

**CITY OF TORONTO  
2008 DEVELOPMENT CHARGE  
BACKGROUND STUDY**

OCTOBER 23, 2008



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 Planning for growth



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## CONTENTS

	<u>Page</u>
<b>EXECUTIVE SUMMARY</b>	(i)
<b>1. INTRODUCTION</b>	1.
1.1 Background	2.
1.2 <i>Development Charges Act</i> Requirements	5.
<b>2. CURRENT CITY OF TORONTO POLICY</b>	17.
2.1 Introduction	18.
2.2 Summary of By-law 547-2004	18.
2.3 GTA Development Charge Policy vs. Toronto's Circumstances	21.
2.4 2004 DC Policy Considerations	27.
<b>3. TORONTO'S DEVELOPMENT FORECAST 2008-2018</b>	35.
3.1 Introduction	36.
3.2 Residential Growth	37.
3.3 Non-residential Growth	43.
3.4 Places to Grow and Census Results	45.
<b>4. THE RESULTANT INCREASE IN THE NEED FOR SERVICE</b>	54.
4.1 Introduction	55.
4.2 Services Involved	55.
4.3 The Increase in the Need for Service	55.
4.4 Capital Cost Estimates	58.
4.5 Credits Carried Forward	59.
4.6 Eligible Debt and Committed Excess Capacity	59.
4.7 Council's Assurance	60.
<b>5. DCA CALCULATION REQUIREMENTS</b>	61.
5.1 Introduction	62.
5.2 Growth-related Services Not Covered by Development Charges	62.
5.3 Level of Service Cap	62.
5.4 Uncommitted Excess Capacity	63.
5.5 Benefit to Existing Development	64.
5.6 Grants, Subsidies and Other Contributions	70.
5.7 10% Statutory Deduction for "Soft Services"	70.
5.8 Post-period Capacity	71.
5.9 DC Reserve Fund Balances	71.
5.10 DC Calculation Methodology	72.
<b>6. DEVELOPMENT CHARGE RULES</b>	73.
6.1 Introduction	74.
6.2 Redevelopment DC Reductions	75.
6.3 Use Exemptions	79.
6.4 Transitional Provisions	80.
6.5 DC Indexing	80.
6.6 City-wide vs. Area-specific Charges	81.

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## CONTENTS

	<u>Page</u>
<b>7. IMPLEMENTATION</b>	84.
7.1 The By-law Adoption Process	85.
7.2 Long Term Capital and Operating Cost Examination	86.
7.3 Potential Economic Impact on Development	86.
7.4 By-law Implementation	86.

### APPENDICES

<b>A DEVELOPMENT CHARGE RECOVERABLE COST CALCULATIONS</b>	89.
• A-1 Spadina Subway Extension	90.
• A-2 Transit (Balance)	97.
• A-3 Roads and Related	106.
• A-4 Water	112.
• A-5 Sanitary Sewer	122.
• A-6 Storm Water Management	131.
• A-7 Parks and Recreation	136.
• A-8 Library	149.
• A-9 Subsidized Housing	157.
• A-10 Police	163.
• A-11 Fire	168.
• A-12 EMS	175.
• A-13 Development-related Studies	181.
• A-14 Civic Improvements	186.
• A-15 Child Care	190.
• A-16 Health	195.
• A-17 Waterfront	200.
• A-18 Pedestrian Infrastructure	213.
<b>B DEVELOPMENT CHARGE CALCULATIONS</b>	217.
<b>C SERVICES FOR WHICH DEVELOPMENT CHARGE FUNDING IS NOT PROPOSED AT THIS TIME</b>	224.
<b>D GUIDELINES RE LANDOWNER EMPLACEMENT OF LOCAL SERVICES UNDER DEVELOPMENT AGREEMENTS</b>	229.
<b>E LONG TERM CAPITAL AND OPERATING COST EXAMINATION</b>	236.
<b>F DEVELOPMENT CHARGE ECONOMIC IMPACT MATERIAL</b>	282.
<b>PROPOSED CITY OF TORONTO DEVELOPMENT CHARGE BY-LAW (2008) (PROVIDED UNDER SEPARATE COVER)</b>	

## **EXECUTIVE SUMMARY**



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## EXECUTIVE SUMMARY

### 1. Purpose of this Background Study

- 1.1 This Background Study has been prepared pursuant to Section 10 of the *Development Charges Act, 1997* (DCA) and, together with the proposed by-law, is being made available to the public, as required by Section 12 of the Act, more than two weeks prior to the public meeting of Council (Executive Committee), which is to be held November 10, 2008.
- 1.2 The charges calculated represent those which can be recovered under the DCA, 1997, based on the City's capital spending plans and other assumptions which are responsive to the requirements of the DCA. A decision is required by Council, after receiving input at the public meeting and other consultation sessions and receiving any modifications to the study and by-law, as to the magnitude of the charge it wishes to establish, for residential, commercial, industrial and/or institutional development. Property tax, user rate or other funding will be required to finance any potentially DC-recoverable capital costs which are not included in the charge which is adopted.
- 1.3 Other decisions are also involved in finalizing development charge policy and the by-law, including exemptions, phasing in, indexing, applicability to the redevelopment of land, and the schedule of charges by type of land use. It is the purpose of the public meeting and consultation activity, to obtain input on these matters.

### 2. The 2008 Development Charge Calculation

- 2.1 Table ES-1 presents the proposed schedule of City-wide charges based on the costing and related assumptions contained in Appendices A and B, in comparison with the City's existing development charges. The calculated charges are reflected in the proposed by-law. The composition of the existing development charge and the calculated charge by service are illustrated in Figures ES-1 to ES-4.
- 2.2 Tables ES-2 and ES-3 provide a detailed comparison, by service, of the existing charge and the charge calculated in this study, per two bedroom and larger apartment unit and per square metre of non-residential gross floor area, respectively.
- 2.3 The 2008 calculated charge for residential purposes is approximately 130% higher than the existing charge for most dwelling types and 99% higher in the case of non-residential development per s.m. of gross floor area.

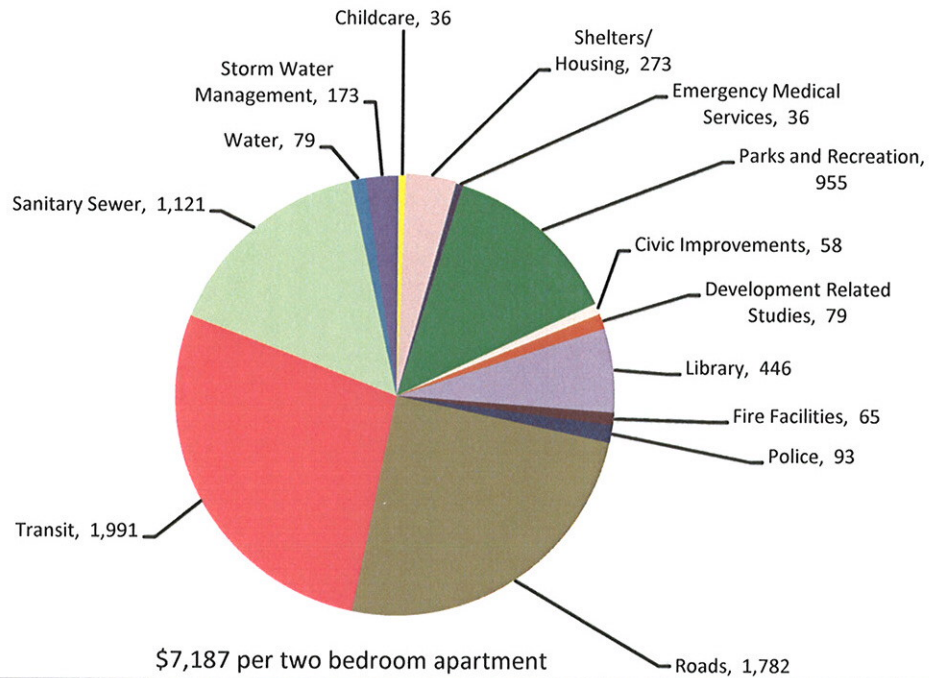
**TABLE ES-1  
CITY OF TORONTO  
2008 CITY-WIDE DEVELOPMENT CHARGE CALCULATION**

Development Type	Existing 2008 Charge	Calculated 2008 Charge
<b><i>Residential (Per Dwelling Unit)</i></b>		
Single Detached	11,082	\$25,095
Apartments 2 Bedroom and Larger	7,187	\$16,007
Apartments Bachelor and 1 Bedroom	4,467	\$10,920
Other Multiples	8,819	\$20,348
Dwelling Room	2,864	\$6,783
<b><i>Non-Residential Development per s.m. (gross floor area)</i></b>		
• Retail	88.98	} \$177.07
• Other Non-Residential <sup>1</sup>	-	

