

ATTACHMENT 1

Detailed Eligibility Criteria for Inclusion in the Creative Co-Location Facilities Property Tax Subclasses

The eligibility criteria for the Creative Co-location Facility Property Subclasses are set out below based on the existing tenant based model and membership co-working model as well as proposed live music venue model. Proposed changes have been underlined for ease of identification.

A property may apply for inclusion in the Creative Co-Location Facilities Property Tax Subclasses in one of three categories: (1) tenant-based operating model, (2) membership-based co-working model, or (3) live music venue.

I. TENANT BASED OPERATING MODEL

The eligibility process is a two-step process. Firstly, the property as a whole must meet the requirements of a **Qualifying Property** set out below, and secondly the portion of the Qualifying Property that is eligible for inclusion in the Creative Co-location Facility Property subclasses must be identified.

For the purpose of assessing this eligibility, a **Qualifying Property** must have as tenants creative enterprises that produce **Cultural Goods** or provide **Cultural Services** that are charged a **Below Average Market Rent**, as defined below.

Creative Enterprises are entities that produce cultural goods or provide cultural services, as defined by the Canadian Framework for Cultural Statistics, under the headings Core Culture Domains; or Cultural Sub-Domains, and in respect of the Cultural Sub-Domains D, E and F, (written and published works, audio-visual and interactive media and sound recording) are registered not-for-profit organizations.

Table 1: Eligible Creative Enterprises for Tenant-Based Operating Model					
Not-for-Profit or For-Profit			Not-for-Profit Only		
Culture Domains					
A. Heritage and Libraries	B. Live Performance	C. Visual and Applied Arts	D. Written and Published Works	E. Audio-visual and interactive media	F. Sound Recording
Core Culture Sub-domains					
<ul style="list-style-type: none"> • Archives • Libraries • Cultural heritage • Natural heritage 	<ul style="list-style-type: none"> • Performing Arts • Festivals and celebrations 	<ul style="list-style-type: none"> • Original visual art • Art reproductions • Photography • Crafts 	<ul style="list-style-type: none"> • Books • Periodicals • Newspapers • Other published works 	<ul style="list-style-type: none"> • Film and video • Broadcasting • Interactive media 	<ul style="list-style-type: none"> • Sound recording • Music publishing

Below Average Market Rent is:

a net rent that is at least 30% lower than the average market net rent for a similar space in the same classification of property as defined by BOMA (Building Owners and Managers Association) standards and in the same neighbourhood (as validated by the City of Toronto through reference to current data compiled by a recognized commercial realty firm).

Step 1:

A **Qualifying Property** is a property in which all of the following criteria are met:

- A. Minimum Scale/Physical Space:** The property must consist of a physical building (i.e. not a virtual network) with a minimum net rentable area of 10,000 square feet, or minimum net rentable area of 5,000 square feet where the property is owned by the City of Toronto or notwithstanding (B), houses more than 40 separate tenants that meet the definition of 'Creative Enterprises'.
- B. Multiple Tenants:** The property must have a minimum of five (5) distinct, full-time tenants that meet the definition of "Creative Enterprises".
- C. Concentration of Creative Enterprises:** A minimum of 51% of tenants in the building, in relation to the total number of tenants, must be Creative Enterprises. In addition, Creative Enterprise tenants must occupy a minimum of 51% of the property's net rentable area.
- D. Free programming and cultural activities for the public:** A Creative Co-location Facility must offer at least twelve cultural programs that are offered free of charge to members of the public over the course of the calendar year, with no less than ten months of the year featuring such programs.

Cultural programs are events, educational sessions or activities that relate to areas of activity described under the Framework for Cultural Statistics, which are:

- film-making workshops or the screening of films or video;
- authors readings or workshops related to book publishing;
- presentation of performing or visual arts;
- interpretation of cultural and natural heritage; and,
- live music presentation.

