

189B Booth Ave - Designation of a Portion of the Property Used by Woodgreen Red Door Family Shelter as a Municipal Capital Facility

Date: March 15, 2021

To: General Government and Licensing Committee

From: Controller

Wards: Ward 14 - Toronto-Danforth

SUMMARY

This report seeks City Council's authority for the adoption of the necessary By-law to designate a portion of the property owned by the City of Toronto and leased to Woodgreen Red Door Family Shelter as a Municipal Capital Facility and to provide an exemption for municipal taxes and education taxes. The Municipal Capital Facility agreement authorized by the By-law will provide an exemption of approximately 21,043 square feet of space which includes 1,033 square feet of outdoor amenity space at 189B Booth Ave which is leased to Woodgreen Red Door Family Shelter.

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:
 - a. enter into a Municipal Capital Facility Agreement with Woodgreen Red Door Shelter, with whom the City has a lease, for the property known as 189B Booth Ave, for approximately 21,043 square feet of space (the "Leased Premises") owned by the City of Toronto, with respect to social and health services; and
 - b. exempt the Leased Premises 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 Leased Premises located at 189B Booth Ave are owned by the City of Toronto. Although properties owned by the City of Toronto are exempt from taxation, Woodgreen Red Door Shelter is a taxable tenant and the Leased Premises are therefore subject to taxation. The annual property taxes on the Leased Premises located at 189B Booth Ave for the 21,043 square feet of space are estimated at approximately \$60,790, comprised of a municipal portion of \$32,909 and a provincial education portion of \$27,881 based on 2020 Current Value Assessment (CVA) and 2020 tax rates.

As shown in Table 1 below, providing a property tax exemption for the 21,043 square feet of space at 189B Booth Ave will result in a net annual reduction in property tax revenue to the City of approximately \$32,909, representing the municipal portion of taxes that are currently payable that will no longer be collected once the Leased Premises are designated as a Municipal Capital Facility. The provincial education portion of property taxes of \$27,881 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 – 189B Booth Ave

Location	Municipal Taxes	Education Taxes	Total Property Taxes
189B Booth Ave 1904-07-1-160-03407	\$32,909	\$27,881	\$60,790
Total Amounts Payable if Exempt	\$0	\$0	\$0
Reduction in Municipal Tax Revenues			\$32,909
Reduction in Education Taxes Remitted			\$27,881

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 May 5, 6 and 7, 2015 meeting, Council adopted [Item EX5.12: Securing a Future for the Red Door Shelter](#) approving the City's purchase and acquisition of the shelter space constructed at 875 Queen Street East.

COMMENTS

Section 252 of the City of Toronto Act, 2006 allows City Council to exempt from taxation for municipal and school purposes land or a portion of land on which a municipal capital facility is or will be located once the City enters into an agreement with a landlord or tenant for the provision of the municipal capital facility.

Ontario Regulation 598/06 prescribes facilities used for social and health services of the city as eligible municipal capital facilities for the purpose of section 252.

The Woodgreen Red Door Shelter is a registered charitable organization that provides emergency shelter and support for women and children affected by domestic abuse, families experiencing a housing crisis, and refugee claimants with nowhere else to turn.

The shelter has occupied the property located at 875 Queen Street East from 1982 until it was redeveloped into a mixed-use building which includes residential condominiums, retail, parking and the shelter accommodation. The property was purchased by the City and was given a property address of 189B Booth Ave.

The property tax exemption on the space leased by Woodgreen Red Door Shelter 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 social and health services as eligible municipal capital facilities for the purpose of section 252.

Upon the passing of the 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 a 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

Casey Brendon, Director, Revenue Services
Phone: (416) 392-8065, E-mail: Casey.Brendon@toronto.ca

SIGNATURE

Andrew Flynn
Controller