

**Subject: Request for Tax Write Off (Litigation Settlement)****APPROVALS:****Annette Antoniak**\_\_\_\_\_  
Director\_\_\_\_\_  
Chief Administrative Officer**Recommended Motion:**

THAT Council agree to conditionally reduce tax arrears by \$129,425 from the referenced tax roll numbers on the attached Schedule A. Such reduction is equitable pursuant to section 347 of the Municipal Government Act in the circumstances as it permits a final settlement of a lawsuit with the Taxpayer. The reduction is subject to the final settlement terms being satisfactory to the Chief Administrative Officer (CAO).

**Summary:**

The Municipality requested the owner of real property in Waterways to demolish a structure prior to the 2016 wildfire. The structure was further damaged by the wildfire but still not demolished by the requested deadline in November 2016. Demolition was completed by the Municipality using a third-party contractor. Extraordinary costs occurred due to alleged hazardous contaminants on site. The associated costs were placed on the tax roll for the subject property when they were not paid by the Taxpayer.

The Taxpayer disputed the circumstances surrounding the demolition and its associated costs and commenced legal proceedings against the Municipality. The matter has been defended by the Municipality's insurers, who now recommend a negotiated settlement.

The resolution, subject to Council's agreement, is to accept a conditional settlement of a \$100,000 payment from the Taxpayer, in return for a reduction in the tax arrears of \$129,425. This is deemed as equitable as the lawsuit has exposed arguments in support of both the Municipality and the Taxpayer and the suit will be resolved by this proposal. This settlement is conditional on Council's agreement to reduce the tax arrears, subject to the said payment by the Taxpayer.

**Rationale for Recommendation:**

The Taxpayer is offering to pay \$100,000 towards the outstanding debt on his tax roll. The Municipality's reduction of \$129,425 from the tax roll would clear up all outstanding tax arrears and may clear the way for the Taxpayer to rebuild on the site.

**Strategic Priorities:**

Responsible Government

**Attachments:**

**1. Schedule A**