



**STAFF REPORT
ACTION REQUIRED
with Confidential Attachment**

Unpaid Property Taxes at 3500 Eglinton Avenue West

Date:	May 29, 2014
To:	Government Management Committee
From:	City Solicitor
Wards:	Ward 12: York – South Weston
Reason for Confidential Information:	This report contains advice or communications that are subject to solicitor-client privilege. This report is about litigation or potential litigation that affects the City or one of its agencies, boards, and commissions.
Reference Number:	

SUMMARY

The purpose of this report is to provide an update and information regarding the status of this matter, which first came before the Government Management Committee on February 24, 2014, and was considered by City Council on April 1, 2014.

RECOMMENDATIONS

The City Solicitor recommends:

1. This report be received for information; and
2. The confidential information in Attachment 1 remain confidential as it is subject to solicitor-client privilege and concerns litigation which affects the City.

Financial Impact

There are no financial impacts arising from this information report.

DECISION HISTORY

At its meeting on April 1, 2014, in considering Item GM 28.11: *Unpaid Property Taxes at 3500 Eglinton Avenue West*, City Council adopted the confidential instructions to staff contained in the Confidential Attachment to the staff report as amended by the Government Management Committee.

The link to this item is available at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.GM28.11>

ISSUE BACKGROUND

This matter concerns unpaid property taxes at the property municipally known as 3500 Eglinton Avenue West. It is currently owned by Metrolinx, and is to be used as a rail storage yard for the Eglinton Crosstown line.

The unpaid property taxes relate to a period of time in which the property was owned by the previous owner, Zeehan Capital Inc. The property taxes were largely balanced as of the date of sale on January 25, 2012, however, the taxes were retroactively increased as a result of an assessment appeal commenced by the City of the current value of the property for the 2007 and 2008 taxation years.

COMMENTS

Lawyers for the City prepared a Statement of Claim which was issued in the Ontario Superior Court on April 4, 2014. The proceeding goes by the style of cause and court file number *Toronto (City) v. Zeehan Capital Inc.*, court file number CV – 14 – 501521.

Zeehan Capital Inc. was noted in default on May 2, 2014 for failure to submit a Statement of Defence.

Additional information is contained in Attachment 1 to this report.

CONTACT

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SIGNATURE

Anna Kinastowski, City Solicitor

Attachment 1 - Confidential Information