so many people."

2,400 'miscalculations'

In a statement released Monday evening, Service New Brunswick acknowledged a significant number of errors have occurred.

"For 2017, 95 per cent of property assessments across the province have been reduced, remained the same or increased by less than 10 per cent in value," said Nichole Bowman, communications director at Service New Brunswick.

"The remaining five per cent of properties that have increased greater than 10 per cent in value would include all new construction, renovations and additions.

"In 2017, property assessors reviewed more than 467,000 properties. With this number of assessments, Service New Brunswick has discovered 2,400 miscalculations for 2017 which it is now moving to correct. A new bill will be issued to all impacted property owners.

"Service New Brunswick apologizes to property owners for any inconvenience this has caused.

"If a property owner does not agree with their assessment, they can request a review which must be filed by March 31.

"An Assessment Spike Protection mechanism is now in place to ensure property assessment growth occurs in a more stable and predictable manner for owner occupied properties.

"An assessment increase greater than 10 percent will be phased in over a period of time. All new construction and/ or major improvements made to a property are excluded from Assessment Spike Protection."

## NEW BRUNSWICK - Saint John, Rothesay homeowners debate high property assessments

Residents say the increase in property assessments must be a mistake

What appears to be a widespread of errors in property assessments sent out by Service New Brunswick, are raising questions about the accuracy of property tax bills in the southern part of the province.

Keith Greenhalgh lives on Charles Street East in Saint John and was notified last week of a 21.1 per cent increase in his assessment and property tax bill, an amount he knew had to be a mistake.

"Assessments are supposed to be based on the fair market value of the property and the bill I received was nowhere in line with that figure," said Greenhalgh.

When he called to question the amount he was told, Service New Brunswick was having problems with the computer system that has been calculating tax bills.

Greenhalgh's assessment increase has since been struck and replaced with a 4.6 per cent assessment reduction. The difference in the two property tax bills was $741.

"They indicated they were either using new software or a new algorithm to determine the value of the homes," said Greenhalgh.

"If you're going to change a process or a procedure of doing something to a new way one would think that you would test this process before unleashing it upon the masses."

Dozens of homeowners in Rothesay also received unusually large assessment increases last week out of the blue.

Carl Porter has lived in his Highland Avenue home for 12 years. Last year it was assessed at $174,300. This year that has jumped $53,100 or 30.5 per cent, an amount he believes is almost certainly wrong.

"I have done nothing to the house since I moved in so I don't know where the increase would come from," said Porter. "I'm on a fixed income too because I'm retired so it's really hitting."

A sign that Porter's assessment is likely a mistake is the fact he was charged the full 30.5 per cent increase on his tax bill as well, a jump of $617.

New Brunswick has "assessment spike" protection for homeowners and is required to phase in increases above 10 per cent over two or more years. In Porter's case the maximum 10 per cent tax increase he could have gotten — absent some kind of computer error — is $210.

Judy Cole, a Service New Brunswick spokeswoman, said she is not aware of any problems with property assessments in the Rothesay area and says spike protection does not apply if homeowners have undertaken significant renovations.

Still Porter says he did no such thing and a search of property records of streets around his house shows several dozen homes have had assessments jump significantly without any apparent fix up and then been charged property tax increases above the maximum 10 per cent.

Around the corner from Porter on Ian Crescent there are 10 houses.

Last year most were assessed at less than $190,000 and this year most are above $230,000. Eight received assessment and tax increases of between 24 per cent and 38 per cent this year even though most show no sign of upgrades and demand for property in the area is lacklustre.

Two houses on Ian Crescent did sell in 2016, but both went for thousands of dollars less than their assessed value.

Shawn Peterson runs the property tax and assessment website propertize.ca and feels something is wrong within a number of neighbourhoods in the Rothesay area.

Shawn Peterson runs property tax and assessment website propertize.ca and believes something is wrong within a number of neighbourhoods in the Rothesay area.

"You're looking at entire streets and areas in Rothesay where its crazy. It's 20 it's 30 per cent increases for every house," said Peterson.

"These are not million dollar homes. People's tax bills are up $600 or $700 — it's crazy."

Peterson recommends homeowners check the history of their assessment on either the province's assessment website or his own propertize.ca and challenge anything that appears unusual.

"Get educated about you own property. Whether it's a machine error or whatnot, something weird is definitely going on and I don't think people should blindly accept the increases."

## ONTARIO - Cornwall Canadian Tire assessment appeal pending

The rash of assessment appeals from commercial properties, which has blown hole in the municipal budget city hall is scrambling to fill, just keeps getting worse.

The Canadian Tire store in Cornwall has joined the list of other commercial property owners that have sought a lower property tax bill by appealing their property tax assessments.

