

Clause embodied in Report No. 9 of the Policy and Finance Committee, as adopted by the Council of the City of Toronto at its meeting held on June 26, 27 and 28, 2001.

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### **Golden Mile Employment District Transportation System Improvement Charge Reserve Fund**

*(City Council on June 26, 27 and 28, 2001, adopted this Clause, without amendment.)*

**The Policy and Finance Committee recommends the adoption of the following report (May 23, 2001) from the Chief Financial Officer and Treasurer:**

Purpose:

The purpose of this report is to create a Golden Mile Employment District Transportation System Improvement Charge Reserve Fund.

Financial Implications and Impact Statement:

This report has no direct financial implications. The report provides for the establishment of a reserve fund for funds collected under the Golden Mile transportation system improvement charge in the Golden Mile Employment District to be used for payments for transportation system improvements in said area, and, where appropriate, to provide rebates to front ending contributors.

Recommendations:

It is recommended that:

- (1) Council establish an obligatory (restricted by third party agreements) reserve fund, called the "Golden Mile Employment District Transportation System Improvement Charge Reserve Fund", to receive the transportation system improvement charge in the Golden Mile Employment District, to construct and implement transportation improvements and, where appropriate, to provide rebates to front ending contributors in the Golden Mile Employment District;
- (2) Municipal Code 227 (Reserves and Reserve Funds) be amended by adding the "Golden Mile Transportation Improvement Reserve Fund" to Schedule 'B2'. (obligatory reserve fund); and,
- (3) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto, and that leave be granted for the introduction of any necessary bills in Council.

Background:

At its meeting of June 10, 1997, Council of the former City of Scarborough adopted Clause No. 5 of Report No. 13 of the Planning and Buildings Committee entitled 'Implementing Transportation System Improvements Identified through the Golden Mile Land Use Review'. The Golden Mile Land Use Review provided a vision for the rejuvenation of this older employment district with a range of additional commercial land uses.

The report identified a number of transportation system improvements which were key to supporting additional land uses. To facilitate the necessary transportation improvements, a process to obtain these works, or collect and distribute the appropriate funds instead, was put in place with the adoption of said report. The report recommended that a transportation system improvement charge be put in place, it established the rate of the charge, and designated the improvements to be funded from the charge.

Discussion:

The identified transportation system improvements are significant. The Council of the former City of Scarborough determined that the cost should not be borne by the City, but rather, by the benefiting land owners. To this end a per square foot charge of \$3.50, adjusted to reflect changes in the Designated Construction Cost Index during the period between September 2, 1997, and the date of issuance of the building permit, was imposed on new commercial uses approved through implementing rezoning applications under OPA 965.

As a condition of the approval of any amendment, be it a rezoning or the removal of a Holding Provision (H), the owner is required to enter into an agreement with the City to pay the transportation system improvement charge. This agreement is registered on title and is binding upon all successors.

The charge is applied at the issuance of building permits, as the development of the commercial uses will create the demand for the required transportation system improvements. If an owner has spent money in respect of the required improvements or has dedicated lands for street rights of way, the amounts so spent or the value of the dedication is credited against the amount otherwise payable by the owner.

The Golden Mile Employment District agreements between an owner and the City provide that the funds paid to the City are to be administered by the City and used by the City only for the purpose of constructing and implementing required improvements, and/or making refunds to owners within the Golden Mile area which have provided improvements or made qualified front-end expenditures in respect of their specific development. The agreements also provide that funds paid to the City should be segregated.

It was recommended that a specific account be created to administer the funds collected. In effect, the City would act as banker to ensure the works are appropriately provided and that the costs of these works are equitably distributed among the benefiting parties.

It was determined at the time of the adoption of the charge, that the cost of the identified improvements would total \$5.6 million. It was envisioned that the Commissioners of Planning and Buildings and Works and Environment (City of Scarborough titles) would oversee the collection of these funds, the expenditures to implement the identified transportation system improvements, and, where appropriate, rebates to front-end contributors. Once all the necessary improvements were in place, the necessary funds collected and disbursed, the account would be closed.

At the time of amalgamation (1998), no funds had been received. Since this account was not on the books at the time of amalgamation, the initial by-law concerning reserve funds (By-Law No. 181-2000) did not include this reserve fund. To date, the southern leg of Lebovic Avenue and a number of intersection improvements have been implemented. As well, the expansion of Comstock Avenue will be undertaken this year. Recently, the City has also received \$618,791.00 (\$479,738.00 in 2000 and \$139,053.00 so far in 2001) in cash payments through the Transportation System Improvement Charge with disbursement commitments of \$117,175.00. It is now appropriate to amend Municipal Code Chapter 227 (Reserve and Reserve Funds) to include a new reserve fund to receive and disburse these funds.

Conclusion:

It is recommended that Council amend Municipal Code Chapter 227 (Reserve and Reserve Funds), by creating an obligatory (restricted by third party agreements) reserve fund called the 'Golden Mile Employment District Transportation System Improvement Charge Reserve Fund' which would be 'owned' by the Commissioner of Urban Development Services in consultation with the Commissioner of Works and Emergency Services to receive the Golden Mile Transportation System Improvement Charge, to disburse funds for the construction of the improvements, and to make refund payments to front-ending owners. While the timing of the additional payments to this reserve fund are uncertain at this time, the fund would be closed when all the improvements have been completed, all benefiting landowners have contributed their share of the funding through a combination of a cash charge or in kind improvements, and all disbursements have been made.

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