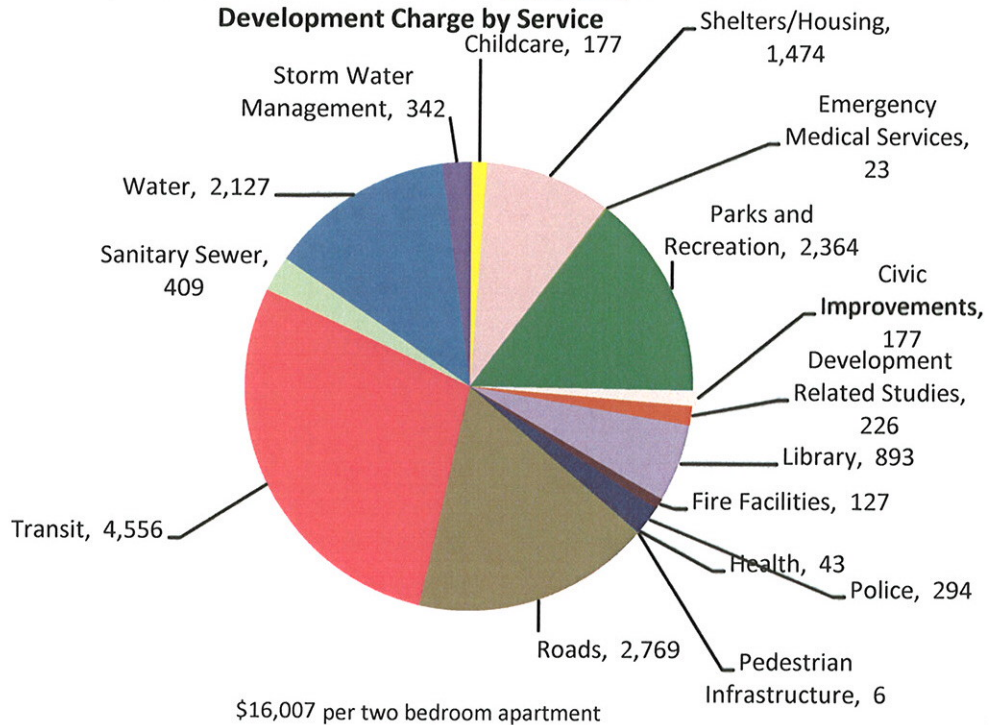
<sup>1</sup> Excluding discretionary and statutory exemptions



**FIGURE ES-1**  
**Composition of City of Toronto Current Residential Development Charge by Service**



**Figure ES-2**  
**Composition of City of Toronto 2008 Calculated Residential Development Charge by Service**



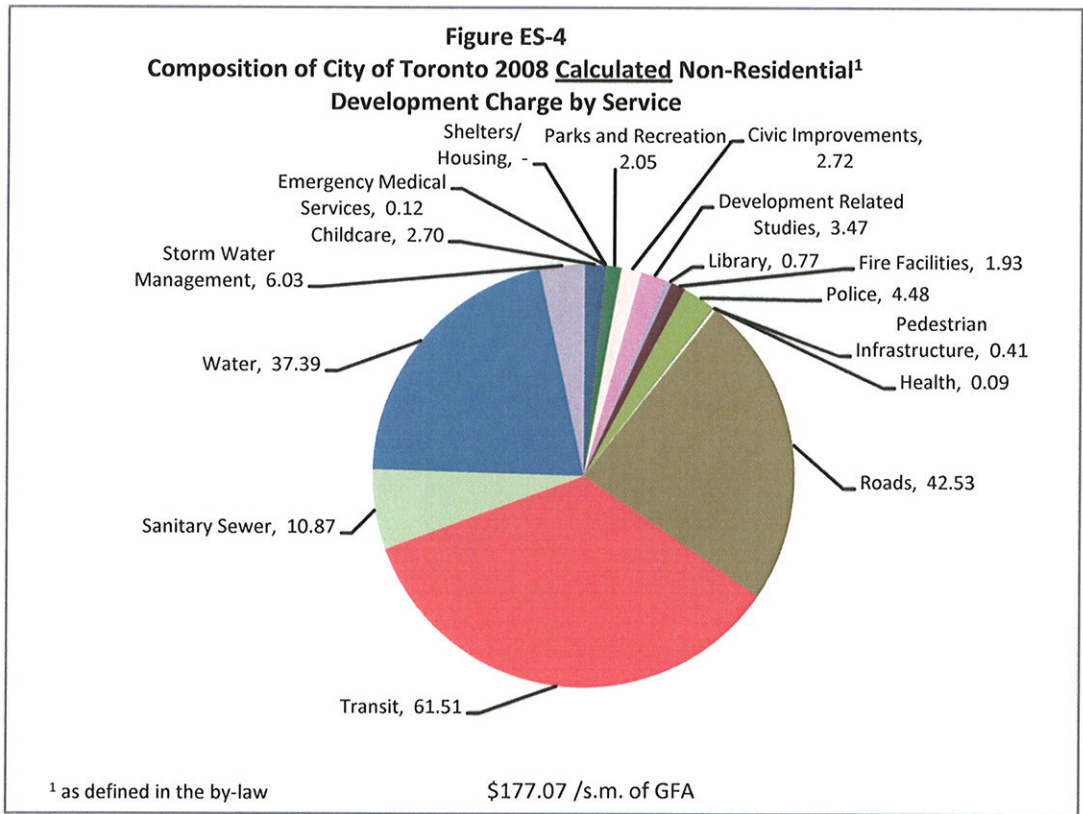
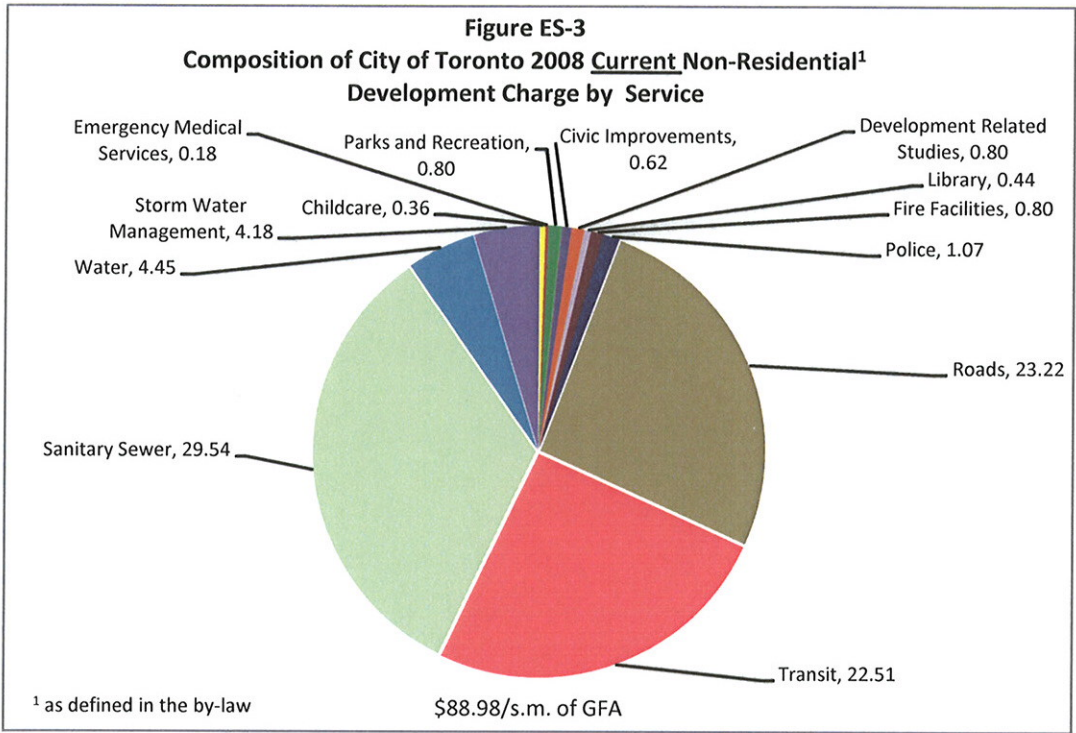


Table ES-2  
City of Toronto - Development Charge Schedule - Per Two Bedroom Apartment

