



## REPORT FOR ACTION

## 3100 Weston Road - Designation of a portion of the property used by Parks, Forestry and Recreation as a Municipal Capital Facility

Date: November 1, 2019

To: General Government and Licencing Committee

From: Controller

Wards: Ward 7 - Humber River-Black Creek

### SUMMARY

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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 Order of St. Basil The Great Holding Corporation and leased to the City of Toronto 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 48,419 square feet plus ancillary parking, less 15 spaces reserved for the landlord.

The Parks, Forestry and Recreation Division occupies 48,419 square feet of space used as a community centre, and the lease will serve as a renewal of an existing lease which commences on December 1, 2019. The Carmine Stefano Community Centre provides recreational programming opportunities for all ages and a wide range of activities that include but are not limited to parents and preschoolers, fitness, art, music, dance, social, sports and after school programs. The total area being leased is approximately 49,833 square feet; however, as there are two existing sub-tenants, the 1,414 square feet they occupy will not be included in the exemption.

### RECOMMENDATIONS

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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 The Order of St. Basil The Great Holding Corporation, which leases approximately 48,419 square feet of space at 3100 Weston Road to the City of Toronto, with respect to a facility for a community centre and ancillary parking (the "Leased Premises"); 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 as a community centre 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

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The Leased Premises located at 3100 Weston Road is owned by The Order of St. Basil The Great Holding Corporation. Although religious organizations are exempt from taxation under Section 3 of the Assessment Act, the community centre is a taxable tenant and is therefore not exempt from taxation.

As a taxable tenant, the annual property taxes on the 48,419 square feet of space occupied by the City of Toronto is estimated at approximately \$313,131 comprised of a municipal portion of \$170,841 and a provincial education portion of \$142,290, based on 2019 Current Value Assessment (CVA) and 2019 tax rates.

As shown in Table 1 below, providing a property tax exemption for 48,419 square feet of space at 3100 Weston Road would result in a net annual reduction in property tax revenue to the City of approximately \$170,841 representing the municipal portion of taxes that would not be collected once the Leased Premises is designated a Municipal Capital Facility. The provincial education portion of \$142,290 would not be remitted to the Province once the exemption for the Leased Premises takes effect.

Table 1: Financial Implications of Property Tax Exemption - 3100 Weston Road

Location	Municipal Taxes	Education Taxes	Total Property Taxes
3100 Weston Road - 1908-01-2-290-22700	\$170,841	\$142,290	\$313,131
Total Amounts Payable if Exempt	\$0	\$0	\$0
Reduction in Municipal Tax Revenues			\$170,841
Reduction in Education Taxes Remitted			\$142,290

Overall, there is no net impact on the municipal portion of taxes from the Municipal Capital Facility exemption, as the decrease in municipal tax revenue is offset by a

corresponding reduction in the annual budgetary requirement for Parks, Forestry and Recreation.

However, providing a property tax exemption for the 48,419 square feet of space being leased will result in net savings to the City of approximately \$142,290 annually, representing the provincial education portion of property taxes that will no longer be payable once the exemption for this portion takes effect

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

## **DECISION HISTORY**

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A Delegated Approval Form dated July 30, 2019 approved a five year lease extension between the City's Parks, Forestry and Recreation division and The Order of St. Basil The Great Holding Corporation, for 49,833 square feet of space to continue to be occupied at 3100 Weston Road. A copy of this form can be accessed at:  
Delegated Approval Form - 3100 Weston Road

## **COMMENTS**

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Carmine Stefano Community Centre is located at 3100 Weston Road in the Sheppard Avenue and Weston Road area. This community recreation centre provides recreational programming opportunities for everyone from preschoolers to older adults. Carmine Stefano Community Centre offers a wide range of activities that include but are not limited to parent and preschoolers, fitness, art, music, dance, social, sports and after school programs.

### **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

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Andrew Flynn  
Controller