



2021 Non-Residential Phased Tax Program

Priorities and Finance Committee

2021 February 16

PFC2021-0060

ISC: Unrestricted





Previous Council Direction: Municipal Non-Residential Phased Tax Program (PTP)

Council approved PTP funding in 2017, 2018, 2019 and 2020 to mitigate the most extreme municipal property tax increases.

2017 PTP – **\$45 million** / **5%** cap on increases

2018 PTP – **\$41 million** / **5%** cap on increases

2019 PTP – **\$130.9 million** / **-10%** cap on increases

2020 PTP – **\$30 million** / **10%** cap on increases*

*Modified calculation using actual 2019 taxes paid taking into account the 2019 PTP rebate



2021 Non-Residential Phased Tax Revised Program Cost

Initial Projected
Program Cost
\$21,000,000



Revised Projected
Program Cost
\$13,000,000

- Mid-Cycle Budget Adjustments
- Solutions for Achieving Value and Excellence (SAVE) Program Initiatives
- Finalization of the 2021 Assessment Roll



2021 Non-Residential Phased Tax Program

	Cap on Non-Residential Municipal Tax Increases	Non-Residential Taxable Properties	Estimated Number of Qualifying Properties	Estimated Program Cost	Beneficiary Based on Number of Recipients by Property Type (%)		Beneficiary based on Value of PTP by Property Type (%)	
Recommended Phased Tax Program	10.00%	14,646	1,984	\$13,000,000	Industrial	66	Industrial	66
					Office	8	Office	12
					Retail	22	Retail	19
					Other	4	Other	4



2021 PTP Illustrative Examples – 10% Cap



Year-over-Year Change	Retail - Strip Mall	Retail - Neighbourhood Shopping Centre	Retail - 17th Avenue SW (1)	Retail - 17th Avenue SW (2)
Assessment	-12.21%	-0.36%	-4.55%	-5.07%
Municipal Taxes	-0.82%	15.33%	17.41%	0.97%
Municipal Taxes (Excl 2020 Rebates)	-7.86%	4.58%	0.19%	-0.36%
Municipal Taxes After 2021 PTP 10% cap (Excl 2020 Rebates)	-7.86%	4.58%	0.19%	-0.36%
Municipal Taxes After 2021 PTP 10% cap	-0.82%	15.33%	17.41%	0.97%



Year-over-Year Change	Suburban Office	Office - Downtown AA Class
Assessment	-0.46%	-12.33%
Municipal Taxes	5.87%	-6.75%
Municipal Taxes (Excl 2020 Rebates)	4.48%	-7.98%
Municipal Taxes After 2021 PTP 10% cap (Excl 2020 Rebates)	4.48%	-7.98%
Municipal Taxes After 2021 PTP 10% cap	5.87%	-6.75%