Services	A	B	C	D
	Jan. 1/08 Current Charge	Calculated Charge	B-A Increase from Current Charge	Percentage Increase from Current Charge
<b>A MISC. TAX FUNDED SERVICES</b>				
1 Childcare	36	177	142	397.3%
Emergency Shelters	31		-31	
Subsidized Housing	242	1,474	1,232	
2 Sub-total Shelters/Housing	273	1,474	1,201	439.7%
Ambulance Facilities Ambulance Vehicles				
3 Sub-total Emergency Medical Services	36	23	-13	-35.6%
Recreation Facilities Parkland Development				
4 Sub-total Parks and Recreation	955	2,364	1,409	147.5%
5 Civic Improvements	58	177	119	206.1%
6 Development Related Studies	79	226	147	185.5%
Library Facilities Library Materials				
7 Sub-total Library	446	893	448	100.5%
8 Fire Facilities	65	127	62	96.0%
9 Police	93	294	201	215.0%
10 Health	0	43	43	n/a
11 Pedestrian Infrastructure	0	6	6	n/a
Sub-total Misc. Tax Funded Services	2,040	5,804	3,764	184.5%
<b>B ROADS</b>				
12 Roads	1,782	2,769	986	55.3%
<b>C TRANSIT</b>				
Spadina Subway Extension	195	1,849	1,654	
Balance of Transit	1,796	2,707	911	
Sheppard Subway Oversizing				
Union Station Platform				
Bus Surface Rapid Transit				
Subway Expansion				
Commuter Parking Lots				
RT Cars, Buses, Streetcars, Subwaycars				
GO Transit				
13 Sub-total Transit	1,991	4,556	2,565	128.8%
<b>D RATE FUNDED SERVICES</b>				
Water Pollution Control Plant Sanitary Sewers				
14 Sub-total Sanitary Sewers	1,121	409	-713	-63.5%
Water Supply Water Mains				
15 Sub-total Water	79	2,127	2,048	2588.0%
16 Storm Water Management	173	342	169	98.1%
Sub-total Rate Funded Services	1,373	2,878	1,505	109.6%
<b>E SUMMARY</b>				
Misc. Tax Funded Services	2,040	5,804	3,764	184.5%
Roads	1,782	2,769	986	55.3%
Transit	1,991	4,556	2,565	128.8%
Rate Funded Services	1,373	2,878	1,505	109.6%
<b>TOTAL</b>	<b>7,187</b>	<b>16,007</b>	<b>8,820</b>	<b>122.7%</b>

Table ES-3  
City of Toronto - Non-Residential Development Charge Schedule - Per sq metre of Non-Residential GFA

Services	A	B	C	D
	Jan. 1/08 Current Charge	Calculated Charge	B-A Increase from Current Charge	Percentage Increase from Current Charge
<b>A MISC. TAX FUNDED SERVICES</b>				
1 Childcare	0.36	2.70	2.34	650.0%
Emergency Shelters Subsidized Housing				
2 Sub-total Shelters/Housing	0.00	0.00	0.00	
Ambulance Facilities Ambulance Vehicles				
3 Sub-total Emergency Medical Services	0.18	0.12	-0.06	-33.3%
Recreation Facilities Parkland Development				
4 Sub-total Parks and Recreation	0.80	2.05	1.25	156.3%
5 Civic Improvements	0.62	2.72	2.10	338.7%
6 Development Related Studies	0.80	3.47	2.67	333.8%
Library Facilities Library Materials				
7 Sub-total Library	0.44	0.77	0.33	75.0%
8 Fire Facilities	0.80	1.93	1.13	141.3%
9 Police	1.07	4.48	3.41	318.7%
10 Health		0.09	0.09	
11 Pedestrian Infrastructure		0.41	0.41	
Sub-total Misc. Tax Funded Services	5.07	18.74	13.67	269.6%
<b>B ROADS</b>				
12 Roads	23.22	42.53	19.31	83.2%
<b>C TRANSIT</b>				
Spadina Subway Extension		20.32		
Balance of Transit		41.19		
Sheppard Subway Oversizing				
Union Station Platform				
Bus Surface Rapid Transit				
Subway Expansion				
Commuter Parking Lots				
RT Cars, Buses, Streetcars, Subwaycars				
GO Transit				
13 Sub-total Transit	22.51	61.51	39.00	173.3%
<b>D RATE FUNDED SERVICES</b>				
Water Pollution Control Plant Sanitary Sewers				
14 Sub-total Sanitary Sewers	29.54	10.87	-18.67	-63.2%
Water Supply Water Mains	n/a n/a			
15 Sub-total Water	4.45	37.39	32.94	740.2%
16 Storm Water Management	4.18	6.03	1.85	44.3%
Sub-total Rate Funded Services	38.17	54.29	16.12	42.2%
<b>E SUMMARY</b>				
Misc. Tax Funded Services	5.07	18.74	13.67	269.6%
Roads	23.22	42.53	19.31	83.2%
Transit	22.51	61.51	39.00	173.3%
Rate Funded Services	38.17	54.29	16.12	42.2%
<b>TOTAL</b>	<b>88.98</b>	<b>177.07</b>	<b>88.09</b>	<b>99.0%</b>

**3. Why are the Calculated Charges Higher than the City's Existing DC's?**

- 3.1 The City's existing development charges reflect a reduction which was made from the 2004 DC calculation, based on negotiations with the development industry which took place in 2004. This reduction was in the amount of \$2,007/single detached unit and pertained to water and sewer costs. It was volunteered by the City in order to moderate the increase in the charge.
- 3.2 The 2008 calculation is based on an updated capital program and a number of other circumstances, including:
- a) A higher percentage recovery from growth, based on increased service level caps and reduced deductions for benefit to existing development/post-period capacity in a number of cases;
  - b) "Hard service" cost inflation beyond what was covered by the legislated index;
  - c) An expanded servicing program and/or coverage for housing, water treatment, and other services;
  - d) Coverage of two new services – pedestrian infrastructure and health services;
  - e) Full growth-related cost recovery for all services, insofar as it is permitted by the *Development Charges Act, 1997*. For example, the 2004 adopted charges were discounted, whereas the calculated charges herein were not;
  - f) Additional charges for the Spadina Subway Extension resulting from legislative changes and cost increases;
  - g) An expanded servicing program for the Waterfront.

#### **4. Why Have the DC's Been Calculated On a Uniform City-wide Basis, Rather Than On An Area-specific Basis?**

- 4.1 Most municipalities in Ontario have established uniform, municipal-wide development charges. This has been Toronto's approach since 1999, when it eliminated several area-specific development charges which were imposed by the former municipalities.

When area-specific charges are used, it is generally to underpin master servicing and front-end financing arrangements, particularly in the case of stormwater management, collector/minor arterial roads and/or water and sanitary feeders applicable to defined "greenfield" development. Area-specific charges are very rarely imposed to cover "soft services."

- 4.2 The use of area-specific charges in a mature urban area is uncommon for several reasons, i.e.
- continued growth in the central area, or the Waterfront, for example, triggers the need for transportation, water and sewerage treatment, recreation and other needs throughout the City;
  - the calculation and updating of area-specific charges in portions of a large metropolitan area is difficult and typically contentious in terms of boundaries, cost shares, updates following changes in development approvals or servicing needs;
  - the City requires a full development charge contribution from all development as part of funding the substantial capital works program needed to permit growth to occur throughout the City, without eroding service levels.

#### **5. Toronto's Development Experience with Higher DCs 2004-2007**

- 5.1 During the 2002-2004 period, the City issued building permits for 10,846-14,721 residential units per year, which averaged 12,814 units per year (Table ES-4). This level of development activity was well above the previous five years (1997-2001), where the annual average was 8,089 units.

During the three year period 2005-2007, as the City phased in the imposition of higher DCs, the City issued an estimated 41,490 dwelling unit building permits, or 13,830 per year. This represents 7.9% beyond the 2002-2004 activity level.<sup>1</sup>

It is anticipated that the level of housing development in Ontario will decline over the next decade, as a result of forecast declines in overall GTA housing production and a possible economic slowdown in the short-term.

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<sup>1</sup>The 2005 activity peak was, in part, the result of landowners seeking to avoid the DC phase-in-related increase in the second half of 2005.

