



## **SAULT STE. MARIE COMMERCIAL AND INDUSTRIAL PROPERTY TAX RATES**

**Trends and Comparisons (2007-2015)**

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## **INTRODUCTION**

Sault Ste. Marie has a variety of institutions and ongoing initiatives that together constitute a local economic policy. They include the following:

- Economic Development Corporation. (Largely funded by City of SSM).
- SSM Innovation Centre. (Core funding by City of SSM).
- The Economic Diversification Fund (City of SSM)
- Invest SSM Initiative (EDC)
- The Small Business Incubator (EDC)
- The Tech Incubator (SSMIC)
- Downtown Redevelopment Incentives (City of SSM)
- Access to NOHFC funding. (Province of Ontario)
- Access to FedNor funding. (Government of Canada)
- Community Development Corporation. (Government of Canada)
- Sault College – Effective and diverse skills training. (Province of Ontario).
- Algoma University – Local access to higher education. (Province of Ontario).

These institutions, programs and initiatives are crucial components of existing local economic policy. The specific municipal commitments are laudable and complement the many provincial and federal fiscal and economic policy measures aimed at stimulating broad-based economic growth. However, existing local economic policy efforts will be increasingly challenged in their attempts to help foster local economic growth if we fail to consider and address a key municipal fiscal policy deficiency.

That deficiency can be summed up as follows: **A municipal property tax system that is not substantially linked to stimulating broad-based local economic growth.**

Across Ontario there are varying examples of municipal property tax systems that are either aggressively or moderately linked to stimulating broad-based local economic growth. For example, in recent years, the City of North Bay has reduced its industrial property tax rates by 66 percent. North Bay has also implemented a multi-year program to reduce commercial property tax rates and has eliminated industrial development charges. According to the City of North Bay Municipal Incentives webpage, the measures are aimed at stimulating strong economic growth and providing a competitive operating cost environment.

On a less aggressive scale, most Ontario municipalities ensure that specific and key commercial property tax classes are not subject to separate and higher commercial property tax rates. For example, most Ontario municipalities use the same tax rate for their commercial residual, commercial office, and commercial shopping tax categories. However, in Sault Ste. Marie these tax categories do not share the same rate while also being among the highest among the 104 researched municipalities.

Similarly, a majority of municipalities across Ontario choose not to apply a higher property tax rate for large industrial entities. Among the few municipalities that do, the vast majority of those municipalities ensure that the differential between large industrial rate and the standard industrial rate is less than one percentage point.

Other Ontario municipalities ensure their non-residential to residential tax ratios are kept in check and do not rise to levels that reflect unfairness and distortions in the local property tax system.

In Sault Ste. Marie, commercial and industrial property classes are nowhere near experiencing the consistent significant municipal rate reductions experienced by the residential class since 2007. After researching commercial and industrial municipal tax rates, it becomes clear that Sault Ste. Marie has not implemented tax policy measures that could help stimulate broad-based economic growth or promote a competitive business jurisdiction.

### **The Data Points**

This report provides a series of data points and findings about the key rates of commercial and industrial property taxation in SSM. The data points and findings were obtained and derived from:

- The 2015 BMA Municipal Study.
- SSM Property Tax Tables – 2007 to 2015
- 2015 property tax tables of five other Northern Ontario cities.

This report provides:

- An overview of the trends in SSM industrial and commercial property tax rates and ratios since 2007.
- How the rates compare to five other Northern Ontario cities.
- How the rates compare to 104 other municipalities across Ontario.

The findings and observations raise some important questions.

- To what extent are the high rates and growing ratios inhibiting the city's economic competitiveness and growth prospects?
- How do we change course and aggressively adjust our commercial and industrial tax rates and thus make our city a more attractive place in which to invest and grow?
- How do we change course and ensure broad-based commercial and industrial property tax reduction without shifting the tax burden onto residential property taxpayers?

### **Conclusion**

- Consistent and broad-based commercial and industrial property tax reduction is currently not an integral component of our existing municipal economic policy.
- A strong, multi-year municipal political commitment to commercial and industrial property tax reduction would provide a much-needed boost of confidence to local business and industry.
- Competitive commercial and industrial property tax rates would enhance and strengthen all existing efforts aimed at encouraging local economic expansion and attracting new outside economic investment.

## **SUMMARY OF FINDINGS**

- Among 104 Ontario municipalities, SSM commercial and industrial municipal property tax rates are among the very highest. SSM consistently finds itself grouped with the ten municipalities that have the highest commercial and industrial municipal rates.
- Among six Northern Ontario cities, SSM commercial and industrial municipal tax rates are among the very highest.
- The consistent decline since 2007 in the education rate portion of SSM commercial and industrial property taxes has not been accompanied by a consistent decline in the municipal rate portion of SSM commercial and industrial property taxes.
- Any SSM commercial or industrial total rate reduction since 2007 (municipal & education rates combined) is primarily due to the significant reductions in the provincial education rate, not the municipal rate.
- SSM is one of only 16 among 104 municipalities in Ontario that opts to apply a different and higher municipal rate for large industrial entities. The SSM Large Industrial municipal rate is the highest among the 16 municipalities, the second-highest among 104 municipalities and the highest among six Northern Ontario cities.
- The difference between our Large Industrial municipal rate and standard Industrial municipal rate is the highest and widest differential among the 16 municipalities which have opted to apply a separate and higher Large Industrial rate, and the highest and widest differential among five Northern Ontario cities which have opted to apply a separate and higher Large Industrial rate.
- Large industrial entities in SSM experienced a staggering 26 percent increase in their municipal property tax rate in 2013.
- The SSM standard Industrial Occupied municipal rate is the highest among six Northern Ontario cities and the third-highest among 104 Ontario municipalities
- SSM is one of only eight among 104 municipalities in Ontario that opts to apply a different and higher municipal rate for the commercial categories of Office Buildings and Shopping Centres.
- SSM has the highest Office Buildings municipal rate among 104 Ontario municipalities.
- SSM commercial and industrial to residential rate ratios have risen consistently since 2007. SSM has among the highest ratios in all of Ontario. Ratios are a key indicator of how much more commercial and industrial property tax classes pay than the residential class for the same municipal services.
- Depending on the commercial or industrial property class, SSM municipal rates have risen dramatically, risen consistently or decreased very slightly since 2007. Over the same period, the SSM residential municipal tax rate has consistently and substantially declined alongside a declining education rate.

## **STRATEGY FOR CHANGE – THE FIRST STEPS**

- Acknowledgement and recognition that all SSM commercial and industrial municipal rates have reached high and uncompetitive levels and that plans of action must be developed by the City Council Finance Committee to eliminate this contributing inhibitor to broad-based local economic growth and competitiveness.
- The development of a plan by the City Council Finance Committee that gradually, but substantially lowers all SSM commercial and industrial municipal rates, with the goal of moving SSM away from the 10 percent grouping of Ontario municipalities with highest commercial and industrial rates, to among the 20 percent grouping of municipalities with the very lowest rates.
- The development of a parallel plan by the City Council Finance Committee, with the goal of permanently extricating SSM from the small group of Ontario municipalities that have opted to tax large industrial entities, office buildings and shopping centres at substantially higher municipal rates than the standard industrial and commercial occupied property classes.

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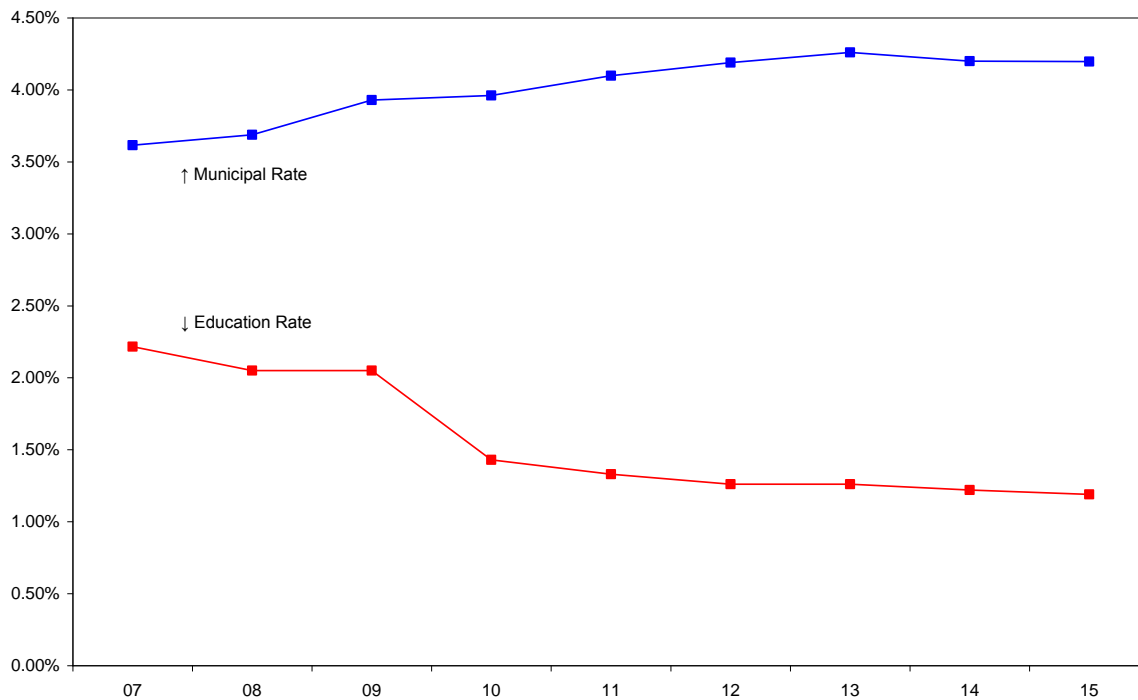
## **Section 1: Industrial Rates**

- Industrial Occupied Rate Trends (2007-2015)
- Large Industrial Occupied Rate Trends (2007-2015)

## **FINDINGS: INDUSTRIAL OCCUPIED RATE TRENDS**

- The municipal portion of the Industrial Occupied rate has, for the most part, increased consistently since 2007. The Industrial Occupied municipal rate is up 16 percent since 2007.
- The provincial education portion of the Industrial Occupied rate has decreased significantly and consistently since 2007. The Industrial education rate is down 46 percent since 2007.
- The total Industrial Occupied rate is down 7.5 percent since 2007. This slight decline is largely thanks and due to the significant and steep decline in the provincial education rate portion of the Industrial Occupied property tax bill.
- In 2007 an Industrial Occupied property paid a total of \$5,832 per \$100,000 of assessed value.
- In 2015 an Industrial Occupied property paid a total of \$5,386 per \$100,000 of assessed value. Again, this slightly reduced dollar amount per \$100,000 of assessed value over seven years is primarily due to the significant and steep decline in the provincial education rate portion of the Industrial property tax bill.

**SSM Industrial Property Tax Rate Trends (2007-2015)**

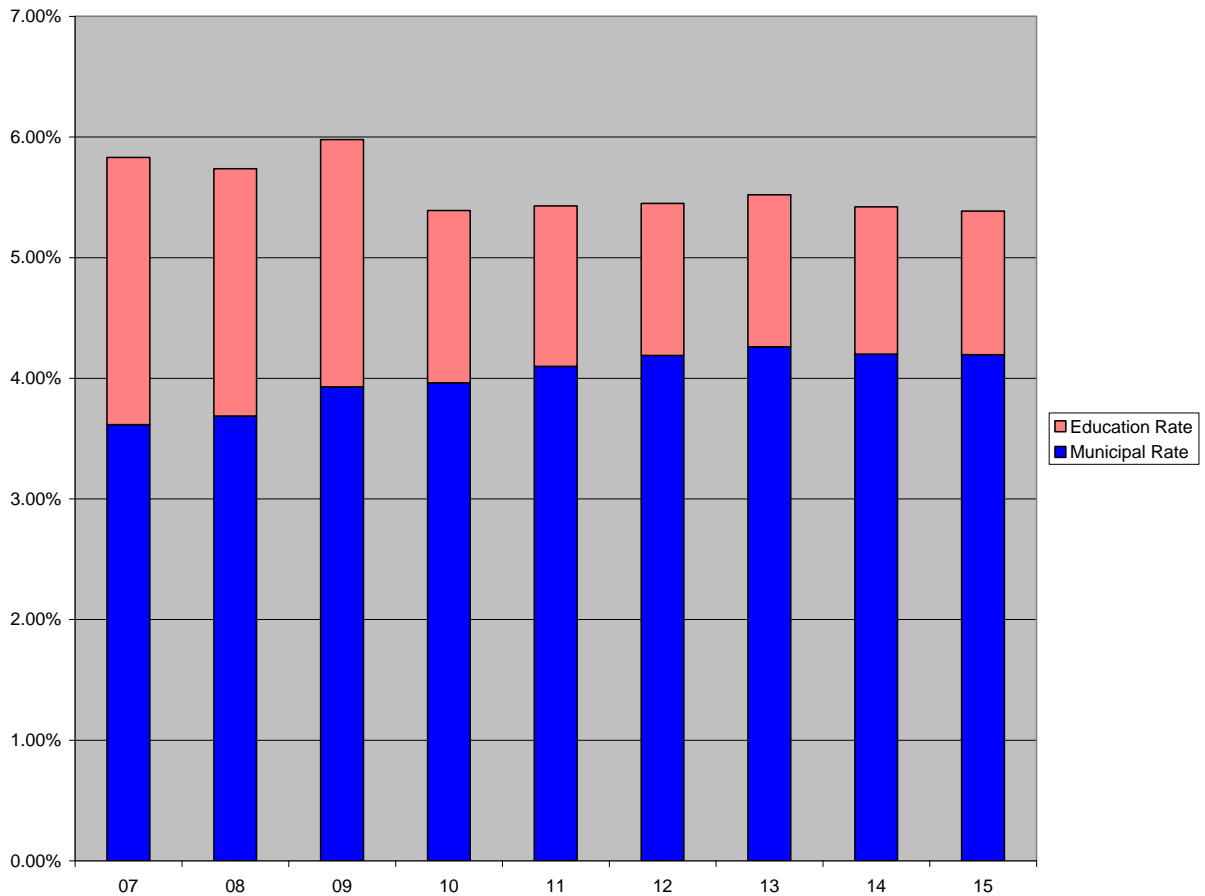




### **SSM Industrial Occupied Rates (2007 - 2015)**

| <b>YEAR</b> | <b>Municipal Rate</b> | <b>Education Rate</b> | <b>Total Rate</b> |
|-------------|-----------------------|-----------------------|-------------------|
| <b>2007</b> | 3.615%                | 2.216%                | 5.832%            |
| <b>2008</b> | 3.687%                | 2.050%                | 5.737%            |
| <b>2009</b> | 3.929%                | 2.050%                | 5.980%            |
| <b>2010</b> | 3.961%                | 1.430%                | 5.391%            |
| <b>2011</b> | 4.098%                | 1.330%                | 5.428%            |
| <b>2012</b> | 4.189%                | 1.260%                | 5.449%            |
| <b>2013</b> | 4.260%                | 1.260%                | 5.520%            |
| <b>2014</b> | 4.200%                | 1.220%                | 5.420%            |
| <b>2015</b> | 4.196%                | 1.190%                | 5.386%            |

