

# Corporate Services Committee

## Report

6th Meeting of the Corporate Services Committee  
February 19, 2019

PRESENT: Councillors J. Morgan (Chair), J. Helmer , P. Van Meerbergen, A. Kayabaga, S. Hillier, Mayor E. Holder  
ALSO PRESENT: Councillors S. Lewis, E. Pelozza and M. van Holst; A.L. Barbon, B. Card, I. Collins, J. Edmonds, M. Galczynski, R. Hicks, J. Logan, K. Murray, J. Raycroft, C. Saunders, S. Spring, B. Warner and B. Westlake-Power  
The meeting is called to order at 12:31 PM.

### 1. Disclosures of Pecuniary Interest

That it BE NOTED that no pecuniary interests were disclosed.

### 2. Consent

Moved by: S. Hillier

Seconded by: A. Kayabaga

That items 2.3 - 2.6, inclusive, BE APPROVED.

Yeas: (5): J. Morgan, J. Helmer, P. Van Meerbergen, A. Kayabaga, and S. Hillier

Absent: (1): E. Holder

**Motion Passed (5 to 0)**

### 2.3 2019 Debenture Issuance

Moved by: S. Hillier

Seconded by: A. Kayabaga

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the Civic Administration BE AUTHORIZED to proceed with the issuance of debentures in the capital markets to provide permanent financing for capital works in an amount not to exceed \$49,380,000, with the flexibility to postpone the issuance in the event of unfavourable market conditions.

**Motion Passed**

### 2.4 Declare Surplus - Portion of City-Owned Land Abutting 15 McAlpine Avenue

Moved by: S. Hillier

Seconded by: A. Kayabaga

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, on the advice of the Manager of Realty Services, with respect to a portion of City-owned land abutting 15 McAlpine Avenue, described as Lots 13-18, Block C, Plan 376, containing an area of approximately 900 square feet, as shown on Schedule "A" of the staff report dated February 19, 2019, the following actions be taken:

a) the subject property BE DECLARED SURPLUS; and

b) the subject property (“Surplus Lands”) BE TRANSFERRED to the abutting property owner at 15 McAlpine Avenue, in accordance with the City’s Sale and Other Disposition of Land Policy.

**Motion Passed**

2.5 Residential Tax By-Law for New Affordable Housing Program Projects - 27 Centre Street, London

Moved by: S. Hillier  
Seconded by: A. Kayabaga

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the proposed by-law appended to the staff report dated February 19, 2019, BE INTRODUCED at the Municipal Council meeting to be held on March 5, 2019, to tax the affordable housing property at 27 Centre Street, London (Escalade Property Corp.) at an effective tax rate equal to the residential tax rate and that the City Clerk BE DIRECTED to give written notice of the by-laws to the Municipal Property Assessment Corporation and the Secretary of all area school boards.

**Motion Passed**

2.6 Association of Municipalities of Ontario (AMO) Board Meeting Update - City of Toronto, ON January 24-25, 2019

Moved by: S. Hillier  
Seconded by: A. Kayabaga

That the communication dated February 19, 2019, from Councillor A. Hopkins, with respect to the Association of Municipalities of Ontario (AMO) Board meeting held in Toronto, Ontario on January 24-25, 2019 BE RECEIVED for information.

**Motion Passed**

2.1 Budweiser Gardens: City Approval of Zamboni Capital Lease Agreement

Moved by: P. Van Meerbergen  
Seconded by: A. Kayabaga

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the capital lease for two new Zamboni ice resurfacing machines at Budweiser Gardens BE APPROVED to replace the previous two Zamboni ice resurfacing machines, that are no longer in service.

Yeas: (5): J. Morgan, J. Helmer, P. Van Meerbergen, A. Kayabaga, and S. Hillier

Absent: (1): E. Holder

**Motion Passed (5 to 0)**

2.2 2018 Annual Update on Budweiser Gardens

Moved by: S. Hillier  
Seconded by: P. Van Meerbergen

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the 2018 Annual Report on Budweiser Gardens appended to the staff report dated February 19, 2019 as Appendix "B", BE RECEIVED for information.

Yeas: (5): J. Morgan, J. Helmer, P. Van Meerbergen, A. Kayabaga, and S. Hillier

Absent: (1): E. Holder

**Motion Passed (5 to 0)**

### **3. Scheduled Items**

#### **3.1 Apportionment of Taxes**

Moved by: J. Helmer

Seconded by: S. Hillier

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the taxes on the blocks of land described in the Schedules appended to the staff report dated February 19, 2019, BE APPORTIONED as indicated on the Schedules, pursuant to Section 356 of the *Municipal Act, 2001*; it being noted that there were no members of the public in attendance to speak to the Corporate Services Committee at the public hearing associated with this matter.

**Motion Passed**

### **4. Items for Direction**

#### **4.1 Grand Theatre - Municipal Accommodation Tax Funding Request**

That the following actions be taken with respect to the Grand Theatre – Municipal Accommodation Tax Funding request:

- a) the request from the Grand Theatre BE APPROVED, in the amount of \$2 million, with the first source of financing being the Tourism Infrastructure Reserve Fund and a secondary source of financing being the Economic Development Reserve Fund;
- b) the Civic Administration BE DIRECTED to finalize the sources of financing for the request in Q1 2020, taking into account the balances, anticipated contributions and anticipated draws on the two reserve funds;
- c) the staff report dated February 19, 2019 with respect to this matter BE RECEIVED;
- d) it BE NOTED that the attached presentation from G. Kerhoulas and T. Tillman, Grand Theatre was received; and,
- e) further request for funding from the Tourism Infrastructure Reserve Fund BE DEFERRED, pending the Civic Administration's report on a process for future allocations from the Tourism Infrastructure Reserve Fund.

**Motion Passed**

Voting Record:

Moved by: A. Kayabaga

Seconded by: S. Hillier

That the delegation request from the Grand Theatre, related to a funding request, BE APPROVED to be heard at this time.

**Motion Passed**

Moved by: J. Helmer

Seconded by: E. Holder

That the following actions be taken with respect to the Grand Theatre – Municipal Accommodation Tax Funding request:

- a) the request from the Grand Theatre BE APPROVED, in the amount of \$2 million, with the first source of financing being the Tourism Infrastructure Reserve Fund and a secondary source of financing being the Economic Development Reserve Fund;
- b) the Civic Administration BE DIRECTED to finalize the sources of financing for the request in Q1 2020, taking into account the balances, anticipated contributions and anticipated draws on the two reserve funds;
- c) the staff report dated February 19, 2019 with respect to this matter BE RECEIVED; and,
- d) it BE NOTED that the attached presentation, from G. Kerhoulas and T. Tillman, Grand Theatre, was received.

Yeas: (6): J. Morgan, J. Helmer, P. Van Meerbergen, A. Kayabaga, S. Hillier, and E. Holder

**Motion Passed (6 to 0)**

Moved by: J. Helmer

Seconded by: S. Hillier

Further request for funding from the Tourism Infrastructure Reserve Fund BE DEFERRED, pending the Civic Administration's report on a process for future allocations from the Tourism Infrastructure Reserve Fund.

**Motion Passed**

#### 4.2 Future Tax Policy - Possible Directions

Moved by: J. Helmer

Seconded by: S. Hillier

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the staff report dated February 19, 2019 with respect to future tax policy - possible directions BE RECEIVED for information; it being noted that the attached presentation was received from the Director, Financial Services.

**Motion Passed**

**5. Deferred Matters/Additional Business**

5.1 Consideration of Appointments to the Eldon House Board of Directors

Moved by: S. Hillier  
Seconded by: J. Helmer

That the following BE APPOINTED to the Eldon House Board of Directors for the term ending November 15, 2022, based on the interviews conducted by the Corporate Services Committee on January 21, 22, February 12 and 19, respectively, and the attached ranked ballot:

Louanne Henderson  
Theresa Regnier  
Mark Tovey  
Joseph O'Neil  
Mike Donachie  
Maureen Spencer Golovchenko  
Ron Koudys  
Rebecca Elizabeth Griesmayer  
Manosij (Mano) Majumdar

Yeas: (5): J. Morgan, J. Helmer, A. Kayabaga, S. Hillier, and E. Holder

Absent: (1): P. Van Meerbergen

**Motion Passed (5 to 0)**

**6. Confidential (Enclosed for Members only.)**

Moved by: A. Kayabaga  
Seconded by: S. Hillier

That the Corporate Services Committee convene In Closed Session at 12:33 PM for consideration of a matter pertaining to personal matters about an identifiable individual, including communications necessary for that purpose, as it relates to an interview for Eldon House Board of Directors.

Yeas: (5): J. Morgan, J. Helmer, P. Van Meerbergen, A. Kayabaga, and S. Hillier

Absent: (1): E. Holder

**Motion Passed (5 to 0)**

The Corporate Services Committee convenes, In Closed Session from 12:33 to 12:43 PM.

**7. Adjournment**

The meeting adjourned at 2:43 PM.

<b>TO:</b>	<b>CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING OF FEBRUARY 19, 2019</b>
<b>FROM:</b>	<b>ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES &amp; CITY TREASURER, CHIEF FINANCIAL OFFICER</b>
<b>SUBJECT:</b>	<b>BUDWEISER GARDENS: CITY APPROVAL OF ZAMBONI CAPITAL LEASE AGREEMENT</b>

<b>RECOMMENDATION</b>
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That on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the capital lease for two new Zamboni ice resurfacing machines at Budweiser Gardens **BE APPROVED** to replace the previous two Zamboni ice resurfacing machines that are no longer in service.

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
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None

<b>BACKGROUND</b>
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**Budweiser Gardens Overview:**

Budweiser Gardens completed its sixteenth year of operations in 2018. As a public private partnership it is structured as follows:

- a) The City of London owns the land.
- b) The City of London leases a portion of the lands upon which the facility sits (Ground Lease) to London Arena Trust for a nominal base rent for 50 years. During the term of the lease, London Arena Trust owns the building in trust for the City.
- c) London Arena Trust leases the building (Participatory Occupancy Lease) to the London Civic Centre Limited Partnership. The partners in the Partnership are Spectra Venue Management (formerly known as Global Spectrum), EllisDon Construction Ltd., and Stadium Consultants International.
- d) Spectra Venue Management is the manager of the building on behalf of the Partnership. Spectra is responsible for the sale of naming rights, advertising, attractions, sale of suites and club seats, and the operation of the facility.

**Participatory Occupancy Lease (POL):**

The Participatory Occupancy Lease (POL) outlines the terms under which Budweiser Gardens is to be operated, maintained and governed. In addition, the POL details the financial arrangements for the allocation of proceeds and for capital improvements and repairs. The City's share of the net proceeds (known as "available cash flow") for Budweiser Gardens varies over the life of the lease. In years one to five, the City's share was 20%; in years six to ten, 45%; and years eleven to fifty, 70%. In addition to the City's direct financial return, a number of other benefits to the local economy and community vibrancy have been realized with the construction of Budweiser Gardens, especially in the Downtown.

One of the key requirements of the agreement is contributions from gross operating revenue to the Capital Repair Fund (CRF). The CRF is an asset of the Trust that is used as a funding vehicle for repairs or renovations to the facility to maintain the asset over the term of the agreement. Each year, the tenant submits a maintenance plan for approval, which provides the City with assurances that Budweiser Gardens will be in good repair when the lease expires at the end of the 50 year period. The CRF specifically excludes the funding of all capital leases.

In 2016, the POL was amended to allow for the payment of interest and principal on new capital leases as operating expenses as defined in the calculation of available cash flow. In particular the amendment to the POL was approved to fund leases associated with the new basketball floor, score clock and LED signage ring. The change to the agreement allowed that in addition to the interest, the principal on these new capital leases would be included in operating expenses as defined in the calculation of available cash flow. As a result of the change to how the available cash flow is calculated, future City rent or partnership amounts would be expected to be reduced accordingly (i.e. the “profit share or net proceeds” would go down). Further, the 2016 amendment to the POL added wording that required Spectra to provide all of the information and documentation regarding a proposed capital lease, and for them to obtain the City’s approval, in writing, prior to entering into it.

**The Request from Spectra Venue Management:**

Spectra is seeking the City’s approval of a capital lease for two new Zamboni ice resurfacing machines at Budweiser Gardens to replace the previous two Zamboni ice resurfacing machines that are no longer in service (attached as Appendix ‘A’). As outlined in Section 2 (b) of the POL, Spectra must provide the following information to the City:

- i)* full and complete disclosure in writing of all of the terms of the proposed capital lease, including, without limitation, the principal, interest, and all other costs under the capital lease;
- ii)* an amortization schedule showing all payments of principal and interest under the proposed capital lease; and
- iii)* a copy of the entire capital lease, including, without limitation, all Schedules thereto and any agreements or other documents referred to therein.

After all of the required information and documentation has been submitted by Spectra, they must obtain the City’s approval, in writing, prior to entering into a proposed capital lease. It is noted that Spectra did not obtain approval by the City prior to entering into the capital lease to acquire two new Zamboni ice resurfacing machines. Spectra has indicated to the City that due to an oversight on their part regarding the requirements of Section 2 (b) of the POL, they committed to a capital lease in advance of obtaining approval by the City. To rectify this oversight, Spectra has updated their internal processes to ensure that any future capital leases that are required for the building will be sent to the City in advance for approval.

As part of the request for approval of the capital lease, Spectra provided information on the circumstances and rationale that led to their decision to replace the ice resurfacing machines that were no longer under lease. In March 2018, it was determined that both of the Zamboni ice resurfacing machines at Budweiser Gardens required repairs. One machine was in need of \$10,000 to \$12,000 in repairs and the second machine, required about \$5,000 in repairs. During this time Spectra was approached by the Zamboni Company Ltd. with an offer, that if they would commit to taking possession of two new machines (that would be built and ready by August), they would provide Spectra with two brand new machines on loan in March. In addition, they would take the two current machines, in their current condition and in need of repair, as a trade-in on the two new machines for a combined value of \$35,000. The offer also included outfitting the new machines with the latest technology and features, such as “Fast Ice” and “Level Ice”. These features would allow Spectra to provide a higher quality of ice product for the London Knights and any other ice events that might occur in the building. These features are standard in NHL rink equipment and would assist Spectra in being able to attract NHL type events such as the World Junior pre-game that was held last year and the Canada vs USA Women’s hockey that will be held in February.

<b>CONCLUSION</b>
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Spectra Venue Management is seeking the City’s approval for the capital lease for two new Zamboni ice resurfacing machines. Notwithstanding that Spectra did not obtain the City’s approval in writing prior to entering into the new capital lease, it is recommended by Civic Administration that Council approve the lease, as they have satisfied all of the other requirements identified in Section 2 b) of the POL. It is noted going forward that the City must approve all capital leases for Budweiser Gardens in advance of Spectra committing to any new capital leases.

**PREPARED AND SUBMITTED BY:**

**MARK JOHNSON, RPP  
BUSINESS PLANNING PROCESS MANAGER  
FINANCE AND CORPORATE SERVICES**

**REVIEWED AND RECOMMENDED BY:**

**ANNA LISA BARBON, CPA, CGA  
MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER,  
CHIEF FINANCIAL OFFICER**

cc. Karen Jackson, Director of Finance, Budweiser Gardens

APPENDIX 'A'



99 Dundas Street  
London, Ontario, Canada N6A 6K1  
[www.budweisergardens.com](http://www.budweisergardens.com)

November 22, 2018

City of London  
Attention: Anna Lisa Barbon,  
Managing Director, Corporate Services and  
City Treasurer, Chief Financial Officer City  
of London

Re: Request to add Zamboni Lease as an operating expense

Global Spectrum Facility Management, L.P., D/B/A Spectra Venue Management respectively requests that we be allowed to add a new lease (#201000042974) with Royal Bank of Canada(RBC), for 2 new Zamboni machines as an operating expense from Available Cash Flow.

The term of the lease is for 60 months, with a total of \$24,462.64 paid in interest during the term of the lease and a principle of \$192,343.79. The monthly payments will be \$4,083.63, which includes \$469.80 in HST. In addition, there is a one time cost of \$500.00 to set up the lease from the bank.

Attached to this letter, is a copy of the Master Lease Agreement with RBC, the Leasing Schedule for lease #201000042974 and the amortization schedule for the lease.

Sincerely,

A handwritten signature in purple ink, appearing to read "Karen Jackson".

Karen Jackson  
Director of Finance

Budweiser Gardens





# Master Lease Agreement (PPSA - S)

This lease agreement (the "Lease Agreement") made as of the 16th day of June, 2010, between

**ROYAL BANK OF CANADA** ("Lessor")

and

**London Civic Centre Corporation o/a John Labatt Centre** ("Lessee")

Address:  
320 Front Street West  
11<sup>th</sup> Floor,  
Toronto, Ontario  
M5V 3B6

Address:  
99 Dundas St.  
London, Ontario  
N6A 6K1

Lessor and Lessee agree as follows:

## 1. Leasing of Equipment

- 1.1 Lessor may, from time to time, at its option, on the request of Lessee, acquire equipment for leasing to the Lessee ("Equipment"), pursuant to the terms of this Lease Agreement and the relevant supplemental agreement ("Leasing Schedule").
- 1.2 Neither the Lessor, nor the Lessee on behalf of Lessor, will order or acquire any Equipment unless Lessee has executed such documents and agreements as Lessor may require. Lessee will advise Lessor promptly of any Equipment ordered or acquired by Lessee on behalf of Lessor pursuant to this Lease Agreement.
- 1.3 Lessee will provide Lessor with a copy of the invoice for each item of Equipment to be purchased pursuant to this Lease Agreement, addressed to Lessor. A Leasing Schedule for that Equipment shall be entered into before payment is made for the Equipment.
- 1.4 Lessee shall conduct such acceptance testing of any Equipment to be purchased pursuant to this Lease Agreement as may be appropriate in the circumstances, and promptly upon successful completion of that acceptance testing shall sign the relevant Leasing Schedule for the Equipment, and return one executed Leasing Schedule to the Lessor.
- 1.5 Lessor shall have no responsibility under any purchase order or any purchase or license agreement or any Leasing Schedule if Lessee does not accept the Equipment and sign and deliver to Lessor the Leasing Schedule(s) and acceptance certificate for that Equipment. Any agreement with the seller of the Equipment will include a provision to this effect.
- 1.6 Each Leasing Schedule shall constitute a separate Lease of the Equipment described in the Leasing Schedule but incorporating the terms of this Lease Agreement. In the event of a conflict between the terms of this Lease Agreement and any Leasing Schedule with respect to any Lease, the terms of the Leasing Schedule shall govern.
- 1.7 Terms not otherwise defined herein shall have the same meaning ascribed under the Leasing Schedule.

## 2. Payment of Equipment Cost

- 2.1 Lessor will pay the agreed cost to be funded by Lessor for the Equipment acquired pursuant to this Lease Agreement on the later of: (i) the due date for payment, and (ii) delivery of the signed Leasing Schedule.

## 3. Rental

- 3.1 Lessee shall pay to Lessor the rental payable, as set out in the Leasing Schedule. The first installment is payable on the Commencement Date of the Term and the last of such installments is payable on the Termination Date of Term, all as shown on the relevant Leasing Schedule.

## 4. Rent Payment

- 4.1 The Total Rental Installments shall be paid at the office of Lessor, at the address set out on page 1 of this Lease Agreement, or at such other place in Canada as Lessor may from time to time designate by notice.

## 5. Ownership

- 5.1 Title to, ownership of, and property in, the Equipment shall at all times be and remain solely and exclusively in the Lessor, subject only to the rights of Lessee to use the Equipment pursuant to the provisions of this Lease, and to purchase the same pursuant to any option granted in the relevant Leasing Schedule.

## 6. Personal Property

- 6.1 Notwithstanding any purposes for which the Equipment may be used or that it may become in any manner affixed or attached to or

embedded in or permanently rested upon land or any structure thereon, it shall remain moveable personal property, and subject to all of the rights of Lessor under the Lease to which it is subject.

- 6.2 Lessee agrees to use all reasonable commercial efforts to obtain a waiver, if required by and in a form satisfactory to Lessor, from any landlord, mortgagee, hypothecary creditor or other encumbrancers or any person having any interest in the land or structure referred to in Section 6.1 hereof consenting to this Lease Agreement and any relevant Leasing Schedule, and to the exercise by Lessor of its rights thereunder and hereunder and declaring that such encumbrances do not affect the Equipment.
- 6.3 Solely for the purpose of, and to the extent reasonably necessary to protect the interest of the Lessor as to its title and first priority interest in the Equipment, and without election or admission that this Agreement or any Leasing Schedule is a finance lease, the Lessee grants a security interest in any interest of the Lessee in the Equipment to the Lessor.

## 7. Licence

- 7.1 Lessee agrees that Lessor:
  - (a) may at any time and from time to time, if an Event of Default (s.18) has occurred and is continuing, enter upon any lands and premises where any Equipment is located with all such force as may be reasonably required, to dismantle, detach and remove the Equipment or render it unusable;
  - (b) shall not be liable for any damage done to those lands or premises in exercising those rights, save only such damage as may be caused by the gross negligence or willful act of Lessor or its agents or servants; and
  - (c) may, at its election, register, by way of caveat or otherwise, against those lands and premises of its rights under the Lease.

## 8. Exclusion of Warranties

- 8.1 Lessee acknowledges that the Equipment will be personally chosen and selected by Lessee and that it will be of a make, size, design and capacity specified by Lessee for the purpose intended by Lessee.
- 8.2 Lessee confirms that Lessor does not make or give any representation or warranty, express or implied, as to the Equipment, its condition, fitness or suitability for any particular use intended by Lessee.
- 8.3 Lessee shall bear the risk of any theft, loss or destruction of or damage to any item of Equipment. Lessee acknowledges that none of these events will in any way affect its obligations, which will continue in full force and effect, except to the extent of any proceeds of any insurance maintained by Lessee that are actually received by Lessor.
- 8.4 Lessee shall not exert or claim against Lessor any defense, write-off, set-off, claim or counterclaim to which Lessee may be entitled against the supplier(s), and no such right shall affect the Lessor's obligations.

## 9. Maintenance and Use

- 9.1 Lessee will, at its own expense:
  - (a) keep the Equipment in good operating condition and repair including, without limitation, the repair of any damage to the Equipment, whatever the cost, except for the repair of ordinary wear and tear, provided that Lessee will repair ordinary wear and tear if such repair is required to maintain the Equipment in good operating condition and repair; and
  - (b) comply in all respects with all recommendations, or requirements of the supplier(s) or manufacturer(s) regarding the Equipment, as may be necessary to preserve all warranties.

9.2 Any parts or anything else that are, as part of Lessee's maintenance and repair of the Equipment, placed in or upon the Equipment shall form part of the Equipment, become property of the Lessor, and be free of all adverse claims.

#### 10 Inspection

10.1 Lessor and its agents shall have the right to inspect the Equipment at any reasonable time upon reasonable notice to Lessee, and Lessee shall afford all reasonable facilities required by the Lessor or its agents for the purpose of inspection, and for that purpose may enter any premises where the Equipment is located.

#### 11. Insurance

11.1 As and from the earlier of the date upon which Lessor acquires ownership of, or title to, the Equipment or the date on which Lessee takes possession or control of the Equipment, and thereafter throughout the term of each relevant Leasing Schedule, Lessee shall, at its sole expense:

(a) place and maintain all risks property insurance on the Equipment, in amounts satisfactory to Lessor, consistent with Lessee's normal and usual practice for insuring equipment of the same general classification. This property damage insurance shall specifically state by its wording or by endorsement that it:

- i) includes Lessor (as owner) as an additional named insured,
- ii) includes a loss payable clause in favour of Lessor,
- iii) includes a waiver of subrogation clause in favour of Lessor;

(b) place and maintain comprehensive general liability insurance, and automobile liability insurance in the case of leased licensed motor vehicles, with limits of liability satisfactory to Lessor for injury to or death of any one or more persons or damage to property. Said insurance shall specifically state by its wording or by endorsement that it:

- i) extends to cover the liabilities of the Lessee from the use or possession of the Equipment,
- ii) includes Lessor as an additional named insured, and
- iii) includes a cross liability provision that the policy shall insure each person, firm or corporation insured thereunder in the same manner and to the same extent as if a separate policy had been issued to each, but the inclusion therein of more than one insured shall not operate to increase the limits of the insurers' liability.

11.2 Lessee shall supply Lessor with a certificate of insurance or other evidence satisfactory to Lessor evidencing the foregoing coverage and evidence of its renewal or replacement from time to time, so long as any Leasing Schedule remains in force and effect.

#### 12. Taxes

12.1 Lessee shall pay punctually all sales taxes, licence fees, business taxes, levies and assessments of every nature and kind whatsoever which be or become payable at any time or from time to time upon, or in respect of, the Equipment, and any payments to be made under this Lease Agreement or any Leasing Schedule, except for income taxes payable by Lessor.

#### 13. Adverse Claims

13.1 Lessee shall keep the Equipment free and clear of all adverse claims. Lessee may contest any adverse claim provided that Lessee:

- a) gives Lessor notice of the adverse claim;
- b) provides Lessor with an indemnity and collateral security, both satisfactory to Lessor; and
- c) contests the adverse claim with all due dispatch.

#### 14. Laws and Regulations

14.1 Lessee shall comply with all laws, by-laws and regulations relating to the ownership, possession, operation and maintenance of the Equipment including, without limiting the generality of the foregoing, laws, by-laws or regulations dealing with the protection of the environment, health and safety. Lessee will obtain and maintain all necessary licenses, permits and permissions required for the use of the Equipment.

#### 15. Alterations

15.1 All alterations, additions or improvements made by Lessee to the Equipment shall be at Lessee's expense and shall belong to and become the property of Lessor and be subject to all the provisions of this Lease Agreement and the relevant Leasing Schedule.

#### 16. Loss of Equipment

16.1 Lessee shall bear the risks of (i) any total loss, or loss that amounts, in the sole opinion of the Lessor, to a total loss of the Equipment through theft, damage, destruction, or even by superior force and (ii) any expropriation or other compulsory taking or use of the Equipment by any government or other authority ("Loss of

Equipment"). If a Loss of Equipment occurs, Lessee shall pay to Lessor an amount calculated by discounting the aggregate amount of all Rental Instalments, including the Purchase Option amount, if any, specified under the applicable Leasing Schedule which were to be paid during the remainder of the Term, using an assumed rate equal to the lesser of;

- i) five percent (5%);
- ii) the bond rate at the date, for the equivalent term to maturity, of the applicable Leasing Schedule; and
- iii) the bond rate at the date of the discount calculation for a term equivalent to the remaining term of such Leasing Schedule (with, in the case of (ii) and (iii), Canadian dollar obligations being benchmarked against bonds issued by the Government of Canada and U.S. dollar obligations being benchmarked against bonds issued by the Government of the United States of America).

