

Presented To:	City Council
Presented:	Tuesday, Sep 13, 2016
Report Date	Friday, Aug 19, 2016
Type:	Managers' Reports

Request for Decision

Property Tax Arrears at 40 Clemow Avenue

Resolution

THAT the City of Greater Sudbury accepts its share of the proceeds of sale of 40 Clemow Avenue in the approximate amount of \$37,585.89 and write off the balance as uncollectable, as outlined in the report dated August 19, 2016 from the Acting Chief Financial Officer/City Treasurer.

Finance Implications

Of the \$45,809 of property tax arrears, the City will receive \$37,586 as its share of the proceeds relating to the sale of this property. As a result, \$8,223 is the amount of tax arrears to be written off.

Purpose

This report deals with property tax arrears at 40 Clemow Avenue in the City of Greater Sudbury.

Background

The property is municipally known as 40 Clemow Avenue (Roll #050.021.077.00.0000) and is subject to property tax arrears dating back to 2011.

On August 26, 2014 the City of Greater Sudbury placed a lien on the title of the property in accordance with the Municipal Act of Ontario. In the fall of 2015 the property was scheduled to be sold by public tender, however this action was deferred at the request of the Business Development Bank of Canada (BDC) who holds a first mortgage on the property. The reason for the deferral was to accommodate a proposed sale to a prospective purchaser. Finance Staff complied with this request since the BDC is a Crown agency and has first priority over the city. Unfortunately this real estate transaction did not come about and no further action was taken.

New Developments

In August of this year, Finance Staff were approached again by the Business Development Bank of Canada and its solicitors indicating that a new purchaser had been found and that the parties wished to close this

Signed By

Report Prepared By

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Digitally Signed Aug 19, 16

Recommended by the Department

Ed Stankiewicz
Acting Chief Financial Officer/City
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Recommended by the C.A.O.

Ed Archer
Chief Administrative Officer
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deal as soon as possible. The BDC is offering to share the proceeds of sale with the City of Greater Sudbury on a pro rata basis.

Currently, the property tax arrears are as follows:

Taxes	\$31,115.72
Penalty	\$14,302.82
Other	\$390.20
Total	\$45,808.74

The City's share of the proceeds of sale would be approximately \$37,585.89.

Section 354 (4) (a) provides the authority for City Council to write off property taxes as uncollectable upon the recommendation of the Treasurer if the property is owned by a higher level of Government or Crown Agency.

Finance Staff have been conducting discussions with solicitors for both the BDC and the prospective purchasers and all indications are that this real estate transaction will go forward. Should members of City Council concur with this report, Finance Staff will accept the proposal by the Business Development Bank of Canada and upon receipt of the City's share of the proceeds, will write off the balance as uncollectable.

Recommendation

It is recommended that the City of Greater Sudbury accept it's share of the proceeds of sale of 40 Clemow Avenue in the approximate amount of \$37,585.89 and write off the balance as uncollectable.