

## Appendix B



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### **MAYOR PATRICK BROWN**

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July 31, 2020

The Honourable Rod Phillips, MPP  
Minister of Finance  
7 Queen's Park Crescent, 7<sup>th</sup> Floor  
Toronto, ON M7A 1Y7  
Sent via email

The Honourable Steve Clark, MPP  
Minister of Municipal Affairs & Housing  
777 Bay St., 17<sup>th</sup> Floor  
Toronto, ON M5G 2E5

Dear Minister Phillips and Minister Clark,

I am writing this letter to request the Province increase payments to municipalities for all property tax-exempt public institutional properties that are provincially owned or controlled, including hospitals, universities, colleges and correctional institutions. The rate is currently \$75 per "head or bed" and has remained unchanged since 1987. The rate does not reflect the change in cost of delivering services to Ontario municipalities and forces municipalities to compensate in other ways, including increased property taxes.

I am aware that several municipalities have also made similar requests of the Province including Toronto, Hamilton, Oshawa, Waterloo and Kingston. The Ontario Chamber of Commerce has twice submitted pre-budget papers that called for an increase to the rate. The Association of Municipalities Ontario is another organization that has previously lobbied the Province to match the rate to inflation.

To date, the Province has not committed to any review of the legislative or regulatory provisions that govern the levy on provincial institutions. I ask that the Province correct this situation prior to the billing of the "heads and beds" levy in 2021 with consideration to the options cited below:

1. Amend the currently prescribed rate (\$75 per "head or bed") to reflect increases in the Consumer Price Index (CPI) in each year from 1987 to 2020. The 2019 rate would have escalated to \$152.20 for each full-time student, provincially rated bed, or prisoner. As a result, Brampton's revenue from this source would have doubled in 2019 from \$393,592 to \$798,729.
2. Adjust the CPI revised rate to account for the increased revenue colleges and universities generate for international student tuition fees. Certain educational institutions in Brampton have a high volume of international students in relation to domestic. The extra revenue received by municipalities can be directed towards affordable housing projects which is also a current objective of provincial policy. New affordable housing for students will assist in alleviating the demand for illegal second units and lodging houses that have become a challenge in Brampton.

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3. Alternatively, the Province could require these payment-in-lieu (PIL) properties to be calculated based on their current value assessment (CVA), equivalent to other federal, provincial and municipal PIL properties. This action would require legislative amendments to the Assessment Act, 1990 and the Municipal Act, 2001. Under this scenario, the City portion of the PILs in Brampton would rise to between \$1.95 million using the 2019 residential tax rate to \$2.5 M should the properties be classified in the commercial (default) class.

I recognize the great value these institutions bring to our community including employment opportunities and obvious benefits in education and health care. However, they also impact local infrastructure costs such as roads, public transit, policing, emergency medical services etc. The rate has remained unchanged since 1987 and does not accurately reflect the municipal costs that such institutions generate in our community.

Sincerely,



Patrick Brown  
Mayor

cc The Honourable Ross Romano, Minister of Colleges and Universities  
Sara Singh, MPP Brampton Centre  
Gurratan Singh, MPP Brampton East  
Kevin Yarde, MPP Brampton North  
The Honourable Prabmeet Singh Sarkaria, MPP Brampton South  
Amarjot Sandhu, MPP Brampton West  
Nando Iannicca, Chair, Region of Peel  
Members of Brampton City Council  
Brian Rosborough, Executive Director, AMO