

Ref: 2007-08-M52

May 31, 2007

EXECUTIVE COMMITTEE:

City Council on May 23, 24 and 25, 2007, referred the following Motion to the Executive Committee:

**M52 Provincial Property Tax Pass-Through for
Recreational Leases in Hydro Corridor Lands**
Moved by Councillor Palacio, seconded by Councillor Nunziata

SUMMARY:

The City of Toronto currently licenses 67 different parks and open spaces for community use from Hydro One and the Ontario Realty Corporation (ORC). Hundreds of additional opportunities exist within the City of Toronto for new parks to be licensed on Hydro Corridors in all corners of the City in the same way. These underused corridors represent a tremendous untapped recreational opportunity.

There is an impasse between the City of Toronto and Ontario Realty Corporation (ORC) on the continuation of these leases however. The Province continues to demand that Toronto (and all Ontario municipalities) pay 50% of the property taxes on these corridors for all new license agreements that are signed. This would add dramatic operating budget pressure that the City cannot afford.

As a result of this impasse the majority of these 67 license agreements have expired without renewal, leaving these parks in a precarious legal limbo. This impasse has also prevented the creation of dozens of potential new parks in all areas of the City Toronto on Hydro Corridors.

City of Toronto Staff have developed several reasonable proposals for moving forward. A report is urgently needed to discuss these ideas and for Council to make a decision as how best to resolve this impasse.

RECOMMENDATION:

1. City Council request the City Manager to report to the Executive Committee on the status of the City's requests to waive property taxes or declare hydro corridors municipal capital facilities for parks purposes, and include recommendations for next steps.

for City Clerk

M. Toft/cd