16.2 Upon such payment, Lessor shall convey on an "as is", "where is" basis, subject to the rights of the insurer, all its right, title and interest in the Equipment and any claim for proceeds of loss of equipment, in which case the Lease shall terminate with respect to that Equipment, and no further rental payment shall be payable thereafter with respect to that Equipment. All Federal and Provincial sales or transfer taxes, licence fees and similar assessments connected with the transfer of Lessor's right, title and interest to the Equipment to Lessee shall be paid by Lessee.

#### 17. Lessee's Acknowledgements - Foreseeable Damages

17.1 Lessee hereby acknowledges that Lessor:

- (a) has or will acquire the Equipment at the request and direction of Lessee and for the purpose of leasing same to Lessee under a Leasing Schedule; and
- (b) intends to treat the lease of Equipment to the Lessee as a true lease and to claim over the term of the lease all available tax benefits. Lessee acknowledges that if an Event of Default occurs, Lessor's return on its investment may be adversely affected. In that case Lessor may, in addition to its immediate loss of interest on its investments, sustain and claim from Lessee other foreseeable damages which cannot be quantified on the date of execution of this Lease Agreement or any Leasing Schedule. Those damages may include, without limitation, loss of fiscal benefits for the remainder of the term of any lease of any Equipment or increased tax liabilities or both, unanticipated increased administrative costs, amortized but unrecovered setup costs, fees and disbursements as well as additional or increased monetary liabilities towards any third party lender, under or by reason of such Event of Default and the premature termination of the lease of any Equipment and the funding thereof.

#### 18. Events of Default

18.1 Any of the following is an "Event of Default":

- (a) Failure by Lessee to pay any Total Rental Installment or other amount pursuant to any Leasing Schedule.
- (b) Failure by Lessee to perform any of its obligations under Sections 11 or 14 of this Lease.
- (c) Failure of Lessee to perform any of its other obligations within 15 days of notice from Lessor as to the failure and requiring it to be rectified.
- (d) The bankruptcy or insolvency of Lessee, the filing against Lessee of a petition in bankruptcy, the making of an authorized assignment for the benefit of creditors by Lessee, the appointment of a receiver or trustee for Lessee or for any assets of Lessee or the institution by or against Lessee of any other type of insolvency proceeding under the Bankruptcy and Insolvency Act or otherwise, or the institution by or against Lessee of any formal or informal proceedings for the dissolution or liquidation of, settlement of, claim against or winding up of affairs of Lessee.
- (e) The amalgamation of Lessee with another corporation or corporations, or continuation of Lessee under a statute other than the statute under which it exists at the date of execution of this Lease Agreement.
- (f) If any adverse claim becomes enforceable against Lessee affecting or against any Equipment.
- (g) Failure of the Lessee to perform any obligation it may have under any agreement with Royal Bank of Canada or any of its subsidiaries.
- (h) A change that is, in the opinion of Lessor, a material adverse change in the business, financial condition or ownership of Lessee or Equipment.

#### 19. Lessor's Remedies on Default

- 19.1 If an Event of Default occurs, Lessor may, without notice to Lessee, take possession of all Equipment, and for that purpose may enter any premises where any of the Equipment is located. Lessor may sell, lease or otherwise dispose of Equipment for such consideration and upon such terms and conditions as it considers reasonable. This includes, without limitation, the right in the name of and as the irrevocably appointed agent and attorney of Lessee, to lease any item of the Equipment to any other person upon such terms and conditions, for such rental and for such period of time as Lessor may deem reasonable, without terminating or being deemed to have terminated the relevant Leasing Schedule, and to receive that rental and hold and apply it against any amount owing by Lessee to Lessor under the Lease. All of these rights are without prejudice to Lessor's other rights and recourses against Lessee, at law or in equity.
- 19.2 If an Event of Default occurs, then whether or not Lessor has taken possession of any Equipment, Lessee shall pay to Lessor on demand an amount determined as follows:
- an amount calculated by discounting the aggregate amount of all Rental Instalments, including the Purchase Option amount, if any, specified under the applicable Leasing Schedule which were to be paid during the remainder of the Term, using an assumed rate equal to the lesser of;
    - five percent (5%);
    - the bond rate at the date, for the equivalent term to maturity, of the applicable Leasing Schedule; and
    - the bond rate at the date of the discount calculation for a term equivalent to the remaining term of such Leasing Schedule (with, in the case of (ii) and (iii), Canadian dollar obligations being benchmarked against bonds issued by the Government of Canada and U.S. dollar obligations being benchmarked against bonds issued by the Government of the United States of America); plus.
  - the amount of any damages described in Section 17.1 suffered or sustained by Lessor and not recovered pursuant to Section 19.2 (a); plus
  - the amount of any Total Rental Instalments or payments of interim rental due as of the date of Event of Default and unpaid, and any other amount due on that date and unpaid under the Lease; plus
  - any cost of disposition of the Equipment; less
  - the amount of any security deposits under that Leasing Schedule and any proceeds of the disposal of the Equipment actually received by Lessor.
- 19.3 If Lessor has leased Equipment pursuant to its rights under this Section 19 it may demand payment under Section 19.2, and account to Lessee for the proceeds of that lease as and when Lessor receives them.
- 19.4 If Lessor has not taken possession of the Equipment, and Lessee pays Lessor the amount determined under Section 19.2 hereof, then Lessor will convey all of its right, title and interest in all Equipment to Lessee, on the terms of Sections 21.5 and 21.6 hereof
- 20. Lessor's Option to Terminate**
- 20.1 Lessee agrees that neither this Lease Agreement nor any Leasing Schedule, nor any interest therein or in any Equipment, shall be assignable or transferable by operation of law and it is agreed and covenanted by and between the parties hereto that if any Event of Default shall occur or happen, then this Lease Agreement and any and all Leasing Schedules shall, at the option of the Lessor to be exercised by notice hereunder, immediately end and terminate and neither this Lease Agreement nor any Leasing Schedule or any interest therein shall be an asset of Lessee after the exercise of that option; provided that no such termination shall terminate or affect any right or remedy which shall have arisen under the Lease prior to such termination.
- 21. Option to Purchase**
- 21.1 If there is no Event of Default, Lessor hereby grants to Lessee an option to purchase whatever title Lessor may have to the Equipment for the purchase price and at the time or times set forth in the relevant Leasing Schedule.
- 21.2 This option to purchase may be exercised by Lessee by giving to Lessor notice of Lessee's intention to exercise such option, at least thirty (30) days prior to the date of intended purchase, describing the Equipment with respect to which such option is being exercised.
- 21.3 The intended purchase and sale shall be concluded on a date specified in the said notice falling on or after, the date stated in the relevant Leasing Schedule, but in any event not later than the termination date of the term pertaining to the Equipment being purchased.
- 21.4 Upon the exercise of this option, there shall be a binding agreement for the sale and purchase of the Equipment described in the notice on the terms and conditions provided herein. The purchase price shall be paid to Lessor at the time of the conclusion of the sale.
- 21.5 Upon this purchase, Lessor shall sell the Equipment so purchased free and clear of all interests of Lessor under this Lease Agreement and any Leasing Schedule and thereupon this Lease shall terminate with respect to the Equipment so purchased. The sale shall be on an "as-is where-is" basis and be without representation or warranty by Lessor except that it has the right to sell the Equipment to Lessee and that it has not given any security interest in the Equipment to any third party.
- 21.6 Lessee shall bear the cost of any taxes, licence or registration fees or other assessments or charges imposed on, or connected with, the transfer of title to and ownership of the Equipment.
- 22. Remedying Defaults**
- 22.1 If Lessee shall fail to perform or comply with any of its obligations under this Lease Agreement or any Leasing Schedule, Lessor at its discretion may do all such acts and make all such disbursements as may be necessary to cure the default and any costs incurred or disbursements made by Lessor incurring any such default shall be payable by Lessee on demand.
- 23. Indemnification**
- 23.1 Lessee will indemnify Lessor and save Lessor harmless from and against all loss, costs, damage or expense of every nature and kind whatsoever sustained or suffered by Lessor, or for which the Lessor may be or become liable, resulting from:
- the execution of the Lease Agreement or any Leasing Schedule by Lessor or the purchase or ownership by Lessor of the Equipment;
  - the non-acceptance by Lessee or the failure, refusal or neglect of Lessee to accept the Equipment;
  - the moving, delivery, maintenance, repair, use, operation or possession of the Equipment by Lessee or the ownership thereof or other rights held therein by Lessor; or
  - the failure of Lessee to comply with any of its obligations under the Lease Agreement or a Leasing Schedule; unless caused by the act or neglect of Lessor, its servants or agents.
- 24. Assignment of Warranties**
- 24.1 Lessor hereby assigns to Lessee the benefit of all warranties resulting from the sale entered into with the supplier for its use during the term of the Lease.
- 25. Patent Infringement**
- 25.1 Lessee shall defend and hold Lessor free and harmless from any cost, loss, damage or expense suffered or incurred by Lessor in any suit, proceeding or otherwise so far as the same is based on any claim that the use or operation of the Equipment by Lessee infringes any patent or copyright.
- 26. Overdue Payment**
- 26.1 Any overdue payment shall bear interest at the rate of Royal Bank Prime Interest Rate plus five per cent (5%) per annum calculated monthly whether before or after judgement, from the date it is due until paid.
- 27. Delivery at Termination**
- 27.1 Lessee shall on the expiration or sooner termination of any Lease, surrender the Equipment to Lessor at a place in Canada designated by Lessor in good order and repair, ordinary wear and tear excepted.
- 27.2 In the event that with or without the consent of Lessor, Lessee remains in the possession of or uses the Equipment after the expiration of the term of the Lease pertaining thereto, all the provisions of the Lease shall apply thereto, including the payment of rental and all other payments required, unless and until the same has been surrendered pursuant to the terms of this section, or Lessor has relieved Lessee from its obligations under the Lease with respect to the Equipment.
- 28. Notice**
- 28.1 Any notice required to be given hereunder shall be in writing and may be personally delivered or sent by facsimile or may be forwarded by registered mail. If any such notice is so mailed it shall be deemed to have been given by the sender and received by the party hereto to whom it has been addressed two business days after the due mailing thereof by prepaid registered mail addressed to the address shown on page 1 of this Lease Agreement or on the same business day if sent by delivery or facsimile.

28.2 Any person to whom a notice is required to be addressed may from time to time give notice of any change of address and in such event the foregoing addresses shall be deemed to have been changed accordingly.

**29. Assignment and Sub-Letting**

29.1 Lessee will not assign any Lease or sub-let any Equipment without the prior consent in writing of Lessor, such consent not to be unreasonably withheld. No assignment of the Lease or sub-letting of any Equipment shall relieve the Lessee of its obligations hereunder nor shall any subletting be for a term which extends beyond the expiration of the term of the Lease Agreement.

**30. Corporate Waiver**

30.1 Lessee waives its right to receive a copy of any financing statement or financing change statement registered by Lessor.

30.2 The Lessee hereby acknowledges that seizure or repossession of the Equipment referred to in any Lease shall not, by implication of law, extinguish the Lessee's indebtedness under any such Lease or other collateral security.

**31. Limitation of Civil Rights - Saskatchewan**

31.1 Lessee covenants and agrees with Lessor that The Limitation of Civil Rights Act of the Province of Saskatchewan shall have no application to this Lease Agreement or any Leasing Schedule.

**32. Successors and Assigns**

32.1 The Lease Agreement and each Leasing Schedule shall enure to the benefit of, and be binding upon Lessor and Lessee, their successor and permitted assigns and the sub-lessees of Lessee. Lessor shall be at liberty to assign and otherwise deal with its rights under any Lease.

**33. Location of Equipment**

33.1 Lessee shall not part with possession of the Equipment.  
33.2 Lessee declares that the Equipment will be located at the "Place of Use" in the relevant Leasing Schedule. If the location changes, Lessee will promptly give to Lessor notice of the new location not later than five (5) days after the change.

**34. Records**

34.1 Lessee shall maintain a record describing each item of Equipment, all changes, replacements, modifications and alterations thereto and the cost thereof. The record described shall be available to Lessor, its representatives or agents for inspection and to copy.

**35. Offset**

35.1 Lessee hereby waives any and all existing and future claims and offsets against any payment due to Lessor hereunder and agrees to pay those amounts due hereunder regardless of any offset or claim which may be asserted by Lessee or on its behalf.

**36. Remedies Cumulative**

36.1 All rights and remedies of Lessor hereunder are cumulative and not alternative and may be exercised by Lessor separately or together, in any order, sequence of combination.

**37. Time**

37.1 Time is and shall be in all respects of the essence of any Lease.

**38. Entire Transaction**

38.1 This Lease Agreement and Leasing Schedules represent the entire transaction between the parties hereto relating to the subject matter.  
38.2 No agreement purporting to amend or modify this Lease Agreement or any Leasing Schedule or any document, paper or written relating

hereto or thereto, or connected herewith or therewith, shall be valid and binding upon the parties hereto unless in writing and signed and accepted in writing by both parties hereto.

**39. No Merger In Judgment**

39.1 The taking of any judgment under this Lease Agreement or any Leasing Schedule shall not operate as a merger of any term, condition or provision hereof or thereof.

**40. Further Assurances/Copy of Agreement**

40.1 Lessee shall give further assurances and do, execute and perform all such acts, deeds, documents and things as may be reasonably required to enable Lessor to have the full benefit of all rights and remedies intended to be reserved or created hereby.

40.2 Lessee acknowledges receipt of a copy of this Lease Agreement.

**41. Proper Law**

41.1 This Lease Agreement and each Leasing Schedule hereto shall be governed, construed and enforced in accordance with the laws of the Province of Ontario.

**42. Currency**

42.1 All sums payable by Lessee to Lessor under this Lease Agreement or any Leasing Schedule hereto shall be paid in Canadian dollars, unless otherwise specified in the Leasing Schedule.

**43. Language**

43.1 This Lease Agreement and each Leasing Schedule are drawn up in the English language at the request of both parties.  
Le présent contrat de location a été rédigé en langue anglaise à la demande des deux parties.

**44. General**

44.1 Any terms herein defined in the singular number shall have a corresponding meaning when used in the plural.  
44.2 Any act or deed required to be observed, performed or done hereunder falling on a Saturday, Sunday or other statutory holiday shall be observed, performed or done on the business day next following but any delay hereby granted shall not extend to relieve either party from the due performance and fulfillment of its obligations hereunder.

**45. Facsimile Language**

45.1 The Lessor will be entitled to rely on any signature appearing on a facsimile transmission that purports to be a signature of the Lessee or of a representative of the Lessee as being authorized, valid and binding on the Lessee, even if the signature was not, in fact, signed by the Lessee or its representative. The Lessee will keep the originals of all documents and instructions transmitted to the Lessor by facsimile, and will produce them to the Lessor upon request. Lessor and the Lessee agree that a copy of a document transmitted by fax shall be admissible as evidence of its contents and its execution by the parties in the same manner as an original document, and expressly waive any right to object to its introduction in evidence, including any right to object based on the best evidence rule.

**46. Financial Information**

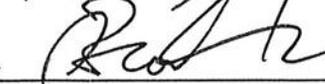
46.1 Lessee will provide to the Lessor from time to time such information about Lessee and Lessee's business as the Lessor shall reasonably request, including, without limitation, bank and financing ratings, any financial statements prepared by or for Lessee regarding Lessee's business.

In witness whereof the parties hereto have executed this Lease Agreement on the 16th day of June, 2010 over the hands of their proper signing officers duly authorized in that behalf:

Royal Bank of Canada

per   
per \_\_\_\_\_

London Civic Centre Corporation o/a John Labatt Centre

per   
per 



# Leasing Schedule

(PPSA – S)

Lessee # 848413159 Lease # 201000042974

Royal Bank of Canada, as Lessor, hereby leases to LONDON CIVIC CENTRE CORPORATION as Lessee, the Equipment hereinafter described, in consideration of rental and for the term hereinafter set forth the whole pursuant to and subject to the terms and conditions set forth in that certain Master Leasing Agreement entered into between the Lessor and the Lessee as of June 16, 2010

1. Equipment	Quantity	Make and Description	Model Number	Serial Number
	2	2018 Zamboni	Mitsubishi R4	526-11967 526-11968
<b>2. Term</b>	Term (in months)			60
	Commencement Date of Term			September 28, 2018
	Termination Date of Term			September 28, 2023
<b>3. Rental</b>	Rental Installment, payable Monthly, in advance			\$3,613.83
	GST/HST, if any			\$469.80
	PST/QST, if any			\$0.00
	Total Monthly Rental Installment			\$4,083.63
	Security Deposit			\$0.00
	Other Charges (plus applicable taxes)			\$500.00
<b>4. Option to Purchase</b>	Option to Purchase Date			Purchase Price
	September 27, 2023			\$1.00
<b>5. Place of Use</b>	99 Dundas St London Ontario N6A 6K1			
<b>6. Equipment Acceptance Certificate</b>	The Lessee hereby certifies that all the equipment identified above in Section (1) of this Leasing Schedule has been received in good condition as ordered and has been assembled, installed, tested, etc., applicable, and is operating in accordance with the manufacturers' specification. Lessee has made or caused to be made all such tests and inspections of the Equipment, as they have reasonably deemed necessary to satisfy themselves as to the foregoing. Without prejudice to the Lessee's rights against manufacturers, suppliers or other, the Lessee hereby releases and discharges the Lessor from any and all actions, causes of actions, claims, demands, rights, defences, setoffs, abatements and compensation now or hereinafter arising out of or in relation to the Equipment, or, without limitation, any latent defect therein.			

As provided in the Master Lease Agreement, the Lessor will be entitled to rely on facsimile transmissions from the Lessee.

The Lessee covenants and agrees with the Lessor that the Lessee is not entering into, and will not otherwise direct, administer or operate, this Leasing Schedule for the benefit or on behalf of any Person other than the Lessee. "Person" includes an individual, a partnership, a joint venture, a trust, an unincorporated organization, a company, a corporation, an association and any other incorporated or unincorporated entity.

The parties hereto have each executed this Leasing Schedule on the respective dates set forth below and this schedule is deemed to have been executed on the later of such dates. All appendices, if any, attached to this schedule form part of the Leasing Schedule.

ROYAL BANK OF CANADA

LONDON CIVIC CENTRE CORPORATION

per

  
Eugene Basolini  
Head, Equipment Finance Solution Centre

per

per

date

date

		<b>Zamboni Lease</b>	
Cost of borrowing	4.82%		
Monthly payment	-3613.83		
Number of Payments	60		
Bargain purchase option	1		
Expected life	10 years		
NPV of payments	\$192,343.00		
PV of BPO	1		
	<u>\$192,343.79</u>		

Inception of capital lease		
Dr. PPE	192,343.79	
Cr. Capital lease obligation		192,343.79

		Balance	Interest	Principal	Payment	
1	2018-09-28	\$192,343.79	771.78	2,842.05	3,613.83	\$192,343.79
2	2018-10-31	\$189,501.74	760.38	2,853.45	3,613.83	\$189,501.74
3	2018-11-30	\$186,648.28	748.93	2,864.90	3,613.83	<b>\$186,648.28</b>
4	2018-12-31	\$183,783.38	737.43	2,876.40	3,613.83	\$183,783.38
5	2019-01-31	\$180,906.98	725.89	2,887.94	3,613.83	\$180,906.98
6	2019-02-28	\$178,019.04	714.30	2,899.53	3,613.83	\$178,019.04
7	2019-03-31	\$175,119.51	702.67	2,911.16	3,613.83	\$175,119.51
8	2019-04-30	\$172,208.35	690.99	2,922.84	3,613.83	\$172,208.35
9	2019-05-31	\$169,285.50	679.26	2,934.57	3,613.83	\$169,285.50
10	2019-06-30	\$166,350.93	667.48	2,946.35	3,613.83	\$166,350.93
11	2019-07-31	\$163,404.58	655.66	2,958.17	3,613.83	\$163,404.58
12	2019-08-31	\$160,446.41	643.79	2,970.04	3,613.83	\$160,446.41
13	2019-09-30	\$157,476.38	631.87	2,981.96	3,613.83	\$157,476.38
14	2019-10-31	\$154,494.42	619.91	2,993.92	3,613.83	\$154,494.42
15	2019-11-30	\$151,500.50	607.90	3,005.93	3,613.83	\$151,500.50
16	2019-12-31	\$148,494.56	595.83	3,018.00	3,613.83	\$148,494.56
17	2020-01-31	\$145,476.57	583.72	3,030.11	3,613.83	\$145,476.57
18	2020-02-28	\$142,446.46	571.57	3,042.26	3,613.83	\$142,446.46
19	2020-03-31	\$139,404.20	559.36	3,054.47	3,613.83	\$139,404.20
20	2020-04-30	\$136,349.73	547.10	3,066.73	3,613.83	\$136,349.73
21	2020-05-31	\$133,283.00	534.80	3,079.03	3,613.83	\$133,283.00
22	2020-06-30	\$130,203.97	522.44	3,091.39	3,613.83	\$130,203.97
23	2020-07-31	\$127,112.58	510.04	3,103.79	3,613.83	\$127,112.58
24	2020-08-31	\$124,008.79	497.59	3,116.24	3,613.83	\$124,008.79
25	2020-09-30	\$120,892.55	485.08	3,128.75	3,613.83	\$120,892.55
26	2020-10-31	\$117,763.80	472.53	3,141.30	3,613.83	\$117,763.80
27	2020-11-30	\$114,622.50	459.92	3,153.91	3,613.83	\$114,622.50
28	2020-12-31	\$111,468.59	447.27	3,166.56	3,613.83	\$111,468.59
29	2021-01-31	\$108,302.03	434.66	3,179.27	3,613.83	\$108,302.03
30	2021-02-28	\$105,122.76	421.81	3,192.02	3,613.83	\$105,122.76
31	2021-03-31	\$101,930.73	409.00	3,204.83	3,613.83	\$101,930.73
32	2021-04-30	\$98,725.90	396.14	3,217.69	3,613.83	\$98,725.90
33	2021-05-31	\$95,508.21	383.23	3,230.60	3,613.83	\$95,508.21
34	2021-06-30	\$92,277.61	370.26	3,243.57	3,613.83	\$92,277.61
35	2021-07-31	\$89,034.04	357.25	3,256.58	3,613.83	\$89,034.04
36	2021-08-31	\$85,777.46	344.18	3,269.65	3,613.83	\$85,777.46
37	2021-09-30	\$82,507.81	331.06	3,282.77	3,613.83	\$82,507.81
38	2021-10-31	\$79,225.04	317.89	3,295.94	3,613.83	\$79,225.04
39	2021-11-30	\$75,929.10	304.67	3,309.16	3,613.83	\$75,929.10
40	2021-12-31	\$72,619.94	291.39	3,322.44	3,613.83	\$72,619.94
41	2022-01-31	\$69,297.50	278.06	3,335.77	3,613.83	\$69,297.50
42	2022-02-28	\$65,961.72	264.67	3,349.16	3,613.83	\$65,961.72
43	2022-03-31	\$62,612.56	251.23	3,362.60	3,613.83	\$62,612.56
44	2022-04-30	\$59,249.97	237.74	3,376.09	3,613.83	\$59,249.97
45	2022-05-31	\$55,873.88	224.19	3,389.64	3,613.83	\$55,873.88
46	2022-06-30	\$52,484.24	210.59	3,403.24	3,613.83	\$52,484.24
47	2022-07-31	\$49,081.01	196.94	3,416.89	3,613.83	\$49,081.01
48	2022-08-31	\$45,664.11	183.23	3,430.60	3,613.83	\$45,664.11
49	2022-09-30	\$42,233.51	169.46	3,444.37	3,613.83	\$42,233.51
50	2022-10-31	\$38,789.14	155.64	3,458.19	3,613.83	\$38,789.14
51	2022-11-30	\$35,330.95	141.77	3,472.06	3,613.83	\$35,330.95
52	2022-12-31	\$31,858.89	127.83	3,486.00	3,613.83	\$31,858.89
53	2023-01-31	\$28,372.89	113.85	3,499.98	3,613.83	\$28,372.89
54	2023-02-28	\$24,872.91	99.80	3,514.03	3,613.83	\$24,872.91
55	2023-03-31	\$21,358.88	85.70	3,528.13	3,613.83	\$21,358.88
56	2023-04-30	\$17,830.75	71.55	3,542.28	3,613.83	\$17,830.75
57	2023-05-31	\$14,288.47	57.33	3,556.50	3,613.83	\$14,288.47
58	2023-06-30	\$10,731.97	43.06	3,570.77	3,613.83	\$10,731.97
59	2023-07-31	\$7,161.20	28.73	3,585.10	3,613.83	\$7,161.20
60	2023-08-31	\$3,576.11	14.35	3,599.48	3,613.83	\$3,576.11
						(\$23.37)

Month 1		
Dr. Interest expense	771.78	
Dr. Capital lease obligation	2,842.05	
Dr. Amortization expense	1,602.86	
Cr. Cash		3,613.83
Cr. Accumulated amortization		1,602.86
Month 2		
Dr. Interest expense	760.38	
Dr. Capital lease obligation	2,853.45	
Dr. Amortization expense	1,602.86	
Cr. Cash		3,613.83
Cr. Accumulated amortization		1,602.86

Principal Payments FY19	28,939.20
Principal Payment FY20	36,292.00
Principal payment FY21	38,078.54
Principal payment FY22	39,953.03
Principal payment FY23	41,919.80
Principal payment FY24	7,184.56

<b>TO:</b>	<b>CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON FEBRUARY 19, 2019</b>
<b>FROM:</b>	<b>ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER</b>
<b>SUBJECT:</b>	<b>2018 ANNUAL UPDATE ON BUDWEISER GARDENS</b>

<b>RECOMMENDATIONS</b>
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That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the 2018 Annual Report on Budweiser Gardens attached as 'Appendix B' **BE RECEIVED** for information.

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
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2015 Annual Update on Budweiser Gardens, February 2, 2016, meeting of Corporate Services Committee, Item #5

2016 Annual Update on Budweiser Gardens, February 21, 2017, meeting of Corporate Services Committee, Item #3

2017 Annual Update on Budweiser Gardens, March 20, 2018, meeting of Corporate Services Committee, Consent Item #2.5

<b>BACKGROUND</b>
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Budweiser Gardens is a multi-purpose entertainment and sports facility. The facility strives to perform a significant role in meeting the needs of the community in its overall programming.

Budweiser Gardens operates as a public private partnership and is designated as a municipal capital facility under the Municipal Act. The Budweiser Gardens completed its sixteenth year of operations in 2018.

Budweiser Gardens is managed by Spectra Venue Management (formerly known as Global Spectrum) on behalf of the partnership, London Civic Centre (LP). Spectra is responsible for the sale of naming rights, advertising, attractions, sale of suites and club seats, and the operation of the facility.

