

BLPOA Recommendations – May 2020
Special Services Levy Determination
Bass Lake Outlet Project

Background

The Township will be drafting a By-Law for a Special Services Levy to cover the implementation of a 50/50% Cost Sharing approach between the Township and Bass Lake waterfront property owners, 81% who are presently members of the BLPOA. The Township Council has passed a resolution that it will be applied to all waterfront property owners (ratepayers) on Bass Lake. The methodology will ultimately be selected and approved by the Township and a Notice with a draft By-Law will be circulated to all Bass Lake waterfront property owners for review and comment.

BLPOA Evaluation of Options

Our BLPOA Board of Directors (total 15 members), representing all Private Roads on Bass Lake, were asked to consider three basic approaches to assigning a Special Services Levy. For the purposes of a comparative evaluation the following benchmark figures were used:

- 234 Bass Lake residential waterfront property owners with total MPAC Value of \$79,429,000;
- Two (2) commercial waterfront properties/businesses;
- Estimated project cost is \$64,000 (incl. HST) for Water's Edge Engineering Consultants and \$120,000 for future Construction Work. Total estimated project cost: \$180,000 (Revised estimates to be updated in Summer 2020 by Water's Edge);
- \$90,000 as the proposed 50% cost share for Bass Lake waterfront property owners.

Option 1: A Special Levy based on an equal amount to each waterfront property owner,

- This levy would be regardless of MPAC property value, waterfront length or lot size.
- *Therefore, Special Levy for residential properties would be \$90,000 divided by 234 = \$384.6 per property*

Option 2: A Special Levy for each waterfront property based solely on their MPAC property value.

- \$90,000 divided by 794.29 = \$113.3 per \$100,000 of MPAC Assessment
- *Therefore a \$200,000 MPAC property would be levied \$226.62 and a \$400,000 MPAC property would be levied \$453.23*

Option 3: A Special Levy based on a hybrid: 50% on the same base amount for each waterfront property owner and 50% based on MPAC property value.

- 50% of \$90,000 = \$45,000 divided by 234 = \$192 base levy for every property;
- \$45,000 divided by 794.29 = \$56.65 per \$100,000 of MPAC Assessment;
- *Therefore a \$200,000 property would be levied \$192 + 113.30 = \$305.30; a \$400,000 property would be levied \$192 + \$226.60 = \$418.60 and finally a \$600,000 property would be levied \$192 + \$337.5 = \$531.90*

Commercial Properties: The Special Levy considerations would be developed by Township

- Commercial properties have a different property tax rate.

**Residential Waterfront Properties
Comparison of Option Features - Supporting Data**

MPAC Value	No. Properties	Option 1	Option 2	Option 3
\$101-\$200K	13	\$385	\$113-\$227	\$249-\$305
\$201-\$300K	95	\$385	\$227-\$340	\$305-\$362
\$301-\$400K	68	\$385	\$340-\$453	\$362-\$419
\$401-\$500K	36	\$385	\$453-\$567	\$419-\$475
\$501-\$600K	13	\$385	\$567-\$680	\$475-\$532
\$601-\$700K	7	\$385	\$680-\$793	\$532-\$589
\$701K +	2	\$385	\$793-\$850	\$589-\$612
\$79,429,000	234			

Option 3: A Special Levy based on a hybrid: 50% on the same base amount for each property owner and 50% based on MPAC property value.

Under Option 3:

- This hybrid formula is considered a preferred option as it captures a basic fee for equal access, and is an easy way to make sure greater frontage and overall property value are also captured;
- Option 3 mitigates against the negatives associated with Options 1 and 2. It removes a portion at least of the discrepancies in assessment values and places a reasonably equitable burden on each property;
- 146 properties will pay the same or less than Option 1 (\$385) and 88 properties will pay more than Option 1 (\$385);
- Range between lowest and highest is \$363 as compared to \$737 under Option 2;
- The average of Options 1 and 2 seems to be a reasonable compromise. A property with Bass Lake’s average MPAC value of \$340,000 would not see any difference between options 1, 2 and 3 and would pay \$385;
- It is also very important that this cost recovery program by the Township be spread over at least three years.

BLPOA Recommendation to Township

In April 2020, a two-thirds majority of our BLPOA Board of Directors voted in favour of **Option 3** being considered as the preferred methodology for the determination of a Special Services Levy for the Bass Lake Outlet project. The Bass Lake property owners with an average property assessment of \$340K would have an estimated special services levy of \$385.

This recommendation was submitted to the Township for consideration in their determination of the most equitable methodology for the application of the Special Services Levy to Bass Lake residential waterfront property owners.