

Appendix A

Options for Encouraging Development of the Daycare Sector

Tool		Cost (Municipal Tax Revenue)	Benefits	Risks
1	Status Quo	No cost	<ul style="list-style-type: none"> • Does not interfere with mandates of other levels of government. • No additional costs or changes to current processes. 	<ul style="list-style-type: none"> • Child Care Centres would not receive a tax exemption.
2	Create a new policy	Unknown	<ul style="list-style-type: none"> • Could provide benefit to all licensed daycare centres. • Could lessen inequality between centres in and out of schools or properties otherwise exempt. • Application required, less administrative burden to identify properties. • Allows for specific objectives to be set, such as target areas. • Transparent approach to providing support for daycares. 	<ul style="list-style-type: none"> • Could take time to develop. • Would require additional funding and administrative resources to administer. • Council objectives may not align with provincial or federal objectives. • Cannot fully control how centres use the incentive. • Cost is unknown
3	Create a Subclass for owned and operated licensed, non-profit daycare centres.	No Cost Municipal tax burden of \$25,000 is shifted from licensed non-profit daycare centres to other properties in the commercial class.	<ul style="list-style-type: none"> • Would provide the benefit directly to owned and operated daycare centres. • Municipal Tax rates for commercial centres and home-based daycares are the same. 	<ul style="list-style-type: none"> • Does not address the inequality issue with daycares operating in schools being fully exempt. • Creates inequality between owned and leased daycares, as not applicable to leased properties. • Administratively taxing to identify properties. • Does not apply to education taxes. • Cannot control how centres use the incentive. • Is not transparent, properties included in the subclass are not publicly reported.

	Tool	Cost (Municipal Tax Revenue)	Benefits	Risks
4	Add licensed, non-profit daycare centres to the <i>Community non-profit tax incentive policy</i> .	<p>If the cap is not increased, no additional cost to the City.</p> <p>If cap is increased to allow additional room for daycare centres, cost is not known.</p>	<ul style="list-style-type: none"> • Would impact all licensed daycare centres (including leases). • Creates more equality between centres in and out of schools or properties otherwise exempt. • Application required, less administrative burden to identify properties. • Transparent approach to providing support for daycares. 	<ul style="list-style-type: none"> • Cost is unknown • Creates inequality between daycare centres and home-based daycares paying residential taxes. • If the cap is increased, will cost tax payers more. • If cap is not increased funding is divided across more properties, increasing the likeliness of the cap being exceeded and some properties becoming partially taxable. • Cannot control how centres use the incentive.