

Authority: Planning and Growth Management Committee Item PG17.5, as adopted by City of Toronto Council on October 2, 3 and 4, 2012

CITY OF TORONTO

Bill 1287

BY-LAW -2018

To Cancel Municipal Taxes for a portion of the property at 440, 444, 450 and 462 Front Street West; 425, 439, 441 and 443 Wellington Street West and 6-18 Spadina Avenue.

Whereas by the adoption of By-law 516-2008, as amended by By-law 1323-2012, City Council designated the City of Toronto as a community improvement project area, pursuant to section 28(2) of the Planning Act, and adopted a city wide community improvement plan for brownfield remediation and development of prescribed employment uses consisting of development grants in the form of tax increment equivalent grants for certain defined uses and for brownfield remediation tax assistance, pursuant to section 38(2) of the Planning Act and section 333 of the City of Toronto Act, 2006; and

Whereas the property known municipally in the year 2018 as 440, 444, 450 and 462 Front Street West; 425, 439, 441 and 443 Wellington Street West and 6-18 Spadina Avenue is located within the Citywide Community Improvement Project Area and the registered owner has applied to the City for Brownfield Remediation Tax Assistance and a Development Grant under the City's Imagination, Manufacturing, Innovation and Technology Program for the Property described in Schedule "A" of this Agreement (the "Property"); and

Whereas the Property is located within the community improvement project area and a portion of the Property (the "Eligible Property") is eligible for Tax Assistance pursuant to section 333 of the City of Toronto Act, 2006; and

Whereas the registered owner of the Property has applied to the City to cancel that portion of the municipal property taxes for the Property, applicable to the Eligible Property, as defined in this By-law, in accordance with the Community Improvement Plan and section 333 of the City of Toronto Act, 2006; and

Whereas the Owner has provided the City with a Phase 2 Environmental Assessment demonstrating that provincial standards cannot be met in order to file a record of site condition in respect of the Eligible Property; and

Whereas in accordance with subsection 333(2) of the City of Toronto Act, 2006, the City may pass by-laws providing for the cancellation of all or a portion of taxes for municipal and school purposes levied on eligible properties; and

Whereas the City wishes to provide for the cancellation of that portion of the municipal property taxes applicable to the Eligible Property;

The Council of the City of Toronto enacts as follows:

1. In this by-law the following terms shall have the following meanings:

"Base Municipal CVA Taxes" means the amount calculated by multiplying the Current Value Assessment(s) ("CVA") applicable for the taxation year in which the Financial

Incentive Agreement is signed, by the tax rate(s) applicable for the Property for that taxation year. The Base Municipal CVA Taxes shall be fixed in this manner for the purposes of determining the Municipal Tax Increment, subject to any adjustment arising from assessment appeals or changes to CVA made by the Municipal Property Assessment Corporation ("MPAC") through requests for reconsideration, equity changes or gross error, and shall remain unchanged for the duration of the term of the Tax Assistance.

"Destination Municipal CVA Taxes" means the amount calculated by multiplying the CVA for the Property directly attributable to the Eligible Development, as reflected in the returned assessment roll applicable to the first full taxation year following the completion of the Eligible Development and reassessment of the Property, by the tax rate(s) applicable at that time. The Destination Municipal CVA Taxes shall remain fixed for the purposes of determining the Municipal Tax Increment subject to any adjustments to taxes arising from assessment appeals or changes to the Destination Municipal CVA made by MPAC, through requests for reconsideration, equity changes or gross error, and shall remain unchanged for the duration of the term of the Tax Assistance.

"Community Improvement Plan" or "CIP" means the City wide Community Improvement Plan for Brownfield Remediation and Development of Prescribed Employment Uses as set out in By-law 516-2008, as amended by By-law 1323-2012.

"CVA" means the Current Value Assessment as determined by the Municipal Property Assessment Corporation, ("MPAC").

"Eligible Development" means the development of a thirty six storey, new build office building and the podium office located in the two mixed use buildings to the west as described in the property tax incentive application and TE34.11, as adopted by City Council at its meeting held on July 23, 2018, to be located on the Eligible Property following remediation of the Eligible Property that will enable the Owner to file a record of site condition with the Environmental Site Registry under section 168.4 of the Environmental Protection Act.

"Eligible Property" means that portion of the Property known as the 'The Well', to be remediated so as to enable the Owner to file a record of site condition with the Environmental Site Registry under section 168.4 of the Environmental Protection Act, and comprised of the area located at the north-west corner of Spadina Ave. and Front Street West shown as the area within the dotted line on Schedule B attached to this by-law and upon which the Eligible Development is to be located.

