

Information Report



Service Area	Corporate Services
Date	Friday, February 28, 2020
Subject	2019 Year-end Assessment Report
Report Number	CS-2020-07

Executive Summary

Purpose of Report

This report has been prepared to update Council on the work undertaken by the Municipal Property Assessment Corporation (MPAC) in delivering the 2020 assessment roll.

Key Findings

MPAC performs a number of tasks in preparation for providing the annual assessment roll to each municipality. The work completed helps to provide an updated and stable assessment roll.

Financial Implications

Stable and predictable assessment values are critical to maintaining the City's tax base and minimizing budget impacts.

Report

Details

Property assessments in Ontario are updated every four years. Currently, MPAC uses a legislated valuation date of January 1, 2016 for the 2017-2020 property tax years.

Throughout 2017-2020, on an annual basis, MPAC provides an updated assessment roll to each municipality to be used for tax billing and tax planning purposes. The 2019 Year-end Assessment Report for the 2020 Tax Year included in Attachment-1 outlines activities performed by MPAC in providing the updated assessment rolls to municipalities in Ontario. The report also contains Guelph-specific information relating to changes in assessment totals from 2019 to 2020. Notably from a percentage and also a total value perspective, multi-residential assessment has seen a greater percentage change than residential assessment. This increased assessed value in the multi-residential sector naturally creates a tax shift whereby increasing the amount the multi-residential sector would pay. This was recognized in 2017 as a trend that would be present through the 2017-2020 assessment cycle. As such, in the 2020 tax policy development, staff will continue to recommend revenue-neutral tax ratios for the multi-residential tax class as endorsed by Council

in 2017. With this, there has not been a significant overall change to the City's assessment base distribution.

Looking forward to the 2021-2024 property tax years, the legislated valuation date will be January 1, 2019. MPAC hopes that having a valuation date two years in advance of being effective will allow stakeholders time to review and identify issues before the return of the 2021 assessment roll.

Property owners in Guelph will receive their 2020 Property Assessment Notice, outlining their property's updated assessment for the 2021-2024 property tax years, in September and October 2020.

Financial Implications

Stable and predictable assessment values are critical to maintaining the City's tax base and minimizing budget impacts.

Consultations

Municipal Property Assessment Corporation

Strategic Plan Alignment

This report aligns with Strategic Plan priority working together for our future, running an effective, fiscally responsible and trusted local government.

Attachments

Attachment-1 2019 Year-end Assessment Report for the 2019 Tax Year

Departmental Approval

James Krauter

Deputy Treasurer / Manager of Taxation and Revenue

Report Author

Greg Bedard

Supervisor, Property Tax



Approved By

Tara Baker, CPA, CA

General Manager Finance/City
Treasurer

Corporate Services

519-822-1260 Ext. 2084

Tara.Baker@guelph.ca



Recommended By

Trevor Lee

Deputy Chief Administrative Officer
Corporate Services

519-822-1260 Ext. 2281

Trevor.Lee@guelph.ca

2019 Year-End Assessment Report

for the 2020 tax year

As of December 2019



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Valuing Ontario

In Ontario, there are more than 5 million properties representing \$2.96 trillion in property value. It's MPAC's role to assess and classify every property, supporting the collection of nearly \$21 billion in municipal taxes annually.

This report provides an overview of the work we undertook throughout 2019 to support municipalities and stakeholders, meet service level standards, and deliver an updated and stable assessment roll.

*As of October 31, 2019

2019 by the numbers*

5.36 million

properties assessed and classified in Ontario

Representing

\$2.96 trillion

in property value



Delivered more than

800,000

Property Assessment Notices



Supported the collection of nearly **\$21 billion** in municipal taxes annually

Delivered more than

\$37 billion

in new assessment

to municipalities across the province. **More than 85%** of new assessment was processed **within one year** of occupancy.



Completed just over **15,000** Requests for Reconsideration



Completed **25,927** appeals



Our **Municipal and Stakeholder Relations** team participated in **18 municipal sector conferences** across Ontario



Building and strengthening municipal partnerships

In early 2019, we made a strategic change so that we could serve you better. Under the leadership of Carmelo Lipsi, Vice-President and Chief Operating Officer, our municipal relationship experts joined the same business unit as our assessors. This integration has strengthened our collective knowledge and understanding of your communities, how we can support you, and enabled us to be more efficient in our customer service.

