

## **2900 Warden Avenue - Designation of a Portion of the Property used by the Toronto Public Library as a Municipal Capital Facility**

**Date:** November 14, 2023

**To:** General Government Committee

**From:** Controller

**Wards:** Ward 22 - Scarborough - Agincourt

### **SUMMARY**

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This report seeks City Council's authority for the adoption of the necessary by-law to designate a portion of the property owned by 2366829 Ontario Limited leased to the City of Toronto on behalf of Toronto Public Library, Bridlewood Branch 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 for Unit 230 which is approximately 19,425 square feet at 2900 Warden Avenue.

A new Municipal Capital Facility agreement is required as the Bridlewood Branch Library will be relocating from their existing space of approximately 8,000 square feet at Bridlewood Mall into a new expanded space within the mall at 2900 Warden Avenue. The current Municipal Capital Facility agreement will expire with the existing lease on August 31, 2024.

### **RECOMMENDATIONS**

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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 Bridlewood Mall Management Inc., the landlord, which will lease approximately 19,425 square feet at 2900 Warden Avenue (the "Leased Premises") to the City of Toronto, used for public libraries; and
  - b. exempt the Leased Premises from taxation for municipal and school purposes, with the tax exemption being effective from the latest of:

the commencement date of the lease;  
the date the Municipal Capital Facility Agreement is entered into; and  
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**

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The Toronto Public Library, Bridlewood Branch currently has a Municipal Capital Facility agreement in a location at 2900 Warden Avenue. This agreement provides an exemption for 8,000 square feet representing an estimated \$39,057 of annual property taxes that is not collected by the City. This agreement will be terminated when the lease expires on August 31, 2024, and the exemption will no longer apply.

The annual property taxes on 19,425 square feet of space (currently taxable) to be occupied by the Toronto Public Library, Bridlewood Branch are estimated at \$94,728, comprised of a municipal portion of \$56,310 and a provincial education portion of \$38,418, based on 2023 Current Value Assessment and 2023 tax rates. A new agreement in the expanded space will create an additional 11,425 square feet of space to be exempted from property taxes. Table 1 below summarizes the further financial impact of exempting the newly leased space, in addition to the currently leased space that was previously made exempt as a municipal capital facility.

Table 1: Property Taxes for Bridlewood Library Branch – 2900 Warden Avenue

	Square Footage	Estimated Annual Property Taxes
Current Space (currently exempt as MCF)	8,000	\$39,057
New Space (to be exempted)	19,425	\$94,728
Net New Tax Exemption	11,425	\$55,671

As shown in Table 2 below, providing a property tax exemption for 19,425 square feet at 2900 Warden Ave will result in a net annual reduction in property tax revenue to the City of approximately \$56,310, representing the municipal portion of taxes that is currently payable that will no longer be collected once the Leased Premises are designated as a Municipal Capital Facility. The provincial education portion of the property taxes of \$38,418 will no longer be required to be remitted to the Province once the exemption for the Leased Premises takes effect.

Table 2: Financial Implication of Property Tax Exemption - 2900 Warden Avenue

Location	Municipal Taxes	Education Taxes	Total Property Taxes
2900 Warden Avenue – 1901-10-4-185-00100	\$56,310	\$38,418	\$94,728
Total Amounts Payable if Exempt	\$0	\$0	\$0
Reduction in Municipal Tax Revenues			\$56,310
Reduction in Education Taxes Remitted			\$38,418

As the City currently funds the Toronto Public Library the cost of rent (which normally excludes property taxes as a result of Municipal Capital Facility agreement) on the existing leased space through an annual budget allocation, there is no net impact on the Toronto Public Library 2023 Budget resulting from Municipal Capital Facility exemption for the new space to be leased. The savings from the designation as a Municipal Capital Facility for the location identified in Table 1 above have been accounted for and included in the 2023 Council Approved Operating Budget for the Toronto Public Library.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

## **DECISION HISTORY**

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At its meeting on June 8 and 9, 2021, City Council adopted the General Government and Licensing Committee report GL.23.4 - Toronto Public Library - Lease Agreement at 2900 Warden Avenue, which authorized the Executive Director, Corporate Real Estate Management, to enter into a Letter of Intent and a sublease agreement, with Bridlewood Mall Management for use by the Toronto Public Library of the 20,000 square feet of space municipally known as Unit 230, 2900 Warden Avenue for a twenty year term. The staff report can be accessed at:

[Toronto Public Library - Lease Agreement at 2900 Warden Avenue](#)

At its meeting on August 25, 26 and 27, 2010, City Council adopted Member Motion MM52.15, "Bridlewood Library Capital Project and Lease", which authorized the City to enter into a municipal capital facility agreement and exempt additionally leased space of 8,000 square feet at 2900 Warden Avenue. The Member Motion can be accessed at:

[Bridlewood Library Capital Project and Lease](#)

At its meeting on August 25, 26 and 27, 2010, City Council adopted By-law No. 1143-2010 to authorize entering into an agreement for the provision of a municipal capital facility at 2900 Warden Avenue for the Bridlewood Branch Library. This by-law exempted 8,000 square feet of space and can be accessed at:

[City of Toronto By-Law 1143-2010](#)

## **COMMENTS**

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Bridlewood Mall Management Inc. the real estate management company for Bridlewood Mall, approached the Toronto Public Library in late 2019 to discuss relocating and expanding the Bridlewood branch. The move to the larger space within the mall achieves the Service Delivery Standard size for a neighbourhood branch at 15,000-20,000 square feet. The new space, at 19,425 square feet, achieves this standard and will result in significantly improved library service for the community as the current library is well below the minimum branch size, despite being the third busiest neighbourhood branch. The current lease for the 8,000 square feet expires on October 31, 2030 but will be terminated without penalty effective the date the new location opens to the public. The move to the larger premises is supported by the Facilities Master Plan, which is approved by the Toronto Public Library Board.

### **Municipal Capital Facility Designation**

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 the landlord or tenant for the provision of the municipal capital facility.

Ontario Regulation 598/06 prescribes public libraries as eligible for the purpose of section 252.

Upon the passing of the by-law authorizing the agreement and the tax exemption, the City Clerk must give written notice of the by-law to the Minister of Finance, the Municipal Property Assessment Corporation and the Secretary of any affected school board(s).

## **CONTACT**

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## **SIGNATURE**

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Andrew Flynn  
Controller

Pat Matozzo  
Executive Director