

**TOWN OF GRIMSBY'S SPECIAL SEWER LEVY
DISCUSSION AND REFORM OPTION OVERVIEW**

Prepared For:
THE TOWN OF GRIMSBY

Prepared By:
MUNICIPAL TAX EQUITY (MTE) CONSULTANTS INC.
GEORGETOWN, ONTARIO
WWW.MTE.CA

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INTRODUCTION AND PURPOSE

The Town of Grimsby has enlisted the assistance of Municipal Tax Equity Consultants (MTE) to review the manner in which the Town currently funds wastewater costs, as well as to support staff and decision makers in considering whether an alternative approach might be desired at this juncture. A high-level preliminary review of the Special Local Sewer Levy, or Special Area Rate (SAR) that the Town has traditionally relied upon was published in June of 2021.

What followed was a planning/research stage to consider what alternatives, if any, might be available to the Town other than the tax-based recovery approach that has traditionally been relied upon. This involved research and analysis conducted in consultation with Town Staff as well as a comprehensive seminar and discussion with Council members to discuss prevailing practices, options for change and potential impacts related to various strategies.

This report has been prepared to advance more refined options for potential change based on the information and perspectives gleaned within the context of preparing our preliminary review, consultations to date, and ongoing policy analysis.

Scope and Context

The scope and focus of this immediate exercise and MTE's overall mandate are quite narrow. We are only looking at how required revenues are raised and ultimately shared amongst users and taxpayers in general.

This exercise will not consider, and will have no direct impact or implications for discussions or decisions regarding:

- The annual or ongoing costs of providing water or wastewater services;
- The total amount to be raised in any given year; or
- Any subjective opinion regarding value, efficiency, or service delivery.

Further, our role and the purpose of this report is not to tell decision makers or Town staff what their objectives should be, or how they should think about the way sewers are funded. Our role and the purpose of this report is to set out alternative policy options and generally suggest what objectives each policy option might serve as well as what impacts they might have.

In sum, our intent is to provide viable policy alternatives and explain what each does and who will be impacted, it is the role of decision makers to determine if one of these models might better serve their core objectives compared to the status quo and, if so, are the costs/impacts reasonable and/or acceptable.

PART ONE: CURRENT SEWER LEVY

Overview and Background

The Town of Grimsby utilizes a Special Local Levy to fund the majority of its wastewater (sewer) general operating and capital budget requirements each year. Based on information gleaned by MTE from current and previous members of the Town's finance department, it is our understanding that this levy applies to properties connected to the Town's wastewater system. If a property is newly connected to the system, it is added to the properties that attract the special Sewer Area Rate (Sewer SAR).

This levy has been in place since before the current property tax system was established in 1998 but has grown dramatically over time. Around that time there were a few hundred properties subject to the levy, now approximately 10,000 taxpayers contribute to this levy.

As of 2021, almost 90% of the Town's properties are captured by the Sewer Area and subject to the special tax rate. According to the municipality's tax rating by-law, this levy was set to raise \$6,239,750 as of roll return for 2021. With the budget estimates for wastewater operating and capital costs of \$6,445,750 and \$885,000 respectively, this levy was set to raise approximately 85% of the total budgeted amount.

Distributive Function

Although SARs are applied to a geographic subset of a municipality where property owners benefit from a differential of service, they still embody the form and nature of a tax. As a tax, there is a redistributive function where each individual liability is calculated in regard to each property's value rather than how much or how little one uses a service. Considering these points, the Town's current Sewer SAR essentially:

- Concentrates wastewater costs on the properties connected to the system, but
- Distributes those costs among the connected properties on the basis of property value rather than the degree to which the properties utilize the system.

Whether one sees this as desirable is really a subjective question. Does the status quo work, or is there an interest in moving towards tying individual charges more closely to use?

Compliance and Functional Considerations

This is not primarily a compliance review, however, whether the levy is going to be maintained in its current, or a modified form, we would recommend that some minor adjustments be made to its administration.

First, the Town has traditionally imposed the Sewer SAR on a limited number of properties that are exempt from taxation, the majority of these being elementary and secondary schools. While we are not aware of any current or historic challenge against these levies, they do pose a risk because there is no basis for levying these amounts. We suggest removing exempt properties from the levy.

The other item is more administrative in nature and may not require any changes to current practice, however, there is some indication that past practice may have departed from the

strictest application of SAR protocols. As such, we suggest that the following two protocols be adhered to on a go-forward basis if the Town maintains this levy, or any other special levy.

- The roll listing or *roll ranges* that define the properties captured by an SAR should be set annually at the time taxes are levied. Each year's roll range should be explicitly documented via by-law and the levy should not be applied to any property that does not fall into those defined ranges;
- Properties that become newly eligible for this SAR must only be added to the levy as part of establishing the annual roll range. If a property's assessed value or classification changes within a year, taxes associated with the levies originally imposed on that property will change (increase or decrease). It is not permissible to add a new special levy to a property mid-year, or retroactively for prior years.

Based on our review to date, we suggest these functional issues should be addressed even if maintaining the overall approach is preferred.

Comparative Municipal Practice

The Town is the only municipality in Niagara Region to use a tax levy to recover wastewater costs. All other local municipalities where wastewater services are available rely on fees to recover these costs from users.

Table 1 summarizes the wastewater related revenue reported by Niagara Region's area municipalities as part of the annual Financial Information Return (FIR). The reporting years are 2018 for Niagara Falls, 2019 for all others, and Wainfleet does not have any municipal water infrastructure.

Table 1
Region-Wide Wastewater Revenue Practices

Local Municipality	Fee Based Revenue		Sewer Tax Levy	Total
	Wastewater Fees	Stormwater Fees		
Grimsby	\$0	\$0	\$5,874,127	\$5,874,127
Fort Erie	\$10,530,006	\$94,411	\$0	\$10,624,417
Lincoln	\$1,040,582	\$0	\$0	\$1,040,582
Niagara Falls	22,355,130	\$0	\$0	22,355,130
N.O.T.L.	\$4,879,402	\$10,000	\$0	\$4,889,402
Pelham	\$1,889,539	\$0	\$0	\$1,889,539
Port Colborne	\$4,981,948	\$731,678	\$0	\$5,713,626
St. Catharines	\$27,607,813	\$43,291	\$0	\$27,651,104
Thorold	\$4,692,360	\$0	\$0	\$4,692,360
Welland	\$15,303,559	\$10,814	\$0	\$15,314,373
West Lincoln	\$1,874,616	\$0	\$0	\$1,874,616
Total	\$95,154,955	\$890,194	\$5,874,127	\$101,919,276

When we look province-wide only a handful of municipalities report using a Special Sewer Levy for wastewater (sanitary sewers) or storm water systems. Only two, including Grimsby, are known to rely solely on an SAR with no corresponding fee-based program.¹

To be clear, these comments are intended to be observational only. The fact that Grimsby is unique in its approach has no direct or explicit meaning in terms of whether the Town's approach is appropriate, valid or effective in meeting local objectives.