*Source: City of SSM Property Tax Tables (2007 – 2015)*



### **Ratio Trends: SSM Industrial Occupied (2007 -2015)**

- The Industrial to Residential municipal ratio has increased consistently, year-over-year, since 2007.
- In 2007 the Industrial Occupied municipal ratio was 1.92. This means the Industrial class property owner paid 92 percent more than the residential property owner for the same municipal services.
- In 2015 the Industrial Occupied municipal ratio was 2.96. This means the Industrial class property owner paid 196 percent more than the residential property owner for the same municipal services.
- Expressed in pure dollar terms, in 2007 an Industrial property taxpayer paid \$1,737 more in property taxes per \$100,000 of assessed value than the residential taxpayer. In 2015 an Industrial property taxpayer paid \$2,780 more in property taxes per \$100,000 of assessed value than the residential taxpayer.

| <b>Ratio Trends: Industrial Occupied (2007-2015) – Municipal Rate Ratios</b> |                    |                                  |
|--|--------------------|----------------------------------|
| <b>YEAR</b>  | <b>Residential</b> | <b>Industrial Occupied Ratio</b> |
| 2007   | 1:00               | 1.92                             |
| 2008   | 1:00               | 1.92                             |
| 2009   | 1:00               | 2.15                             |
| 2010   | 1:00               | 2.25                             |
| 2011   | 1:00               | 2.39                             |
| 2012   | 1:00               | 2.54                             |
| 2013   | 1:00               | 2.69                             |
| 2014   | 1:00               | 2.84                             |
| 2015   | 1:00               | 2.96                             |
| <i>Ratios Calculated by SSMCO</i>  |                    |                                  |

- The 2015 BMA Municipal Study examined Commercial and Industrial municipal property tax ratios across 50 Ontario municipalities. The study revealed SSM has the fifth-highest Industrial Occupied ratio among 50 municipalities. (*See: Page 276, 2015 Municipal Study, BMA Management Consulting*)
- In 2014, CFIB released a study which examined Commercial and Industrial municipal property tax ratios in 230 Ontario municipalities. In that study SSM was cited among communities with the highest industrial rate ratios, being ranked 207 of 230 for its Industrial Occupied ratio. The CFIB study was based on 2013 municipal tax rates. (*See: Appendix C, Canadian Federation of Independent Business, Ontario Property Tax System Stacked Against Small Business: How Ontario and Its Municipalities Tax Business Properties, October 2014*)

## **SSM Industrial Rate Compared to Other Ontario Municipalities**

- SSM has the third-highest Industrial Occupied municipal rate among 104 municipalities surveyed across Ontario. (2015)

|  |                                       |
|--|---------------------------------------|
| <b>SSM Rate:</b>   | <b>4.1964%</b> (Third-Highest of 104) |
| Highest:   | 8.1128%                               |
| Lowest:  | 0.8015%                               |
| Median:  | 2.2544%                               |
| Average:   | 2.3596%                               |
| <i>Source: Page 294, Municipal Study 2015, BMA Consulting.</i> |                                       |

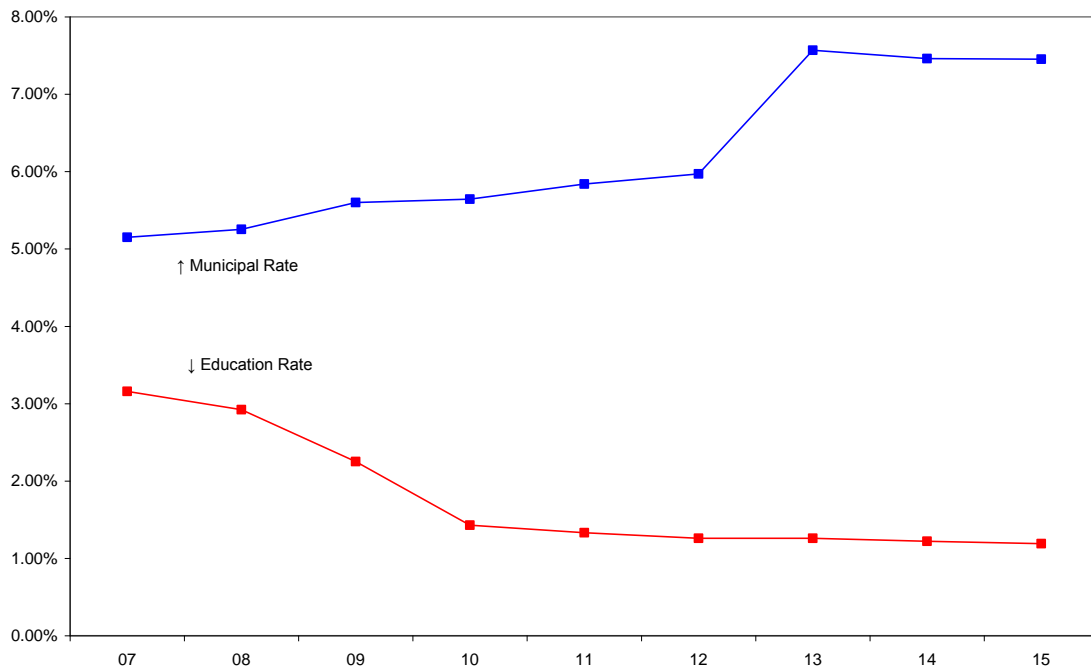
- SSM has the highest Industrial Occupied municipal rate among six Northern Ontario cities examined. (2015)

|   |                          |
|---|--------------------------|
| <b>1. Sault Ste. Marie</b>              | <b>4.1964%</b> (Highest) |
| 2. Timmins                              | 3.9576%                  |
| 3. Thunder Bay                          | 3.9139%                  |
| 4. Sudbury                              | 3.7391%                  |
| 5. Kenora                               | 2.8471%                  |
| 6. North Bay                            | 1.8096%                  |
| <i>Source: 2015 Tax Tables of Above</i> |                          |

## **FINDINGS: LARGE INDUSTRIAL OCCUPIED RATE TRENDS**

- The municipal portion of the Large Industrial Occupied rate has, for the most part, consistently increased since 2007. The Large Industrial municipal rate is up 44 percent since 2007.
- The provincial education portion of the Large Industrial rate has decreased significantly and consistently since 2007. The Large Industrial education rate is down 62 percent since 2007.
- The total Large Industrial Occupied rate is up 4 percent since 2007. The total rate increase was slight, thanks and due to the significant and steep decline in the provincial Large Industrial education rate.
- In 2007 a Large Industrial Occupied property paid a total \$8,310 per \$100,000 of assessed value.
- In 2015 a Large Industrial Occupied property paid a total \$8,642 per \$100,000 of assessed value. Again, the increase in overall dollar amount per \$100,000 of assessed value was slight, primarily due to the significant and steep decline in the provincial education rate portion of the Large Industrial property tax bill.
- In 2013 the Large Industrial municipal rate increased by 26 percent from the previous year.

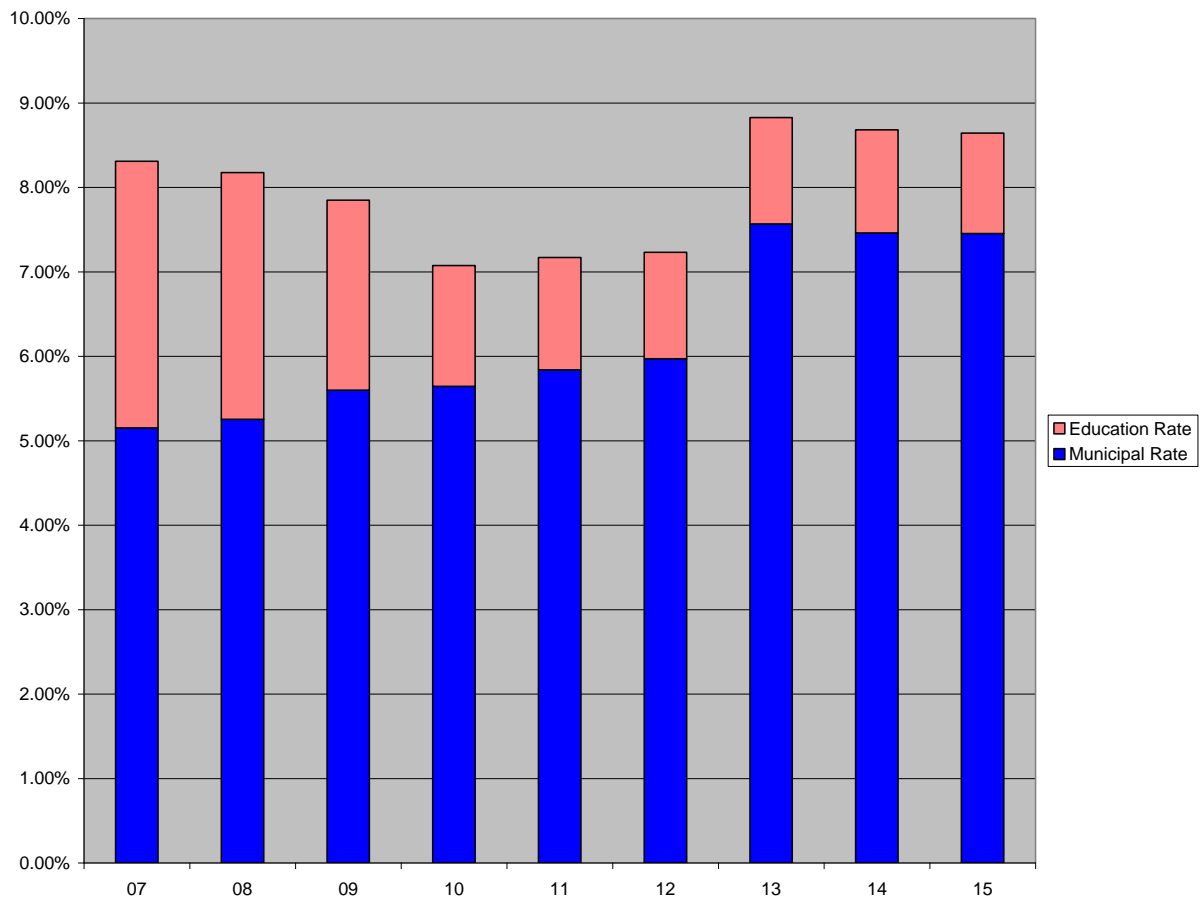
**SSM Large Industrial Property Tax Rate Trends (2007-2015)**



### SSM Large Industrial Occupied Rates (2007 - 2015)

| YEAR | Municipal Rate | Education Rate | Total Rate |
|------|----------------|----------------|------------|
| 2007 | 5.151%         | 3.158%         | 8.310%     |
| 2008 | 5.253%         | 2.921%         | 8.175%     |
| 2009 | 5.599%         | 2.250%         | 7.849%     |
| 2010 | 5.644%         | 1.430%         | 7.074%     |
| 2011 | 5.839%         | 1.330%         | 7.169%     |
| 2012 | 5.970%         | 1.260%         | 7.230%     |
| 2013 | 7.567%         | 1.260%         | 8.827%     |
| 2014 | 7.460%         | 1.220%         | 8.680%     |
| 2015 | 7.452%         | 1.190%         | 8.642%     |

Source: City of SSM Property Tax Tables (2007 – 2015)



### **Ratio Trends – SSM Large Industrial Occupied (2007 -2015)**

- The Large Industrial to Residential municipal ratio has increased consistently, year-over-year, since 2007.
- In 2007 the Large Industrial Occupied municipal ratio was 2.74. This means the Large Industrial class property owner paid 174 percent more than the residential property owner for the same municipal services.
- In 2015 the Large Industrial Occupied municipal ratio was 5.26. This means the Large Industrial class property owner paid 426 percent more than the residential property owner for the same municipal services.
- Expressed in pure dollar terms, in 2007 a Large Industrial property taxpayer paid \$3,273 more in property taxes per \$100,000 of assessed value than the residential taxpayer.
- In 2015 a Large Industrial property taxpayer paid \$6,036 more in property taxes per \$100,000 of assessed value than the residential taxpayer.

| <b><u>Ratio Trends: Large Industrial Occupied (2007-2015) – Municipal Rate Ratios</u></b> |                    |  |
|---|--------------------|--|
| <b>YEAR</b>   | <b>Residential</b> | <b>Large Industrial Occupied Ratio</b> |
| 2007  | 1:00               | 2.74                                   |
| 2008  | 1:00               | 2.74                                   |
| 2009  | 1:00               | 3.06                                   |
| 2010  | 1:00               | 3.21                                   |
| 2011  | 1:00               | 3.41                                   |
| 2012  | 1:00               | 3.62                                   |
| 2013  | 1:00               | 4.79                                   |
| 2014  | 1:00               | 5.05                                   |
| 2015  | 1:00               | 5.26                                   |
| <i>Ratios Calculated by SSMCOC</i>  |                    |  |

## **SSM Large Industrial Rate Compared to Other Ontario Municipalities**

- SSM has as the second-highest Large Industrial Occupied municipal rate among 104 municipalities across Ontario (2015).

|   |  |
|---|--|
| <b>SSM Rate:</b>  | <b>7.4530%</b> (Second-Highest of 104) |
| Highest:  | 8.1128%                                |
| Lowest:   | 0.8015%                                |
| Median:   | 2.2717%                                |
| Average:  | 2.5098%                                |
| <i>Source: Page 294, Municipal Study 2015, BMA Consulting</i> |  |

- SSM has as the highest Large Industrial Occupied municipal rate among six Northern Ontario cities examined (2015).

|  |                          |
|--|--------------------------|
| <b>1. Sault Ste. Marie</b>                               | <b>7.4530%</b> (Highest) |
| 2. Thunder Bay   | 5.1992%                  |
| 3. Timmins   | 4.9263%                  |
| 4. Sudbury   | 4.2382%                  |
| 5. Kenora  | 3.7034%                  |
| 6. North Bay   | 1.8096%                  |
| <i>Source: 2015 Tax Tables of Above (Municipal Rate)</i> |                          |

