

February 9, 2018

The Executive Committee of the City of Toronto  
His Worship, John Tory, Chair of the Executive Committee  
Josephine Archbold, Secretary of the Executive Committee  
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Dear Mayor Tory,

We, the Steering Committee for 401 Richmond Street West, read with avid interest Report EX31.1a of the General Manager, the Economic Development and Culture Department, which was presented and adopted by the Executive Committee last week and are grateful for the City's initiatives in this regard. We support the creation of a new property tax sub-class for creative co-location facilities. When we first brought our concerns about the impact of spiraling tax increases for non-profit and charitable organizations caused by the Province's Municipal Property Assessment Corporation we were encouraged by the City's support led by Councillor Cressy and yourself.

Our understanding from the resolution of Council in November was that we could look forward to meeting with City Staff to refine the definition of terms and conditions before the presentation of the report to Executive Committee. Since we received a copy of the report less than a day in advance of the meeting (where no deputations are allowed), we are appealing to you to consider amendments to some of the conditions staff has recommended in the report before it passes Council. We are happy that progress is being made but feel that the conditions are too narrow to provide sufficient relief for many of our members.

Since many artists and not-for-profit organizations are funded by the Toronto Arts Council on an annual or three-year basis, the owner of 401 Richmond Street W has offered flexible leases – only organizations who apply for capital improvement grants for accessibility or improved public access need leases of 5 years. We would ask that the qualifying requirement be changed to be in alignment with Toronto Arts Council funding.

Because only those portions of a Qualifying Property under the proposed criteria constitute the eligible property for inclusion of the sub-class we would also offer the friendly amendment that the number of tenants meeting the criteria of this sub-class in a given building be reduced from 10 to 5 considering that the

minimum of tenants in a building must be more than 51% and the square footage remain at 10000 square feet. We would also want you to consider raising the proposed rate reduction to 66% (comparable to residential rates) from 30% since only the allowable portions of the building will be receiving this reduction. As the uses that this tax sub-class proposes are recognized by the City to be of public benefit, it makes sense to distribute the reduction to encourage property owners to offer below market rents to Cultural Co-Location uses at a similar rate to the residents who will be receiving the benefit who live nearby these qualifying properties. As the General Manager and the Interim Chief Financial Officer have noted in their report to Executive Committee "in 2019 and future years, existing properties in the sub-class will be funded by corresponding rates changes within the commercial class" so there should be no significant impact on the City's revenues.

Accordingly, we fully support the initiatives being undertaken between the City of Toronto and the Province, to give authority to the City to implement changes in the tax codes to preserve spaces for arts and culture. By giving property owners who support the creative industries and their tenants relief, the City will be able to help artists and not-for-profit organizations to have affordable spaces where their works can be made available to the public.

Revising the tax code is essential in urban environments like Toronto, where property values are spiraling beyond the ability of not-for-profit organizations and content creators to absorb excessive increases. We feel that the civic initiative taken by the rare owners, such as the ones at 401 Richmond Street West, who are willing to forego maximizing profits on their land and instead offer lower rents to cultural and artistic organizations be acknowledged by the City and Province by offering a more reasonable property tax assessment.

We look forward the adoption of this report by City Council and thank you and the members of Council for your leadership in this matter.

Yours sincerely,

The Steering Committee of 401 Richmond Street West

Noa Bronstein, Gallery 44

Marc Glassman, POV magazine

Michael O'Connor, Open Studio

Bruce Pitkin, Theatre Ontario

David Plant, Trinity Square Video

John Sewell, Meta Strategies

Kim Tomczak, VTape

Jennifer Watkins, Esmeralda Enrique Spanish Dance Company

TENANTS OF 401 RICHMOND SUPPORTING THIS LETTER

A Space Gallery  
Abbozzo Gallery

Access Community Capital Fund

Alex D'Arcy

Art Dealers Association of Canada

Brigitte Nowak

Canadian Filmmakers Distribution Centre

Contemporary Textile Studio Co-operative Inc.

Cote Design

David Donald

Derivative Inc.

Dessert Fish Studios

Esmeralda Enrique Spanish Dance Company & Academy of Spanish Dance

Gallery 44

Guido Costantino Projects Inc.

Inside Out LGBT Film Festival

Koyama Press

Kris Knight

Kristen Fahrig

Lisa Kiss Design

Loopmedia Ltd.

Meta Strategies

Musicworks Magazine

Myseum of Toronto

Ontario Association of Art Galleries

Open Studio

Park People

Podeswa Studio

Red Head Gallery

Red Moth – Angel Tamari

SolarShare

Stratford Festival Studio 123

Summerworks Performance Festival

Tangled Arts Festival

The Architects Builder Collaborative

The Consulting Matrix Inc.

The Station

The Tell

Theatre Ontario

Toronto Reel Asian International Film Festival

TREC/Windshare Co-op Inc.

Trinity Square Video

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Vtape

Windmill Development Group Ltd.

World Literacy of Canada

YYZ Artists' Outlet