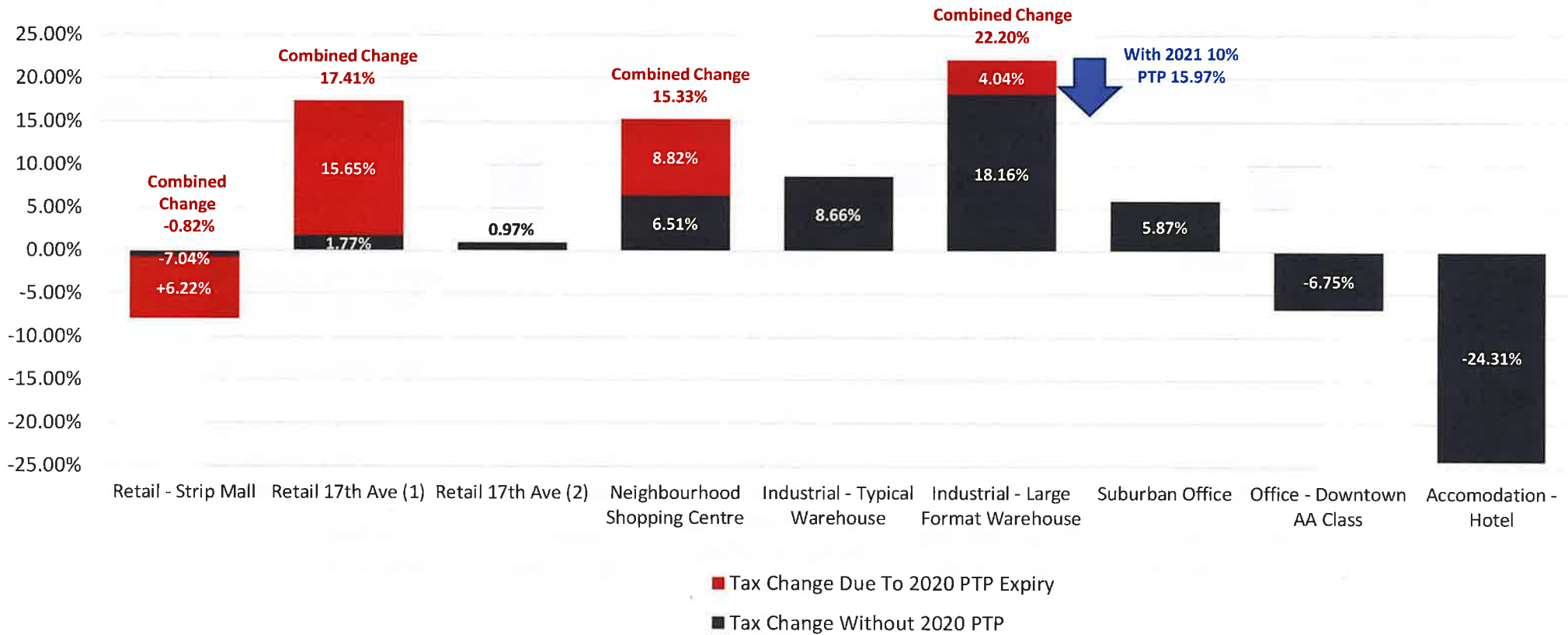
Hotel/ Accommodation
-28.83%
-24.30%
-25.30%
-25.30%
-24.30%

Industrial - Large Format Warehouse	Industrial - Typical Warehouse
10.43%	2.17%
22.20%	8.66%
15.91%	7.23%
10.00%	7.23%
15.97%	8.66%

*These are illustrative examples. Actual changes will also vary based on individual properties



PTP Bow Wave Impact on Illustrative Examples Tax Changes



**These are illustrative examples. Actual changes will also vary based on individual properties.*



2021 Non-Residential Phased Tax Program: Alternate Option

	Cap on Non-Residential Municipal Tax Increases	Non-Residential Taxable Properties	Estimated Number of Qualifying Properties	Estimated Program Cost	Beneficiary Based on Number of Recipients by Property Type (%)	Beneficiary based on Value of PTP by Property Type (%)
Alternate Option	6.00%	14,646	4,163	\$21,000,000	Industrial 73 Office 6 Retail 17 Other 5	Industrial 66 Office 11 Retail 20 Other 3



2021 PTP Illustrative Examples – 6% Cap



Year-over-Year Change	Retail - Strip Mall	Retail - Neighbourhood Shopping Centre	Retail - 17th Avenue SW (1)	Retail - 17th Avenue SW (2)
Assessment	-12.21%	-0.36%	-4.55%	-5.07%
Municipal Taxes	-0.82%	15.33%	17.41%	0.97%
Municipal Taxes (Excl 2020 Rebates)	-7.86%	4.58%	0.19%	-0.36%
Municipal Taxes After 2021 PTP 6% Cap (Excl 2020 Rebates)	-7.86%	4.58%	0.19%	-0.36%
Municipal Taxes After 2021 PTP 6% Cap	-0.82%	15.33%	17.41%	0.97%



Year-over-Year Change	Suburban Office	Office - Downtown AA Class
Assessment	-0.46%	-12.33%
Municipal Taxes	5.87%	-6.75%
Municipal Taxes (Excl 2020 Rebates)	4.48%	-7.98%
Municipal Taxes After 2021 PTP 6% Cap (Excl 2020 Rebates)	4.48%	-7.98%
Municipal Taxes After 2021 PTP 6% Cap	5.87%	-6.75%