The City's share of the net proceeds from operations does vary over the life of the lease. In years one to five, the City's share was 20%; years six to ten, 45% and years eleven to fifty, 70%.

Budweiser Gardens continues to outperform pre-build expectations. Over 490,000 people attended approximately 122 events last year at the Gardens, more than 50% higher than pre-build expectations.

**2017-2018 BUDWEISER GARDENS EVENT HIGHLIGHTS**

Budweiser Gardens hosted a wide range of shows and events in 2016-2017, living up to the multi-purpose function that the City invested in when it built the facility including, but not limited to:

- Music legends such as Bob Dylan, Foreigner, and Rod Stewart
- Country stars such as Tim McGraw & Faith Hill

- Comedic acts such as Kevin Hart, and Jeff Dunham
- Broadway in London shows such as the Wizard of Oz, Brain Candy Live!, the Sound of Music, Stomp, and Rogers + Hammerstein’s Cinderella
- Family shows such as Peppa Pig Live, Disney on Ice Dream Big, the Harlem Globetrotters, Stars on Ice, and Cirque Musica Holiday presents Believe
- Cirque du Soleil Crystal, and
- a host of various events such as Fanshawe College 50<sup>th</sup> Anniversary, and a Local Artisans and Performers Show Case

**ACHIEVEMENTS AND AWARDS SUMMARY**

Budweiser Gardens had another impressive year in 2017/2018. The list below highlights achievements, and awards received by Budweiser Gardens:

- Named a finalist for the 2019 London Chamber of Commerce Environmental Leadership Award
- Named the host venue for the 2019 Juno Awards – first time in London!
- Over \$157,000 worth of donations, goods and services went to numerous charities and community initiatives throughout Southwestern Ontario
- Hosted 122 events and welcomed over 490,000 patrons

**FINANCIAL HIGHLIGHTS (5–YEAR SNAPSHOT)**

At the end of 2018 there was \$6,911,276 remaining on the outstanding debt. The final payment will be made in 2023.

Appendix “A” (attached) provides a performance summary for the Budweiser Gardens for the last five years, events, paid attendance, incomes, expenses, net income and the City’s net proceeds for both ticket fees and share of net operational income. The 2018 net income was lower in comparison to 2017 due to the mix of events held and playoff games. Although the net income was down from previous years, the net income realized continues to be better than budget.

Appendix “B” (attached) is the Budweiser Gardens 2018 Annual Report.

<b>SUBMITTED BY:</b>	<b>RECOMMENDED BY:</b>
<b>IAN COLLINS, CPA, CMA DIRECTOR, FINANCIAL SERVICES</b>	<b>ANNA LISA BARBON, CPA, CGA MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER</b>

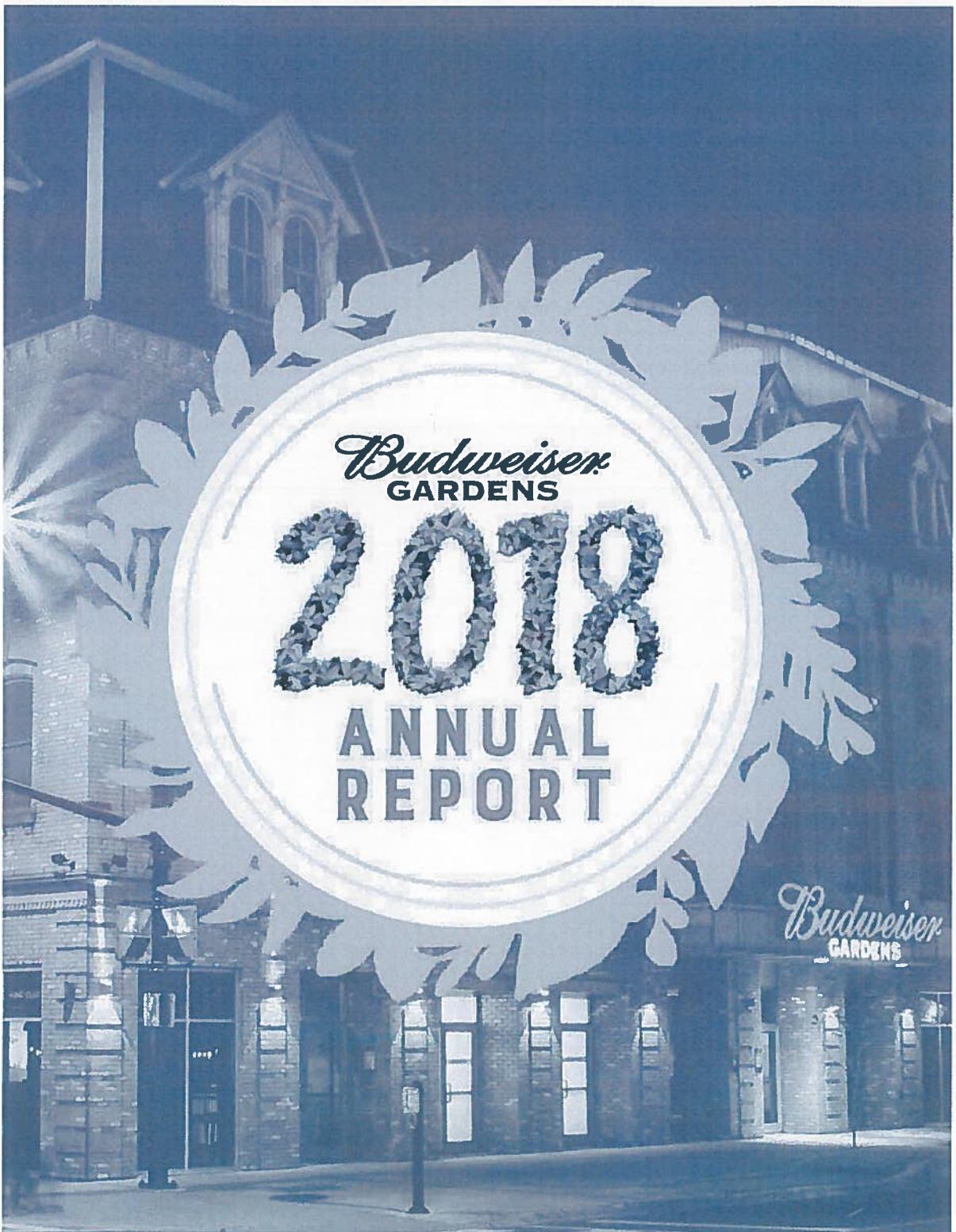
**APPENDIX "A"**

**Budweiser Gardens Performance Summary**

	<b>2018 Budget</b>	<b>2018 Actual</b>	<b>2017 Actual</b>	<b>2016 Actual</b>	<b>2015 Actual</b>	<b>2014 Actual</b>
Events	123	122	134	147	124	155
Paid Attendance	564,150	490,347	587,020	586,919	669,499	669,497

		<b>2018 Budget</b>	<b>2018 Actual</b>	<b>2017 Actual</b>	<b>2016 Actual</b>	<b>2015 Actual</b>	<b>2014 Actual</b>
Budweiser Gardens	Total Event Income	\$2,603,645	\$2,639,587	\$3,228,051	\$2,552,117	\$2,736,299	\$3,310,373
	Other Income <sup>(1)</sup>	\$3,718,498	\$3,736,290	\$3,470,796	\$3,482,830	\$3,745,666	\$3,590,991
	Total Income	\$6,322,143	\$6,375,877	\$6,698,847	\$6,034,947	\$6,481,965	\$6,901,364
	Indirect Expenses	\$6,319,745	\$6,230,807	\$6,408,130	\$5,645,886	\$6,224,114	\$6,472,864
	Net Income <sup>(2)</sup>	<u>\$2,398</u>	<u>\$145,070</u>	<u>\$290,717</u>	<u>\$389,061</u>	<u>\$257,851</u>	<u>\$428,500</u>
City's Cash Flow	City Proceeds from Operations	\$50,000	\$117,660	\$258,907	\$243,553	\$456,527	\$772,080
	City Proceeds from Ticket Sales	\$86,476	\$145,314	\$128,005	\$133,961	\$116,168	\$200,867
	Total City Proceeds	<u>\$136,476</u>	<u>\$262,974</u>	<u>\$386,912</u>	<u>\$377,514</u>	<u>\$572,695</u>	<u>\$972,947</u>

- Notes: (1) Other Income includes items such as Advertising, Naming/ Pour rights, Luxury Suites, etc.  
(2) Net Income is based on Operating Cash Flow for Distribution



APPENDIX "B"

Budweiser Gardens 2018 Annual Report

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## STATEMENT OF PURPOSE

Budweiser Gardens opened in October of 2002 with a seating capacity of 9,090 for hockey and ice events and over 10,000 for concerts, family shows and other events. The venue not only strives to meet the needs of the community through diverse programming, it also stands as a landmark of civic pride and community accessibility, promoting a sense of vibrancy and culture while also providing a wide range of public sports and entertainment.

Constructed in the heart of downtown London, the exterior design of Budweiser Gardens incorporates a replica of the facade of the old Talbot Inn, a 19th Century Inn originally located where the building now stands.

With a reputation and standard of excellence in the industry, Budweiser Gardens is a top stop for fans and performers alike.

# MESSAGE FROM THE GENERAL MANAGER

What a year it was for the Spectra Venue Management team at Budweiser Gardens! The 2017-2018 season was surely an impressive one at Budweiser Gardens as we celebrated our 15th anniversary with 122 events and over 500,000 patrons.

The season kicked off with the 3rd annual Traxside Music Festival hosted at the Western Fair race track over the Canada Day long weekend. This year's Traxside festival featured performers such as Thomas Rhett, Kip Moore, Dallas Smith, and many more which resulted in record breaking numbers for the festival. Live Nation, London Music Hall and Western Fair District are amazing partners to work with and work extremely hard to help make this festival a success year after year. A special thank you to Tourism London and London Music Office for their continue support.

Budweiser Gardens hosted many A-list artists and several unique events during the 2017-2018 season. The season fan-favourites included; Rod Stewart, Tim McGraw & Faith Hill's Soul2Soul tour, and Kevin Hart each with sold out performances. We also had some new additions to our event listing as we expanded the scope of events we host. The Local Artisans Performers Showcase took place on November 4th which showcased over 150 local vendors and their hand made products, resulting in \$10,000 being donated to ChildCan and Children Aid Society. On November 10th we hosted The London Tequila Expo which showcased the ever popular agave based drink, Tequila. In addition to tasting an assortment of tequila and mezcal brands, patrons were able to sample offerings from local restaurants, increase their knowledge during seminars led by tequila experts and dance the night away to live mariachi music. These events are a great way to bring the community together and we are always looking for ways to grow and expand.

One of the biggest highlights of the year was announcing that London will be hosting The 2019 Juno Awards along with all JUNO Week festivities, March 11th – March 17, 2019. We are honored that our venue was chosen to host the 48TH Annual JUNO Awards that will be broadcast live on CBC on March 17th, 2019. It was also announced that beginning January 29th, 2018 and continuing through to the awards show, key London music venues including; Budweiser Gardens, will donate one dollar from every concert ticket sold to MusiCounts which is Canada's music education charity associated with CARAS (The Canadian Academy of Recording Arts and Sciences).

The 2017-18 Broadway in London series boasted an impressive lineup with a show for every interest! Brain Candy Live! kicked off the Broadway series followed by Cirque Musica Holiday presents BELIEVE, Harry Potter And The Philosopher's Stone™ In Concert, Rogers + Hammerstein's Ginderella, The Wizard of Oz, STOMP, and The Sound of Music.

The London Knights continued to bring large and enthusiastic crowds to the building for each home game. Towards the end of the season the Knights had an impressive 6 game winning streak and finished in fifth place in the Western Conference. The team lost a hard-fought battle to the Owen Sound Attack in the playoffs after four games with each game ending by a difference of one goal and two of them going to overtime. Thank you to the London Knights for providing our fans with top level hockey and continuing to play a significant role in the venue's success!

The London Lightning had another successful year with back-to-back championships for the second time in franchise history. The Lightning had an epic season finishing first in the Central division, as well as having the highest attendance in the league! Congratulations to the franchise on another successful year, and thank you to the community for their continued support.

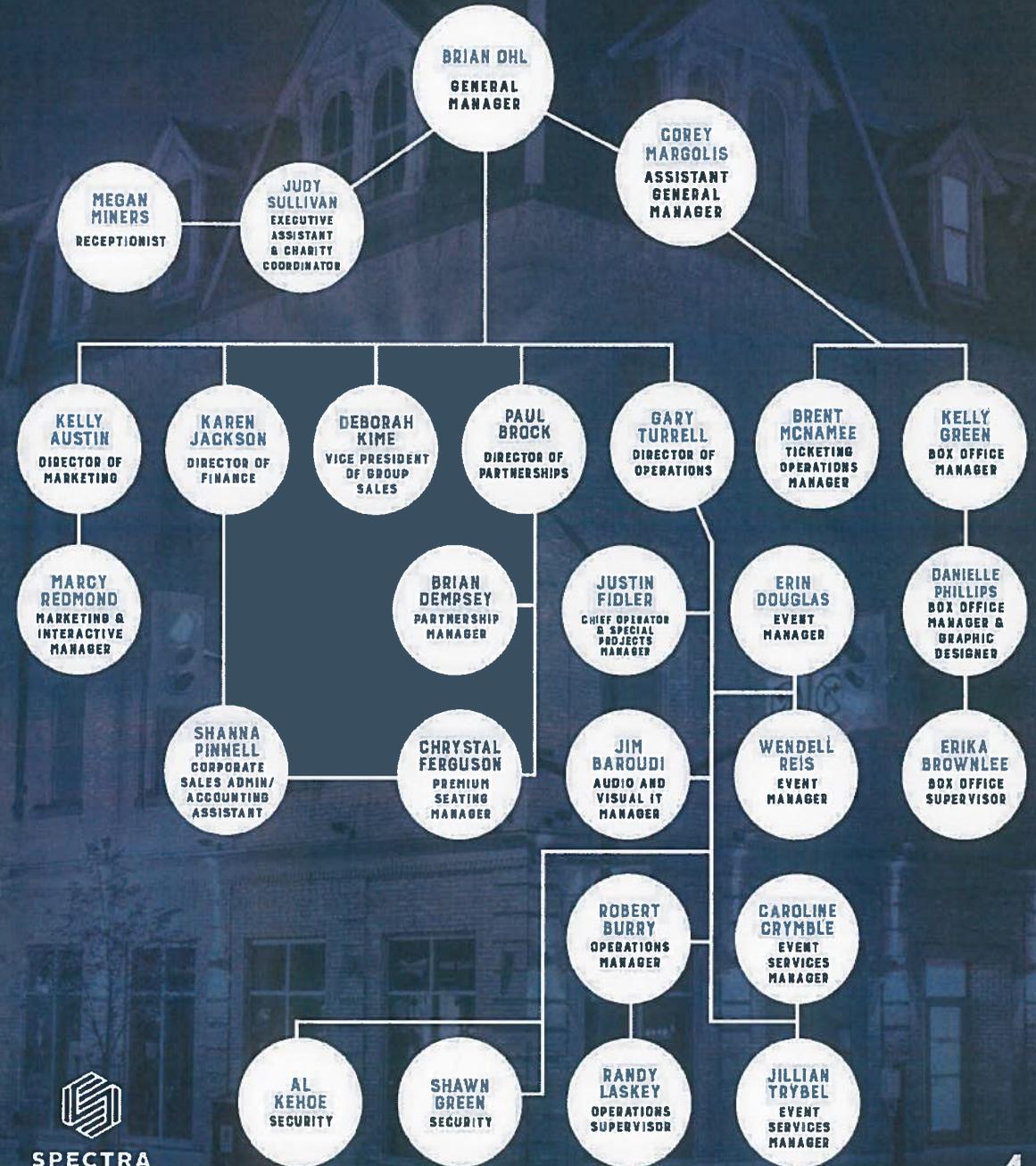
The Spectra Venue Management staff continue to come up with creative, and progressive green initiatives. The London Knights vs. Sudbury Wolves hockey game on February 10th marked the first Annual 'Green Game' where fans had the opportunity to ride the LTC bus down to the game for free as a way to reduce their carbon footprint. Spectra also partnered with ReForest London so that each save made in the game resulted in a tree being planted, an initiative that was matched by Downton London which resulted in 44 trees being planted. In addition to green initiatives a heavy emphasis is placed on giving back to the community. Bud's Backstage Experience returned for the 4th year, with proceeds going to MusiCounts as part of the lead-up to the Junos. Staff also participated in the Big Bike in support of Heart and Stroke, as well as hosted our annual Open House Skate in support of Children's Aid Society. This was the 9th year of the skate and thanks to the generosity of the community we were able to donate over \$50,000!

Creating a great experience for our customers, sponsors, and partners is always a top priority for The Spectra Venue Management staff at Budweiser Gardens and this past season gave us many opportunities to take pride in our hard work. Thank you to our partners and the community of London and Southwestern Ontario for the continued support and an amazing 2017/18 season.



**BRIAN OHL**  
GENERAL MANAGER

# VENUE TEAM



# MESSAGE FROM THE CITY OF LONDON



## Message from Anna Lisa Barbon

To Our Friends at Spectra Venue Management:

It was another busy year hosting a wide variety of shows and events at Budweiser Gardens with something to appeal to everyone. Shows ranged from the Broadway in London Series which included Brain Candy Live, Cirque Musica Holiday, Harry Potter & the Philosopher's Stone, Wizard of Oz, Stomp, Celtic Woman and The Sound of Music, to Rod Stewart and Stars on Ice featuring Olympic Gold Medalists Scott Moir & Tessa Virtue. Budweiser Gardens hosted a number of sold out concerts during the year including, Our Lady Peace & Matthew Good, Judas Priest, Johnny Reid, Kevin Hart as well as Tim McGraw & Faith Hill.

The concerts and shows weren't the only showstoppers at the Budweiser Gardens, as they hosted the sold out World Junior Championship Pre-Tournament Game: Canada vs. Czech Republic. Budweiser Gardens is home to the London Knights who had another great season and playoff run, as did the London Lightning, who won NBL Championship for the second year in a row.

Finally, an announcement everyone was buzzing about, was that of the Budweiser Gardens who will be the host venue for the 2019 Juno Awards, being held March 17, 2019 – such an exciting time!

The dedication and professionalism of Spectra Venue Management continues to bring in high quality entertainment and world class acts that maintain Budweiser Gardens as one of the top venues in the world in its class. Congratulations on another successful year for Budweiser Gardens.

Sincerely,

Anna Lisa Barbon  
Managing Director, Corporate Services and  
City Treasurer, Chief Financial Officer

The Corporation of the City of London  
300 Dufferin Ave PO Box 5035  
London, ON N6A 4L9  
www.london.ca



OFFICE  
OF MAYOR  
MATT BROWN



## Budweiser Gardens – Annual Report 2018

On behalf of the City of London I am pleased to see another exceptionally successful year at Budweiser Gardens, our premier entertainment venue.

Budweiser Gardens is a significant staple in our downtown core, drawing not only Londoners, but visitors from far and wide for each and every event.

This year, Budweiser Gardens continued to deliver on the sports front, hosting a sold out World Junior Championship Pre-Tournament game: Canada VS Czech Republic as well The London Knights and London Lightning's amazing seasons.

The Broadway London series brought some remarkable shows, including Harry Potter and the Philosopher's Stone, the Wizard of Oz and the Sound of Music.

However, I believe the most prevalent highlight from this past year was the announcement that Budweiser Gardens will be the host venue for the 2019 Juno Awards. I am so excited to see this venue and our entire downtown converted into an incredible space for a week-long celebration of Canadian music.

The work that goes into transforming the venue for each event is truly astounding. I would like to thank each and every person who helps make each game, concert and show a success.

Congratulations on another successful year. Myself and all of London look forward to many more.

Sincerely,

Mayor Matt Brown

300 Dufferin Avenue  
PO Box 5053  
London, ON Canada  
N6A 4L9

THE CORPORATION OF  
THE CITY OF LONDON  
T: 519.661.4920  
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mayor@london.ca  
LONDON, CA

# SUMMARY OF EVENTS



## JULY

Trackside Music Festival: July 1-2  
Bob Dylan: July 6

## AUGUST

WWE Summerslam Heatwave Tour: August 6

## SEPTEMBER

Fanshawe College 50th Anniversary: September 9

## OCTOBER

Let It Be: October 21

## NOVEMBER

Local Artisans and Performers Show Case: November 4  
Brit Floyd: November 6  
Foreigner: November 14  
London Tequila Expo: November 18  
Brain Candy Live!: November 23  
Arkells: November 25

## DECEMBER

Cirque Musica Holiday presents BELIEVE: December 14  
World Juniors Pre-Tournament Game CAN VS. CZE: December 20

## JANUARY

Harry Potter and the Philosopher's Stone™ In Concert: January 20  
Jeff Dunham: January 24

## FEBRUARY

Rogers + Hammerstein's Cinderella: February 5-6

## MARCH

Disney on Ice Dream Big: March 1-4  
Our Lady Peace & Matthew Good: March 10  
WWE Live Road to Wrestlemania: March 11  
Letterkenny Live!: March 17  
The Wizard of Oz: March 24-25  
Judas Priest: March 27  
Rod Stewart: March 31

## APRIL

Johnny Reid: April 8  
STOMP: April 11  
Celtic Woman: April 12  
The Cocktail Show: April 14  
Harlem Globetrotters: April 15  
Kevin Hart: April 20  
Peppa Pig Live!: April 28

## MAY

Stars On Ice: May 6  
Queens of the Stone Age: May 24  
The Sound of Music: May 26

## JUNE

Bud's Backstage Experience: June 6  
Cirque du Soleil CRYSTAL: June 14-17  
Tim & Faith SOUL2SOUL: June 19  
Trackside Music Festival Day 1: June 30



# EVENT HIGHLIGHTS



## Trackside Music Festival

July 1-2, 2017

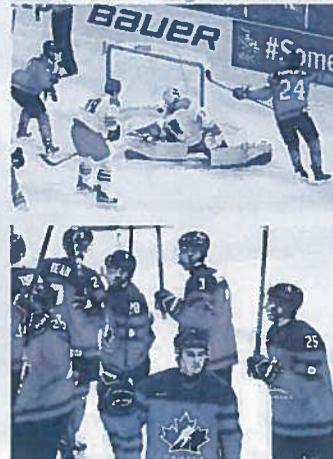
Budweiser Gardens once again partnered with Live Nation, London Music Hall and the Western Fair District for the annual Trackside Music Festival on July 1 & 2, 2017. The two-day country music festival was headlined by country superstars Thomas Rhett and Kip Moore and also featured rising stars; Dallas Smith, Brothers Osborne, Brett Kissel and performances by many other country stars. The festival took place on the infield of the raceway track at the Western Fair District. The Budweiser Gardens staff were heavily involved with the event, providing their time and skills to key areas of the event including but not limited to: sponsorship, ticketing, marketing, media relations, operations, and event services. The two-day festival had the city buzzing and saw a successful year with over 12,000+ in attendance daily.



## Arkells

November 25, 2017

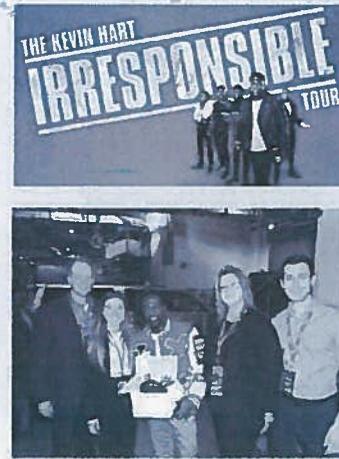
The last Saturday in November featured the debut of the Arkells at Budweiser Gardens. Coming off two very successful shows in Hamilton and Toronto respectively, the highly anticipated Knocking at the Door Tour concluded in London and did not disappoint. A tour high crowd of over 5,400 danced and sang along to hits such as; '11:11', 'Drake's Dad' and 'Leather Jacket'. As has become a common fixture at Arkells shows, one lucky fan was picked from the audience to join the band on stage for their hit 'Private School' where he was able to perform a guitar solo and sing the final chorus with lead singer, Max Kerman. The band paid tribute to The Tragically Hip and the late Gord Downie by playing 'My Music at Work' as the first song of their encore before closing out the show with 'Knocking at the Door.' This may have been the first show for the Arkells at Budweiser Gardens but judging by the electricity in the crowd throughout the night it definitely won't be their last.



## World Junior Pre-Tournament

December 20, 2017

Budweiser Gardens has played host to two MasterCard Memorial Cup tournaments, NHL preseason games, NHL Rookie Tournaments, World Under 17 Championships and many other significant hockey events but for the first time ever, it was host to a World Junior Championship Pre-Tournament Game. On December 20th, Canada's National Junior Team took on the Czech Republic in front of a sold-out crowd of 8,025, many of whom were dressed in red and white with Maple Leaf's on their chest. The event was part of a partnership between the London Knights, Spectra Venue Management and Tourism London to help show Hockey Canada the passion for Junior hockey in London and Southwestern Ontario in hopes of securing future events. Although the game was a rout, with Canada winning 9-0, the fans lived up to expectations providing an NHL-like atmosphere and cheering for the ninth goal with as much enthusiasm as the first.



## Kevin Hart

April 20, 2018

On Friday, April 20th international comedic superstar, Kevin Hart made his Budweiser Gardens debut in front of a sold-out crowd of 9,973 patrons when he brought his 'Irresponsible Tour' to London. Billed as widely successful and massively hysterical, the show certainly did not disappoint! Following openers Will Spank and Na'im Lynn, Kevin Hart took the stage for his 90+ minute set that touched on all aspects of his life and had the crowd doubled over with laughter. The show was also the first 'cell phone free' show that we have had in the venue in which the use of cell phones within the arena bowl was strictly enforced. Through consistent messaging and great teamwork between the show, venue management staff and our fantastic event staff the endeavour turned out to be very successful.



## Tim and Faith

June 19, 2018

Country music power couple Tim McGraw and Faith Hill had everyone in Budweiser Gardens thinking #relationshipgoals when they brought their critically acclaimed Soul2Soul World Tour to the venue on June 19th. The multiple Grammy Award winning superstars had the sold-out crowd of 7,800 plus on their feet from the minute the first notes started until the final chord was played. Although Tim McGraw had previously played the venue in 2010 this was the first time that his wife Faith Hill performed at Budweiser Gardens and she did not disappoint. The Soul2Soul Tour brought with it an impressive stage with impeccably executed production that perfectly matched the chemistry and electricity of the performers on it.



## Broadway in London Series 2017-2018

Broadway in London had a spectacular series for the 2017-2018 year with a total of 4 package shows, and 4 more optional add-ons. The series included the first of an eight part Harry Potter series, Harry Potter and the Philosopher's Stone- In Concert, which allowed fans to relive the magic of the film in high-definition while London Symphonia performed John Williams' unforgettable score live. The Broadway series also included some theatre favourites; Cinderella, The Wizard of Oz, STOMP and The Sound of Music. Brain Candy, Celtic Woman and Cirque Music Holiday also offered a wide variety of entertainment for subscribers and fans alike.

