



REPORT FOR ACTION

1901 Weston Road – Designation of a Portion of the Property as a Municipal Capital Facility

Date: May 16, 2018
To: Government Management Committee
From: Treasurer
Wards: Ward 11 - York South-Weston

SUMMARY

This report seeks Council's authority for the adoption of the necessary by-law to designate a portion of the property owned by the Toronto Community Housing Corporation and occupied by York West Active Living Centre at 1901 Weston Road as a municipal capital facility, and to provide a property tax exemption for municipal and education purposes. The municipal capital facility agreement will provide an exemption for the space currently occupied by York West Active Living Centre of approximately 7,667 square feet of interior space.

The York West Active Living Centre is a community based resource centre for persons 55 years of age and older that promotes, encourages and supports healthy, independent living through a wide range of health and wellness programs, educational workshops and social activities.

RECOMMENDATIONS

The Treasurer recommends that:

1. City Council Pass a by-law pursuant to section 252 of the *City of Toronto Act, 2006*, providing authority to:
 - a. enter into a municipal capital facility agreement with York West Active Living Centre, with whom Toronto Community Housing Corporation has a lease, for the property known as 1901 Weston Road, with respect to approximately 7,667 square feet of rentable area (the "Leased Premises") owned by Toronto Community Housing Corporation, for the purposes of providing a municipal capital facility related to the provision of a community centre.

b. exempt the Leased Premises from taxation for municipal and school purposes, which tax exemption is to be effective from the latest of (i) the commencement date of the Lease, (ii) the date the municipal capital facility agreement is entered into and (iii) the date the tax exemption by-law is enacted.

2. City Council pass a resolution that the above municipal capital facility is for the purposes of the City and is for public use.

3. City Council direct the City Clerk to give written notice of the by-law to the Minister of Finance, the Municipal Property Assessment Corporation, the Toronto District School Board, the Toronto Catholic District School Board, the Conseil Scolaire de District du Centre-Sud-Ouest, and the Conseil Scolaire de District du Catholique Centre-Sud.

FINANCIAL IMPACT

The Leased Premises located at 1901 Weston Road are owned by the Toronto Community Housing Corporation. Although properties owned by the Toronto Community Housing Corporation are exempt from taxation, York West Active Living Centre is a taxable tenant and the Leased Premises are therefore subject to taxation. The annual property taxes on the Leased Premises are estimated at approximately \$53,236 comprised of a municipal portion of \$28,361 and a provincial education portion of \$24,875, based on 2018 Current Value Assessment (CVA) and 2017 tax rates.

Providing a property tax exemption for the Leased Premises will result in a net annual reduction in property tax revenue to the City of approximately \$28,361, representing the municipal portion of taxes that are currently payable that will no longer be collected once the Leased Premises are designated as a municipal capital facility, as shown in Table 1 below. The provincial education portion of property taxes of \$24,875 will no longer be required to be remitted to the Province once the exemption for these Leased Premises takes effect, with no net impact to the City.

Table 1: Financial Implications of Property Tax Exemption - 1901 Weston Road

	Municipal Taxes	+ Education Taxes	= Total Property Taxes
Amounts Payable if Taxable (annual)	\$28,361	\$24,875	\$53,236
Amounts Payable if Exempt	\$0	\$0	\$0
Reduction in Municipal Tax Revenues:			\$28,361
Reduction in Education Taxes Remitted:			\$24,875

The Interim Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

The York West Active Living Centre is a community based resource centre that has been serving the community for over 35 years for persons 55 years of age or older.

The Toronto Community Housing Corporation entered into a lease agreement with the tenant, York West Active Living Centre, for a 5 year term commencing September 1, 2012. The lease has been renewed for an additional five years expiring on August 31, 2022.

COMMENTS

Properties “owned and occupied” by a municipality or local board are exempt from taxation pursuant to section 3 of the *Assessment Act*. However, where a municipality or local board leases property that would normally be subject to taxation, this exemption does not apply.

1901 Weston Road is owned by the Toronto Community Housing Corporation and is currently leased to York West Active Living Centre. York West Active Living Centre is a taxable tenant. Designating the property leased by York West Active Living Centre, a community based resource centre for persons 55 years of age and older, as a municipal capital facility and providing an exemption from taxes, will assist in providing services to the public which are in line with those services provided by the City.

The property tax exemption on the space leased by York West Active Living Centre will not apply unless City Council agrees to provide a tax exemption, by way of a municipal capital facility agreement under section 252 of the *City of Toronto Act, 2006*.

Legislation Regarding Municipal Capital Facilities

Section 252 of the *City of Toronto Act, 2006* allows the City to enter into agreements with any person for the provision of municipal capital facilities, and allows City Council to exempt from taxation for municipal and school purposes, land or a portion of land, on which municipal capital facilities are or will be located.

Ontario Regulation 598/06 prescribes “community centres” as eligible municipal capital facilities for the purpose of section 252. The regulation requires that City Council pass a resolution that a community centre is for the purposes of the City and is for public use before entering into an agreement for the provision of a municipal capital facility.

Section 252 of the *City of Toronto Act* requires:

- a. that the property owner and the City enter into an agreement for the provision of a municipal capital facility for the space being leased; and
- b. that a by-law be passed by Council permitting the City to enter into the agreement, and to exempt the property to which the municipal capital facility agreement applies from taxation for municipal and school purposes.

Upon the passing of this by-law, the City Clerk must give written notice of the by-law to the Minister of Finance. For the tax exemption, the City Clerk must also provide a written notice of the contents of the by-law to the Municipal Property Assessment Corporation and the Secretary of any affected school board(s).

CONTACT

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SIGNATURE

Mike St. Amant
Treasurer