In Canadian Tire's case, the store is appealing two assessments; one in 2012 when the property was valued at $9.7 million and the assessment in 2016 of $12.4 million. If successful, it would almost certainly cause the municipality to refund some of its previously paid property taxes. Such a payment would be taken from a reserve fund and not the 2017 budget.

For its part, Canadian Tire said its Cornwall appeal is part of a larger initiative taking place right across Ontario. Company spokesperson Joscelyn Dosanjh said the corporation has launched several appeals to recover tax money it believes it should not have been required to spend.

"Following Municipal Property Assessment Corporation's (MPAC) 2008 and 2012 assessment rolls, it was discovered that a number of our properties in Ontario were not being properly assessed," Dosanjh told the Standard-Freeholder. "An appeal process was launched in collaboration with the affected municipalities and an agreement was recently reached to adjust our property values. In some cases, this led to Canadian Tire Corporation paying additional property taxes, and in others, it resulted in tax refunds to be paid by certain municipalities."

Negotiations on a potential deal have been underway between the city, Canadian Tire and MPAC for some time. A bylaw set for approval at city council Feb. 27 would have had the city accept a negotiated deal between the three parties regarding Canadian Tire's property tax assessment.

When asked about that bylaw, the city's chief administrative officer Maureen Adams said the bylaw was pulled from the agenda at council's instruction because one or more of the three parties to the negotiated settlement has not signed off on the most recent draft agreement.

Similarly, Adams was not able to speak to what the revised property value for Canadian Tire the deal was asking the city to agree to, although there are indications it would be a significant drop.

Because of all the commercial properties that appealed their property tax assessments in the past several years, the city's budget steering committee has been trying to find ways to make up for all the property tax revenue it won't be collecting this year.

Residential taxpayers are being asked to make up for much of the over $1-million gap the commercial sector has caused in the municipal budget by lightening its own tax burden though appeals. This would lead to an increase for most residential taxpayers in 2017, despite the fact the current draft of the budget would spend less overall in property taxes than in 2016.

In the draft budget is set to be introduced to full council this month, property taxes for an average Cornwall home assessed at $161,899 would increase 2.78 per cent or about $62.54.

## ONTARIO - LRT to boost property values

Ottawa Council approves the next stage of the Light Rail Transit project, a sign of the developments in future real estate.

Early on in Ottawa the value of a property was at times based on its proximity to Parliament hill, but with new access provided by light rail transit (LRT) that could change.

On Wednesday, Stage 2 of LRT was passed by city council after just a few hours of debate.

This includes construction of an additional storage facility near Moodie Drive, as well as the following extensions:

The added access from the entire LRT project could mean an increase in property values nearby.

"Definitely, I think accessibility is a big part of real estate. If there is something with easy access to transit certainly that will mean homes are more in demand and that normally means pricing goes up," said Geoff Walker with Toscano/Walker Team.

A study conducted in 2013 by the Real Estate Investment Network indicated properties within a few blocks of a transit station could increase by as much as 20 per cent.

John Herbert with Greater Ottawa Home Builders' Association agrees with that finding, adding that the price of undeveloped near transit stations will also rise in Ottawa as the city allows zoning for condominiums.
"They need the density there to get rider levels up to pay for the operation so… there are condos planned around all the LRT stations," Herbert said.

The study added that neighbourhoods with dual access to transit stations and highways will see the greatest increase. These include areas such as Downtown, Centretown, Hintonburg, and Sandy Hill, to name a few.

Herbert said on paper the increase seems very likely, but that it could takes years to see results and will depend upon the consumer.

### BRITISH COLUMBIA - Should Developers Pay to 'Ride' the Benefits of Transit?

Where transit goes, land values rise. Should cities and the public get a share?

If transit is coming to your neighbourhood, you can bet the land value will go up. From Toronto to the Bay Area to Dutch cities, research has shown that residential and commercial property values — and rents — are higher near transit.

This raises a challenge for growing cities and regions: how to encourage a variety of housing options near transit. But it may also hold at least a partial answer.

Considering that it was the public's investment in transit that lifted the land value, shouldn't the public also share in that increase?

It turns out there are some ways they can do just that, with what are called "land value capture" strategies, as well as through smart zoning.

In Metro Vancouver, the TransLink mayors' council has proposed one type of "land value capture": an extra fee for new developments located in transit corridors, raising money to help pay for the planned transportation investments.

B.C. municipalities already collect something called "development cost charges" (DCCs) from developers. The money is used to pay for public assets that the growing population will need — things like roads, water, sewers, drainage and parks. The TransLink mayors' council wants to do much the same for transit. The group is exploring various options for the one-time charge: a region-wide rate on all new developments; a higher rate near frequent transit; or a hybrid of the two.

Metro Vancouver has been growing like never before, with about 28,000 housing starts in 2016, an all-time record and a 34 per cent increase from the previous year. According to Port Coquitlam Mayor Greg Moore — also the board chair of Metro Vancouver and a member of the TransLink mayors' council — a significant number of those starts are near transit.

