



BMR

NEWS BRIEFS

32 ISABELLA STREET, TORONTO 5

President - D. W. Lang, Q.C.

Director - Michael D. Goldrick

August 30th, 1961.

MICHAEL D. GOLDRICK APPOINTED BUREAU DIRECTOR

At a meeting of the Bureau Council on August 29th, 1961, Michael D. Goldrick was appointed Director and Secretary of the Bureau of Municipal Research.

Mr. Goldrick brings to the position an apt combination of academic training and practical experience in local government. A native of Vancouver, Mr. Goldrick is a Bachelor of Commerce of the University of British Columbia. From U.B.C. Mr. Goldrick went to Queen's University at Kingston, where he obtained a degree of Master of Arts. In his work at Queen's Mr. Goldrick specialized in the municipal government field, studying under Professor K.G. Crawford, formerly the Deputy Minister of Municipal Affairs in the Province of Ontario. Upon completion of his studies, Mr. Goldrick went to work with the City of Ottawa, where he became Executive Assistant to the Mayor. Mr. Goldrick joined the Bureau staff early in August and takes over the directorial reins September 1st.

O.M.A. Assessment Resolution

The Ontario Municipal Association, an organization composed of elected and appointed officials from Ontario municipalities, will consider a number of resolutions at their 63rd annual convention during the latter part of August. Three of these resolutions concern the apportionment for business tax purposes of land and building service areas used in common by lessees in shopping centres and commercial buildings. Specifically, the resolutions proposed by the Association of Assessing Officers of Ontario and the County of Halton recommend that the Association petition the Legislative Assembly of Ontario to amend the Assessment act so that:

- 1.) All business establishments having access to and deriving benefit from land used for parking lots or mall areas in shopping centres have included in their business tax assessment a proportionate share of such lands used in common with others, and

- 2.) Tenants of multiple occupied commercial buildings who derive benefit from vestibules, corridors and washrooms become liable for business assessment in respect to such service areas used generally and in common with others.

At the present time, municipal assessors are prohibited from including in the business assessment of individual lessees occupying space in shopping centres and commercial buildings, a proportionate share of common service facilities. In three instances involving the City of Hamilton, the Ontario Court of Appeal, though referring to parking areas as being components of and necessary adjuncts to the conduct of business in shopping centres, nevertheless has ruled that parking lots, walks and malls are not liable for business assessment under terms of the Assessment Act. Such facilities therefore qualify for a preferred mill rate.

The absence of clear authority under the Act similarly has precluded many municipalities from specifically including in their business assessment a proportionate share of halls, stairways, lobbies and washrooms used in common by lessees of commercial buildings. However, practice in many jurisdictions has been simply to take into account the value of such areas when setting the individual assessments of each commercial lessee.

The effect of these resolutions could be far reaching should they receive legislative sanction. A general "rule of thumb" places the ratio of parking areas to commercial establishments in shopping centres at 3 : 1 while office buildings have approximately 25 percent of their floor areas devoted to common uses. Business assessments therefore would rise substantially if a proportion of parking areas could be charged against individual shopping centre lessees. An increase of lesser magnitude could be expected by occupants of commercial buildings in a number of Ontario localities.

Many arguments supporting and opposing the inclusion of common facilities in business assessments have been advanced. Parking lots are said to be essential to the effective operation of shopping centres, much as elevators are essential in multi-storey department stores, and consequently should be assessed on the same basis. In addition, taxation of parking facilities at a preferred rate is held by some authorities to give suburban shopping centres an unfair advantage over downtown merchants whose parking areas, if provided on an individual basis, are subject to full business assessment. The contrary view maintains that shopping centres have benefited municipalities by consolidating suburban commercial development thereby reducing unsightly and uneconomic ribbon development. In addition, business concerns outside those in shopping centres frequently are not assessed for customer parking facilities since they are able to rely upon public parking.

Those who advocate the allocation of a proportionate share of ancillary facilities in commercial buildings against the business assessment of each occupant argue that since the use of these facilities is as essential to the conduct of business as the office facilities themselves, corridors, stairs and washrooms are therefore quite properly included in an assessment for business tax purposes. Those who oppose this view argue that business taxes should be paid only in respect to those areas specifically used for business purposes and that the inclusion of common service areas would be an arbitrary apportionment inevitably leading to inequities in assessment.