# LONDON KNIGHTS



The Knights began their 2017-2018 season at home against the Windsor Spitfires then on the road against Saginaw where the team secured their first victory of the season in overtime. The Knights would start the season battling and eventually strung together a four-game win streak with momentum heading into the month of November.

The beginning of the month of November marked the annual edition of the CHL's CIBC Canada Russia Series which saw four Knights represent Team OHL; Evan Bouchard, Robert Thomas, Cliff Pu, and Alex Formenton in two games against representatives from Russia. The games were hosted in Owen Sound on November 9th and in Sudbury on November 13th. Alex Formenton was selected as the 2nd star of the game in Owen Sound.

December would be a big month for the team and the franchise as Knights Head Coach Dale Hunter won his 700th regular season game against the North Bay Battalion on Saturday December 2nd becoming the fastest coach to reach the mark in the OHL. In the same game, 9,431 teddy bears rained down onto the ice for the Salvation Army in the Knights' annual Teddy Bear Toss.

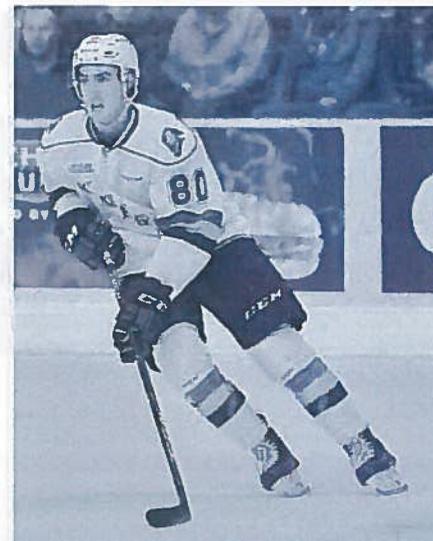
This year's World Junior Championships in Buffalo had a contingent of Knights representatives with Formenton (Canada), Thomas (Canada) and Max Jones (USA) as well as Knights graduates; Victor Mete (Canada) and Olli Juolevi (Finland). The Canadian trio of Formenton, Thomas and Mete were able to win gold against Sweden bringing Canada its 17th gold medal at the tournament.

At the conclusion of the tournament, the team also saw the departure of fan favourites, Sam Miletic (Niagara), Thomas (Hamilton), Jones (Kingston) and Pu (Kingston). We thank them for their time in London where they represented the team and city to the fullest. The return also saw the team welcome Connor McMichael, Sergey Popov and Nathan Dunkley to the Knights.

The new calendar year started with Bouchard and Liam Foudy being invited to the CHL's Sherwin-Williams Top Prospects Game for players in their NHL draft year. Bouchard would put up a record tying performance with four assists tying a record set by Daniel Briere in 1996 on his way to earning the Jim Gregory Player of the Game honours for Team Chery.

As the Knights made their way to the conclusion of the regular season, the team put together a win streak of six games, the longest of the season with wins over the Peterborough Petes, Kingston Frontenacs, Ottawa 67's, Guelph Storm, Erie Otters, and Flint Firebirds.

The Knights would conclude their 2017-18 season with 82 points going 39-25-2 which was good for fifth place, only two points behind Owen Sound for fourth in the Western Conference of the OHL where the Knights would go on to play the Owen Sound Attack in the playoffs. The series would end in four games with each ending by one goal and two going in overtime.



With the conclusion of the playing season over, the London Knights saw their players receive a multitude of awards and recognition from staffs across the OHL with players receiving honours in the following;

## EVAN BOUCHARD

8TH IN LEAGUE SCORING

4TH IN ASSISTS WITH 62

5TH IN POWER PLAY POINTS WITH 23

6TH IN GAME WINNING GOALS WITH 7

VOTED 3RD SMARTEST PLAYER IN THE WESTERN CONFERENCE

VOTED 2ND IN HARDEST/BEST SHOT IN THE WESTERN CONFERENCE

VOTED BEST OFFENSIVE DEFENSEMEN IN THE WESTERN CONFERENCE

## LIAM FOUDY

5TH IN SHORTHANDED GOALS WITH 5

VOTED WESTERN CONFERENCE'S MOST IMPROVED PLAYER

## ADAM FORMENTON

VOTED WESTERN CONFERENCE'S FASTEST PLAYER

VOTED 2ND IN BEST DEFENSIVE FORWARD IN THE WESTERN CONFERENCE

## JOSEPH RAAYMAKERS

5TH IN GOALS AGAINST AVERAGE OF 2.84

4TH IN SAVE PERCENTAGE (.910)

3RD IN SHUTOUTS WITH 3

## JORDAN KOOY

AWARDED THE FW "DINTY" MOORE TROPHY (LOWEST ROOKIE GOALS-AGAINST AVERAGE) FOR A FIRST YEAR GOALIE

In the 2018 NHL Entry Draft, the Knights saw four players selected with Bouchard at 10th overall (Edmonton Oilers), Foudy at 18th overall (Columbus Blue Jackets) Alec Regula at 67th overall (Detroit Red Wings) and Kooy 208th overall (Vegas Golden Knights).

The London Knights are very keen on community involvement by supporting the fans who devote their time to cheering them on. Knights players would make appearances at the Children's Health Foundation, White Oaks Mall, dozens of school visits, among many other community outings to showcase the passion that they have for the City of London.

As the 2017-2018 season has ended, the team looks forward to another exciting season 2018-2019.

# GROUP SALES



## LONDON LIGHTNING

The London Lightning are back-to-back champions for the second time in franchise history. The 2017-2018 season brought the Lightning their league leading fourth championship title in the National Basketball League of Canada (NBLC). Finishing the regular season first in the Central division for the third straight season, the Lightning also held the highest attendance in the NBLC during the season for the seventh straight year. With over 112,000 people coming to watch the Lightning, Budweiser Gardens averaged between 5,500 – 6,000 fans per game.

The Lightning's 2018 playoff run began at home when they took on the Niagara River Lions. London bested the River Lions, winning the series 3-1. In the second round, the Lightning battled the St. John's Edge. Taking six games to close out the series, the Lightning were going to the NBLC finals for the third straight season where they would face the Halifax Hurricanes. A back and forth series that went right down to the wire, the Lightning came out on top defeating the Hurricanes 109-101 in game 7, claiming the 2018 NBLC title.

After a wildly successful team effort, the Lightning's players took home some individual awards and milestones to cap off the year. Canadian Garrett Williamson took home the 2018 NBLC Playoff MVP after an impressive postseason. Williamson also became the first Canadian in league history to reach the 2,000 regular season point milestone, which also moved him into the 10th spot on the all-time career points list.



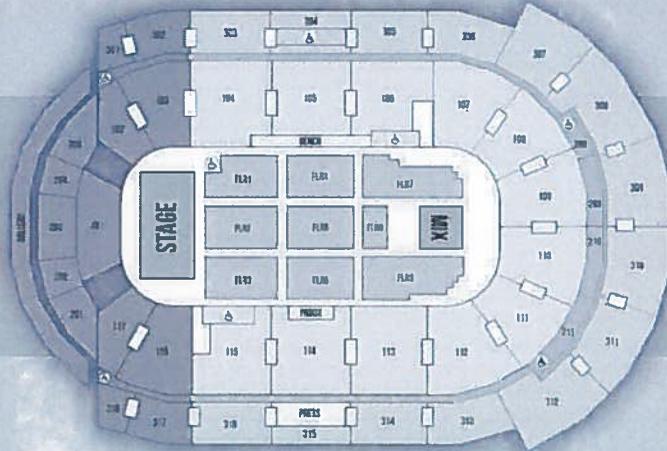
Budweiser Gardens Group Sales Department completed another GREAT year that saw the successful implementation of Groupmatics which is an online group booking platform. Integrated with the ticketing system, Groupmatics makes organizing a group and fundraising a seamless experience for the organizer. This tool helped us increase our sales for Disney on Ice and Cirque du Soleil and to achieve new levels of operational excellence, improve the customer experience and drive profitable growth. We look forward to continued growth in the coming season!

Similarly, to previous years, we worked closely with many non-profits, elementary and secondary school groups to provide fundraising opportunities through use of fan experiences (national anthem, play on the ice/court, high five tunnel, etc.) for family shows and sporting events, where funds would go towards a specific charity of choice or special cause. Groupmatics played a role in simplifying this process.

Packaging continued to be a focus to increase our food and beverage revenue and improve the customer experience. Group Sales again successfully worked with Spectra Food Services to create dinner packages for a variety of concerts, sporting events and shows, as well as offering food vouchers as an up-sell program to generate additional profit. Popularity of several concerts gave us the opportunity to continue to create secondary packages partnering with nearby restaurant, Michael's On the Thames and to create new "Pre-Show Packages" in the King Club and Press Box. All packages are made available online which generates significant revenue through convenience charges. We offered packages for 15 events with 2,606 packages being sold for total revenue of \$239,414.

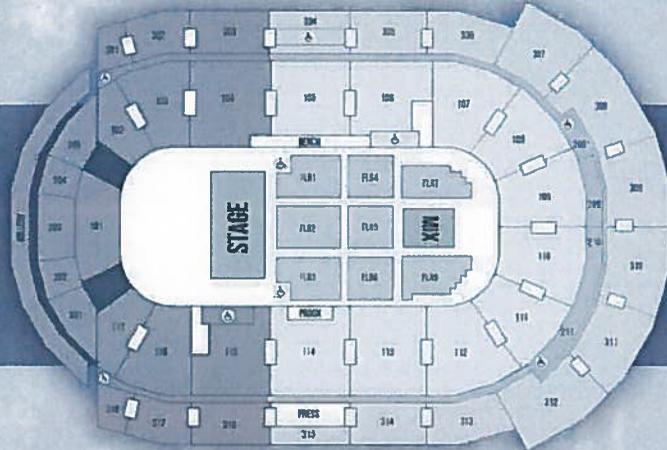
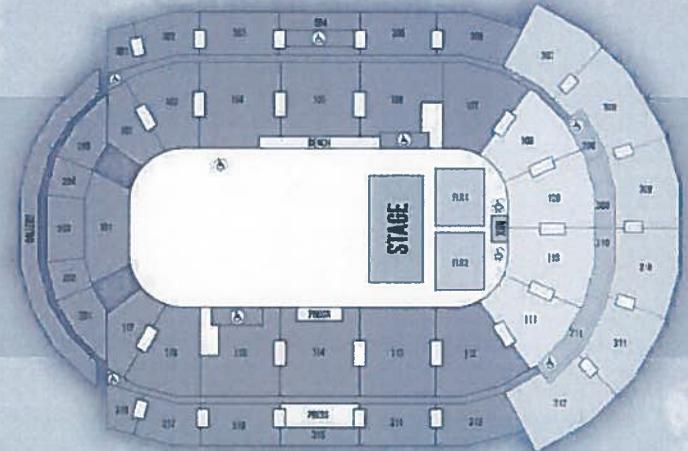
During the 2017-2018 season, we exceeded our budget for family shows such as Disney on Ice, Stars on Ice and Broadway achieving \$522,204 in Group Sales revenue and 139% of our revenue goal supporting our goal to drive profitable growth.

# FACILITY FLOOR PLANS



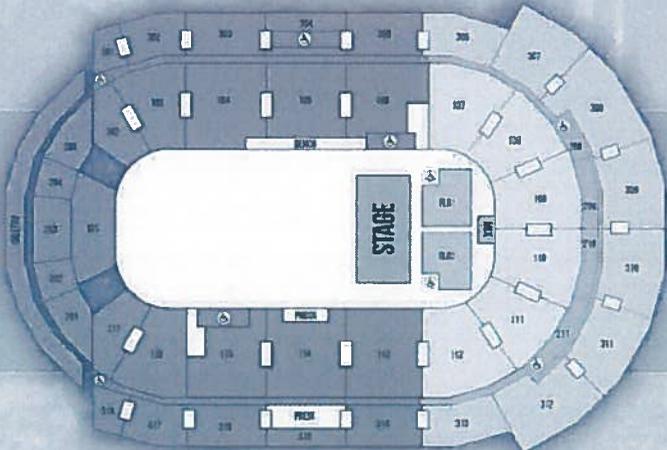
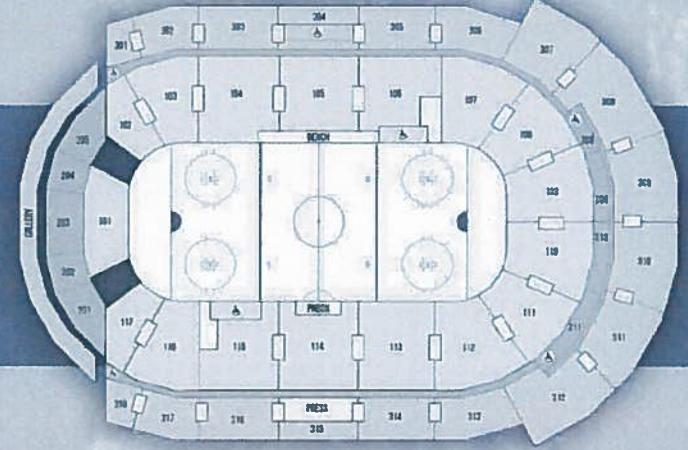
**END STAGE**  
CAPACITY: 8000

**RBC THEATRE**  
CAPACITY: 2613



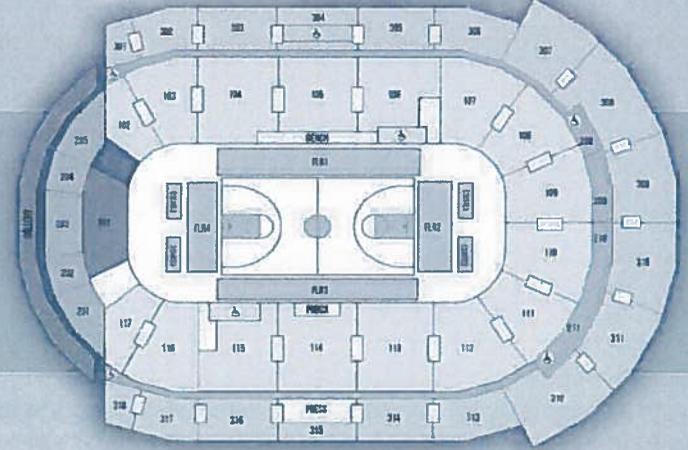
**HYBRID**  
CAPACITY: 6654

**HOCKEY**  
CAPACITY: 9090



**RBC THEATRE  
SMALL CONCERT**  
CAPACITY: 3933

**BASKETBALL**  
CAPACITY: 8910



# PARTNERSHIPS

To ensure the success of Budweiser Gardens, Spectra Venue Management utilizes several partnerships which support and assist staff to maximize the care, control, and safe and efficient operation of the facility. These partnerships are made up of both long-term and short-term commitments which are governed by collective agreements or service agreements.

## SPECTRA FOOD SERVICES AND HOSPITALITY

At Spectra Food Services & Hospitality, the mantra is its Everything Fresh™ philosophy. This division of Spectra delivers the industry's most innovative and profitable food services and hospitality management solutions. Spectra Food Services & Hospitality continues to provide world class service to the thousands of patrons who visit Budweiser Gardens. With a focus on many areas of service, from the patron attending that evening's show, to the fan at the hockey game, to the performers who perform at Budweiser Gardens. Spectra Food Services & Hospitality creates a memorable experience for each customer through attention to detail and unsurpassed quality.

Spectra Food Services & Hospitality also provide opportunities for groups and organizations such as school groups, dance clubs, minor sports teams and private clubs in the community to grow and expand their fundraising efforts, by partnering with them to help with concessions stand operations at events. Monies raised from concession sales go directly to these organizations to assist them in reaching their goals.

One of the goals within the Spectra Food Services & Hospitality family is to "think green". Spectra has committed to bringing in eco-friendly products, reducing waste and going local with as many purchases as possible. By partnering with industry-leading companies, Spectra Food Services & Hospitality has helped transform Budweiser Gardens into a true "House of Green".

With concentrated efforts on guest satisfaction, Spectra Food Services & Hospitality stays ahead of the industry standard in terms of food quality, presentation and customer service, ensuring that all guests enjoy each and every visit to Budweiser Gardens. The continued advancement of Spectra Food Services & Hospitality as a company has allowed many of its employees at Budweiser Gardens the opportunity to expand their knowledge by traveling and assisting other venues throughout North America.



## THE TALBOT BAR AND GRILLE

From dining in The Talbot Bar & Grille to booking a private function in the Cambria Lounge or King Club, Spectra Food Services offers you the opportunity to dine where the action is. Head Chef, Ryan Lerch, continues to make big and delicious improvements to the menus available throughout Budweiser Gardens. Spectra Food Services is committed to giving guests an exceptional experience each time they walk through the doors and continue to exceed expectations.

## JOHNSON CONTROL SYSTEMS

Johnson Controls Incorporated provides a widespread Service Plan Agreement which is part of a 25-year term. The agreement is founded on an extensive and comprehensive service plan which includes a full-time operator at Budweiser Gardens. Johnson Controls Incorporated is charged with many tasks crucial to the day-to-day building operations, including a comprehensive operation and maintenance program for all Heating Ventilation and Air Conditioning (HVAC) equipment.



## I.A.T.S.E.

I.A.T.S.E. Local 105 provides skilled labour necessary to undertake those functions associated with the arrival, performance and departure of concerts, speaking engagements and/or theatrical performances. Such skilled labour includes the movement and set up of lighting and sound equipment, set up of props, sets, wardrobe, and rigging of all show-related material/equipment. Labour force requirements are governed by the size and/or specifications associated with the event.

The cost of this service is dependent on the staffing requirements for each event and the number of hours employed. Spectra Venue Management is extremely pleased with the relationship, effort and quality of work provided by I.A.T.S.E.

## BEE CLEAN

Janitorial Services throughout Budweiser Gardens are provided by Bee Clean Building Maintenance. Bee Clean provides three major components which comprise the cleaning requirements of the facility. Non-Event Cleaning is comprised of two full-time weekday cleaners who address the day-to-day and preparatory cleaning requirements of the venue. Event Cleaning involves an event cleaning crew which, number dependent on the size, type and demographic of the event, addresses all ongoing cleaning requirements during an event to ensure a clean and safe event environment. Post-Event Cleaning involves a crew which, number dependent on the size, type and demographic of the event, cleans the venue in its entirety upon the completion of an event. The final component is Periodic Cleaning which, number dependent on tasks at hand, will clean specific item(s) in need of attention due to ongoing use and/or as a result of an event (i.e. cup holders in premium seating; bowl seats after a dirt event).



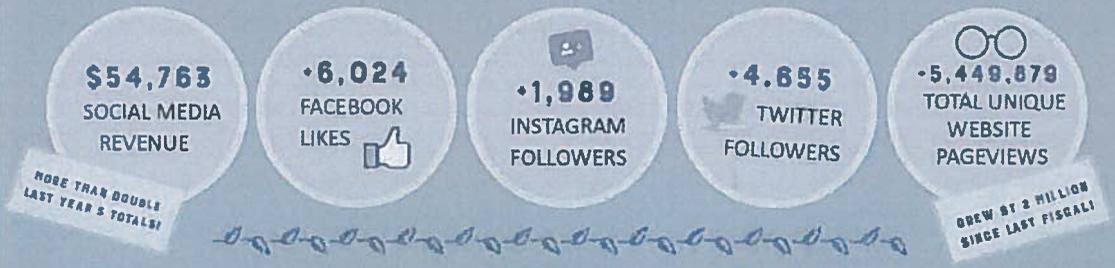
## INNOVATIVE SECURITY MANAGEMENT



Innovative Security Management (1998) Inc. provides licensed uniformed contracted security for the venue and its events. Security needs will vary depending on the nature of the event and may include a presence in the following positions: barricade, wings, dressing rooms/back of house, parking lot, moat, mix, roamer, gates for pat downs, smoking areas, and/or other static positions in the venue. For the safety and security of our fans, entertainers, players and staff, Budweiser Gardens employs the use of walkthrough metal detectors for all events taking place at the venue. Qualified designated security personnel will be onsite to facilitate the screening as well as any secondary searches that may be required.

# SOCIAL MEDIA

It was another great year for Budweiser Gardens on the social media front. A priority was placed on growing the number of followers on each social media platform and driving revenue, which was achieved through a number of initiatives including: in-venue signage, online contesting and social campaigns specifically designed to engage followers.



## HIGHLIGHTS

### NEW WEBSITE LAUNCH!

On August 21, 2017 Budweiser Gardens launched a new website with new partner Carbonhouse! To celebrate the new website, the venue ran a contest hosted on the new site for a pair of tickets to see the Queen of country pop, Shania Twain. The contest was pushed out on all venue social media channels, directing followers to the brand new website to enter. The contest, which ran for 48 hours, saw great results with 1,807 entries. The new website has seen great success over its first year, increasing total unique page views and conversions.



### 2017 HOLIDAY CAMPAIGN

Budweiser Gardens once again executed the 12 Days of Giveaways Facebook campaign during the holiday season to help engage followers and create buzz online. The campaign was a huge success with 10,759 entries collected over the twelve day period. The engagement soared above previous years with 20,814 reactions, comments & shares and 383 new followers gained. The campaign also saw amazing opt-in numbers for the BudInsider program, adding 1,773 new email accounts to the database.

### 15-YEAR ANNIVERSARY CAMPAIGN

To celebrate the 15th Anniversary of the venue, a 15-day campaign was launched to count down and celebrate the biggest moments of the last 15 years via Budweiser Gardens Instagram account. The campaign ran in October and counted down to the day the venue opened its doors for the first time in October 2002. The campaign saw great engagement, jumping the total engagement numbers from 556 in September to 1,633 in October! There was also a jump in followers for the month of October of 118.

### CIRQUE DU SOLEIL SCAVENGER HUNT!

To promote our Cirque du Soleil CRYSTAL show in a unique way through user generated content, Budweiser Gardens executed a scavenger hunt with promotional ice cubes. 30 ice cubes were hidden at the Covent Garden Market and fans were encouraged to find them and bring them to the box office in order to win a pair of tickets to Cirque du Soleil. The contest was promoted through the venue's social media channels and saw great results! Facebook: 23,000 organic reach, Instagram: 3,206 impressions, Twitter: 4,270 impressions 30 winners = 30 ice cubes found!



# FINANCIAL PERFORMANCE

	NUMBER OF EVENTS	EVENT INCOME	% OF TOTAL EVENT INCOME
LONDON KNIGHTS	38	\$779,711	29.5%
LONDON LIGHTNING	30	\$83,675	3.2%
CONCERTS	13	\$766,907	29.1%
FAMILY SHOWS	10	\$63,995	2.4%
MISC. SPORTS	4	\$279,814	10.6%
OTHER	27	\$665,485	25.2%
<b>TOTAL</b>	<b>122</b>	<b>\$2,639,587</b>	

### LONDON KNIGHTS

The London Knights played 38 games accounting for 31.1% of the results.

### LONDON LIGHTNING

The London Lightning appeared in 30 games, making up 24.6% of the results.

### CONCERTS

Budweiser Gardens hosted 13 concerts at the venue for 10.7% of the total.

### FAMILY SHOWS

There were 10 family show events during the fiscal year for 8.2% of the results.

\*Family shows typically occupy the facility for multiple dates with anywhere from one to eight shows during that time. If there were three performances of the same show in one day, then this figure is calculated as three events.

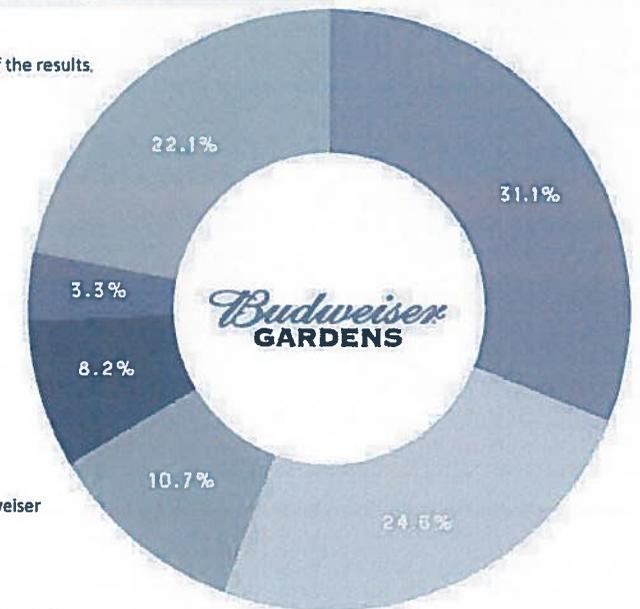
### MISC. SPORTING EVENTS

Misc. sporting events accounted for 3.3%.

### OTHER

Other events accounted for 22.1% of the total events at Budweiser Gardens. These included events such as London Tequila Expo and The Cocktail Show.

**BUDWEISER GARDENS HOSTED A TOTAL OF 122 EVENTS DURING THE 2017-2018 FISCAL YEAR**



# MARKET SEGMENT RESULTS 20

# IN THE COMMUNITY

Throughout the 2017-2018 fiscal year, the Spectra team participated in several community initiatives that included the donation of time and tickets as well as other fundraising efforts. Over \$157,686 worth of donations, goods and services went to numerous charities and community initiatives throughout Southwestern Ontario. This included 2,084 tickets which gave members of the community the opportunity to experience hockey, basketball and live entertainment at Budweiser Gardens.

Bud's Backstage Experience, Yoga Shack Gives Back, Heart & Stroke Big Bike and community clean up days are a few of the other charitable and community events that the Spectra staff supported. We are very lucky to also work with incredible organizations such as the United Way, Children's Health Foundation, Make-A-Wish of Southwestern Ontario, Ronald McDonald House and many more.



## ENVIRONMENTAL STABILITY

Throughout the 2017-18 season there was a conscious effort by the Spectra Venue Management and Spectra Food Services & Hospitality teams at Budweiser Gardens to evaluate environmental practices and procedures in all aspects of the venue's operation. Through this evaluation several changes were made that have had a positive effect on both the environmental impact and the bottom line of the facility.