### **Differing Industrial Rates (Northern Ontario)**

Five out of six Northern Ontario cities examined opt to apply a Large Industrial Occupied rate for large industrial entities. Among the five, SSM has the highest differential between its Large Industrial Occupied rate and its Industrial Occupied rate. As of 2015, the SSM Large Industrial Occupied rate is 3.25 percentage points higher than the SSM Industrial Occupied rate. The second-highest differential between the two rates is 1.28 percentage points (Thunder Bay).

| <b>Differing Industrial Property Tax Rates – Northern Ontario - (2015 Municipal Rates)</b> |                            |                                  |                     |
|--|----------------------------|----------------------------------|---------------------|
| <b>CITY</b>  | <b>Industrial Occupied</b> | <b>Large Industrial Occupied</b> | <b>Differential</b> |
| Kenora   | 2.8471%                    | 3.7034%                          | 0.85%               |
| <b>Sault Ste. Marie</b>  | <b>4.1964%</b>             | <b>7.4530%</b>                   | <b>3.25%</b>        |
| Sudbury  | 3.7391%                    | 4.2382%                          | 0.49%               |
| Thunder Bay  | 3.9139%                    | 5.1992%                          | 1.28%               |
| Timmins  | 3.9576%                    | 4.9263%                          | 0.97%               |

### Differing Industrial Rates (Ontario-Wide)

SSM is one of only 16 Ontario municipalities among 104 that have a different or higher municipal property tax rate for large industrial entities. SSM has the highest rate among the 16 municipalities. SSM also has the highest differential between its Large Industrial Occupied rate and its Industrial Occupied rate. In 2015 the SSM Large Industrial Occupied rate was 3.25 percentage points higher than the SSM Industrial Occupied rate. The second highest differential between the two rates was 1.62 percentage points (Owen Sound). The vast majority of industrial rate differentials among the 16 municipalities are less than one percentage point.

| <b>Differing Industrial Property Tax Rates – Ontario-Wide - (2015 Municipal Rates)</b> |                            |                                  |                     |
|--|----------------------------|----------------------------------|---------------------|
| <b>CITY</b>  | <b>Industrial Occupied</b> | <b>Large Industrial Occupied</b> | <b>Differential</b> |
| Amherstburg  | 2.6677%                    | 3.6889%                          | 1.02%               |
| Greater Sudbury  | 3.7392%                    | 4.2382%                          | 0.49%               |
| Hamilton   | 3.7104%                    | 4.3509%                          | 0.64%               |
| Kenora   | 2.8472%                    | 3.7034%                          | 0.85%               |
| Kingsville   | 2.0824%                    | 2.8795%                          | 0.72%               |
| Lambton  | 1.9852%                    | 2.9120%                          | 0.92%               |
| Leamington   | 3.0556%                    | 4.2254%                          | 1.16%               |
| Ottawa   | 2.3541%                    | 2.0216%                          | 0.33%               |
| Owen Sound   | 3.1538%                    | 4.7836%                          | 1.62%               |
| Quinte West  | 2.7586%                    | 2.9489%                          | 0.19%               |
| Sarnia   | 2.6816%                    | 3.9335%                          | 1.25%               |
| <b>Sault Ste. Marie</b>  | <b>4.1964%</b>             | <b>7.4530%</b>                   | <b>3.25%</b>        |
| St. Thomas   | 2.9599%                    | 3.5568%                          | 0.59%               |
| Thunder Bay  | 3.9140%                    | 5.1992%                          | 1.28%               |
| Timmins  | 3.9577%                    | 4.9263%                          | 0.97%               |
| Windsor  | 3.8227%                    | 4.6862%                          | 0.86%               |

*Table Derived From: Page 292 to 294, Municipal Study 2015, BMA Consulting*

**NOTE:** In 2015, a large industrial entity in SSM paid 77 percent more in municipal property taxes per \$100,000 of assessed value than its standard industrial SSM counterpart.



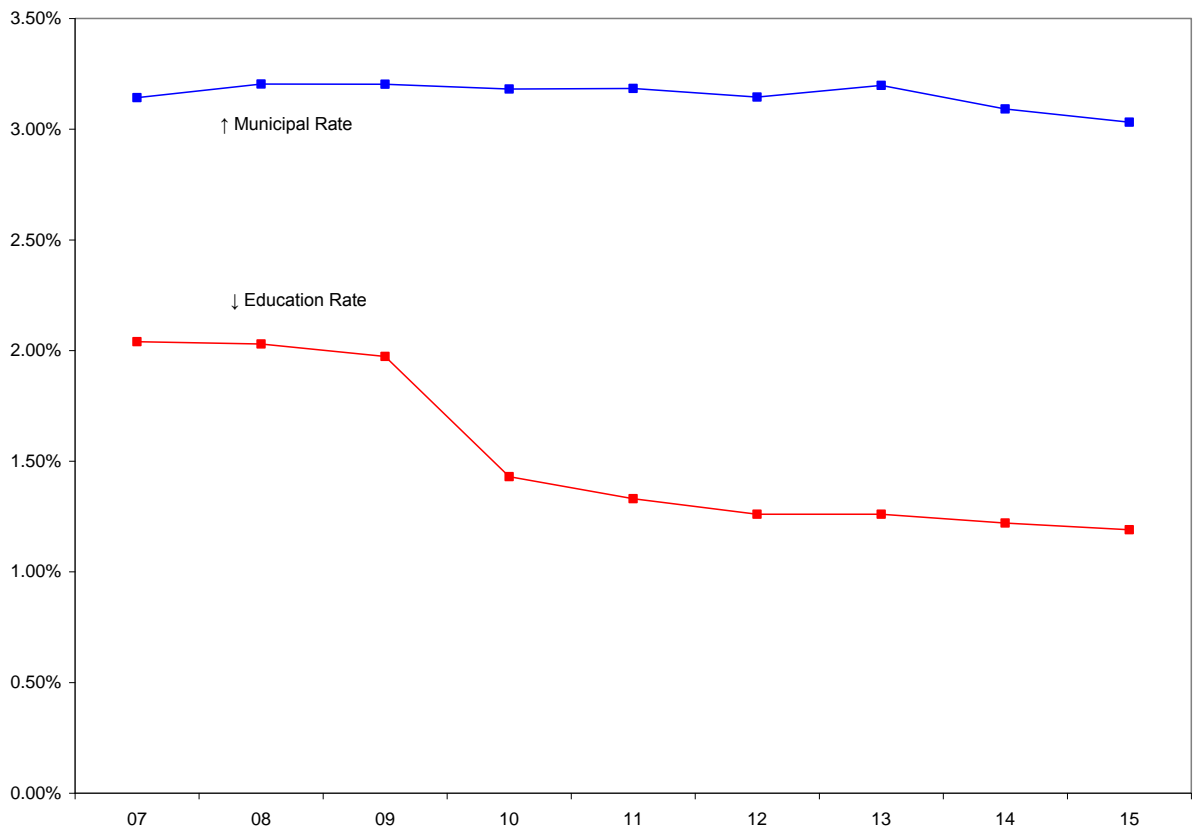
## **Section 2: Commercial Rates**

- Commercial Occupied Rate Trends (2007-2015)
- Office Buildings Rate Trends (2007-2015)
- Shopping Centres Rate Trends (2007-2015)

## **FINDINGS: COMMERCIAL OCCUPIED RATE TRENDS**

- The municipal portion of the Commercial Occupied rate has decreased slightly and inconsistently since 2007. The municipal rate is down 3.5 percent since 2007.
- The provincial education portion of the Commercial Occupied rate has decreased significantly and consistently since 2007. The Commercial education rate is down 41 percent since 2007.
- The total Commercial Occupied rate is down 18 percent since 2007. This rate decline is largely thanks and due to the significant and steep decline in the provincial education rate.
- In 2007 a Commercial Occupied property paid total of \$5,182 per \$100,000 of assessed value.
- In 2015 a Commercial Occupied property paid a total of \$4,221 per \$100,000 of assessed value. Again, this reduced dollar amount per \$100,000 of assessed value is primarily due to the significant and steep decline in the provincial education rate portion of the Commercial Occupied property tax bill.

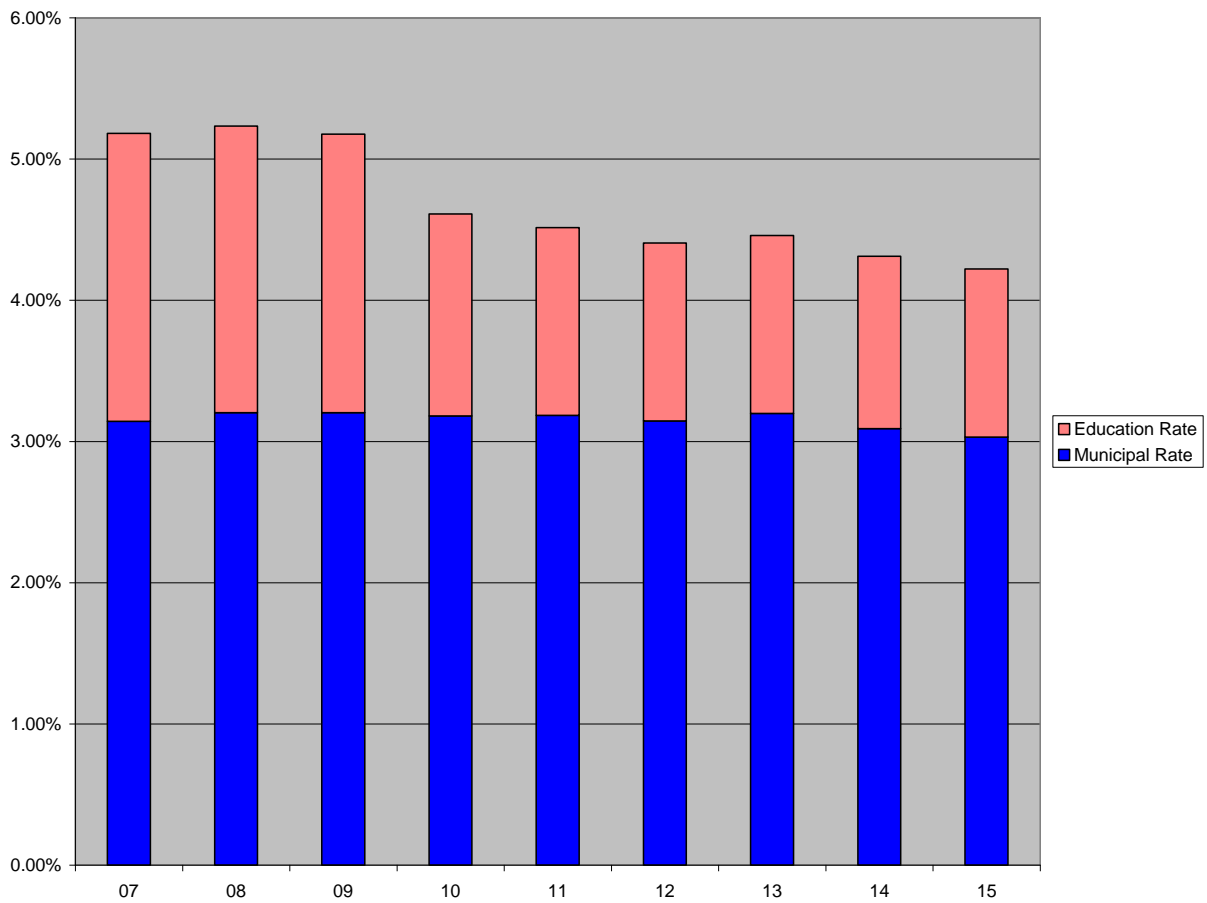
**SSM Commercial Occupied Property Tax Rate Trends (2007-2015)**



**SSM Commercial Occupied Rates (2007-2015)**

| <b>YEAR</b> | <b>Municipal Rate</b> | <b>Education Rate</b> | <b>Total Rate</b> |
|-------------|-----------------------|-----------------------|-------------------|
| <b>2007</b> | 3.142%                | 2.040%                | 5.182%            |
| <b>2008</b> | 3.204%                | 2.029%                | 5.233%            |
| <b>2009</b> | 3.203%                | 1.973%                | 5.176%            |
| <b>2010</b> | 3.181%                | 1.430%                | 4.611%            |
| <b>2011</b> | 3.184%                | 1.330%                | 4.514%            |
| <b>2012</b> | 3.145%                | 1.260%                | 4.405%            |
| <b>2013</b> | 3.198%                | 1.260%                | 4.458%            |
| <b>2014</b> | 3.091%                | 1.220%                | 4.311%            |
| <b>2015</b> | 3.031%                | 1.190%                | 4.221%            |

*Source: City of SSM Property Tax Tables (2007 – 2015)*



### **Ratio Trends: SSM Commercial Occupied (2007 -2015)**

- The Commercial to Residential municipal ratios have increased consistently, year-over-year, since 2007.
- In 2007 the Commercial Occupied municipal ratio was 1.67. This means the commercial property owner paid 67 percent more than the residential property owner for the same municipal services.
- In 2015 the Commercial Occupied municipal ratio was 2.14. This means the commercial property owner paid 114 percent more than the residential property owner for the same municipal services.
- Expressed in pure dollar terms, in 2007 a Commercial property taxpayer paid \$1,264 more in property taxes per \$100,000 of assessed value than the residential taxpayer. In 2015 a Commercial property taxpayer paid \$1,615 more in property taxes per 100,000 of assessed value than the residential taxpayer.

| <b>Ratio Trends: Commercial Occupied (2007-2015) – Municipal Rate Ratios</b> |                    |                                  |
|--|--------------------|----------------------------------|
| <b>YEAR</b>  | <b>Residential</b> | <b>Commercial Occupied Ratio</b> |
| 2007   | 1:00               | 1.67                             |
| 2008   | 1:00               | 1.67                             |
| 2009   | 1:00               | 1.75                             |
| 2010   | 1:00               | 1.80                             |
| 2011   | 1:00               | 1.86                             |
| 2012   | 1:00               | 1.90                             |
| 2013   | 1:00               | 2.02                             |
| 2014   | 1:00               | 2.09                             |
| 2015   | 1:00               | 2.14                             |
| <i>Ratios Calculated by SSMCOC</i>   |                    |                                  |

- The 2015 BMA Municipal Study examined Commercial Occupied and Industrial Occupied ratios across 50 Ontario municipalities. The study revealed SSM had the second-highest Commercial Occupied ratio among 50 municipalities. (*See: Page 275, 2015 Municipal Study, BMA Management Consulting*).
- In 2014, CFIB released a study which examined Commercial and Industrial property tax ratios in 230 Ontario municipalities. In that study SSM was cited among communities with the highest commercial rate ratios, being ranked 228 of 230 for its Commercial Occupied municipal ratio. The CFIB study was based on 2013 municipal tax rates. (*See: Appendix C, Canadian Federation of Independent Business, Ontario Property Tax System Stacked Against Small Business: How Ontario and Its Municipalities Tax Business Properties, October 2014*).