It is simply helpful to be aware of prevailing practices and how the local approach fits when considering a program or practice in a context such as this.

¹ See Slides 12-13 in Presentation Titled: *Town of Grimsby Sewer Levy Review: Preliminary Discussion Framing Issues and Options*; attached as Appendix A to this report.

PART TWO: POTENTIAL REFORM OPTIONS

In support of our overall review efforts, an education session with Town Council members was held on August 30th of this year to discuss the general concepts behind various revenue options; their distributive function and what impact might be expected if an alternate mechanism was used to fund wastewater costs.² A significant theme of this discussion focused on the conceptual and functional differences between taxes and fees and consideration of the different objectives and outcomes that incorporating a flat or variable fee might serve.

Based on that meeting and feedback received subsequent to it, we have prepared three proforma models for consideration and further discussion. These may be generally described as follows:

Scenario 1: Maintain the Status Quo, Connection-Based Sewer Levy with the exclusion of exempt properties and the maintenance of fixed annual roll ranges.

Scenario 2: Continue to raise a portion of the annual revenue requirement via the Connection Based Sewer Levy, with the remainder to be raised through a sewer fee attached to water bills. The model splits the revenue 50/50 between these two mechanisms and the fee would be variable based on each user's water consumption.

Scenario 3: Eliminate the Sewer Levy in favor of a full fee-based approach. As with Scenario 2, the fees would be variable based on each user's water consumption.

For each of these models we have documented the anticipated impacts for various groups, categories of property and, therefore, connected users. These quantitative models are based on comparing actual 2021 circumstances as at the time taxes were levied, against what the outcomes may have looked like if an alternate approach had had been used. This is the most reliable and precise manner of modelling and comparing multiple revenue scenarios as all other variables, such as growth, assessment change, revenue requirements, etc. are all held constant.

We have also provided commentary as to the objectives each best serves and identified any special considerations, risks or impacts that we feel decision makers should be aware of. In reviewing these models, it should be noted that they are all simply possible alternatives should it be determined that a change to current protocol is desired. Ultimately, it will be up to Council if they wish to make a change or carry on with the status quo.

Scenario 1: Modified Status Quo

This is essentially the Status Quo with only minor adjustments to the manner in which the levy is calculated, applied, and administered. Under this model, the Town's Sewer Levy would continue to be applied to properties that are identified as "connected properties" with the exception of a limited number of schools, which are exempt from general taxation, but which a sewer tax has previously been levied against.

Other than removing these exempt properties from the levy, the only other aspects of this model would involve establishing and following strict protocol for setting and adhering to the property

² See Appendix A.

listing or roll ranges that dictate the applicability of the levy. These should be set and kept fixed on an annual basis, with no in-year or retroactive adjustment.

Quantitative Impact

For 2021 approximately \$92,000, or 1.48% of the Sewer SAR was levied against the exempt properties in question. If these had been excluded from the levy, those taxes would have shifted to all the remaining SAR properties. These impacts are summarized based on property type in Table 2; Table 3 documents the impact for the average property within each category. The reader may reference Appendix B of this report for a detailed breakdown of the types of properties that comprise each category.

Table 2
Modelled Shifts by Property Type: Scenario 1

Property Type	Count	Status Quo Sewer Levy	Scenario 1	Impact	
Vacant Land	54	\$35,160	\$35,690	\$530	1.51%
Farm	15	\$9,010	\$9,150	\$140	1.55%
Residential (Inc. MR)	9,685	\$5,129,670	\$5,206,630	\$76,960	1.50%
Commercial	203	\$560,990	\$569,410	\$8,420	1.50%
Industrial	52	\$362,250	\$367,690	\$5,440	1.50%
Government/Institutional	13	\$50,340	\$51,100	\$760	1.51%
Exempt in SAR	10	\$92,250	\$0	-\$92,250	-100.00%
Overall	10,032	\$6,239,670	\$6,239,670	\$0	0.00%

Table 3
Average Shifts by Property Type: Scenario 1

Property Type	Count	Status Quo Sewer Levy	Scenario 1	Impact	
Vacant Land	54	\$651	\$661	\$10	1.54%
Farm	15	\$601	\$610	\$9	1.50%
Residential (Inc. MR)	9,685	\$530	\$538	\$8	1.51%
Commercial	203	\$2,763	\$2,805	\$41	1.52%
Industrial	52	\$6,966	\$7,071	\$105	1.51%
Government/Institutional	13	\$3,872	\$3,931	\$58	1.52%
Exempt in SAR	10	\$9,225	\$0	-\$9,225	-100.00%
Overall	10,032	\$622	\$622	\$0	0.00%

Under this model, all properties remaining in the SAR will contribute approximately 1.5% more than they would if the exempt properties were taxable regardless of the value or classification of the property.

This impact may be reduced or offset if a fee was imposed against exempt school properties rather than the taxes. Under such an option the Town might wish to impose a fee against all exempt properties that are connected to the sewer system, but which do not contribute to the sewer levy. This would ensure equity and it could insulate the Town from a claim that a fee applicable only to a select group of schools conflict with section 1 of Ontario Regulation 584/06, which precludes a municipality from imposing a fee on a “class of person that is comprised solely of the Crown”.³

Scenario 2: Hybrid Levy and Fee Model for Connected

Scenario 2 maintains the Town’s connection-based Sewer Levy but raises only 50% of the requirement from taxation. The remaining half would be raised through variable (vs. flat) user fees. The fee modelled here is based on each user’s water consumption, which would serve as a *proxy meter*.

Methodology

The recalculation of the tax liability is straight forward, we simply set the revenue target to half the original amount and calculate new rates to raise that amount. As with Scenario 1, we have excluded the exempt schools from the tax recalculation, however, those properties would attract the fee in the same way they are responsible for the water they consume.

The mechanics of the fee calculation are quite straight forward with rates being set based on the budgeted revenue requirement and the total anticipated waster use for connected properties that will contribute to the fee. For this model we utilized the actual 2020 water consumption for the connected properties⁴ and 50% of the actual 2021 Sewer Levy.

$$\frac{\text{Revenue Requirement}}{\text{Water Consumption Estimate} - \text{Connected Users}} = \text{Sewer Fee}$$

or

$$\frac{\$3,119,900}{2,400,590 \text{ Cubic Meters}} = \$1.2996 \text{ Per Cubic Meter of Water Consumed/Supplied}$$

This rate is then applied against each user in accordance with the metered usage on each water bill they receive.

