ATTACHMENT 1: Recommended Commercial Parking Levy Design

Key Concepts for the Purposes of the Commercial Parking Levy

Parking Area is the total square metres of designated off-street parking space or facility on an Applicable Property, whether on the surface, underground, or within a structure, that is intended for use for the parking of vehicles. This includes, but is not limited to, surface parking lots, parking garages, and underground parking facilities, and excludes areas directly associated with business operations, including:

a. Bus layovers and garaging spaces for fleet vehicles
b. Storage of dealer inventory
c. Storage of motor vehicle inventory of vehicle rental companies
d. Storage of trailers for tractor-trailer units
e. Storage of seized or impounded motor vehicles
f. Service bays and buffer zone of 4 metres at service stations, garages or similar businesses used for the maintenance or repair of motor vehicles
g. Fuel bays and buffer zone of 4 metres at gas stations
h. Storage or temporary parking of motor vehicles for servicing, maintenance, repair, sale, or rental of motor vehicle businesses
i. Parking of motor vehicles waiting to be loaded onto a ferry

Applicable Properties are those classified under one or more of the following commercial property tax classifications:

- Commercial Properties – full taxable
- Office Buildings – full taxable
- Shopping Centres – full taxable
- Professional Sports Facilities – full taxable
- Parking Lots – full taxable

In addition, applicable properties include revenue-generating parking areas owned or operated by the City or its agencies, including Toronto Parking Authority and Toronto Transit Commission facilities.

Exemptions

Statutory Exemptions Under Section 268 of the City of Toronto Act

The City is not authorized to impose taxes on any of the following:

- All Federal and Provincial Agencies
- District school boards and school authorities

- Universities in Ontario, Colleges of Applied Arts and Technology, and post-secondary institutions in Ontario
- Public and private hospitals
- Licensed long-term care homes

Statutory Exemptions Under Section 3 of the Assessment Act

The following are exempt from property taxation, and will similarly be exempt from the Commercial Parking Levy:

- Cemeteries, burial sites
- Religious or municipal cemetery land
- Crematoriums
- Places of worship
- Childcare centres
- Non-profit philanthropic, religious, or educational seminaries of learning
- Children's treatment centres
- Non-profit hospices
- Highways / Toll highways
- Municipally-owned properties, with the exception of identified revenue-generating parking areas owned or operated by the City or its agencies
- Boy Scouts and Girl Guides
- Houses of refuge
- Charitable institutions
- Children's aid societies
- Scientific or literary institutions
- Battle sites
- Royal Canadian Legion
- Exhibition buildings of companies
- Amusement rides
- Conservation lands
- Small theatres / Large non-profit theatres
- Hydro-electric generating stations
- Recreational land owned by religious organization

Mixed-use properties that combine commercial use with another property class other than commercial, such as residential or industrial, will not be subject to the levy.

Qualified Site Area is the total portion of the Parking Area, minus 450 square metres, as of January 1 of the taxation year.

Proposed Design Principles

- Apply a commercial off-street parking levy to the entire City of Toronto.
- Include both private and publicly owned or operated commercial properties.
- Include both commercial parking facilities, whether unpaid or fee-paid, including surface parking, underground parking, and parking garages.
- Include identified revenue-generating parking areas owned or operated by the City or its agencies.
- Include a minimum area threshold, which provides an automatic exemption for the first 450 square metres for all properties.
- Apply levy rate reductions to properties classified in the small business subclass as set out in the Tax Levy By-law for the applicable taxation year.
- Apply a two-zone rate structure based on geographic area:
    - Zone A – Downtown and Central Waterfront
    - Zone B – Entire City of Toronto, excluding Zone A.

Application of Levy and Levy Rates

- The commercial parking levy is an annual levy payable by the owner of an Applicable Property within the City of Toronto, unless otherwise exempt from the levy.
- The annual commercial parking levy payable for a taxation year is calculated by multiplying the Qualified Site Area by $12.00 per square metre for properties in Zone A and $6.00 per square metre for properties in Zone B, subject to any applicable small business subclass rate reduction.