

800 Lansdowne Avenue, Suite 101 - Designation of a Portion of the Property Used by South Asian Women's Centre as a Municipal Capital Facility

Date: April 5, 2023

To: General Government Committee

From: Controller

Wards: Ward 9 - Davenport

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 Ridgevest Developments Limited, that is leased to the City of Toronto and subleased to South Asian Women's Centre, 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 a property tax exemption for approximately 1,880 square feet of space at 800 Lansdowne Avenue, Suite 101 that is subleased to South Asian Women's Centre.

South Asian Women's Centre is a non-profit support centre which includes programs and services to promote the well-being of not only South Asian women but poor and marginalized communities. Core services include settlement programs, wellness groups supporting mental health, seniors groups to promote health, cultural activities, fighting elder abuse and a program to build awareness and sensitivity in supporting women facing abuse. Given that the services provided are in line with services provided by the City, Legal has confirmed the portion of property used by South Asian Women's Centre may be designated a municipal capital facility as it is used for social and health services.

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 Ridgevest Development Limited (the "Landlord"), which leases approximately 1,880 square feet of space at 800

Lansdowne Avenue, Suite 101 (the "Leased Premises") to the City of Toronto and subleased to South Asian Women's Centre (the "Subtenant"), used for 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 City has leased the property since September 1, 2006. There was an extension of the lease for an additional one year term from September 1, 2022 to August 31, 2023 with three options to extend for one year each on the same terms and conditions. The Subtenant has subleased and occupied the space since July 27, 2007, extending the term of the sublease for one year commencing August 31, 2022 and expiring on August 30, 2023. The Subtenant can further extend the sublease for three additional terms of one year each on the same terms and conditions contained in the sublease, provided the City has exercised its option to extend the lease with the Landlord.

The annual property taxes on the 1,880 square feet of space (currently taxable) that is being leased by the City of Toronto and subleased by South Asian Women's Centre located in Suite 101 at 800 Lansdowne Avenue are estimated at approximately \$19,477, comprised of a municipal portion of \$11,400 and a provincial education portion of \$8,077, based on 2022 Current Value Assessment (CVA) and 2022 tax rates.

As shown in Table 1 below, providing a property tax exemption for the 1,880 square feet of space at 800 Lansdowne Avenue, Suite 101 will result in a net annual reduction in property tax revenue to the City of approximately \$11,400, 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 \$8,077 will no longer be required to be remitted to the Province once the exemption for the Leased Premises takes effect.

Table 1: Annual Financial Implication of Property Tax Exemption – 800 Lansdowne Avenue, Suite 101

Location	Municipal Taxes	Education Taxes	Total Property Taxes
800 Lansdowne Avenue, Suite 101 1904-07-1-160-03407	\$11,400	\$8,077	\$19,477

Location	Municipal Taxes	Education Taxes	Total Property Taxes
Total Amounts Payable if Exempt	\$0	\$0	\$0
Reduction in Municipal Tax Revenues			\$11,400
Reduction in Education Taxes Remitted			\$8,077

However, the total expense charged to the City by the Landlord will be reduced by \$19,477 per annum, and the revenue collected by the City from the Subtenant will be reduced by the equivalent \$19,477 per annum, maintaining a net 0 financial impact from the approval of this staff report. The financial impact would be the same if all three option years are exercised.

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

A Delegated Approval Form dated September 16, 2022, authorized City staff to enter into a 1-year lease extension agreement, including three renewal options for 1 year each, with Ridgevest Developments Limited for 1,880 square feet of space to be used by South Asian Women’s Centre inside Suite 101 at 800 Lansdowne Avenue in Ward 9 – Davenport. A copy of this form can be accessed at: [Delegated Approval Form \(DAF 2022-210\) - 800 Lansdowne Avenue, Suite 101](#)

A Delegated Approval Form dated September 16, 2022, authorized City staff to enter into a 1-year sublease extension agreement, including three renewal options for 1 year each, with South Asian Women’s Centre for 1,880 square feet of space to be used for the provision of non-profit community and social services inside Suite 101 at 800 Lansdowne Avenue in Ward 9 – Davenport. A copy of this form can be accessed at: [Delegated Approval Form \(DAF 2022-211\) - 800 Lansdowne Avenue, Suite 101](#)

COMMENTS

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 Subtenant is a voluntary non-profit women's organization run by and for South Asian women, as well as other poor and marginalized communities. The purpose is to increase women's awareness of themselves and assist them to develop their full potential by increasing their economic, social and political standing in society.

Though the Subtenant is a non-profit organization, the agreement they are entering is not aligned with the Community Space Tenancy policy due to the fact that this is not a below market rent lease. The Landlord is charging the City rent, which the City is collecting from the Subtenant and therefore the lease and sublease are considered standard commercial agreements. The City is facilitating this arrangement between Landlord and Subtenant to help maintain the social services that are needed in this community at an affordable market rental rate, with the additional support of the property tax exemption.

The property tax exemption on the space leased by the City of Toronto and subleased to South Asian Women's Centre 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 social and health services as eligible municipal capital facilities for the purpose of section 252.

Upon the passing of this By-law, authorizing the municipal capital facility and the property tax exemption, 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