Step 2:

Portions of the Qualifying Property eligible to be a Creative Co-location Facility (**the "Eligible Property"**) are those portions of a "Qualifying Property" which satisfy the following criteria for leased space, common space or owner-occupied space.

A. Criteria for Leased Space:

- a) The leased space within a Qualifying Property is occupied or leased by a "Creative Enterprise".

b) The term of the lease for the leased space occupied by the Creative Enterprise is a minimum of 5 years, or the landlord can demonstrate continuous occupancy by the Creative Enterprise for a minimum of five years up to the point of application.

c) The rent charged for the space leased to the Creative Enterprise is Below Average Market Rent (BAMR).

d) All Creative Enterprises leasing space in the Qualifying Property receive at least two of the following benefits that arise from co-location (provided by or through the property owner or landlord, or by groups of tenants as enabled by the landlord):

- free access/use of meeting or conference space;
- free or subsidized use of photocopier, telephones, fax machines and other office equipment and technology;
- demonstrated consolidated buying power for office and other supplies;
- access to free tailored professional development and training;
- access to subsidized accredited professional services, such as accounting or legal services;
- coordinated support for public programming;
- coordinated marketing initiatives; or
- shared services related to the property's security systems, cleaning, reception, courier, mail, and catering.

B. Criteria for Eligible Common Space:

The portion of common and shared spaces in a Qualifying Property that are used by tenants (e.g. entrance foyer, hallways, public washrooms, serveries, lounge, mailroom, bicycle storage area, etc.) expressed in square feet/square metres as the percentage leased to creative enterprises (as calculated in Step 1c) "Concentration of Creative Enterprises" above).

C. Criteria for Owner-Occupied Space:

A portion of a Qualifying Property that is occupied by the owner of the property for non-commercial activity, up to a maximum of 10% of the total net rentable space.

Non-Eligible Portions:

For clarity, only those portions of a Qualifying Property that meet the above criteria constitute the Eligible Property for inclusion in the Creative Co-location Facility subclasses of the Commercial and Industrial property tax classes in this category, accordingly, any portions of the property that do not meet the criteria above are not eligible to be included within the Creative Co-location Facility property tax subclasses.

II. MEMBERSHIP-BASED CO-WORKING FACILITY

A **co-working facility** is a type of work space where self-employed individuals or small enterprises (the **member**) use a shared office or other physical work environment on a membership basis rather than a lease arrangement. A **membership fee** is the fee paid by said members to a building operator to access the space and any shared resources/services offered as a benefit of membership.

A **Qualifying Property** is a property in which all of the following criteria are met:

- A. Minimum Scale/Physical Space:** The property must consist of a physical building (i.e. not a virtual network) with a minimum work and common space area of 5,000 square feet.
- B. Managed by Incorporated Not-for-Profit Organization:** The property is managed by a building operator who is a not-for-profit organization incorporated under the laws of the Province of Ontario or the Government of Canada, with a functioning board of directors and a stated mandate to provide access to space and/or professional development services for the creative sector. The not-for-profit organization must have been incorporated for at least one (1) full year prior to making an application for designation of its space under the Subclass.
- C. Concentration of Creative Enterprises:** A minimum of 75% of members must be Creative Enterprises meeting the definition of creative enterprises derived from the Canadian Framework for Cultural Statistics, under the headings Core Culture Domains; or Cultural Sub-Domains and selected Ancillary Culture Sub-Domains (as shown in Table 2 below).

