

County of Oxford
Ben Addley CAO
21 Reeves street,
Woodstock, ON N4S 3G1

Re: Request for Support for Auto Mayor's Group for Large Automotive Taxation Revamp

As the County of Oxford is aware, Special Purpose Property Taxation for the Auto Sector has been a challenging issue for some time – both for municipalities, as well as Auto companies that have designated properties. There are lengthy appeals and substantial costs for municipalities with these designated properties. The uncertainty of appeals (and timing) make it very difficult for municipal governments to be able to plan and forecast revenue, or undertake critical infrastructure investments. Typically, there is a significant amount of tax revenue for municipalities from a single property, and for smaller municipalities, tax appeals can have a large impact on revenue, not just for one year, but multiple years in lengthy appeals. Uncertainty is also an issue for Automakers, both for operations and (potential) future investments. Cost uncertainty contributes to delays regarding potential new investments and new mandates. In Ontario, over 500 special purpose properties have been designated across the province. The Auto Sector – and typically just OEMs – are a subset of this group. Other sectors that are included under this designation include: aerospace, chemical manufacturing, food processing, mining, oil refineries, pharmaceutical manufacturing, pulp and paper, steel manufacturing, among others.

Recent (and substantial) investments in the Auto Sector by Canada and Ontario is very positive news, but the existing challenge of special purpose property taxation in the province will have implications for municipal host communities if this issue is not appropriately addressed. Some Auto Sector leaders are supportive of finding a new approach. Resolving this issue would remove an existing uncertainty, which creates a disincentive for major project investments – as well as operational cost uncertainties for existing industry taxpayers. The time for action is now.

To this end, the Town of Ingersoll has allocated funding to retain the assistance of public affairs counsel with specialization in finance and property tax matters to support a joint municipal effort to address this issue, as well as guide communications with the Province (both public service as well as political decision makers). The Town of Ingersoll has acquired the services of Campbell Strategies, which the Town has engaged in the past and has supported the successful resolution of key policy priorities for our community, and has specific experience in this policy area. We are gathering partners to join us in the

project, which requires the participation of municipalities that share this issue. In order for the project to proceed, we require a minimum of two municipal partners to join us at a cost of \$4,000 per month (plus HST) for an expected duration of 12 months. It may be possible to acquire more partners and that may bring down our overall cost to fund this important work.

This issue obviously has a large impact on the County of Oxford just as it does for the Town of Ingersoll. It also has a large impact on the City of Woodstock and their large automotive properties which are impacted by this issue.

We request your consideration on this important initiative. Please do not hesitate to contact me if you have any questions.

Michael Graves
CAO
Town of Ingersoll