TABLE ES-4  
GREATER TORONTO AREA BUILDING PERMITS 1997-2007

HISTORICAL RESIDENTIAL BUILDING PERMITS

Year	RESIDENTIAL BUILDING PERMITS			
	Toronto Total Residential Units	GTA Less Toronto Total Residential Units	GTA Total Residential Units	Toronto as % of GTA Less Toronto
1997	7,703	24,383	32,086	31.6%
1998	7,826	23,721	31,547	33.0%
1999	9,742	30,352	40,094	32.1%
2000	6,186	32,252	38,438	19.2%
2001	8,987	30,766	39,753	29.2%
<i>'97-01 Total</i>	<i>40,444</i>	<i>141,474</i>	<i>181,918</i>	<i>28.6%</i>
<i>'97-01 Annual Average</i>	<i>8,089</i>	<i>28,295</i>	<i>36,384</i>	<i>28.6%</i>
2002	10,846	36,645	47,491	29.6%
2003	14,721	35,896	50,617	41.0%
2004	12,876	34,335	47,211	37.5%
<i>'02-04 Total</i>	<i>38,443</i>	<i>106,876</i>	<i>145,319</i>	<i>36.0%</i>
<i>'02-04 Annual Average</i>	<i>12,814</i>	<i>35,625</i>	<i>48,440</i>	<i>36.0%</i>
2005	20,889	27,871	48,760	74.9%
2006	10,202	28,151	38,353	36.2%
2007	10,399	28,044	38,443	37.1%
<i>'05-07 Total</i>	<i>41,490</i>	<i>84,066</i>	<i>125,556</i>	<i>49.4%</i>
<i>'05-07 Annual Average</i>	<i>13,830</i>	<i>28,022</i>	<i>41,852</i>	<i>49.4%</i>
<b>Total</b>	<b>120,377</b>	<b>332,416</b>	<b>452,793</b>	<b>36.2%</b>
<b>Annual Average</b>	<b>10,943</b>	<b>30,220</b>	<b>41,163</b>	<b>36.2%</b>
<b>% Breakdown</b>	<b>26.6%</b>	<b>73.4%</b>	<b>100.0%</b>	<b>36.2%</b>

TABLE ES-5  
COMMERCIAL CONSTRUCTION BUILDING PERMIT VALUE 1997-2007  
(000's 2007 \$)

Year	COMMERCIAL CONSTRUCTION BUILDING PERMIT VALUE			
	Toronto Total \$	GTA Less Toronto Total \$	GTA Total \$	Toronto as % of GTA Less Toronto
1997	966,417	872,172	1,838,589	110.8%
1998	946,324	1,582,334	2,528,658	59.8%
1999	947,219	2,380,063	3,327,282	39.8%
2000	1,054,221	1,431,819	2,486,040	73.6%
2001	338,191	1,456,848	1,795,039	23.2%
<i>'97-01 Total</i>	<i>4,252,372</i>	<i>7,723,236</i>	<i>11,975,608</i>	<i>55.1%</i>
<i>'97-01 Annual Average</i>	<i>850,474</i>	<i>1,544,647</i>	<i>2,395,122</i>	<i>55.1%</i>
2002	945,105	1,004,460	1,949,565	94.1%
2003	1,015,334	1,373,844	2,389,178	73.9%
2004	1,057,727	1,616,118	2,673,845	65.4%
<i>'02-04 Total</i>	<i>3,018,166</i>	<i>3,994,422</i>	<i>7,012,588</i>	<i>75.6%</i>
<i>'02-04 Annual Average</i>	<i>1,006,055</i>	<i>1,331,474</i>	<i>2,337,529</i>	<i>75.6%</i>
2005	1,031,022	1,617,819	2,648,841	63.7%
2006	1,119,820	1,489,333	2,609,153	75.2%
2007	1,535,028	1,720,693	3,255,721	89.2%
<i>'05-07 Total</i>	<i>3,685,870</i>	<i>4,827,845</i>	<i>8,513,714</i>	<i>76.3%</i>
<i>'05-07 Annual Average</i>	<i>1,228,623</i>	<i>1,609,282</i>	<i>2,837,905</i>	<i>76.3%</i>
<b>Total</b>	<b>10,956,407</b>	<b>16,545,503</b>	<b>27,501,910</b>	<b>66.2%</b>
<b>Annual Average</b>	<b>996,037</b>	<b>1,504,137</b>	<b>2,500,174</b>	<b>66.2%</b>
<b>% Breakdown</b>	<b>39.8%</b>	<b>60.2%</b>	<b>100.0%</b>	<b>66.2%</b>

SOURCE: STATISTICS CANADA PUBLICATION, 64-001-X1B  
Note: Permit values have been inflated to 2007 dollars using Southam Construction Cost Index

5.2 Toronto's share of total GTA residential building permit issuances is also a relevant indicator of Toronto's housing trends and competitive position. Table ES-4, indicates that during 2005-2007 Toronto's residential building permits were equivalent to 49.4% ( $41,490 \div 84,066$ ) of the rest of the GTA. During the 1997-2004 period, when its DCs were much lower, Toronto averaged only 31.8% ( $78,887 \div 248,350$ ).

5.3 In 2004/05, the City initiated development charges for retail development, which is a significant component of the commercial building permit category.

During the 2002-2004 period, the City issued building permits for an average of \$1,006,000,000 per year (2007\$) in commercial building permits. This compares with \$850,000,000 per year (2007\$) in the previous five years (1997-2001) (Table ES-5).

During the three year period 2005-2007, the City issued an annual average of \$1,229,000,000 in commercial building permits, which is 22% beyond the level of activity in the 2002-2004 period.

5.4 Toronto's share of total GTA commercial value in building permit issuances is also a relevant indicator of Toronto's commercial development trends and competitive position. The data in Table ES-5 indicates that commercial building permit activity in Toronto has represented 62.0% of the rest of the GTA 1997-2004 ( $\$7,270,538,000 \div \$11,717,658,000$ ). During the 2005-2007 period, when Toronto had imposed significant retail DCs, the City's percentage of the rest of the GTA, increased to 76.3% ( $\$3,685,870,000 \div \$4,827,845,000$ ).

5.5 Numerous factors, in addition to the quantum of the City's development charges, impact Toronto's development trends. These include interest rates, the economic outlook, land availability, employment rates, competitive pressures, municipal taxes, the GTA housing market, major planning approvals, year to year fluctuations in activity, etc., both in Toronto and the GTA which surrounds it. Notwithstanding these other considerations, development in Toronto has performed well in recent years, despite the City's significant increase in both residential and retail development charges.

## **6. What is the Potential Impact of Development Charges on Toronto's Rate of Development?**

6.1 The development data outlined in Tables ES-4 and ES-5 does not provide evidence to suggest that a significant increase in the City's development charge in 2004/05 has eroded Toronto's competitive position within the GTA. However, too many economic factors were simultaneously at play, for a simple cause and effect conclusion to be drawn.



6.2 The City commissioned a study in 2004 by Professor David M. Nowlan to assess the economic effects of the calculated 2004 City of Toronto Development Charges. The Executive Summary of this study is contained in Appendix F. This study concluded that:

- most of the increased development charge would be borne by the owners of developable land;
- competition from existing dwelling stock will restrain the extent to which selling prices can be raised to recover the higher charge;
- higher development charges will permit tangible savings in property taxes and user charges, although developers may compensate for this via increased selling or rental prices by a small magnitude;
- the possibility of the increase charge being passed forward to consumers, is much higher in unique locations, such as the central area.

6.3 Appendix F contains additional overview material on the economic impact of development charges and is generally supportive of “growth paying for growth.” Toronto has experienced substantial residential housing price increases in recent years, which provides additional potential for allocating a larger portion thereof to the cost of funding the municipal services and infrastructure required by that development. However, recently evolving economic conditions suggest that caution be exercised in this area.

## **7. Exemption Policy**

7.1 Another policy issue of significance relates to development uses which are to be subject to full or partial exemptions in the by-law. Exemptions could potentially relate to geographic areas, “worthy causes” or other specified uses such as offices and industrial development, for example.

7.2 The current set of DC exemptions are proposed to be unchanged, with the following exceptions:

- DCs are proposed to be collected for the first floor only, of all non-exempt non-residential buildings;
- all non-residential development qualifying under the IMIT Financial Incentives Program is exempt;
- development charge relief is proposed for development certified as having qualified, pursuant to the Toronto GREEN Development Standard Program (or successor program).

## **8. Planning Act s.37 Revenues**

- 8.1 Concern has been expressed by the development industry in the past that there may be a potential overlap between s.37 exactions and development charges. If any such overlap did exist, it would be incumbent on the DC Background Study to identify it and eliminate it by means of a calculation deduction, as another funding contribution to the project costs. It is staff's view that no overlap should exist given that, in some cases, the services and projects funded by s.37 payments are not the same as those funded by DC's and, in other cases, s.37 revenues are used to fund the City (non-development-related) project cost share. If any exceptions unexpectedly occur to this situation, they can be identified, with the applicable adjustments made to DC reserve fund draws and/or future calculations.

## **9. Anticipated Development Charge Revenue**

- 9.1 The potential development charge revenue to be produced by the calculated charges is affected by statutory and discretionary exemptions, including railway land development, as well as DC redevelopment reductions, coupled with DC phase-in decisions and the rate of building permit issuances to be experienced.

## **10. Council Approvals Sought**

- 10.1 At this stage in the process, the Background Study and proposed DC by-law are being provided for information purposes, as part of the consultation process. At such time as that process is complete and final DC recommendations are made to Council, approval will be sought for:
- the 2008 DC by-law;
  - the Background Study, which includes the development forecast, the development-related capital program, the DC deductions and calculation and associated policies, subject to any Addendum which may be produced prior to by-law adoption.