Quantitative Impact

The implications and impacts of this model are more complex than those see with Scenario 1. As we move a portion of the revenue from taxation to a fee, the basis of distribution changes. With

³ Due diligence should be undertaken before a fee is imposed that would only apply to the school boards to determine if that imposition could be construed as being in conflict with Ontario Regulation 584/06 as made and amending under the *Municipal Act, 2001*.

⁴ Water account data could not be matched to all properties captured by the SAR.

a tax, each user is sharing in the burden based on their relative property value, using a metered fee, the burden is shared based on use, or water consumption.

In the extreme, the owner of a very low value property who uses an incredible amount of water should expect their net costs to increase while someone with a multi-million-dollar property who rarely turns on the tap should see a decrease.

In reality, dramatic shifts seem to be occurring around the margins and in regard to some specific outliers. For the most part, this hybrid model is not overly volatile on the aggregate level. Tables 4-A, 4-B and 4-C have been prepared to give the reader a sense of how various property types (use and value) and different water users might be impacted.

Table 4-A is organized by property type and summarizes the group level impacts that may have materialized if half of the actual 2021 Sewer Levy had been raised from fees calculated and applied against water consumption.

Table 4-A
Modelled Shifts by Property Type: Scenario 2

Property Type	Count	Status Quo Sewer Levy	Scenario 2			Impact	
			Levy (Tax)	Fees	Total		
Vacant Land	54	\$35,160	\$17,580	\$2,080	\$19,650	-\$15,510	-44.11%
Farm	15	\$9,010	\$4,560	\$36,700	\$41,260	\$32,250	357.94%
Residential (w/ MR)	9,685	\$5,129,670	\$2,605,960	\$2,568,400	\$5,174,370	\$44,700	0.87%
Commercial	203	\$560,990	\$281,630	\$199,990	\$481,660	-\$79,330	-14.14%
Industrial	52	\$362,250	\$184,070	\$222,220	\$406,280	\$44,030	12.15%
Gov./Institutional	13	\$50,340	\$25,590	\$74,660	\$100,240	\$49,900	99.13%
Exempt in SAR	10	\$92,250	\$0	\$15,840	\$15,840	-\$76,410	-82.83%
Overall	10,032	\$6,239,670	\$3,119,390	\$3,119,890	\$6,239,300	-\$370	0.00%

The reader will note that while the Farm group is small, they can be expected to see high magnitude impacts under fees based on water consumption. This is due in part to the fact that under the status quo tax scheme, properties classified as Farmland are subject to a discounted tax rate at only 25% of what is applied against a residential property. In addition, we can expect that due to irrigation needs, farms may use far more water than the average property.

At the broad, group level, the implications for residential properties does not appear overly dramatic, however, this is because that group makes up the overwhelming majority of the properties that carry the tax and consume water. In order to understand these shifts it is important to consider what is going on within that class.

Table 4-B summarizes the modelled impacts within the residential property grouping based on ranges of assessed value. What this table demonstrates is that when we move a portion of the revenue from a tax to a fee, we can expect the burden to shift from higher value properties to lower value properties.

Table 4-B
Modelled Residential Shifts by Assessment Value Range: Scenario 2

Property Assessment	Count	Status Quo Sewer Levy	Scenario 2			Impact	
			Levy (Tax)	Fees	Total		
< 250,000	875	\$231,860	\$117,430	\$121,470	\$238,950	\$7,090	3.06%
250 – 500 K	7,061	\$3,372,700	\$1,713,620	\$1,743,010	\$3,456,720	\$84,020	2.49%
500 – 750 K	1,539	\$1,143,530	\$581,090	\$539,760	\$1,120,750	-\$22,780	-1.99%
750 – 1 Mil	136	\$148,490	\$75,380	\$61,080	\$136,450	-\$12,040	-8.11%
1 - 2 Million	63	\$106,930	\$54,320	\$46,760	\$101,080	-\$5,850	-5.47%
> 2 Million	11	\$126,160	\$64,120	\$56,320	\$120,420	-\$5,740	-4.55%
All Residential	9,685	\$5,129,670	\$2,605,960	\$2,568,400	\$5,174,370	\$44,700	0.87%

Users currently share in the total levy based on the proportional value of their property. This remains true for the levy portion of the revenue under Scenario 2, however, the fees each property will pay will be based on water usage. Although exceptions and outliers exist, water usage doesn't appear to vary as much as property value, or in conjunction with property value.

To illustrate this we observed that under the status quo model, the average home in the 750,000 to 1 Million CVA range is estimated to pay 47% more tax than the average home in the 500,000 – 750,000 CVA range. In contrast, the average water consumption, hence the average water based bill, for properties in the higher CVA range is only 28% greater than for the lower of those two ranges.

Table 4-C reports on the same results as contained in Table 4-A but with properties grouped by annual water consumption. These results confirm that introducing a fee based on water usage will necessarily shift revenue from those who use less water, to those who use more.

Table 4-C
Modelled Shifts by Annual Water Consumption: Scenario 2

Water Usage (M ³ Per Year)	Count	Status Quo Sewer Levy	Scenario 2			Impact	
			Levy (Tax)	Fees	Total		
Zero	253	\$191,500	\$97,020	\$0	\$97,020	-\$94,480	-49.34%
< 100	1,968	\$908,730	\$461,450	\$157,540	\$618,740	-\$289,990	-31.91%
100 – 200	3,695	\$1,872,120	\$947,770	\$718,500	\$1,666,670	-\$205,450	-10.97%
200 – 300	2,284	\$1,286,200	\$652,340	\$724,280	\$1,376,530	\$90,330	7.02%
300 – 1,000	1,742	\$1,287,240	\$640,000	\$939,160	\$1,579,240	\$292,000	22.68%
> 1,000	90	\$693,880	\$320,810	\$580,410	\$901,100	\$207,220	29.86%
Overall	10,032	\$6,239,670	\$3,119,390	\$3,119,890	\$6,239,300	-\$370	-0.01%

We also note that there are properties that contribute to the levy, but which will not contribute to a fee based because either there is no water account associated with the property, or they used no water during our sample period, which was 2020. A portion of the Zero Use are

properties that were newly connected prior to the 2021 sewer rolls being finalized but which were not connected to water in 2020. There are also properties that are captured by the Sewer SAR but are inactive (vacant land, vacant buildings, buildings undergoing reconstruction, etc.).

Scenario 3: Discontinue Sewer SAR and Rely on Fees Only

Scenario 3 is based on the complete discontinuation of the connection-based Sewer Levy with 100% of the required revenue being raised through variable user fees. This means that property assessment is completely removed from the equation and each user's liability is based solely on the amount of water consumed.

