

**Township of Southgate  
Administration Office**

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February 19, 2021

The County of Grey;  
The Township of Georgian Bluffs;  
The Municipality of Meaford;  
The City of Owen Sound;  
The Township of Chatsworth;  
The Municipality of Grey Highlands;  
The Town of Hanover;  
The Town of the Blue Mountains; and  
The Municipality of West Grey

To whom it may concern:

**Re: Township of Southgate Vacancy Tax Rebate Support Resolution**

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Please be advised that at the February 17, 2021 Regular Meeting of Council, the following was approved:

**No. 2021-076**

**Moved By Councillor Frew**

**Seconded By Deputy Mayor Milne**

**Be it resolved that** Council receive Staff Report CAO2021-010 as information; and

**That** Council direct staff to continue to work with the County of Grey Finance Department and the Grey County Lower Tier Municipalities on the Vacancy Tax Rebate issue to ensure we have flexibility to deal with this program to prevent empty commercial and industrial buildings in Southgate; and

**That** Council approve the following support resolution created by Southgate as a Vacancy Tax Rebate Support Resolution for consideration by all Grey County municipalities and the County of Grey:

***WHEREAS*** under the Municipal Act, Ontario municipalities have the authority and responsibility to advance and protect the "economic, social and environmental wellbeing of the municipality"; and

***WHEREAS*** the Provincial Government has designated Ontario municipalities at the Upper and Single Tier level to have the responsibility to establish policies for managing and directing the necessary changes related to Vacancy Tax Rebate Programs that is in the best interest of their community; and

***WHEREAS*** the Vacancy Tax Rebate Program in Grey County lower tier municipalities is not working at the present time for its intended purpose to

*support the creation of new business growth in our downtowns or our existing businesses; and*

**WHEREAS** *the Vacancy Tax Rebate Program in many cases actually supports empty downtown stores and industrial building spaces because commercial and industrial investors are looking to these affordable properties for speculation and property appreciation in value reasons, with residential second floor income supporting the investment; and*

**WHEREAS** *the Vacancy Tax Rebate Program causes landlords to be reluctant to accept lower price point leasing of the building's commercial or industrial space or inquiries for short term events or projects that would support the community and local businesses, that could generate additional income, or that may allow the use of a property on a charitable basis because the owner would lose eligibility for this rebate; and*

**WHEREAS** *the Vacancy Tax Rebate Program as it works presently, artificially supports higher building space lease rates demanded by landlords in a community and provides less options for affordable commercial and industrial floor space for the existing and new business owners that are forced to pay; and*

**WHEREAS** *the Vacancy Tax Rebate Program has an impact on MPAC and how they prepare the property assessments for taxation purposes in relation to what may appear as chronic vacancy, reduced income opportunities and economically depressed, obsolete or unused buildings areas are factors considered when establishing the value for taxation purposes and are often targeted for a larger allowance during property assessment appeals and when a Vacancy Tax Rebate is granted, on top of the assessment value consideration, causing a doubling impact on lowering taxation bills; and*

**WHEREAS** *the Vacancy Tax Rebate Program results in an increase in property taxation to fund the rebates, which adds to the tax burden to replace the rebate funding by all the existing commercial and industrial businesses, as well as residential and farm tax base to recoup the cost of the rebate program; and*

**WHEREAS** *the Vacancy Tax Rebate Program report from the Ministry of Finance in March 2018 titled "The Business Vacancy Rebate and Reduction Programs Update" (Resolution Attachment #1) reports on the status of their programs and the transition to eliminate, phase-out or modify, provides valuable information on this rebate program and what other municipalities have implemented; and*

**WHEREAS** *the new Community Improvement Plan Programs in Grey County provide many economic development incentives that promote growth and support development projects during the investment and creation of jobs phases for business owners, where the Vacancy Tax Rebate Program supports empty buildings without any commitment to development and lease of the property;*

***NOW THEREFORE BE IT RESOLVED THAT*** as the Township of Southgate we endorse the principles of this resolution and request a cooperative approach with the County of Grey to eliminate the Vacancy Tax Rebate Program through approval by Grey County Council; and

***THAT*** the County of Grey and the Lower Tier Municipalities undertake the appropriate consultation and communications with the businesses in each community related to transitioning to the elimination of the Vacancy Tax Rebate Program; and

***That*** the County of Grey communicate to the Province of Ontario the decision to eliminate the Vacancy Tax Rebate Program and the timelines of when regulatory requirements are met to avoid any regulatory gaps in the process; and

**That** Council direct the Clerk to distribute this Vacancy Tax Rebate Support Resolution (Attachment #1) and the document titled "Ministry of Finance – The Business Vacancy Rebate and Reduction Programs Update March 2018" (Attachment #2) to all Grey County Lower Tier Municipality Clerks for their Council to consider and that the Clerk follow-up on their progress to consider the motion over the next 60 days and report the results back to Southgate Council and the County of Grey Clerks Department.

**Carried.**

**Support Documents:**

Attachment #1: Vacancy Tax Rebate Support Resolution

Attachment #2: Ministry of Finance March 2018 document titled "The Business Vacancy Rebate and Reduction Programs Update"

Thank you for your consideration.

If you have any questions, please contact our office at (519) 923-2110.

Sincerely,

*Lindsey Green*

Lindsey Green, Clerk  
Township of Southgate