

Re: MA 2.3

# MA2.3: Strategies for Assisting Live Music Venues

PRESENTATION TO TORONTO MUSIC ADVISORY COMMITTEE

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# Options for providing tax relief/tax assistance

- ▶ **Creating a property tax grant or rebate program to offset some portion of property taxes**
- ▶ **Specialized tax treatment via a separate tax class**

# General provisions re: Grant making powers

- ▶ Section 28 of the *Planning Act* authorizes municipalities to designate a Community Improvement Project Area
- ▶ CIPA means "a municipality or an area within a municipality, **the community improvement of which in the opinion of the council is desirable because of** age, dilapidation, overcrowding, faulty arrangement, unsuitability of buildings or for **any other environmental, social or community economic development reason**".

# General provisions re: Grant making powers

- ▶ The City of Toronto Official Plan provides that **CIPAs will be identified for areas exhibiting:**
  - physical decline in local building stock;
  - barriers to the improvement or redevelopment of vacant or underutilized land or buildings such as contaminated soil, fragmented ownership, or financial disincentive to private investment; or
  - **declining social, environmental and/or economic conditions.**

# General provisions re: Grant making powers

- ▶ Section 5.2.2 of the Official Plan states that "Community Improvement Project Areas will be designated by by-law, and **CIPs will be prepared to promote the maintenance, rehabilitation, revitalization and/or conservation of selected lands, building and communities facing challenges of transition, deficiency or deterioration or for any other environmental, social or community economic development reason**".
- ▶ The Official Plan further provides that CIPs will be prepared to provide direction regarding the following:
  - allocation of public funds, in the form of grants, loans or other finance instruments, for the physical rehabilitation or improvement of private land and/or buildings including rehabilitation of contaminated properties;
  - **other municipal actions, programs or investments for the purpose of** stimulating production of affordable housing, strengthening neighbourhood stability, facilitating local physical or economic growth, **improving social or environmental conditions, or promoting cultural development.**

# Limitations under City of Toronto Act

## Assistance prohibited

**82 (1)** Despite this or any other Act, **the City shall not assist directly or indirectly any** manufacturing business or other industrial or **commercial enterprise through the granting of bonuses ...**

## Same

- (2) Without limiting subsection (1), **the City shall not grant assistance by,**
- (a) giving or lending any property of the City, including money;
  - (b) guaranteeing borrowing;
  - (c) leasing or selling any property of the City at below fair market value; or
  - (d) **giving a total or partial exemption from any levy, charge or fee.**

## Exception

(3) Subsection (1) does not apply to city council's exercise of its authority under subsection 28 (6) or (7) of the *Planning Act* or under section 333 of this Act. 2006, c. 11, Sched. A, s. 82 (3).

# City of Toronto Act

## General power to make grants

**83** (1) Despite any provision of this or any other Act relating to the giving of grants or aid by the City, subject to section 82, **the City may make grants, on such terms** as to security and otherwise **as the council considers appropriate, to any person, group or body**, including a fund, **within or outside the boundaries of the City for any purpose that council considers to be in the interests of the City.**

# Planning Act

## Community improvement project area

28 (1) In this section,

**“community improvement” means the planning** or replanning, design or redesign, resubdivision, clearance, development or redevelopment, construction, reconstruction and rehabilitation, improvement of energy efficiency, or any of them, of a community improvement project area, **and the provision of such** residential, commercial, industrial, public, recreational, institutional, religious, charitable or **other uses**, buildings, structures, works, improvements or facilities, **or spaces therefor, as may be appropriate or necessary;**



# Planning Act

“community improvement plan” means a plan for the community improvement of a community improvement project area;

“community improvement project area” means **a municipality or an area within a municipality**, the community improvement of **which in the opinion of the council is desirable because of** age, dilapidation, overcrowding, faulty arrangement, unsuitability of buildings or for **any other environmental, social or community economic development reason**.

