

FOCUS & MUNICIPAL ASSESSMENT TAXATION

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FEATURE

Decade-long PILT dispute between Halifax and federal government at Supreme Court

The decade-long dispute between Halifax and the federal government is before the Supreme Court, and the ruling could set a precedent about whether national historic sites on valuable land are worth more in payment in lieu of taxes (PILT). The federal government claims that 18.8 hectares of the 19.4-hectare [47 acres of 48.5 acres] historic Citadel Hill site in downtown Halifax has no tax value because nothing can be built on the sloping, grassy incline on which the fortress sits.

The federal government decided the fortress is worth approximately \$5 million, with the land around it worth just \$10. The statement of facts claims the land is assessed at \$19 million, as Halifax Regional Municipality (HRM) contends the entire site is of value. Federal lawyer Ginette Gobeil argued the provincial assessment was “a fiction” and not based on reality. “The government has a mandate to provide public benefits and to do that they have to pay fair value for things,” said Halifax lawyer Daniel Campbell, of Cox & Palmer, who argued the case for HRM. “You can’t just look at commercial value because there is the public good as well and this provides a public benefit.” Ottawa argues that only Parks Canada offices, kiosks, a conference centre and some historic structures used for storage have taxable value.

The municipality first appealed the federal assessment some 11 years ago and, in 2007, went before Public Works and Government Services Canada’s Dispute Advisory Panel, which ruled the land had no value, with the taxable value of Citadel Hill being \$4.1 million. The municipality successfully appealed; Ottawa appealed that ruling to the Federal Court of Appeal. The decision was reinstated June 2010. The case now centres on whether the federal government can set assessment values for PILTs or whether it is compelled to consider outside valuations, provincial property valuations or both. The HRM receives a PILT of some \$170,000 annually for Citadel Hill. Municipal lawyers said the city could receive an extra \$500,000 in revenue each year, based on an outstanding tax bill of more than \$7 million, if the municipality wins.

Court is also expected to comment on the determination of property values, and the case could have an effect on other PILTs in other municipalities. The cities of Toronto and Quebec City and the Federation of Canadian Municipalities (FCM) were intervenors in support of Halifax, with 34 other sites designated as having national historic significance. Berry Urbanovic, FCM president, said, “We intervened in this case because almost 1,300 cities and communities provide services to federally owned properties. ... We hope the decision of the Supreme Court of Canada will help ensure that those [payments] are paid in a fair and equitable manner.” Also see the March 2011 statement from its Standing Committee on Municipal Finance and Intergovernmental Arrangements at www.fcm.ca (in search box enter “Policy Statement on Municipal Finance and Intergovernmental Arrangements”). Also see *Payments in Lieu of Taxes Act* (RSC, 1985, c. M-13) at <http://laws-lois.justice.gc.ca/eng/acts/M-13/index.html>.

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FEATURE

Making parking pay... a lot?

Finding a parking space or waiting until your valet brings your car can be such a chore, so the Porsche Design Tower in Florida aims to make it more convenient by providing parking spaces inside each apartment. Gil Dezer said that in-house parking at his 57-storey development in the Miami area of Florida is a “departure from most high-end buildings.” Each of the 132 units, ranging from \$2.7 million to \$9 million, has two spaces but can have up to four of the 284 slots, where a driver parks on a turntable “like a lazy Susan,” he said. A robotic arm picks up the car to place it in a glass elevator that carries it and the driver to the driver’s apartment, in approximately a minute. Cars are separated from living spaces, and spaces have special fire-suppression and ventilation systems.

Buyers have the option of upgrading to a glass wall to allow easy viewing of their vehicles, but there’s no driving once the car is in the building. “We wanted to make it dummy-proof,” Dezer said. The building received city approval, and sales are to begin soon. See www.sunnyislesmiami-realestate.com/Sunny-Isles-Beach/Porsche-Tower, which also notes, in the second item’s click-through in the Porsche Tower Sunny Isles Beach News & Blog Posts, that Miami Beach is undergoing a “burgeoning passion for designer parking garages.” In a response, “Bill” questioned the approval process, asking if, since each resident would have approximately 20 gallons of fuel in his or her unit, firefighters were consulted? “This could make the Towering Inferno look like a campfire.”