Methodology

The manner of calculating and applying the fees under this model are the same as those used in Scenario 2, the only difference being that the fees have been set to raise 100% of the actual 2021 Sewer Levy rather than only half.

$$\frac{\text{Revenue Requirement}}{\text{Water Consumption Estimate} - \text{Connected Users}} = \text{Sewer Fee}$$

or

$$\frac{\$6,239,730}{2,400,590 \text{ Cubic Meters}} = \$2.5992 \text{ Per Cubic Meter of Water Consumed/Supplied}$$

This rate is then applied against each user in accordance with the metered usage on each water bill they receive. There would no longer be any amount for the Sewer levy on the tax bill for any property.

Quantitative Impact

The impacts of this model follow suit with Scenario 2 in terms of its general pattern but are more dramatic. Under Scenario 2, half of the burden was being distributed based on the status quo mechanism and variables. As such, only half of the burden was shifting among properties and groups of properties. Under this model, the entire amount is shifting from a distribution pattern based on property assessment, to one based on water consumption.

In the extreme, the owner of a very low value property who uses an incredible amount of water should expect their net costs to increase while someone with a multi-million-dollar property who rarely turns on the tap should see a decrease.

Tables 5-A, 5-B and 5-C are based on the tables summarizing Scenario 2 except the alternate revenue is completely fee based, rather than split.

Table 5-A is organized by property type and summarizes the group level impacts that may have materialized if the actual 2021 Sewer Levy had been raised from fees calculated and applied against water consumption.

Table 5-A
Modelled Shifts by Property Type: Scenario 3

Property Type	Count	Status Quo Sewer Levy	Scenario 3	Impact	
Vacant Land	54	\$35,160	\$4,170	-\$30,990	-88.14%
Farm	15	\$9,010	\$73,370	\$64,360	714.32%
Residential (Inc. MR)	9,685	\$5,129,670	\$5,136,190	\$6,520	0.13%
Commercial	203	\$560,990	\$400,080	-\$160,910	-28.68%
Industrial	52	\$362,250	\$444,440	\$82,190	22.69%
Government/Institutional	13	\$50,340	\$149,330	\$98,990	196.64%
Exempt in SAR	10	\$92,250	\$31,660	-\$60,590	-65.68%
Overall	10,032	\$6,239,670	\$6,239,240	-\$430	-0.01%

As can be seen in Table 5-A, the group level impact on Farm properties is almost double the impact modelled in Scenario 2. This is a result of the fact that under the tax model they contribute a disproportionately small share of the levy while on the other side, they are disproportionately high-water consumers. Basically, they are moving from one end of the contribution spectrum to the other when the revenue is removed from the tax system and redistributed based on water consumption.

Table 5-B
Modelled Residential Shifts by Assessment Value Range: Scenario 3

Property Assessment	Count	Status Quo Sewer Levy	Scenario 3	Impact	
< 250,000	875	\$231,860	\$242,400	\$10,540	4.55%
250 – 500 K	7,061	\$3,372,700	\$3,486,270	\$113,570	3.37%
500 – 750 K	1,539	\$1,143,530	\$1,079,300	-\$64,230	-5.62%
750 – 1 Mil	136	\$148,490	\$122,080	-\$26,410	-17.79%
1 - 2 Million	63	\$106,930	\$93,490	-\$13,440	-12.57%
> 2 Million	11	\$126,160	\$112,650	-\$13,510	-10.71%
All Residential	9,685	\$5,129,670	\$5,136,190	\$6,520	0.13%

The shift onto residential properties as a group is much smaller under Scenario 3 (+\$6,520) than it was under Scenario 2 (+\$44,700), however, the shifts among properties in our residential group are more pronounced as we move from a tax based to a water-based distribution of the burden.

Generally speaking, lower value properties will see more dramatic increases and higher value properties will see more dramatic decreases under a full fee model.

Table 5-C
Modelled Shifts by Annual Water Consumption: Scenario 3

Water Usage (M³ Per Year)	Count	Status Quo Sewer Levy	Scenario 3	Impact	
Zero	253	\$191,500	\$0	-\$191,500	-100.00%
< 100	1,968	\$908,730	\$314,880	-\$593,850	-65.35%
100 – 200	3,695	\$1,872,120	\$1,436,960	-\$435,160	-23.24%
200 – 300	2,284	\$1,286,200	\$1,448,280	\$162,080	12.60%
300 – 1,000	1,742	\$1,287,240	\$1,878,390	\$591,150	45.92%
> 1,000	90	\$693,880	\$1,160,730	\$466,850	67.28%
Overall	10,032	\$6,239,670	\$6,239,240	-\$430	-0.01%

The shifts off of low water users onto high water users will also be more dramatic if the tax-based revenue is completely abandoned in favour of a full fee-based model. Also, under this model, properties that do not use any water will not contribute to the system even if connected. Under Scenario 2, such properties would not contribute on the fee side, but would continue to carry a portion of the burden as tax via the Sewer SAR.

Comparative Results

For the most part, Scenario 1 will not alter the distribution of the burden in any significant or material way because it relies on a consistent basis for determining share, the property assessment base. The introduction of a new basis of determining shares under Scenarios 2 and 3 (water consumption) will, however, result in proportional shifts among individual properties and groups of properties.

While immediate impacts and anticipated shifts should not be the sole basis of determining a path forward, it is important for Staff and decision makers to know what may be expected if they are interested in moving from determining individual sewer liabilities based on relative property value to a more use-based approach such as the proxy-meter based rate models set out in this report.

To assist the reader in understanding how different property types and properties of different value may be impacted under the various models set out here, we have included Tables 6 and 7 below. Table 6 contains the sewer liability for the average property in each grouping under the Status Quo approach, or actual 2021 Sewer Levy as well as each of the alternative models set out above.

Table 7 contains the average property level liabilities within the residential property grouping by assessment value band. Table 8 provides the same summary by water consumption.

Table 6
Average Burden and Change vs. Status Quo by Property Type

Property Type	Status Quo	Scenario 1		Scenario 2		Scenario 3	
		Levy	Difference	Levy + Fee	Difference	Fee Only	Difference
Vacant Land	\$651	\$661	1.54%	\$364	-44.09%	\$77	-88.17%
Farm	\$601	\$610	1.50%	\$2,751	357.74%	\$4,891	713.81%
Residential (Inc. MR)	\$530	\$538	1.51%	\$534	0.75%	\$530	0.00%
Commercial	\$2,763	\$2,805	1.52%	\$2,373	-14.12%	\$1,971	-28.66%
Industrial	\$6,966	\$7,071	1.51%	\$7,813	12.16%	\$8,547	22.70%
Gov./Institutional	\$3,872	\$3,931	1.52%	\$7,711	99.15%	\$11,487	196.67%
Exempt in SAR	\$9,225	\$0	-100%	\$1,584	-82.83%	\$3,166	-65.68%

Table 7
Average Residential Burden and Change vs. Status Quo Assessment Value Range

