

1029 King Street West Unit 23 - Designation of a Portion of the Property Used by West Neighbourhood House as a Municipal Capital Facility

Date: April 24, 2026
To: General Government Committee
From: Chief Financial Officer and Treasurer
Wards: Ward 10 - Spadina-Fort York

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 the City of Toronto and subleased to West Neighbourhood House as a Municipal Capital Facility, and to provide an exemption from municipal taxes and education taxes. The Municipal Capital Facility agreement authorized by the By-law will provide a property tax exemption for approximately 5,005 square feet of space at 1029 King Street West, Unit 23, that is leased to West Neighbourhood House.

West Neighbourhood House is a registered charity offering a broad range of community-based social service programs for individuals of all ages and backgrounds, supporting families and residents in addressing personal challenges and creating opportunities for personal growth. The space is used as a community space providing pre-school family drop-in programs and programs for adults at different stages of life, addressing issues such as homelessness and housing affordability, employment services, poverty, inequity, mental and physical health, and other community needs.

RECOMMENDATIONS

The Chief Financial Officer and Treasurer 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 the City of Toronto, which leases approximately 5,005 square feet of space at 1029 King Street West, Unit 23 (the "Leased Premises") to West Neighbourhood House, 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:

- (i) the commencement date of the Lease,
- (ii) the date the Municipal Capital Facility Agreement is entered into, and
- (iii) the date the Tax Exemption By-law is enacted.

2. City Council pass a resolution that the Municipal Capital Facility referenced in Recommendation 1 is for the purposes of the City of Toronto and is for public use.

3. 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 5,005 square feet of space (currently taxable) owned by the City of Toronto and leased to West Neighbourhood House at Unit 23, 1029 King Street West are estimated at approximately \$55,089, comprised of a municipal portion of \$33,785 and a provincial education portion of \$21,305, based on the 2025 Current Value Assessment (CVA) and 2025 tax rates.

As shown in Table 1 below, providing a property tax exemption for the 5,005 square feet of space at 1029 King Street West, Unit 23 will result in a net annual reduction in property tax revenue to the City of approximately \$33,785 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 \$21,305 will no longer be required to be remitted to the Province once the exemption for the Leased Premises takes effect.

Table 1: Financial Implication of Property Tax Exemption – 1029 King Street West Unit 23

Location	Municipal Taxes	Education Taxes	Total Property Taxes
1029 King Street West, Unit 23 1904-04-1-254-00123	\$33,785	\$21,305	\$55,089
Total Amounts Payable if Exempt	\$0	\$0	\$0
Reduction in Municipal Tax Revenues			\$33,785
Reduction in Education Taxes Remitted			\$21,305

DECISION HISTORY

A Delegated Approval Form dated January 9, 2026, authorized City staff to enter into a 5-year lease agreement between the City and West Neighbourhood House for 5,005 square feet of space at 1029 King Street West, Unit 23 in Ward 10 - Spadina-Fort York. A copy of this form can be accessed at:

[Delegated Approval Form \(DAF 2026-022\)](#) - 1029 King Street West, Unit 23

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 property tax exemption on the space owned by the City of Toronto and leased to West Neighbourhood House 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

Stephen Conforti
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