## 11. Summary of the Capital Costs and Deductions

11.1 Table ES-6 summarizes the City's Ten Year Capital Program identified for potential DC recovery and the deductions made thereto, in accordance with the DCA. In summary, the gross capital cost of the entire 10 year program is \$8.7 billion. Of this amount, \$1.5 billion has been determined to be potentially DC-recoverable (\$0.9 billion from residential development and \$0.6 billion from industrial/commercial/institutional development (non-residential)). The difference between the gross and DC recoverable amounts comprises the following deductions, pursuant to the *Development Charges Act*:

- \$0.9 billion Beyond 10 year Service Level Cap
  - \$2.5 billion Benefit to Existing Development
  - \$3.0 billion Subsidies and Other Contributions (for most services, this reflects only the funding applicable to the growth-related portion)
  - \$0.7 billion Post-2018 Capacity (beyond amounts incorporated as part of benefit to existing development)
  - \$0.1 billion 10% Statutory Deduction
- \$7.2 billion

## 12. Acknowledgments

12.1 The guidance, input and considerable efforts of the Development Charges Steering Committee is acknowledged, with appreciation. The Committee's membership is as follows:

- Joe Farag, Director Special Projects
- Barbara Leonhardt, Director, Policy and Research, City Planning
- Robert A. Robinson, Solicitor, Administrative and Tribunal Law, Legal Services
- Mario Angelucci, Acting Director, Toronto Building
- Raffi Bedrosyan, Director, Development Engineering, Technical Services
- Peter Langdon, Project Manager, Policy and Research, City Planning
- Peter Viducis, Manager, Economic Research, Economic Development Department

as well as Shirley Siu and Sam Malvea (Special Projects) who co-ordinated the process on a daily basis.

12.2 In addition, the assistance of the following departmental representatives is acknowledged with appreciation:

- Nizam Bacchus, Director, Program Support, Social Services
- Elaine Baxter-Trahair, Director, Waterfront Secretariat
- Marina Campagna, Manager, Financial Services, Homes for the Aged
- Debbie Chiang, Senior Financial Analyst, Toronto Public Library

TABLE ES-6  
CITY OF TORONTO  
DC 10 YEAR CAPITAL PROGRAM AND DEDUCTIONS  
2008 \$

Service	Gross Costs	Ineligible re: Level of Service	Benefit to Existing Development	Grant/Subsidy/ Cost Share	Post 2018 Capacity	10% Statutory Deduction	DC Recoverable	DC Recoverable Residential	DC Recoverable Non- Residential
1 Spadina Subway Extension	\$2,634,000,000	\$0	\$189,449,280	\$2,160,376,800	\$113,669,568	N/A	\$170,504,352	\$102,302,611	\$68,201,741
2 Transit (Balance)	\$1,485,406,614	\$531,139,610	\$120,515,475	\$475,849,885	\$27,185,223	\$33,071,622	\$297,644,599	\$154,775,191	\$142,869,407
3 Roads and Related	\$527,615,849	\$0	\$218,920,075	\$0	\$0	\$0	\$308,695,773	\$160,521,802	\$148,173,971
4 Water	\$1,036,923,700	\$0	\$122,312,751	\$306,110,580	\$363,184,393		\$245,315,976	\$118,978,248	\$126,337,728
5 Sanitary Sewer	\$1,214,004,033	\$0	\$906,764,732	\$0	\$195,466,950		\$111,752,351	\$54,199,890	\$57,552,461
6 Storm Water Management	\$808,187,505	\$0	\$727,017,300	\$0	\$41,290,000		\$39,880,205	\$19,341,900	\$20,538,306
7 Parks and Recreation	\$355,036,059	\$180,811,376	\$19,553,657	\$1,710,608		\$15,296,042	\$137,664,375	\$130,781,156	\$6,883,219
8 Library	\$64,137,462	\$0	\$6,331,419	\$0		\$5,780,604	\$52,025,439	\$49,424,167	\$2,601,272
9 Housing	\$348,012,439	\$166,819,277	\$90,596,581	\$0		\$9,059,658	\$81,536,923	\$81,536,923	\$0
10 Police	\$60,770,518	\$25,281,490	\$4,187,986				\$31,301,043	\$16,276,542	\$15,024,500
11 Fire	\$23,210,760	\$6,306,464	\$3,380,859				\$13,523,438	\$7,032,188	\$6,491,250
12 EMS	\$1,957,574	\$0	\$97,879	\$0		\$185,970	\$1,673,726	\$1,272,032	\$401,694
13 Development-Related Studies	\$42,300,000	\$0	\$12,630,000	\$0	\$2,967,000	\$1,199,550	\$25,503,450	\$13,261,794	\$12,241,656
14 Civic Improvements	\$25,571,518	\$0	\$3,835,728			\$2,173,579	\$19,562,211	\$10,172,350	\$9,389,861
15 Childcare	\$32,615,011	\$0	\$7,703,526	\$3,591,000		\$2,132,048	\$19,188,436	\$9,977,987	\$9,210,449
16 Health	\$3,447,840	\$345,283	\$155,128	\$0		\$294,743	\$2,652,686	\$2,360,891	\$291,795
17 Pedestrian Infrastructure	\$65,000,000	\$0	\$35,750,000	\$8,555,000	\$18,980,000	\$0	\$1,715,000	\$343,000	\$1,372,000
TOTAL DC	\$8,728,196,882	\$910,703,701	\$2,469,202,375	\$2,956,193,872	\$762,763,134	\$69,193,816	\$1,560,139,984	\$932,558,673	\$627,581,312
Percentage	100.0%	10.4%	28.3%	33.9%	8.7%	0.8%	17.9%	59.8%	40.2%

Notes:  
1. Amounts have been adjusted from Appendix A per Appendix B for the following services (transit -excluding the Spadina Ext.; Roads - excluding Waterfront Toronto; library; police; fire and civic improvements  
2. Does not include adjustments for uncommitted reserve fund balances  
3. In most cases, the figures included under "Grant/Subsidy/Cost Share" reflect the amounts applicable to the growth related portion of the City's share.

- Joe Condarcuri, Manager, Infrastructure Asset Management, Transportation Services
- Angelo Cristofaro, Director of Finance, Toronto Police Service
- Michael D'Andrea, Director, Toronto Water
- Lydia Danylcw, Project Officer, Waterfront Secretariat
- Bill Dawson, Superintendent of Service Planning, TTC
- Jim Dillane, Director, Fin & Bus Services, TRCA
- Mark Edelman, Supervisor, Strategic Services, Parks, Forestry & Recreation
- Mike Ellis, Manager, Facilities Management, Toronto Police Service
- Robert Freedman, Director, Urban Design, City Planning
- Daryl Fuglerud, Division Commander (Comm 3, S), Fire Services
- Sean Gadon, Director, Affordable Housing Office
- Derek Goring, Development Manager, Waterfront Toronto
- Andrew Gray, VP, Development – East Bayfront, Waterfront Toronto
- Robin Hale, Executive Director, Toronto Zoo
- Debbie Higgins, Exec. Off. Special Projects, Fire Services
- Larry Hughsam, Director of Finance, Toronto Public Library
- John Humphries, Technical Advisor, Toronto Building
- Lee Anne Jones, Manager, Infrastructure Management, Toronto Water
- Riyaz Kachra, Manager, Finance and Administration, Public Health
- Jackie Kennedy, Engineer, Water Infrastructure Management, Toronto Water
- Joanna Kervin, Program Manager, Transportation Planning, City Planning
- Annette Kopec, Capital Works Control Engineer, Toronto Water
- Tim Laspa, Program Manager, Transportation Planning, City Planning
- Alka Lukatela, Program Manager, Urban Design, City Planning
- Shirley MacPherson, Director, Fin & Admin, Public Health
- Rod McPhail, Director, Transportation Planning, City Planning
- Glenn Morgan, Director, Program Support, Shelter, Support & Housing Administration
- Steve Nushis, Exhibition Place
- Gail O'Donnell, Manager, Capital Projects, Service Planning and Support, Children's Services
- Tom Ostler, Manager, Policy & Research, City Planning
- Ann Pagnin, Children's Services Consultant, Service Planning and Support, Children's Services
- Jeff Parkovnick, Supervisor, Budget and Financial Planning, Social Services
- Enrico Pera, Senior Project Coordinator, Facilities Management, Toronto Police Service
- Hardat Persaud, CFO, Exhibition Place
- David Presley, Chief Accountant of Capital Projects, TTC
- Greg Rich, Urban Designer, Urban Design, City Planning
- Brian Rutherford, Manager, Strategic Services, Parks, Forestry & Recreation
- Yolanda Santos, Manager, Budgeting & Financial Reporting, Toronto Public Library
- Louisa Ting, Manager, Fin & Acct, Fleet Services
- Sandra Tran, Director of Finance, Waterfront Toronto
- Petr Varmuza, Director of Operational Effectiveness, Children's Services
- Wayne Vibert, Deputy Chief/Director, EMS Operational Support, Emergency Medical Services
- Paul Whittam, Toronto Zoo
- Michael Wright, Project Manager, Policy & Research, City Planning
- Neil Zaph, Director, Strategic Services, Parks, Forestry & Recreation



## 1. INTRODUCTION





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# 1. INTRODUCTION

## 1.1 Background

1.1.1 The City of Toronto is updating its Development Charges Background Study and By-law prior to the expiry of By-law No. 574-2004 on July 28, 2009.

