



TO: Brian T. Cousins
DATE: June 16, 2017
SUBJECT: Vacant Unit Rebate Program Feedback – Report No. DF-2017-15

In response to your request dated May 23, 2017 for the Belleville Chamber of Commerce to provide feedback on behalf of their membership, I present the following:

The Chamber advocates the rebate **be either maintained as status quo or with qualifications of eligibility based on “available to rent” or “under renovation” and waiving the rebate option for those with property that is not capable of being leased for immediate occupation because it was undergoing or in need of repairs or renovations, or was unfit for occupation.** Respondents would not be adverse to a time limit or reasonable maximum allowance. If there are any commercial property owners taking unfair advantage of the rebate for deteriorating property, this would impact those particular owners (if they are in fact, even taking advantage of the rebate).

Through a variety of conversations and the return on our survey regarding the Vacant Unit Rebate, there seem to be a couple of public opinions pressuring City Hall and Council to consider repealing the rebate.

Problem 1: the downtown vacancies are supported by the vacant unit rebate, so if we get rid of the rebate, those owners will be motivated to renovate, repair and open for business.

Problem 2: the vacant unit rebate ends up costing residents because their taxes go up to balance the loss to the city in revenue.

In response to Problem 1 - from conversations I've had with some commercial property owners, the survey results and [the City Treasurer, Brian Cousins] – the Vacant Unit Rebate helps legitimate businesses with minor relief and very few, if any, of the downtown building owners are applying for or benefiting from the Vacant Unit rebate. The vacant and deteriorating buildings downtown may be benefiting from a lower assessment value, but that is another issue completely.

In response to Problem 2 - while maintaining the status quo will continue to result in a loss of revenue to the City, in context, the 109 applications approved in 2016 resulted in \$345,600 savings for commercial property owners – or on average, \$3,171 per application – while they contribute nearly \$23 million in taxes paid.

One owner presented the case that if they could rent their building at \$1/square foot (going rates are closer to \$10/sf) – it would generate revenue of \$20,000 – the vacant unit rebate for that property is only worth \$4,000. The owners and managers of commercial properties present at the public information meeting were all very clear they would much rather rent their space than apply for a vacant unit rebate.

The rebate provides relief to those investors who provide the commercial property space where businesses are able to provide jobs, products and services to our community.

Thank you very much for inviting our feedback. I would appreciate the opportunity to present this at a deputation to Council when a vote will be called. Are you able to inform me when that will happen so I might submit my application accordingly?

Best regards,

A handwritten signature in blue ink, appearing to read 'Jill Raycroft', with a long horizontal line extending to the right.

Jill Raycroft
CEO, Belleville Chamber of Commerce