The value of an underground 18-foot by 10-foot [16.2 m²] parking space in Pittsburgh, **Pennsylvania** jumped from \$5,000 to \$289,900, assessed at more than the owner’s condominium at \$230,000. Richard Milesky Jr. said, “I think it’s prima facie evidence that there’s been no attention to detail.” The parking space is attached to his condo, which overlooks downtown Pittsburgh.

Quirky but true...

That’s one way to cover the paving cost and keep drivers awake: In September 2008, Civic Musical Road’s quarter-mile stretch was built in Lancaster, California. Musical roads create musical tunes through tactile vibrations and audible rumblings transmitted through wheels into a vehicle’s body. After the city cut various-width grooves into asphalt to produce part of the finale of the *William Tell Overture* as tires rolled over, the first installation was paved over two weeks later because nearby residents complained about the noise. After other complaints protesting its removal, it was recreated in October 2008, two miles from any residence, and renamed after the Honda Civic, as the road appears in car commercials. Other musical roads are in Japan and South Korea, the first being the Asphaltophone in Denmark, built in October 1995. See www.cityof-lancasterca.org (enter “musical road” in search box). Also see www.youtube.com (enter “musical road” in search box).

Buried in American Airlines’ bankruptcy filings is a townhouse on Cottesmore Gardens, one of London, England’s most expensive residential streets. Bought in the early 1990s as a residence for senior executives, it’s one of eight such properties owned by parent company AMR Corp. The street was named Britain’s 10th most expensive by property firm Zoopla (www.zoopla.co.uk), with a source at Knight Frank (www.knightfrank.com) saying the house could sell for £20 million (approximately \$32 million).

WORK WORD

reverse engineering, *n.* Having launched the enterprise, staffed it up, debt-loaded the balance sheet and wowed investors with a flashy IPO, the process of going back to determine if and how the firm’s underlying premise can be turned into a profitable business.

From *A Devil’s Dictionary of Business Jargon*
by David Olive

FEATURE

Rethinking development agencies, PILT deals and corporate welfare

Government must stop subsidizing business and should eliminate regional development authorities, writes Don McIvor, director of research for the Atlantic Institute for Market Studies. Strategies such as these are not a legitimate role of government and when attempted, “they waste resources that could be better used to serve citizens.” In *Nova Scotians Without Borders*, McIvor argues that regional development strategies have been shown not to work and financial incentives for businesses often fail. “There are 13 Regional Development Agencies (RDAs) operating in **Nova Scotia** – each receiving complex funding from the provincial government and local municipalities,” he wrote. “Each is engaged in lining up additional federal and provincial agency support to encourage businesses to establish or remain in their region and to attract immigrants. Each operates in direct competition with neighbouring RDAs – a flagrant attempt at beggar-thy-neighbour, funded ultimately by every Nova Scotian. The entire structure should be scrapped.”

McIvor said that trying to directly affect and to second-guess markets is what has created problems, such as with the New Page Port Hawkesbury paper mill. He questioned the logic of supporting an operation for more than 50 years for what amounts to about 600 direct jobs, with another \$15-million plan added when the likelihood of a recovery was slim. McIvor said the regional development authority model is flawed because government shouldn’t try to keep people in any one area and there is often duplication with authorities and government, meaning roles and responsibilities get blurred with a lack of accountability.

He cited the South West Shore Development Authority, shut down almost two years ago and criticized in a provincial ombudsman’s report with regard to almost every aspect of its organization and operations. The larger issue, according to McIvor, is that a province shouldn’t be picking winners and losers in business. Rather than funding regional development authorities or businesses, a province should focus on finding the correct amount of regulation, the lowest taxes possible to maintain necessary services and opportunities for people to advance their education. To download the 40-page document, see *Nova Scotians Without Borders* (24-Nov-2011) at www.aims.ca/en/home/library/librarylisting.aspx/1?dp=aXM9MTI_.

