



REPORT FOR ACTION

233 Carlton Street - Designation of the Property Used by Shelter, Support and Housing Administration as a Municipal Capital Facility

Date: February 21, 2020

To: General Government and Licensing Committee

From: Controller

Wards: Ward 13 - Toronto Centre

SUMMARY

This report seeks Council's authority for the adoption of the necessary by-law to designate the property owned by 1622774 Ontario Limited and leased to the City of Toronto as a Municipal Capital Facility, and to provide an exemption for the municipal taxes and education taxes. The Municipal Capital Facility agreement authorized by the by-law will provide an exemption for the entire building which is leased to Shelter, Support and Housing Administration.

Currently, the City operates a 24-hour women's drop-in centre at the Adelaide Resource Centre for Women. This city-owned facility at 67 Adelaide Street East has been identified as a suitable location for building a new shelter. The Leased Premises at 233 Carlton Street will provide a new location for the Adelaide Resource Centre for Women.

RECOMMENDATIONS

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 exempt 233 Carlton Street, (the "Leased Premises"), used for the provision of social and health services, 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 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 annual property taxes on the entire building (currently taxable) being leased by Shelter, Support and Housing Administration (SSHA) located at 233 Carlton Street are estimated at approximately \$50,153, comprised of a municipal portion of \$26,834 and a provincial portion of \$23,319, based on 2020 Current Value Assessment (CVA) and 2019 tax rates.

As shown in Table 1 below, providing a property tax exemption for the entire building at 233 Carlton Street will result in a net annual reduction in property tax revenue to the City of approximately \$26,834, representing the municipal portion of taxes that is currently payable that will no longer be collected once the Leased Premises are designated as a Municipal Capital Facility. The provincial education portion of the property taxes of \$23,319 will no longer be required to be remitted to the Province once the exemption for the Leased Premises takes effect.

Table 1: Financial Implication of Property Tax Exemption – 233 Carlton Street

Location	Municipal Taxes	Education Taxes	Total Property Taxes
233 Carlton Street – 1904-07-4-080-02300	\$26,834	\$23,319	\$50,153
Total Amounts Payable if Exempt	\$0	\$0	\$0
Reduction in Municipal Tax Revenues			\$26,834
Reduction in Education Taxes Remitted			\$23,319

As the City currently funds Shelter, Support and Housing Administration the cost of rent (which includes property taxes) on any leased space through an annual budget allocation, 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 Shelter, Support and Housing Administration. The savings resulting from the designation as a Municipal Capital Facility for the location identified in Table 1 above has been accounted for and included in the 2020 proposed Operating Budget for Shelter, Support and Housing Administration.

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

DECISION HISTORY

A Delegated Approval Form, dated July 31, 2019 approved a 10 year lease agreement between the City of Toronto and 1622774 Ontario Limited to be occupied by Shelter, Support and Housing Administration at 233 Carlton Street. A copy of this form can be accessed at:

[Delegated Approval Form – 233 Carlton Street](#)

COMMENTS

The Leased Premises at 233 Carlton Street will provide a new location for the Adelaide Resource Centre for Women, which is a 24-hour women's drop-in centre currently located at 67 Adelaide Street. The Adelaide Resource Centre is currently operated out of a City-owned facility that has been identified as a suitable location on which to build a new shelter.

Operated by Shelter, Support and Housing Administration, 233 Carlton Street will serve as a safe and welcoming place for all women, aiding women who are homeless, socially alone and isolated, or in need of assistance. The drop-in centre will provide assistance with accessing services including healthcare, housing, laundry, shower facilities and phones. Women will be provided with a place to rest, meals, service referrals and other necessities such as toiletries and hygiene products.

Legislation Regarding Municipal Capital Facilities

Section 252 of the City of Toronto Act, 2006 allows the City to enter into agreements with any person for the provision of municipal capital facilities, and allows City Council to exempt from taxation for municipal and school purposes, land or a portion of land on which municipal capital facilities are or will be located.

Properties "owned and occupied" by a municipality or local board are exempt from taxation pursuant to section 3 of the Assessment Act. However, where a municipality or local board leases property that would normally be subject to taxation, this exemption does not apply.

The space occupied by Shelter, Support and Housing Administration at 233 Carlton Street is normally subject to taxation at commercial rates. Designating the property leased by Shelter, Support and Housing Administration as a Municipal Capital Facility and providing an exemption from taxes will reduce the monthly rental amount paid by Shelter, Support and Housing Administration.

The property tax exemption on the space leased by the Shelter, Support and Housing Administration will only apply if City Council agrees to provide a tax exemption, by way of municipal capital facility agreement under section 252 of the City of Toronto Act, 2006. Ontario Regulation 598/06 prescribes facilities used for the provision of social and health services as eligible municipal capital facilities for the purpose of section 252. This agreement is included in the lease agreement between the City of Toronto and 1622774 Ontario Limited and the property tax exemption will apply on passage of the by-law.

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

CONTACT

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SIGNATURE

Andrew Flynn
Controller