

**MOTION**

**Addressing Outstanding Tax Arrears for the Greek Community of Toronto at 136 Sorauren Avenue – by Councillor Perks, seconded by Councillor Mantas**

Moved by: Councillor

**Gord Perks**

Seconded by: Councillor

**Nick Mantas**

**SUMMARY:**

The Greek Community of Toronto is seeking the support of City Council for assistance with the tax arrears for the property at 136 Sorauren Avenue. Owned by the Greek Community of Toronto, the property is occupied by a church, and is therefore exempt from taxation under Section 3(1) of the Assessment Act as a place of worship.

In 2018, the Municipal Property Assessment Corporation (MPAC) discovered that a commercial for-profit childcare centre was in operation within a portion of the church building and has leased from the church since 2006. The childcare centre is a taxable tenant and is therefore subject to taxation at commercial rates. MPAC subsequently issued supplementary/omitted assessment for the 2016, 2017 and 2018 taxation years, as permitted under the City of Toronto Act. Including the commercial portion of assessment returned on the assessment roll for 2019, 2020 and 2021 taxation years, the outstanding amount of billed taxes, interest and fees owing is currently \$218,848. While the Greek Community of Toronto successfully appealed to reduce the commercial portion of assessment due to the square footage for the child care centre being overstated for 2018, 2019, 2020 and 2021 taxation years, there is no legislative mechanism to correct the square footage for the 2016 and 2017 taxation years as the deadline to appeal has long since passed. The billed taxes for 2016 and 2017 and the interest and penalties from 2016-2021 remain in dispute and the taxes unpaid for all six taxation years.

It is presumed that the Greek Community of Toronto was unaware that the leased premises occupied by the childcare operation was subject to taxation until it was brought to their attention by MPAC. Paying the full amount of property taxes and accumulated interest and fees would represent a financial hardship to the Greek Community as a not-for-profit religious association offering services to the community.

**RECOMMENDATIONS:**

1. City Council approve payment of a one-time grant to the Greek Community of Toronto in the amount of approximately \$85,217 to reflect what would have been billed for the 2016 and 2017 taxation years if the assessment was adjusted to reflect the correct square footage as well as an amount to offset the total of all interest, penalty and fees applied for 2016 to 2021, with such grant amount to be funded from the City's 2021 Tax Deficiency Account, subject to the following conditions:

- a) The Greek Community of Toronto make payment in full of all outstanding property taxes for the property located at 136 Sorauren Avenue (including all taxes payable on the portions of the property occupied by the commercial tenant) excluding any grants approved by Council; and
  - b) The grant amount be applied directly to the property tax account to offset property taxes payable.
2. City Council deem the grant referred to in Recommendation 1 to be in the interest of the City.

Date September 14, 2021