1.1.2 This review is being conducted in response to the City's growth-related capital funding circumstances, and to identify and incorporate applicable changes in Council policies. The intent of the revised DC calculation is to fully fund development charge recoverable capital costs. The City discounted its water and sewer development charge in 2004 and reconsideration of this policy is proposed. City servicing costs applicable to Waterfront development have since been established and newly included, and the *Development Charges Act* has been amended to permit broader development charge coverage in the case of the Spadina Subway Extension. In addition, reconsideration has been given to the extensiveness of a number of the deductions made as part of the DC calculation in 2004.

1.1.3 The purpose of the Development Charge Background Study is to establish the components of the City's future capital expenditures which are attributable to new development. Growth-related capital expenditures represent the capital costs necessary to provide the increase in need for municipal service attributable to the anticipated development over the planning period (in this case the next ten years), net of several specific expenditure exclusions, for which development charges cannot be imposed. These development-related capital components are distinguished from replacement, upgrade or "state of good repair" items which are almost exclusively the funding responsibility of existing development, population and employment through taxes and user rates. Development-related expenditures are established herein in terms of the provisions of the *Development Charges Act, 1997*, which defines a general form of calculation methodology which must be followed. Once that has been done, Council is then in a position to determine whether it wishes to impose some or all of the calculated development charge, on some or all of the development uses and geographic areas of the City, now or in future.

1.1.4 Thus, this Development Charge Background Study calculates the cost of new infrastructure required by the City as a result of the increase in need for services to accommodate new development. This cost is expressed as a dollar amount per residential unit by type and per square metre of non-residential gross floor area (GFA).

1.1.5 This report has been prepared, in the first instance, to meet the statutory requirements applicable to the City's Development Charge Background Study, as summarized below. In so doing, it addresses the requirement for "rules" (contained in Chapter 6) as part of the proposed by-law to be made available during the approval process.

In addition, the report is designed to set out sufficient background on the legislation (Section 1.2), current City DC policy (Chapter 2) and the basis for the calculations underlying the proposed charge, to make the exercise understandable to those who are involved.

Finally, it addresses post-adoption implementation requirements (Chapter 7) which are critical to the successful application of the new policy.

1.1.6 The Chapters in the report are further supported by Appendices containing the data required to explain and substantiate the calculation of the charge.

1.1.7 Figure 1-1 outlines the proposed schedule to be followed with respect to the development charge by-law adoption process.

1.1.8 The DCA requires that a development charge background study must be completed by a municipal council before passing a development charge by-law. The mandatory inclusions in such a study are set out in s.10 of the DCA and in s.8 of O.Reg. 82/98, and are as follows:

- a) "the estimates under paragraph 1 of subsection 5(1) of the anticipated amount, type and location of development; (addressed in Chapter 3 of this report)
- b) the calculations under paragraphs 2 to 8 of subsection 5(1) for each service to which the development charge by-law would relate; (addressed in Chapters 4 and 5 of this report)
- c) an examination, for each service to which the development charge by-law would relate, of the long term capital and operating costs for capital infrastructure required for the service; (addressed in Appendix E of this report)
- d) the following for each service to which the development charge relates:
  - "1. The total of the estimated capital costs relating to the service.
  2. The allocation of the costs referred to in paragraph 1 between costs that would benefit new development and costs that would benefit existing development.
  3. The total of the estimated capital costs relating to the service that will be incurred during the term of the proposed development charge by-law.
  4. The allocation of the costs referred to in paragraph 3 between costs that would benefit new development and costs that would benefit existing development.
  5. The estimated and actual value of credits that are being carried forward relating to the service." (O.Reg. 82/98 s.8) (addressed in Chapter 6 of this report)

**FIGURE 1-1**  
**SCHEDULE OF KEY DEVELOPMENT CHARGE PROCESS DATES**  
**FOR THE CITY OF TORONTO**

		<b>2008</b>
1.	Draft Background Study completed	January/September
2.	Consultations with the development community and stakeholders	January-continuing
3.	DC policy, calculation and proposed by-law refined pursuant to public input	March-October
4.	Meeting Notice ad placed in newspaper(s)	October 17
5.	Proposed By-law and Background Study Available to public	October 23
6.	Statutory Public Meeting of Executive Committee	November 10
7.	Council considers adoption of background study and passage of by-law.	December 1/2
8.	Newspaper notice given of by-law amendment passage	By 20 days after passage
9.	Last day for by-law appeal	40 days after passage
10.	City makes available pamphlet (where by-law not appealed)	by 60 days after inforce date

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## 1.2 Development Charges Act Requirements

### 1.2.1 Introduction

1. Development charges are payments made by new development in Toronto (and other municipalities) normally as part of the building permit approval and/or the subdivision/severance agreement process. These payments are made by all such new development, unless specifically exempt by the *Development Charges Act* or the City's by-law. For example, DC exemptions in Toronto include most or all industrial, office, non-profit housing and institutional development.
2. These payments are made for the initial capital requirements of providing services to new development anticipated over the next decade or potentially beyond. All City-funded services are eligible for DC funding, except those specifically excluded via the *Development Charges Act*.
3. "Capital" is defined in the DCA to include the municipal cost to acquire, lease, construct or improve land or facilities, including rolling stock (7+ year life), furniture and equipment (other than computer equipment), library materials as well as related study and financing costs.
4. The City of Toronto has imposed development charges throughout its amalgamated history and currently does so via By-law 547-2004, passed June 24, 2004, with a maximum lifetime of five years.
5. This by-law provides for development charge payments which vary with the amount and type of new development, as detailed in Chapter 2.
6. These charges are indexed for inflation as of January 1 each year, based on the prescribed Statcan index.
7. The monies collected under a DC by-law are maintained in 14 separate reserve funds, one for each of the services involved. Most of the collections are for Transit, Roads, Sanitary Sewer, Parks and Recreation and Library. Small development charge components are also collected for Shelter and Housing, Child Care, Emergency Medical Services, Urban Development Services, Development-related Studies, Fire, Police, Water and Storm Water Management.
8. Each development charge paid is allocated, as a statutory requirement, to those reserve funds, in accordance with the percentage of the total charge derived from the Background Study on which the City's By-law is based. It is also required that the monies only be expended for the purposes for which the DC was calculated.

9. The City has elected to update its development charge by-law a year or more ahead of the five year life of the by-law, in order to ensure that its development charge funding is complete and that major new initiatives such as Waterfront development, the Spadina Subway extension and others, have been fully considered.
10. In calculating the charge, it is necessary to:
  - establish a new development forecast for population and housing, and for employees and floor area;
  - determine and cost the additional services such new development will require and ensure that the program has Council approval;
  - make the cost deductions required by the Act with respect to service level, benefit to existing development, excess capacity, grants and contributions, the statutory 10%, etc.;
  - calculate development charges by type of use and document this in a Background Study and by-law;
  - take the study and proposed by-law through a public process, seeking Council approval thereof.
11. Development charges represent a significant capital funding source for many services and serve to provide a portion of funding for designated projects. The current by-law updating process is designed to identify full DC coverage for City services. One of the primary challenges in a mature City such as Toronto, where most development occurs via infill and intensification, is to properly distinguish between new capital works which benefit existing (2008) development to varying degrees, vs. those projects which are to some degree required as a result of new development (2008-17).

### **1.2.2 Development Charge Prerequisites**

As per the *Development Charges Act, 1997*, the City can impose development charges for:

1. A City service and funding responsibility other than:
  - cultural or entertainment facilities such as museums, theatres and art galleries;
  - tourism facilities, including convention centres;
  - parkland acquisition;
  - hospital provision;
  - waste management services;
  - Municipal/local board general administration headquarters.

2. A service which will experience an increase in capital needs at least partially attributable to residential and/or non-residential growth in Toronto 2008-2017.
3. A service for which City Council has or will (as part of the DC process) approve(d) a capital forecast which includes capital capacity expansion projects as per para. 2.
4. Such capital capacity expansion projects are not fully funded by grants, subsidies or developer contributions or sources such as *Planning Act* s.37.
5. Such capital projects involve the acquisition, lease, construction or improvement of land, buildings, including furniture and equipment, studies and borrowing costs (as well as library materials).
6. Such capital projects do not include computer equipment and rolling stock with an estimated useful life of less than 7 years.
7. Such capital costs don't relate to a time beyond the end of the planning period – which extends 10 years in this case.
8. Such capital costs don't serve to increase the future (per capita/employee) level of service beyond the average attained in Toronto over the 1998-2007 period.

