

Date September 11th, 2012



City Council Committee Report

To: Mayor & Council

Fr: Melissa Shaw

Re: Section 357 – Cancellation and Refund of Taxes
Roll Number: 6016.020.009.13500

Recommendation: THAT based on the application details and property circumstances as known to the City as of this date, the Section 357 Application from AbiBow /Resolute/5901058 Manitoba Inc. for buildings deemed “Damaged and Substantially Unusable”, effective January 1st 2011 to December 31st, 2011, be denied;

AND THAT Council allow the applicant, if they so choose, to make representation in respect of this application during the open meeting of Council to be held September 25, 2012 through the deputation process; and further

THAT Council may consider any further details which come forward during such representation or by other means in making its’ final determination.

Background:

Property is commonly known as *Former Abitibi Bowater Site*

An application for relief under Section 357 was filed by Ryan ULC Ltd., the agent representing AbiBow/Resolute/5901058 Manitoba Inc. for roll number: 6016-020-009-13500 on February 24th, 2012, with an effective date of January 1st, 2011 to December 31st, 2011.

The buildings in question are listed and located on a map within the Letter of Authorization as sent by Ryan ULC Ltd. (attached) the application was made for building considered “damaged and substantially unusable”, which is covered under paragraph (1)(d)(ii)

of that section. This provision allows which to be provided where a building has been damaged by fire, demolition or otherwise during the taxation year being applied for, or during the previous taxation year, subsequent to the return of the assessment roll.

It is important to note that the Statute refers to the timing of the damage occurring, not simply the state of being damaged. That is, the building(s) that are the subject of the application must have sustained the damage in question between December 2010 and January 1, 2011 (as the application is for the whole of 2011).

It is staff understands that no demolition/decommissioning activities have been undertaken in regards to the subject buildings since 2009. This is supported by information provided by the Municipal Property Assessment Corporation (MPAC).

MPAC reports that these buildings, which have seen previous valuation adjustments as a result of the plant being shutdown, have not been further demolished or removed since that time of adjustment. As written in a formal letter to the City from MPAC; "No further physical changes have occurred during the application time frame." MPAC goes on to say that they will not be revisiting the valuation for the following taxation year.

The 2011 report on this matter has been included as an attachment for background purposes therefore the content of that report has not been repeated.

The report from MTE, the City's property tax consultants, is also attached. This is the report referenced in the 2011 Report to Council. This report is for Council's review only and is not a public document. The report provides further justification for the Section 357 denial.

Budget: The 357 is being denied, therefore there would be no related budget impact. The City has accommodated the municipal portion of a vacancy rebate for this property within the municipal budget process.

Communication Plan/Notice By-law Requirements: Ryan ULC will be sent a "Notice of Hearing" at least 14 days prior to the meeting.

Once Council has made its decision Ryan ULC will be notified in writing as to the outcome. No further communication is required.