California’s Supreme Court upheld the state legislature’s vote to eliminate more than 400 redevelopment agencies as of February 1, 2012 and to strike down a compromise that would have permitted some agencies to continue if they

shared revenue. The decisions were described by various officials as “the worst possible outcome” for cities and could be a watershed decision for local economic development. By shifting property tax funds to encourage development, agencies and developers essentially have controlled approximately \$5 billion a year in tax revenue: after agencies repay existing bonds, revenues will instead be given to schools and special districts. Advocates for the agencies are expected to return to the legislature to ask lawmakers to recreate them, probably under some sort of revenue-sharing agreement, reported the Los Angeles Times. The agencies were authorized by law in 1945. Some people, such as Governor Jerry Brown, have argued that the agencies showed little public benefit. Brown’s spokesperson Gil Duran said, “The redevelopment people are screaming from the mountaintops and calling for a compromise. They had a compromise, but they rushed to court and they blew themselves up.” Also see the California Planning & Development Report at www.cp-dr.com/node/3080.

While opponents of **New Jersey’s** Meadowlands project – with more than \$200 million in tax breaks and complex financing – say funding plans amount to corporate welfare, even supporters say the transactions are convoluted and confusing. Joe Malinconico (<http://paramus.patch.com/articles/xanadu>) writes that an almost-simultaneous series of bond sales would start with taxpayer funding through the Borough of East Rutherford using the annual payments in lieu of property taxes (PILT) from the New Jersey Sports and Exposition Authority as security. The Bergen County Improvement Authority (BCIA) would then sell bonds to pay off East Rutherford’s debt, and a Louisiana non-profit would sell bonds and pay off BCIA’s debt. That non-profit’s debt would be paid off through bond sales by a Wisconsin public financing agency that would pass funding to the developers, Triple Five, to use towards its PILT. “I have an MBA from an Ivy League business school and I couldn’t quite understand what they were doing,” said Senator Robert M. Gordon. “There are a lot of questions about the taxpayers’ exposure in this.”

Because BCIA owns the land, part of the funding gets passed to Bergen County (www.bcia.us/html/projects.aspx) to cover taxes: the county’s executive office said the project could stimulate economic development and create jobs, and the executive office has not supported any financing structure that puts taxpayers at risk since the failed EnCap projects, which cost taxpayers \$50 million. (North Arlington is also negotiating with the New Jersey Meadowlands Commission for some \$1 million on late taxes at the Kingsland landfill from the

EnCap project. Officials negotiated “yet another” \$400,000 PILT payment for delinquent taxes on local properties at the former Bergen County trash processing site; see www.north-jersey.com.)

Once known as Xanadu, the revived Meadowlands project is now called the American Dream (www.americandream.com). Triple Five is likely better known in Canada as the Ghermezian brothers, who own the West Edmonton Mall and Mall of America holdings. The complex financing structure was proposed by company lawyers, said BCIA officials, with each entity in the deal being essential – for example, the Louisiana non-profit would provide tax benefits from its charity status. Jeff Tittel, executive director of the Sierra Club of New Jersey, called it the “American Scheme” and “a house of cards, a Ponzi scheme that’s going to come crashing down on the taxpayers. If the project is a good project, it should be able to get its financing on its own without any government involvement.” Former Governor Richard Codey also said, “There can’t be any way the public ends up holding the bag for any of that money.” A Fairleigh Dickinson University poll found that residents are opposed to using public money “by a 58-to-31% margin” and that any deal is “completely consistent with opposition to tax breaks for private developers elsewhere in the state.” Triple Five is also apparently seeking several hundred million dollars in financing through New Jersey’s Economic Development Authority. The \$2.7-billion complex was to open in 2007 but faced multiple delays and legal issues with two previous developers before creditors took over. In May 2011, Triple Five was announced as the new developer. The company’s website notes the project is 80% complete and is expected to be finished in fall 2013.

