

February 24, 2009

## Toronto's new development charge by-law will stimulate economy, promote smart growth

City Council today took steps to stimulate the city's economy when it adopted a new Development Charge structure.

"Today we are taking steps to protect and enhance Toronto's prosperity and ensure we grow in a way that is in keeping with our official plan," said Mayor David Miller. "More development means more jobs and more long term benefit for the city through permanent tax revenues."

Council supported Mayor Miller's call for a two-year freeze on charges in order to give the development industry some predictability and keep people working.

"It is essential that we provide certainty in uncertain economic times," the Mayor said.

Given the weakness in the current global economy, the new by-law freezes existing development charge rates until January 31, 2011 and provides for a multi-year phase-in of the adopted charges if housing construction meets certain pre-determined thresholds. It also continues to provide many residential and non-residential exemptions, including exemptions for affordable rental housing and industrial development. The new By-law has been adopted in accordance with the provisions of the *Development Charges Act, 1997*. A Development Charge Background Study was completed which calculated the maximum level of charges that can be imposed.

The new Development Charge By-law that will come into effect on May 1, 2009 will replace the existing By-law (547-2004) and will allow the City to continue to collect development charges to pay for a portion of municipal growth-related capital costs for services such as transit, transportation, waterworks, libraries, parks and recreation facilities, fire, police and emergency medical services.

For more information on the City of Toronto's development charge by-law review, please visit the City's website at [www.toronto.ca/finance/dev\\_charges\\_bylaw\\_review/index.htm](http://www.toronto.ca/finance/dev_charges_bylaw_review/index.htm)

Toronto is Canada's largest city and sixth largest government, and home to a diverse population of about 2.6 million people. It is the economic engine of Canada and one of the greenest and most creative cities in North America. In the past three years, Toronto has won numerous awards for quality, innovation and efficiency in delivering public services. Toronto's government is dedicated to prosperity, opportunity and live-ability for all its residents.

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