

MOTION WITHOUT NOTICE

Supporting Interim Uses on Vacant Development Sites

Moved by: Councillor Matlow _____

Seconded by: Councillor Moise _____

SUMMARY:

Across Toronto, a growing number of approved development sites are sitting idle as the condominium market stalls, with many remaining vacant for years on end. Vacant properties diminish the vibrancy of our main streets, reduce the sense of safety in neighbourhoods, and provide no economic benefit to the city.

Interim uses including community-oriented activations such as public courts, markets, and pop-up programming, offer a practical and effective solution. Where they have been implemented, they have demonstrated significant benefits by animating main streets, improving safety, and supporting economic activity.

However, a critical policy gap penalizes these interim uses. When a vacant development site is activated through a new interim use, the Province's Municipal Property Assessment Corporation (MPAC), may reclassify the property from its prior residential or industrial classification to a commercial one. This reclassification then triggers a substantially higher municipal tax rate.

In Toronto–St. Paul's, the activation of public racket courts on a development site at Yonge and Rosehill, through a partnership between the developer and Fairgrounds, was a major success. However, MPAC recently reclassified the subject site commercial, triggering an unsustainable property tax increase that puts the courts at risk of closure. There are also many other vacant or underutilized sites across the city where property owners are considering interim uses but, because of the financial risks of MPAC reclassification, opt not to proceed.

There is existing Council direction through 2025.MM28.36 to address vacant storefronts, and to report on the feasibility of a tax reduction program for property owners that host pop-ups. This motion builds on this direction, and requests staff to identify solutions to promote the uptake of developers using their lands for interim uses including by analyzing the feasibility of policy tools including Community Improvements Plans as a solution.

This motion also requests urgent action to address the immediate classification issue facing the Yonge and Rosehill site, given the longer timeline and resources required to operationalize programmatic solutions. Accordingly, this motion directs staff to identify a short-term solution, focusing on advocacy to MPAC and the Province, to allow this location to continue operating while a longer-term fix is developed.

RECOMMENDATIONS:

1. City Council direct the General Manager, Economic Development and Culture and the Executive Director, City Planning, in consultation with the Chief Financial Officer and Treasurer, to report back to City Council no later than May 2026 on available short-term options to preserve the continued operation of the public recreational facility currently operating on the vacant development site at Yonge and Rosehill.
2. City Council direct the City Manager to request the Province of Ontario and the Municipal Property Assessment Corporation to address classification issues with development sites in transition, and to immediately review of the commercial reclassification of the property at 1965-1975 Rosehill.
3. City Council direct the General Manager, Economic Development and Culture and the Chief Planner and Executive Director, City Planning, in consultation with the Chief Financial Officer and Treasurer, to report back to the Economic Development Committee no later than the first quarter of 2027 with policy options to support interim, community-oriented uses on vacant development sites in the City of Toronto, including:
 - a. A review of the City of Vaughan's Community Improvement Plan, including its eligibility criteria, financial structure and impacts, and implementation experience, and an assessment of whether Vaughan's approach can be adapted for Toronto;
 - b. An analysis of whether the existing EDGE Community Improvement Plan is an appropriate vehicle for interim use incentives, and if not, the rationale for a new CIP program stream;
 - c. Proposed eligibility criteria, financial impacts, and program governance for a new interim use CIP program stream if staff deem necessary, and an implementation plan and timeline for launch.
4. Request that the General Manager, Economic Development and Culture consult with representatives of the development industry, Business Improvement Areas, community organizations active in interim use programming, and the Municipal Property Assessment Corporation, as appropriate.