Considering this growth, Moore adds, time is of the essence so that municipalities can capitalize on the development boom. "The longer we wait, the more money we are not collecting," he said. The mayors' council hopes the province will approve DCCs for transit and transportation next winter, for the region to implement them in 2020.

Provincial minister responsible for TransLink Peter Fassbender has also floated the idea of a transit-supporting levy in meetings with cities and developers. Though details of how it would actually work are not yet available, the ministry told the Tyee.*

For his part, Port Coquitlam's Moore doesn't think a provincial fee — especially if levied on top of the mayors' proposed fee — would be appropriate. "The local governments did the planning, approached developers, and also seized a holistic view of different costs that are already placed on building new units," Moore said.

Could fees raise prices higher?

Regardless of who gets the money, there is an argument that any extra charge levied on developers will only push home prices higher.

That could also mean the displacement of low-income individuals who live, or would like to live, near frequent transit.

Transit stations are crucial for low-income individuals who do not own vehicles to expand their chances of employment, said Todd Litman, founder and executive director of the Victoria Transport Policy Institute.
“A transit station is this wonderful, magical thing that provides high-quality access to the region,” Litman said.

If fees are a “stick,” King County, Washington is going the other way to encourage new affordable housing near frequent transit. There, if a developer agrees to build affordable units, the county will reduce what it calls “impact fees” (its version of DCCs) or waive them entirely.

Yet another way to capture land value for the public is in direct partnerships with the private sector.

For instance, cities can sell air rights above transit hubs and other infrastructure. New York City did that in 1960, permitting four apartment towers for middle-income households to be built directly over an expressway near the George Washington Bridge. (Noise turned out to be something of a problem).

Land value capture is one method of funding transit projects, but Litman argues that it shouldn’t be a substitute for traditional funding like property or gas taxes. On that score, he said, “the province [of B.C.] seems to be very uncooperative at a moment when major investments in public transit are badly needed.”

One recent example took place in late-February, when the province rejected a gas tax increase for the capital region to help fund transit.

On land use

Capitalizing on transit-oriented development is one thing. What kind of projects get built is another.

High-rise condos often attract opposition due to fears of gentrification and displacement, but it can’t be denied that towers add much-needed housing units to growing cities. And when that density is located near transit, it also helps discourage car use and urban sprawl.

Nonetheless, Litman has a tip for cities: look past the towers. Within the walkable “half-a-kilometre to a kilometre distance from a transit station,” he suggests, “cities should be encouraging single-family homes to be converted to low-rise apartments and townhouses.”

These gentler forms of added density have been called housing for the “missing middle.” It’s something that the Ryerson City Building Institute and the Ontario Home Builders’ Association have been urging that province’s Ministry of Municipal Affairs to push in a new community growth plan due this year.

Getting gentle density to happen near transit stations though, will require new zoning rules, and modified requirements for amenities like parking and park space.

And then there’s NIMBYism. Litman noted it’s often a challenge to convince residents in single-family neighbourhoods to welcome extra density, even when it’s gentler than towers.

Problem is: there’s only so much land to go around. Cities need to make the most of it, whether that’s charging fees or diversifying the housing types available in the most coveted areas.

## ONTARIO - Mississauga explosion victims get help with property taxes, but is it enough?

The tax explosion got almost as hot Wednesday as the actual explosion of their Mississauga homes eight months ago.

In all, 33 houses were impacted from last summer’s deadly home explosion that, in addition to killing two people in a suicide pact, also blew regular Mississauga families from their Hickory Drive homes.

Wednesday started out with from Mayor Bonnie Crombie and Mississauga city council deciding that, despite the fact that there is not even a home in the affected area anymore, the owners still had to fork over their full property tax bills.

Zero sympathy and even less accommodation.

“We believe there is still value to the property that is standing and there is still cost to service that property,” Crombie told John Moore on Newstalk 1010 on Wednesday morning.

It was a ludicrous notion that did not seem to take into account that, on the other side of this balance sheet and tax form, there are actual struggling families. This was piling on people who are already down.

Here we had some Mississauga refugees thanks to a couple blowing themselves up. If the people they displaced were Syrian refugees, Mississauga would have trotted out its welcome sign and giant heart of support without question.

Instead, there seemed to be a rigid approach that did not take into consideration just how much these fellow Mississaugans’ lives had been turned upside down thanks to the bizarre criminal actions that left couple Robert Nadler and Diane Page dead amongst the rubble.

The irony that the couple had complained about their tough life, which included power being out, which made it difficult to vacuum to keep the house clean, was not lost on the day.

This is not the time for putting people in their place or showing government superiority.

Yet here was Mississauga, seemingly showing a lack of compassion.

