

July 25, 2007

**EXECUTIVE COMMITTEE:**

City Council on July 16, 17, 18 and 19, 2007, referred the following Motion to the Executive Committee:

**M92 Report Request – New Property Tax Class for Big Box Stores and Potential new Revenues for the City of Toronto**  
*Moved by Councillor Palacio, seconded by Councillor Jenkins*

**SUMMARY:**

Big box retail stores threaten neighbourhood small business strips and encourage a car culture that is counterproductive to many of Council's priorities. These big box stores are currently taxed at the same rate as their small business competitors.

Big box retailers also often have on-site parking not available to many small businesses. The parking advantage enjoyed by big box retailers is also not taxed at the proper rate and encourages applicants to expand parking as much as physically possible, with no incentive to create more landscaping or use the site efficiently, which gives them a further untaxed advantage over small business.

The City of Toronto should have the option to tax big box stores at a different rate to account for these factors.

The pending two-year review of the City of Toronto Act provides the opportunity to request the Province to make changes to the Act to provide more flexibility to the City in the area of property tax policy.

**RECOMMENDATIONS:**

1. That the City Manager include in upcoming discussions with the Province, regarding the City of Toronto Act, the feasibility of permitting the City to establish a new commercial tax class for big box stores.
2. That, depending upon the results of Recommendation 1, consideration be given to creating a new tax class for parking lots in the City of Toronto.

for City Clerk

M. Toft/cd