



REPORT FOR ACTION

5 Eireann Quay – Designation of a Portion of the Property Used by Ireland Park Foundation as a Municipal Capital Facility

Date: November 22, 2019

To: General Government and Licensing Committee

From: Controller

Wards: Ward 10 - Spadina-Fort York

SUMMARY

This report seeks City Council's authority for the adoption of the necessary By-law to designate a portion of the property owned by the City of Toronto and leased to the Ireland Park Foundation as a Municipal Capital Facility and to provide an exemption for municipal taxes and education taxes. The Municipal Capital Facility agreement authorized by the By-law will provide an exemption for approximately 7,420 square feet at 5 Eireann Quay which is leased to the Ireland Park Foundation.

RECOMMENDATIONS

The Controller 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 Ireland Park Foundation, with whom the City has a lease, for the property known as 5 Eireann Quay, for approximately 7,420 square feet of space (the "Leased Premises") owned by the City of Toronto, with respect to a facility used for cultural purposes; and
 - b. exempt the Leased Premises from taxation for municipal and school purposes, with the tax exemption being effective from the latest of (1) the commencement date of the Lease, (2) the date the Municipal Capital Facility Agreement is entered into, and (3) the date the Tax Exemption By-law is enacted.
2. City Council pass a resolution that the Municipal Capital Facility referenced in Recommendation 1 is for the purposes of the City of Toronto 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, le Conseil scolaire Viamonde, and le Conseil scolaire catholique MonAvenir.

FINANCIAL IMPACT

The Leased Premises located at 5 Eireann Quay are owned by the City of Toronto. Although properties owned by the City of Toronto are exempt from taxation, Ireland Park Foundation is a taxable tenant and the Leased Premises are therefore subject to taxation. The annual property taxes on the Leased Premises located at 5 Eireann Quay for the 7,420 square feet of space are estimated at approximately \$32,053, comprised of a municipal portion of \$16,922 and a provincial education portion of \$15,131, based on 2019 Current Value Assessment (CVA) and 2019 tax rates.

As shown in Table 1 below, providing a property tax exemption for the 7,420 square feet of space at 5 Eireann Quay will result in a net annual reduction in property tax revenue to the City of approximately \$16,922, 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. The provincial education portion of property taxes of \$15,131 will no longer be required to be remitted to the Province once the exemption for the Leased Premises takes effect.

Table 1: Financial Implication of Property Tax Exemption - 5 Eireann Quay

Location	Municipal Taxes	Education Taxes	Total Property Taxes
5 Eireann Quay 1904-06-2-041-00200	\$16,922	\$15,131	\$32,053
Total Amounts Payable if Exempt	\$0	\$0	\$0
Reduction in Municipal Tax Revenues			\$16,922
Reduction in Education Taxes Remitted			\$15,131

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

DECISION HISTORY

A Staff Report dated June 12, 2018 approved a 5 year lease with Ireland Park Foundation located at 5 Eireann Quay. The approved lease allows the Foundation to occupy approximately 7,420 square feet of space. A copy of this report can be accessed at:

[Lease Agreement with Ireland Park Foundation at 5 Eireann Quay - Portion of Administration Building](#)

COMMENTS

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.

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.

Given that the space in question at 5 Eireann Quay is owned by the City of Toronto and is currently leased to the Ireland Park Foundation, the leased premises are subject to taxation at commercial rates.

The Ireland Park Foundation is a registered charitable organization that provides public commemorative space to acknowledge the Irish famine immigrants and their families in Canada, organizing cultural and social events to celebrate the historical relationship between Canada and Ireland. Designating the property leased by the Ireland Park Foundation as a municipal capital facility and providing an exemption from taxes will assist the Foundation 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 the Ireland Park Foundation will only apply if City Council agrees to provide a tax exemption, by way of municipal capital facility agreement under section 252 of the *City of Toronto Act, 2006*. Ontario Regulation 598/06 prescribes cultural, recreational or tourist purposes as eligible municipal capital facilities for the purpose of section 252.

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

Andrew Flynn
Controller