Property Assessment	Status Quo	Scenario 1		Scenario 2		Scenario 3	
		Levy	Difference	Levy + Fee	Difference	Fee Only	Difference
< 250,000	\$265	\$269	1.51%	\$273	3.02%	\$277	4.53%
250 – 500 K	\$478	\$485	1.46%	\$490	2.51%	\$494	3.35%
500 – 750 K	\$743	\$754	1.48%	\$728	-2.02%	\$701	-5.65%
750 – 1 Mil	\$1,092	\$1,108	1.47%	\$1,003	-8.15%	\$898	-17.77%
1 - 2 Million	\$1,697	\$1,723	1.53%	\$1,604	-5.48%	\$1,484	-12.55%
> 2 Million	\$11,469	\$11,641	1.50%	\$10,947	-4.55%	\$10,241	-10.71%

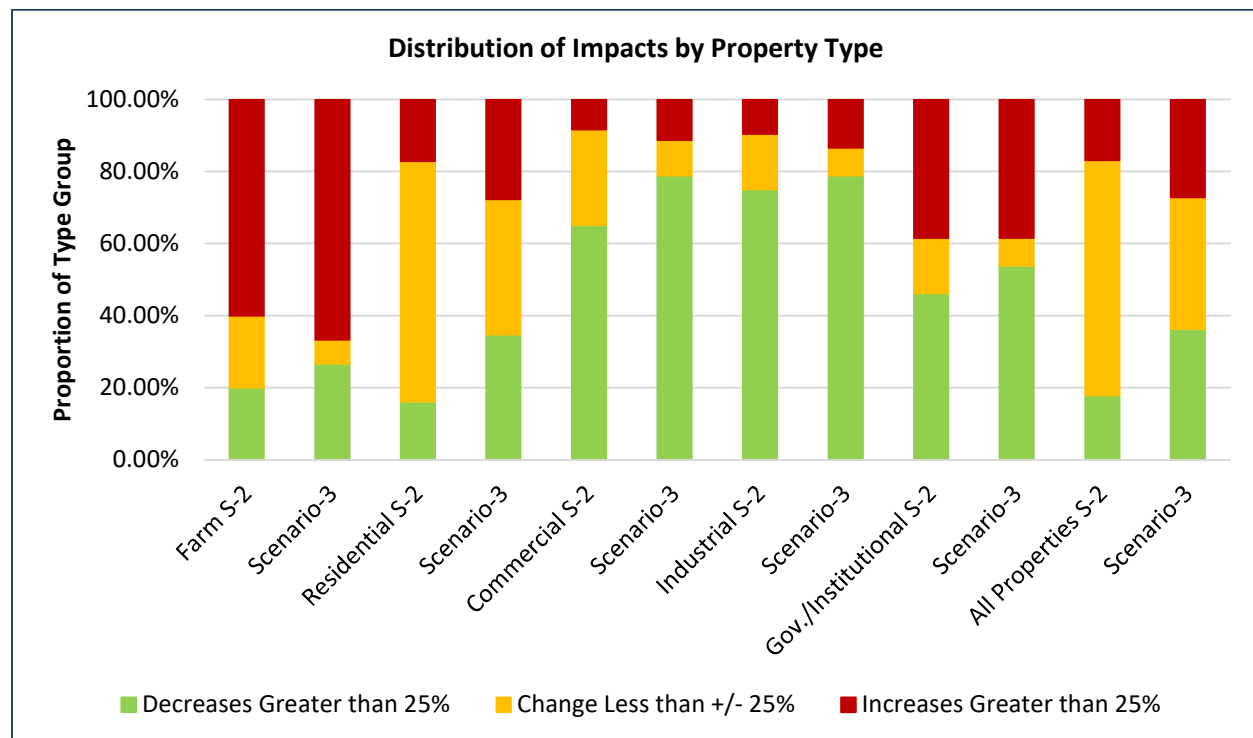
Table 8
Average Burden and Change vs. Status Quo by Annual Water Consumption

Water Usage (M ³ Per Year)	Status Quo	Scenario 1		Scenario 2		Scenario 3	
		Levy	Difference	Levy + Fee	Difference	Fee Only	Difference
Zero	\$757	\$768	1.45%	\$383	-49.41%	\$0	-100.00%
< 100 CM	\$462	\$469	1.52%	\$314	-32.03%	\$160	-65.37%
100 – 200	\$507	\$514	1.38%	\$451	-11.05%	\$389	-23.27%
200 – 300	\$563	\$572	1.60%	\$603	7.10%	\$634	12.61%
300 – 1,000	\$739	\$750	1.49%	\$907	22.73%	\$1,078	45.87%
> 1,000	\$7,710	\$7,825	1.49%	\$10,012	29.86%	\$12,897	67.28%

Consistent with the aggregate results set out earlier in this report, the residential grouping in particular appears fairly stable overall, but is subject to significant internal shifts. Thus, in addition to considering average or typical property changes, it is helpful to consider how representative those averages are of the broader group.

Figure 1 has been prepared to summarize the incidents of outlier changes by property type. There are two columns for each property type representing Scenario 2 and Scenario 3. Starting from left to right, the first column relates to Scenario 2, the adjacent column relates to Scenario 3, the next Scenario 2 again and so on.

Figure 1
Proportion of Properties Increasing or Decreasing More than 25% by Property Type



Interpretation Notes: Figure 1

- The Green portion of each column represents the proportion of the property grouping that the model indicates will see a reduction in sewer costs by more than 25%;
- The Yellow portion represents the proportion of the group that is expected to see shifts that are no greater than 25% either way (25% increase or 25% decrease); and
- The Red portion of the column represents the properties that are expected to experience increases in excess of 25%.

As can be seen, in most instances, it would be a minority of properties that would stay within 25% of their current liability under either of the fee-based models. It is also clear that Scenario 3 would produce significantly more outliers (green and red) than Scenario 2.

Potential Refinements and Modifications

Although we have limited the analysis here to three logical options, the municipality's choices really fall across a spectrum, rather than being three finite choices. Each of these could be adjusted in various ways to modify their impact and/or ultimate policy outcome. Some of the refinements that could be made include but are not limited to:

- Using a phased approach to move from the tax-based approach to either a full fee or mixed fee model. For Example, a 75/25% split in year one with a progression to the desired mix. This could mitigate and smooth the transitional impacts;
- Setting special fee rates for properties that are connected to sewers but which are not subject to the Sewer SAR (exempt properties);
- Setting special fees for properties connected to sewers but which do not have a corresponding water account; and/or
- Building in allowances or adjustments for users that are high volume water consumers, but low-capacity sewer connections (e.g., farms).

PART THREE: FRAMING THE DISCUSSION AND CONSIDERATION OF OPTIONS

The essential policy question at hand within the context of this discussion may be summarized as follows:

Does the current approach, whereby sewer costs are shared based on relative property assessment continue to meet the Town's preferences and objectives, or is there an interest in tying each person's share of these costs more directly to the sewer capacity each uses?