## **SSM Commercial Rate Compared to Other Ontario Municipalities**

- SSM has the eighth-highest Commercial Occupied municipal rate among 104 municipalities surveyed across Ontario. (2015)

|   |                |                                |
|---|----------------|--------------------------------|
| <b>SSM Rate:</b>  | <b>3.0320%</b> | <b>(Eighth-Highest of 104)</b> |
| Highest:  | 3.4279%        |                                |
| Lowest:   | 0.6823%        |                                |
| Median:   | 1.6231%        |                                |
| Average:  | 1.7404%        |                                |
| <i>Source: BMA Consulting Municipal Study, 2015, Page 294</i> |                |                                |

- SSM has the third-highest Commercial Occupied municipal rate among six Northern Ontario cities. (2015)

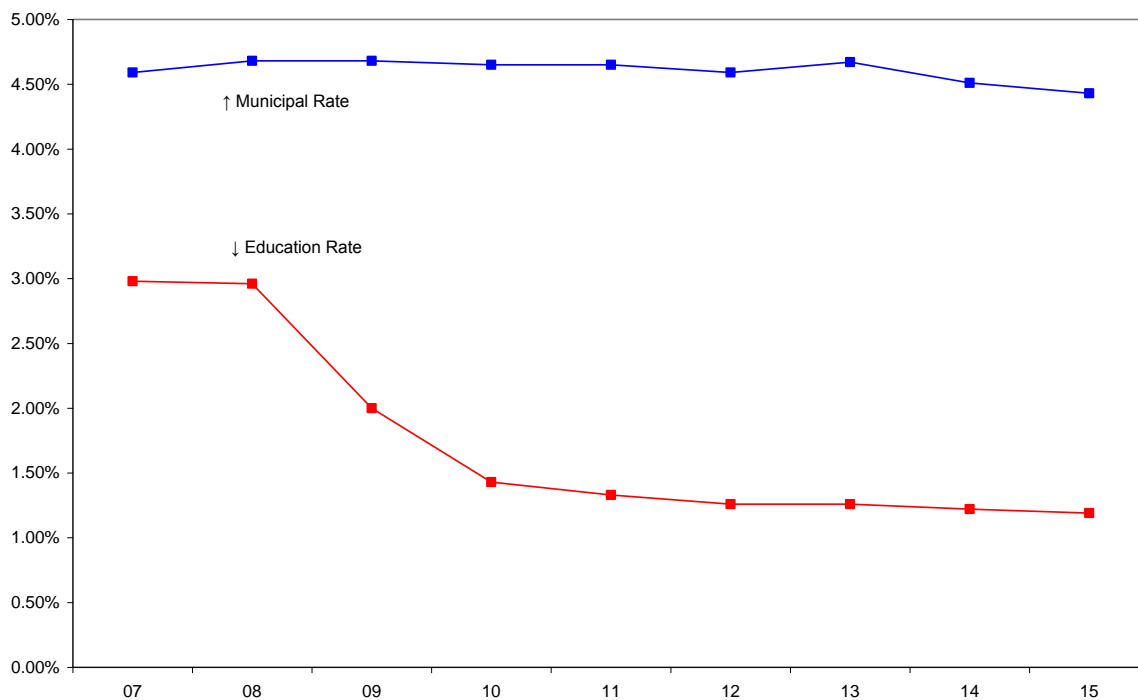
|   |                |                        |
|---|----------------|------------------------|
| 1. Timmins                              | 3.2155%        |                        |
| 2. Thunder Bay                          | 3.1976%        |                        |
| <b>3. Sault Ste. Marie</b>              | <b>3.0320%</b> | <b>(Third-Highest)</b> |
| 4. Sudbury                              | 2.5777%        |                        |
| 5. Kenora                               | 2.5709%        |                        |
| 6. North Bay                            | 2.4329%        |                        |
| <i>Source: 2015 Tax Tables of Above</i> |                |                        |

- SSM opts to tax the commercial categories of Office Buildings and Shopping Centres at different and higher rates. See SSM Office Buildings and Shopping Centres Rate Trends, charts, comparisons.

## **FINDINGS: SSM OFFICE BUILDINGS TAX RATE TRENDS**

- SSM opts to tax Office Buildings at a higher municipal rate than the standard Commercial Occupied rate. In 2015, the Office Buildings property class paid 46 percent more per \$100,000 of assessed value than the Commercial Occupied property class.
- The municipal portion of the Office Buildings rate has decreased slightly and sporadically since 2007. The Office Buildings municipal rate is down 3.5 percent since 2007.
- The education portion of the Office Buildings rate has decreased significantly and consistently since 2007. The Office Buildings education rate is down 60 percent since 2007.
- The total Office Buildings rate is down 25 percent since 2007. This rate decline is largely thanks and due to the significant and steep decline in the provincial education rate portion of the Office Buildings property tax bill.
- In 2007 an Office Building property paid a total property tax of \$7,569 per \$100,000 of assessed value. In 2015 an Office Building property paid a total property tax of \$5,618 per \$100,000 of assessed value. Again, this reduced dollar amount per \$100,000 of assessed value is primarily due to the significant and steep decline in the provincial education rate portion of the Office Buildings property tax bill.

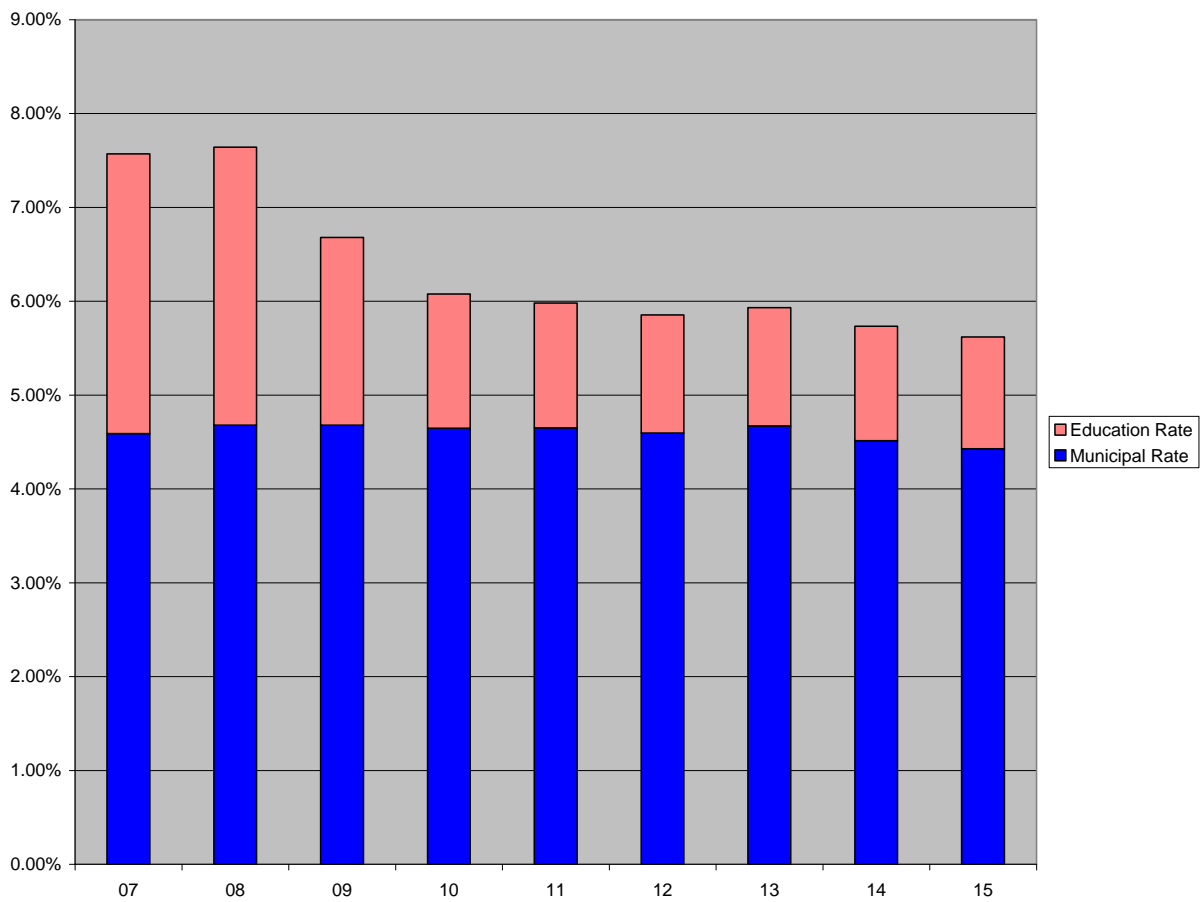
**SSM Office Buildings Property Tax Rate Trends (2007-2015)**



**SSM Office Buildings Occupied Rates (2007-2015)**

| <b>YEAR</b> | <b>Municipal Rate</b> | <b>Education Rate</b> | <b>Total Rate</b> |
|-------------|-----------------------|-----------------------|-------------------|
| <b>2007</b> | 4.589%                | 2.980%                | 7.569%            |
| <b>2008</b> | 4.679%                | 2.963%                | 7.643%            |
| <b>2009</b> | 4.679%                | 2.000%                | 6.679%            |
| <b>2010</b> | 4.646%                | 1.430%                | 6.076%            |
| <b>2011</b> | 4.651%                | 1.330%                | 5.981%            |
| <b>2012</b> | 4.594%                | 1.260%                | 5.854%            |
| <b>2013</b> | 4.671%                | 1.260%                | 5.931%            |
| <b>2014</b> | 4.514%                | 1.220%                | 5.734%            |
| <b>2015</b> | 4.428%                | 1.190%                | 5.618%            |

*Source: City of SSM Property Tax Tables (2007 – 2015)*



### **Ratio Trends: SSM Office Buildings (2007 -2015)**

- The Office Buildings to Residential municipal ratios have, by and large, increased consistently, year-over-year, since 2007.
- In 2007 the Office Buildings municipal ratio was 2.44. This means the office building owner paid 144 percent more than the residential property owner for the same municipal services.
- In 2015 the Office Buildings municipal ratio was 3.12. This means the office building owner paid 212 percent more than the residential property owner for the same municipal services.
- Expressed in pure dollar terms, in 2007 an Office Building property taxpayer paid \$2,711 more in municipal property taxes per \$100,000 of assessed value than the residential taxpayer. In 2015 an Office Building property taxpayer paid \$3,012 more in property taxes per 100,000 of assessed value than the residential taxpayer.

| <b>Ratio Trends: Office Buildings (2007-2015) – Municipal Rate Ratios</b> |                    |                               |
|---|--------------------|-------------------------------|
| <b>YEAR</b>   | <b>Residential</b> | <b>Office Buildings Ratio</b> |
| 2007  | 1:00               | 2.44                          |
| 2008  | 1:00               | 2.44                          |
| 2009  | 1:00               | 2.56                          |
| 2010  | 1:00               | 2.64                          |
| 2011  | 1:00               | 2.71                          |
| 2012  | 1:00               | 2.78                          |
| 2013  | 1:00               | 2.95                          |
| 2014  | 1:00               | 3.05                          |
| 2015  | 1:00               | 3.12                          |
| <i>Ratios Calculated by SSMCOC</i>  |                    |                               |



## SSM Office Buildings Rate Compared to Other Ontario Municipalities

- SSM has the highest Office Buildings municipal rate among 104 municipalities surveyed across Ontario (2015).

|  |                |                         |
|--|----------------|-------------------------|
| <b>SSM Rate:</b>   | <b>4.4284%</b> | <b>(Highest of 104)</b> |
| Highest:   | 4.4284%        |                         |
| Lowest:  | 0.6823%        |                         |
| Median:  | 1.6231%        |                         |
| Average:   | 1.7535%        |                         |
| <i>Source: Page 294, 2015 Municipal Study, BMA Management Consulting</i> |                |                         |

- SSM has the highest Office Buildings municipal rate among six Northern Ontario cities examined (2015).

|  |                |                  |
|--|----------------|------------------|
| <b>1. Sault Ste. Marie</b>                               | <b>4.4284%</b> | <b>(Highest)</b> |
| 2. Timmins   | 3.2155%        |                  |
| 3. Thunder Bay   | 3.1976%        |                  |
| 4. Kenora  | 3.1068%        |                  |
| 5. Sudbury   | 2.5777%        |                  |
| 6. North Bay   | 2.4329%        |                  |
| <i>Source: 2015 Tax Tables of Above (Municipal Rate)</i> |                |                  |