Beginning in July 2017, the operations crew began replacing the metal halide lightbulbs in the interior and on the exterior of Budweiser Gardens with energy efficient LED lightbulbs. In total, 1,114 lightbulbs were replaced which has resulted in a total reduction of 130,061 watts over the

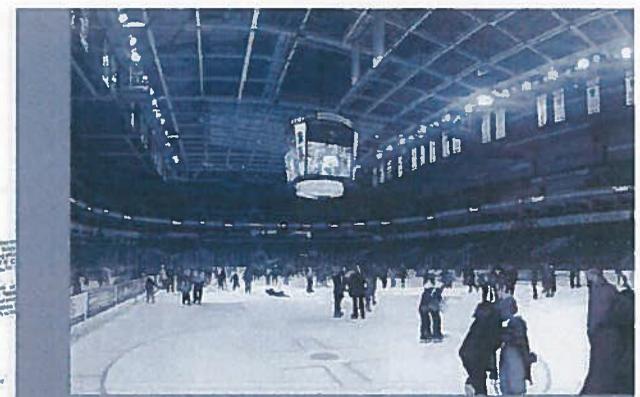
course of the fiscal year. On average, the venue saves 500 kWh per event which is the equivalent of approximately half a month's usage in a typical Ontario home.

The Spectra Food Services and Hospitality team at Budweiser Gardens have also taken recent measures to reduce their footprint within the venue to go along with long standing practices such as; composting in the Main Kitchen and 38 luxury suites, providing recyclable or compostable containers at concession stands where possible and ensuring that napkins and other paper products offered to patrons are made from 100% recycled materials.

In January, they partnered with Filta to use two of their services; FiltaFry and FiltaBio which have had a significant

reduction on their environmental impact. From January 1st to July 1st, Budweiser Gardens saved 5,600 pounds of oil with the FiltaFry service and collected and recycled 5,000 pounds of waste oil with the FiltaBio service. The reduced cooking oil usage has led to a 320 pounds of packaging savings, a reduction in greenhouse gases of 17,190 pounds and 460 pounds of fertilizer and pesticides which when all combined is the equivalent of planting 858 trees!

The team at Budweiser Gardens also hosted two Green events during 2017-18. On Saturday, February 10th, the Spectra Venue Management team at Budweiser Gardens launched its inaugural 'Green' game when the London Knights hosted the Sudbury Wolves. In addition to the new green



## OPEN HOUSE SKATE

This year marked the ninth time that the team at Budweiser Gardens opened its doors to the community for the annual Open House skate in support of the Children's Aid Society. This event brings together families from all over London and Southwestern Ontario and gives people the opportunity to skate on the same ice as their beloved London Knights, while simultaneously helping to make the holiday season better for those in need. This year, we were able to present the Children's Aid Society with over \$5,000 worth of toys and donations! The event, which is organized by the Spectra's Premium Seating department, is also supported by a team of full-time employees from every department of the venue who donate their time to ensure a great start to the holiday season.

After a 9-year hiatus, Budweiser Gardens once again hosted a free Electronic Recycling Day on June 24th in partnership with Waste Connection of Canada. The event gave Londoners the opportunity to dispose of old electronic devices such as cell phones, laptops, computers, tv's, etc. in a safe and environmentally friendly manner. In addition to providing the bins for recycling electronics, Waste Connections also had a shred truck available so that confidential documents could be shredded on site conveniently and worry free. In total, 2,660kgs of electronics were collected for recycling and 640kgs of paper was shredded over the day.

BUDWEISER GARDENS  
**Goes Green**  
 SATURDAY, FEBRUARY 10  
 LONDON KNIGHTS VS. SUDBURY WOLVES



# FUTURE OUTLOOK

Following a successful 2017-18 year, the Spectra Venue Management team at Budweiser Gardens are looking forward to a great 2018-19 season. The return of Trackside Music Festival will both end and kickoff the fiscal year on June 30 & July 1 at the Western Fair District. This marks the third time Budweiser Gardens, London Music Hall, Live Nation and Western Fair District have partnered to bring the country music festival to Londoners and the surrounding area.

On July 3rd & 4th, Budweiser Gardens will welcome back the queen of country pop Shania Twain! This will mark the third time that Shania Twain has played back to back shows at the venue and we certainly hope it won't be her last. Other great country acts coming this year include Keith Urban, who will play his 8th show at the venue (the most of any artist!), and Chris Young, who will take the venue stage for the first time as a headliner!

This coming season is an amazing year for music fans, as The Canadian Academy of Recording Arts and Sciences (CARAS) is bringing 2019 JUNO Week to London, Ontario with Budweiser Garden's hosting The 48th Annual JUNO Awards along with many other festivities leading up to the Awards. Fans of all genres can expect to see the biggest and brightest names perform. This is the first time that the awards show is coming to our city, and as a London tradition, we plan to go above and beyond expectations. The entire city is buzzing with excitement and desire to be part of the events. We are partnering with as many local groups and organizations to put on the best JUNO Week Canada has seen! We have a big year ahead of us for all music fans and a year of firsts for Spectra Venue Management's Budweiser Gardens team. The countdown to JUNO Week March 11-17, 2019 is on!

Broadway in London will be back for another great season, bringing an all-new lineup to the RBC Theatre at Budweiser Gardens! This season offers THREE spectacular titles including the original rock musical RENT, the high-heeled hit KINKY BOOTS and the mind blowing spectacular THE ILLUSIONISTS-LIVE FROM BROADWAY™. Plus two Season Special Options: the graceful and thrilling all new tour CIRQUE MUSICA HOLIDAY Presents Wonderland, and the most beloved film franchise in history featuring a live symphony orchestra HARRY POTTER AND THE CHAMBER OF SECRETS™ in CONCERT. We look forward to what is sure to be another successful Broadway season!





 **SPECTRA**

<b>TO:</b>	<b>CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON FEBRUARY 19, 2019</b>
<b>FROM:</b>	<b>ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER</b>
<b>SUBJECT:</b>	<b>2019 DEBENTURE ISSUANCE</b>

**RECOMMENDATION**

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, Civic Administration **BE AUTHORIZED** to proceed with the issuance of debentures in the capital markets to provide permanent financing for capital works in an amount not to exceed \$49,380,000 with the flexibility to postpone the issuance in the event of unfavourable market conditions.

**LINK TO THE 2015-2019 STRATEGIC PLAN**

Council's 2015-2019 Strategic Plan for the City of London identifies "Leading in Public Service" as one of four strategic areas of focus. Authorization for debenture issuance supports this strategic area of focus by contributing towards the strategic priority "Proactive financial management". The "Proactive financial management" strategic priority involves, among other things, making sure that the City's finances are well planned and that they support intergenerational equity. The 2019 Debenture Issuance report ensures that the proper mechanisms are in place to fund major capital projects while supporting intergenerational equity.

**PREVIOUS REPORTS PERTINENT TO THIS MATTER**

Corporate Services Committee, September 25, 2018, Agenda Item 2.3, 2018 Mid- Year Capital Monitoring Report.

<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=50270>

Corporate Services Committee, October 30, 2018, Agenda Item 2.5, City of London's Credit Rating.

<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=51768>

**BACKGROUND**

A municipality may issue debt for long-term borrowing to provide financing for capital works. The City issues debentures on projects that are substantially complete. The City reviews project status reports to determine if projects are substantially complete and this analysis along with cash flow requirements, budget constraints and market conditions determine the amount and timing of debentures issued each year. Generally, the City issues debentures through the capital markets using a fiscal agent or through government programs.

A review of approved capital projects indicates that projects meeting the required criteria for long-term debenture financing total \$49,380,000. The details of these projects are listed in **Appendix A**.

Over the past five years, the City has issued a total of approximately \$196.5 million in debentures as follows:

Issuance Date	Amount of Issuance (\$)	Term (years)	All-in-rate of borrowing*	Type	Agency
13-Mar-2018	55,000,000	10	2.98%	Serial/Instalment	Capital Markets - CDS & CO
7-Mar-2017	41,000,000	10	2.48%	Serial/Instalment	Capital Markets - CDS & CO
29-Apr-2016	3,048,000	10	2.25%	Amortizer	Government Agency - FCM - GMF
7-Mar-2016	27,000,000	10	2.30%	Serial/Instalment	Capital Markets - CDS & CO
2016 Total	30,048,000				
16-Mar-2015	40,500,000	10	1.87%	Serial/Instalment	Capital Markets - CDS &CO
9-May-2014	30,000,000	10	2.96%	Serial/Instalment	Capital Markets - CDS &CO
Total	196,548,000				

\* All-in-rate includes fees

CDS & CO - nominee of CDS Clearing and Despository Services Inc.

FCM - GMF - Federation of Canadian Municipalities - Green Municipal Fund

As part of the debenture issuance process, the City's fiscal agents provide recommendations on the form and timing of the issuance. The three main types of debenture issuances are:

1. Serial debentures - debt instrument that matures in installments over a period of time. In effect, a \$100,000, 5-year serial debenture would mature in approximate equal amounts of \$20,000 annually with unique coupon rates for each year.
2. Amortizing debentures - debt instrument where the principal is paid down over the life of the debenture according to an amortization schedule, typically through equal payments and one coupon rate.
3. Bullet debentures - debt instruments whose entire principal value is paid all at once on the maturity date, as opposed to periodic principal payments over the life of the debenture. These types of debentures are best suited for municipalities issuing greater than \$100 million and are structured so that a sinking fund is established to cover the principal value upon maturity.

### Next Steps

RBC Dominion Securities Inc. will launch and price the City's debenture issuance deal in the capital markets. A report will be brought forward to Committee to approve the debenture issuance and the respective by-law, with Council approval to follow. Timing of the City's debenture pricing will be dependent on market conditions, but it is anticipated the City's debenture issuance deal will be brought to Committee before the end of March 2019.

**Financial Impact**

The financial impact of this debenture issuance has been included in the approved 2016–2019 Multi-Year Budget and will also be incorporated in future Multi-Year Budget submissions.

<b>PREPARED BY:</b>	<b>REVIEWED AND CONCURRED BY:</b>
<b>MARTIN GALCZYNSKI, CPA, CA MANAGER, FINANCIAL PLANNING &amp; POLICY</b>	<b>KYLE MURRAY, CPA, CA DIRECTOR, FINANCIAL PLANNING &amp; BUSINESS SUPPORT</b>
<b>RECOMMENDED BY:</b>	
<b>ANNA LISA BARBON, CPA, CGA MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER</b>	

Attachment: Appendix A

## APPENDIX A

Project Number	Project Title	Amount to be Financed (\$)	By-Law #
	<b>Property Tax Supported</b>		
TS1135	Dundas Flexible Street	4,000,000	W.-5619(1)-48
TS1489	Western Rd Widening	3,000,000	W.-5550(d)-88
TS144618	Road Network Improvements (Main)	800,000	W.-5638-135
TS1487	Wonderland Rd Two Lane Upgrade	975,000	W.-5588(a)-90
MU1046	Bus Replacement-Fast Track (PTIF)	1,150,000	W.-5645-49
MU104418	Bus Purchase Replacement	2,224,000	W.-5646-50
RC2755	South West Multi-Purpose Recreation Centre (Partial)	3,970,000	W.-5578(a)-210
RC2756	East Multi-Purpose Recreation Centre (Partial)	6,696,000	W.-5598(a)-521
		<b>22,815,000</b>	
	<b>Non-Rate Supported (City Services Reserve Funds)</b>		
RC2756	East Multi-Purpose Recreation Centre (Partial)	2,365,000	W.-5598(a)-521
TS1523-1	Bradley Ave. Extension Phase 1	3,000,000	W.-5622-165
		<b>5,365,000</b>	
	<b>Wastewater &amp; Treatment Rate Supported</b>		
ES2685	Greenway PCP Expansion	8,300,000	W.5636-41
ES5256	Exeter Road Trunk Sanitary Sewer	2,166,646	W.5629-284
ES3020-RVBTC	Swm Facility - River Bend Trib. 'C'	6,027,795	W.5591(a)-36
ES3020-FH3	Swm Facility - Fox Hollow #3	4,705,559	W.-5330(b)-190
		<b>21,200,000</b>	
	<b>Total 2019 Debenture Issuance</b>	<b>49,380,000</b>	

<b>TO:</b>	<b>CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE  MEETING ON FEBRUARY 19, 2019</b>
<b>FROM:</b>	<b>ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER</b>
<b>SUBJECT:</b>	<b>DECLARE SURPLUS  PORTION OF CITY OWNED LAND ABUTTING 15 MCALPINE AVE</b>

<b>RECOMMENDATION</b>
-----------------------

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, on the advice of the Manager of Realty Services, with respect to a portion of City owned land abutting 15 McAlpine Avenue, described as Lots 13-18, Block C, Plan 376, containing an area of approximately 900 square feet, as shown on Schedule "A", the following actions **BE TAKEN:**

- a) the subject property **BE DECLARED SURPLUS**; and
- b) the subject property ("Surplus Lands") **BE TRANSFERRED** to the abutting property owner at 15 McAlpine Avenue, in accordance with the City's Sale and Other Disposition of Land Policy.

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
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None.

<b>BACKGROUND</b>
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**Site Description**

The subject property is a portion of City owned open space adjacent to 15 McAlpine Avenue. There is an existing pathway link through mown grass to the main trail access point to the west. While the City does not typically dispose of parkland to correct encroaching uses, the property owner at 15 McAlpine Avenue has invested significant effort and funds into his new concrete driveway on the subject property.

At this location, the Coves ESA has sufficient visible frontage that the loss of 3 meters is not an issue from an access or aesthetics perspective. There will still be good visibility along the access pathway to the next street and room for the City to maintain the lands.

Official Plan:	Open Space (OS)
Zoning:	Open Space (OS4)
Area:	900 square feet
Site Description:	Vacant City owned park land

**Current Status of Site**

The subject City owned property has been used by the property owner for more than thirty years and the property owner has recently requested to purchase the property. An internal liaison process was completed with no municipal need identified for the property.

An internal appraisal of the property was completed to determine the estimated fair market value of the property which will be relied upon during disposition.

As part of the proposed disposition the City will require that the new property line be fenced to prevent any future encroachments onto City land.

The Sale and Other Disposition of Land policy under Section 4 Methods of Sale allows for the disposition of lands to abutting property owner through direct negotiation.

**Conclusion**

The property is surplus to the needs of the City and should therefore be declared surplus and sold at fair market value in accordance with the City's Sale and Other Disposition of Land Policy to the abutting owner at 15 McAlpine Ave.

A location map is attached for the Committee's information.

<b>PREPARED BY:</b>	<b>SUBMITTED BY :</b>
<b>CAMERON BAZILLI SENIOR PROPERTY APPRAISER &amp; NEGOTIATOR</b>	<b>BILL WARNER MANAGER OF REALTY SERVICES</b>
<b>RECOMMENDED BY:</b>	
<b>ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER</b>	

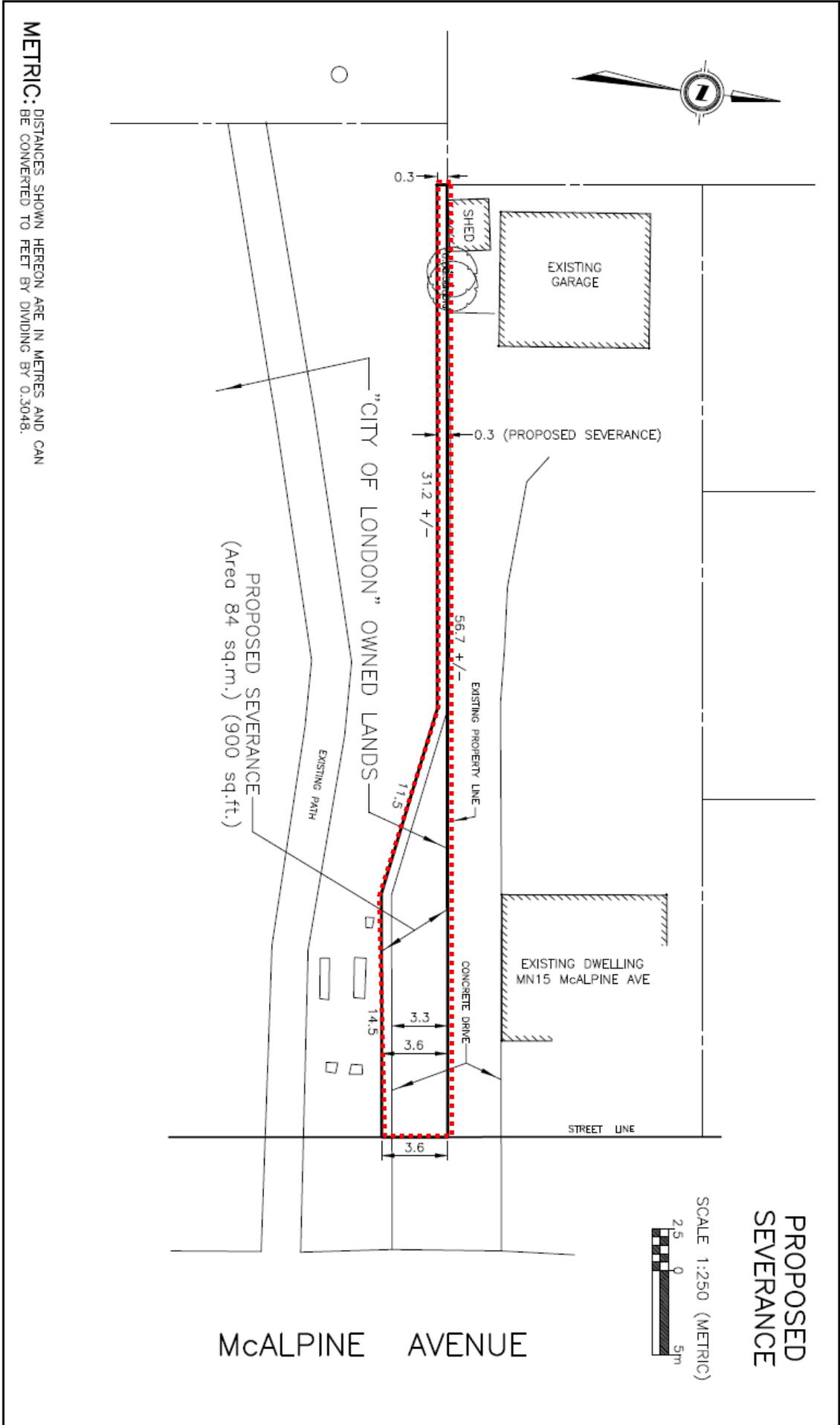
January 30, 2019  
Attach.

File No. LIC-44

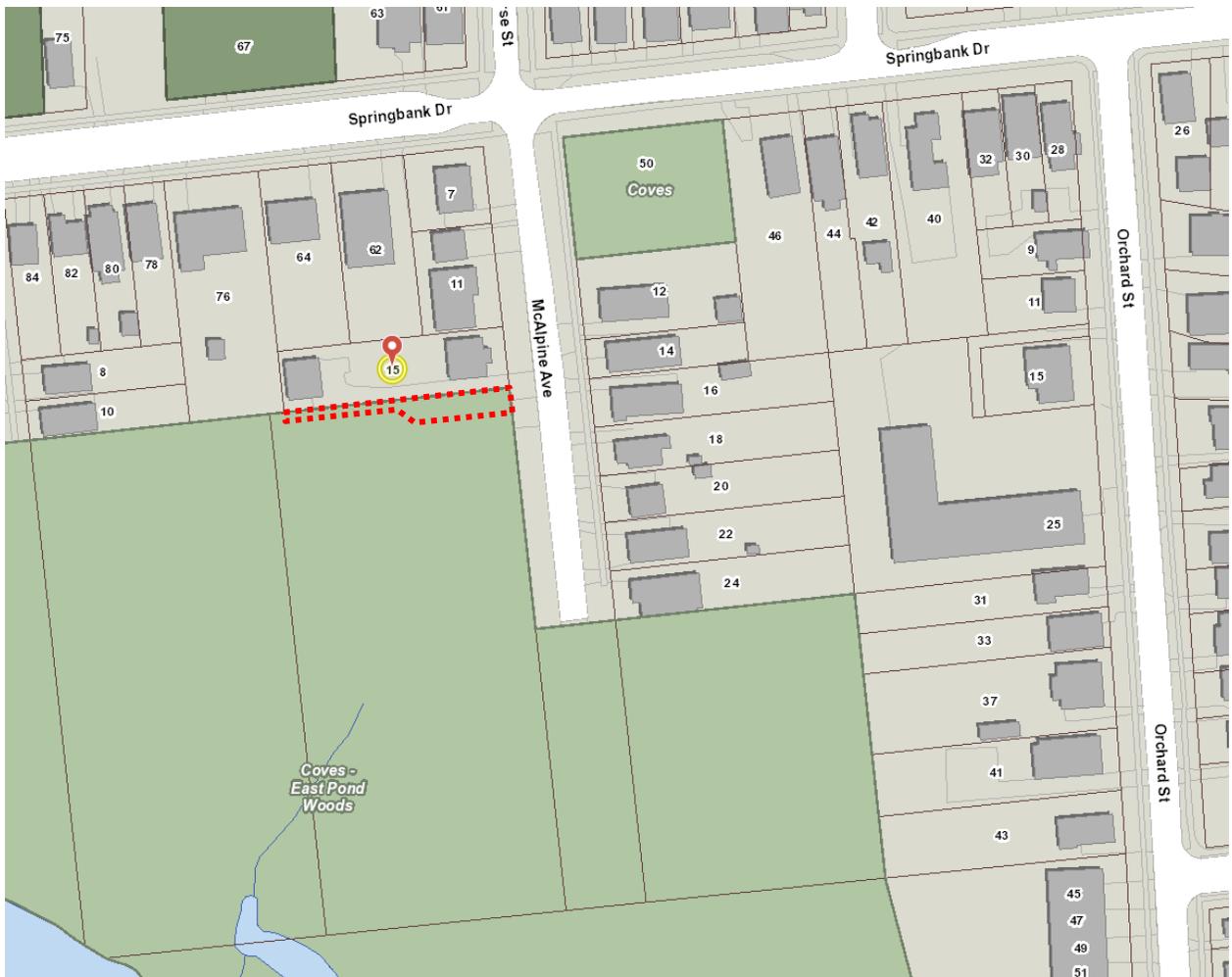
cc:

- Geoffrey P. Belch, Corporation Counsel
- Heather Chapman, Manager, Municipal Law Enforcement Services
- Gary Irwin, Division Manager, Geomatics and Chief Surveyor
- Andrew Macpherson, Division Manager, Parks Planning and Operations

Schedule "A" Proposed Disposition  
Drawing



# Proposed Disposition



 = Subject Property



**Location Map**



<b>TO:</b>	<b>CHAIR AND MEMBERS CORPORATE SERVICE COMMITTEE MEETING ON FEBRUARY 19, 2019</b>
<b>FROM:</b>	<b>ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER</b>
<b>SUBJECT:</b>	<b>RESIDENTIAL TAX BY-LAW FOR NEW AFFORDABLE HOUSING PROGRAM PROJECTS 27 CENTRE STREET, LONDON</b>

<b>RECOMMENDATION</b>
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That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the proposed by-law attached hereto **BE INTRODUCED** at the Municipal Council meeting on March 5, 2019, to tax the affordable housing property at 27 Centre Street, London (Escalade Property Corp.) at an effective tax rate equal to the residential tax rate and that the City Clerk **BE DIRECTED** to give written notice of the by-laws to the Municipal Property Assessment Corporation and the Secretary of all area school boards.

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
--

Community & Protective Services Committee  
December 2, 2002           Municipal Housing Facilities By-Law  
November 22, 2006       Residential Tax By-Laws for New Affordable Housing Program  
November 7, 2017       Municipal Housing Facilities By-Law

<b>BACKGROUND</b>
-------------------

The Municipal Housing Facilities By-Law, provides private and non-profit affordable housing developers “special municipal agreements for selected properties to reduce the effective property tax for only those buildings receiving program funding”. The property is not eligible for the new multi-residential tax rate as the building permit was issued before April 20, 2017. The attached by-law enables the City Treasurer to reduce the assessment and taxes owing on the property at 27 Centre Street, London (Escalade Property Corp.), noting that this property has a municipal contribution agreement in place.

Acknowledgements: Prepared by Isabel da Rocha, Program and Business Manager, HDC.

<b>SUBMITTED BY:</b>	<b>RECOMMENDED BY:</b>
<b>STEPHEN GIUSTIZIA CEO, HOUSING DEVELOPMENT CORPORATION, LONDON (HDC)</b>	<b>ANNA LISA BARBON, CPA, CGA MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER</b>

- c. J. Logan, Manager, Taxation and Revenue
- D. Purdy, Division Manager, Housing Services
- D. Mounteer, Solicitor, City Solicitor’s Office
- HDC Board
- Jon Leahy, Escalade Property Corp.

Bill No.

By-Law No.

A By-law to exempt from taxation for municipal and school purposes a portion of the multi-residential assessed value of the property at 27 Centre Street, in the City of London

WHEREAS Section 110 of the *Municipal Act, 2001*, S.O.2001 c.25 as amended (the "Act") provides that the council of a municipality may exempt from taxation for municipal and school purposes land or a portion of it on which municipal capital facilities, including municipal housing project facilities, are or will be located;

AND WHEREAS pursuant to Section 110(1) of the Act the Corporation of the City of London has entered into an agreement with Escalade Property Corp. dated September 14, 2016 for the provision of municipal housing project facilities on the property at 27 Centre Street (the "Property");

AND WHEREAS it is deemed expedient to exempt from taxation for municipal and school purposes a portion of the multi-residential assessed value of the Property owned by Escalade Property Corp. upon which municipal housing project facilities are or will be located;

NOW THEREFORE the MUNICIPAL COUNCIL of the Corporation of the City of London enacts as follows:

1. A portion of the multi-residential assessed value of the Property described in Schedule A attached hereto, and on which municipal housing project facilities are or will be located, shall be exempt from taxation for municipal and school purposes in accordance with this by-law;
2. A portion of the assessed value for the Property shall be exempt from taxation each year so that the total of the property tax payable for the Property will be equal to the total taxes which would be payable if the Property were assessed in the residential class;
3. The exemption provided for this by-law shall be effective May 1, 2018 for a period of 30 years.
4. Each year the Property will be returned on the assessment roll as taxable and the amount of the exemption referred to above will be calculated by the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer.
5. In this by-law, total property taxes means the sum of the property taxes for municipal and school purposes, and includes any adjustments under part ix of the Municipal Act 2001.
6. This By-Law comes into force on the date that it is passed.
7. PASSED in Open council on March 5, 2019.

Ed Holder  
Mayor

Catharine Saunders  
City Clerk

First Reading –  
Second Reading –  
Third Reading –

SCHEDULE "A"

**Number of Units:** 46 affordable units and 15 market units

**Property Address:** 27 Centre Street, London

**PIN:** 08397-0016LT

**Description:** PT LT 3, PL 29, PART 1 & 2, 33R5274, & AS IN 587799;  
LONDON/WESTMINISTER



300 Dufferin Avenue  
P.O. Box 5035  
London, ON  
N6A 4L9

London  
CANADA

Thursday February 19, 2019

Chair and Members  
Corporate Service Committee

RE: AMO Board Meeting Update – City of Toronto, ON, January 24 – 25, 2019

As a Board member of the Association of Municipalities of Ontario (AMO) Board, I am reporting back to City of London Council regarding the matters discussed at the AMO board meeting, held from January 24 – 25, 2019, in Toronto.

