

January 6, 2016,

Chairman Reinhardt, members of the 2016 Ad Hoc Budget Committee, ladies and gentlemen.

As you are aware, I am a waterfront owner and a member of the Elliot Lake Waterfront Owner's Association (ELWOA). ELWOA's president is unable to attend this meeting and has asked me to represent ELWOA's members.

In the past I have been on ELWOA's Executive in various positions and have done a few presentations to past city councils and budget committees regarding the high Municipal Property Taxes the waterfront owners are paying. I am here today for the same issue.

ELWOA was asked to provide an update on the tax issue. I trust the information I am presenting tonight will provide you with the information you were seeking.

I will start with Appendix A. This is a copy of the spreadsheet that ELWOA had used in its presentation in January of 2015, with Parry Sound being added. As you review the spreadsheet, you can see that Elliot Lake continues to have the second highest Municipal Mil Rate of these areas.

Most of the buyers for Phase One Waterfront Development have come from the area referred to as the 401 corridor- that area from the junction of Hwy 115 and 401 in the east, to the Kitchener area in the west, including the Niagara region. We took those areas that ELWOA felt are the direct competition to Elliot Lake in attracting new potential waterfront buyers and developed a new spreadsheet to show a more realistic property tax difference. These areas are reflected in Appendix B.

In developing this spreadsheet, we reviewed the real estate websites for the areas which are noted in Appendix B and looked at the MPAC assessments for properties. What we found were waterfront properties ranging somewhere in the \$300,000.00 dollar range and up. To make it easier for mathematical equations, we used rounded numbers as listed, starting at an MPAC assessment of \$300,000.00 and worked upwards to One Million.

The Appendix B spreadsheet shows in the second column the 2015 tax rate for the areas listed. Column three reflects the MPAC assessment and column four shows what property taxes they would have paid in 2015.

We then calculated how **low** an Elliot Lake assessment would have to be - column five - to still pay approximately the same amount in Municipal Property Taxes- column six- as those areas listed. As you can see, the figures speak for themselves.

Elliot Lake needs outside businesses and industries to help offset the taxes. This may be a difficult thing for Elliot Lake when everything is considered. At this moment, Elliot Lake has two things still going in its favour- the Residential Waterfront Development and the Nuclear Waste Repository. The repository is a decision which will be made in the future and possibly by factors/people outside of the city's or its City Council's control. For now the Waterfront development is within the city's reach.

Like all new projects, there are always pitfalls; Phase One was no different. A lot of the shortcomings are easy items that can be prevented for Phase Two.

The one big item is the Municipal Mil Rate for waterfront owners. This will not be an easy one to solve and yet every budget committee must tackle this issue. **Why** - the future of the other possible 700 waterfront lots depends on it. Even at a conservative MPAC assessment of \$300,000.00 and using the 2015 municipal tax rate, these potential 700 more properties could generate approximately \$3,282,394 tax dollars for the city. As I said, this is a conservative estimate.

According to Wikipedia, a baby boomer was born between 1946 and 1964. This generation was influenced by parents and grandparents who went through the depression and two world wars, were encouraged to work hard and save and thus the belief that the baby boomers have expendable funds. If we believe this then we have to assume that they will more than likely retire before they reach the age of 65 - say 60 or earlier. Those born in 1946 are now 70 - past the point of buying an uncleared lot. Those born in 1964 are now 51.

With each passing year, this baby boomer generation is coming to a close. No other subsequent generation has ever been referred to as having expendable

funds. This leaves Elliot Lake with only a few remaining productive years to sell the lots for Phase Two. Once this generation is gone, the ability to attract new buyers will entirely depend on what the city has to offer in shopping, etc. or can provide. All the more to remember, what people pay for Municipal Property Taxes will have a huge influence on their decision.

ELWOA knows the Municipal Property Taxes we pay are dependent on two items - MPAC assessment and the Municipal Mil Rate. Those residents on the waterfront who have appealed their MPAC assessments have had it adjusted and then the very next year their assessments have gone back up- only to force them to re- appeal. Perhaps this committee would entertain inviting the person/people who are for the Elliot Lake assessments here for a public meeting to clearly answer/explain how they arrive at our waterfront assessments for here vs. southern waterfront areas.

You as members of both the budget committee and city council must decide just what you want for the future for Elliot Lake.

ELWOA is now asking that this committee continue to decrease the tax bill for waterfront owners by continuing to increase the separation between the Municipal Tax Rate and the Urban Surcharge or by some other method, like establishing a special tax rate for waterfront properties.

Thank you for your time.

Susan Magill

Waterfront Owner