Of course, there are questions that flow from this, and which must be considered, including but not limited to those around the level of shifts and impacts are acceptable. Before making a significant change in approach, such as the ones contemplated here, it is important to consider impacts and outcomes as well as the root of the policy goals or objectives.

We use this Matrix often to highlight the importance of making critical connections when crafting public policy. It is useful when considering choices when options are being selected from a rigid slate of Menu Options such as choosing pre-defined optional property classes. We suggest it is invaluable when creating policy within less defined parameters

- A. The **Policy Objectives**, goals or challenges to be overcome;
- B. The **Policy Choices** or options being considered;
- C. The **Policy Impacts** that will or may materialize immediately; and
- D. The **Policy Outcomes** that might be expected as a result of policy implementation.

We definitely want to understand how or if our policy choices, or options **(B)** might result in the outcomes **(D)** furthering the objectives or preferences **(A)**. However, in most cases, there is a limit to what one feels is an acceptable cost to achieving the theoretically ideal outcome. As such, it is important to consider the impacts and implications **(C)** related to any policy path. In some instances, the impacts may be minimal, sometimes the biggest impacts relate to implementation costs and in other cases, the impacts might be weighted towards the benefit side rather than the cost side.

In this case, the impacts of moving to a fee-based approach to sewer revenue will mainly be in the form of shifts in burden among property owners and users of the sewer and water system. The Town should not see any material change in net revenue raised and since the approaches modelled here contemplate removing one charge from the tax bill and adding a new charge to the water bills, administrative implications should also be fairly modest.

Figure 2 has been included to connect the current issue to these elements and concepts. For each scenario considered above, we have included high-level, general notes aligned with the concepts set out as A through D.

Figure 2
Connecting Options to Objectives and Outcomes


	Status Quo	Scenario 1: Status Quo with Compliance Adjustments	Scenario 2: Split Revenue Model	Scenario 3: Full Fee-Based Revenue Model
Policy Option	<ul style="list-style-type: none"> - No change to policy or practice 	<ul style="list-style-type: none"> - Fixed annual roll range - No levy for tax exempt properties 	<ul style="list-style-type: none"> - 50% of revenue raised by connection-based SAR - 50% from variable fees using water as a proxy meter 	<ul style="list-style-type: none"> - Eliminate Sewer SAR - Raise required revenue from variable fees calculated against water consumption
Objectives Best Served	<ul style="list-style-type: none"> - Maintain Current Practice - Fund sewers through the tax base - Connected properties only 	<ul style="list-style-type: none"> - Same as Status Quo + - Maximize compliance and minimize risk. 	<ul style="list-style-type: none"> - Preference for consumption-based distribution of costs - Mitigation of impacts related to moving from assessment-based shares to use based shares 	<ul style="list-style-type: none"> - High priority given to connection between system use and share of cost - This is as close as can be reasonably achieved to metered sewer charges
Notable Impacts	<ul style="list-style-type: none"> - No Impacts, shifts or changes 	<ul style="list-style-type: none"> - Minimal implications for connected properties liable for taxation or payments in lieu of taxation - Elimination of sewer levies for select school properties 	<ul style="list-style-type: none"> - Shares of tax portion will decrease by 50% universally - Burden will generally shift from high value to lower value properties and from lower level to higher level water uses - Properties with low taxes and high water use (eg. Farms) will see the largest impacts 	<ul style="list-style-type: none"> - Burden shifts observed under Scenario 2 will be seen with increased intensity due to the removal of any reference to property value - Connected properties with no water use will not contribute - Shift patterns will be complex and difficult to generalize
Policy Outcomes	<ul style="list-style-type: none"> - Sewer burden will be shared based on relative property value/classification with no reference to property specific capacity draw. 	<ul style="list-style-type: none"> - Same as Status Quo + - Increased compliance and decreased risk related to potentially unrecoverable amounts levied against exempt properties. 	<ul style="list-style-type: none"> - Users' liability is determined in part by the degree to which they are drawing on the system capacity (as determined through a proxy-meter) - Mitigates shifts and impacts. 	<ul style="list-style-type: none"> - Individual liabilities are determined solely by each user's proxy-meter consumption - No connection between one's property or property value and their sewer charges.

NARROWING INTERESTS AND OBJECTIVES

As part of the August 30th workshop, we posed four questions to Council that were designed to assist in matching options to objectives and preferences. Feedback on these was received from a few individuals, but not enough to support a suggestion as to which option might best serve Council's collective or aggregate preference.

The results that were submitted are summarized in Figure 3 with a number assigned to each of the three respondents.

Figure 3
Revenue Option Variable Spectrum

Question / Theme / Consideration	Low End of Spectrum											High End of Spectrum
		1	2	3	4	5	6	7	8	9	10	
General Nature of Wastewater Service	A general benefit to the community	1				2					3	Strictly a private benefit to users
Equity in Fees	Equal = Equitable									1	2 3	Must be based on actual consumption
Appetite for Impacts	Priority must be to minimize or avoid any shifts in burden	1				2		3				Irrelevant – Desired approach is the priority regardless of impact
Administrative simplicity, efficiency, and compliance	Irrelevant			1							2 3	Critical

Ultimately, the three responses served to cover the spectrum on every question except perceived equity in fees. On that question, all three responses indicated that variable fees based on consumption were more equitable than flat or uniform fees. The responses on the remaining question did not indicate a collective view that would suggest an agreement on direction.

Again, we can't read too much into this in terms of Council's collective position, but the responses received may be summarized as follows:

Respondent 1 appears to view the provision of wastewater services/infrastructure as a more general benefit and is adverse to any shifts in burden. The modified status quo (Scenario 1) would best suite these interests

Respondent 2 indicates a lean towards the pay based on use position and is modestly comfortable with some transitional disruption. If the impacts are within their comfort level, the hybrid approach set out in Scenario 2 would likely appeal to this individual.

Respondent 3's answers suggest that they strongly support pay per use but is somewhat cautious in terms of Impacts. Scenario 2 may be acceptable to this respondent or alternatively, an approach where fees are introduced, and the proportional share of tax and fees are increased

over time. Essentially a phase-in approach that will get the municipality to a fee-based system, while smoothing out the impacts over the course of multiple years.

In the absence of a decisive direction being identified at this stage, we have included the following Figure 4 to assist staff and decision makers in considering their options further in conjunction with their own preferences and objectives.

