



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 – 548 Albert Street
East and 721 Wellington Street East

Purpose

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

- (a) a Municipal Capital Facilities Agreement between the City and the Sault Ste. Marie Housing Corporation (“Housing Corp”) for the property located at 548 Albert Street East (“Subject Property – Administrative Building”); and
- (b) By-law 2025-66 pursuant to Section 110(6) of the *Municipal Act*, 2001 and Section 6(1)(b) of *Ontario Regulation 603/06* exempting the Housing Corp from taxation for municipal and school purposes for the lands and the municipal capital facilities contained thereon at 548 Albert Street East.
- (c) a Municipal Capital Facilities Agreement between the City and the Housing Corp for the property located at 721 Wellington Street East (“Subject Property – Community Resource Centre”); and
- (d) By-law 2025-64 pursuant to Section 110(6) of the *Municipal Act*, 2001 and Section 6(1)(b) of *Ontario Regulation 603/06* exempting the Housing Corp from taxation for municipal and school purposes for the lands and the municipal capital facilities contained thereon at 721 Wellington Street East.

Background

The Housing Corp is the owner of the Subject Property – Administrative Building and leases same to the District of Sault Ste. Marie Social Services Administration Board (“DSSMSSAB”) to operate an Administrative Building to provide various social and health services to the public.

The Housing Corp is also the owner of the Subject Property – Community Resource Centre and leases same to the DSSMSSAB to operate a Community Resource Centre in the City of Sault Ste. Marie.

Both properties, 548 Albert Street East and 721 Wellington Street East (the “Properties”) are presently assessable for tax. The Housing Corp and DSSMSSAB have requested that the City enter into a Municipal Capital Facilities Agreement with the Housing Corp to provide relief from taxes for both properties 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)10 which permits municipalities to enter into such Municipal Capital Facility Agreements for the provision of:

- 10. Municipal facilities related to the provision of social and health services, including *long-term care homes under Part IX of the Fixing Long-Term Care Act, 2021*.

The properties meet 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 both properties meet the requirements for tax exemption pursuant to the Municipal Capital Facility Agreement process.

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

Financial Implications

The Subject Property – Administrative Building will not be assessable so long as DSSMSSAB continues to provide “social and health services” at 548 Albert Street East. Furthermore, the Subject Property – Community Resource Centre will not be assessable so long as DSSMSSAB continues to provide “social and health services” at 721 Wellington Street East.

Strategic Plan / Policy Impact / Climate Impact

Not applicable.

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Recommendation

It is therefore recommended that Council take the following action:

The relevant By-laws 2025-63, 2025-64, 2025-65 and 2025-66 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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