

Authority: Executive Committee Item EX31.1, adopted as amended, by City of Toronto Council on February 12, 2018

CITY OF TORONTO

BY-LAW 168-2018

To amend City of Toronto Municipal Code Chapter 767, Taxation, Property Tax, by adding eligibility criteria for a Creative Co-location Facilities subclass for the Commercial Residual and the Industrial property tax classes.

Whereas the Minister of Finance is expected to prescribe optional subclasses for the Commercial Residual and the Industrial property tax classes, allowing the City to opt to have the subclasses apply within the city and allowing the City to define the eligibility criteria by by-law and assess applicant properties against the eligibility criteria; and

Whereas Council has approved the adoption of such subclasses, and has adopted eligibility criteria for the subclass;

The Council of the City of Toronto enacts:

1. Amending Municipal Code Chapter 767, Taxation, Property Tax, by adding the following Article:

Article XI Creative Co-location Facilities Subclass

§ 767-34. Definitions.

As used in this Article, the following terms shall have the following meanings:

BELOW AVERAGE MARKET RENTS - Net rent that is at least 30 percent lower than the average market net rent for a similar space in a similar neighbourhood, and is 30 percent below the net rent paid in the same property by tenants that are not Creative Enterprises.

CREATIVE CO-LOCATION SUBCLASSES - Subclasses of the Commercial Residual and Industrial property tax classes.

CREATIVE ENTERPRISES - Entities that produces cultural goods or services as defined by the Canadian Framework for Cultural Statistics.

CULTURAL PROGRAMS - Events, educational sessions or other activities that relate to the following cultural activities:

- (1) film-making workshops or the screening of films or video;
- (2) author readings or workshops related to book publishing;
- (3) presentations of performing or visual arts;
- (4) interpretation of cultural and natural heritage; or
- (5) live music presentations.

LANDLORD - the owner or property manager of a Property.

PROPERTY - Property that is in the Commercial Residual or the Industrial property tax classes.

§ 767-35. Qualifying properties.

All or a portion of a Property qualifies for inclusion in the Creative Co-location Facility subclass of the property tax class in which the Property is otherwise located, if:

- A. the Property has:
 - (1) a minimum net rentable area of 10,000 square feet and a minimum of 5 full time tenants that are Creative Enterprises;
 - (2) is owned by the City, has a minimum net rentable area of 5,000 square feet and a minimum of 5 full time tenants that are Creative Enterprises; or
 - (3) has a minimum net rentable area of 5,000 square feet and a minimum of 40 full time tenants that are Creative Enterprises;
- B. a minimum of 51 percent of the tenants of the Property are Creative Enterprises;
- C. Creative Enterprises occupy at least 51 percent of the Property's net rentable area;
- D. a minimum of 12 cultural programs are offered free of charge to the public at the Property over a minimum of 10 months in each calendar year; and
- E. the Landlord has applied to the City for inclusion in one of the Creative Co-location Facility subclasses in the form and by the deadline required by the City.

§ 767-36. Portion of qualifying property that is within the Creative Co-location Facility Subclass.

The portion of a Property qualifying under § 767-35 that is eligible for inclusion in the Creative Co-location Facility subclass of the property tax class in which the Property is otherwise located, is the sum of Subsections A, B and C as follows:

- A. All space occupied by the Landlord for non-commercial activity up to a maximum of 10 percent of the total net rentable space;
- B. All leased space that meets the following criteria:
 - (1) Is leased to a Creative Enterprise for a minimum term of 5 years, or a has been occupied by a Creative Enterprise for a continuous period of 5 years prior to application;
 - (2) The Creative Enterprise occupies the leased space for the purpose of providing the services of a Creative Enterprise;

- (3) The lease requires the tenant to pay rent at a Below Average Market Rent level; and
- (4) The Landlord or a group of tenants provides at least two of subsections (a) through (f) to the tenant:
 - (a) free use of meeting or conference space;
 - (b) free or subsidized use of office equipment;
 - (c) consolidated buying power for office and other supplies;
 - (d) access to free professional development and training or access to subsidized accredited professional services such as accounting or legal services;
 - (e) co-ordinated support for public programming; and
 - (f) co-ordinated marketing initiatives or shared security, cleaning, reception, mail or catering services.
- C. The proportion of the common space and shared elements of the Property which is in the same proportion as the leased space identified in Subsection B is to the total net rentable area of the Property.

§ 767-37. Authority of the General Manager, Economic Development and Culture.

- A. The General Manager, Economic Development and Culture is delegated the authority to accept and assess the applications for inclusion of Properties in the Creative Co-location Facilities subclasses against the eligibility criteria set out in this Article, and to determine whether an applicant Property meets the requirements of this article for inclusion in the subclass.
- B. The City Solicitor is delegated the authority to submit bills to City Council to give effect to the determination made under Subsection A.

§ 767-38. By-law required.

A Property that is determined by the General Manager, Economic Development and Culture to be eligible for inclusion in one of the Creative Co-location Subclasses under § 767-37 is included in the Creative Co-location Subclass of the property tax class in which the Property is otherwise included upon enactment of a by-law by City Council specifying that the Property is so included for the calendar year.

2. This by-law shall come into force on the day that a regulation is filed under the Assessment Act or the City of Toronto Act, 2006 prescribing Creative Co-location Facility subclasses for each of the Commercial Residual and Industrial property tax classes, which regulation allows the City to adopt and define eligibility criteria for such subclass in accordance with this by-law.

Enacted and passed on February 12, 2018.

Frances Nunziata,
Speaker

Ulli S. Watkiss,
City Clerk

(Seal of the City)