1.2.3 The following tabular text sets out the method that must be used to determine development charges. The underlining has been added to the quotations for clarification/emphasis and is not part of the statute or regulation quoted or summarized on the left side of the page. The DC calculation process is also summarized schematically in Figure 1-2 which follows.

## SUMMARY OF STATUTORY DEVELOPMENT CHARGE CALCULATION REQUIREMENTS

s.s.5(1) of the DCA (and associated Regulations)  Para- graph	Commentary
1. "The anticipated amount, type and location of development, <u>for which development charges can be imposed</u> , must be estimated."	Virtually all municipalities forecast <u>all</u> development (including DC-ineligible) in the first instance. That development is used as the denominator in the DC calculation with the <u>full</u> eligible cost of servicing all such development used as the numerator. That way, growth-related servicing costs are equitably spread over <u>all</u> benefiting development, the municipality does not recover DCs from exempt development and this would ensure that the requirements of s.s.5(6)3 have been met. That is, capital costs have not been offloaded from one type of development to another.
2. "The increase in the need for service <u>attributable to the anticipated development</u> must be estimated for each service to which the development charge by-law would relate."	<p>This step involves estimating the additional service requirement, individually for water, wastewater, roads, etc., that is needed by the development increment in paragraph 1.</p> <p>The anticipated development in para. 1 must correspond to the service attribution in para. 2.</p> <p>This involves removing statutorily ineligible development (i.e. municipalities, schools, specified industrial expansions, specified residential intensification and other statutorily exempt public uses) and the servicing cost thereof. However, this would be very difficult to accomplish, because numerous unspecified geographic locations are involved for such development, which makes the servicing cost difficult to identify.</p>

s.s.5(1) of the DCA (and associated Regulations)	Commentary
	As a result, the total cost/total development approach outlined above is used and has the same effect on the DC quantum.
<p>3. "The estimate under paragraph 2 may include an increase in need only if the <u>council of the municipality has indicated that it intends to ensure that such an increase in need will be met.</u>"<sup>1</sup></p> <p>O.Reg. 82/98 s.3. "For the purposes of paragraph 3 of subsection 5(1) of the Act, the council of a municipality has indicated that it intends to ensure that an increase in the need for service will be met <u>if the increase in service forms part of an official plan, capital forecast or similar expression of the intention of the council</u> and the plan, forecast or similar expression of the intention of the council has been approved by the council."</p>	The capital forecast underpinning the DC calculation must be formally approved by Council in one of the ways indicated in the Regulation.
<p>4. "The estimate under paragraph 2 must not include an increase that would result in <u>the level of service exceeding the average level of that service provided in the municipality</u> over the 10-year period immediately preceding the preparation of the background study required under section 10.<sup>1</sup> The estimate also must not include an increase in the need for service that relates to a time after the 10-year period immediately following the preparation of the background study unless the service is set out in subsection (5)."</p>	<p>This provision creates a "service level cap" equal to the cost of providing service to the "anticipated development," consistent with the 10-year historical average level of service.</p> <p>In accordance with s.s.5(1)4, services such as parks and recreation, etc., are restricted to a maximum 10-year planning horizon.</p> <p>s.s.5(5) lists water, wastewater, storm water, road, police and fire services. They are not subject to a 10 year planning period cap.</p> <p>Services other than those excluded in s.s.2(4), may be defined by the municipality and, in some cases, grouped into "service categories" for purposes of reserve funds and credits (as per s.7).</p>

<sup>1</sup> The Act notes that the provisions may be further governed by regulations.



s.s.5(1) of the DCA (and associated Regulations)	Commentary
<p>O.Reg. 82/98 s.4(1) "For the purposes of paragraph 4 of subsection 5(1) of the Act, both the quantity and quality of a service shall be taken into account in determining the level of service and the average level of service."</p> <p>s.s.4(1.1) provides that in determining the quality of a service, the replacement cost, exclusive of any allowance for depreciation, shall be the amount used.</p> <p>s.s.4(2) addresses the service level in an excluded geographic area where a service is not provided.</p> <p>s.s.4(4) limits the service level in part of a municipality to the level otherwise applicable to the full municipality.</p> <p>s.s.4(3) modifies the service level cap where a higher level is required by another Act.</p> <p>O.Reg. 206/04 amended s.4 of O.Reg. 82/98 by adding the following subsection:</p> <p>"(1.1) In determining the <u>quality</u> of a service under subsection (1), the <u>replacement cost</u> of municipal capital works, exclusive of any allowance for depreciation, shall be the amount used. (underlining added)</p>	<p>Two "level of service" considerations must be taken into account in satisfying compliance re the 10-year historical average level of service cap. These considerations involve "quantity" (e.g. floor space/capita) and "quality" (e.g. cost per s.m. of floor space).</p> <p>} potentially affects area-specific charges</p> <p>} affects water and wastewater requirements in particular</p> <p>The Reg. clarifies that the quality level of service measure is to be based on the undepreciated replacement cost of municipal capital works.</p>
<p>5. "The increase in the need for service attributable to the anticipated development must be <u>reduced</u> by the part of that increase that can be met <u>using the municipality's excess capacity, other than</u> excess capacity that the council of the municipality has indicated an intention would be paid for by new development."<sup>1</sup></p> <p>O.Reg. 82/98 s.5. "For the purposes of paragraph 5 of subsection 5(1)</p>	<p>"Uncommitted excess capacity" is available capacity that obviates (part of) the need for new projects. It is different than "Post Period Capacity," which is <u>not</u> needed by development during the planning period and is provided for the use of subsequent, i.e. post-2018 development, which can be required to fund it through future DCs.</p>

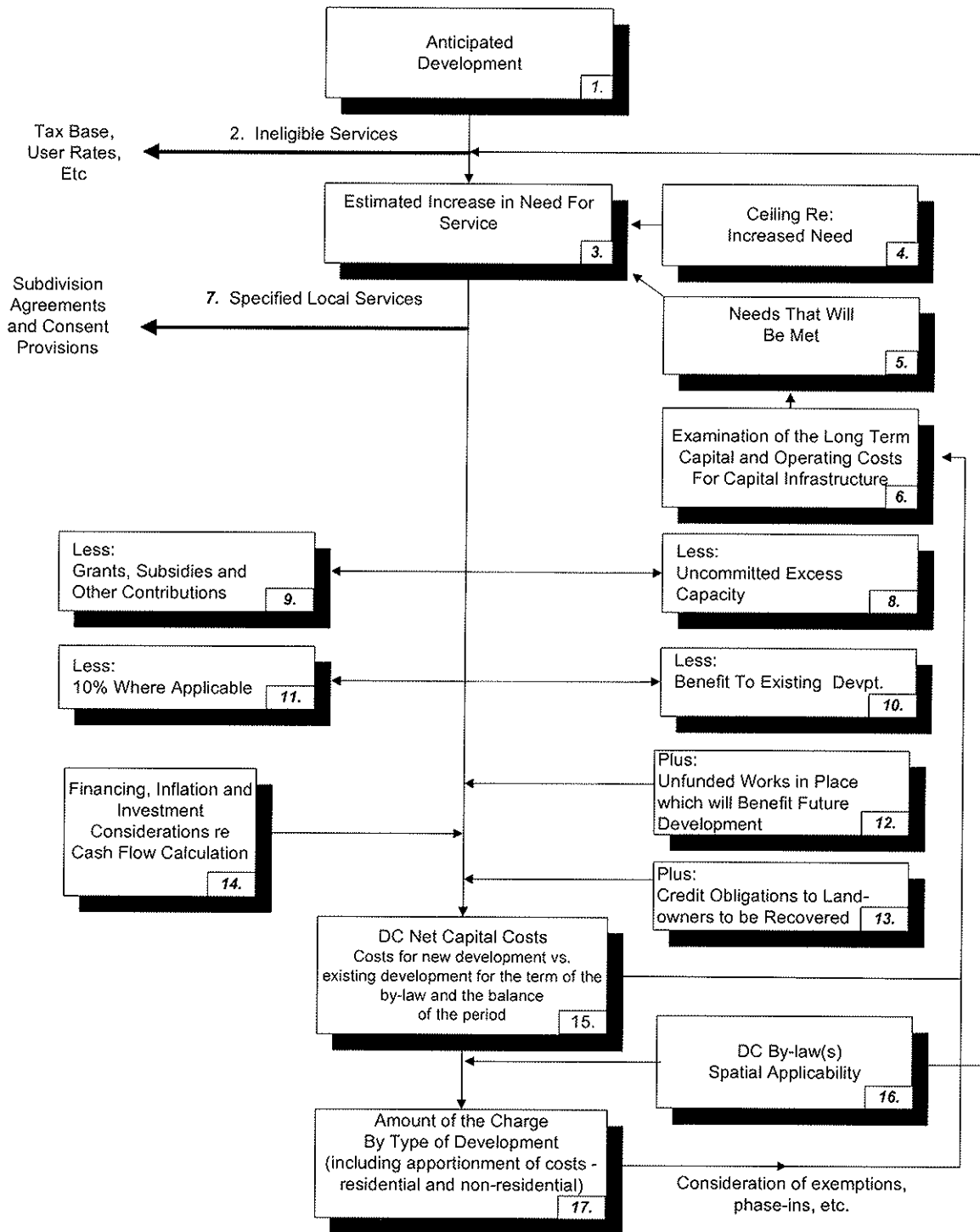
<sup>1</sup> The Act notes that the provisions may be further governed by regulations.