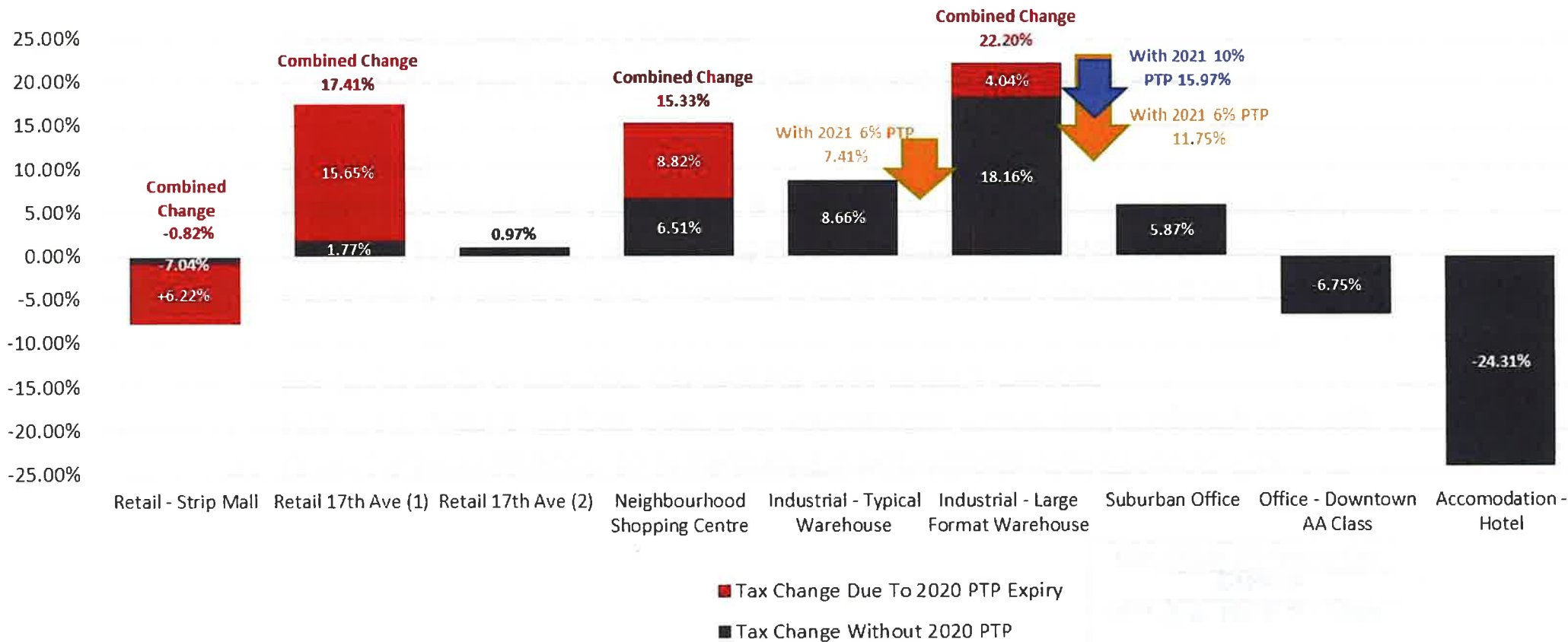
Hotel/ Accommodation
-28.83%
-24.30%
-25.30%
-25.30%
-24.30%

Industrial - Large Format Warehouse	Industrial - Typical Warehouse
10.43%	2.17%
22.20%	8.66%
15.91%	7.23%
6.00%	6.00%
11.75%	7.41%

*These are illustrative examples. Actual changes will also vary based on individual properties



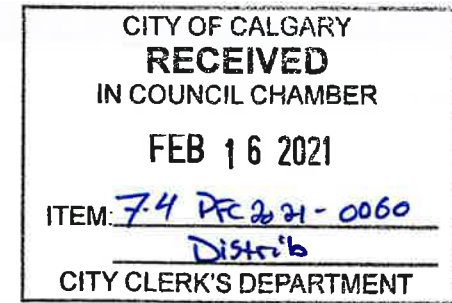
PTP Bow Wave Impact on Illustrative Examples Tax Changes



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Recommendations



- 1) Direct Administration to implement a non-residential Phased Tax Program with a 10 per cent non-residential municipal property tax cap for 2021 with a revised estimated cost of \$13 million;
- 2) Approve \$3 million from unused funds previously allocated for prior years' PTP and \$10 million left over from the originally approved \$24 million property tax rebate for a total of up to \$13 million for the 2021 PTP; and
- 3) That Report PFC2021-0060 be forwarded to the 2021 March 1 Combined meeting of Council.