"Financial Incentives Agreement" means the agreement entered into between the Owner and the City setting out the terms and conditions of the Brownfields Remediation Tax Assistance program;

"Owner" means the registered owner of the Eligible Property;

"Property" means the property known municipally in the year 2018, as 440, 444, 450 and 462 Front Street West; 425, 439, 441 and 443 Wellington Street West and 6-18 Spadina Avenue and as described in Schedule A attached to this by-law;

"Municipal Tax Increment" means the difference derived from the following calculation:

Destination Municipal CVA Taxes (-) Base Municipal CVA Taxes

The Municipal Tax Increment shall be calculated in the first year that the Tax Assistance is provided, and shall remain fixed subject to the provisions for adjustment as set out in the Financial Incentives Agreement;

"Remediation Costs" means the cost of any action taken to reduce the concentration of contaminants on, in or under the Eligible Property to permit a record of site condition to be filed in the Environmental Site Registry under section 168.4 of the Environmental Protection Act and the cost of complying with any certificate of property use issued under section 168.6 of the Environmental Protection Act, as further specified in the CIP:

"Tax Assistance" means the cancellation of the Municipal Tax Increment in accordance with the terms of this by-law, the Financial Incentives Agreement and the CIP:

2. The Municipality will provide Tax Assistance for the Eligible Property subject to the provisions of this by-law, the Financial Incentives Agreement, and the applicable provisions of the CIP;
3. Tax Assistance will commence on the date that the Municipal Tax Increment would have been payable, but for the cancellation of taxes as authorized by this by-law, in the first calendar year in which the property tax bill reflects the increased assessed value attributable to the Eligible Development and shall terminate upon the earlier of:
 - A. Either:
 - (a) two years after the date that MPAC reassesses the Property to reflect the fully improved value following completion of the Eligible Development; or
 - (b) three years after the date that MPAC reassesses the Property to reflect the fully improved value following completion of the Eligible Development, if the Property is also receiving development grants; or
 - B. The date that the Tax Assistance equals the sum of:
 - (a) the cost of any action taken to reduce the concentration of contaminants on, in or under the Eligible Property to permit a record of site condition to be filed in the Environmental Site Registry under section 168.4 of the Environmental Protection Act, and
 - (b) the cost of complying with any certificate of property use issued under section 168.6 of the Environmental Protection Act;
4. The maximum Tax Assistance provided in any given year shall not exceed the Municipal Tax Increment for that year.

5. Where Tax Assistance is provided for a portion of any year, or where Tax Assistance represents only a portion of the taxes levied on the Property, the Owner is responsible for payment of all property taxes levied during the portion of the year when the Tax Assistance is not provided, and for all taxes not subject to Tax Assistance.
6. The Treasurer shall alter the tax roll in accordance with the Tax Assistance to be provided for the Eligible Property.
7. Tax Assistance shall be suspended and may be terminated in the following circumstances:
 - A. the Owner is in default of any obligation pursuant to this by-law or applicable provisions of the CIP, or
 - B. the Owner is in default of any obligation pursuant to the Financial Incentives Agreement.
8. If Tax Assistance is to be suspended or terminated under section 7, the City may:
 - A. provide the Owner with notice that the conditions under this by-law, the CIP, or the Financial Incentives Agreement, as applicable, have not been met and that the Tax Assistance is terminated and order the Owner to repay the property taxes that were subject to the Tax Assistance, with interest, in accordance with section 310 of the City of Toronto Act, 2006; or
 - B. provide the Owner with notice that the Tax Assistance will be suspended pending the Owner curing the default within such period and on such terms as the City specifies in writing, and that the failure to do so will result in termination of the Tax Assistance in accordance with subsection 8.A of this by-law.

Enacted and passed on _____, 2018.

Frances Nunziata,
Speaker

Ulli S. Watkiss,
City Clerk

(Seal of the City)

SCHEDULE A
LEGAL DESCRIPTION OF THE PROPERTY

PIN 21240-0272 (LT)

PART LOTS 6, 7, 11, 12 & 13 AND LOTS 8, 9 AND 10, SECTION A, LOTS 2 AND 4 SECTION N, MILITARY RESERVE PLAN AND LOTS 1, 2, 3, 4, 5, 6, 7, 8 & 9 PLAN D196, PART BLOCKS A, B, C PLAN D1454, BLOCKS X AND Y, LANE (CLOSED BY BYLAW 1997-0474 AS IN CA507291) PLAN D1473, LOTS 1, 13, 14, 15 & 19, PART LOTS 2 & 12 PLAN 209 AND LOTS 4 AND 5 PLAN 355, PARTS 1, 2 & 3 PLAN 66R30154; SUBJECT TO AN EASEMENT OVER PART LOTS 4 & 5 PLAN 355, PARTS 2 & 3 PLAN 66R30154 AS IN CT920752; TOGETHER WITH AN EASEMENT OVER PART LOT 3 PLAN 355, PART 4 PLAN 66R30154 AS IN CT920752; CITY OF TORONTO

**SCHEDULE B
ELIGIBLE PROPERTY**