We welcomed many new municipal elected officials after the October 2018 elections and, in 2019, we have enjoyed orienting these new leaders about who we are, what we do and how we can support municipalities. We continue to do this through Council presentations, meetings with local municipal partners and informational materials.

We are committed to keeping these conversations with you going, especially as we prepare to deliver the 2020 Assessment Update.



Partnerships in action

We're proud of the municipal partnerships we've developed and are working hard to demonstrate our value to you, to listen to you and to continuously improve. These stories from the field highlight some of the ways we're doing just that.

Supporting the City of Ottawa through spring flooding

MPAC continues to review properties during non-Assessment Update years, and will update an assessment if a change occurs. But what happens if these changes are due to damage from natural disasters like flooding, tornados or other extreme weather events? In this case, property owners of buildings damaged to the point of being unusable might contact their municipality asking about a property tax reduction or refund.

When these unfortunate situations happen, municipalities can rely on MPAC to provide the information they need to make informed decisions about tax applications and process the applications quickly.

"Many properties along the Ottawa River experienced flooding this spring, creating uncertainty and stress for many of our residents," says Mishele Joanis, Program Manager, Customer Accounts Branch, City of Ottawa. "We were again impressed with MPAC's highly collaborative approach to managing the situation. Together, we were able to find solutions so that property owners got the information they needed faster."

Delivering exceptional customer service to Tarbutt Township

Whether presenting at a Council meeting, looking into a property owner's concern, or sharing information with municipal partners at industry conferences, MPAC's knowledgeable and professional employees are committed to delivering exceptional customer service.

"In a time where customer service seems to be lacking, I think MPAC has achieved a high customer service standard," explains Caryn Orchard, Deputy Clerk-Treasurer, Tarbutt Township. "From the dealings that I have had with your employees, they have been nothing short of kind, helpful and knowledgeable. I feel that going forward with MPAC and the culture that it is trying to represent, you have some excellent staff to get you there."



Partnering with the Town of Lakeshore to find solutions

When there are bumps in the road, your local Municipal and Stakeholder Relations team is ready to help by bringing together the right people and resources to find a solution.

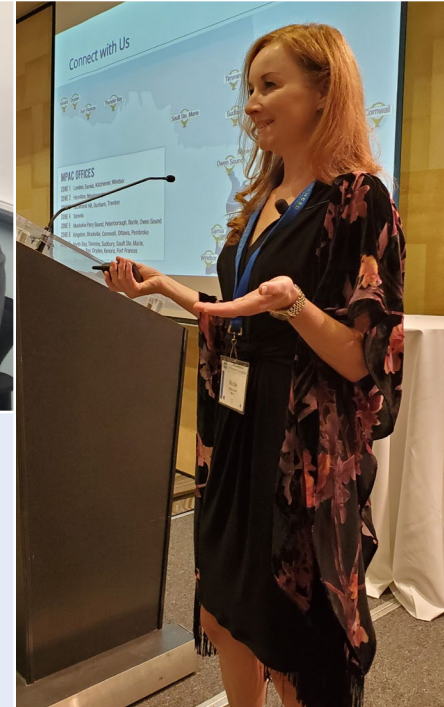
A web service submission feature recently had a system error that was causing building permits submitted by the Town of Lakeshore to be rejected. The local Account Manager quickly arranged a meeting with Lakeshore's IT, finance and building department staff, the municipal vendor, and MPAC's IT and Central Processing Facility experts.

"As soon as we brought the issue forward, our Account Manager proactively reached out to all the relevant parties and organized a series of meetings where we isolated the cause and fixed the problem," says Michelle Heslop, Supervisor of Revenue, Town of Lakeshore. "It's that kind of proactive customer service that makes MPAC a valued partner."



"This year marks our 20th anniversary as Ontario's property assessment agency. As a customer-focused organization, we're committed to continually innovating to keep your trust."

Nicole McNeill, President and CAO
2019 AMO Conference, Ottawa



What's next?

