

Property Tax Exemption for Hot Docs International Documentary Festival and Hot Docs Ted Rogers Cinema at 504 Bloor Street West

Date: March 15, 2021

To: General Government and Licensing Committee

From: Controller

Wards: Ward 11 - University - Rosedale

SUMMARY

This report seeks City Council's authority for an exemption and cancellation of municipal and education taxes as authorized by the enactment of private legislation (Bill Pr20) for the Hot Docs International Documentary Festival and Hot Docs Ted Rogers Cinema located at 504 Bloor Street West.

Bill Pr20: An Act Respecting Hot Docs (the "Act") received Royal Assent on December 9, 2020. The Act allows the City of Toronto to enact by-laws to provide for a property tax exemption for 504 Bloor Street West, subject to the provisions of the bill and any conditions outlined within the bill that the City chooses to impose in providing the tax exemption.

RECOMMENDATIONS

The Controller recommends that:

1. Subject to Recommendation 2, City Council authorize a property tax exemption effective January 1, 2020, and the cancellation of all 2020 property taxes levied for municipal and school purposes, other than local improvement rates, together with all interest, fees and penalties for the property municipally known as 504 Bloor Street West (the "Specified Property") occupied and used by the Hot Docs International Documentary Festival and Hot Docs Ted Rogers Cinema ("Hot Docs") provided that:
 - i. The Specified Property is occupied and used solely by Hot Docs;
 - ii. Hot Docs is the registered owner of the Specified Property; and
 - iii. Hot Docs is a registered charity.

2. That Recommendations do not come into force until Hot Docs enters into an agreement with the City, requiring that if Hot Docs sells, leases or otherwise disposes of the Specified Property, that the City may require repayment of the property taxes provided through the tax exemption as set out in this report, and that this agreement may be registered on title to the Specified Property.

FINANCIAL IMPACT

The annual property taxes on the property located at 504 Bloor Street West are \$96,082, comprised of a municipal portion of \$52,276 and a provincial education portion of \$43,806 based on 2020 Current Value Assessment (CVA) and 2020 tax rates.

As shown in Table 1 below, by providing a property tax exemption to Hot Docs International Documentary Festival and Hot Docs Ted Rogers Cinema located at 504 Bloor Street West effective January 1, 2020, the City will forego annual property tax revenue of approximately \$52,276, representing the municipal share of taxes on the exempt premises. The education share of taxes of \$43,806 would no longer be required to be levied or remitted to the Province.

Table 1: Financial Implication of Property Tax Exemption – 504 Bloor Street West

Location	Municipal Taxes	Education Taxes	Total Property Taxes
504 Bloor Street West 1904-05-1-060-06200	\$52,276	\$43,806	\$96,082
Total Amounts Payable if Exempt	\$0	\$0	\$0
Reduction in Municipal Tax Revenues			\$52,276
Reduction in Education Taxes Levied or Remitted			\$43,806

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial implications as identified in the Financial Impact Section.

DECISION HISTORY

At its meeting of May 14, 2019, in adopting [Item MM7.9: Hot Docs Canadian International Documentary Festival and Hot Docs Ted Rogers Cinema - Support of Efforts for Provincial Legislation for Property Tax Exemption](#), Council confirmed its support for the efforts of Hot Docs International Documentary Festival and Hot Docs Ted Rogers Cinema to obtain Provincial legislation through a Private Member's bill that would enable City Council to exempt the property located at 504 Bloor Street West occupied by Hot Docs from property taxes.

On December 5, 2019 Private Bill Pr20: An Act Respecting Hot Docs was introduced in the legislature for first reading. Bill Pr20 received final reading and Royal Assent on December 9, 2020, and has now become enacted as law, as of the date of Royal Assent. The Royal Assent version of the bill is available at: http://www.ontla.on.ca/bills/bills-files/40_Parliament/Session2/pr027ra.pdf

At its meeting of December 16, 17 and 18, 2020 Council adopted [Item MM27.31: 504 Bloor Street West - Property Tax Exemption for Hot Docs International Documentary Festival and Hot Docs Ted Rogers Cinema](#), requesting that the Controller report back to the March 29, 2021 meeting of the General Government and Licensing Committee on the financial implications of providing a property tax exemption and tax cancellation for Hot Docs International Documentary Festival and Hot Docs Ted Rogers Cinema at the property located at 504 Bloor Street West occupied by Hot Docs.

COMMENTS

Hot Docs was founded in 1993 by the Documentary Organization of Canada and is a national association of independent filmmakers. In 1996, Hot Docs separated from the Documentary Organization of Canada and became an individual entity with a mandate to showcase and support the work of Canadian and international documentary filmmakers and to promote excellence in documentary production.

Hot Docs is a registered charity that assists independent filmmakers, provides training to hundreds of emerging documentaries, showcases hundreds of documentaries at the Festival and Hot Docs Ted Rogers Cinema and works with hundreds of sister festivals and community groups.

The board of directors of Hot Docs applied for special legislation to exempt the property from taxation for municipal and school purposes, other than local improvement rates, beginning January 1, 2020 while the property is owned by Hot Docs. This special legislation entitled "Bill Pr20, An Act respecting Hot Docs" received Royal Assent on December 9, 2020. The Act is permissive in nature, in that it allows the City of Toronto to enact by-laws to provide for a property tax exemption for the Hot Docs property, subject to the provisions of the bill and any conditions outlined within the bill that the City chooses to impose in order to provide the tax exemption.

The Act allows the municipality to pass by-laws exempting the property from taxation for municipal and education purposes, other than local improvement rates, beginning January 1, 2020, and to cancel any taxes levied from that date. The Act also specifies that the City may enter into an agreement with Hot Docs where the agreement stipulates that if Hot Docs sells, leases or otherwise disposes of the Specified Property, the City may require repayment of the cancelled and exempted property taxes. The repayment period of the property taxes is the shorter of 10 years preceding the date of the sale, lease or other disposition, or the period of time from when the by-law was enacted to the date of the sale, lease or other disposition. If the Specified Property is

replaced with another property, the tax exemption can be rolled over to the new property without attracting the repayment obligation

This report recommends that the City Council pass a by-law providing for a property tax exemption for municipal and education purposes effective January 1, 2020 and allowing for the cancellation of all taxes already levied since that date, and all interest, fees and penalties on such taxes. In addition, this report is recommending that the City enter into an agreement with Hot Docs providing that in the event that Hot Docs sells, leases or otherwise disposes of the property, the City may request repayment of the property taxes that would otherwise be owing had it not been made exempt, and can roll over the tax exemption to an alternate property.

By providing a property tax exemption, Hot Docs will be able to continue growing the impact of documentary film and enable the organization to further grow initiatives designed to directly support Toronto artists, engage communities across Toronto's neighbourhoods and to grow accessibility, diversity and equity across programs for public audiences and practitioners.

CONTACT

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SIGNATURE

Andrew Flynn
Controller