TOWN OF NEWMARKET

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September 5, 2003

Mr. Denis Kelly, Regional Clerk
The Regional Municipality of York
17250 Yonge Street
Newmarket, ON L3Y 4X1

Dear Mr. Kelly:

RE: Heritage Property Tax Rebate Program

I am writing to advise you that Planning Report 2003-18 dated July 22, 2003 with respect to the Heritage Property Tax Rebate Program was considered at the August 11, 2003 Committee of the Whole meeting.

The Town of Newmarket Council at the regular meeting held on Monday, August 18, 2003 adopted the following recommendations:

1. **THAT Council approve in principle the establishment of a Heritage Tax Rebate Program providing a 40% tax refund of the Town share of property taxes levied on the eligible portion of a heritage property in the Residential, Multi-Residential, Farm, Commercial and Industrial property classes, effective January 1, 2003, subject to receiving comments from the Newmarket Downtown Development Committee and Heritage Newmarket;**

2. **THAT funding for the Heritage Tax Refund Program be acquired from the Tax Write-off account;**

3. **THAT Council encourage the Regional Municipality of York to pass a similar by-law to enable the Region to provide a 40% tax refund of the Regional share of property taxes to eligible heritage property in the Residential, Multi-Residential, Farm, Commercial and Industrial property classes, subject to the same terms and conditions established by the Town of Newmarket;**

4. **THAT Planning Report 2003-18 be forwarded to the Newmarket Downtown Development Committee and Heritage Newmarket for a 30 day commenting period;**

5. **THAT, in the event a by-law is approved allowing for a heritage property tax rebate, Owners of property designated under the Ontario Heritage Act be notified of the program and encouraged to enter into a heritage preservation agreement with the Town.**

Should you have any further questions, please contact the Director of Planning.

Trusting this is satisfactory,

Yours truly,

A Moore

Anita Moore, AMCT
Town Clerk

AM:lm

TOWN OF NEWMARKET

Planning Department
(905) 953-5321
planning@town.newmarket.on.ca

July 22, 2003

PLANNING REPORT 2003-18

TO: Committee of the Whole

SUBJECT: Heritage Property Tax Rebate Program

ORIGIN: Planning Department

RECOMMENDATIONS

THAT Planning Report 2003-18 dated July 22, 2003 regarding Heritage Property Tax Rebate Program be received and the following recommendation(s), be adopted:

1. **THAT Council approve in principle the establishment of a Heritage Tax Rebate Program providing a 40% tax refund of the Town share of property taxes levied on the eligible portion of a heritage property in the Residential, Multi-Residential, Farm, Commercial and Industrial property classes, effective January 1, 2003, subject to receiving comments from the Newmarket Downtown Development Committee and Heritage Newmarket.**

2. **That funding for the Heritage Tax Refund Program be acquired from the Tax Write-off account.**

3. **That Council encourage the Regional Municipality of York to pass a similar by-law to enable the Region to provide a 40% tax refund of the Regional share of property taxes to eligible heritage property in the Residential, Multi-Residential, Farm, Commercial and Industrial property classes, subject to the same terms and conditions established by the Town of Newmarket.**

4. **THAT Planning Report 2003-13 be forwarded to the Newmarket Downtown Development Committee and Heritage Newmarket for a 30 day commenting period.**

5. **THAT, in the event a bylaw is approved allowing for a heritage property tax rebate, Owners of property designated under the Ontario Heritage Act be notified of the program and encouraged to enter into a heritage preservation agreement with the Town.**

COMMENTS

The Heritage Property Tax Rebate Program

The Heritage Property Tax Rebate Program (Provincial Legislation, Bill 127) provides municipalities with the option to establish a program to make available tax reductions or refunds in respect of eligible heritage properties. The Legislation provides tax relief through a rebate program to be administered by the municipality.

The Tax reduction applies to the building or structure (or portion of) that is the eligible heritage property and is calculated as a percentage of the total taxes for the municipal and school purposes levied on the property.

Under the provisions of the new Municipal Act, the amount of tax relief provided to a property owner must range from a minimum of 10% to a maximum of 40% of the town share of property taxes levied on the eligible portion of a heritage property. Should a municipality undertake to establish such a program, the Province would refund the taxes levied for educational purposes to the same percentage established by the town. The Regional Municipality of York may pass a by-law to authorize a similar refund on the Regional share of taxes levied on eligible heritage property, but is not obligated to do so. The town may choose the structure and percentage of relief for different property classes. The tax relief can be processed as a reduction on the tax bill or as a refund after payment of taxes. The property owner must submit an application for the tax refund in the first year that a property enters the program and subsequent applications may be required at the option of local municipalities. Consistent with the deadlines that are applicable to other rebate programs under the Municipal Act, property owners would have until the last day in February of the year following the tax year to apply to the local municipality for the tax refund (for example - the deadline for the 2003 tax year would be February 28th, 2004).