But things took a turn for the more logical later Wednesday thanks to a motion by Councillor Chris Fonseca “to provide a grant to residents of Hickory Drive equivalent to the property taxes they have paid while they have been displaced from their homes through no fault of their own as a result of the June 2016 explosion.”

And Crombie wisely came around herself.

“We did what was right. I’m proud of my council for their compassion during what is truly an extraordinary situation,” she said. “After listening to Council, in particular the heartfelt plea of Councillor Fonseca, I voted in favour of the grant to recognize the extraordinary nature of this event.”

This one-time measure will only cover about 30% of the property tax bill, but it starts things out of the road to fairness and common sense. Hopefully the other creditors collecting on people who don’t have their houses any more and hence are not benefitting from services, will follow suit in a quicker fashion.

There’s already too big a mess on this street for there to be even more.

## ONTARIO - Confidential report attacks Victoria College’s property-tax proposal

The federated college at U of T is offering $500,000, the report says, on land that would generate millions in taxes.

Victoria College, owner of some of Toronto’s poshest commercial real estate, used false arguments to offer the city a fraction of the millions of dollars it owes in property taxes, a scathing confidential report alleges.

The city staff report, not made public, but reviewed by the Star, advises city councillors to reject an “unacceptable” proposal, also secret until now, made by Victoria University, a federated college at University of Toronto.

Councillors on a city committee, armed with the advice, recently recommended staff resume negotiations with the college, but, if no deal is reached by September, urge the Ontario government to scrap the college’s unusual exemption from paying property taxes on its enviable land holdings.

Council will consider the issue later this month.

The college offered, the report says, to make ex-gratia — that is to say, not legally obligated — payments of $100,000 per year for up to five years. This is in exchange for the college making no payments in lieu of taxes on land under buildings including The Colonnade mall on Bloor St.'s "mink mile," where tenants include ritzy retailers Cartier and Prada, and an upscale apartment tower being built nearby.

The city does get property taxes on commercial buildings atop Victoria land.

But, the report says, a longstanding exemption on the land, itself, cost the city more than $20 million in lost taxes between 2013 and 2016 for three sites on Bloor St. W., 131, 151 and 153, as well as 8 St. Thomas St. and 110 Charles St. W.

While accepting the "goodwill nature" of the college's $500,00-payment offer, city staff said "it pales in comparison to the taxes the city would collect if Victoria University's tax exemption was the same as other public educational institutions in Toronto."

Ryerson, York University and others pay commercial property taxes on university land used for commercial purposes.

The 1951 Victoria University Act makes all of that college's land tax-free.

The U of T enjoys a similar blanket exemption, but voluntarily makes payments in lieu of taxes of about $240,000 a year, on three small leased commercial properties.

U of T does, however, pay nothing in lieu of what would be an annual $250,000 tax bill on the site of its subsidiary University of Toronto Press, at 5201 Dufferin St.

The confidential city staff report scoffs at Victoria's offer to negotiate payments in lieu of taxes for commercial properties subject to new leases signed after the college and city reach a deal.

"The issue is especially problematic, considering duration of existing leases for Colonnade at 131 Bloor St. W. and 151 Bloor W. ends in June 2060," the report states. A lease for redevelopment of 8 St. Thomas St. "terminates in the next century, May 2104."

Waiting so long to collect payments for the properties is "unacceptable," says the report. It notes that the taxable buildings are decreasing in value, while the value of the untaxed land will continue to rise.

The report attacks a central tenet of the college's argument: that any payments in lieu of taxes will hurt students by depleting the college's commercial cash-flow now directed to academic matters.

While the college refused to show the city its commercial leases, the report says, the city was able to get, through public court files, lease documents for three of the properties.

"These leases clearly make Victoria University's tenants responsible for paying property taxes and similar levies, whether current or imposed in the future," the report states, and they don't make the college vulnerable to lawsuits if the college passes on to tenants the cost of any additional payments made to the city in lieu of taxes.

"The leases we have been able to review suggests to us that tenants are responsible for property taxes and similar levies in the existing leases Victoria University has for its other properties, which we have not been able to review."

The college says the exemption, as granted in the 1950s, to help it revitalize a part of the city "in decline," should remain in place.

The report dismisses that, noting that, today, the U of T-area properties are in "a highly desirable neighbourhood that is home to many of the city's luxury retailers, some of which are tenants of the Colonnade," the report states.

It adds that it's unfair that "Victoria University can pass along a portion of its tax exemption to high-end retailers like Cartier and Prada when neighbouring private commercial property owners competing for the same tenants cannot do the same . . . .

"Further negotiation and discussion are required to see if the city can reach a satisfactory agreement. Failing that, the treasurer and city solicitor recommend the city approach the province for legislative change."

Jennifer Little, a spokeswoman for Victoria University, said the college is not familiar with the confidential city staff report, so it will not comment on its reported contents as the college works “closely and productively” with the city on a solution.

