



## STAFF REPORT ACTION REQUIRED

### Enoch Turner Schoolhouse - 106 Trinity Street – Continuation of Property Tax Exemption

<b>Date:</b>	October 24, 2007
<b>To:</b>	Government Management Committee
<b>From:</b>	Treasurer
<b>Wards:</b>	Ward 28 – Toronto Centre-Rosedale
<b>Reference Number:</b>	P:\2007\Internal Services\rev\gm07034rev (AFS # 6216)

#### **SUMMARY**

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This report seeks Council authority to make necessary amendments to By-law No. 244-86 and to replace the agreement signed on March 27, 1986 between The Enoch Turner Schoolhouse Foundation (the Foundation) and the City of Toronto, to allow the existing property tax exemption for the Foundation's property at 106 Trinity Street to continue following a transfer of ownership to the Ontario Heritage Trust (OHT). The existing agreement and by-law provide that, should the property be sold, leased or transferred, the tax exemption is cancelled and back taxes for a period of up to 10 years become repayable to the City.

#### **RECOMMENDATIONS**

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**The Treasurer recommends that:**

1. Council authorize amendments to By-law No. 244-86 to continue to provide a property tax exemption for the property at 106 Trinity Street, in the event that the property is sold or transferred, provided that, following the sale or transfer, the property continues to be occupied for the purposes of the Enoch Turner Schoolhouse Foundation, and operated through a partnership agreement between the property owner and the Foundation;

2. Council authorize that an agreement be executed between the City, the Enoch Turner Schoolhouse Foundation and the owner of the property at 106 Trinity Street, to reflect the terms and conditions of the property tax exemption, consistent with amendments to the by-law as provided in Recommendation 1, above;
3. All other provisions of the existing agreement dated March 27, 1986 between the Foundation and the City remain in effect, and apply, with necessary modifications, to a new agreement between the City, the Enoch Turner Schoolhouse Foundation and the owner of the property at 106 Trinity Street, and that the new agreement be registered on title to the property;
4. Authority be granted for the introduction of the necessary bills to give effect thereto; and
5. The appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

### **Financial Impact**

There is no financial implication in adopting this report.

### **DECISION HISTORY**

By a letter (June 18, 2007) to Councillor Pam McConnell from the Board Chair of the Enoch Turner Schoolhouse Foundation, the Foundation has requested that the City continue to provide a property tax exemption, as permitted under the *Enoch Turner Schoolhouse Foundation Act, 1985*, in the event that ownership of the property is transferred to the Ontario Heritage Trust, provided that the property continues to be occupied for the purposes of the Foundation, and operated through a partnership agreement between the Foundation and the Ontario Heritage Trust.

### **ISSUE BACKGROUND**

The Enoch Turner Schoolhouse, located at 106 Trinity Street, was built in 1848. As Toronto's first free school, it is one of the City's oldest continuously operating institutions. The Enoch Turner Schoolhouse Foundation (the Foundation) was established in 1971 to restore the schoolhouse building and to operate it as a living history museum. It is currently a centre for community and cultural activities and a learning resource for students of all ages, with over 2,000 students participating annually in the Foundation's educational programs. The Foundation is a registered charity within the meaning of the *Income Tax Act* (Canada) and currently owns the property.

The land on which the schoolhouse is located at 106 Trinity Street is exempt from property taxes so long as the property remains occupied and used solely for the purposes of the Foundation, as permitted under the *Enoch Turner Schoolhouse Foundation Act, 1985*. The exemption was enacted by former City of Toronto By-law 244-86 and is the subject of a 1986 agreement (registered on title to the property) between the City and the Foundation.

## **COMMENTS**

The Enoch Turner Schoolhouse Foundation is currently negotiating with the Ontario Heritage Trust (OHT) to establish a partnership to continue to preserve this property. The Ontario Heritage Trust is a provincial agency that holds and maintains properties for heritage purposes, and works with communities to promote heritage preservation. Under the proposed partnership, the OHT will own, preserve and operate the schoolhouse property and carry out planned capital improvements, while the Foundation will continue to raise funds for enhanced educational programming and community development initiatives.

Under the agreement dated March 27, 1986 between the City and the Foundation (and as stipulated in By-law 244-86), if the property is sold, leased or otherwise disposed of by the Foundation, the property taxes forgone in the preceding 10-year period, or in the period since the by-law was passed, whichever period is shorter, become repayable to the City. This provision was presumably included to ensure that the property would continue to be preserved for heritage purposes, and not be sold for a profit after having been exempted from property taxes for a period of years.

While the agreement further provides that an exemption could continue to be provided on another property acquired by the Foundation that continues to be used for its purposes, the agreement did not contemplate the transfer of the property to another heritage agency for the purposes of continuing to operate and preserve the building under a partnership agreement with the Foundation.

Given that, under the proposed partnership arrangement between the Foundation and the Ontario Heritage Trust, the property will continue to be preserved for heritage purposes and operated for the purposes of the Foundation, and that OHT will make planned capital improvements, it is recommended that Council approve that the current property tax exemption for this property be continued. This will require that the existing by-law be amended and a new agreement struck between the City, the Foundation and the new property owner, to permit a continuation of the exemption following a transfer of the property to the OHT.

All other provisions of the existing agreement will remain in effect, and the new agreement will be registered on title to the property to ensure that the property tax exemption provisions remain clear. The agreement will continue to stipulate that, if the property is transferred in future to a non-heritage agency that does not intend to preserve the property for the purposes of the Foundation, property taxes foregone in the preceding 10-year period (or the period from the date the amended by-law is enacted, whichever is shorter), will become repayable to the City. Council may also repeal the by-law at any future date without affecting the validity of the agreement concerning repayment of taxes should the property be sold in future.

## **CONTACT**

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## **SIGNATURE**

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Cam Weldon  
Treasurer