

Bakelite Thermosets

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An option, council heard Monday, could be for the city to assume ownership of the property in lieu of the tax bill, which has been outstanding and accumulating penalties since the company closed the plant gates in the 1980s.

Toronto lawyer Dennis Trinaistich told council Bakelite and its shareholders, which, he added, are currently paying, through devaluing shares, the cost of cleaning up and decommissioning the site, are seeking relief from the tax bill from city hall.

Trinaistich said the company "is insolvent and regrets its inability to pay its taxes" and appeared before council Monday after receiving legal notice of a lawsuit to recover the taxes.

But, said the lawyer, the company not only comes to council with hat in hand, it also comes with a complaint about the estimated value of its remaining buildings.

Trinaistich said the company disputes the amount of assessed value officials with the regional assessment office have placed on the former plant's buildings, land and out buildings.

In particular, the lawyer said he "couldn't see how anyone could walk through that plant and come up with the figure they did."

Property assessor Alec Naples wrote to treasury officials earlier this month saying the Trenton assessment office has listed the value of remaining buildings and infrastructure at \$670,204.

Under the Municipal Act pertaining to tax relief in specific and special instances, Bakelite had applied for relief under two sections. Under the first (Sec. 442), it is seeking relief "due to extreme poverty" and the condition of the property and buildings.

As well, Trinaistich says the company has a case under another section (443) for relief due to "gross or manifest error in the preparation of the assessment" of the property and buildings.

The assessment office denies there was any such error and stands by its assessment.

Trinaistich and former plant manager and current Bakelite director Bob Zalkowitz told council the city and Bakelite had been negotiating until last fall, when Zalkowitz said the company left the bargaining table with an understanding the



Intelligencer file photo by Jeff McIntosh

Bakelite Thermosets property.

procedural ball was in the city's court.

He said he never heard back from the city until papers were served for legal action.

Coun. Wolf Tausendfreund joined a chorus of councillors in wondering whether negotiations shouldn't continue.

He proposed Mayor Ross McDougall form a committee of city officials and council representation to meet with Bakelite officials.

City treasurer Frank Morrell told council the lawsuit was the natural next step for his department after council, in caucus, had previously instructed staff to pursue the delinquent tax account.

Trinaistich said it is estimated the value of the land on Dundas Street East, where the Bakelite plant's hulk is now guarded by a lone employee, is about \$1.5 million — the same amount it would cost to decommission the site, remove heavily contaminated soil and demolish the old plant.

McDougall told Tausendfreund he wonders what council wants him to negotiate.

"The problem here," said McDougall, "is they owe us \$900,000 in back taxes... Council is not in the habit of negotiating back taxes.

"Now, we can have a lien against the land, we've been told, if we want to," said the mayor. "But, we don't want it because the land is contaminated."

Chief administrative officer Roman Martiuk said council ought not to enter the arena of negotiating tax arrears. He suggested, however, the issue of the company's proposals for relief under "the (Municipal Act) legislation" could serve as a basis for discussion.

Council agreed to permit McDougall to carry out meetings with company officials and report back to council.