

Councillors' Constituency Offices - Designation of Portions of Properties used as Municipal Capital Facilities

Date: November 20, 2025

To: General Government Committee

From: Executive Director, Finance Shared Services and Executive Director, Corporate Real Estate Management

Wards: Ward 11 - University-Rosedale, Ward 25 - Scarborough-Rouge Park

SUMMARY

This report seeks Council's authority for the adoption of the necessary by-laws to designate portions of two properties leased by the City of Toronto for use as City Councillor's constituency offices as Municipal Capital Facilities and to provide exemptions for municipal taxes and education taxes. The Municipal Capital Facility Agreements authorized by the by-laws will provide tax exemptions for approximately 1,896 square feet in total of combined space. The two properties and their respective square footage are provided below. The two properties are eligible to be deemed as Municipal Capital Facilities as they serve as facilities used by City Councillors.

- 622 College Street, Ward 11, 582 square feet
- 215 Morrish Road, Ward 25, 1,314 square feet

RECOMMENDATIONS

The Executive Director, Finance Shared Services and Executive Director, Corporate Real Estate Management recommends that:

1. City Council pass by-laws pursuant to Section 252 of the City of Toronto Act, 2006, providing authority to:
 - a. enter into Municipal Capital Facility Agreements with the landlords of each of the two properties with whom the City has a lease on behalf of the City Councillors (the "Leased Premises"), with respect to approximately 1,896 square feet of combined space, for the purposes of providing municipal capital facilities related to the provision of facilities used by City Councillors located at:

622 College Street (Ward 11)
215 Morrish Road (Ward 25)

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 annual property taxes on the 1,896 square feet of combined space (currently taxable) leased by the City of Toronto and used as City Councillors' constituency offices are estimated at approximately \$13,185, comprised of a municipal portion of \$8,086 and a provincial education portion of \$5,099, based on 2025 Current Value Assessment (CVA) and 2025 tax rates.

As shown in Table 1 below, providing property tax exemptions for the 1,896 square feet of combined space at 622 College Street and 215 Morrish Road would result in a net annual reduction in property tax revenue to the City of approximately \$8,086, representing the municipal portion of taxes that is currently payable that will no longer be collected once the Leased Premises are designated as Municipal Capital Facilities. The provincial education portion of property taxes of \$5,099 will no longer be required to be remitted to the Province once the exemptions for the Leased Premises takes effect.

Table 1: Annual Financial Implication of Property Tax Exemption - 622 College Street, 215 Morrish Road

Location	Municipal Taxes	Education Taxes	Total Property Taxes
622 College Street 1904-04-4-070-14750	\$3,673	\$2,316	\$5,989
215 Morrish Road 1901-09-4-130-04601	\$4,413	\$2,783	\$7,196
Total Amounts Payable if Taxable (Annual)	\$8,086	\$5,099	\$13,185
Total Amounts Payable if Exempt	\$0	\$0	\$0
Reduction in Municipal Tax Revenues			\$8,086
Reduction in Education Taxes Remitted			\$5,099

As the City currently funds the Councillors' constituency office cost of rent (which includes property taxes) on any leased space as an eligible constituency office expense, there is no net financial impact on the municipal portion of taxes from the Municipal Capital Facility exemption, as the decrease in municipal tax revenue is offset by a corresponding reduction in the actual lease expenditure to be incurred for City Council. There is a net annual savings on the education portion of property taxes of \$5,099 as the City will no longer be required to remit this portion of the property taxes to the Province.

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

DECISION HISTORY

A Delegated Approval Form dated February 26, 2025, was approved allowing five years and 10 months lease between the City and Highland Creek Plaza Inc., for 1,314 square feet of space to be used as a Councillor's constituency office at 215 Morrish Road in Ward 25 - Scarborough-Rouge Park. A copy of this form can be accessed at:

[Delegated Approval Form – 215 Morrish Road](#)

A Delegated Approval Form dated August 6, 2025, was approved allowing five years and 10 months lease between the City and Radio 1540 Limited., for 582 square feet of space to be used as a Councillor's constituency office at 622 College Street in Ward 11 - University-Rosedale. A copy of this form can be accessed at:

[Delegated Approval Form – 622 College Street](#)

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 the landlord or tenant for the provision of the Municipal Capital Facility.

The spaces occupied by City Councillors for constituency offices at 622 College Street and 215 Morrish Road are normally subject to taxation at commercial rates. Designating the properties leased by the City of Toronto as Municipal Capital Facilities and providing an exemption from taxes will reduce the monthly rental amount paid by the City for the Councillors' offices.

The property tax exemptions on the spaces leased by the City of Toronto and used as City Councillors constituency offices 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 the

general administration of the City as eligible municipal capital facilities 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).

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