

**4. MUNICIPAL CAPITAL FACILITY AGREEMENT – NEW OC TRANSPO  
LOST AND FOUND LOCATION AT 400 – 412 MCARTHUR AVENUE  
OPERATED BY HEARTWOOD HOUSE**

**ENTENTE RELATIF AUX IMMOBILISATIONS MUNICIPALES – NOUVEL  
EMPLACEMENT DU SERVICE DES OBJETS TROUVÉS D'OC TRANSPO  
AU 400 – 412, AVENUE MCARTHUR, EXPLOITÉ PAR L'ORGANISME  
HEARTWOOD HOUSE**

**COMMITTEE RECOMMENDATIONS**

That Council approve that:

- 1. Pursuant to Section 110 of the *Municipal Act, 2001*, the City of Ottawa enter into a Municipal Capital Facilities Agreement (MCFA) with the Heartwood House organization as provided in Document 1, in relation to the portion of the premises to be utilized for managing and administering the OC Transpo Lost and Found service, where the term of said Agreement is from the date of approval by Council until it ceases to operate and provide the same service to the City of Ottawa under the provisions of the MCFA at that location;**
- 2. A by-law of the City of Ottawa, as provided in Document 2, be enacted to designate the portion of the premises, being occupied for the OC Transpo Lost and Found service, to be approximately 6% exempt from commercial taxation (as per the property's current classification) for municipal and school purposes, as permitted under Section 110 of the *Municipal Act, 2001* and as defined in Ontario Regulation 603/06, commencing from the date of approval by Council until it ceases to operate and provide the same service on behalf of OC Transpo under the provisions of the MCFA at that location; and,**
- 3. The City Clerk and Solicitor be delegated the authority to finalize and execute the Municipal Capital Facilities Agreement as provided in Document 1.**

### RECOMMANDATIONS DU COMITÉ

Que le Conseil approuve :

1. que conformément à l'article 110 de la *Loi sur les municipalités de 2001*, la Ville d'Ottawa conclue un accord relatif aux immobilisations municipales avec l'organisme Heartwood House, tel que décrit dans le Document 1, en relation à la partie des installations qui servira à la gestion et à l'administration du service des objets trouvés d'OC Transpo; la durée prévue de l'entente est à partir de la date d'approbation par le Conseil, ou jusqu'à ce que l'organisme cesse ses activités et ne puisse plus offrir ledit service à la Ville d'Ottawa en vertu des dispositions de l'accord relatif aux immobilisations municipales;
2. qu'un règlement de la Ville d'Ottawa, décrit dans le Document 2, soit adopté afin de désigner la partie des installations qui sera occupée par le service des objets trouvés d'OC Transpo comme représentant environ 6 % des installations, et étant exonérée des impôts commerciaux (selon la classification actuelle de la propriété) prélevés aux fins municipales et scolaires, tel que prévu à l'article 110 de la *Loi de 2001 sur les municipalités* et tel que défini dans le Règlement de l'Ontario 603/06, à compter de la date d'approbation par le Conseil, ou jusqu'à ce que l'organisme cesse ses activités et ne puisse plus offrir le service au nom d'OC Transpo à cette adresse en vertu des dispositions de l'accord relatif aux immobilisations municipales; et
3. que les pouvoirs de finaliser et de signer l'Accord relatif aux immobilisations municipales soient délégués au greffier municipal et chef du contentieux, tel que mentionné dans le Document 1.

### DOCUMENTATION / DOCUMENTATION

1. Marian Simulik, City Treasurer report dated 29 January 2013 (ACS2013-CMR-FIN-0005) / Rapport de la Trésorière Municipale daté du 29 janvier 2013 (ACS2013-CMR-FIN-0005).

Report to/Rapport au :

Finance and Economic Development Committee  
Comité des finances et du développement économique

and Council / et au Conseil

January 29, 2013  
29 janvier 2013

Submitted by/Soumis par : Marian Simulik, City Treasurer/Trésorière Municipale

Contact Person / Personne ressource: Ken Hughes, Deputy City Treasurer, Revenue –  
Trésorier Municipal Adjoint, Recettes, Finance Department/Services des finances  
613-580-2424 ext./poste 13485, Ken. Hughes@ottawa.ca

---

CITY WIDE / À L'ÉCHELLE DE LA VILLE

Ref N°: ACS2013-CMR-FIN-0005

---

**SUBJECT:** MUNICIPAL CAPITAL FACILITY AGREEMENT – NEW OC  
TRANSPO LOST AND FOUND LOCATION AT 400 – 412  
MCARTHUR AVENUE OPERATED BY HEARTWOOD HOUSE

**OBJET :** ENTENTE RELATIF AUX IMMOBILISATIONS MUNICIPALES –  
NOUVEL EMPLACEMENT DU SERVICE DES OBJETS TROUVÉS  
D'OC TRANSPO AU 400 – 412, AVENUE MCARTHUR, EXPLOITÉ  
PAR L'ORGANISME HEARTWOOD HOUSE

**REPORT RECOMMENDATIONS**

That the Finance and Economic Development Committee recommend Council approve that:

1. Pursuant to Section 110 of the *Municipal Act, 2001*, the City of Ottawa enter into a Municipal Capital Facilities Agreement (MCFA) with the Heartwood House organization as provided in Document 1, in relation to the portion of the premises to be utilized for managing and administering the OC Transpo Lost and Found service, where the term of said Agreement is from the date of approval by Council until it ceases to operate and provide the same service to the City of Ottawa under the provisions of the MCFA at that location;
2. A by-law of the City of Ottawa, as provided in Document 2, be enacted to designate the portion of the premises, being occupied for the OC Transpo Lost and Found service, to be approximately 6% exempt from commercial

taxation (as per the property's current classification) for municipal and school purposes, as permitted under Section 110 of the *Municipal Act, 2001* and as defined in Ontario Regulation 603/06, commencing from the date of approval by Council until it ceases to operate and provide the same service on behalf of OC Transpo under the provisions of the MCFA at that location; and,

3. The City Clerk and Solicitor be delegated the authority to finalize and execute the Municipal Capital Facilities Agreement as provided in Document 1.

