



The Corporation of the
City of Sault Ste. Marie

COUNCIL REPORT

April 29, 2025

TO: Mayor Matthew Shoemaker and Members of City Council
AUTHOR: Melanie Borowicz-Sibenik, Assistant City Solicitor/Senior
Litigation Counsel
DEPARTMENT: Legal Department
RE: Municipal Capital Facilities Exemption – 180 Brock Street

Purpose

The purpose of this report is to recommend that Council authorize:

- (a) a Municipal Capital Facilities Agreement between the City and The Incorporated Synod of the Diocese of Algoma (the “Diocese”) for the property located at 180 Brock Street (“Subject Property”); and
- (b) By-law 2025-68 pursuant to Section 110(6) of the *Municipal Act, 2001* and Section 6(1)(b) of *Ontario Regulation 603/06* exempting the Diocese from taxation for municipal and school purposes for the lands and the municipal capital facilities contained thereon.

Background

The Diocese is the owner of the Subject Property and leases same to the Sault Ste. Marie Police Services (“SSMPS”) to operate a Downtown Police Division to service the residents of Sault Ste. Marie.

The Subject Property is presently assessable for tax. The Diocese and SSMPS have requested that the City enter into a Municipal Capital Facilities Agreement with the Diocese to provide relief from taxes for 180 Brock Street as permitted in the *Municipal Act, 2001* and *Ontario Reg. 603/06*.

Analysis

Pursuant to Section 110(6) of the *Municipal Act, 2001*, a municipality may exempt from all or part of the taxes levied for municipal and school purposes, land or a portion of it when there is a “municipal capital facility” on the land, if the following conditions are met:

- (a) the “Municipal Capital Facility” is subject to a Municipal Capital Facilities Agreement made under Section 110(1) of the *Municipal Act, 2001*;
- (b) the land is owned or leased by a person who has entered an agreement to provide facilities under subsection (1); and

- (c) the land is entirely occupied and used or intended for use for a service or function that may be provided by a municipality.

Section 2 of *Ontario Regulation 603//06* sets out the various classes of “municipal capital facilities” that may receive such exemption. Relevant to this matter is Section 2(1)8 which permits municipalities to enter into such Municipal Capital Facility Agreements for the provision of:

8. Municipal facilities related to policing, fire-fighting and by-law enforcement.

The Subject Property meets these requirements. The City’s Chief Financial Officer and Manager of Taxation support this request. Furthermore, the City’s Municipal Tax Consultant has reviewed the request and confirms that the Subject Property meets the requirements for tax exemption pursuant to the Municipal Capital Facility Agreement process.

The Municipal Capital Facilities Agreement and related By-law are therefore before Council to facilitate the tax exemption sought.

Financial Implications

The Subject Property will not be assessable so long as the SSMPs continues to provide policing for the public at the Subject Property pursuant to its lease with the Diocese.

Strategic Plan / Policy Impact / Climate Impact

Not Applicable.

Recommendation

It is therefore recommended that Council take the following action:

The relevant By-laws 2025-67 and 2025-68 are listed under item 12 of the Agenda and will be read with all by-laws under that item.

Respectfully submitted,

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