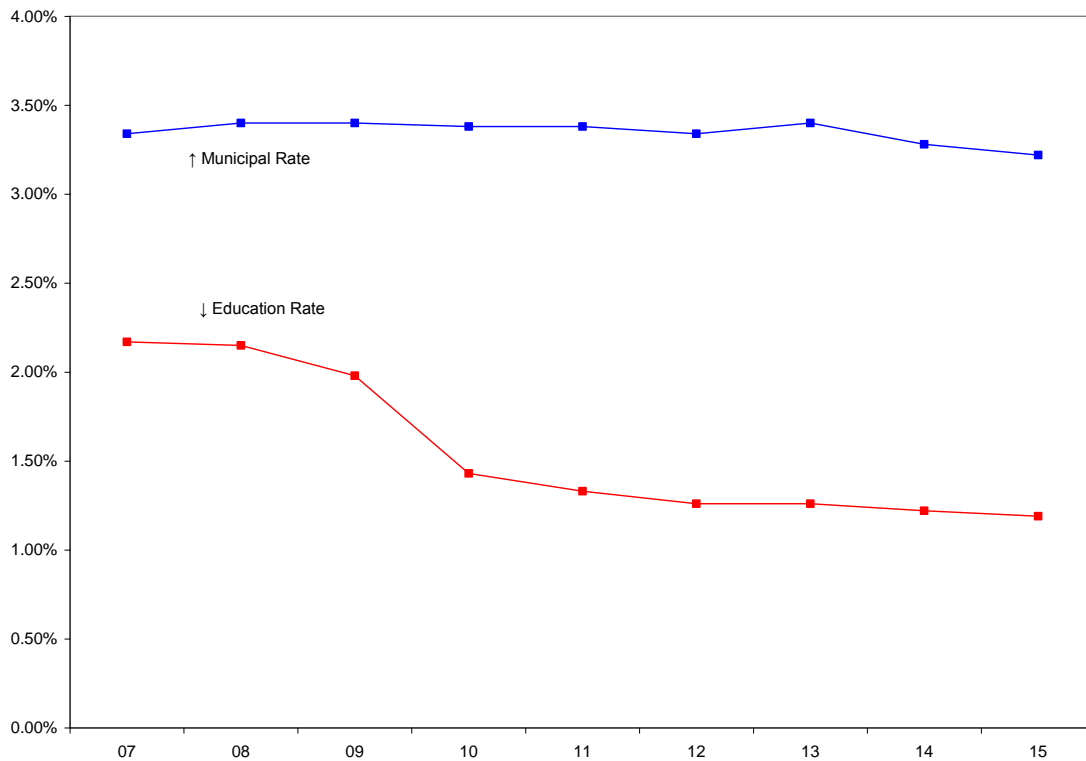
- Of the six Northern Ontario municipalities examined, SSM and Kenora are the only cities that opt to apply different and higher rates for the commercial category of Office Buildings.
- SSM is one of only eight Ontario municipalities among 104 that opt to apply a different municipal rate for the commercial category of Office Buildings. SSM applies a higher municipal rate to Office Buildings.

| <b>CITY</b>   | <b>Commercial Occupied</b> | <b>Office Buildings</b> |
|---|----------------------------|-------------------------|
| Chatham   | 3.3179%                    | 2.4359%                 |
| Kenora  | 2.5710%                    | 3.1069%                 |
| Lambton   | 1.5775%                    | 1.4890%                 |
| Leamington  | 1.7021%                    | 1.8310%                 |
| Ottawa  | 1.7319%                    | 2.0923%                 |
| Sarnia  | 2.1309%                    | 2.0114%                 |
| <b>SSM</b>  | <b>3.0320%</b>             | <b>4.4284%</b>          |
| Windsor   | 3.2739%                    | 3.3016%                 |
| <i>Table derived from: Pages 292-294, 2015 Municipal Study, BMA Management Consulting</i> |                            |                         |

## **FINDINGS: SSM SHOPPING CENTRES TAX RATE TRENDS**

- SSM opts to tax Shopping Centres at a higher municipal rate than the standard Commercial Occupied rate. In 2015, the Shopping Centres property class paid 6 percent more per \$100,000 of assessed value than the Commercial Occupied property class.
- The municipal portion of the Shopping Centres rate has decreased slightly and sporadically since 2007. The Shopping Centres municipal rate down 3.5 percent since 2007.
- The education portion of the Shopping Centres rate has decreased significantly and consistently since 2007. The Shopping Centres education rate is down 45 percent since 2007.
- The total Shopping Centres rate is down 20 percent since 2007. This rate decline is largely thanks and due to the significant and steep decline in the Shopping Centres education rate portion of the property tax bill.
- In 2007 a Shopping Centre property paid a total property tax of \$5,501 per \$100,000 of assessed value. In 2015 a Shopping Centre property paid a total property tax of \$4,408 per \$100,000 of assessed value. Again, this reduced dollar amount per \$100,000 of assessed value is primarily due to the significant and steep decline in the provincial education rate portion of the Shopping Centres property tax bill.

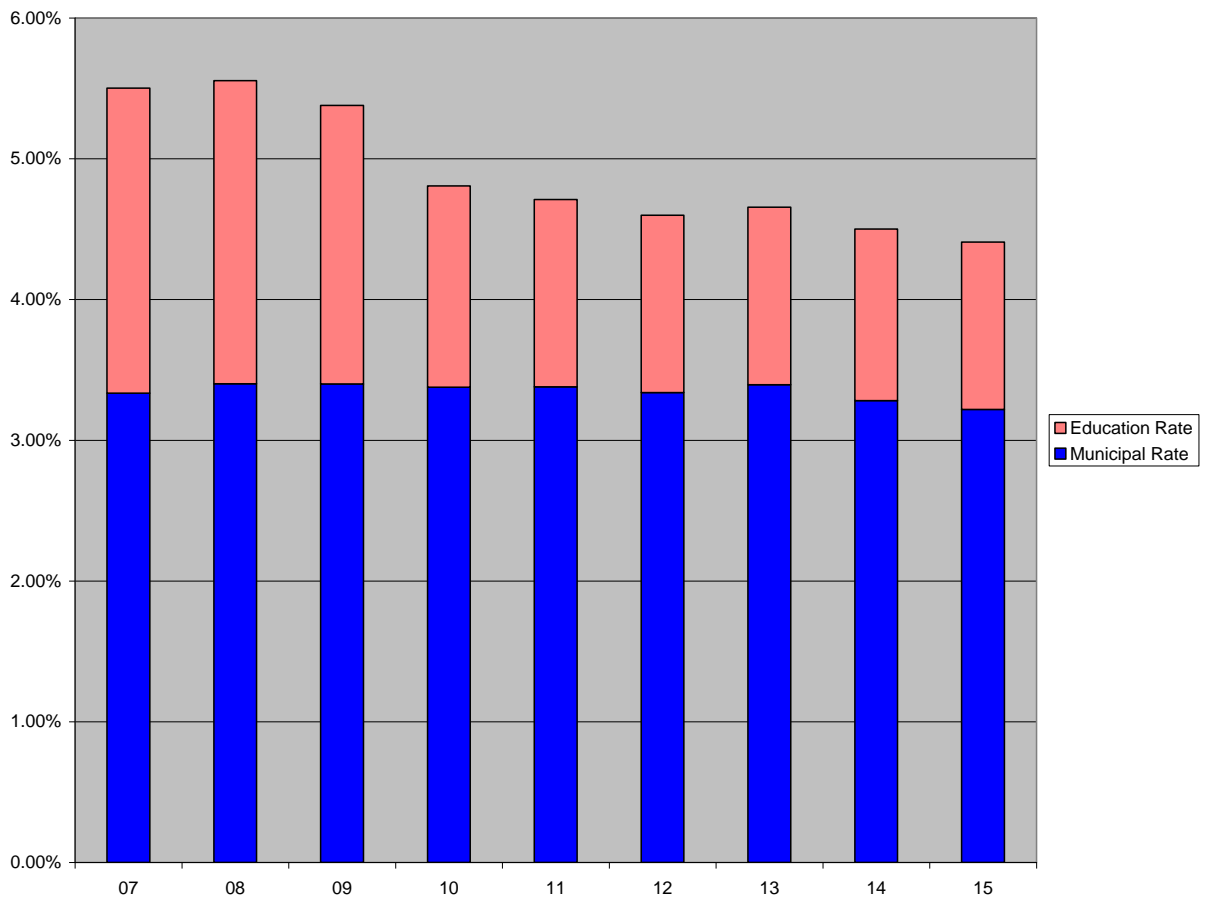
SSM Shopping Centres Property Tax Trends (2007-2015)



### SSM Shopping Centres Occupied Rates (2007 - 2015)

| YEAR        | Municipal Rate | Education Rate | Total Rate |
|-------------|----------------|----------------|------------|
| <b>2007</b> | 3.335%         | 2.166%         | 5.501%     |
| <b>2008</b> | 3.401%         | 2.153%         | 5.555%     |
| <b>2009</b> | 3.400%         | 1.979%         | 5.380%     |
| <b>2010</b> | 3.377%         | 1.430%         | 4.807%     |
| <b>2011</b> | 3.380%         | 1.330%         | 4.710%     |
| <b>2012</b> | 3.339%         | 1.260%         | 4.599%     |
| <b>2013</b> | 3.395%         | 1.260%         | 4.655%     |
| <b>2014</b> | 3.281%         | 1.220%         | 4.501%     |
| <b>2015</b> | 3.218%         | 1.190%         | 4.408%     |

Source: City of SSM Property Tax Tables (2007–2015)



### **Ratio Trends: SSM Shopping Centres Occupied (2007-2015)**

- The Shopping Centres to Residential municipal ratios have, by and large, increased consistently, year-over-year, since 2007.
- In 2007 the Shopping Centres municipal ratio was 1.77. This means the shopping centre property owner paid 77 percent more than the residential property owner for the same municipal services.
- In 2015 the Shopping Centres municipal ratio was 2.27. This means the shopping centre owner paid 127 percent more than the residential property owner for the same municipal services.
- Expressed in pure dollar terms, in 2007 a Shopping Centre property taxpayer paid \$1,457 more in municipal property taxes per \$100,000 of assessed value than the residential taxpayer.
- In 2015 a Shopping Centre property owner paid \$1,802 more in property taxes per \$100,000 of assessed value than the residential taxpayer.

| <b><u>Ratio Trends: Shopping Centres (2007-2015) – Municipal Rate Ratios</u></b> |                    |                               |
|--|--------------------|-------------------------------|
| <b>YEAR</b>  | <b>Residential</b> | <b>Shopping Centres Ratio</b> |
| 2007   | 1:00               | 1.77                          |
| 2008   | 1:00               | 1.77                          |
| 2009   | 1:00               | 1.86                          |
| 2010   | 1:00               | 1.92                          |
| 2011   | 1:00               | 1.97                          |
| 2012   | 1:00               | 2.02                          |
| 2013   | 1:00               | 2.15                          |
| 2014   | 1:00               | 2.22                          |
| 2015   | 1:00               | 2.27                          |
| <i>Ratios Calculated by SSMCOC</i>   |                    |                               |

## Shopping Centres Rate Compared to Other Ontario Municipalities

- SSM has the sixth-highest Shopping Centres municipal rate among 104 municipalities surveyed across Ontario. (2015)

|  |                                       |
|--|---------------------------------------|
| <b>SSM Rate:</b>   | <b>3.2187%</b> (Sixth-Highest of 104) |
| Highest:   | 3.8280%                               |
| Lowest:  | 0.6823%                               |
| Median:  | 1.6231%                               |
| Average:   | 1.7603%                               |
| <i>Source: BMA Consulting Municipal Study 2015, Page 294</i> |                                       |

- SSM has the second-highest Shopping Centres municipal rate among six Northern Ontario cities examined. (2015)

|   |                                 |
|---|---------------------------------|
| 1. Kenora   | 3.6526%                         |
| <b>2. Sault Ste. Marie</b>  | <b>3.2187%</b> (Second-Highest) |
| 3. Timmins  | 3.2155%                         |
| 4. Thunder Bay  | 3.1976%                         |
| 5. Sudbury  | 2.5777%                         |
| 6. North Bay  | 2.4329%                         |
| <i>Source: 2015 Property Tax Tables of Above (Municipal Rate)</i> |                                 |

- Of the six Northern Ontario municipalities examined, SSM and Kenora are the only cities that opt to apply different and higher rates for the commercial category of Shopping Centres.
- SSM is one of only seven Ontario municipalities among 104 that opt to apply different municipal rates for the commercial category of Shopping Centres. SSM applies a higher municipal rate to Shopping Centres.

| CITY  | Commercial Occupied | Shopping Centres |
|---|---------------------|------------------|
| Chatham   | 3.3179%             | 3.8280%          |
| Kenora  | 2.5710%             | 3.0939%          |
| Lambton   | 1.5775%             | 2.0200%          |
| Ottawa  | 1.7319%             | 1.4406%          |
| Sarnia  | 2.1309%             | 2.7287%          |
| <b>SSM</b>  | <b>3.0320%</b>      | <b>3.2187%</b>   |
| Windsor   | 3.2279%             | 3.3697%          |
| <i>Table derived from: Pages 292-294, 2015 Municipal Study, BMA Management Consulting</i> |                     |                  |

## **Section 3: Research Notes**

- Note 1: Industrial Rate Divergence (2007-2015) (w/Graphs)
- Note 2: The Big Jump of 2013 (w/Graph)
- Note 3: A Standout Among the Few and the Many (w/Bar Chart)
- Note 4: Commercial Rate Distinctions (w/Graph)
- Note 5: Residential Rate Symmetry (2007-2015) (w/Bar Chart, Graphs)
- Note 6: The Total Levy (2006-2015) (w/Graph)

## **RESEARCH NOTE 1**

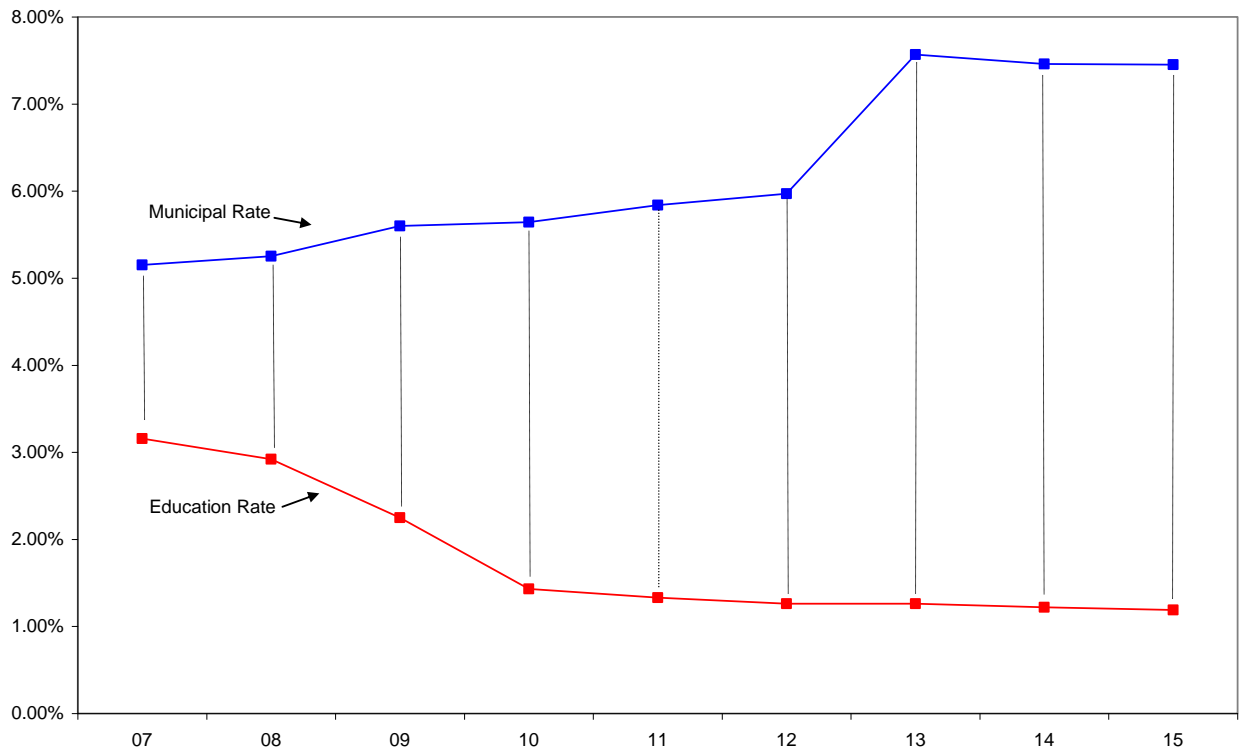
### **SSM Industrial Rate Divergence (2007-2015)**

As certain elements of the SSM industrial sector face severe challenges, it is important to note a certain trend in recent years.