### **RECOMMANDATIONS DU RAPPORT**

Que le Comité des finances et du développement économique recommande que le Conseil approuve :

1. que conformément à l'article 110 de la *Loi sur les municipalités de 2001*, la Ville d'Ottawa conclue un accord relatif aux immobilisations municipales avec l'organisme Heartwood House, tel que décrit dans le Document 1, en relation à la partie des installations qui servira à la gestion et à l'administration du service des objets trouvés d'OC Transpo; la durée prévue de l'entente est à partir de la date d'approbation par le Conseil, ou jusqu'à ce que l'organisme cesse ses activités et ne puisse plus offrir ledit service à la Ville d'Ottawa en vertu des dispositions de l'accord relatif aux immobilisations municipales;
2. qu'un règlement de la Ville d'Ottawa, décrit dans le Document 2, soit adopté afin de désigner la partie des installations qui sera occupée par le service des objets trouvés d'OC Transpo comme représentant environ 6 % des installations, et étant exonérée des impôts commerciaux (selon la classification actuelle de la propriété) prélevés aux fins municipales et scolaires, tel que prévu à l'article 110 de la *Loi de 2001 sur les municipalités* et tel que défini dans le Règlement de l'Ontario 603/06, à compter de la date d'approbation par le Conseil, ou jusqu'à ce que l'organisme cesse ses activités et ne puisse plus offrir le service au nom d'OC Transpo à cette adresse en vertu des dispositions de l'accord relatif aux immobilisations municipales; et
3. que les pouvoirs de finaliser et de signer l'Accord relatif aux immobilisations municipales soient délégués au greffier municipal et chef du contentieux, tel que mentionné dans le Document 1.

### BACKGROUND

Sections 110(1) and (6) of the *Municipal Act, 2001*, authorize a municipal council to enter into capital facilities agreements with certain types of organizations whereby the organization is exempt from municipal and school taxes in exchange for the provision of services outlined in the agreement. Organizations mandated to offer a service to the public that would have otherwise been managed and administered instead by the municipality may enter into such agreements with a municipality.

### DISCUSSION

For many years up until the Fall of 2012, Heartwood House has provided the essential Lost and Found service on behalf of OC Transpo within its previous location at 153 Chapel Street. During this period of time, no property taxes were required to be paid by Heartwood House with regards to the space used for this service, given the entire property at 153 Chapel Street was already classified as fully exempt from taxation. Heartwood House has now relocated the Lost and Found service to its newly acquired premises located at 400 to 412 McArthur Avenue. This new location is subject to taxation, necessitating the need for a MCFA to mitigate costs incurred by Heartwood House in the continuation of this valuable service to the public. Currently Heartwood House receives compensation from the City to cover strictly all operating costs tied to this service. With the help of Heartwood staff, volunteers selected primarily from Heartwood Member Group programs learn valuable employment skills in the delivery of this service. Each year, over 30,000 items are received at the Lost and Found, of which approximately 26% of all lost items are returned to their rightful owners.

### RURAL IMPLICATIONS

There are no rural implications associated with the recommendations.

### CONSULTATION

The staff of the Revenue Branch consulted with the City Clerk and Solicitor Department and Legal Services Branch.

### COMMENTS BY THE WARD COUNCILLOR(S)

No comments by the Ward Councillors were required.

### LEGAL IMPLICATIONS

There are no legal impediments associated with the recommendations in this report. Subsections 110(1) and 110(6) of the *Municipal Act, 2001*, together with section 2(1)(5) of Regulation 603/06 as amended, authorize the City to enter into a municipal capital facilities agreement with Heartwood House to exempt the specified portions of the premises from municipal and school taxes. The municipal facilities are related to the provision of transit and transportation services, which is an eligible class of municipal capital facilities, as described in section 2(1)(5) the Regulation.

**RISK MANAGEMENT IMPLICATIONS**

There are no known risk implications.

**FINANCIAL IMPLICATIONS**

The roughly 6% commercial tax relief on the land at 400 to 412 McArthur Avenue will amount to approximately \$2,490.00 annually, of which \$1,411.08 would be for City purposes and \$1,078.92 for education purposes, which is based upon the 2012 current value assessment (CVA) for the commercial component of the property and commercial tax rate. No tax relief will be granted in relation to the portion of the property assessed under the multi-residential tax class. The Municipal Property Assessment Corporation (MPAC) has yet to re-inspect the property as a result of the varied new uses of the property by the new ownership group (a mix of charitable and religious organizations). The annual tax relief amount going forward will be based on the effective portion of the relevant annual CVA and applicable tax rate.

**ACCESSIBILITY IMPACTS**

There are no accessibility impacts.

**ENVIRONMENTAL IMPLICATIONS**

There are no environmental implications.

**TECHNOLOGY IMPLICATIONS**

There are no technology implications associated with this report.

**TERM OF COUNCIL PRIORITIES**

This report has no direct impact on Council priorities going forward.

**SUPPORTING DOCUMENTATION**

Document 1 – Municipal Capital Facilities Agreement  
Document 2 – Municipal Capital Facilities By-law

**DISPOSITION**

By-law and Regulatory Services, in consultation with the Legal Services Branch, so as to finalize the MCFA and to process the by-law for enactment.  
City Clerk to notify MPAC.