Birchez Associates and its president, Steven Aaron, a **New York** state developer, owe more than \$400,000 in property taxes on affordable-housing projects. The company owes taxes on three of four developments and is in court with three municipalities over unpaid taxes. The Ulster County Industrial Development Agency (UCIDA) voted to strip Aaron’s tax break unless he paid \$330,000. Over the last five years, he and his companies have been named in dozens of lawsuits, judgments and liens from contractors; three employees were awarded \$22,000 for violations by the labour commissioner, and Aaron had federal tax liens of \$90,000. He re-negotiated larger tax breaks than initial PILTs and wants lower assessments on vacant parcels, having also filed an action against the town of Esopus, whose Assessor Dan Terpening said, “He’s paying very little taxes on a very big project.” Aaron also wants to combine tax breaks in two other towns, suing Kingston because, instead of some \$250,000 under PILT, he should pay less than \$66,000 under a new state law and he is trying to renegotiate some \$57,000 in taxes owed to Saugerties. “We were willing to work something out with him, but his requests become preposterous,” said Saugerties’ super-

visor, Greg Helmsmoortel. Aaron said that withholding taxes was a legal tactic his attorney advised. David O’Halloran, UCIDA chair, said, “If you can’t meet your old obligations, what makes you think you’re going to meet new ones?”

It was also reported that Aaron’s companies donated almost \$116,000 to the governor and chair of legislative housing committees, and Aaron recently won a \$1.8-million state economic development grant for a new project in Fishkill. (*Times Herald-Record, Middletown, NY*)

Portland, **Oregon’s** 100-unit, “urban-hip and techno-savvy” Headwaters apartment complex is a lower-rent public housing project with \$14.7 million in public funds. Opened in 2006, it showed an assessment of more than \$12.2 million in 2009 and has been exempt from property taxes since 2005. The nearly 3-acre [1.2-ha] site was bought in 1999 for \$475,000. Portland council later adopted a program to pay for mixed-income housing not provided by the market. A report by the Portland Business Alliance and Portland Development Commission (PDC) called for more housing and, in 2004, PDC officials agreed to pay the site’s owner \$1.15 million for part of the land and development fees for apartments the city would own.

Portland borrowed almost \$12 million in revenue bonds, promising to make payments over 30 years using rent revenue. Along with tax abatements, the city also used some \$1.9 million from its Housing Investment Fund. One report suggested a PILT deferral, with payments (approximately \$165,000) starting in year 11. The PDC asked Multnomah County for an exemption in 2005, promising that the complex would be rented only to moderate-income households. Inspectors later posted comments such as, “Should never have been exempt!” in the county’s tax computer system, and average incomes of renters were found to be at the high end. The county mailed the city a property tax bill in 2009 for some \$103,600 but backed off after Portland threatened to sue, claiming that officials misled the city by granting tax breaks in the first place. See www.portlandmaps.com; in search box, enter “8833 SW 30TH AVE,” and for a summary, click on the “Assessor” tab.

Governor Mark Drayton and legislative leaders said the **Minnesota** Vikings football team should find a way to pay for their new stadium that does not include imposing local or state tax increases such as the proposal for Ramsey County to raise \$350 million through taxes for a new \$1.1 billion stadium.

Foreign Affairs

The world endured its costliest year ever for losses from natural disasters at more than a third of a trillion dollars in damage, according to a global reinsurance firm. Japan's March earthquake and tsunami accounted for more than half the damage. The number of disasters was average, but direct property losses from natural catastrophes reached almost \$380 billion, according to Ernst Rauch of Munich Re. See www.munichre.com.

Italy

The Catholic Church's tax-exempt status will be studied, amid renewed criticism that much of its vast real estate holdings isn't subject to property taxes. Criticism has grown following Prime Minister Mario Monti's proposal to restore property tax on first and second homes as part of measures to help control the country's massive debt. Critics, such as Italy's Radical Party, charge that the government is missing out on millions in potential taxes, exposing how some tax-exempt priests' residences were used as profitable bed and breakfasts. In 2006, Italy's parliament extended property tax exemption that created a grey area where Church-owned properties sought to carry out commercial activities and retain tax-exempt status. Cabinet minister Andrea Riccardi, a prominent lay Catholic with close ties to the Vatican, said the Church should pay property tax if there is commercial activity; however, "all the religious and cultural activities of the Church are a richness for the country and the tax shouldn't be paid." The European Commission (EU) had placed Italy under investigation, saying it believed exemptions could violate EU rules on state subsidies and distort competition.