Furthermore, the Program is applicable to any or all of the commercial, industrial, residential and multi-residential property tax classes.

In accordance with the legislative authority provided by Bill 177, Town staff recommend that the tax relief apply primarily as a refund of taxes paid rather than as a tax reduction, and that the Program provide the maximum tax refund permitted by the legislation **(40 percent)** to eligible properties, subject to certain conditions.

Eligibility

To be eligible for the program, the property must be designated under Part IV or Part V of the Ontario Heritage Act, must be subject to a heritage easement agreement or an agreement with the local municipality respecting preservation and maintenance, and any other criteria defined by the municipality. A Heritage Conservation Easement Agreement is a voluntary agreement made between the property owner and the Town or the Ontario Heritage Foundation regarding the conservation in perpetuity of the heritage elements of the property.

Benefits to Business Community

Heritage Buildings support cultural tourism and as such, the Heritage Property Tax Rebate Program will help secure the future of heritage properties across the province by requiring a preservation agreement to obtain the tax rebate. The rebate is intended to encourage the conservation, restoration and preservation of heritage buildings which could have a positive economic development impact, particularly in an area such as downtown Newmarket where there is an abundance of heritage properties either designated or worthy of designation under the Ontario Heritage Act. The Heritage Property Tax Rebate Program generates other benefits that present a potential win-win situation for the Town and property owners. Receiving a 40% refund on the Town and Educational portion of property taxes may encourage more property owners to agree to formally designate their property and enter into heritage conservation easement agreements, thus ensuring that significant built heritage resources are conserved and protected in perpetuity. The program could serve to assist property owners with the extra cost typically associated with undertaking restoration or maintenance to eligible heritage property.

BUDGET IMPACT (CURRENT AND FUTURE)

The below depicts the upper limit of relief permitted under the Act being a 40% rebate for Town and School Board taxes based on the entire property taxes. There are 12 residential properties designated under the Ontario Heritage Act that would be eligible for the proposed rebate subject to entering into a heritage easement/agreement with the Town. As seen below, if the 12 residentail properties were granted the proposed 40% rebate, the Town would be required to rebate a total amount of approximately $8144.65. If the designated Commercial properties were also to receive the same rebate percentage, the Town would be required to rebate an approximate additional $3104.80 subject to the owners entering into a heritage easement or agreement. It is recommended that the funding for the Town portion of the tax rebates be funded from the Tax Write-off account.

Properties Designated under the Ontario Heritage Act

	Town	Education	Region	Total
RESIDENTIAL				
367 Botsford Street	992.64	896.58	1312.85	3202.07
384 Botsford Street	921.74	832.54	1219.07	2973.34
438 Botsford Street	1034.35	934.25	1368.01	3336.61
182 Church Street	880.03	794.86	1163.91	2838.80
16860 Leslie Street	1222.03	1103.77	1616.23	3942.03
18030 Leslie Street	1839.30	1661.30	2432.62	5933.22
170 Lorne Avenue	1126.11	1017.13	1489.37	3632.60
178-180 Main Street South	6986.00	6309.94	9239.55	22535.49
220 Prospect Street	608.93	550.00	805.36	1964.29
597 Queen Street	884.20	798.63	1169.43	2852.26
365 Main Street North	1184.49	1069.87	1566.59	3820.95
587 Lydia Street	842.50	760.96	1114.27	2717.73
Total	20361.62	15703.70		
40%	8144.65	6281.48		
COMMERCIAL				
111 main Street South	898.46	3893.32	1197.94	5989.72

543 Timothy Street	1926.75	8349.23	2568.99	12844.97
17030 Yonge Street	545.43	2363.52	727.24	3636.19
17380 Yonge Street	4391.36	19029.22	5855.15	29275.73
Total	7762.00	14625.36		
40%	3104.80	5850.14		

Heritage Newmarket, in the Newmarket Heritage Inventory, prepared in March 1995, list 106 additional building that they consider worthy of designation under the Ontario Heritage Act. Even in the event all 106 properties were to be designated under the Heritage act, the costs associated with providing a tax rebate would still be manageable. In the event a Heritage district were to be approved, theoretically, all buildings in the designated district would be eligible for a rebate. It is likely not every building in a district would have the qualities of a true historic building such as modern infill developments, therefore the Town would be able to limit the amount of properties eligible for the proposed rebate by limiting the amount of heritage easements entered into to those that can stand alone as a building worthy of designation under the Heritage Act.

Director of Planning

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