

City Council**Motion without Notice**

MM8.55	ACTION			Ward: 14
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Crow's Theatre: Options to Address Outstanding Taxes Relating to the Period of Construction on an Otherwise Exempt Entity under the Assessment Act - by Councillor Paula Fletcher, seconded by Councillor Paul Ainslie

** This Motion has been deemed urgent by the Chair.*

** This Motion is not subject to a vote to waive referral. This Motion has been added to the agenda and is before Council for debate.*

Recommendations

Councillor Paula Fletcher, seconded by Councillor Paul Ainslie, recommends that:

1. City Council direct the Controller to report to the September 4, 2019 meeting of the General Government and Licensing Committee on the facts regarding Crow's Theatre's outstanding taxes and identify options to address the outstanding taxes that accumulated during the construction phase on an otherwise exempt entity under the Assessment Act.

Summary

Crow's Theatre has been a leading force in the Canadian theatre landscape since it was founded in 1983. Since its inception, the theatre has created, produced and presented local, national, and international talent in the performing arts within the City of Toronto. It is a registered charity and operates with public subsidies from all levels of government including an annual operating grant from the Toronto Arts Council.

In 2016, Crow's Theatre moved their location to 345 and 347 Carlaw Avenue and underwent a period of construction prior to opening its doors to the public in 2017. Section 3 of the Assessment Act provides for a property tax exemption for small theatres for which Crow's Theatre is eligible, however, the Municipal Property Assessment Corporation (MPAC) has advised that they are not eligible for this exemption during the period of construction as it was not being used as a theatre during this time.

There are two assessment roll numbers for Crow's Theatre. The assessment roll number for 347 Carlaw Avenue is currently exempt, and the assessment roll for 345 Carlaw Avenue is comprised of an exempt and taxable portion of assessment. The taxable assessment at 345 Carlaw Avenue is for the restaurant at this location. Both of these assessment rolls have outstanding taxes pertaining to the 2016 taxation year, during the construction period at this property.

Crow's Theatre was under the assumption that the exemption for the theatre would also apply during the time that these properties were under construction. Currently, there is a combined total of \$70,363.71 of outstanding taxes; \$24,542.70 for 347 Carlaw Avenue and \$45,821.01 for 345 Carlaw Avenue. A portion of the outstanding taxes on 345 Carlaw Avenue may apply to the restaurant at this location.

Crow's Theatre is in a difficult position for the 2016 taxation year, as they had assumed that they were exempt from taxation for all space at both of these properties, other than the restaurant. These arrears are causing hardship for the theatre, and this situation may jeopardize their financial viability.

Background Information (City Council)

Member Motion MM8.55