Since 2008, SSM industrial properties saw steady increases in the municipal rate portion of their property tax bills. The provincial education rate portion of the industrial property tax bill saw significant and consistent decreases over the same period. Unfortunately, the significant financial benefits provided by the decreases in the industrial education rates were cancelled out by consistent increases in the SSM industrial municipal rates.

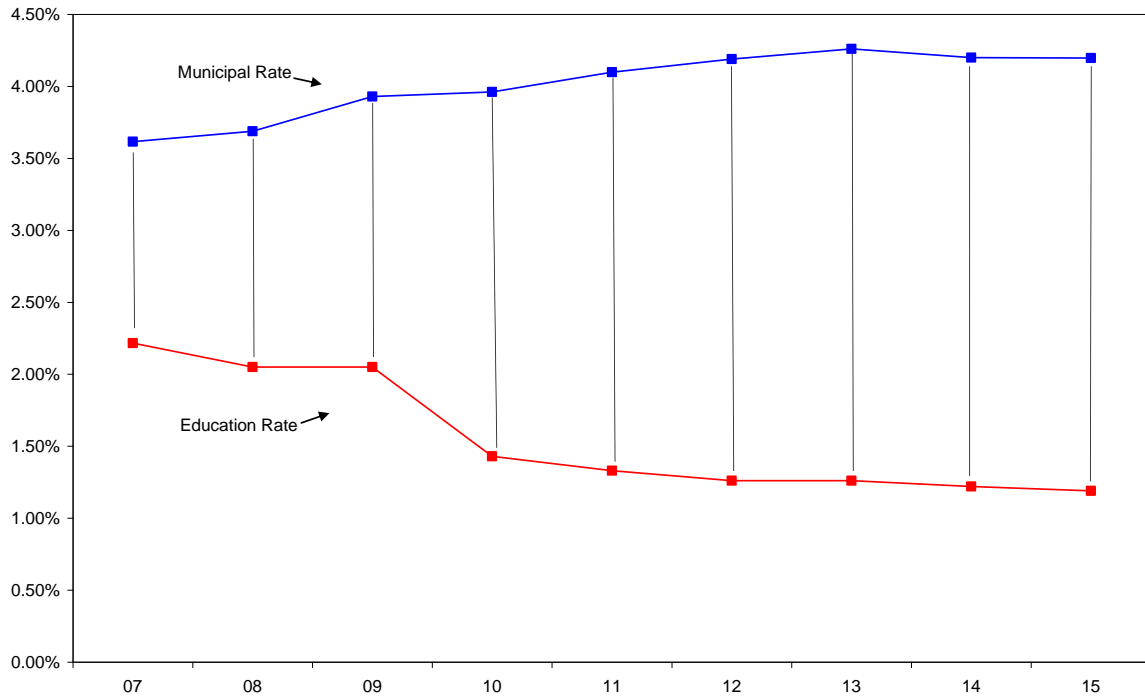
SSM industrial and commercial rate charts throughout this report illustrate varying degrees of divergence between the municipal and education rates. The most striking examples of divergence are found in the SSM industrial rates.

**SSM Large Industrial Rate Divergence (2007-2015)**

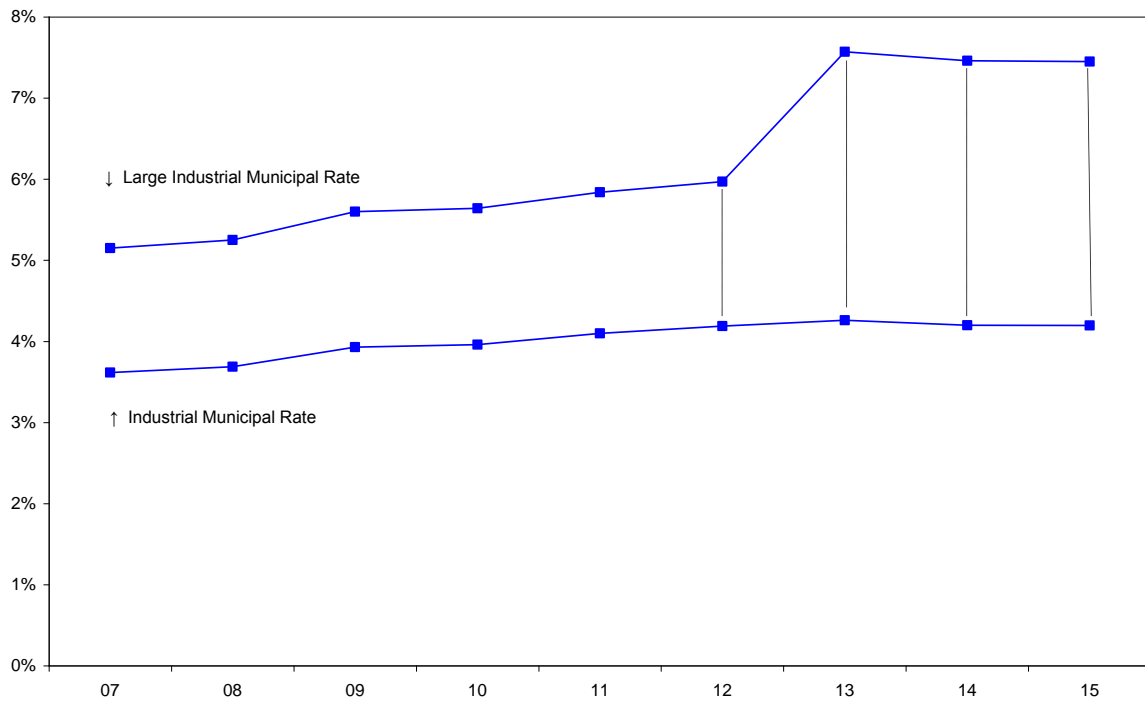


*Chart by SSMCOC: Chart derived from City of SSM Property Tax Tables (2007-2015)*

**SSM Industrial Rate Divergence (2007-2015)**



**SSM Industrial & Large Industrial Municipal Rate Divergence (2007-2015)**



*Charts by SSMCOC: Chart derived from City of SSM Property Tax Tables (2007-2015)*



## **RESEARCH NOTE 2**

### **The SSM Large Industrial Rate: The Big Jump of 2013**

Local, provincial and federal politicians continually cite in the economic importance of the city's large industrial employers, and for good reason.

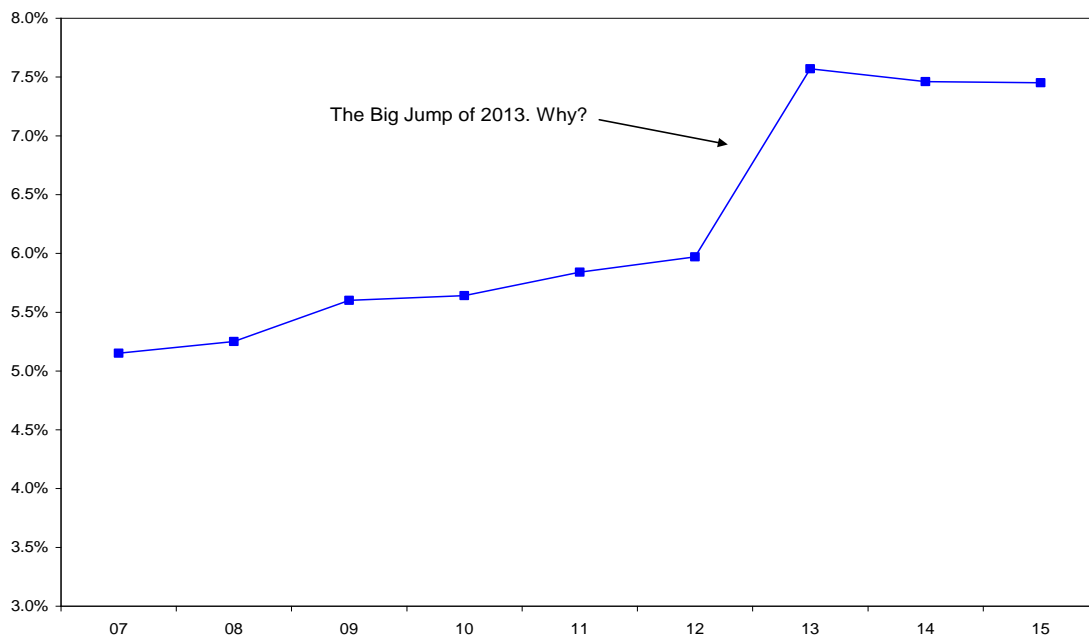
However, large industrial entities in SSM are taxed at a municipal tax rate much higher than standard SSM industrial entities and at a much higher rate than large industrial entities across Ontario.

As the Large Industrial rate tables in this report indicate, the Large Industrial municipal rate saw year-over-year increases since 2007. But until 2012 the increases were always approximately two-tenths of a percentage point per year. Then suddenly, in 2013 the Large Industrial municipal rate jumped from 5.97% in 2012 to 7.56% the following year. This means in a short period of one year the property tax bill for large industrial properties increased by 26 percent. In pure dollar terms, this means large industrial entities found themselves paying approximately \$16,000 more per \$1,000,000 of assessed value than the previous year.

This was obviously a dramatic increase in municipal rate imposed on large industrial employers. No other property tax class experienced such a large increase. As of 2015, the Large Industrial municipal rate continues to hover around 7.5%, the second-highest rate among 104 Ontario municipalities and the highest rate among six Northern Ontario cities.

The 2013 rate increase raises several questions. What was the reason for the massive rate hike in 2013? Why does the rate continue to be so high? Why did no one in 2013 stop to consider the negative broader economic implications of such a rate hike?

**SSM Large Industrial Municipal Rate Trends (2007-2015)**



*Chart by SSMCOC: Chart derived from City of SSM Property Tax Tables (2007-2015)*

**RESEARCH NOTE 3**

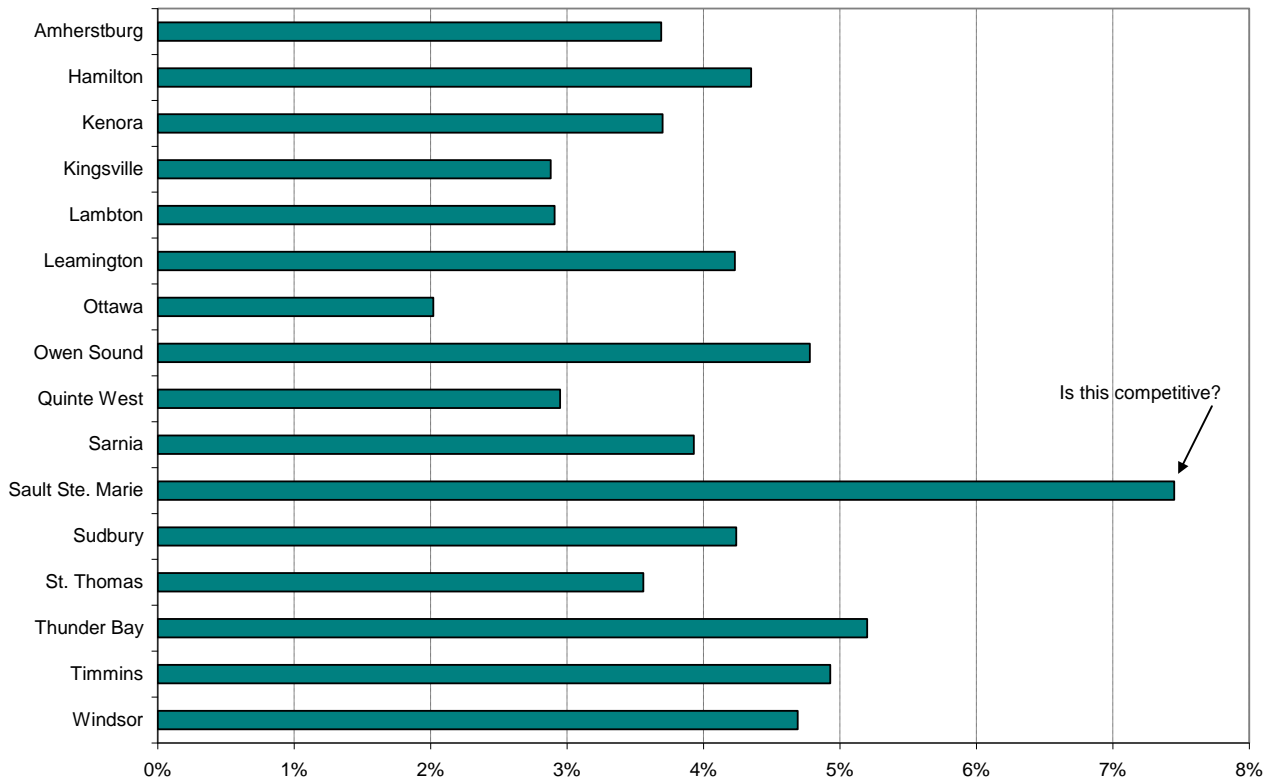
**The SSM Large Industrial Rate: A Standout Among the Few and the Many**

Long ago SSM opted to apply a separate and higher municipal rate for large industrial entities.

As the Large Industrial Rate Trends section of this report indicates, SSM has the second-highest Large Industrial municipal rate among 104 municipalities examined in the 2015 BMA Municipal Study. The highest is Smooth Rock Falls, whose standard industrial and large industrial rates are identical. SSM has the highest Large Industrial municipal rate among the 16 municipalities which have opted to apply a different or higher Large Industrial rate. The majority of municipalities across Ontario choose not to apply a higher rate to large industrial entities.