“We look forward to continuing our discussions,” she said in an email. “We are confident that we will able to come up with a resolution that is acceptable to both sides by the September deadline.”

## ONTARIO - GO expansion could boost GTA property values

A study commissioned by the Toronto Real Estate Board considered the impact of GO’s Regional Express Rail expansion on Toronto region housing prices and affordability.

The plan to expand the GO train system to 15-minute, all-day two way service could increase some Toronto area property values up to 12 per cent.

It could also make housing up to 18 per cent more affordable in some areas of the region, according to a study of 773 communities commissioned by the Toronto Real Estate Board (TREB).

But maximizing those benefits depends on local municipalities making it attractive for commuters to get to the station, said the president of a data analytics company that studied the impact of GO’s Regional Express Rail (RER) expansion on Toronto region housing prices and affordability.

“While the GO station may be close to people it may not be accessible to them,” said Paul Smetanin, president of the Canadian Centre for Economic Analysis (CANCEA).

Areas that stand to gain the most in terms of affordability from RER are those outside the city, places such as Barrie, Guelph, Hamilton and King.

“A household in Barrie commuting by car could shift their affordability by up to 18 per cent,” he said.

Because Toronto is already well served by transit it won’t see the same uplift in land value and improvement in affordability.

Housing affordability “has become an increasing middle-class problem across the region,” with almost a third of the Ontario population under extreme housing affordability pressure, said Smetanin.

CANCEA has developed a Shelter Consumption Affordability index that expands the measure of the cost of operating a home beyond just the mortgage payments and interest rates. It factors in other costs such as power, access to child care and transportation within the context of household incomes.

Housing prices are part of affordability but not the only factor, said Smetanin at an economic conference organized by the real estate board on Tuesday.

“Housing affordability is more than just housing prices. Housing prices aren’t a problem if your incomes are going up at the same rate, if you’ve got other expenses associated with housing actually going down,” he said.

“When you improve transit you’re allowing families a better choice of properties across the region. They can live further out from the job centres. At the same time there’s a balancing act because when you’re looking at developing land on the outside of the density areas it costs a lot more money,” he said.

If you live outside Toronto and you don’t have access to a car you only have access to about 5 to 10 per cent of the jobs in the area. If you live in Toronto and you don’t have a car you can access to about 30 per cent of jobs.

Metrolinx CEO Bruce McCuaig, told the same TREB conference that transit and property values are closely linked.

He called the affordability study good news. But it failed to consider the addition of new GO stations in Toronto or regional transit fare integration.

The impact of RER could be even greater, McCuaig said in a statement to the Toronto Star.

“Access to high quality, car-competitive transit, encourages (home) buyers to consider higher value properties than they might otherwise and that’s true in both the commercial sector as well as the residential sector,” he told the realtors.

There will be 100,000 homes within 750 metres of the $5.3-billion Eglinton Crosstown LRT that is scheduled to open in late 2021, said McCuaig.

## NEW BRUNSWICK - Saint John can't appeal $202M drop in LNG assessment unless Irving Oil appeals first

Province's reassessment of property on its own initiative likely blocks challenge by city

The City of Saint John may not be able to appeal the $202 million drop in the assessed value of the Canaport LNG property because the New Brunswick government — not Irving Oil Ltd. — initiated the reduction.

Stephen Ward, director of property valuation for the province, told reporters Friday a municipality can only challenge a property tax assessment if the owner of the property appeals the assessment first.

"That's the only opportunity a third party can contest an assessment," Ward said.

That means if Irving Oil is satisfied with Canaport LNG's newly reduced assessment, there is nothing the city can do to fight it.

Earlier this week, Saint John Coun. Gerry Lowe raised the possibility of the city appealing the new LNG assessment, which reduced the property taxes the company would have had to pay the municipality under last year's valuation by $5.5 million.

But the province may have blocked that option by the way it has handled the issue.

The city and province had expected Irving Oil to appeal a $300 million assessment for the Canaport LNG terminal, which the province had valued it at for the last several years. An appeal by Irving would have permitted the city to intervene in the issue.

It still can if Irving Oil appeals the new $98 million assessment, but the company has given no indication it will.

"(That's) the only mechanism in place for a third party," Ward said.

Irving Oil has 30 days from receiving its assessment to decide.

The New Brunswick government employs its own group of professional assessors, including specialists in heavy industrial properties, but decided to hire Nationwide Consulting to conduct the Canaport LNG assessment. (Submitted by Canaport LNG)

On Wednesday, the province revealed it had cut the assessed value of the Canaport LNG site on its own initiative from $299.5 million to $98 million, even though Irving Oil was entitled to challenge the higher number for years to save money on assessment fees and never did.

Every landowner in New Brunswick is required to pay a fee for the cost of assessing their own property, which is set at $1.94 for every $10,000 of assessed value.