The Board's discussions surrounded five topics:

*Ongoing provincial consultations*

- A number of concurrent and recently completed consultations were discussed, including the *Made-In-Ontario Environment Plan*, and the *Housing Supply Action Plan*, as well as emergent provincial policy impacting municipalities including *Bill 66: Restoring Ontario's Competitiveness Act* and the *Student Choice Initiative*.
- General consensus from the board was that the short consultative timelines and potentially significant impacts of the changes being proposed by the province are proving to be challenging for municipalities.
- Continued communication through municipal networks and associations will assist in ensuring well-aligned responses.

*Housing*

- AMO's Housing and Planning Task Force presented the framework for a housing policy discussion paper to be released in February. This paper will form the basis for AMO's advocacy to the provincial and federal governments about housing issues.
- In general, positions expressed in the discussion paper are well aligned with the City of London's historic advocacy positions, including the importance of municipal autonomy, as well as a focus on the full continuum of housing, including homelessness shelters, community housing, supportive housing, rental housing, and home ownership.

*Broadband coverage*

- AMO staff reviewed comments made in support of a submission provided by the Federation of Canadian Municipalities (FCM) into the joint review of the *Telecommunications Act*, *Radio Communications Act*, and *Broadcasting Act*.
- This review, and AMO/FCM's input, is significant because of regional broadband connectivity initiatives, especially the SouthWest Integrated Fibre Technology (SWIFT) initiative.
- The submissions reflect municipal sector messaging around the importance of broadband connectivity, and the important role municipalities play in regional and national connectivity.

*Development charges*

- AMO staff presented the outline of AMO's forthcoming submission to the Provincial Government responding to the Housing Supply Action Plan Consultation. The submission will focus on potential changes to development charges, with the following three main points:
  1. Development charges are not a root cause of the affordable housing and supply challenge in Ontario.
  2. A reduction in development charge collections will increase the cost of public services for all residents.
  3. Legislative changes that reduced charges by previous governments has never resulted in reduced housing prices.
- AMO's submission appears to be very well aligned with the City of London's submission to the same consultation.



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CANADA

#### *Cannabis retailing*

- AMO has developed a Municipal Cannabis Policy Statement guide for municipalities, which is designed to support municipalities in creating cannabis retail siting policies like the one passed by London's City Council.
- A majority of the communities represented at the board opted to allow cannabis retail, and in conversations generally expressed their councils' interest in accessing as much provincial funding as possible in order to deal with the health and community impacts of legalization.
- Councillors representing communities that chose to opt out indicated significant community interest in not allowing retail, or concerns about outstanding information regarding municipal input on retail siting.

Two significant developments which occurred in the immediate lead-up to the board meeting were also discussed:

#### *Regional Review*

- The province has appointed two advisors to lead a review of nine regional governments, with a focus on governance, decision-making and service delivery.
  - Michael Fenn – a former Ontario Deputy Minister, previous municipal chief administrator in several Ontario cities, and founding CEO of Metrolinx.
  - Ken Seiling – former Chair of Waterloo Region who held that position since 1985 and prior as a councillor and Mayor in Woolwich.
  - AMO will be monitoring the review as it progresses and providing input into the process.

#### *Removal of Schedule 10 from Bill 66*

- The day before the board meeting, the Minister of Municipal Affairs announced on Twitter that the province would not be proceeding with Schedule 10 of the proposed *Bill 66: Restoring Ontario's Competitiveness Act*.
- Schedule 10 provided municipalities with the ability to pass a site specific "open for business bylaw", which appeared to enable job-creating developments to bypass a large number of provincial approvals.
- There was significant concern and calls for more clarity from a number of stakeholders when the bill was proposed, including municipalities. The Minister made it clear in his statement that the tool was being rescinded as a result of this feedback.

Sincerely,

Anna Hopkins  
Councillor Ward 9

<b>TO:</b>	<b>CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON FEBRUARY 19, 2019</b>
<b>FROM:</b>	<b>ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER</b>
<b>SUBJECT:</b>	<b>APPORTIONMENT OF TAXES</b>

**RECOMMENDATION**

That on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the taxes on the blocks of land described in the attached Schedules **BE APPORTIONED** as indicated on the Schedules pursuant to Section 356 of the Municipal Act, 2001.

**PREVIOUS REPORTS PERTINENT TO THIS MATTER**

None.

**BACKGROUND**

The original blocks of land described in the attached Schedules have been subdivided by Plan of Subdivision or Condominium Plan. The Council has been requested, pursuant to Section 356 of the Municipal Act to direct the proper tax allocation.

The attached Schedules are based upon the relative assessments as determined by the Municipal Property Assessment Corporation. All property owners have been advised in writing of the tax apportionment.

<b>PREPARED BY:</b>	<b>CONCURRED BY:</b>
<b>JIM LOGAN, CPA, CA DIVISION MANAGER TAXATION &amp; REVENUE</b>	<b>IAN COLLINS, CPA, CMA DIRECTOR, FINANCIAL SERVICES</b>
<b>RECOMMENDED BY:</b>	
<b>ANNA LISA BARBON, CPA, CGA MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER</b>	

# TAX DIVISION AGENDA

## Council Approval for Division of Taxes under Section 356, Municipal Act 2001

Meeting to be held Tuesday, the 19th day of February, 2019 in the Council Chambers, second floor, City Hall.

### ROLL NUMBER

### LEGAL DESCRIPTION

3936-050-660-42701  
3936-050-660-42781  
3936-050-660-42782

Westminister Con 3 S Pt Lot 12

3936-080-030-15620  
3936-080-030-15700

Westminister Con 1/33R19767

3936-080-070-05700

Con Wtr Pt Lot 75 RP 33R6795 Part 1

3936-080-070-05703

Westminister Con Wtr Pt Lot 75 RP

**Legal Description**  
WESTMINSTER CON 3 S PT LOT 12

**Allocation of Taxes ( \$ ) 2018**

**Section 356 of the Municipal Act**

**Originating Roll Numbers**  
**050-660-42701, 050-660-42781, 050-660-42782**

<b>Originating Roll Numbers</b>	<b>Property Address and Description</b>	<b>Assessed Values</b>	<b>Year</b>	<b>Taxes</b>	<b>Less Payments/Adjustments</b>	<b>Amount to be Divided</b>	
050-660-42701	1237 GREEN VALLEY RD	\$812,000	2018	\$29,386.13	\$29,386.13	\$0.00	CT
<b>CASSENS TRANSPORT ULC</b>	WESTMINSTER CON 3 S PT LOT 12 33R17767 PART 2						
050-660-42781	HUBREY RD	\$521,285	2018	\$13,205.65	\$13,096.68	\$108.97	CX
<b>CASSENS TRANSPORT ULC</b>	WESTMINSTER CON 3 PT LOT 12 RP 33R18771 PART 2						
050-660-42782	1205 GREEN VALLEY RD	\$1,061,000	2018	\$26,878.18	\$26,878.18	\$0.00	IX
<b>CASSENS TRANSPORT ULC</b>	WESTMINSTER CON 3 PT LOT 12 RP 33R18771 PART 1						
<b>Totals</b>		<b>\$2,394,285</b>	<b>2018</b>	<b>\$69,469.95</b>	<b>\$69,360.99</b>	<b>\$108.96</b>	
<b>Roll Numbers after Division</b>	<b>Property Address and Description</b>	<b>Assessed Values</b>	<b>Year</b>	<b>Taxes</b>	<b>Less Payments/Adjustments</b>	<b>Adjustment to Account</b>	
050-660-42784	1205 GREEN VALLEY RD	\$882,674	2018	\$22,360.67	\$0.00	\$22,360.67	IX
<b>DANCOR GREEN VALLEY INC</b>	WESTMINSTER CON 3 PT LOT 12 RP 19782 PART 3						
050-660-00160	1237 GREEN VALLEY RD	\$812,000	2018	\$29,386.13			CT
		\$521,285	2018	\$13,205.65	\$69,360.99	-\$22,251.71	CX
		\$178,326	2018	\$4,517.51			IX
<b>CASSENS TRANSPORT ULC</b>	WESTMINSTER CON 3 PT LOT 12 RP 33R17767 PART 2 RP 33R18771 PART 2 RP 33R19782 PARTS 1 AND 2						
<b>Totals</b>		<b>\$2,394,285</b>	<b>2018</b>	<b>\$69,469.95</b>	<b>\$69,360.99</b>	<b>\$108.96</b>	

**Legal Description**  
 WESTMINISTER CON 1/  
 33R19767

**Allocation of Taxes ( \$ ) 2018**

**Section 356 of the Municipal Act**

**Originating Roll Numbers**  
**080-030-15620, 080-030-15700**

Originating Roll Numbers	Property Address and Description	Assessed Values	Year	Taxes	Less Payments/Adjustments	Amount to be Divided
080-030-15620	0 Hamilton Rd	\$985,362	2018	\$13,310.45	\$13,310.45	\$0.00
<b>THAMES VILLAGE JOINT VENTURE CORPORATION</b>	WESTMINISTER CON 1 PT LOT 7 PT RD ALLOW RP 33R18770 PARTS 1 TO 11					
080-030-15700	0 Hamilton Rd	\$155,500	2018	\$2,100.52		\$2,100.52
<b>CLINE CHARLES ANDERSON</b>	WESTMINISTER CON 1 AND BF PT LOT 8 AND PLAN 747 PT LOT 7 RP 33R9372 PARTS 2 4 24 25 30 31					
<b>Totals</b>		<b>\$1,140,862</b>	<b>2018</b>	<b>\$15,410.97</b>	<b>\$13,310.45</b>	<b>\$2,100.52</b>
Roll Numbers after Division	Property Address and Description	Assessed Values	Year	Taxes	Less Payments/Adjustments	Adjustment to Account
080-030-15621	0 Hamilton Rd	\$952,517	2018	\$12,866.77	\$12,866.77	\$0.00
<b>THAMES VILLAGE JOINT VENTURE CORPORATION</b>	WESTMINISTER CON 1 PT LOT 7 PT RD ALLOW RP 33R18770 PARTS 3 TO 11 PT PARTS 1 AND 2 RP 33R19767 PART 1					
080-030-15701	0 Hamilton Rd	\$138,230	2018	\$1,867.24	\$443.68	\$1,423.56
<b>THAMES VILLAGE JOINT VENTURE CORPORATION</b>	WESTMINISTER CON 1 PT LOT 8 CON BF PT LOT 8 PLAN 747 ONE FOOT RESERVE RP 33R9372 PARTS 2 24 25 PT PARTS 4 30 31 RP 33R19767 PARTS 11 AND 12					
080-030-15625	0 Hamilton Rd	\$50,115	2018	\$676.96		\$676.96
<b>LONDON CITY</b>	WESTMINISTER CON 1 PT LOTS 7 AND 8 RP 33R19767 PARTS 4 AND 8					
<b>Totals</b>		<b>\$1,140,862</b>	<b>2018</b>	<b>\$15,410.97</b>	<b>\$13,310.45</b>	<b>\$2,100.52</b>

RT

RT

RT

RT

RT

**Legal Description**  
 CON WTR PT LOT 75 RP 33R6795 PART 1

**Allocation of Taxes ( \$ ) 2018**

**Section 356 of the Municipal Act**

**Originating Roll Numbers  
 080-070-05700**

<b>Originating Roll Numbers</b>	<b>Property Address and Description</b>	<b>Assessed Values</b>	<b>Year</b>	<b>Taxes</b>	<b>Less Payments/Adjustments</b>	<b>Amount to be Divided</b>	
080-070-05700	3493 COLONEL TALBOT RD	\$732,000	2018	\$1,331.30	\$4,756.52	\$3,281.60	FT RT
		\$496,500	2018	\$6,706.82			
<b>2219008 ONTARIO LIMITED</b>	CON WTR PT LOT 75 RP 33R6795 PART 1						
<b>Totals</b>		<b>\$1,228,500</b>	<b>2018</b>	<b>\$8,038.12</b>	<b>\$4,756.52</b>	<b>\$3,281.60</b>	
<b>Roll Numbers after Division</b>	<b>Property Address and Description</b>	<b>Assessed Values</b>	<b>Year</b>	<b>Taxes</b>	<b>Less Payments/Adjustments</b>	<b>Adjustment to Account</b>	
080-070-05710	3493 COLONEL TALBOT RD	\$727,555	2018	\$1,323.22	\$4,756.52	\$3,273.52	FT RT
		\$496,500	2018	\$6,706.82			
<b>2219008 ONTARIO LIMITED</b>	WESTMINISTER CON WTR PT LOT 75 RP 33R19613 PT PART 1 RP 19711 PART 2 PT PART 1						
080-070-05704	PACK RD	\$4,445	2018	\$8.08		\$8.08	FT
<b>LONDON CITY</b>	WESTMINISTER CON WTR PT LOT 75 RP 33R19775 PART 3						
<b>Totals</b>		<b>\$1,228,500</b>	<b>2018</b>	<b>\$8,038.12</b>	<b>\$4,756.52</b>	<b>\$3,281.60</b>	

**Legal Description**

WESTMINISTER CON WTR PT LOT 75 RP  
33R6795 PT PART 1

**Allocation of Taxes ( \$ ) 2018**

**Section 356 of the Municipal Act**

**Originating Roll Numbers  
080-070-05703**

Originating Roll Numbers	Property Address and Description	Assessed Values	Year	Taxes	Less Payments/Adjustments	Amount to be Divided
080-070-05703	3493 COLONEL TALBOT RD	\$7,026,435	2018	\$67,022.15	\$0.00	\$67,022.15
<b>2219008 ONTARIO LIMITED</b>	WESTMINISTER CON WTR PT LOT 75 RP 33R6795 PT PART 1					
<b>Totals</b>		\$7,026,435	2018	\$67,022.15	\$0.00	\$67,022.15
Roll Numbers after Division	Property Address and Description	Assessed Values	Year	Taxes	Less Payments/Adjustments	Adjustment to Account
080-070-08405	7325 SILVER CREEK CIRCLE	\$55,740	2018	\$536.35		\$536.35
<b>22169008 ONTARIO LIMITED</b>	PLAN 33M742 LOT 1					
080-070-08406	7331 SILVER CREEK CIRCLE	\$55,740	2018	\$536.35		\$536.35
<b>MILLSTONE HOMES INC</b>	PLAN 33M742 LOT 2					
080-070-08407	7339 SILVER CREEK CIRCLE	\$55,740	2018	\$536.35		\$536.35
<b>22169008 ONTARIO LIMITED</b>	PLAN 33M742 LOT 3					
080-070-08408	7345 SILVER CREEK CIRCLE	\$55,740	2018	\$536.35		\$536.35
<b>DOMDAY DEVELOPMENTS INC</b>	PLAN 33M742 LOT 4					
080-070-08409	7353 SILVER CREEK CIRCLE	\$55,740	2018	\$536.35		\$536.35
<b>MILLSTONE HOMES INC</b>	PLAN 33M742 LOT 5					
080-070-08410	7359 SILVER CREEK CIRCLE	\$56,141	2018	\$540.20		\$540.20
<b>DOMDAY DEVELOPMENTS INC</b>	PLAN 33M742 LOT 6					
080-070-08411	7367 SILVER CREEK CIRCLE	\$56,943	2018	\$547.92		\$547.92
<b>2219008 ONTARIO LIMITED</b>	PLAN 33M742 LOT 7					
080-070-08412	7375 SILVER CREEK CIRCLE	\$56,542	2018	\$544.06		\$544.06
<b>MILLSTONE HOMES INC</b>	PLAN 33M742 LOT 8					

080-070-05703

080-070-08413	7403 SILVER CREEK CRES	\$55,339	2018	\$532.49	\$532.49	RT
<b>2219008 ONTARIO LIMITED</b>	PLAN 33M742 LOT 9					
080-070-08414	7409 SILVER CREEK CRES	\$55,339	2018	\$532.49	\$532.49	RT
<b>MILLSTONE HOMES INC</b>	PLAN 33M742 LOT 10					
080-070-08415	7415 SILVER CREEK CRES	\$55,740	2018	\$536.35	\$536.35	RT
<b>MILLSTONE HOMES INC</b>	PLAN 33M742 LOT 11					
080-070-08416	7421 SILVER CREEK CRES	\$55,740	2018	\$536.35	\$536.35	RT
<b>2219008 ONTARIO LIMITED</b>	PLAN 33M742 LOT 12					
080-070-08417	7427 SILVER CREEK CRES	\$55,740	2018	\$536.35	\$536.35	RT
<b>MARQUIS DEVELOPMENTS LONDON</b>	PLAN 33M742 LOT 13					
080-070-08418	7433 SILVER CREEK CRES	\$55,740	2018	\$536.35	\$536.35	RT
<b>MARQUIS DEVELOPMENTS LONDON</b>	PLAN 33M742 LOT 14					
080-070-08419	7439 SILVER CREEK CRES	\$55,339	2018	\$532.49	\$532.49	RT
<b>MARQUIS DEVELOPMENTS LONDON</b>	PLAN 33M742 LOT 15					
080-070-08420	7445 SILVER CREEK CRES	\$55,339	2018	\$532.49	\$532.49	RT
<b>MILLSTONE HOMES INC</b>	PLAN 33M742 LOT 16					
080-070-08421	7451 SILVER CREEK CRES	\$56,141	2018	\$540.20	\$540.20	RT
<b>MILLSTONE HOMES INC</b>	PLAN 33M742 LOT 17					
080-070-08422	7457 SILVER CREEK CRES	\$56,943	2018	\$547.92	\$547.92	RT
<b>947563 ONTARIO LIMITED</b>	PLAN 33M742 LOT 18					
080-070-08423	7463 SILVER CREEK CRES	\$56,141	2018	\$540.20	\$540.20	RT
<b>947563 ONTARIO LIMITED</b>	PLAN 33M742 LOT 19					
080-070-08424	7469 SILVER CREEK CRES	\$55,339	2018	\$532.49	\$532.49	RT

080-070-05703

<b>MILLSTONE HOMES INC</b>	PLAN 33M742 LOT 20					
080-070-08425	7475 SILVER CREEK CRES	\$55,339	2018	\$532.49	\$532.49	RT
<b>947563 ONTARIO LIMITED</b>	PLAN 33M742 LOT 21					
080-070-08426	7483 SILVER CREEK CRES	\$55,339	2018	\$532.49	\$532.49	RT
<b>947563 ONTARIO LIMITED</b>	PLAN 33M742 LOT 22					
080-070-08427	7487 SILVER CREEK CRES	\$54,537	2018	\$524.77	\$524.77	RT
<b>MILLSTONE HOMES INC</b>	PLAN 33M742 LOT 23					
080-070-08428	7491 SILVER CREEK CRES	\$59,750	2018	\$574.93	\$574.93	RT
<b>DOMDAY DEVELOPMENTS INC</b>	PLAN 33M742 LOT 24					
080-070-08429	7495 SILVER CREEK CRES	\$56,943	2018	\$547.92	\$547.92	RT
<b>MARQUIS DEVELOPMENTS LONDON INC</b>	PLAN 33M742 LOT 25					
080-070-08430	7501 SILVER CREEK CRES	\$55,339	2018	\$532.49	\$532.49	RT
<b>SIER DEVELOPMENTS CORPORATION</b>	PLAN 33M742 LOT 26					
080-070-08431	7507 SILVER CREEK CRES	\$55,339	2018	\$532.49	\$532.49	RT
<b>DOMDAY DEVELOPMENTS INC</b>	PLAN 33M742 LOT 27					
080-070-08432	7513 SILVER CREEK CRES	\$55,339	2018	\$532.49	\$532.49	RT
<b>947563 ONTARIO LIMITED</b>	PLAN 33M742 LOT 28					
080-070-08433	7517 SILVER CREEK CRES	\$56,542	2018	\$544.06	\$544.06	RT
<b>MILLSTONE HOMES INC</b>	PLAN 33M742 LOT 29					
080-070-08434	7521 SILVER CREEK CRES	\$59,349	2018	\$571.07	\$571.07	RT
<b>MILLSTONE HOMES INC</b>	PLAN 33M742 LOT 30					
080-070-08435	7525 SILVER CREEK CRES	\$59,349	2018	\$571.07	\$571.07	RT

080-070-05703

<b>947563 ONTARIO LIMITED</b>	PLAN 33M742 LOT 31					
080-070-08436	7529 SILVER CREEK CRES	\$56,542	2018	\$544.06	\$544.06	RT
<b>MARQUIS DEVELOPMENTS LONDON</b>	PLAN 33M742 LOT 32					
080-070-08437	7537 SILVER CREEK CRES	\$55,339	2018	\$532.49	\$532.49	RT
<b>SIER DEVELOPMENTS CORPORATION</b>	PLAN 33M742 LOT 33					
080-070-08438	7543 SILVER CREEK CRES	\$54,938	2018	\$528.63	\$528.63	RT
<b>2219008 ONTARIO LIMITED</b>	PLAN 33M742 LOT 34					
080-070-08439	7559 SILVER CREEK CRES	\$67,369	2018	\$648.24	\$648.24	RT
<b>DOMDAY DEVELOPMENTS INC</b>	PLAN 33M742 LOT 35					
080-070-08440	7392 SILVER CREEK CRES	\$55,339	2018	\$532.49	\$532.49	RT
<b>2219008 ONTARIO LIMITED</b>	PLAN 33M742 LOT 36					
080-070-08441	7400 SILVER CREEK CRES	\$56,141	2018	\$540.20	\$540.20	RT
<b>2219008 ONTARIO LIMITED</b>	PLAN 33M742 LOT 37					
080-070-08442	7408 SILVER CREEK CRES	\$55,339	2018	\$532.49	\$532.49	RT
<b>MILLSTONE HOMES INC</b>	PLAN 33M742 LOT 38					
080-070-08443	7416 SILVER CREEK CRES	\$56,943	2018	\$547.92	\$547.92	RT
<b>2219008 ONTARIO LIMITED</b>	PLAN 33M742 LOT 39					
080-070-08444	7424 SILVER CREEK CRES	\$56,141	2018	\$540.20	\$540.20	RT
<b>MARQUIS DEVELOPMENTS LONDON</b>	PLAN 33M742 LOT 40					
080-070-08445	7430 SILVER CREEK CRES	\$58,547	2018	\$563.36	\$563.36	RT
<b>MILLSTONE HOMES INC</b>	PLAN 33M742 LOT 41					
080-070-08446	7442 SILVER CREEK CRES	\$55,339	2018	\$532.49	\$532.49	RT

080-070-05703

<b>SIER DEVELOPMENTS CORPORATION</b>	PLAN 33M742 LOT 42					
080-070-08447	7448 SILVER CREEK CRES	\$55,339	2018	\$532.49	\$532.49	RT
<b>MARQUIS DEVELOPMENTS LONDON</b>	PLAN 33M742 LOT 43					
080-070-08448	7456 SILVER CREEK CRES	\$60,953	2018	\$586.51	\$586.51	RT
<b>2219008 ONTARIO LIMITED</b>	PLAN 33M742 LOT 44					
080-070-08449	7470 SILVER CREEK CRES	\$56,943	2018	\$547.92	\$547.92	RT
<b>2219008 ONTARIO LIMITED</b>	PLAN 33M742 LOT 45					
080-070-08450	7478 SILVER CREEK CRES	\$55,339	2018	\$532.49	\$532.49	RT
<b>MARINI FRANCESCO MARINI WING KI</b>	PLAN 33M742 LOT 46					
080-070-08451	7484 SILVER CREEK CRES	\$55,339	2018	\$532.49	\$532.49	RT
<b>SIER DEVELOPMENTS CORPORATION</b>	PLAN 33M742 LOT 47					
080-070-08452	7492 SILVER CREEK CRES	\$56,141	2018	\$540.20	\$540.20	RT
<b>DOMDAY DEVELOPMENTS INC</b>	PLAN 33M742 LOT 48					
080-070-08453	7530 SILVER CREEK CRES	\$56,943	2018	\$547.92	\$547.92	RT
<b>SIER DEVELOPMENTS CORPORATION</b>	PLAN 33M742 LOT 49					
080-070-08454	7536 SILVER CREEK CRES	\$55,740	2018	\$536.35	\$536.35	RT
<b>947563 ONTARIO LIMITED</b>	PLAN 33M742 LOT 50					
080-070-08455	7544 SILVER CREEK CRES	\$56,542	2018	\$544.06	\$544.06	RT
<b>SIER DEVELOPMENTS CORPORATION</b>	PLAN 33M742 LOT 51					
080-070-08456	7550 SILVER CREEK CRES	\$58,547	2018	\$563.36	\$563.36	RT
<b>947563 ONTARIO LIMITED</b>	PLAN 33M742 LOT 52					
080-070-08457	7554 SILVER CREEK CRES	\$57,745	2018	\$555.64	\$555.64	RT

080-070-05703

<b>DEEBCO HOME INC</b>	PLAN 33M742 LOT 53					
080-070-08458	7560 SILVER CREEK CRES	\$57,344	2018	\$551.78	\$551.78	RT
<b>DOMDAY DEVELOPMENTS INC</b>	PLAN 33M742 LOT 54					
080-070-08459	7566 SILVER CREEK CRES	\$56,542	2018	\$544.06	\$544.06	RT
<b>MARQUIS DEVELOPMENTS LONDON</b>	PLAN 33M742 LOT 55					
080-070-08460	7572 SILVER CREEK CRES	\$56,542	2018	\$544.06	\$544.06	RT
<b>MILLSTONE HOMES INC</b>	PLAN 33M742 LOT 56					
080-070-08461	7578 SILVER CREEK CRES	\$55,339	2018	\$532.49	\$532.49	RT
<b>MILLSTONE HOMES INC</b>	PLAN 33M742 LOT 57					
080-070-08462	3513 GRAND OAK CROSS	\$54,136	2018	\$520.91	\$520.91	RT
<b>MILLSTONE HOMES INC</b>	PLAN 33M742 LOT 58					
080-070-08463	3505 GRAND OAK CROSS	\$55,339	2018	\$532.49	\$532.49	RT
<b>MILLSTONE HOMES INC</b>	PLAN 33M742 LOT 59					
080-070-08464	3495 GRAND OAK CROSS	\$55,339	2018	\$532.49	\$532.49	RT
<b>MILLSTONE HOMES INC</b>	PLAN 33M742 LOT 60					
080-070-08465	3487 GRAND OAK CROSS	\$55,339	2018	\$532.49	\$532.49	RT
<b>MILLSTONE HOMES INC</b>	PLAN 33M742 LOT 61					
080-070-08466	3479 GRAND OAK CROSS	\$55,339	2018	\$532.49	\$532.49	RT
<b>MILLSTONE HOMES INC</b>	PLAN 33M742 LOT 62					
080-070-08467	3471 GRAND OAK CROSS	\$55,339	2018	\$532.49	\$532.49	RT
<b>MILLSTONE HOMES INC</b>	PLAN 33M742 LOT 63					
080-070-08468	3463 GRAND OAK CROSS	\$55,339	2018	\$532.49	\$532.49	RT