Figure 4
Survey Questions and Interpretive Comments

Question / Theme / Consideration	Low End of Spectrum	High End of Spectrum	Interpretation – Connection Policy Options
General Nature of Wastewater Service	A general benefit to the community	Strictly a private benefit to users	<ul style="list-style-type: none"> Services and benefits that are being delivered generally and indiscriminately are more appropriately funded by taxes. If one sees wastewater services as a purely private benefit, or commodity like gas, electricity, or water, then metered fees would be more likely to serve their policy objectives and preferences
Equity in Fees	Equal = Equitable	Must be based on actual consumption	<ul style="list-style-type: none"> This is only relevant if one wants to move to a fee, but generally speaking, a flat fee is more likely to be equitable when imposed for nominal charges or where uniform services are being provided (e.g. Dog tags). A flat fee would likely be to indiscriminate for sewer fees and we know that they would produce the greatest shifts and impacts.
Appetite for Impacts	Priority must be to minimize or avoid any shifts in burden	Irrelevant – Desired approach is the priority regardless of how disruptive	<ul style="list-style-type: none"> This will be the most significant consideration if fees are to be introduced. If the consensus is fees are desirable decisions will still have to be made as to what level of disruption or transitional shifts are desirable. A hybrid approach that maintains a portion of the tax-based revenue, but also uses a fee will result in each person's liability being tied more to their actual capacity use while minimizing transitional impacts.
Administrative simplicity, efficiency, and compliance	Irrelevant	Critical	<ul style="list-style-type: none"> This was posed as a general question. however, it can assist in setting objectives for planning, communication, consultation, etc. It also becomes more relevant if overly complex policy alternatives are advanced, which is not the case here.

SUMMARY COMMENTS AND SUGGESTED NEXT STEPS

As illustrated through the contents of this report, moving to a fee, rather than a tax based revenue program in regard to sewers would definitely result in the Town being more aligned with common practice throughout the Region of Niagara and across the Province generally. Such a change will, however, involve some “growing pains” and transitional impacts for individual taxpayers and system users.

This really boils down to the methodology and variables used to determine who pays what portion of the revenue requirements for sewers within the Town. As such, one of the primary questions decision makers will need to answer is:

Do we want people to pay for sewers based on their relative use of the water (and by extension sewer) system? Or, are we satisfied with these costs being raised against the tax base, with each person’s share being determined by the relative value of their property?

As discussed throughout, the answer to this fundamental question goes a long way to suggesting what approach is best in an ideal sense, however, change comes with implications and these must be considered. That is, if we were starting from scratch with no history and a brand new sewer system, we would focus solely on how we would like things to be. In reality, for the Town of Grimsby, consideration must also be given to what is involved in getting to that ideal outcome and are the costs reasonable.

In this instance, the costs (and benefits) of changing course will be borne by individual uses and taxpayers, not the Town, which can reasonably expect its overall revenue to be secure under a status quo or alternate model.

Those alternate models ultimately represent a change to variable that are relied upon to determine each person’s share of the cost. When considering a fee versus tax, it means a shift from one’s *bill* being determined by the value of their home or business, to the volume of water they consume. Determining what will be considered acceptable levels of transitional disruption will likely be an important element of the decision-making process.

Should Council decide that its preference is movement to a fee-based model, but that the impacts modelled in these scenarios is too great, mitigation and migration strategies could be added. Such strategies will soften the transitional impacts but extend the transition exercise.

Next Steps

Until such time as a potential direction is narrowed it is not possible to establish any specific *Next Steps*, however, we have identified a number of tasks that would be required if the choice is made to move to a fee based system using one of the models set out here, or a modified version. At a minimum these will include:

1. Determine the Town's capacity to add a second rate-based charge to the current water billing system;
2. Undertake a thorough reconciliation between water accounts, properties connected to the sewer system and properties captured by the current Sewer SAR. MTE has identified discrepancies around the margins that are not overly material, but should be resolved if reform is being contemplated.
3. Review the need for, and interest in special or exceptional rates (increased or decreased) for special users such as exempt properties, farms, etc.;
4. Initiate a clear and concise information campaign so that taxpayers, water users and all connected properties (may not align perfectly) understand the changes being made.
 - Stakeholder should be provided with enough information to determine what the change means to them as individuals.
 - The Town may want to consider client-specific proforma impact statements.

Potential for Public Engagement

In light of the number of taxpayers and users such a change will impact, the Town may want to consider a public engagement effort in advance of making a decision. MTE suggests such an exercise would be less of a full creative consultation, and more of an exercise in advancing a preferred approach and seeking feedback. We make this distinction as it better protects Council's autonomy and is less likely to result in a situation where the Town is faced with irreconcilable suggestions. Put simply, asking for creative suggestions and input is a much different (and more complex) exercise than asking for feedback. MTE suggests that the latter is more appropriate in this instance due to the technical nature of the options and because of the diverse impacts we anticipate.

SLIDES 12 AND 13
FROM MTE'S PRESENTATION TITLED

***Town of Grimsby Sewer Levy Review:
Preliminary Discussion Framing Issues and Options***

REGION-WIDE WASTEWATER REVENUE PRACTICES

Local Municipality	Fee Based Revenue		Sewer Tax Levy	Total
	Wastewater Fees	Stormwater Fees		
Grimsby	\$0	\$0	\$5,874,127	\$5,874,127
Fort Erie	\$10,530,006	\$94,411	\$0	\$10,624,417
Lincoln	\$1,040,582	\$0	\$0	\$1,040,582
Niagara Falls	22,355,130	\$0	\$0	22,355,130
N.O.T.L.	\$4,879,402	\$10,000	\$0	\$4,889,402
Pelham	\$1,889,539	\$0	\$0	\$1,889,539
Port Colborne	\$4,981,948	\$731,678	\$0	\$5,713,626
St. Catharines	\$27,607,813	\$43,291	\$0	\$27,651,104
Thorold	\$4,692,360	\$0	\$0	\$4,692,360
Welland	\$15,303,559	\$10,814	\$0	\$15,314,373
West Lincoln	\$1,874,616	\$0	\$0	\$1,874,616
Total	\$95,154,955	\$890,194	\$5,874,127	\$101,919,276

- This table summarizes the wastewater related revenue reported by area municipalities as part of the annual Financial Information Return (FIR)
- The reporting years are 2018 Niagara Falls, 2019 for all others
- Wainfleet does not have any municipal water infrastructure



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PROVINCE-WIDE REPORTED WASTEWATER REVENUE SOURCES

Municipal Type	Total Reporting (2019 FIR)	Fee Based Revenue			Special Sewer Levy		
		Waste Water	Storm Water	Either / Both	Tax Only	Tax + Fees	Either
Single Tiers	100	94	20	99	1	2	3
Lower-Tiers	168	155	28	162	2	3	5
Upper-Tiers	8	8	1	8	0	1	1
	276	257	49	269	3	6	9

- The overwhelming majority of municipalities reporting wastewater and/or stormwater related revenue reported it under Fees and Charges for 2019
- Only a handful reported using a special sewer levy and 2/3 of those also relied on fee based revenue



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APPENDIX B: PROPERTY TYPE GROUPINGS

