

TORONTO ISLAND
COMMUNITY ASSOCIATION

102 Lakeshore Avenue Ward's Island Toronto Ontario M5J 1X8

Feb 28, 2024

*To: City of Toronto Executive Committee Members
c/o Cathrine Regan Committee Administrator, Executive Committee*

Re: MM14.4 – Motion by Councillor Jon Burnside before City Council February 6, 2024 (Item EX12.6-to come before Executive Council February 29, 2024)

Dear Executive Committee Members:

The above-captioned motion seeks a report “on the feasibility of applying Area Rating to the residential property tax rate for Toronto Island residential properties”.

Our understanding is that “Area Rating”, if applied as proposed, would result in Island homeowners paying realty tax at a mill rate greater than that which currently applies uniformly to them and all other homeowners in the City of Toronto.

According to the “Summary” in the Notice of Motion, Island homeowners “are not paying their fair share” of municipal taxes because:

1. “The cost of providing municipal services there is approximately three times the cost for the rest of the City”, and
2. “Home ownership on Toronto Island is different from the rest of the City. Residents own the house but not the land it sits on, which is leased from the City. Consequently, residential property taxes are extremely low as they are based solely on the house value, not the land and house value like the rest of the Toronto.”

With respect, the foregoing is not accurate.

1. In respect to the assertion that “the cost of providing municipal services [to the Island community] is approximately three times the cost for the rest of the City”, we note:

a. The only municipal service unique to the Toronto Islands is the public Island Ferry Service which serves the year-round public Toronto Island Park and beaches at Ward’s Island, Centre Island and Hanlan’s Point. Far from operating for the sole benefit of Island residents (assuming that is what is being suggested), the ferry service provides necessary access to the Islands for:

- i. All Toronto residents, their guests and tourists visiting the Toronto Island Park, and other Island facilities;

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- ii. Students, teachers, administrators and staff at the TDSB's Island Public and Natural Science School (the majority of whose students live on the mainland);
- iii. Employees of the Island Water Treatment Plant, which produces approximately 20% of Toronto's drinking water (about 440 million litres each day) and cold, treated water passing through a heat exchanging system, which enables Enwave to cool buildings in the downtown core (Enwave Deep Lake Water Cooling (DLWC) cools two University Health Network (UHN) facilities, Toronto General Hospital and the TRI-University Centre as part of its portfolio, with plans to add more).
- iv. Members, guests and employees of the several yacht clubs, sailing clubs, canoe club and marina on the Islands;
- v. Owners, customers and employees of the several restaurants located on the Islands;
- vi. Families visiting the Centreville Amusement Park, and its employees;
- vii. Artscape Gibraltar Point (providing an artists' residential facility in the former Island Public/Natural Science School building);
- viii. Organizers and participants in various events taking place each year on the Islands, including dragon boat races and other aquatic competitions, concerts, disc golf tournaments, Terry Fox (and other) runs etc.;
- ix. City of Toronto Parks and other municipal employees providing landscaping, road maintenance, public washroom and other municipal facility maintenance, and bicycle and boat rental services;
- x. Toronto Island SUP (providing popular stand-up paddle-board and kayak rentals and lessons);
- xi. Toronto Hydro;
- xii. Police, fire and Emergency Medical Services;
- xiii. Sanitation services;¹
- xiv. Toronto Regional Conservation Authority;
- xv. Trades providing services to the various facilities noted above.

All of the foregoing users rely entirely, or to some degree, on the Island Ferry Service, which would therefore have to be maintained to provide access to the

¹ A visit to the Toronto Islands ranks #1 on TripAdvisor's "Things to do" when visiting Toronto.

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Toronto Island Park and the facilities noted even if the residential community were not there.

Certainly, the residents are also regular users of the ferry service; for which they pay the same fares as the rest of the public and thereby contribute to defraying the costs of its necessary operations.

All other municipal services provided to the Island community are the same as those provided to all Toronto neighbourhoods. Every Toronto neighbourhood has unique characteristics which might affect the local costs of various municipal services. That is not the basis upon which mill rates are, or should be, set or applied.

2. Island homeowners are taxed on the value of the homes they own and the leasehold interest in the underlying land, all of which is taken into account in setting the assessed value which, like homes everywhere, is the market value.

Unique to the Island is the fact that the “market” value—i.e., the amount paid to an owner on sale—is fixed by provincial regulation and is indeed lower than market values for comparable properties elsewhere in the City. This was established by statute in order to avoid windfall profits for residents who sell their homes.

Average assessed values may also be lower as a result of the relatively modest nature of most Island homes; almost all of which are wooden structures without basements and many of which are small.

Contrary to the information in the Motion “Summary”, the underlying lands are owned by the Province of Ontario (not the City) and are leased by the Province to the statutory Toronto Island Residential Community Trust (“the Trust”), which in turn leases lots to individual homeowners in accordance with the statute.

The Island community is not an “exclusive enclave” as stated in the “Summary”. Unlike other Toronto homeowners, Island homeowners cannot sell to whomever they wish, but only to a spouse, child or the Trust. The Trust is then required to sell to the next person on the “Purchasers List” at the prescribed price. By statute, any person may apply to be added to that List. In this respect, the Island community is less “exclusive” than other neighbourhoods where sellers may choose their purchaser on whatever criteria they wish (usually, but not necessarily, the highest bidder).

By the terms of TICA’s Constitution, all residents of the Toronto Islands are members of TICA and, if at least 16 years of age, eligible to vote at its meetings.

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Yours truly,

A handwritten signature in black ink, appearing to read 'Tony Farebrother', written in a cursive style.

Tony Farebrother
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