

## **CITY OF WINDSOR 2011 PROPERTY TAX POLICIES**

**PRESENTATION TO CITY OF WINDSOR COUNCIL – MAY 3, 2011**

The Windsor-Essex Regional Chamber of Commerce represents approximately 1,300 business members with combined annual sales of \$10 billion, employing over 40,000 people in our region.

The Chamber would like to reiterate our strong support for this year's City of Windsor budget. At the time of the operating budget deliberations we stressed the importance of tax policies for the overall assessment of the City's performance when it comes to the positive business climate that includes municipal property taxation.

The Chamber supported a couple of highly positive and welcomed developments in the first quarter, the approval of the Economic Revitalization Community Improvement Plan and the decision to fund a City of Windsor Auditor General.

The Chamber welcomes the 2011 Property Tax Policies framework document. It is a move in the right direction for a City that wants to grow its business potential. The City has demonstrated willingness to seek better conditions for business with each new budget and this year is no exception.

This year we are pleased to note that vast majority of property owners, including business property owners will experience a decrease in total property taxes and that additional savings can be passed onto the multi-residential, commercial, office building and shopping centre classes.

The addition of a section in the 2011 Property Tax Policies report to council that compares relative tax burdens among similar size municipalities is particularly important in addressing the real comparison as well as perceived opinion on the comparative tax burdens for our business community.

The Chamber strongly urges City of Windsor Council to direct administration to act immediately on City Council Resolution CR170/2010 – to begin consultations “with various non-residential sector groups” – as directed in the policy. The Chamber would be pleased to participate fully in that consultation.

**In terms of options available to Council for this year's tax policies the Chamber would like to make the following recommendations:**

The Chamber's preferred tax policy is option H-1. This option provides the largest reduction in tax rates for the industrial and large industrial tax payers. It provides an additional \$1.6 million in total savings for the specified business classes. Commercial and large industrial savings are eligible for a request for matching education reimbursement of \$1 million.

The H-1 policy option not only addresses the industrial and large industrial tax burden but it starts a 5 year process to get the uncompetitive tax burden of the Chamber members down to the provincial average.

Option H-1 would also be consistent with City Council Resolution CR170/2010 adopting a tax policy "to develop a 3 to 5 year plan to address the City's competitive challenges and the need to create private sector jobs..."

The second preferred option is for the City of Windsor Council to adopt a position somewhere between Options H-1 and J – with the proviso that there should be a downward reduction of the large industrial tax rate. This will send a positive message to investors that Windsor is open for business.

The option J, recommended by City Administration also provides for tax savings and additional \$1.2 million in total savings to the business class taxpayers with somewhat smaller decrease in tax rates for industrial and large industrial class taxpayers. This option moves in the right direction by lowering the business tax burden and is also supported by the Chamber.

The Chamber would like to thank City of Windsor Council and the administration for its support of the business community in its tax policies and encourages the City of Windsor to move even more aggressively in the same direction with the next budget.

Creating a more competitive tax regime for business will help grow the industrial assessment – thereby ultimately lowering the tax burden of residential rate payers – assuming the maintenance of the current fiscal discipline exercised by City Council.