



MUNICIPALITY OF SOUTH HURON  
322 Main Street South, Exeter, ON N0M 1S6

RE: Vacant Unit Rebate

April 2017

Dear South Huron Council,

The Exeter BIA recently attended the Ontario Business Improvement Area Association (OBIAA) annual conference and learned about an issue that we would like to bring forward to Council.

Currently, under the provincial Municipal Act's Vacant Unit Rebate policy, if you own a commercial or industrial property that is partially or entirely vacant, you may be able to receive a partial rebate of provincial land tax and education tax for the period of the vacancy. This policy unintentionally provides an incentive for property owners to keep properties vacant instead of seeking positive investment.

Ontario's BIA's have continued to raise the Vacant Unit Rebate (Municipal Act 364) as a deterrent to their beautification and revitalization efforts. Vacant and deteriorating buildings can and do result in a decrease in the marketable lease rates or the overall 'lease-ability' of a BIA area.

As of November 2016, the Ministry of Finance is allowing municipalities to tailor the vacant rebate and reduction programs to reflect community needs and circumstances. Municipalities will be required to submit a response to a Ministry of Finance indicating how they will be implementing the changes to the Vacant Rebate and Reduction Programs. **The deadline for municipalities to submit their responses is July 1, 2017.**

OBIAA would like to see that the Vacant Unit Rebate be renamed and used as an Economic Development Tool. They are suggesting a new business classification of "Main Street Business" that would assist BIA's and Property Owners around the province to apply for an "Attraction Rebate." The Vacant Unit Rebate would be applied to newly occupied businesses and prorated over a 4-year period providing an incentive to occupancy.

Attraction Rebate for Main Street Class	Attraction Guidelines for Main Street Class
(Non-Office Towers) <ul style="list-style-type: none"><li>• Year One - 100% of the 30% or 35%</li><li>• Year Two - 50 % of the 30% or 35%</li><li>• Year Three - 25 % of the 30% or 35%</li><li>• Year Four - 0% of the 30% or 35%</li></ul>	(Non-Office Towers) <ul style="list-style-type: none"><li>• Property Standards as set by the Municipalities. Validation of state of the building(s)</li><li>• Market Value Rental Value as set by the local marketplace</li><li>• Education of local Economic Development Tools stimulus, as provided by the Municipalities (CIPs, Heritage etc.).</li><li>• Pop Up vs Incubator – to allow a property owner to have either of these without losing the Vacant Unit Rebate.</li></ul>

The Exeter BIA supports the changes suggested by OBIAA and is encouraging the Municipality of South Huron to consider implementing the above noted "Attraction Rebate" as an Economic Development Tool that could make our community stronger.

We understand that Exeter currently does not have a high vacancy rate, but we feel strongly that South Huron needs to address this while we have the opportunity. We sincerely hope that the Municipality of South Huron will take action.

Sincerely,

Fred Godbolt, Chair of the Exeter BIA