

July 25, 2007

EXECUTIVE COMMITTEE:

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

M91 Report Request – New Property Tax Class for Gas Stations and Potential New Revenues for the City of Toronto

Moved by Councillor Palacio, seconded by Councillor Jenkins

SUMMARY:

Gouging by the gas station industry is rampant in Toronto and is taking place without the significant intervention of any level of government. Gas stations are, in general, obnoxious uses that do not fit well in local neighbourhoods. There is often a substantial cost to the City, in terms of mitigating the negative impacts of these uses on the surrounding communities, and lost tax revenue opportunities because of the low tax rate that this land use enjoys.

The gas station industry flourishes, at the same time as this land use contributes to costing the City hundreds of millions of dollars a year in terms of maintenance and making accommodations for automobiles through the City. The proliferation of gas stations in the City of Toronto also makes it easy for drivers to choose traveling by car over transit, cycling or walking.

Furthermore, gas stations, after they cease being gas stations, very often have to be remediated at an extremely slow rate that means lost revenue for the City for decades, as the land remains vacant. The City of Toronto should have the option to tax gas stations 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.

RECOMMENDATION:

1. That the City Manager include in upcoming discussions with the Province regarding the City of Toronto Act, a request that the City be provided with the authority to establish a special commercial tax class for gas stations in the City of Toronto.

for City Clerk

M. Toft/cd