With delivery of the 2019 assessment roll on December 10, 2019, we are shifting focus to the province-wide Assessment Update in 2020, when we update the assessed value of every property in Ontario. We understand how important early engagement is to you so you can understand the assessments in your community, and we know that you want to be part of the conversation.

You'll hear more about opportunities for engagement in early 2020. We look forward to your insights and feedback as we work toward this next milestone together. Your local [Municipal and Stakeholder Relations](#) team is available to support you with any of our products or services. Please contact your Regional Manager or Account Manager, if you have any questions about this report.

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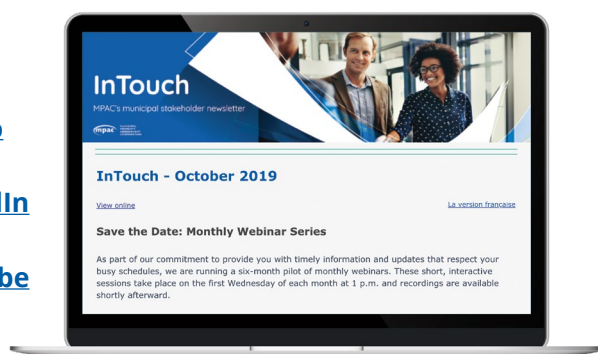
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→ Join the conversation at our **monthly webinar**

See us at
municipal
conferences
in 2020!

Have a question?

Visit mpac.ca/municipalities to find your local representative

About MPAC

The Municipal Property Assessment Corporation (MPAC) is an independent, not-for-profit corporation funded by all Ontario municipalities, accountable to the Province, municipalities and property taxpayers through its 13-member Board of Directors. Our role is to accurately assess and classify all properties in Ontario in compliance with the *Assessment Act* and regulations set by the Government of Ontario. We are the largest assessment jurisdiction in North America, assessing and classifying more than 5.3 million properties with an estimated total value of \$2.96 trillion.

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APPENDIX 1

Assessment Change Summary by Property Class

City of Guelph

The following chart provides a comparison of the total assessment for the 2016 base year, and a comparison of the assessment change for 2019 and 2020 property tax year by property class.

Property Class/Realty Tax Class	2016 Full CVA	2019 Phased-In CVA	2020 Phased-In CVA	Percent Change 2019 to 2020
R Residential	17,580,569,068	16,776,852,103	17,580,569,068	4.79%
M Multi-Residential	933,907,600	872,008,553	933,907,600	7.10%
N New Multi-Residential	178,347,762	168,006,469	178,347,762	6.16%
C Commercial	1,467,723,263	1,403,240,508	1,467,723,263	4.60%
S Shopping Centre	456,217,417	437,232,012	456,217,417	4.34%
D Office Building	43,566,546	40,501,367	43,566,546	7.57%
G Parking Lot	4,301,000	3,951,845	4,301,000	8.84%
X Commercial (New Construction)	473,024,134	455,448,622	473,024,134	3.86%
Z Shopping Centre (New Construction)	65,939,300	62,211,181	65,939,300	5.99%
Y Office Building (New Construction)	5,796,597	5,551,767	5,796,597	4.41%
I Industrial	501,164,588	478,787,887	501,164,588	4.67%
L Large Industrial	256,809,334	248,786,140	256,809,334	3.22%
J Industrial (New Construction)	84,209,107	81,915,877	84,209,107	2.80%
K Large Industrial (New Construction)	62,642,100	60,454,983	62,642,100	3.62%
P Pipeline	32,575,000	31,944,562	32,575,000	1.97%
F Farm	6,233,400	5,583,545	6,233,400	11.64%
T Managed Forests	1,308,800	1,208,544	1,308,800	8.30%
B Shortline Railway Right-of-Way	0	0	0	0.00%
U Utility Transmission & Distribution Corridors	0	0	0	0.00%
(PIL) R Residential	3,063,400	2,934,299	3,063,400	4.40%
(PIL) C Commercial	133,584,800	126,812,779	133,584,800	5.34%
(PIL) D Office Building	79,852,000	75,417,699	79,852,000	5.88%
(PIL) G Parking Lot	10,759,000	10,510,558	10,759,000	2.36%
(PIL) I Industrial	9,869,000	9,765,336	9,869,000	1.06%
(PIL) W Railway Right-of-Way	0	0	0	0.00%
E Exempt	1,378,527,729	1,324,277,445	1,378,527,729	4.10%
TOTAL	23,769,990,945	22,683,404,081	23,769,990,945	4.79%