080-070-05703

<b>MILLSTONE HOMES INC</b>	PLAN 33M742 LOT 64					
080-070-08469	3455 GRAND OAK CROSS	\$55,339	2018	\$532.49	\$532.49	RT
<b>MILLSTONE HOMES INC</b>	PLAN 33M742 LOT 65					
080-070-08470	3447 GRAND OAK CROSS	\$54,938	2018	\$528.63	\$528.63	RT
<b>MILLSTONE HOMES INC</b>	PLAN 33M742 LOT 66					
080-070-08471	3428 GRAND OAK CROSS	\$61,354	2018	\$590.36	\$590.36	RT
<b>2219008 ONTARIO LIMITED</b>	PLAN 33M742 LOT 67					
080-070-08472	3436 GRAND OAK CROSS	\$55,339	2018	\$532.49	\$532.49	RT
<b>MILLSTONE HOMES INC</b>	PLAN 33M742 LOT 68					
080-070-08473	3444 GRAND OAK CROSS	\$55,740	2018	\$536.35	\$536.35	RT
<b>MILLSTONE HOMES INC</b>	PLAN 33M742 LOT 69					
080-070-08474	3458 GRAND OAK CROSS	\$56,141	2018	\$540.20	\$540.20	RT
<b>MILLSTONE HOMES INC</b>	PLAN 33M742 LOT 70					
080-070-08475	3466 GRAND OAK CROSS	\$56,141	2018	\$540.20	\$540.20	RT
<b>MILLSTONE HOMES INC</b>	PLAN 33M742 LOT 71					
080-070-08476	3472 GRAND OAK CROSS	\$56,141	2018	\$540.20	\$540.20	RT
<b>MILLSTONE HOMES INC</b>	PLAN 33M742 LOT 72					
080-070-08477	3484 GRAND OAK CROSS	\$55,740	2018	\$536.35	\$536.35	RT
<b>MILLSTONE HOMES INC</b>	PLAN 33M742 LOT 73					
080-070-08478	3496 GRAND OAK CROSS	\$55,740	2018	\$536.35	\$536.35	RT
<b>MILLSTONE HOMES INC</b>	PLAN 33M742 LOT 74					
080-070-08479	3502 GRAND OAK CROSS	\$55,740	2018	\$536.35	\$536.35	RT

080-070-05703

<b>MILLSTONE HOMES INC</b>	PLAN 33M742 LOT 75					
080-070-08480	3512 GRAND OAK CROSS	\$55,740	2018	\$536.35	\$536.35	RT
<b>MILLSTONE HOMES INC</b>	PLAN 33M742 LOT 76					
080-070-08481	3520 GRAND OAK CROSS	\$55,740	2018	\$536.35	\$536.35	RT
<b>MILLSTONE HOMES INC</b>	PLAN 33M742 LOT 77					
080-070-08482	3528 GRAND OAK CROSS	\$55,740	2018	\$536.35	\$536.35	RT
<b>MILLSTONE HOMES INC</b>	PLAN 33M742 LOT 78					
080-070-08483	3536 GRAND OAK CROSS	\$55,740	2018	\$536.35	\$536.35	RT
<b>SIER DEVELOPMENTS CORPORATION</b>	PLAN 33M742 LOT 79					
080-070-08484	3550 GRAND OAK CROSS	\$55,740	2018	\$536.35	\$536.35	RT
<b>MILLSTONE HOMES INC</b>	PLAN 33M742 LOT 80					
080-070-08485	3556 GRAND OAK CROSS	\$55,740	2018	\$536.35	\$536.35	RT
<b>MILLSTONE HOMES INC</b>	PLAN 33M742 LOT 81					
080-070-08486	3533 SILVERLEAF CHASE	\$55,740	2018	\$536.35	\$536.35	RT
<b>MILLSTONE HOMES INC</b>	PLAN 33M742 LOT 82					
080-070-08487	3525 SILVERLEAF CHASE	\$55,339	2018	\$532.49	\$532.49	RT
<b>SHERWOOD LAURA ANNETTE SHERWOOD WILLIAM JOHN</b>	PLAN 33M742 LOT 83					
080-070-08488	3517 SILVERLEAF CHASE	\$55,339	2018	\$532.49	\$532.49	RT
<b>DRYGAS LUKASZ</b>	PLAN 33M742 LOT 84					
080-070-08489	3509 SILVERLEAF CHASE	\$55,339	2018	\$532.49	\$532.49	RT
<b>2219008 ONTARIO LIMITED</b>	PLAN 33M742 LOT 85					
080-070-08490	3501 SILVERLEAF CHASE	\$55,339	2018	\$532.49	\$532.49	RT

080-070-05703

<b>AL-NAISANI KAMIL ABBAS ALWAN</b>	PLAN 33M742 LOT 86					
080-070-08491	3489 SILVERLEAF CHASE	\$55,339	2018	\$532.49	\$532.49	RT
<b>2219008 ONTARIO LIMITED</b>	PLAN 33M742 LOT 87					
080-070-08492	3481 SILVERLEAF CHASE	\$55,339	2018	\$532.49	\$532.49	RT
<b>2219008 ONTARIO LIMITED</b>	PLAN 33M742 LOT 88					
080-070-08493	3477 SILVERLEAF CHASE	\$55,339	2018	\$532.49	\$532.49	RT
<b>2219008 ONTARIO LIMITED</b>	PLAN 33M742 LOT 89					
080-070-08494	3463 SILVERLEAF CHASE	\$55,740	2018	\$536.35	\$536.35	RT
<b>ABDO ABDOLAH FADEL</b>	PLAN 33M742 LOT 90					
080-070-08495	3455 SILVERLEAF CHASE	\$55,740	2018	\$536.35	\$536.35	RT
<b>MICHALCZYK WOJCIECH</b>	PLAN 33M742 LOT 91					
080-070-08496	3447 SILVERLEAF CHASE	\$55,740	2018	\$536.35	\$536.35	RT
<b>2219008 ONTARIO LIMITED</b>	PLAN 33M742 LOT 92					
080-070-08497	3441 SILVERLEAF CHASE	\$55,339	2018	\$532.49	\$532.49	RT
<b>SHOULDICE LARIN SHOULDICE JANA</b>	PLAN 33M742 LOT 93					
080-070-08498	3429 SILVERLEAF CHASE	\$55,339	2018	\$532.49	\$532.49	RT
<b>MILLSTONE HOMES INC</b>	PLAN 33M742 LOT 94					
080-070-08499	3421 SILVERLEAF CHASE	\$61,354	2018	\$590.36	\$590.36	RT
<b>WAHHAB YOUSEF EL RAMEZ</b>	PLAN 33M742 LOT 95					
080-070-08500	3418 SILVERLEAF CHASE	\$61,755	2018	\$594.22	\$594.22	RT
<b>AL BAYOUMI MOHAMED SAID</b>	PLAN 33M742 LOT 96					
080-070-08501	3430 SILVERLEAF CHASE	\$55,740	2018	\$536.35	\$536.35	RT

080-070-05703

<b>MILLSTONE HOMES INC</b>	PLAN 33M742 LOT 97					
080-070-08502	3442 SILVERLEAF CHASE	\$55,740	2018	\$536.35	\$536.35	RT
<b>MILLSTONE HOMES INC</b>	PLAN 33M742 LOT 98					
080-070-08503	3448 SILVERLEAF CHASE	\$56,542	2018	\$544.06	\$544.06	RT
<b>MILLSTONE HOMES INC</b>	PLAN 33M742 LOT 99					
080-070-08504	3460 SILVERLEAF CHASE	\$56,542	2018	\$544.06	\$544.06	RT
<b>MILLSTONE HOMES INC</b>	PLAN 33M742 LOT 100					
080-070-08505	3472 SILVERLEAF CHASE	\$56,141	2018	\$540.20	\$540.20	RT
<b>ZEBIAN MOHAMED KASSIM</b>	PLAN 33M742 LOT 101					
080-070-08506	3478 SILVERLEAF CHASE	\$55,740	2018	\$536.35	\$536.35	RT
<b>GALIZIA ROBERTO CARMINE GALIZIA ANTONIETTA</b>	PLAN 33M742 LOT 102					
080-070-08507	3490 SILVERLEAF CHASE	\$55,740	2018	\$536.35	\$536.35	RT
<b>MILLSTONE HOMES INC</b>	PLAN 33M742 LOT 103					
080-070-08508	3496 SILVERLEAF CHASE	\$55,740	2018	\$536.35	\$536.35	RT
<b>MILLSTONE HOMES INC</b>	PLAN 33M742 LOT 104					
080-070-08509	3508 SILVERLEAF CHASE	\$55,740	2018	\$536.35	\$536.35	RT
<b>SUD SUMMIT KUMAR</b>	PLAN 33M742 LOT 105					
080-070-08510	3514 SILVERLEAF CHASE	\$55,740	2018	\$536.35	\$536.35	RT
<b>2219008 ONTARIO LIMITED</b>	PLAN 33M742 LOT 106					
080-070-08511	3526 SILVERLEAF CHASE	\$55,740	2018	\$536.35	\$536.35	RT
<b>2219008 ONTARIO LIMITED</b>	PLAN 33M742 LOT 107					
080-070-08512	3538 SILVERLEAF CHASE	\$54,938	2018	\$528.63	\$528.63	RT

080-070-05703

<b>MILLSTONE HOMES INC</b>	PLAN 33M742 LOT 108					
080-070-08513	7391 SILVER CREEK CRES	\$84,212	2018	\$810.31	\$810.31	RT
<b>2219008 ONTARIO LIMITED</b>	PLAN 33M742 BLK 110					
080-070-08514	0 PACK RD	\$20,923	2018	\$201.33	\$201.33	RT
<b>2219008 ONTARIO LIMITED</b>	PLAN 33M742 BLK 111					
080-070-08515	3425 PACK RD	\$600,145	2018	\$5,186.64	\$5,186.64	RT
<b>2219008 ONTARIO LIMITED</b>	PLAN 33M742 BLK 115					
080-070-08516	7275 SILVER CREEK CRES	\$91,029	2018	\$875.91	\$875.91	RT
<b>2219008 ONTARIO LIMITED</b>	PLAN 33M742 BLK 122					
080-070-08517	0 PACK RD	\$9,022	2018	\$86.81	\$86.81	RT
<b>2219008 ONTARIO LIMITED</b>	PLAN 33M742 BLK 123					
080-070-08518	0 CLAYTON WALK	\$6,696	2018	\$64.43	\$64.43	RT
<b>2219008 ONTARIO LIMITED</b>	PLAN 33M742 BLK 124					
080-070-08519	0 PACK RD	\$88,623	2018	\$852.75	\$852.75	RT
<b>2219008 ONTARIO LIMITED</b>	PLAN 33M742 BLK 125					
080-070-08520	7397 CLAYTON CRT	\$52,933	2018	\$509.34	\$509.34	RT
<b>2219008 ONTARIO LIMITED</b>	PLAN 33M742 BLK 126					
Totals		\$7,026,435	2018	\$67,022.15	\$0.00	\$67,022.15

<b>TO:</b>	<b>CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON FEBRUARY 19, 2019</b>
<b>FROM:</b>	<b>ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER</b>
<b>SUBJECT:</b>	<b>GRAND THEATRE – MUNICIPAL ACCOMMODATION TAX FUNDING REQUEST</b>

<b>RECOMMENDATION</b>
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That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer:

- (a) The following report regarding the Grant Theatre’s request for Municipal Accommodation Tax (MAT) funding from the Tourism Infrastructure Reserve Fund **BE RECEIVED** for information;
- (b) Further requests for funding from the Tourism Infrastructure Reserve Fund **BE DEFERRED** pending Civic Administration’s report on a process for future allocations from the Tourism Infrastructure Reserve Fund.

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
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“Request for Funding – 2019 Juno Awards,” Corporate Services Committee, December 11, 2018, Agenda Item #2.3:

<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=55743>

“Municipal Accommodation Tax – Required Agreements and By-laws,” Strategic Priorities and Policy Committee, June 25, 2018, Agenda Item #2.2:

<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=46809>

“Municipal Accommodation Tax – Implementation,” Strategic Priorities and Policy Committee, May 7, 2018, Agenda Item #3.3:

<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=44075>

“Transient Accommodation Tax,” Strategic Priorities and Policy Committee, January 29, 2018, Agenda Item #3: <https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=38877>

<b>BACKGROUND</b>
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The Municipal Accommodation Tax (MAT) was implemented in London on October 1, 2018. Fifty percent of the net MAT revenues will be allocated to Tourism London as the City’s “eligible tourism entity for the exclusive purpose of promoting tourism” in accordance with Ontario Regulation 435/17. The other fifty percent of the net MAT revenues remain with the City of London, noting that the use of these funds is not restricted by Provincial regulation. For the first 3 months ending December 31, 2018, net MAT revenues after collection fees have totaled approximately \$822,000. The City of London’s share of approximately \$411,000 has been contributed to the Tourism Infrastructure Reserve Fund in accordance with Council direction, with the other half allocated to Tourism London. The following table summarizes MAT revenues for the 3 months ending December 31, 2018:

(\$000's)	October	November	December	TOTAL	AVERAGE
Total MAT Revenues	325	314	212	851	284
Less: Collection Costs*	(24)	(3)	(2)	(29)	(10)
Less: Audit Costs**	(0)	(0)	(0)	(0)	(0)
Net MAT Revenues	301	311	210	822	274
Tourism London Share (50%)	150.5	155.5	105	411	137
City of London Share (50%)***	150.5	155.5	105	411	137

\* 1% of monthly remittances plus \$20,000 one-time fee per agreement with Ontario Restaurant Hotel & Motel Association (ORHMA).

\*\* Costs associated with audits of accommodation providers were not incurred in 2018, however it is expected that audit costs will be incurred in future years.

\*\* Contributed to the Tourism Infrastructure Reserve Fund.

## DISCUSSION

### **Council-Approved Allocations from the Tourism Infrastructure Reserve Fund**

On December 18, 2018, Council approved the allocation of \$150,000 from the Tourism Infrastructure Reserve Fund to construct temporary outdoor infrastructure surrounding Budweiser Gardens for the 2019 Juno Awards, including a red carpet viewing area, fan zone, and media staging area.

Additionally, through the 2019 Budget Update process, the Strategic Priorities and Policy Committee (SPPC) approved Budget Amendment #7, a \$2 million funding request from the London Children's Museum to support the relocation of the Children's Museum to 100 Kellogg Lane, subject to Council approval on February 12, 2019. Of this \$2 million total funding allocation, \$500,000 is to be funded from the Tourism Infrastructure Reserve Fund, subject to Council approval. It is anticipated that this draw will not be required until 2020 or 2021 as the London Children's Museum progresses towards their anticipated move in 2022.

Assuming average monthly total MAT revenues net of collection fees of \$250,000 (50% of which will be allocated to Tourism London), the balance in the Tourism Infrastructure Reserve Fund can be estimated as:

Tourism Infrastructure Reserve Fund (\$000's)	2018	2019	2020	2021
Opening Balance	0	411	1,761	2,761
Estimated Contributions	411	1,500	1,500	1,500
Approved Drawdowns				
- 2019 Juno Awards		(150)		
- London Children's Museum			(500)	
Estimated Ending Balance	411	1,761	2,761	4,261

### **Grand Theatre Request**

The Grand Theatre has requested \$2 million from the Tourism Infrastructure Reserve Fund. This request is a component of an \$8 million renovation project that will result in renovations to the following areas of the Grand Theatre:

- Spriet Stage – fly system, sound system, stage lighting, house lighting, special effects automation, video projection, and additional safety infrastructure for working at heights;
- McManus Stage – new seating, sound system, stage lighting, house lighting, and conversion into a “theatre lab”;
- Building Envelope/Infrastructure – replace 4 of 7 roofs, window replacements and sealing, and reconfiguration of stage door entrance;
- Box Office – reconfigure and modernize, with street facing access;
- Lobby – reconfigure and modernize, with the addition of two lobby stages and changes to the stairs and street entrance;
- Wardrobe and Props – expansion of the wardrobe into the unused space above the prop shop, reconfiguration of the prop shop;
- Artist Spaces – renovate and modernize two rehearsal halls, Green Room and dressing rooms.

The Grand Theatre has applied for a \$4 million Canada Cultural Spaces Fund federal grant, and has also identified \$2 million of private donations, subject to municipal matching. Due to the timing of the Theatre’s season, which runs from September to May, some equipment will be purchased and installed in summer 2019, with the majority of the work scheduled for summer 2020. In order to accommodate this schedule, the Grand Theatre has requested a funding commitment by spring 2019, with funding to be provided by spring 2020. The urgency to receive a funding commitment from the City is to leverage the municipal contribution to secure federal grant funding and private donations.

The Tourism Infrastructure Reserve Fund by-law outlines the intended uses of the fund:

*“[...] to fund initiatives/projects that support tourism, including but not limited to the following:*  
*a. Fund tourism related infrastructure projects;*  
*b. Finance new projects and improve venue capacity and sustainability in order to strengthen London’s ability to attract major tourism related events; and*  
*c. Leverage private sector and government capital investment to support initiatives that encourage tourism infrastructure development.”*

The Grand Theatre has indicated that they estimate that approximately 10%, on average, of their attendees are visitors from outside of London. In addition, the Grand Theatre has recently partnered with various productions to bring attention to London as a cultural destination, including:

- Partnering with the American Conservatory Theatre (A.C.T.) in San Francisco to bring *A Thousand Splendid Suns* to London;
- Partnering with Fuel Productions in England to bring the *Barbershop Chronicles* to London, the only Canadian stop on their North American tour; and
- Next season, the Grand Theatre will partner with Covent Garden Productions in England and Mirvish Productions in Toronto to produce the North American premiere of Emma Donoghue’s *Room*.

Based on limited experience with MAT revenues, it is unlikely that sufficient funds will be available in the Tourism Infrastructure Reserve Fund to fund a request of this magnitude until 2020. Should Council wish to support the Grand Theatre’s request for funding, the following funding sources, in addition to the Tourism Infrastructure Reserve Fund, could be considered:

Funding Source	Projected 2019 Ending Balance*
Economic Development Reserve Fund	\$16,400,000
Community Investment Reserve Fund	\$775,000

\* As of January 1, 2019. Excludes any commitments subsequent to this date (e.g. 2019 Budget Update process).

**Process for Future Allocation of Funding from the Tourism Infrastructure Reserve Fund**

Civic Administration is currently developing various options for a process for future allocations from the Tourism Infrastructure Reserve Fund. This process will consider:

- The portion of MAT revenues to be retained to fund tourism-related projects within the City of London capital plan and the portion to be made available (through an application process) to external organizations supporting tourism in the city;
- Whether there should be multiple streams (e.g. annual funding, multi-year funding, etc.) or a singular stream of funding available;
- An efficient intake process to accept applications for funding from the Tourism Infrastructure Reserve Fund.

A report outlining these options is expected to be brought forward for consideration in the 2<sup>nd</sup> quarter of 2019. Until that time, it is recommended that additional requests for funding from the Tourism Infrastructure Reserve Fund be deferred. This will provide an opportunity to obtain further experience and accumulate a reasonable balance in the Tourism Infrastructure Reserve Fund, and is consistent with the City’s general practice to not make a commitment from a reserve fund until a sufficient balance is available to fund the commitment.

<b>SUMMARY</b>
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The City of London implemented the Municipal Accommodation Tax on October 1, 2018. Half of the net proceeds of the MAT are allocated to Tourism London, with the other half retained by the City of London and contributed to the Tourism Infrastructure Reserve Fund to fund initiatives/projects that support tourism. As of the end of 2018, the balance in the Tourism Infrastructure Reserve Fund is approximately \$411,000. Two allocations totalling \$650,000 are currently expected to be disbursed in 2019 and 2020.

The Grand Theatre has requested a \$2 million contribution to support their \$8 million renovation project in order to leverage potential federal funding and private donations. Should Council wish to support the Grand Theatre's request, appropriate funding sources would include the Tourism Infrastructure Reserve Fund, Economic Development Reserve Fund, and Community Investment Reserve Fund. Civic Administration is currently developing options for a process for future allocations of funding from the Tourism Infrastructure Reserve Fund, with a report expected in the 2<sup>nd</sup> quarter of 2019. In the meantime, Civic Administration recommends that any further requests from the Tourism Infrastructure Reserve Fund be deferred until the future allocation methodology is determined.

<b>SUBMITTED BY:</b>	<b>RECOMMENDED BY:</b>
<b>KYLE MURRAY, CPA, CA DIRECTOR, FINANCIAL PLANNING &amp; BUSINESS SUPPORT</b>	<b>ANNA LISA BARBON, CPA, CGA MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER</b>

**From:** Deb Harvey [<mailto:dharvey@grandtheatre.com>]  
**Sent:** Friday, January 18, 2019 3:09 PM  
**To:** Saunders, Cathy <[csaunder@london.ca](mailto:csaunder@london.ca)>  
**Cc:** [ron](#); Barbon, Anna Lisa <[ABarbon@London.ca](mailto:ABarbon@London.ca)>  
**Subject:** Grand Theatre request

Cathy,

As a follow up to our phone conversation, the Grand Theatre is requesting delegation status at the Corporate Services Committee meeting on February 19.

Our presentation will speak to our request for Capital funds through the Municipal Accommodation Tax for a renovation in 2020.

Deb

**Deb Harvey | Executive Director**  
GRAND THEATRE  
519-672-9030 x253

**GRANDTHEATRE**

**Coming Next!**

**THE PENELOPIAD** | Jan 22 – Feb 9 | Spriet Stage  
**MAGGIE & PIERRE** | Feb 12 – 23 | McManus Stage

**Coming Soon**

**VIGILANTE** | Feb 19 – Mar 9 | Spriet Stage

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<b>TO:</b>	<b>CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON FEBRUARY 19, 2019</b>
<b>FROM:</b>	<b>ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER</b>
<b>SUBJECT:</b>	<b>FUTURE TAX POLICY – POSSIBLE DIRECTIONS</b>

<b>RECOMMENDATION</b>
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That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the following report **BE RECEIVED** for information:

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
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Future Tax Policy Report, November 2, 2011 meeting of Finance and Administration Committee, Agenda Item # 11

Future Tax Policy – Possible Directions, January 19, 2016 meeting of Corporate Services Committee, Consent Item # 3

<b>EXECUTIVE SUMMARY</b>
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As part of the annual tax policy review, the City of London reviews its tax ratios and compares them to other municipalities in the Province of Ontario to ensure they are equitable, competitive and conducive to economic development. The purpose of this report is to identify possible directions for future tax policy for Council's consideration and to provide historical context to help inform the direction going forward. Building on recent tax policy decisions of Council, there are at least four (4) possible future directions that Council could consider in setting the upcoming tax policy:

1. Maintain tax ratios in the three main non-residential classes (multi residential, commercial, and industrial) at their current levels.
2. Reduce all the non-residential tax ratios in a gradual way, possibly giving priority to the multi-residential property class.
3. Focus only on lowering the multi-residential tax ratio over a period of time.
4. Adjust ratios on an annual basis to mitigate assessment related tax increases in non-residential property classes possibly giving priority to the multi-residential property class.

In setting tax policy, there are numerous variables that are needed to be taken into consideration such as the impact of reassessment, municipal tax levy, education tax rates, detailed calculations and Provincial regulations. Given these factors, tax policy is set in early spring once all factors are known.

<b>REPORT INDEX</b>
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- A. EXPLANATION OF TERMS
- B. TAX RATIOS AND DIFFERENT PROPERTY CLASSES
- C. POSSIBLE DIRECTIONS FOR FUTURE TAX POLICY

## BACKGROUND

### A. EXPLANATION OF TERMS

#### 1. *What is a tax ratio?*

Tax ratios compare the tax rate for municipal purposes in a particular property class to the residential class. The ratio for the residential class is deemed to be 1.00. A tax ratio of 1.95 for the commercial class would therefore indicate a municipal tax rate 1.95 times the residential municipal tax rate. (Education tax rates are set by the Province and are not dependent on tax ratios approved by municipal councils.)

#### 2. *What are the provincial thresholds for tax ratios?*

Beginning in the year 2001, the Province established threshold tax ratios for three property classes - commercial, industrial, and multi-residential. At the time, the Province indicated that these threshold ratios represented the Provincial average in each class. Under provisions of the Municipal Act and related regulations, municipalities were not permitted for the year 2001 or subsequent years to impose a general municipal levy increase on a property class which had a ratio exceeding the Provincial threshold or average. Beginning in 2004, this restriction was modified somewhat to permit levy increases at half the residential rate in property classes with tax ratios above Provincial thresholds. The Province has permitted this flexibility every year since 2004. The general principle however continues that property tax increases cannot be spread evenly over all property classes if any tax ratio exceeds the provincial thresholds.

#### 3. *What are the Provincial Targets/Allowable Ranges?*

The allowable ranges for tax ratios are set out in Ontario Regulation 386/98. These were theoretically the long term targets for tax ratios set by the government of Premier Mike Harris during the major property tax reform in Ontario which began in 1998. The concept of tax reform was that municipalities could not move their tax ratios away from these targets/ranges. They would only be allowed to move their ratios towards these targets/ranges.

As long as a municipality maintains its tax ratios below the provincial thresholds and above the provincial targets/allowable ranges, the provincial legislation does not require any levy restriction on any non-residential class. London's non-residential tax ratios are all below provincial thresholds and above the "provincial targets/allowable ranges". As can be seen on Schedule A, virtually all municipalities in Ontario have tax ratios that, like London, are above the "provincial targets/allowable ranges".

#### 4. *How do London's Tax Ratios compare to Provincial Thresholds, and other municipalities?*

None of the property classes in the City of London have tax ratios that are above the Provincial thresholds. The only property class in London that was ever above the Provincial threshold was the industrial class. Council moved the industrial ratio down to the threshold for 2001 taxation. At the time of reassessments in 2006, 2009, 2013 and 2017, Council maintained the policy of not permitting tax ratios in any property class to exceed Provincial thresholds.

Schedule A attached, summarizes the tax ratios for all municipalities with populations greater than 105,000 included in the 2018 Municipal Study prepared by BMA Management Consulting Inc. London has a commercial tax ratio that is above the median for the group by 3.1% and 7.2% above the average. The Multi-Residential and Industrial tax ratios are both below the median and averages for the group.

