



## STAFF REPORT ACTION REQUIRED

### Property Tax Exemption - Municipal Capital Facilities Designation - Multiple Locations

<b>Date:</b>	January 18, 2017
<b>To:</b>	TTC Board
<b>From:</b>	Chief Executive Officer

#### Summary

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The purpose of this report is to seek the Board's approval to apply for municipal capital facility (MCF) designation for the purpose of property tax exemption for multiple TTC occupied properties and premises and future eligible occupied properties and premises as allowed for under the *City of Toronto Act, 2006*.

#### Recommendations

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**It is recommended that the Board:**

1. Authorize staff to proceed with an application for MCF designation for property tax exemption, for TTC occupied properties and premises listed in Attachment 1 (identified locations) and future eligible locations; and
2. Delegate authority to staff to execute all necessary agreements related to the MCF application and designation process in a form satisfactory to TTC's Head of Legal and General Counsel, as necessary, for the identified and future eligible locations.

#### Financial Summary

The proposed property tax exemption would provide the TTC the same treatment afforded to other municipal entities including the Toronto Public Library, Toronto Community Housing Corp, and other various City of Toronto divisions that are performing a City function in leased facilities. The 2016 property taxes for the identified locations are estimated to be approximately \$2.9M. The proposed exemption would also save the City that portion of the taxes that would have gone to the school board, which is estimated to be in the order of \$1.3M.

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

### **Accessibility/Equity Matters**

There are no accessibility or equity issues resulting from this report.

### **Decision History**

With the exception of the required authorizations for the leases, there are no Board decisions on the identified locations reported on herein.

### **Issue Background**

Pursuant to Section 252 of the City of Toronto Act the City of Toronto has the authority to enter into partnerships for the provision of specified MCF designations which enables the locations to be exempt from the payment of property taxes. Ontario Regulation 598/06 pursuant to the City of Toronto Act, 2006 specifies facilities related to the provision of transit systems as eligible for the purpose of Section 252.

### **Comments**

The purpose of this report is to seek the Board's approval to apply for MCF designation for the purpose of property tax exemption for multiple TTC occupied locations, as allowed for under the *City of Toronto Act, 2006*, S.O. 2006, c. 11, Schedule "A", which are listed in Attachment 1 -Identified Locations, and for future locations that may also be eligible.

TTC presently pays property taxes for the identified locations and staff recommends that MCF designation be sought for the identified and future eligible locations.

If approved, the City will act as TTC's agent in both the application for MCF designation and the property tax exemption process with the Municipal Property Assessment Corporation (MPAC). TTC would then enter into MCF agreements with the property owners for each individual property or premises that it occupies. The MCF designation and tax exemption process can take up to twenty months.

Proceeding with the MCF designation and completing the property tax exemption process successfully with MPAC for the identified and future eligible locations will result in cost avoidance for the TTC.

## **Contact**

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## **Attachments**

Attachment 1 – Identified Locations

## Attachment 1 – Identified Locations

List of Locations where Municipal Capital Facility designation is requested.

	Type of Space	Street Address	Area (sq ft)	Estimated Property Tax Payment Amount	Year of Estimate
1	Construction Office	330 Bay St	4,853	\$ 40,668	2015
2	Construction Office	671 Danforth Ave	3,008	\$ 27,283	2015
3	Construction Office	895 Don Mills	2,737	\$ 10,756	2015
4	Construction Office <sup>(3)</sup>	1 East Mall Cres	2,555	\$ 8,943	2016
5	Construction Office <sup>(3)</sup>	1120 Finch Ave W	9,000	\$ 31,500	2016
6	Construction Office	1 Yorkdale	1,892	\$ 16,196	2014
7	Office	250 Bloor St E	66,000	\$ 495,000	2016
8	Office	5 Park Home	23,150	\$ 147,003	2015
9	Office	1835 Yonge St	29,913	\$ 195,033	2014
10	Office	1910 Yonge St	29,356	\$ 161,752	2013
11	Office	1920 Yonge St	25,687	\$ 141,863	2013
12	Office	2200 Yonge St	5,636	\$ 36,747	2014
13	Office	5140 Yonge St	44,823	\$ 328,104	2015
14	Office	5160 Yonge St	81,930	\$ 596,450	2015
15	Warehouse	834 Caledonia	15,377	\$ 23,834	2014
16	Warehouse	21 Don Roadway	223,743	\$ 660,042	2015
<b>Grand Total</b>				<b>\$ 2,921,172</b>	
Note: (1) These are budget figures only and exclude HST					
(2) Property taxes are apportioned to the operating or capital budget based on the use of the individual facility.					
(3) Value based on similar property type.					