Eliminating the Large Industrial municipal rate and instead applying the standard Industrial Occupied municipal rate to large SSM industrial entities would be helpful to their competitiveness, expansion plans and ability to retain good-paying jobs. If the Large Industrial municipal rate is to be maintained, then lowering the rate to something more in keeping with other Large Industrial rates might be in order.

**16 Municipalities With Optional Large Industrial Municipal Rate (2015 Rates)**



*Chart by SSMCOC: Chart derived from Page 292-294, 2015 BMA Municipal Study*

## **RESEARCH NOTE 4**

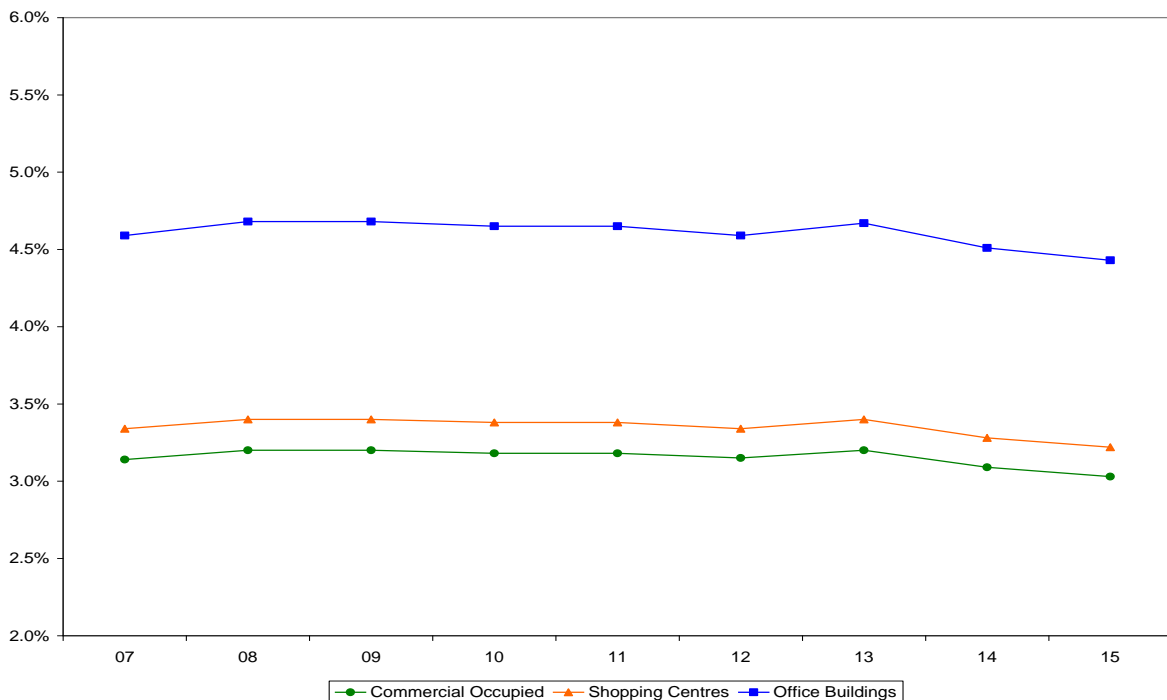
### **SSM Commercial Rate Distinctions (2007-2015)**

Another uncompetitive tax policy distinction is the fact that SSM opts to apply different and higher municipal rates to the commercial property classes of Office Buildings and Shopping Centres. SSM is one of only eight Ontario municipalities among the 104 cited in the 2015 BMA Municipal Study that opt to apply different and higher municipal rates to such commercial properties. All three SSM commercial municipal rates are also all among the very highest in Ontario.

For the sake of improving our economic competitiveness, city councillors should consider whether it's time for SSM to join the vast majority of municipalities across Ontario and apply one commercial municipal rate for all commercial occupied properties, preferably the lower Commercial Occupied rate. Failure to consider examining commercial municipal rates means we will continue to have the additional uncompetitive distinction of being one of only a handful of municipalities that taxes office buildings and shopping centres at higher rates than the standard commercial property class.

The chart below illustrates the trends in the three commercial occupied municipal rates. On a positive note, all three rates have maintained a steady flat line, with some slight reduction in recent years. But questions remain. Is it fair to tax certain commercial properties at higher municipal rates than others when the vast majority of Ontario municipalities do not? Are the separate and higher commercial rates helpful to the cause of promoting economic growth and competitiveness?

**Commercial Buildings Municipal Rate Trends (2007-2015)**

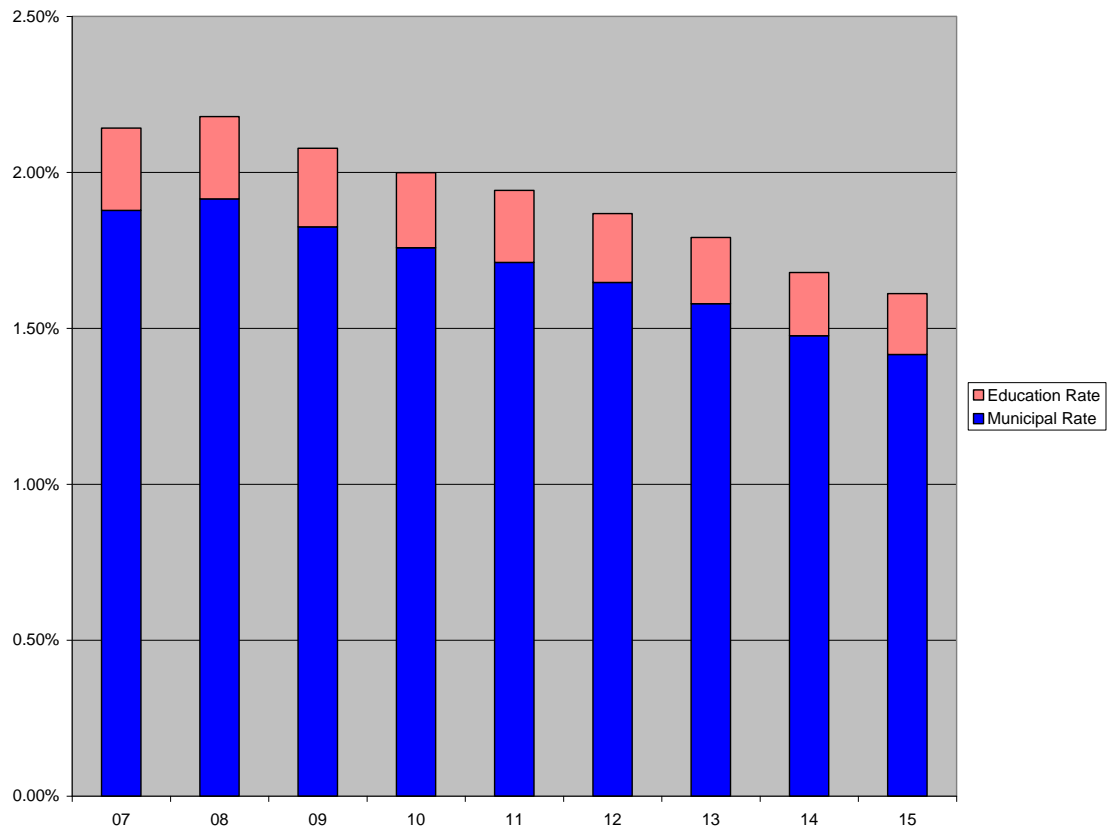


## **RESEARCH NOTE 5**

### **Rate Symmetry: SSM Residential Municipal & Education Rates (2007-2015)**

- The municipal portion of the Residential rate has consistently declined since 2007. The Residential municipal rate has decreased by 24 percent since 2007. In 2007 the Residential municipal rate was 1.878%. In 2015 the Residential municipal rate stood at 1.416%
- Similarly, the education portion of the Residential rate has consistently declined since 2007. This Residential education rate has decreased by 26 percent since 2007. In 2007 the Residential education rate was 0.264%. In 2015 the Residential education rate stood at 0.195%.
- The total Residential rate has decreased by 24 percent since 2007.
- In 2007 a residential property owner paid a total property tax of \$2,142 per \$100,000 of assessed value.
- In 2015 a residential property owner paid a total property tax of \$1,611 per \$100,000 of assessed value.

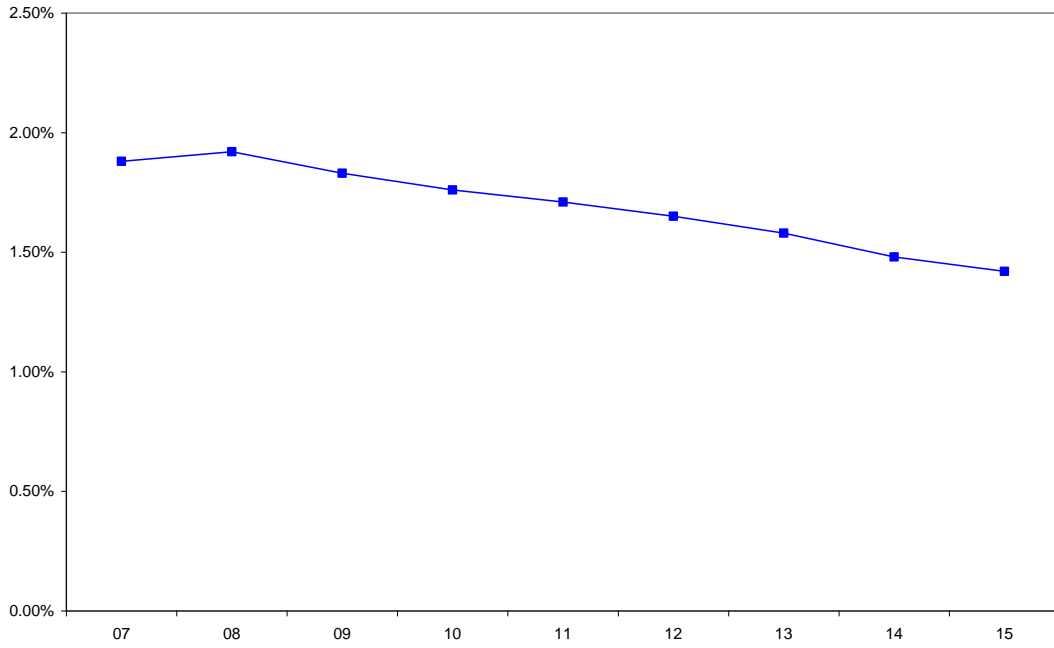
### **SSM Residential Rate Trends (2007-2015)**



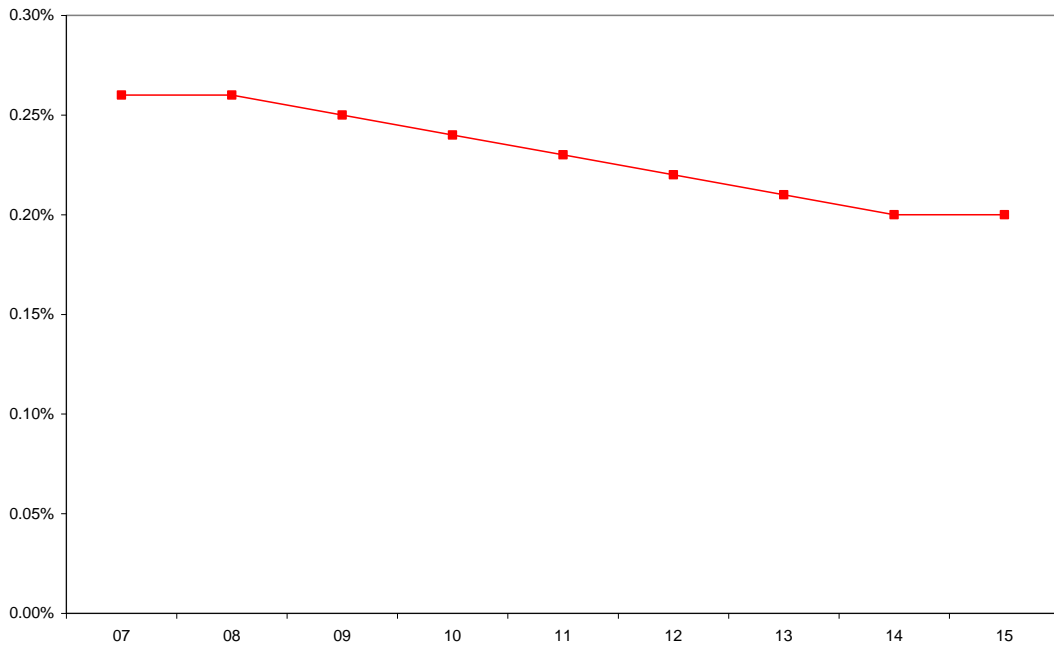
*Chart by SSMCOC: Chart Derived From: City of SSM Property Tax Tables (2007-2015)*

### SSM Residential Rate Symmetry (2007-2015)

SSM Residential Municipal Rate Trend (2007-2015)



SSM Residential Education Rate Trend (2007-2015)



*Charts by SSMCOC: Charts derived from City of SSM Property Tax Tables (2007-2015)*

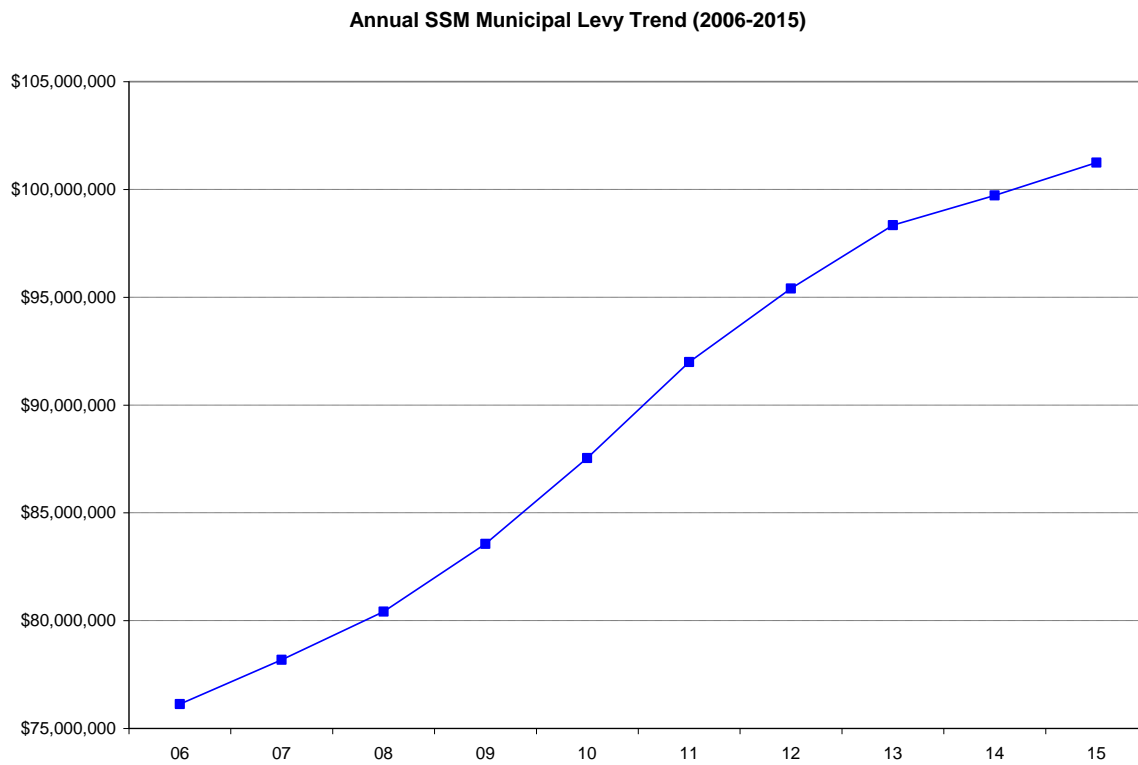
## **RESEARCH NOTE 6**

### **The Total SSM Municipal Levy (2006-2015)**

The total municipal levy is the amount of revenue the city receives from all residential, commercial and industrial property taxpayers, excluding the education levy.

