

## **Supplementary Report - TTC Occupied Properties - Designation of a Portion of the Premises as a Municipal Capital Facility**

**Date:** May 15, 2017

**To:** City Council

**From:** Treasurer

**Wards:** Wards 5 - Etobicoke-Lakeshore, 8 - York-West, 15 - Eglinton-Lawrence, 22 - St. Paul's, 23 - Willowdale, 27 - Toronto Centre-Rosedale, 28 - Toronto Centre-Rosedale, 30 - Toronto-Danforth, 34 - Don Valley East

### **SUMMARY**

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At its meeting of May 1, 2017, the Government Management Committee adopted a report entitled "TTC Occupied Properties - Designation of a Portion of the Premises as a Municipal Capital Facility" authorizing municipal capital facility exemptions for 16 properties occupied by the Toronto Transit Commission (TTC). This report contained an error in the financial impact.

This supplementary report provides the corrected financial impact. The correct net savings due to the municipal capital facility exemptions for the 16 TTC occupied properties is \$1,373,799, rather than the earlier reported total savings of \$3,781,015. The error was the result of an incorrect tax rate applied to a single property (21 Don Roadway).

### **RECOMMENDATIONS**

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The Treasurer recommends that:

1. City Council receive this report for information.

### **FINANCIAL IMPACT**

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In the original staff report dated April 3, 2017, the Financial Impact section of the report stated that providing a property tax exemption for the 16 TTC-occupied properties (543,312 square feet of total space) would result in net savings to the City of approximately \$3,781,015 as shown in Table 1 below.

**Table 1****Original - Net Savings due to Property Tax Exemption – TTC Occupied Properties**

	Municipal Taxes	+ Education Taxes	= Total Budget Requirement for Property Taxes
Amounts Payable if Taxable (annual)	\$4,462,511	\$3,781,015	\$8,243,526
Amounts Payable if Exempt	\$0	\$0	\$0
Gross Savings due to Exemption:			\$8,243,526
Less Reduction in Municipal Tax Revenues:			-\$4,462,511
Total Net Savings (annual):			\$3,781,015

It was later discovered that an incorrect tax rate (incorrectly placed decimal) had been used to calculate the property tax figures for 21 Don Roadway (21 Don Valley Parkway). The total net savings for this property were identified in Attachment 1 to the original report as \$2,674,685 - in fact, the correct total net savings for this property are \$267,469 (one-tenth of the originally reported amount). Once corrected, the total net savings to the City for all 16 properties was determined to be \$1,373,799 (as shown corrected in Table 2 below), rather than \$3,781,015 as originally reported.

**Table 2****Corrected - Net Savings due to Property Tax Exemption – TTC Occupied Properties**

	Municipal Taxes	+ Education Taxes	= Total Budget Requirement for Property Taxes
Amounts Payable if Taxable (annual)	\$1,674,048	\$1,373,799	\$3,047,847
Amounts Payable if Exempt	\$0	\$0	\$0
Gross Savings due to Exemption:			\$3,047,847
Less Reduction in Municipal Tax Revenues:			-\$1,674,048
Total Net Savings (annual):			\$1,373,799

Attachment 1 to this report provides the original and corrected figures for the net savings due to the property tax exemption for 21 Don Roadway (21 Don Valley Parkway).

The Deputy City Manager & Chief Financial Officer has reviewed this report and agrees with the financial impact information.

**DECISION HISTORY**

At its May 1, 2017 meeting, the Government Management Committee adopted item GM20.3: "TTC Occupied Properties - Designation of a Portion of the Premises as a

Municipal Capital Facility," authorizing municipal capital facility exemptions for 16 properties occupied by the Toronto Transit Commission (TTC).

A copy of the report and decision can be accessed at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.GM20.3>

## **COMMENTS**

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An error in the tax rate used to calculate the property tax savings for 21 Don Roadway (21 Don Valley Parkway) resulted in the total net savings due to the municipal capital facility exemption being overstated. The correct total net savings to the City for all 16 TTC-occupied properties is \$1,373,799, as shown in Table 2, rather than \$3,781,015 as originally reported. Attachment 1 to this report provides the original and corrected net savings for the property at 21 Don Roadway.

## **CONTACT**

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## **SIGNATURE**

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Mike St. Amant  
Treasurer

## **ATTACHMENTS**

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Attachment 1: Original and Corrected Property Tax Savings for 21 Don Roadway (21 Don Valley Parkway)

# Attachment 1: Original and Corrected Property Tax Savings for 21 Don Roadway (21 Don Valley Parkway)

## Original - Net Savings due to Property Tax Exemption – 21 Don Roadway (21 Don Valley Parkway)

	Municipal Taxes	+ Education Taxes	= Total Budget Requirement for Property Taxes
Amounts Payable if Taxable (annual)	\$3,098,292	\$2,674,685	\$5,772,977
Amounts Payable if Exempt	\$0	\$0	\$0
Gross Savings due to Exemption:			\$5,772,977
Less Reduction in Municipal Tax Revenues:			-\$3,098,292
Total Net Savings (annual):			\$2,674,685

## Corrected - Net Savings due to Property Tax Exemption – 21 Don Roadway (21 Don Valley Parkway)

	Municipal Taxes	+ Education Taxes	= Total Budget Requirement for Property Taxes
Amounts Payable if Taxable (annual)	\$309,829	\$267,469	\$577,298
Amounts Payable if Exempt	\$0	\$0	\$0
Gross Savings due to Exemption:			\$577,298
Less Reduction in Municipal Tax Revenues:			-\$309,829
Total Net Savings (annual):			\$267,469