In Irving Oil's case, it has been charged $58,000 per year in assessment fees for the Canaport LNG site because of its high assessment.

Ward said the company could have challenged that by appealing the $300 million assessment but never did.

"Irving Oil had the opportunity each year to appeal that portion of their property value and they have not done that in past years," Ward said.

Despite that, the province decided on its own to undertake a review of the property's value just before it was set to become fully taxable.

The province employs its own group of professional assessors, including specialists in heavy industrial properties, but decided to pay $75,000 to hire Nationwide Consulting — a company from Glen Rock, N.J. — to conduct the LNG assessment.

Ward said it was the first time in 10 years the province has hired an outside firm to conduct a property assessment, and the company recommended cutting the LNG property valuation significantly.

Ward said he accepts the new assessment as accurate, but would not concede that the department's old assessments were inaccurate.

## NEW BRUNSWICK - Raw property assessment data to go online in 2 weeks

More provincial data will be posted within 2 months

Service New Brunswick says it will post raw property assessment data online in the next two weeks so that anyone can download it and crunch the numbers however they want.

And other sets of provincial data will be available within a couple of months.

"We are going to be placing all of that information, and that is raw data ... on a GeoNB website, and that'll be in the next couple of weeks," Charles Boulay, the executive director of property assessment services, told CBC News.

"That'll enable anyone who wants to download this raw data to start playing around with it."

Boulay revealed the timeline just hours after a Saint John entrepreneur complained publicly that the province wasn't living up to its open-data rhetoric.

Shawn Peterson of Rothesay, who runs the propertize.ca website, said a new Service New Brunswick site with property assessment numbers makes it harder for him to "scrape" the data and analyze it.

He said in a tweet Wednesday night that his site was "effectively dead" because he could no longer update it with 2017 data.

The data consists of addresses, property numbers, and assessed values of those properties, among other things.

Peterson's site used to collect all that information from the old Service New Brunswick site and post it for easy searching and analyzing at no charge.

Shawn Peterson says it was positive news when he heard the province would post the raw property assessment data online soon.

But the new site, he said, is "a lot more locked down" than the old one, which the province is no longer updating.

The new site has many useful features but it's designed to let people look at the numbers in one way: by searching and selecting individual properties, he said.

"There's a lot of different other ways that you might want to view or visualize or analyze that data," Peterson said.

"I want to view it by a street. I want to view it by an area. I want to see an entire subdivision. I want to emphasize more whether assessments are going up or down. That's not able to be done on the [new] government site."

But later in the day, after Boulay confirmed the data will soon be downloadable in raw form, Peterson declared it was "positive news."

Last year, Premier Brian Gallant told the 2016 Canadian Open Data Summit in Saint John that the province was adopting an open-data policy to make government data available to everyone, free of charge.

Gallant returned to the promise in his State of the Province speech in January, saying the government would be "giving the information in a transparent way to New Brunswickers so they can help us solve some of the problems that we have and seize some of the opportunities that we have."

Nick Scott, the government's newly hired director of innovation, wrote in an online post last year that open data is "accessible, unrestricted, low-cost or free and machine-readable. Open data allows for the use, linking, and repurposing of data sets that can benefit all sectors."

Boulay said more government data sets will be available through a new portal in a couple of months. The property assessment data will be online sooner as a "temporary bridge measure."

Peterson said it was unfortunate that raw property data will only be available in mid-March.

He said he sees a spike in traffic every March, when New Brunswickers get their property tax bills and use his site to compare their assessments to others. People who want to appeal their assessments have to do it by the end of March.

Shawn Peterson says many people have used the information he's posted to determine whether to appeal their property tax assessments.

"My main thing is I would have liked to have seen it sooner so we could have had this tackled before the tax bills came out," he said.

As it is, he'll need time to post the new data and that may leave only a few days for people to use his site before the appeal deadline.

Boulay, meanwhile, said he wanted to emphasize that the new Service New Brunswick site is the only "official, authorized, sanctioned" source for property assessment information.

Even though sites like Peterson's have the right to use public data, "it's not often accurate anymore," Boulay said. "If we make changes and they don't make the changes, they're peddling information that is not accurate."

## NEW BRUNSWICK - Premier Brian Gallant 'surprised' by 67% drop in Canaport LNG tax assessment

Gallant says he had no role in choosing U.S. consultant hired by province to assess the property

Premier Brian Gallant says he was "surprised" by how much the property tax assessment on the Canaport LNG site in Saint John dropped after a reassessment by a U.S. company hired by the province.

The government's property tax assessment department slashed the appraised value of the property on the city's east side by nearly $202 million for 2017, the first year Irving Oil is scheduled to pay full taxes on the site to the city after the government repealed its longstanding tax deal.

