

## **2022 Operating Budget for the Toronto Coach Terminal Inc. (TCTI)**

**Date:** February 10, 2022

**To:** Toronto Coach Terminal Inc. Board of Directors

**From:** Treasurer

### **Summary**

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The attached report presents the 2022 Toronto Coach Terminal Inc. (TCTI) operating budget for approval.

With the conclusion of the lease with Greyhound and Coach Canada Toronto Operations Ltd. (GACCTO), TCTI is no longer an operating entity, but remains as the parent of the TTC Insurance Company Limited. The 2022 Operating Budget is therefore limited to interest revenue on bank balances and minor administrative expenses.

### **Recommendations**

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It is recommended that the Toronto Coach Terminal Inc. Board of Directors:

1. Approve the 2022 Operating Budget for the Toronto Coach Terminal Inc. with revenues of \$15,600 and expenses of \$5,400, resulting in a net profit of \$10,200 as set out in this report.

### **Financial Summary**

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The TCTI-GACCTO lease for the use of the 610 Bay Street and 130 Elizabeth Street properties ended effective July 7, 2021. With the conclusion of the TCTI-GACCTO lease, the TTC Board approved waiving interest payable on the remaining loan balance effective July 8, 2021. As a result, annual lease revenue of approximately \$1,394,000 and annual interest expenses of approximately \$100,000 are no longer applicable.

The continuation of the Toronto Coach Terminal Inc. as a legal entity is required in accordance with the terms of the license of the TTC Insurance Company Limited. Revenues will be limited to interest revenue on estimated bank balances of \$15,600 and administrative expenses of \$5,400.

### **Equity/Accessibility Matters**

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With the conclusion of the TCTI-GACCTO lease, Toronto Coach Terminal is no longer an operating entity, and continues only as a legal entity. Therefore, there are no equity and accessibility considerations.

## Decision History

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On an annual basis, the budget of TCTI is presented on a non-consolidated level, for approval.

On June 2021, the TCTI Board approved, upon the expiry of the TCTI-GACCTO lease, the transfer of the operational management of the 610 Bay Street and 130 Elizabeth Street properties to the City of Toronto, subject to the City of Toronto,

- (a) paying the remaining loan balance between TCTI and the TTC (approximately \$4.2 million);
- (b) the City of Toronto assume the responsibility for any liabilities including, but not limited to, the payment of property taxes, carrying out the security, maintenance, repair and replacements, and environmental liabilities (on and off the properties) associated with the properties; and
- (c) pay TCTI \$4.2 million upon the occurrence of the earlier of,
  - (i) the sale of one or both of the properties;
  - (ii) the execution of any agreement between the City of Toronto and a third party in respect of the development of one or both of the properties; or
  - (iii) the approval by City of Toronto Council of an application by the City of Toronto to rezone one or both of the properties.

[https://ttc-cdn.azureedge.net/-/media/Project/TTC/DevProto/Documents/Home/Public-Meetings/TTC-Subsidiary-Companies/Toronto-Coach-Terminal-Inc/2021/June/Directors/2\\_GACCTO\\_Lease\\_Expiry\\_and\\_Proposed\\_Turnover\\_Agreement.pdf?rev=8f86b95d77964920b5920daf170eb575&hash=E9580E2A93D2EE4F44F15673B1CBC663](https://ttc-cdn.azureedge.net/-/media/Project/TTC/DevProto/Documents/Home/Public-Meetings/TTC-Subsidiary-Companies/Toronto-Coach-Terminal-Inc/2021/June/Directors/2_GACCTO_Lease_Expiry_and_Proposed_Turnover_Agreement.pdf?rev=8f86b95d77964920b5920daf170eb575&hash=E9580E2A93D2EE4F44F15673B1CBC663)

On September 15 2021, the Toronto Transit Commission (TTC) Board approved the waiver of interest payable on the remaining loan of \$4.5 million, with TCTI, effective July 8, 2021 and approved the applicable amendment to the loan agreement between the TTC and TCTI in respect of the waiver of interest.

[https://ttc-cdn.azureedge.net/-/media/Project/TTC/DevProto/Documents/Home/Public-Meetings/Board/2021/September\\_15/Reports/13\\_Loan\\_Agreement\\_-\\_to\\_Toronto\\_Coach\\_Terminal\\_Inc.pdf?rev=74a5dc59c97a46dea8fac837ae822e49&hash=5A5884CC6857DA917640FA8AD0D6FDD1](https://ttc-cdn.azureedge.net/-/media/Project/TTC/DevProto/Documents/Home/Public-Meetings/Board/2021/September_15/Reports/13_Loan_Agreement_-_to_Toronto_Coach_Terminal_Inc.pdf?rev=74a5dc59c97a46dea8fac837ae822e49&hash=5A5884CC6857DA917640FA8AD0D6FDD1)

## Comments

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### 2022 TCTI Operating Budget

TCTI's budgeted net profit for 2022 is expected to be \$10,200, representing a \$406,400 or 97.6% reduction relative to the 2021 budget. The overall reduction is primarily associated with the TCTI-GACCTO lease expiry and transfer of operational management of TCTI properties to the City of Toronto effective July 7, 2021 and as further detailed below.

### Lease Revenue and Depreciation Expense

Lease revenue and depreciation expense budget are no longer applicable given the conclusion of the TCTI-GACCTO lease and the transfer of operational management of the properties to the City of Toronto effective July 7, 2021.

### Interest Expense

The interest expense of \$100,000 is no longer applicable due to the waiver of interest payable on the remaining TTC loan.

### Maintenance, Utility and Administrative Expenses

With the transfer of operational management of the properties to the City of Toronto, the provisions for emergency maintenance and basic utility costs are no longer applicable and have been removed. Remaining expenses relate to the administrative expenses required to maintain the legal entity.

### Budget Summary

<b>\$000s</b>	<b>2022 BUDGET</b>	<b>2021 BUDGET</b>	<b>CHANGE</b>
Revenues	-	697	(697)
Expenses	6	55	(49)
<b>Cash Flow From Operations</b>	<b>6</b>	<b>642</b>	<b>(648)</b>
Depreciation	-	136	(136)
<b>Operating Profit</b>	<b>(6)</b>	<b>506</b>	<b>(512)</b>
Interest Revenue	(16)	(11)	(5)
Interest Expense	0	100	(100)
<b>Net Profit</b>	<b>10</b>	<b>417</b>	<b>(407)</b>

## **Contact**

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## **Signature**

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Alex Cassar

Treasurer, Toronto Coach Terminal Inc.