Thailand

Land taxes on Phuket are expected to increase by 51% to match increased property values over the past four years, which topped all 77 provinces in the country, largely because of overseas investors. Valuations are compiled based on a complicated formula that takes into account the number of years the property has been owned and reduces the tax over time.

Guam

Guam contracted Manatron to license its Government Revenue Management (GRM) software to provide a single integrated property tax system for the taxation office that links real property tax processing with permits and land management data across government agencies. The contract was awarded through local vendor Data Management Resources, LLC to replace the Guam Department of Revenue and Taxation's Real Property Tax system and convert more than 30 years of data.

New Zealand

Auckland received 12,075 objections from 516,000 property valuations in a regionwide exercise to bring disparate three-year valuation cycles of previous councils into a single cycle. The rate of objections, at 2.34%, was similar to the number received previously.

Namibia

Owing to a date error in a public notice for objections in the 2011 valuation roll, Omaruru Valuation Court ruled the process did not comply with the *Property Valuation Act*. Residents learned the updated roll showed an increase of up to 700% and didn't have enough time to respond, said Daniel Kotze, who represented property owners. Required by law, at least two notices in different newspapers were to be published 30 days prior to the hearing, giving the public at least 21 days to respond, but "21" was printed as "921" days. While the municipality noticed the error and placed a correct advertisement, Kotze argued it was not identified as a correction, therefore was a non-compliant independent notice giving residents 18 days. Court said it was obliged to ensure the process was followed in compliance with the law, ordering Omaruru to start the process again.

Zambia

Auditor-General Annie Chifungula said the Zambia National Building Society (ZNBS) board approved the sale of houses at an excessively reduced rate of 70% based on an old property valuation report. Chifungula told the Mwila Lumbwe Commission of Inquiry it was wrong to have approved sales without updating values since the February 2009 report.

QUOTABLE QUOTE

“Diplomacy is the art of saying ‘Nice doggie’ until you can find a rock.”

— Will Rogers

Coast to Coast to Coast to Coast

Canada

The passage of Bill C-13, *Keeping Canada's Economy and Jobs Growing Act*, makes the Federal Gas Tax Fund a permanent annual source of infrastructure funding for municipalities. The federal government has committed to working with provinces, territories and the Federation of Canadian Municipalities (FCM) to build a long-term plan for investing in public infrastructure. Since 2005, the Gas Tax Fund resulted in federal investments of more than \$1.6 billion in 3,100 municipal infrastructure projects worth a total of \$5.4 billion. Under the existing allocation, Ontario municipalities receive \$746 million per year for investment in six categories of infrastructure or projects that contribute to long-term planning. The Ontario agreement is unique in that it creates a direct relationship between municipalities and the federal government. See FCM policy paper *Towards a Permanent Federal Gas Tax Transfer* at www.fcm.ca. Also see LEGISinfo at www.parl.gc.ca:

PART 9: GAS TAX FUND – FINANCING MUNICIPAL INFRASTRUCTURE

161. On the requisition of the Minister set out in Schedule I.1 of the Financial Administration Act with respect to the Office of Infrastructure of Canada, there may be paid out of the Consolidated Revenue Fund for each fiscal year beginning on or after April 1, 2014, in accordance with the terms and conditions approved by the Treasury Board, a sum of not more than \$2,000,000,000 to provinces, territories, municipalities, municipal associations, provincial, territorial and municipal entities and First Nations for the purpose of municipal, regional and First Nations infrastructure.

British Columbia

The **tax exemption** on farm outbuilding improvements is being increased to the greater of 87.5% or \$50,000 of assessed value from a maximum of \$50,000 of assessed value. A farmer's dwelling and home site farm classification will be extended to retired farmers in the Agricultural Land Reserve for farms that stay in production. The two legislative amendments came as recommendations made by the Farm Assessment Review Panel, appointed by the government to conduct a provincewide review of regulations and policies related to farm assessments. The government will also implement two other recommendations through regulatory amendments and policy changes and seek to reduce administrative paperwork for farmers by changing the farm income reporting period to be consistent with

the Canada Revenue Agency's income tax reporting period. Also, more flexibility will be provided in meeting requirements to maintain farm status by expanding the list of Primary Agricultural Production. The changes are expected to take effect for the 2013 Assessment Roll.