The 67 per cent reduction, based on the recommendation of Nationwide Consulting Company Inc., saves Irving Oil about $5.5 million in property taxes it would have owed the city under last year's valuation.
Instead of paying $8 million, the company will owe the city $2.6 million.

Gallant told reporters Friday he was not involved in choosing the consultant, which has a long list of oil and chemical companies it has helped with property valuation issues as clients.

He also couldn't say who chose Nationwide Consulting, or why. "I'm not in a position to tell you because I really don't know," said Gallant.

"What I can tell you is that Service New Brunswick does not have the expertise to be able to evaluate the value of such a property. As you can imagine, I mean, an LNG terminal is a very unique and complex piece of property and capital building," he said.

"So I do applaud the fact that Service New Brunswick recognized that and tried to find an outside consultant that would be bringing some type of expertise to the table."

Everyone "suspected the property was overvalued," the premier said. "The city of Saint John knew that that was a potential outcome.

"I think everybody is surprised, as am I, that it went down as much as it did."

The new assessment of $98 million, down from last year's $299.5 million, is the largest ever single-year reduction in the assessed value of a property in New Brunswick.

Still, Gallant stressed Saint John will receive more in property taxes this year because late last year, the province terminated a decade-old deal that had frozen the LNG terminal's property taxes at $500,000 a year.

New Brunswick government tender documents show the province issued a public request for proposals last September to provide "external expertise" for a comprehensive assessment of the LNG property.

Stephen War, the province's director of property valuation, said he's not sure how many companies responded to the request, but only Nationwide Consulting from Glen Rock, N.J., was given serious consideration.

"Basically, it boiled down to one company and it was Nationwide who we felt could provide the product for us that we needed."

## ONTARIO - FNF Canada and Municipal Property Assessment Corporation Launch New Neighbourhood Profile Product

FNF Canada and the Municipal Property Assessment Corporation (MPAC) announced their joint collaboration on a new collateral intelligence product that will assist lenders and mortgage insurers estimate the current value of properties within their real estate portfolio. The new Neighbourhood Profile Report is a part of FNF Canada’s suite of portfolio collateral products that provide a cost effective way to monitor and measure their real estate portfolio.

“FNF Canada is excited to work with MPAC on this new and exciting data product for our real estate partners,” said Brian Bell, Senior Vice President of Innovation & Data Solutions at FNF Canada. “FNF Canada continues to demonstrate our ability to develop data products that assist our partners with marketing tools and risk management opportunities. In doing so, FNF Canada has set a new standard in collateral management in the marketplace.”

“The newly created neighbourhood profiling product leverages MPAC’s robust database, creating reports that will assist lenders in making well-informed decisions regarding property value risk. These products will provide additional intelligence into lender decisions surrounding the valuation method used to validate property values in the most efficient and cost-effective way,” Bell said.

Together, MPAC and FNF Canada have responded to demand from the lending community to create innovative tools to assist in mitigating risk, making informed underwriting decisions, and increased overall efficiency and productivity during the collateral valuation cycle.

“MPAC is looking forward to the launch of this new product, as well as another exciting new offering in the next 60 days. The property-specific and neighbourhood intelligence provided in these reports, is really unlike any other in the industry. Lenders will benefit from understanding how a property of interest aligns to the surrounding marketplace.” said Chris Fusco, MPAC’s Director of Real Estate and Strategic Accounts, Business Development.

“MPAC is pleased to support FNF Canada in demonstrating how big data, leveraging MPAC’s industry leading property database, can create efficiencies and mitigate risk within the lending community,” said Fusco

## NEW BRUNSWICK - Canaport LNG assessment slashed by nearly $202M after tax deal repealed

*Reduction saves Irving Oil $5.5M in property taxes it would have had to pay to Saint John*

The New Brunswick government's property tax assessment department has slashed the appraised value of the Canaport LNG property in Saint John by nearly $202 million for 2017, the first year Irving Oil is scheduled to pay full taxes on the site to the city.

The new assessment of $98 million, down from last year's $299.5 million, is the largest ever single-year reduction in the assessed value of a property in New Brunswick.

The reduction saves Irving Oil about $5.5 million in property taxes it would have owed the city under last year's valuation, which would have generated a tax bill of $8 million.

"It's mind-boggling," said Saint John Coun. Gerry Lowe, who pushed for an end to a 10-year-old tax deal at the LNG development that had frozen its property taxes at $500,000 per year.

The province terminated that arrangement late last year at the request of the city, and that quietly caused the province to reassess its longstanding valuation of the site.

*Canaport LNG property tax assessment*

Year Assessed value
Change
2011 $290.7 million
N/A
2012 $295.1 million
+1.5 per cent
2013 $299.4 million
+1.5 per cent
2014 $299.4 million
0 per cent
2015 $299.5 million
0 per cent
2016 $299.5 million
0 per cent
2017 $98 million
-67.3 per cent

"It's definitely more money than what we had, but is it fair is the question. How does something come from $300 million to $98 million? It's hard to imagine," said Lowe.