Property Code Description	Rolls	2021 Assessment	Share of Sewer SAR Revenue
Vacant Land			
Non-buildable land (walkways, buffer/berm, storm water management pond,etc)	2	20,000	\$26
Residential development land.	2	950,000	\$1,225
Vacant commercial land	10	9,271,000	\$17,060
Vacant industrial land	2	1,291,000	\$2,889
Vacant land condominium (residential)	1	765,000	\$987
Vacant residential land not on water	35	8,753,500	\$11,291
Vacant residential/recreational land on water	2	1,281,000	\$1,652
Farm			
Farm with residence - with commercial/industrial operation	2	983,000	\$1,456
Farm with residence - with or without secondary structures; no farm outbuildings	4	1,171,000	\$1,510
Farm with residence - with or without secondary structures; with farm outbuildings	5	6,190,000	\$4,454
Farm without residence - with secondary structures; with farm outbuildings	1	312,000	\$101
Intensive farm operation - with residence	1	358,000	\$462
Land owned by a non-farmer improved with a non-farm residence, portion farmed	2	1,083,000	\$1,029
Residential (Including Multi-Residential)			
Clergy Residence	1	470,000	\$489
Freehold Townhouse/Row house – more than two units with separate ownership	1,430	488,564,000	\$630,199
Life Lease: Fixed Value, Indexed-Based, or Market Value Life Lease Types.	1	20,988,000	\$27,072
Link home – linked at the footing or foundation by a wall above or below grade.	222	72,156,000	\$93,074
More than one structure used for residential purposes	10	6,100,000	\$7,403
Multi-residential, with 7 or more self-contained units (excludes row-housing)	11	26,846,000	\$67,719
Residence with a commercial unit	19	9,857,000	\$13,377
Residence with a commercial/ industrial use building	2	862,000	\$1,338
Residential Condominium Unit	1,369	349,360,000	\$450,639
Residential phased condominium corporation	1	25,261,000	\$32,584
Residential property with five self-contained units	3	1,683,000	\$2,171
Residential property with four self-contained units	11	6,104,000	\$7,969
Residential property with six self-contained units	8	5,916,000	\$7,631
Residential property with three self-contained units	14	5,657,000	\$7,297
Semi-detached residence with both units under one ownership	11	5,239,000	\$6,758
Semi-detached residential with separate ownership.	155	44,582,000	\$57,506
Single family detached (not on water)	6,079	2,663,005,000	\$3,429,086
Single family detached on water – year round residence	158	145,232,000	\$187,260
Typically a Duplex – residential structure with two self-contained units.	49	17,582,000	\$22,679
Vacant land condominium condo plan registered against the land.	131	60,141,000	\$77,576
Commercial			
Auto dealership	5	18,098,000	\$40,501
Auto dealership - independent dealer or used vehicles	1	1,049,000	\$2,348
Automotive fuel station with or without service facilities	2	1,867,000	\$4,178
Banks and similar financial institutions, including credit unions	2	2,818,000	\$6,306
Commercial condominium	42	13,733,000	\$30,732
Commercial sport complex	1	1,104,000	\$2,471
Communication buildings	2	4,897,000	\$10,959
Freestanding Beer Store or LCBO - not associated with power or shopping centre	1	1,344,000	\$3,008
Freestanding supermarket	1	13,854,000	\$30,103
Full service hotel	1	3,765,000	\$8,426
Large office building (generally multi - tenanted, over 7,500 s.f.)	2	3,049,000	\$6,823
Large retail building centre, generally greater than 30,000 s.f.	2	10,729,000	\$24,010

APPENDIX B: PROPERTY TYPE GROUPINGS

Property Code Description	Rolls	2021 Assessment	Share of Sewer SAR Revenue
Commercial (Continued)			
Limited service hotel	1	2,462,000	\$5,510
Marina - located on waterfront	3	6,458,000	\$14,234
Motel	1	1,673,000	\$3,380
Neighbourhood shopping centre - without anchor - generally less than 150,000 s.f.	12	26,616,000	\$59,563
Neighbourhood shopping centre - with anchor - generally less than 150,000 s.f.	3	37,190,000	\$83,226
Neighbourhood shopping centre with offices above	1	6,419,000	\$14,365
Office use converted from house	13	8,136,000	\$16,967
Recreational sport club - non commercial (excludes golf clubs and ski resorts)	2	6,037,000	\$7,787
Restaurant - conventional	2	1,985,000	\$4,183
Restaurant - fast food, national chain	6	7,371,000	\$16,495
Retail - one storey, generally over 10,000 s.f.	3	3,557,000	\$6,692
Retail - one storey, generally under 10,000 s.f.	18	12,436,000	\$27,633
Retail or office with residential unit(s) above or behind - greater than 10,000 s.f.	2	1,313,000	\$2,685
Retail or office with residential unit(s) above or behind - less than 10,000 s.f.	38	27,653,000	\$53,979
Retail use converted from house	3	1,695,000	\$3,356
Retail with more than one non-retail use	1	641,000	\$993
Retail with office(s) - greater than 10,000 s.f., GBA with offices above	1	816,000	\$1,826
Retail with office(s) - less than 10,000 s.f., GBA with offices above	6	4,442,000	\$9,535
Small Medical/dental building (generally single/owner occupied under 7,500 s.f.)	3	3,725,000	\$8,336
Small Office building (generally single tenant or owner occupied under 7,500 s.f.)	13	11,681,000	\$26,140
Specialty automotive shop/auto repair/ collision service/car or truck wash	8	9,986,000	\$21,447
Tavern/public house/small hotel	1	1,281,000	\$2,721
Industrial			
Distillery/brewery	2	19,317,000	\$63,932
Industrial mall	3	7,398,000	\$20,402
MEU Transformer Station	2	80,800	\$274
Mini-warehousing	2	3,660,000	\$8,191
Other industrial (all other types not specifically defined)	11	28,974,000	\$82,726
Railway buildings and lands described as assessable in the Assessment Act	1	19,300	\$65
Standard industrial properties not specifically identified	14	20,152,000	\$56,350
Warehousing	6	41,144,000	\$88,622
Water treatment/filtration/water towers/pumping station	11	19,581,000	\$41,686
Government/Institutional			
Clubs - private, fraternal	2	3,129,000	\$7,002
Day Care	1	731,000	\$1,312
Funeral Home	1	1,329,000	\$2,974
Hospital, private or public	1	13,333,000	\$268
Military base or camp (CFB)	1	699,000	\$1,564
Old age/retirement home	1	13,389,000	\$17,270
Place of worship - with a clergy residence	2	2,876,000	\$1,393
Police Station	1	1,243,000	\$2,782
Post office or depot	1	1,034,000	\$2,314
Retirement/nursing home (combined)	2	19,011,000	\$13,472
Exempt in SAR			
School (elementary or secondary, including private)	10	71,516,000	\$92,249