In **Vancouver**, the typical assessment for a single-family East Side home rose to \$1 million from \$816,000 last year, and the assessment for a West Side home on a 33-foot [10-m] lot to \$1.3 million from \$1 million. Most homeowners in Vancouver can expect increases of 10% to 25% over last year's assessment.

In **Richmond**, owners can expect increases of 5% to 30% for single-family houses. This marks the second year that provincial assessments have topped \$1 trillion. The number of properties on the roll is 1.9 million, up 0.75% from 2011. The province raised the threshold of the homeowners' grant to \$1.3 million from \$1.2 million. The grant provides a maximum reduction in residential property taxes on principal residences of \$570 in the Capital, Greater Vancouver and Fraser Valley regional districts and \$770 elsewhere in the province.

Saskatchewan

Saskatoon residents will pay 4% more on the city portion of property taxes. A home with an assessed value of \$187,000 will pay \$1,485 in property taxes for an increase of \$57. The city had originally been looking at a 4.7% increase.

Ontario

(Note: Acronym MPAC is *Municipal Property Assessment Corporation*) According to a report by **Minto** treasurer Gordon Duff, "Until MPAC has classified and valued property additions, municipalities have no authority to levy taxes against these improvements." As of mid-September 2010, there were 340 outstanding building permits issued in Minto that remain unassessed.

MPAC notified **Toronto** that the total gross assessed value of property jumped by \$7.5 billion over 2010 values. "The majority of that increase is new condominiums," said Joe Regina, account manager, who noted that the increase the previous year was \$6.2 billion.

A 26% rent increase and high property taxes are forcing **Toronto's** oldest independent bookstore, The Book Mark on Bloor St. West, to close. Besides the landlord's increasing rent from \$4,750 to \$6,000 a month, the store faces a 2011 tax bill of \$19,000.

Region of **Peel** Council approved a budget that will cost the average homeowner in Mississauga an extra \$23 (1.3%) on the 2012 property tax bill in addition to an increase in the utility rate of 8%. Peel's budget accounts for roughly 44% of

total property tax, with the City of Mississauga accounting for another 34%. The proposed 2012 fiscal plan for Peel includes an operating budget of more than \$1.7 billion and \$856 million for capital works.

New Brunswick

For the fourth year in a row, **Moncton** will see a tax rate decrease in 2012 from \$1.6418 to \$1.6393 of assessed value. However, with an average provincial assessment increase of 3.1%, most homeowners will see an increase. Mayor George LeBlanc said, “We are the only city in New Brunswick to reduce our tax rate for the last four consecutive years and we’ve done it while still ensuring adequate reserves, infrastructure sustainability and a reasonable debt profile. Our challenge is to continue to manage our strong growth and reconcile the difficulties and opportunities that this presents. The \$133.3-million operating budget for 2012 includes continuing to do more capital work on a ‘pay as you go’ basis rather than borrowing.”

Nova Scotia

The Citadel **Halifax** Hotel is being demolished to make way for a \$60 million complex with two hotel towers and an apartment building. The hotel is expected to generate more than \$1.6 million in property taxes and \$244,000 in hotel room levies.

The 972 residents of **Bridgetown** have an 8.6% tax increase after a provincial investigation conducted a forensic audit into disastrous town finances and forced the resignations of the mayor and council. A provincially appointed mayor, a two-member council and a Chief Administrative Officer are overseeing restorations likely until regularly scheduled municipal elections in October. The biggest operating costs are for debt repayment, the previous years’ deficits and major improvements to the water system.

Handing over every cent of property tax revenue isn’t being considered part of an **overhaul of local governance**, said Local Government Minister Bruce Fitch, adding it would be too costly for the province to no longer receive any revenue from property tax. Municipal associations contend that the simplest alternative to unconditional grants is to give to municipalities the roughly \$150 million the province collects in provincial property tax, but the figure is significantly higher than the \$69 million that municipalities, rural communities and local service districts will receive in 2012. Instead, Fitch said the new community funding arrangement will explore other ways to raise revenues, such as a tourism levy, rather than property taxation, which currently represents more than 75% of municipal revenues. The government is also relying on a new plan to establish 12 regional service commissions to make communities more efficient through regional collaboration and amalgamations of a larger tax base. Reforms to the property tax system will be included in the 2012–13 budget.

