



REPORT FOR ACTION

1901 Weston Road – Designation of a portion of the property used by the York West Active Living Centre as a Municipal Capital Facility

Date: August 20, 2019

To: General Government and Licensing Committee

From: Controller

Wards: Ward 5 - York South-Weston

SUMMARY

This report seeks Council's authority to repeal and enact a new by-law to replace the by-law passed on June 29, 2018 designating 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, namely a community centre, and exempting it from property taxes. This is necessary because since this by-law was passed, the York West Active Living Centre has entered into a new lease with its landlord, the Toronto Community Housing Corporation, reducing the area it leases and adding seven parking stalls. In particular, the seven parking stalls, which are ancillary parking, require designation together with the community centre to be tax exempt.

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 Controller recommends that:

1. City Council repeal By-law 752-2018.
2. 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 7,102 square feet of

rentable area and seven parking stalls (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 and ancillary parking.

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.

3. City Council pass a resolution that the above Municipal Capital Facility is for the purposes of the City and is for public use.

4. 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 original staff report dated May 16, 2018 stated that providing a property tax exemption for the 7,667 square feet of space would result in a net annual reduction in property tax revenue to the City of approximately \$28,361 as shown in Table 1 below. The provincial education portion of property taxes of \$24,875 would no longer be required to be remitted to the Province once the exemption for the Leased Premises took effect, with no net impact to the City.

Table 1: Original 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

It was later discovered that the square footage being occupied is 7,102 square feet, therefore the correct total net annual reduction in property tax revenue to the City for this property is approximately \$36,500 as outlined in Table 2. Although the actual space being occupied has decreased, the revised property tax calculation is based on the 2019 Current Value Assessment (CVA) and 2019 tax rates which have increased since the original calculation which was based on 2018 CVA and 2017 tax rates.

Additionally, the education taxes that will no longer be required to be remitted to the Province once the exemption becomes effective have increased from \$24,875 in the original report to \$31,305 based on the revised square footage being leased, as shown in Table 2.

Table 2: Revised Financial Implications of Property Tax Exemption - 1901 Weston Road

	Municipal Taxes	+ Education Taxes	= Total Property Taxes
Amounts Payable if Taxable (annual)	\$36,500	\$31,305	\$67,805
Amounts Payable if Exempt	\$0	\$0	\$0
Reduction in Municipal Tax Revenues			\$36,500
Reduction in Education Taxes Remitted			\$31,305

The Chief Financial Officer and Treasurer 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. Rather than renewing this lease, as the City was initially informed, a new lease has now been entered into, for a 3 year term commencing on January 1, 2019 with a 5 year option to renew.

COMMENTS

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.

Legislation Regarding Municipal Capital Facilities

Section 252 of the City of Toronto Act, 2006 allows City Council to exempt from taxation for municipal and school purposes land or a portion of land on which a municipal capital facility is or will be located once the City enters into an agreement with the landlord or tenant for the provision of the municipal capital facility.

Ontario Regulation 598/06 prescribes “community centres” and ancillary parking 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 the agreement for the provision of the municipal capital facility.

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

CONTACT

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SIGNATURE

Andrew Flynn
Controller