APPENDIX 2

Assessment Base Distribution Summary by Property Class City of Guelph

This chart provides a comparison of the distribution of the total assessment for the 2016 base year, and the 2019 and 2020 phased-in assessment, which includes the percentage of the total assessment base by property class.

Property Class/Realty Tax Class	2016 Full CVA	Percentage of Total 2016 CVA	2019 Phased-In CVA	Percentage of Total 2019 Phased-In CVA	2020 Phased-In CVA	Percentage of Total 2020 Phased-In CVA
R Residential	17,580,569,068	73.96%	16,776,852,103	73.96%	17,580,569,068	73.96%
M Multi-Residential	933,907,600	3.93%	872,008,553	3.84%	933,907,600	3.93%
N New Multi-Residential	178,347,762	0.75%	168,006,469	0.74%	178,347,762	0.75%
C Commercial	1,467,723,263	6.17%	1,403,240,508	6.19%	1,467,723,263	6.17%
S Shopping Centre	456,217,417	1.92%	437,232,012	1.93%	456,217,417	1.92%
D Office Building	43,566,546	0.18%	40,501,367	0.18%	43,566,546	0.18%
G Parking Lot	4,301,000	0.02%	3,951,845	0.02%	4,301,000	0.02%
X Commercial (New Construction)	473,024,134	1.99%	455,448,622	2.01%	473,024,134	1.99%
Z Shopping Centre (New Construction)	65,939,300	0.28%	62,211,181	0.27%	65,939,300	0.28%
Y Office Building (New Construction)	5,796,597	0.02%	5,551,767	0.02%	5,796,597	0.02%
I Industrial	501,164,588	2.11%	478,787,887	2.11%	501,164,588	2.11%
L Large Industrial	256,809,334	1.08%	248,786,140	1.10%	256,809,334	1.08%
J Industrial (New Construction)	84,209,107	0.35%	81,915,877	0.36%	84,209,107	0.35%
K Large Industrial (New Construction)	62,642,100	0.26%	60,454,983	0.27%	62,642,100	0.26%
P Pipeline	32,575,000	0.14%	31,944,562	0.14%	32,575,000	0.14%
F Farm	6,233,400	0.03%	5,583,545	0.02%	6,233,400	0.03%
T Managed Forests	1,308,800	0.01%	1,208,544	0.01%	1,308,800	0.01%
B Shortline Railway Right-of-Way	0	0.00%	0	0.00%	0	0.00%
U Utility Transmission & Distribution Corridors	0	0.00%	0	0.00%	0	0.00%



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Assessment Base Distribution Summary by Property Class City of Guelph

Property Class/Realty Tax Class	2016 Full CVA	Percentage of Total 2016 CVA	2019 Phased-In CVA	Percentage of Total 2019 Phased-In CVA	2020 Phased-In CVA	Percentage of Total 2020 Phased-In CVA
(PIL) R Residential	3,063,400	0.01%	2,934,299	0.01%	3,063,400	0.01%
(PIL) C Commercial	133,584,800	0.56%	126,812,779	0.56%	133,584,800	0.56%
(PIL) D Office Building	79,852,000	0.34%	75,417,699	0.33%	79,852,000	0.34%
(PIL) G Parking Lot	10,759,000	0.05%	10,510,558	0.05%	10,759,000	0.05%
(PIL) I Industrial	9,869,000	0.04%	9,765,336	0.04%	9,869,000	0.04%
(PIL) W Railway Right-of-Way	0	0.00%	0	0.00%	0	0.00%
E Exempt	1,378,527,729	5.80%	1,324,277,445	5.84%	1,378,527,729	5.80%
TOTAL	23,769,990,945	100.00%	22,683,404,081	100.00%	23,769,990,945	100.00%