

Issues & Answers

AN IN-DEPTH LOOK AT THE NEWS AND THE NEWSMAKERS



PHOTO/LORI EMMERSON

Markham business owners, many of whom face hefty tax increases, met with Mayor Don Cousens and Regional Chairperson Bill Fisch this week.

Politicians offer sympathy, support

Stunned by shocking tax increases, business owners are desperate for some kind of relief

BY MIKE ADLER
STAFF WRITER

We didn't know. And furthermore, there was no way we could have known your property taxes were going to go sky-high, York Region politicians and their financial staff have been telling stunned small business owners this month.

And when we found out local car dealerships and our old main street shopping areas were getting walloped, it turned out there wasn't much we could do, they've explained.

This week, a few dozen stone-faced business owners in Markham — some of them hit with "absolutely shocking" increases of up to 300 per cent — heard the story for themselves and accepted a show of genuine concern from their municipal leaders.

Markham Mayor Don Cousens and regional Chairperson Bill Fisch were on the defensive, with Cousens repeatedly telling the crowd that Markham's commercial tax rates were lowest in the Greater Toronto Area.

"We sometimes forget that the efficiency of the administration in Markham has really been great," said the mayor.

"You're fainting the way we all would," said Fisch, who noted, a touch wearily, that he told two other public meetings the same thing.

Cousens suggested that he started to worry over current value assessment a year

before the explosive tax bills dropped through the mail slots. But since provincial assessment figures lumped all commercial properties into one generic class, it was impossible to see how only the car dealers would be affected.

"The data was one big bundle of information," he told the business owners.

But later, Cousens admitted the effects on business improvement areas, car dealers and other "mom-and-pop" operations could have been found. "I now know the province had such models available at the (finance) ministry but our staff had no access to them."

Having heard the presentation, Andy Munro, chairperson of the Unionville BIA, was unimpressed.

"They ought to have known — clearly it was their job to have known," said Munro, who pointed out the region's office towers, assessed at 1996 when rents were lower and vacancies more common, are getting big decreases.

Regional treasurer Sandra Cartwright said financial staff looked the province's tools for tax relief "up and down" and dismissed them — often because what helps one part of the region would hurt another.

A 2.5-per cent cap to limit increases for the years 1998 to 2000 was unavailable to York for "technical reasons," and Cartwright

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— Don Lombardi, businessman

said other property classes would have had to make up the difference.

Phasing-in the increase over eight years or less was also judged unfair, she said.

That strategy would shift the tax burden both within each class and among the region's nine municipalities, saving Markham businesses \$3 million, but causing significant tax hikes in Richmond Hill and Stouffville.

Another option, creating optional classes for office buildings, or large industrial properties was also dropped. Again, it would shift the burden unfairly and wouldn't have much effect on BIA-type properties, said Cartwright.

Graduated tax bands that could make the higher-assessed buildings pay more were rejected for similar reasons. It would have made Markham businesses pay \$2 million more, Cartwright said.

The region could also run a rebate program, intended to act as a tax cap, for its small businesses. Hamilton-Wentworth, Ottawa-Carleton and Halton Region arranged for rebates in time, before the tax bills were sent, and got the province to pay a share of the cost.

York didn't and doesn't have commitment from the province to pay a share, but Fisch and Cousens said they will argue the province should pay York, too.

Fisch said municipalities across Ontario have similar problems. Their mouthpiece, the Association of Municipalities of Ontario, recently asked some experts to quickly develop new taxation tools, he said, and will ask the province to endorse them.

But Fisch added current value assessment has produced winners — 8,800 tax decreases in York Region to the 6,100 increases — who were at home saying, "I'm gonna be quiet and I'm thankful."

Don Lombardi wasn't one of them.

He now needs \$45,000 to pay taxes on his Markham business and his home and investment property in Scarborough. And Lombardi's business is realty, or as he put it, selling businesses and factories that, thanks to high taxes, nobody can give away.

"Where the hell do we get the money to pay for this?" asked Lombardi, adding he also has a family to support. "We don't sleep at night anymore."

Cousens said that he was concerned and would do "everything in my power."

"You're the guy I want to help," he told Lombardi. "We're going to keep searching because we're not going to let you hang out to dry."

As a first step, the mayor, chairperson of the region's finance committee, said, he would work to immediately get small businesses a fresh chance to appeal their assessment. Second, he'll support a rebate program, paid out of reserves this year, and by properties in the same class in the next.

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