In 2006 the total municipal levy was \$76,123,909. In 2015 the total municipal levy was \$101,239,966. The total municipal levy has grown by an average of 3.1% a year since 2006.

The following chart illustrates the total levy trend since 2006.



*Chart by SSMCOC: Chart derived from SSM Budget Summaries (2006-2015)*

## **Section 4: Supplementary Tables**

- Northern Ontario: Industrial & Commercial Rate Comparisons (2015) – Table
- Ontario-Wide: Industrial and Commercial Rate Comparisons (2015) – Table
- SSM Commercial & Industrial Municipal Rates (Multi-Year Overview) - Table
- SSM Commercial & Industrial Municipal Ratios (Multi-Year Overview) – Table

## **NORTHERN ONTARIO COMPARISON: 2015 Municipal Rates**

### **Industrial Occupied Rate (2015)**

|                     |         |                  |
|---------------------|---------|------------------|
| 1. Sault Ste. Marie | 4.1964% | <b>(Highest)</b> |
| 2. Timmins          | 3.9576% |                  |
| 3. Thunder Bay      | 3.9139% |                  |
| 4. Sudbury          | 3.7391% |                  |
| 5. Kenora           | 2.8471% |                  |
| 6. North Bay        | 1.8096% |                  |

### **Large Industrial Occupied Rate (2015)**

|                     |         |                  |
|---------------------|---------|------------------|
| 1. Sault Ste. Marie | 7.4529% | <b>(Highest)</b> |
| 2. Thunder Bay      | 5.1992% |                  |
| 3. Timmins          | 4.9262% |                  |
| 4. Sudbury          | 4.2381% |                  |
| 5. Kenora           | 3.7034% |                  |
| 6. North Bay        | 1.8096% |                  |

### **Commercial Occupied Rate (2015)**

|                     |         |                        |
|---------------------|---------|------------------------|
| 1. Timmins          | 3.2155% |                        |
| 2. Thunder Bay      | 3.1976% |                        |
| 3. Sault Ste. Marie | 3.0319% | <b>(Third-Highest)</b> |
| 4. Sudbury          | 2.5777% |                        |
| 5. Kenora           | 2.5709% |                        |
| 6. North Bay        | 2.4329% |                        |

### **Office Building Occupied Rate (2015)**

|                     |         |                  |
|---------------------|---------|------------------|
| 1. Sault Ste. Marie | 4.4283% | <b>(Highest)</b> |
| 2. Timmins          | 3.2155% |                  |
| 3. Thunder Bay      | 3.1976% |                  |
| 4. Kenora           | 3.1068% |                  |
| 5. Sudbury          | 2.5777% |                  |
| 6. North Bay        | 2.4329% |                  |

### **Shopping Centres Occupied Rate (2015)**

|                     |         |                         |
|---------------------|---------|-------------------------|
| 1. Kenora           | 3.6526% |                         |
| 2. Sault Ste. Marie | 3.2186% | <b>(Second-Highest)</b> |
| 3. Timmins          | 3.2155% |                         |
| 4. Thunder Bay      | 3.1976% |                         |
| 5. Sudbury          | 2.5777% |                         |
| 6. North Bay        | 2.4329% |                         |

*Source: 2015 Property Tax Tables, SSM, Sudbury, North Bay, Thunder Bay, Timmins and Kenora*



## **ONTARIO-WIDE COMPARISON: 2015 Municipal Rates**

### **Industrial Occupied Rate: Overview of 104 Ontario Municipalities**

Highest: 8.1128%  
 Lowest: 0.8015%  
 Median: 2.2544%  
 Average: 2.3596%  
**SSM Rate: 4.1964% (Third-Highest of 104)**

### **Large Industrial Occupied Rate: Overview of 104 Ontario Municipalities**

Highest: 8.1128%  
 Lowest: 0.8015%  
 Median: 2.2717%  
 Average: 2.5098%  
**SSM Rate: 7.4530% (Second-Highest of 104)**

### **Commercial Occupied Rate: Overview of 104 Ontario Municipalities**

Highest: 3.4279%  
 Lowest: 0.6823%  
 Median: 1.6231%  
 Average: 1.7404%  
**SSM Rate: 3.0320% (Eighth-Highest of 104)**

### **Commercial Office Buildings Occupied Rate: Overview of 104 Ontario Municipalities**

Highest: 4.4284%  
 Lowest: 0.6823%  
 Median: 1.6231%  
 Average: 1.7535%  
**SSM Rate: 4.4284% (Highest of 104)**

### **Commercial Shopping Centres Occupied Rate: Overview of 104 Ontario Municipalities**

Highest: 3.8280%  
 Lowest: 0.6823%  
 Median: 1.6231%  
 Average: 1.7603%  
**SSM Rate: 3.2187% (Sixth-Highest of 104)**

*Source: Page 292-294, Municipal Study 2015, BMA Management Consulting.*

**10 Highest Industrial Municipal Rates (Among 104 Ontario Municipalities)**

|                         |                  |                        |
|-------------------------|------------------|------------------------|
| Smooth Rock Falls       | 8.1128%          |                        |
| Greenstone              | 5.3099%          |                        |
| <b>Sault Ste. Marie</b> | <b>4.1964% *</b> | <b>(Third-Highest)</b> |
| Timmins                 | 3.9577% *        |                        |
| Thunder Bay             | 3.9140% *        |                        |
| Windsor                 | 3.8227% *        |                        |
| Port Colborne           | 3.8059%          |                        |
| Cornwall                | 3.7824%          |                        |
| Chatham-Kent            | 3.7577%          |                        |
| Sudbury                 | 3.7392% *        |                        |

\* Opts to tax large industrial entities at higher industrial rate.

**10 Highest Large Industrial Municipal Rates (Among 104 Ontario Municipalities)**

|                         |                |                         |
|-------------------------|----------------|-------------------------|
| Smooth Rock Falls       | 8.1128%        |                         |
| <b>Sault Ste. Marie</b> | <b>7.4530%</b> | <b>(Second Highest)</b> |
| Greenstone              | 5.3099%        |                         |
| Thunder Bay             | 5.1922%        |                         |
| Timmins                 | 4.9263%        |                         |
| Owen Sound              | 4.7386%        |                         |
| Windsor                 | 4.6862%        |                         |
| Hamilton                | 4.3509%        |                         |
| Sudbury                 | 4.2382%        |                         |
| Leamington              | 4.2254%        |                         |

**10 Highest Commercial Occupied Municipal Rates (Among 104 Ontario Municipalities)**

|                         |                   |                         |
|-------------------------|-------------------|-------------------------|
| Greenstone              | 3.4279%           |                         |
| Smooth Rock Falls       | 3.4093%           |                         |
| Chatham-Kent            | 3.3179% *         |                         |
| Windsor                 | 3.2739% **        |                         |
| Elliot Lake             | 3.2385%           |                         |
| Timmins                 | 3.2156%           |                         |
| Thunder Bay             | 3.1977%           |                         |
| <b>Sault Ste. Marie</b> | <b>3.0320% **</b> | <b>(Eighth-Highest)</b> |
| Cornwall                | 2.7911%           |                         |
| Belleville              | 2.6528%           |                         |

\*\* Opts to tax Office Buildings and Shopping Centres at higher commercial rates.

\* Opts to tax Shopping Centres at higher commercial rate.

**10 Highest Office Building Municipal Rates (Among 104 Ontario Municipalities)**

|                         |                |                  |
|-------------------------|----------------|------------------|
| <b>Sault Ste. Marie</b> | <b>4.4284%</b> | <b>(Highest)</b> |
| Greenstone              | 3.4279%        |                  |
| Smooth Rock Falls       | 3.4093%        |                  |
| Windsor                 | 3.3016%        |                  |
| Elliot Lake             | 3.2385%        |                  |
| Timmins                 | 3.2156%        |                  |
| Thunder Bay             | 3.1977%        |                  |
| Kenora                  | 3.1069%        |                  |
| Cornwall                | 2.7911%        |                  |
| Belleville              | 2.6528%        |                  |

**10 Highest Shopping Centre Municipal Rates (Among 104 Ontario Municipalities)**

|                         |                |                        |
|-------------------------|----------------|------------------------|
| Chatham Kent            | 3.8280%        |                        |
| Greenstone              | 3.4279%        |                        |
| Smooth Rock Falls       | 3.4093%        |                        |
| Windsor                 | 3.3697%        |                        |
| Elliot Lake             | 3.2385%        |                        |
| <b>Sault Ste. Marie</b> | <b>3.2187%</b> | <b>(Sixth-Highest)</b> |
| Timmins                 | 3.2156%        |                        |
| Kenora                  | 3.0939%        |                        |
| Timmins                 | 3.2156%        |                        |
| Thunder Bay             | 3.1977%        |                        |
| Cornwall                | 2.7911%        |                        |

*Lists derived from 2015 Municipal Study, Page 292-294*

**SSM Property Tax Rate Trends (Municipal Rate Only)**

| <b>YEAR</b> | <b>Residential</b> | <b>Commercial Occupied</b> | <b>Office Buildings Occupied</b> | <b>Shopping Centres Occupied</b> | <b>Industrial Occupied</b> | <b>Large Industrial Occupied</b> |
|-------------|--------------------|----------------------------|----------------------------------|----------------------------------|----------------------------|----------------------------------|
| <b>2007</b> | 1.878%             | 3.142%                     | 4.589%                           | 3.335%                           | 3.615%                     | 5.151%                           |
| <b>2008</b> | 1.915%             | 3.204%                     | 4.679%                           | 3.401%                           | 3.687%                     | 5.253%                           |
| <b>2009</b> | 1.825%             | 3.203%                     | 4.679%                           | 3.400%                           | 3.929%                     | 5.599%                           |
| <b>2010</b> | 1.758%             | 3.181%                     | 4.646%                           | 3.377%                           | 3.961%                     | 5.644%                           |
| <b>2011</b> | 1.711%             | 3.184%                     | 4.651%                           | 3.380%                           | 4.098%                     | 5.839%                           |
| <b>2012</b> | 1.647%             | 3.145%                     | 4.594%                           | 3.339%                           | 4.189%                     | 5.970%                           |
| <b>2013</b> | 1.579%             | 3.198%                     | 4.671%                           | 3.395%                           | 4.260%                     | 7.567%                           |
| <b>2014</b> | 1.476%             | 3.091%                     | 4.514%                           | 3.281%                           | 4.200%                     | 7.460%                           |
| <b>2015</b> | 1.416%             | 3.031%                     | 4.428%                           | 3.218%                           | 4.196%                     | 7.452%                           |

*Source: City of SSM Property Tax Tables (2007 – 2015)*

### **SSM Property Tax Ratio Trends (Municipal Ratio Only)**

| <b>YEAR</b> | <b>Residential</b> | <b>Commercial Occupied</b> | <b>Office Buildings Occupied</b> | <b>Shopping Centres Occupied</b> | <b>Industrial Occupied</b> | <b>Large Industrial Occupied</b> |
|-------------|--------------------|----------------------------|----------------------------------|----------------------------------|----------------------------|----------------------------------|
| <b>2007</b> | 1:00               | 1.67                       | 2.44                             | 1.77                             | 1.92                       | 2.74                             |
| <b>2008</b> | 1.00               | 1.67                       | 2.44                             | 1.77                             | 1.92                       | 2.74                             |
| <b>2009</b> | 1.00               | 1.75                       | 2.56                             | 1.86                             | 2.15                       | 3.06                             |
| <b>2010</b> | 1.00               | 1.80                       | 2.64                             | 1.92                             | 2.25                       | 3.21                             |
| <b>2011</b> | 1.00               | 1.86                       | 2.71                             | 1.97                             | 2.39                       | 3.41                             |
| <b>2012</b> | 1.00               | 1.90                       | 2.78                             | 2.02                             | 2.54                       | 3.62                             |
| <b>2013</b> | 1.00               | 2.02                       | 2.95                             | 2.15                             | 2.69                       | 4.79                             |
| <b>2014</b> | 1.00               | 2.09                       | 3.05                             | 2.22                             | 2.84                       | 5.05                             |
| <b>2015</b> | 1.00               | 2.14                       | 3.12                             | 2.27                             | 2.96                       | 5.26                             |

*Ratios Calculated by SSMCOC*

**NOTE:** The ratio or tax gap provides a fair assessment of the discrepancies between property tax classes because it measures the commercial and industrial property tax rates compared to residential property tax rates, regardless of the assessed property value. The ratios between the tax classes can be compared to each other and over time to see if they are increasing, decreasing, or remaining the same. ....The larger the resulting number or tax gap, the larger the distortion and unfairness in the property tax system. *Canadian Federation of Independent Business, Ontario Property Tax System Stacked Against Small Business: How Ontario and Its Municipalities Tax Business Properties, October 2014, Page 3*