

August 19, 2022

The Hon. Peter Bethlenfalvy, Minister of Finance  
Ministry of Finance  
Frost Bldg S 7<sup>th</sup> Floor  
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Toronto, ON  
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Via Email  
[Minister.fin@ontario.ca](mailto:Minister.fin@ontario.ca)

Dear Hon. Minister Bethlenfalvy,

**Re: County of Essex AMO Delegation – Level the Field – Residents Are Paying for Greenhouse Growth**

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On behalf of the County of Essex, the Municipality of Leamington and the Town of Kingsville, we would like to thank the Ministry of Finance for taking time during the AMO conference to discuss the importance of “Leveling the Field” so our residential property owners stop paying for the cost of greenhouse growth.

The County of Essex is home to North America's largest vegetable greenhouse cluster. There are more than 4,500 acres of greenhouse operations in our member municipalities, where 80 per cent of Ontario's greenhouse vegetable acreage is located.

This growing multi-billion-dollar industry helps secure the Ontario, North American and global food supply. The financial success of greenhouse operations – which have grown exponentially over the last three decades – has also bolstered provincial and federal tax revenues. However, local property tax revenues are falling far short of the escalating costs municipalities are shouldering to maintain roads and other services required by these increasingly industrialized greenhouse operations.

The cost of municipal services provided to the greenhouse industry is being heavily subsidized by residential property taxpayers and small businesses. The largest of those costs are for building, upgrading and maintaining roads that are used 24/7 by tractor trailers hauling greenhouse produce and supplies. Also included are the costs of planning and reviewing sophisticated development applications, as well as recreation, health and social services provided to greenhouse businesses and their employees – the majority of whom are temporary foreign workers. There is also a collateral cost as the owners of residential land abutting large greenhouses are asking to have their municipal property

assessments reduced because they are living next to what are essentially industrial operations.

Large-scale greenhouses are taxed at a maximum of 25 per cent of the residential property tax rate. That's the same rate paid by open field cash-crop farms that place a lighter burden on municipal resources. Large-scale greenhouse operations will pay \$3 million in property taxes to the County of Essex and the municipalities of Leamington, Kingsville, Amherstburg and Essex this year. If they were taxed at the same rate as residential property owners, they would pay \$12 million. If they were taxed at the same rate as other industries, they would pay over \$24 million.

Your government has an opportunity to level the field as we continue to work with the greenhouse industry to ensure its long-term success. We urge the province to work with MPAC in order to create a separate property tax classification for large-scale greenhouses that lets single and upper tier municipalities set the rate. This will provide municipalities with a way to collect property taxes that are more in line with the significant burden large-scale greenhouses, which operate much like industrial factories, place on municipal services. This makes sense from the perspective of both local and provincial taxpayers. Another option is for the province to reinstate the agricultural subsidy it once provided to offset the low tax rate for farmland, which currently includes greenhouses.


The County of Essex and our member municipalities want to work with the province and MPAC toward a solution that allows us to provide the services needed to sustain strong, vibrant communities around a thriving greenhouse industry without placing an unfair financial burden on residents and small businesses.

We look forward to receiving the ministry's response, as well as MPAC.

Yours truly,



Gary McNamara  
Warden



Mike Galloway, MBA, CMO  
Chief Administrative Office

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