Table 2: Eligible Creative Enterprises for Membership-based Co-Working Facilities					
Not-for-Profit or For-Profit					
Culture Domains					
G. Heritage and Libraries	H. Live Performance	I. Visual and Applied Arts	J. Written and Published Works	K. Audio-visual and interactive media	L. Sound Recording
Core Culture Sub-domains					
<ul style="list-style-type: none"> Archives Libraries Cultural heritage Natural heritage 	<ul style="list-style-type: none"> Performing Arts Festivals and celebrations 	<ul style="list-style-type: none"> Original visual art Art reproductions Photography Crafts 	<ul style="list-style-type: none"> Books Periodicals Newspapers Other published works 	<ul style="list-style-type: none"> Film and video Broadcasting Interactive media 	<ul style="list-style-type: none"> Sound recording Music publishing
Ancillary Culture Sub-domains					
		<ul style="list-style-type: none"> Architecture Design 			

D. Terms of Co-Working Membership: Co-working memberships are offered for purchase by the building operator. As part of the terms of membership, the building operator must provide members with access to and use of the following shared resources during set facility operating hours (a minimum of 8 hours per day for at least 5 days per week):

- Work spaces (office and/or production);
- Meeting and/or conference spaces;
- High-speed wireless internet access that meets minimum standards established by the Canadian Radio-television and Telecommunications Commission (CRTC) (speeds of 50 Mbps download/10 Mbps upload); and
- Office equipment, such as photocopiers, telephones, or other equipment and technology.

E. Professional development services for creative enterprises: The non-profit property owner must offer a minimum of 25 professional development programs, services, and/or events to its members in a calendar year. Such programs could include workshops, training, events, mentorship and/or advisory support with a focus on advancing creative enterprises.

Eligible Portions of Property:

Portions of the property that are accessible by members, including work space and common areas, are eligible for designation under the Subclass.

Portions of the property occupied by the building operator for non-commercial activity are eligible for designation under the Subclass, up to a maximum of 10% of the total square footage of the property.

Other portions of the property that are used for purposes other than co-working space and/or are not accessible by members are not eligible.

III. LIVE MUSIC VENUES

A Live Music Venue is a venue at which Live Music Performances occur. A Live Music Performance is a performance by individual musical artists or groups of musical artists of original or non-original (cover) musical works on instruments, vocally or on equipment conventionally used to perform jazz, rock, folk, classical, R&B, hip hop, global, experimental, and other genres of music, and includes performances by electronic musical artists and DJs using digital equipment, software, or turntables to create musical performances for an audience, but excludes the simple playback of recorded music without a creative role being played by the DJ.

A **Qualifying Property** is a property in which all of the following criteria are met:

A. Venue Infrastructure - The Live Music Venue must have a minimum of four amenities or types of equipment listed below:

- fixed stage or stage area
- sound booth or desk with sound board
- artist dressing room

- window, booth, or established point where tickets or cover charges are collected
- audio equipment (amplified PA system with mics, and/or backline)
- performance or stage lighting

B. Bookings & Compensation - The Live Music Venue must:

- present live music a minimum of 144 days annually; or in the case(s) due to venues being closed by emergency orders as a result of the COVID-19 pandemic present live music 40% of all operating days within the calendar year; and
- artists must be compensated for performances (through a percentage of bar sales or door cover, or as agreed via a formal or informal contract), and must not be charged for the use of the stage or equipment.

C. Employment – the Live Music Venue must employ regular venue staff or contract workers to fulfill a minimum of two of the roles listed below connected with the venue's live music programming (note that one staff position may fulfill more than one role):

- venue booker
- event promoter
- audio technician
- stage manager
- door person/venue security

D. Length of operations - the Live Music Venue must have been in operation as a Live Music Venue, defined above, for a minimum of six months prior to applying for inclusion in the Creative Co-Location Facilities Property Tax Subclasses.

E. Maximum capacity – the Live Music Venue must have a maximum capacity of no more than 1,500 persons as defined by occupant load, in the eligible portions of the Live Music Venue (as defined in the Eligible Property section below).

A Qualifying Property is a property in which a Live Music Venue operates.

Eligible Property is all portions of a Qualifying Property, excluding any portion that is a clearly separate area in which a separate business operation occurs that is not directly linked to the Live Music Venue and which is not conducive to viewing or listening to the Live Music Performance. Exceptions to this exclusion are areas used primarily as entrances to the Live Music Venue, audience holding areas, or foyers, even if food and beverage service is available in such areas.