# Planning Act

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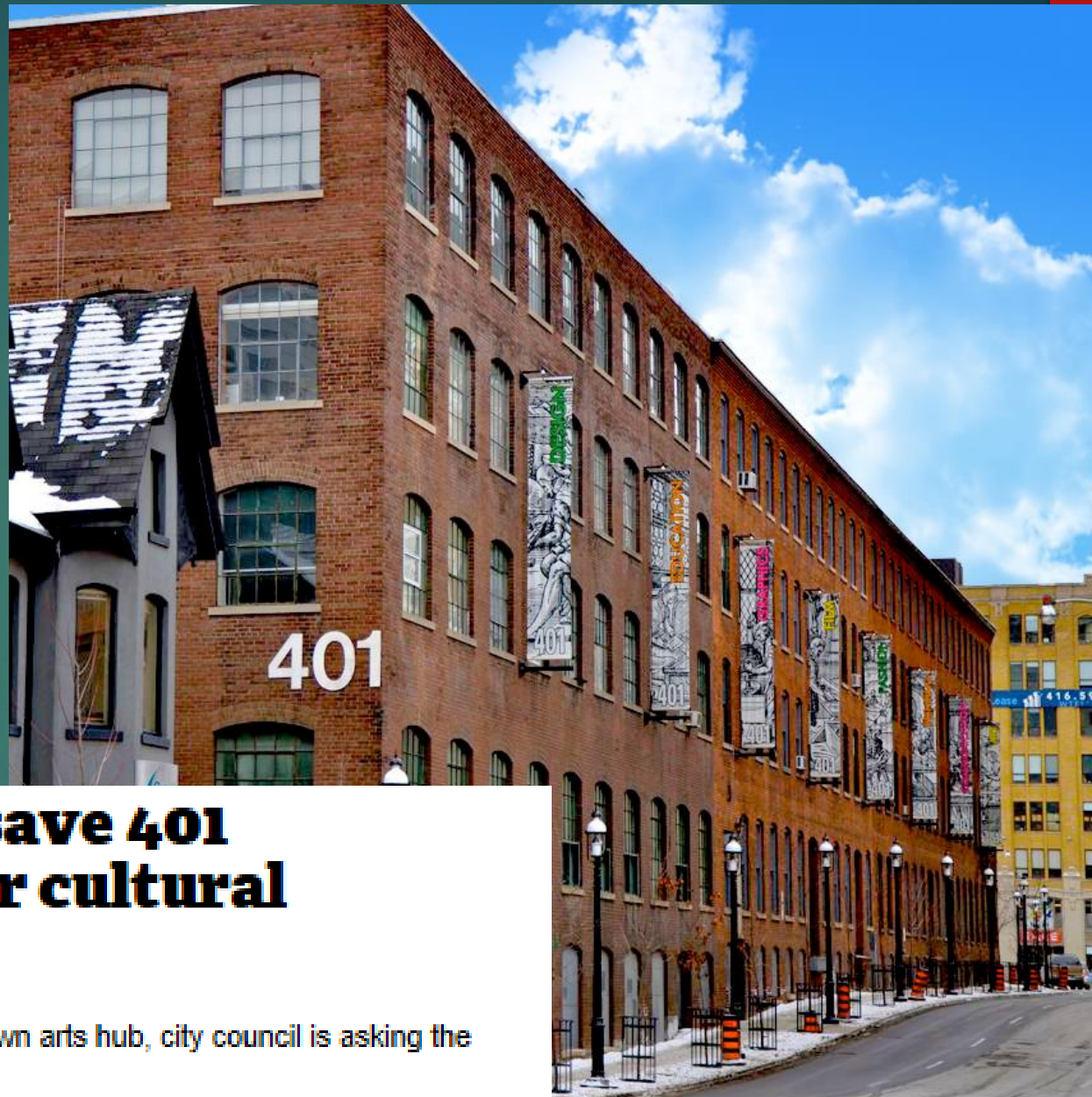
## Grants or loans re eligible costs

(7) For the purpose of carrying out a municipality's community improvement plan that has come into effect, **the municipality may make grants or loans**, in conformity with the community improvement plan, **to registered owners, assessed owners and tenants of lands and buildings within the community improvement project area**, and to any person to whom such an owner or tenant has assigned the right to receive a grant or loan .....

# Challenges

- ▶ Definitions, Eligibility
- ▶ Funding source
- ▶ Council approval
- ▶ Provincial approval (for CIP)

# New Tax Class: Creative Co-location Facilities



## **Toronto moves to save 401 Richmond and other cultural institutions**

In the wake of a huge tax hike on the downtown arts hub, city council is asking the province to give cultural institutions a break.

<http://www.metronews.ca/news/toronto/2017/01/31/toronto-moves-save-401-richmond-other-cultural-institutions.html> (Image: ashlarurban.com)

# Creative Co-location Facilities:

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- ▶ In 2017, the City of Toronto requested the Province create a new optional tax class for creative co-location facilities.
- ▶ Creative co-location facilities serve a public good by providing affordable, collaborative spaces for arts and culture production and consumption, while providing public programming to improve accessibility to the arts and to strengthen local community connections.
- ▶ Criteria: (under review for 2019)
  - $\geq 10,000$  sq. ft net rentable area
  - $\geq 10$  tenants that are “creative enterprises”\*
  - Concentration of creative enterprises (>51% of occupancy)
  - Below Market Rent for Creative enterprise tenants
  - Must offer free programming and cultural activities

\* As defined in Canadian Framework for Cultural Statistics

*Questions?*