Saint John Deputy Mayor Shirley McAlary — another key player in the city's push to kill the LNG tax deal — said the city will now have to wait to see if Irving Oil appeals the new assessment to try and have it lowered further.

"The reassessment that was done was by the province, so will the company want to appeal that?" she asked.

McAlary wonders whether Canaport LNG's struggle to sell natural gas into the United States, which has a surplus of the fuel, played a role in the drop in its value — although that has been a problem for several years that previously had no effect on the property.

*Not a concession for Irving*

Judy Cole, a spokesperson with Service New Brunswick, said the province's old assessment on the LNG site had grown stale and the facility faces difficult financial circumstances.

"The new assessment of the Canaport LNG terminal was done by an independent third party and is not related to a tax break or concession for Irving," Cole wrote in an email to CBC News.

"The depreciation of the property is due to external forces caused by a decline in commodity price and an over-supply in the natural gas industry. This has affected both the competitiveness and market value of the Saint John facility."

Natural gas prices in the U.S. collapsed in 2009, hindering exports from Canaport LNG, but the province ignored those problems and increased the property's assessed value in 2012, 2013 and 2015.

In addition, Canaport LNG has been profitable for Irving Oil despite its struggles.

*Irving collects $12.25M US in rent*

The LNG development is a partnership between the Spanish energy company Repsol and Irving Oil Ltd. Although a commercial disappointment, partnership agreements that govern the project and obtained by CBC News in 2015 show Irving Oil has been financially protected.

Irving Oil owns the property the development sits on and is solely responsible for paying its property taxes. The company collects $12.25 million US in annual rent no matter how poorly Canaport LNG performs.

The partnership agreements show Irving Oil is also entitled to a guaranteed return on its investment in the Canaport LNG development, even if it loses money.

Repsol executive Phillip Ribbeck testified in federal tax court in 2014 that Repsol is responsible for making sure Irving Oil is paid no matter what.

"There is a continuing commitment to provide dividends to the Irving partners, as well as provide lease payments to the Irving landowner," said Ribbeck.

"Under the terms of the contracts, what effectively happens is Irving is provided for a 14 per cent return on equity," he said.

Repsol lawyer Robert McCue asked, "Is this an after-tax or a pre-tax return we're talking about?"

"After taxes," replied Ribbeck.

Irving Oil did not immediately respond to a request for comment on the new Canaport tax bill

## BRITISH COLUMBIA - Transit leaders hold off on property-tax hike again

There will no property-tax hike for a third straight year from the Victoria Regional Transit Commission, despite not receiving a boost in the gas tax to help meet costs.

Commission members had expected a two-cent jump in the gas tax — to 5.5 cents per litre — to come from last week's provincial budget, ahead of their own 2017-18 budget.

"The commission finalized the budget and made a determination that there would be no increase in the property tax to offset our loss of the gas tax," said Saanich Coun. Susan Brice, commission chairwoman.

The overall 2017-18 budget is $128.5 million.

Brice said she still holds out hope the gas-tax decision will be revisited.

"I have to believe that it will at some point be approved by government," she said. "The facts are too strong."

She said the region's gas tax has been frozen since 2008. It is at 3.5 cents per litre and raises $11.7 million annually, while another two cents would generate about $7 million.

On the Lower Mainland, funding for the TransLink system includes a 17-cents-per-litre gas tax.

B.C. Transit staff had recommended the commission approve a 2.5 per cent property-tax increase, which would have upped the average household levy from $134.50 to $137.90.

Brice said existing resources will be used to meet the needs of the transit system.

“We keep a Transit Fund where we put funds for increases in gasoline to run our fleet ... it’s kind of our rainy-day fund,” she said. “What we’ve decided to do is tap into that and cover the shortfall rather than putting that on the local taxpayers’ property.”

A total of $6.3 million will be drawn from the Transit Fund to address expenses, leaving about $2.1 million.

“That is a little lower than we like to get, because when you’re running a big organization like this it takes it close to the edge,” Brice said.

“But the commission decided that they were not going to let the province off the hook by just saying: ‘OK, well, we didn’t get the gas-tax increase, local property-taxpayers can pay for it.’ ”

Asked if she anticipated the gas-tax increase being approved around the May 9 provincial election, Brice said she has been looking for it to happen for some time.

“I had hoped it would happen three years, two years ago, one year ago, last month,” she said. “So as far as I’m concerned, I think the public here needs to indicate to the province that this is a way that they are prepared to have the transit system funded.”

Eric Doherty of the Better Transit Alliance of Greater Victoria, a newly formed citizens’ group, said he supports the commission’s budget decision and sees the gas tax as an election issue.