The tax ratios in effect for the year 2018 and their proximity to the Provincial thresholds or averages established in 2001, as well as the Provincial targets or allowable ranges can be summarized as follows:

	City of London 2018 Tax Ratio	Provincial Threshold/Average (O.Reg. 73/03)	Provincial Targets/Allowable Ranges (O.Reg. 386/98)
Commercial	1.930000	1.98	0.6 to 1.1
Industrial	1.930000	2.63	0.6 to 1.1
Multi-Residential	1.795800	2.74	1.0 to 1.1
Pipeline	1.713000	N/A	0.6 to 0.7
Farm	0.118030	N/A	N/A
Residential	1.000000	N/A	N/A
New Multi-Residential	1.000000	N/A	1.0 to 1.1

Schedule B attached, provides comparative information on how different municipalities tax the various different major property classes. The information from Schedule B comes from the 2018 draft BMA Municipal Study and includes all municipalities with populations greater than 105,000. The last column of Schedule B is a theoretical calculation that shows the tax increase that would be required in the residential property class in each municipality if all property classes had a tax ratio of 1. The Schedule indicates that the theoretical adjustment for the City of London would be close to the middle of the group without giving special weighting to Toronto to reflect its much larger size. Schedule B suggests that the City of London's tax ratios are in the average range and not unusual when compared to other major centres in the Province.

## B. TAX RATIOS AND DIFFERENT PROPERTY CLASSES

### 1. *Why are tax ratios different for different property classes and why does each municipality have different tax ratios?*

Prior to 1970, the assessment of property for property taxation purposes was under the jurisdiction of each individual municipality in the Province. One result of this highly decentralized system was that the assessment valuation system was inconsistent from one municipality to another within the Province. Another result was the difference in the treatment of different property classes developed within municipalities. In 1970 after a report by the Ontario Committee on Taxation, the Provincial Government assumed responsibility for property assessment from all the municipalities in the Province. The new system started in 1970 was a market value system, however, adopting a pure market value system was offered to municipal governments on a voluntary basis.

Since the adoption of a pure market value assessment system in 1970 would have resulted in major shifts in taxation between property classes, virtually all municipalities did not adopt a pure market value assessment system. Instead municipalities adopted a factored market value system where taxation shifts between property classes did not occur. Under a factored market value system each property within a property class was given:

- a) an assessment value (calculated as its market value); multiplied by,
- b) a specific factor expressed as a decimal. This specific factor was a uniform decimal number for each property class.

By this method taxes were allocated based on market value within each property class. At the same time, however, taxes did not shift between property classes and the classes maintained the same tax burden that they had before the change to market value assessment.

In preparation for major property tax reform to begin implementation in 1998, the Province passed the *Fair Municipal Finance Act, 1997*. This legislation required the entire Province to be reassessed based on market value and brought an end to factored assessments. Beginning in 1998 all properties were required to be assessed at market value rather than a factored market value and this un-factored market value was to be the taxable amount shown on tax bills.

At the same time the Province recognized that they could not cause huge tax shifts between property classes as a result of the new system. To prevent tax shifts the Province permitted property classes to have different tax rates as determined by the municipalities. The concept of tax ratios was then created in the new legislation so that the Province could set the rules as to what would be permissible with respect to tax rate differences between property classes. These are the rules we live with today, some of which have been briefly described earlier in this report.

## **2. Is there any justification for tax ratios being different in different property classes?**

When the Province introduced the *Fair Municipal Finance Act, 1997*, the implied assumption in the legislation appeared to be that all property classes should have a tax ratio of 1 and there was no logical justification for tax ratios in different classes greater than one. This thinking was demonstrated in the rules adopted in the legislation with respect to changing tax ratios, the establishment of thresholds for certain classes, and the allowable ranges/targets established with Ontario Regulation 386/98 (see previous table in this report).

At the same time however, the Province recognized in the legislation that immediately moving to tax ratios of 1 for all major property classes was not realistic or practical. History since 1998 has also shown that moving quickly to tax ratios of one for all property classes was not realistic or practical as a result of the impact on the residential class. Schedule B of this report shows the impact of a pure market value system with tax ratios of one for a large sample of municipalities in the Province.

In addition to possible concerns about the simple impact on the residential class of a uniform tax ratio of one, there are significant issues relating to logic of such an approach. These are as follows:

- a) historical tax ratios are built into the present system and competitive environment;
- b) property taxes in certain property classes are tax deductible;
- c) market value has a different meaning in different property classes; and,
- d) the principle of taxation incidence (who is really paying the tax) indicates that a commercial entity has some ability to pass a tax onto its customers depending on the market environment.

More detailed information is provided below for each issue noted above.

### **a) Historical tax ratios are built into the present system**

Historical ratios are built into the economic environment and reflected in prices, wages, and profits in the local economy. When looking at this issue, one has to consider the larger economy of the Province and beyond as well as the local economic environment of the City. For some commercial enterprises their primary competitors will be other enterprises in the City. For others, the primary competitors will be in the greater region, elsewhere in the Province, in other provinces, or in other countries. The tax ratios applicable to other competitors will be a factor in the competitive equation for doing business in the City.

The City will want to ensure that tax ratios faced by London businesses are at least competitive with tax ratios applicable to their competition. If the tax ratios in London are competitive then it may not be advisable to significantly alter taxes in the residential class. It should always be kept in mind that maintaining competitive tax ratios in all classes, including the residential class, are a requirement for robust economic development. The availability of a productive labour force may be a more significant factor for economic development than the level of property taxation in a particular non-residential class. Schedule B indicates the significant adjustment that would result in the residential class if all tax ratios were immediately equalized to the residential class.

The general trend in recent years for municipalities, since property tax reform in 1998, has been to decrease tax ratios in non-residential classes as a result of the requirements of provincial legislation and deliberate decisions by municipal councils. Schedule 'A' shows the tax ratios for municipalities with populations greater than 105,000 which were included in the BMA study. The average tax ratios for all the non-residential property classes shown on that schedule (i.e. Multi-residential, Commercial, and Industrial) have declined in recent years. Since 2006, the Multi-residential class average tax ratio for the group has declined by about 10.14%, the commercial tax ratio has declined by about 6.10% and the industrial tax ratio has declined by about 9.2%.

## **b) Property taxes in certain property classes are tax deductible**

Property taxes in the commercial, industrial, and multi-residential classes are deductible in computing income for tax purposes. Residential property taxes, for the most part, are paid from after tax income. Depending on the marginal tax rates, there can be large differences when expenditures are viewed from a pre-income tax or an after-income tax perspective.

## **c) Market value has a different meaning in different property classes**

Properties are valued by very different methods in residential versus non-residential property classes. There are basically three methods of valuation:

### **i. Sale of property**

Residential class properties are valued based on the actual sale of similar individual properties. There are usually numerous similar individual sales on which to base the determination. Properties sell in a market where houses are sold one at a time.

### **ii. Income Method (future cash flow to property)**

In the commercial and multi-residential classes, a property's market value is determined based on the income approach. This means that the income that the property generates is determined and then that income stream is capitalized using an applicable multiple based on an appropriate interest rate. This valuation method illustrates that the only consideration in value determination in these kinds of properties is income generating capabilities. Other types of factors will go into the valuation of a residential property.

### **iii. Construction Cost**

In the industrial property class, properties are generally valued based on construction costs. Buildings in this class are often built to suit and there is not a large volume of transactions involving generic types of buildings.

In addition, multi-residential properties although they may be residential in nature, sell in a completely different kind of market from a single unit residential property. Multi-residential properties sell in large unit volumes between large commercial enterprises whereas single unit residential properties sell one at a time and involve individuals. The differences in the market places can be viewed like the differences between a wholesale market and a retail market. The result is that properties that are physically very similar can sell at substantially different prices in the two market places. In many large cities a residential condominium unit will have a much higher market value than a physically similar multi-residential rental apartment unit.

## **d) Taxation Incidence – who is really paying the property tax**

Taxation incidence focuses on the ability of a commercial entity to pass any tax imposed on to its customers. In the case of an owner occupied residential property, taxation incidence is not an issue. The owner of the house must pay the tax and the owner has no ability to pass the tax onto any other person. In the case of a commercial entity, however, the situation is quite different and the commercial entity may have some ability to pass the tax onto its customer. The ability will depend on the competitiveness of the market place that the commercial entity is operating in and the level of demand for the service or product the commercial entity provides.

For non-residential property classes in the City of London, the market place will be determined to some extent by the market within the City boundaries and to some extent the market beyond the City's boundaries – i.e. the province, the country, and foreign countries. For this reason it is always important for any taxing jurisdiction to ensure that its tax policies are competitive.

It would probably be a reasonable assumption that the average rate of tax in the market is built into the price of products and services in such a way that commercial entities can make a reasonable rate of return to justify investments. The result of tax policy may be:

- When a tax authority deviates significantly from the average in the form of lower taxes, it is creating an incentive situation that may attract a certain type of investment or alternatively a windfall for investors in a particular sector.

- When a taxing authority deviates significantly from the average in the form of higher taxes, it is creating a disincentive situation that may discourage a certain type of investment and ultimately lead to fewer employment opportunities for citizens.

Taxation incidence is a complex issue. The marketplace ultimately determines who pays a tax regardless of who writes the cheque (*Wikipedia introductory article*). To assume that the customer of a commercial entity is paying all the tax imposed on a commercial entity is probably equally as false as assuming that the commercial entity is paying all the tax imposed. Simple concepts of economics, namely supply and demand curves provide the theoretical model; where the slope (elasticity) of the demand curve and the supply curve are equal, then an imposed tax should be shared equally between the seller and the buyer (*Wikipedia*).

**3. Is there any justification for industrial and multi-residential tax ratios being higher than the commercial tax ratio as was the pattern in many municipalities?**

The simple short answer to this question would seem to be “no”. All three property classes, industrial, multi-residential and commercial are similar as they:

- represent commercial activity;
- can deduct property taxes paid from income taxes; and
- trade in commercial markets where value is determined by cash flow or construction cost.

Taxation incidence is a relevant consideration in all three property classes suggesting the tax is probably shared between the buyer and the seller as determined in the market place.

The general advice of economists to governments is to keep a level playing field and not try to pick winners and losers in the determination of tax policy. There would appear to be little justification for keeping any kind of tax ratio differential for these three property classes. In 2011, the equalization of tax ratios in the three main non-residential property classes was identified as a tax policy objective to be pursued in future years. Full equalization was achieved in 2015 when Council approved a ratio of 1.95 for the three main non-residential property classes.

**C. POSSIBLE DIRECTIONS FOR FUTURE TAX POLICY**

In the 2016 report on Tax Policy the following possible directions were identified:

1. Maintain the status quo with respect to tax ratios now that the objectives identified in 2011 had been achieved. (i.e. reduction of the tax ratios in the industrial and multi-residential property classes to the level of the commercial class)
2. Reduce the tax ratio in all the non-residential property classes to lower levels but keep them equal as this process proceeds.
3. Focus on lowering the multi-residential class only or in priority to other non-residential classes
4. Consider creating a new multi-residential class for newly constructed buildings with a much lower tax ratio than the existing non-residential property classes.

After the 2016 Future Tax Policy report council took an approach to lower the tax ratios in the non-residential classes somewhat but giving priority to the multi-residential class. This is the third possible direction listed above in the 2016 Future Tax Policy Report. In 2015 the tax ratios for the three main non-residential property classes were all 1.95. By 2018 the tax ratios established for the three main non-residential classes were as follows:

Commercial	1.9300
Industrial	1.9300
Multi-residential	1.7958

There has been a significant development in reference to the multi-residential class since the consideration of future tax policy in 2016 which has made the consideration of the 4<sup>th</sup> possible direction above irrelevant. On July 5, 2017, the Minister of Finance for the Province signed several regulations to require the adoption of the new multi-residential property class for all municipalities in Ontario. One of the regulations filed required that the tax ratio for the class be set within a

range of 1.0 to 1.1 for all municipalities. The regulations applied to any multi-residential property in Ontario built or converted from a non-residential use pursuant to a building permit issued on or after April 20<sup>th</sup> 2017. The new multi-residential property class as regulated by the Province has a time limit after which the property will return to the regular multi-residential property class. The time limit however is 35 years.

Prior to the issuance of the regulations to create the new multi-residential class in all municipalities, the Province expanded rent control in accordance with the Residential Tenancies Act to all residential rental properties in the Province. Prior to this expansion rent control only applied to older buildings in rental use prior to November 19<sup>th</sup> 1991. It would appear that the action to create the new multi-residential property class was motivated by a concern about the possible impact of the expansion of rent control on new construction or residential rental properties. In November 2018, the current provincial government announced that residential units would not be subject to rent control if the units were never rented prior to November 16<sup>th</sup> 2018.

### **2019 Possible Directions**

Going forward after 2018, it would appear there are four possible directions for Council to consider during tax policy deliberations which are similar to the first three possible directions identified in 2016 as follows:

1. Maintain tax ratios in the three main non-residential classes at their current levels.
2. Reduce all the non-residential tax ratios in a gradual way possibly giving priority to the multi-residential property class.
3. Focus only on lowering the multi-residential tax ratio over a period of time.
4. Adjust ratios on an annual basis to mitigate assessment related tax increases in non-residential property classes possibly giving priority to the multi-residential property class.

Each of these possible directions is reviewed in more detail below and outlines for each alternative the possible impacts that would be intended as a result.

#### ***1. Maintain tax ratios in the three main non-residential classes at their current levels***

The main argument for this approach to future tax policy would be based on the assumption that the City has attained a situation where its tax ratios are reasonably competitive with other jurisdictions in Ontario and has removed biases in its system that may have had a negative effect on potential industrial and multi-residential development. Under this approach, when future reassessments occur, existing tax ratios would be maintained and taxes would shift between property classes based on how market values in the various classes had changed. This approach would, however, still involve close monitoring of the City's competitiveness with respect to tax ratios in other cities and could require adjustment of ratios as would be indicated in the annual review of tax policy.

#### ***2. Reduce the tax ratios in the three main non-residential property classes in a gradual way possibly giving priority to the multi-residential property class***

The commercial tax ratio in London is above the average for large population municipalities in Ontario by about 7.2% as shown on Schedule A. Schedule A also shows that both the Multi-residential and Industrial ratios are below the average for large population municipalities in Ontario. Council could consider adopting a tax policy objective to attain a uniform tax ratio for the commercial and industrial classes that is at or slightly below the average commercial level for the large population group identified on Schedule A. This could be done in conjunction with a further lowering of the multi-residential tax ratio below the commercial and industrial classes. We recommend against different ratios for the commercial and industrial property classes since this would be reintroducing a bias/distortion in the property tax system that Council succeeded in removing prior to 2016.

The purpose of a policy objective to lower non-residential tax ratios would be to improve the competitiveness of the City and enhance economic development and employment opportunities in the City. The implementation of such a policy objective would necessarily be gradual and would have to take into consideration the following:

- future province wide reassessments;
- provincially established education tax rates; and,
- the effect of tax ratio changes on the residential property class.

All these factors would have to be considered each year as part of the annual tax policy review and tax ratio setting process.

### **3. Focus on lowering the multi-residential class only or in priority to other non-residential classes**

There seems to be some political support for this approach across the Province. Support for this position appears to be based on the assumption that all of any reduction in property taxes will flow through to tenants. This would seem, however, to be a questionable assumption based on the principle of taxation incidence. The *Residential Tenancies Act, 2006* does require that decreases in property taxes be transferred onto the current tenant where the decrease exceeds 2.49%, but there are significant limitations and qualifications to this requirement.

The actions by the Province in 2017 has created a situation where multi-residential properties are being taxed on a long term basis at very different levels based on nothing more than when they were constructed. This would seem to contradict one of the basic principles of tax policy in reference to property taxation, that basic principle being that all properties within the same property class should pay the same tax rate. There does not appear to be any indication that the current government at the Provincial level has any intention to change the regulations issued by the previous government to establish the new multi-residential property class.

Because of the actions of the Province including the extended term of 35 years, Council may wish to consider adopting a policy to adjust the tax ratio for the multi-residential property class to the new construction level gradually over an extended period of time. The justification for this approach would be to establish equity within the property class so that all properties would be subject to the same tax rate on their market value.

#### ***The Residential Tenancies Act***

The requirement for a landlord to pass on a property tax decrease in the *Residential Tenancies Act* may not have significant application in the long term. This is because the rent reduction does not apply to any new tenant who arrives after the year the tax decrease has occurred.

The possible lack of a significant long term effect from the rent reduction provisions of the *Residential Tenancies Act* would explain why there appears to be no empirical evidence to suggest that lower tax ratios in the multi-residential class has the effect of lowering market rents in municipalities. The City of Hamilton did a study on the Multi-Residential class in February 2009 that attempted to look into this issue. Excerpts from that study indicating the conclusion that they reached are included on Schedule D. Another factor in the impact of the *Residential Tenancies Act* would be that gradual declines in a multi-residential ratio may not cause a minimum 2.49% decrease and therefore not invoke application of the Act.

#### ***Restrictions on Increasing Tax Ratios in Non-Residential Classes***

An important point to keep in mind when decreasing tax ratios in any non-residential property class including the multi-residential class is that, although provincial legislation gives municipal councils the discretion to lower tax ratios in non-residential classes, the same discretion does not apply to increases in tax ratios. This means that a municipal council cannot lower a tax ratio in a non-residential class in one year and then increase it or return it to its previous level in a subsequent year unless the increase is revenue neutral and below the Provincially established threshold.

**4. Adjust ratios on an annual basis to mitigate assessment related tax increases in non-residential property classes possibly giving priority to the multi-residential property class**

Every four years in Ontario there is a Province wide reassessment. Every reassessment will cause shifts in taxation between property classes because of particular market conditions in the various property classes. The taxation shifts are spread out over four years as the reassessment is phased in. The primary tool available to municipal councils to control taxation shifts resulting from reassessments is the setting of tax ratios. In the past Council has utilized this tool to mitigate tax increases in non-residential property classes giving priority to the multi-residential property class. For the last two years, the City has adopted tax ratios in the multi-residential property class that equalized the tax increase in the residential and multi-residential property classes.

**Other information attached to this report**

The following schedules not previously referenced in this report have been attached to this report to provide additional information and context regarding tax policy. All Provincial tax legislation is based on tax ratios because they are reliable and directly comparable from one municipality to another.

Schedule C – 2018 Net Municipal Levy per Capita in BMA Study for Populations over 105,000

<b>SUMMARY</b>
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Annually, the City reviews its tax policy taking into consideration that property taxation in the City is equitable, conducive to economic development, transparent to the public, and administratively efficient. Building on recent tax policy decisions and in comparing to other municipalities in the Province, there are at least four (4) possible directions that have been identified in this report that could be considered. In early spring, once all variables that impact municipal taxation are known (i.e. Education Tax Rates) and the detailed calculations are undertaken, Civic Administration will bring forward the 2019 Tax Policy report for deliberation and direction in order to set 2019 Tax Ratios through by-law, in accordance with the *Municipal Act, 2001*.

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Attachments

## **LIST OF ATTACHMENTS**

### **FUTURE TAX POLICY – POSSIBLE DIRECTIONS**

- Schedule A Tax Ratios for Municipalities in BMA Study with Populations Over 105,000**
- Schedule B Shift in Tax Burden Un-weighted to Weighted Residential Assessment for Municipalities in BMA Study with Populations Over 105,000**
- Schedule C 2018 Net Municipal Levy per Capita in BMA study for Municipalities with Populations Over 105,000**
- Schedule D Excerpts from City of Hamilton report on Multi-residential tax ratios in February 2009**

**SCHEDULE "A"**  
**TAX RATIOS FOR MUNICIPALITIES IN BMA STUDY WITH POPULATIONS**  
**OVER 105,000**

Municipality with > 105,000 Population in 2018 BMA Study	Multi-Residential Tax Ratio	Commercial Tax Ratio (Residual)	Industrial Tax Ratio (Residual)	Industrial Tax Ratio (Large)	Average of Large and Residual Industrial Tax Ratios
Barrie	1.0000	1.4331	1.5163	1.5163	1.5163
Brampton	1.7050	1.2971	1.4700	1.4700	1.4700
Durham	1.8665	1.4500	2.1850	2.1850	2.1850
Greater Sudbury	2.0000	1.9800	3.9575	4.4856	4.2216
Guelph	1.8733	1.8400	2.2048	2.2048	2.2048
Halton	2.0000	1.4565	2.3599	2.3599	2.3599
Hamilton	2.6342	1.9800	3.4115	4.0004	3.7060
Kingston	1.9000	1.9800	2.6300	2.6300	2.6300
London	1.7958	1.9300	1.9300	1.9300	1.9300
Mississauga	1.4510	1.4772	1.6108	1.6108	1.6108
Niagara	1.9700	1.7349	2.6300	2.6300	2.6300
Ottawa	1.4261	1.8726	2.6233	2.2528	2.4381
Thunder Bay	2.3771	2.1179	2.4182	2.7509	2.5846
Toronto	2.5231	2.8476	2.8359	2.8359	2.8359
Waterloo	1.9500	1.9500	1.9500	1.9500	1.9500
Windsor	2.0000	2.0187	2.3200	2.9381	2.6291
York	1.0000	1.2323	1.4973	1.4973	1.4973
Average	1.8513	1.7999			2.3764
Median	1.9000	1.8726			2.3599
Minimum	1.0000	1.2323			1.4700
Maximum	2.6342	2.8476			4.2216
Provincial Threshold	2.0000	1.9800	2.6300	2.6300	2.6300
London Compared to Median	-5.5%	3.1%			-18.2%
London Compared to Average	-3.0%	7.2%			-18.8%
change in group averages since 2006	-17.82%	-5.08%			-7.44%

**SCHEDULE "B"**  
**SHIFT IN TAX BURDEN - UNWEIGHTED TO WEIGHTED RESIDENTIAL**  
**ASSESSMENT FOR MUNICIPALITIES IN BMA STUDY WITH POPULATIONS**  
**OVER 105,000**

Municipality with > 105,000 Population in 2018 BMA Study	Residential Unweighted Assessment (Note 1)	Residential Weighted Assessment (Note 2)	% Change	Implied Adjustment to Residential Taxes
Toronto	74.5%	51.7%	-22.8%	44.1%
Windsor	75.8%	60.1%	-15.7%	26.1%
Thunder Bay	79.1%	63.4%	-15.7%	24.8%
Greater Sudbury	80.1%	65.1%	-15.0%	23.0%
Cambridge	75.2%	61.9%	-13.3%	21.5%
Hamilton	82.0%	69.1%	-12.9%	18.7%
Guelph	78.6%	66.3%	-12.3%	18.6%
Waterloo	74.6%	63.0%	-11.6%	18.4%
Ottawa	75.6%	64.0%	-11.6%	18.1%
Kitchener	79.4%	67.7%	-11.7%	17.3%
St. Catherines	78.9%	68.0%	-10.9%	16.0%
<b>London</b>	<b>81.5%</b>	<b>71.0%</b>	<b>-10.5%</b>	<b>14.8%</b>
Kingston	76.4%	66.8%	-9.6%	14.4%
Burlington	78.9%	69.8%	-9.1%	13.0%
Mississauga	72.7%	64.5%	-8.2%	12.7%
Oshawa	79.2%	70.6%	-8.6%	12.2%
Oakville	84.5%	77.6%	-6.9%	8.9%
Milton	81.9%	76.0%	-5.9%	7.8%
Barrie	76.4%	71.0%	-5.4%	7.6%
Whitby	86.0%	80.1%	-5.9%	7.4%
Brampton	80.9%	76.1%	-4.8%	6.3%
Vaughan	78.7%	74.7%	-4.0%	5.4%
Markham	84.8%	82.3%	-2.5%	3.0%
Richmond Hill	89.2%	87.3%	-1.9%	2.2%
<b>Average</b>				<b>15.1%</b>
<b>Median</b>				<b>14.6%</b>
<b>Maximum</b>				<b>44.1%</b>
<b>Minimum</b>				<b>2.2%</b>

If all non-residential classes were at 1, residential taxes would increase by 14.8%

London Compared to Median	1.4%
London Compared to Average	-2.0%

Notes:

- 1) Residential unweighted assessment does not reflect any weighting of various classes with tax ratios.
- 2) Residential weighted assessment reflects the weighting of non-residential assessment with tax ratios

**SCHEDULE "C"**  
**2018 NET MUNICIPAL LEVY PER CAPITA IN BMA STUDY WITH**  
**POPULATIONS OVER 105,000**

Municipality with > 105,000 Population in 2018 BMA Study	2018 Net Municipal Levy Per Capita
Milton	\$1,044
Brampton	\$1,286
Markham	\$1,302
Kitchener	\$1,303
<b>London</b>	<b>\$1,425</b>
Mississauga	\$1,432
Toronto	\$1,470
Richmond Hill	\$1,476
St. Catharines	\$1,489
Burlington	\$1,497
Windsor	\$1,505
Hamilton	\$1,517
Cambridge	\$1,527
Barrie	\$1,529
Greater Sudbury	\$1,546
Ottawa	\$1,614
Whitby	\$1,632
Oshawa	\$1,636
Vaughan	\$1,638
Guelph	\$1,655
Thunder Bay	\$1,693
Kingston	\$1,725
Oakville	\$1,772
Waterloo	\$1,846
<b>Average</b>	<b>\$1,523</b>
<b>Median</b>	<b>\$1,522</b>
<b>Minimum</b>	<b>\$1,044</b>
<b>Maximum</b>	<b>\$1,846</b>
<b>London Compared to Median</b>	<b>-6.4%</b>
<b>London Compared to Average</b>	<b>-6.5%</b>

## **SCHEDULE "D"**

### ***Excerpts from City of Hamilton report on Multi-residential tax ratios***

***February 2009***

***Ontario, City of Hamilton, Corporate Services Department, Budgets & Finance Division,  
February 19, 2009.***

"No documented evidence that a reduced multi-residential tax ratio equates to lower rents:

- Municipalities who have reduced their multi-residential tax ratio have seen rent increases at the same rate or higher than those communities with minimal or no reduction to their multi-residential tax ratio (rents are market driven).
- Although Hamilton has a high multi-residential tax ratio, the average rent for a two-bedroom apartment in Hamilton (CMA) continues to be among the lowest in Ontario, with average rent increases being one of the lowest (below the rent guideline)." (p.2)

"Municipalities with significant reductions to their multi-residential tax ratios over this same time period have not seen corresponding significant reductions in the average rent. For example, as identified previously, Ottawa had reduced its multi-residential tax ratio -25% from 1989 to 2008; however the average rent for a two-bedroom apartment has increased 32% over this same time period. Similarly, Waterloo Region (Kitchener above) has reduced its multi-residential tax ratio -33% from 1998 to 2008, yet the average rent for a two-bedroom apartment has increased 32% as well." (p. 8)

"Should Council want to consider a reduction in the multi-residential tax ratio, staff would suggest reducing it to a target of 1.99 (the current 2009 commercial tax ratio). Targeting the commercial ratio is consistent with most municipalities that have set a target for reduction. As well, staff would recommend that any reduction be phased-in to minimize the impact on the other property classes." (p.3)