Newfoundland & Labrador

After years of court battles over the assessed value of the **Gander** International Airport (GIA) property, the town decided not to appeal the latest decision by the Supreme Court of Newfoundland and Labrador, which upheld a lower court decision setting the assessed value of the property at \$1. The Town of Gander had long argued the value should be \$24.8 million, a figure contained in a 2002 provincial municipal assessment agency judgment. The town is now in the process of negotiating a PILT from the GIA Authority. When finalized, said authority president and CEO Gary Vey, the town will likely receive a lump-sum payment of approximately \$1 million and an annual payment between \$125,000 to \$130,000, to be finalized early in 2012. Vey said that while the airport authority never agreed with the 2002 provincial municipal assessment agency’s valuation of the property, officials were always prepared to enter into a tax payment agreement with the town to cover the cost of services provided by the municipality.

Taxpayers in **Grand Falls–Windsor** are taking their first direct hit on taxes following the closure of the local paper mill. The town is raising property taxes to 9 mills from 8.5 mills. A special grant from the provincial government – money that replaced Abitibi Bowater’s grant in lieu of taxes, which at one time totalled \$800,000 – will disappear in 2012. The town also has to cover the cost of shipping waste to the new regional dump site that opens in the new year. That’s expected to cost about \$300,000.

USA (NB: All figures in US\$)

In August, officials who track weather disasters said that 2011 would be a record year, with nine events topping \$1 billion in damages. That figure was increased to 12 events totaling \$52 billion in damages. “In my weather career spanning four decades, I’ve never seen a year quite like 2011, [with] record-breaking extremes of nearly every conceivable type of weather,” said National Weather Service Director Jack Hayes. See <http://weather.gov>.

The National Association of Homebuilders announced **guidelines to improve builders’ communication** with appraisers and lenders for valuating new homes, warning builders that not providing enough data to an appraiser is a significant error. New home builders are advised to insist that lenders use qualified appraisers experienced in their area who understand new construction and green building values.

West Virginia

As part of the West Virginia State Tax Department’s Property Tax Equalization Study, independent appraisers are reviewing property assessments to **evaluate the quality of property assessments** in all 55 counties. The three-year property tax equalization will see the remaining 12 counties subject to review in the third and final year of the project.

Alabama

Because of **Jefferson County's** sewer and water problems, some residents find it cheaper to buy water and pay a sanitation company \$14 a month to remove waste from portable toilets than continue to suffer rate hikes. With a 329% increase over the past 15 years, the county struggled to pay for a new sewer system, under construction since 1996, that was meant to cost approximately \$300 million but soared to \$3.1 billion. JP Morgan Securities and two former directors were fined for offering bribes to county workers and politicians; six former county commissioners were found guilty of corruption for accepting bribes, along with 15 other officials. New commissioners filed for Chapter 9 bankruptcy, which bondholders, who stand to lose many millions in repayments, are contesting. Rates had been due to rise by another 8.2% a year for the next three years in a deal with creditors, but the court-appointed receiver said rates could increase by as much as 25%. In addition, Jefferson County faces a \$40-million budget shortfall because a local tax was declared illegal. Tony Petelos, newly appointed county manager, said, "The public has lost confidence in Jefferson County over the last decade and a half, because of the mismanagement, because of the corruption. We have got to rebuild that confidence."

Transitions

In Ontario, **Dan Chapman** was appointed Chief Financial Officer for the City of Guelph. The Municipality of Kincardine's new Chief Administrative Officer is **Murray Clarke**.

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The Nunavut Association of Municipalities selected **Whale Cove Mayor Percy Kabloona** as its Acting President.

TASWEEK Real Estate Marketing and Development (www.tasweekuae.ae) has opened a branch in Marrakech, Morocco. The Tasweek Al Emaraty office specializes in property valuation, project development, financial structuring and marketing.

Send us your news of appointments, promotions, retirements or other people changes. And why pay for a display ad when you can target jobs to your colleagues for free? Send us a 30-word summary: cmartin@longwoods.com.

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