

**City Council****Notice of Motion**

MM25.6	ACTION			Ward: All
--------	--------	--	--	-----------

**Keeping Sailors Afloat - by Councillor Paula Fletcher, seconded by Councillor Brad Bradford**

*\* Notice of this Motion has been given.*

*\* This Motion is subject to referral to the General Government and Licensing Committee. A two-thirds vote is required to waive referral.*

**Recommendations**

Councillor Paula Fletcher, seconded by Councillor Brad Bradford recommends that:

1. City Council direct the Executive Director, Corporate Real Estate Management, to engage with community sailing clubs and explore the opportunity to amend the existing lease agreements from a fully net to a semi-gross lease and report back to the General Government and Licensing Committee by the second quarter of 2021 on the results of that engagement.

**Summary**

The various leases for boating facilities across the waterfront help to provide an expanded range of affordable recreation opportunities on the water at no cost to the City. Currently, the boating facilities under lease with the Parks, Forestry and Recreation Division range from small community sailing clubs to long established clubs with significant permanent facilities. The clubs are all not-for-profit corporations. These facilities have helped to meet demand for sailing in a social context and are consistent with the desire of the City to provide diverse, locally responsive recreation opportunities.

Over the years, many of these clubs have faced ongoing challenges, specifically as it relates to significant increases in their property tax assessments and corresponding increases in property tax, of which, they are fully responsible for as per the terms of their agreements with the City. These increases have ultimately been resolved through the property assessment appeal process – many of these appeals are filed and administered by staff at the City of Toronto, a process that is administratively onerous on both the City and its community sailing club tenants. While these assessment appeals are being considered, these clubs can face property tax obligations that are difficult to meet and puts them at risk of default to the City of Toronto until such time as the tax appeals are resolved and the taxes are adjusted accordingly.

As a way to mitigate against these significant fluctuations in property taxes from one year to another, consideration should be given to amend the existing leases with the boat clubs to explore options around moving from fully net leases which are currently in place, to semi-gross

leases. A semi-gross lease would see the boat clubs pay a regularized annual amount in basic rent and property taxes which would increase annually by a prescribed amount, allowing these community sailing clubs to easily forecast and cash-flow allowing them to mitigate against any potential defaults of their leases. Additionally, this allows City staff to ultimately deal directly with the Municipal Property Assessment Corporation and not have to involve any of the clubs in negotiated settlements of property assessments.

**Background Information (City Council)**

Member Motion MM25.6