s.s.5(1) of the DCA (and associated Regulations)	Commentary
<p>of the Act, excess capacity is uncommitted excess capacity unless, either before or at the time the excess capacity was created, the <u>council</u> of the municipality <u>expressed a clear intention that the excess capacity would be paid for by development charges or other similar charges.</u>"</p>	<p>The Reg. explains the circumstances under which (part of) the cost of "committed excess capacity," (i.e. infrastructure in the ground from prior DC by-laws or otherwise), can be recovered via future DC's.</p>
<p>6. "The increase in the need for service must be reduced by the extent to which an increase in service to meet the increased need would <u>benefit existing development.</u>"<sup>1</sup></p> <p>Note: no regulatory clarification has been provided.</p>	<p>Existing development benefits from:</p> <ul style="list-style-type: none"> <li>• the repair or unexpanded replacement of existing assets;</li> <li>• an increase in average service level or existing operational efficiency;</li> <li>• the elimination of a chronic servicing problem not created by growth;</li> <li>• providing services where none previously existed (e.g. water service).</li> </ul>
<p>7. "The <u>capital costs</u> necessary to provide the increased services must be estimated. The capital costs <u>must be reduced by the reductions set out in subsection (2).</u> What is included as a capital cost is set out in subsection (3)."<sup>1</sup></p> <p>O.Reg. 82/98 s. 6 indicates that: Unless the person making the grant, subsidy, etc., was specific as to how it is to be applied, the contribution is to be shared between growth and non-growth project components in proportion to the way in which the costs were allocated in s.s.5(1)6.</p> <p>s.s.5(3) defines capital costs to include:</p> <ul style="list-style-type: none"> <li>• the acquisition or lease of (an interest in) land;</li> <li>• construction, improvement, acquisition or lease (capital component only) costs for buildings/structures/facilities;</li> <li>• 7+ year useful life rolling stock;</li> <li>• FFE, other than computer equipment;</li> <li>• library materials;</li> <li>• studies re above;</li> <li>• DC Background Studies; and</li> <li>• interest on related borrowings.</li> </ul>	<p>s.s.5(2) refers to capital grants, subsidies and other contributions made to a municipality <u>or that Council anticipates</u> will be made in <u>respect of the capital costs.</u></p> <p>These costs exclude "local services" related to a plan of subdivision or a consent approval, to be installed or paid for by the owner (s.s.2(5)).</p> <p>Includes debt payments related to previously constructed growth-related works.</p>

s.s.5(1) of the DCA (and associated Regulations)	Commentary
<p>8. "The capital cost must be reduced by 10 per cent. This paragraph does not apply to services set out in subsection (5)."</p>	<p>For example, the 10% reduction <u>does</u> apply to:</p> <ul style="list-style-type: none"> <li>• Parks and Recreation;</li> <li>• Libraries;</li> <li>• Transit;</li> <li>• Housing, EMS, etc.</li> </ul> <p>The purpose of this reduction is undefined, beyond the Province's expressed wish in 1997 to moderate development charge quantum. The exclusion of various services under s.s.2(4) serves a similar purpose. (i.e. Cultural/entertainment facilities, including museums, theatres and art galleries; tourism facilities, including convention centres; parkland acquisition; public hospitals, waste management services; and general administration headquarters for municipalities/local boards).</p>
<p>9. "Rules <u>must be</u> developed to determine if a development charge is payable in any particular case and to determine the amount of the charge, subject to the limitations set out in subsection (6)."</p> <p>s.s.5(6):</p> <p>"The rules developed under paragraph 9 of subsection (1) to determine if a development charge is payable in any particular case and to determine <u>the amount of the charge are subject to the following restrictions:</u></p> <ol style="list-style-type: none"> <li>1. The rules must be such that the total of the development charges that would be imposed upon the anticipated development is less than or equal to the capital costs determined under paragraphs 2 to 8 of subsection (1) <u>for all the services to which the development charge by-law relates.</u></li> </ol>	<p>These are mandatory DC by-law inclusions as to how the charge is to be applied to development types and circumstances.</p> <p>These are three over-riding tests to be met by the DC by-law.</p> <p>A municipality cannot collect more than the calculated cost for each service (if the amount of development and resultant revenue outpaces the forecast, then address via a reserve fund deduction in the DC calculation in the next round or other appropriate means).</p>

s.s.5(1) of the DCA (and associated Regulations)	Commentary
<p>2. If the rules expressly identify a type of development <u>they must not provide for the type of development to pay development charges that exceed the capital costs, determined under paragraphs 2 to 8 of subsection (1), that arise from the increase in the need for services attributable to the type of development.</u></p> <p>However, it is <u>not necessary that the amount of the development charge for a particular development be limited to the increase in capital costs, if any, that are attributable to that particular development.</u></p> <p>3. If the development charge by-law will exempt a type of development, phase in a development charge, or otherwise provide for a type of development to have a lower development charge than is allowed, <u>the rules for determining development charges may not provide for any resulting shortfall to be made up through higher development charges for other development."</u></p>	<p>A municipality cannot offload the cost of servicing one type of development onto another type. e.g. Industrial servicing costs cannot be transferred to residential development and single detached unit servicing costs cannot be transferred to apartments.</p> <p>It is not necessary that the <u>average</u> municipal-wide per unit servicing costs funded by the DC reflect the needs of any <u>particular</u> development project.</p> <p>Provides further clarification on the inability of the by-law to offload cost recovery from one type of development to another, in this case from exempt or discounted development to non-exempt development.</p>
<p>10. "The rules <u>may provide</u> for full or partial exemptions for types of development and for the phasing in of development charges. The rules <u>may also provide</u> for the indexing of development charges based on the prescribed index."</p>	<p>Optional by-law inclusions such as authority to set rules on discretionary exemptions, phasing in of DCs and indexing of DCs.</p>

**FIGURE 1**  
**THE PROCESS OF CALCULATING A DEVELOPMENT CHARGE UNDER THE DCA, 1997**



1.2.4 New legislation re the Spadina Subway Extension is summarized below:

- a) Schedule H of the *Budget Measures Act, 2006* amended the *Development Charges Act, 1997*, with respect to the Toronto-York subway extension ("Extension"). The intent of this amendment was further clarified by O.Reg. 192/07, which was printed in the Ontario Gazette, May 19, 2007.
- b) The amendment to the Act defined the Toronto-York subway extension as being the service extension between the present Downsview station terminus, running further north into York Region.
- c) It amended s.s.5(5) of the DCA by adding "Toronto York Subway Extension" as a service for which there is no 10% DC calculation reduction (s.1).
- d) The Regulation, which is applicable to the City of Toronto and the Region of York (Reg. s.1), indicates that the "Extension" includes a full range of costs, covering applicable property rights of way, stations, commuter facilities (including parking lots, bus terminals and passenger pick-up, drop-off facilities), subway trains, maintenance vehicles, tunnel and signal system, track systems and running structures, power systems, road works and related measures to facilitate extension construction and operation, new access roads and road widenings, priority signals, reserved bus lanes, maintenance and storage facilities, as well as emergency exits and ancillary surface buildings (s.s.2(1) and Reg. s.2).
- e) The amendment indicates that paragraph 4 of subsection 5(1) **does not apply** in determining the estimate for the increase in the need for the extension. This is the section which indicates that the increase in the need for service must not be of a size which would result in the level of service exceeding the average provided in the municipality in the preceding 10-year period (s.s.2(2)).
- f) The amendment goes on to indicate that for purposes of s.5 of the DCA, the estimate in the increase in the need for the extension shall not exceed the **planned level of service** (i.e. complete construction) over the 10-year period immediately following the background study preparation (s.s.2(3)).

The amendment further indicates that the criteria and method for estimating the planned level of service for the extension may be prescribed by regulation (s.s.2(4)).

- g) s.3 of O.Reg. 192/07 states that the method and criteria to be used to estimate the planned level of service include:
  - the fact that the extension is a discrete service (s.3, para.1) ;

- the “existing level of service” for the extension is zero, as of the completion date of the first Background Study that incorporates the cost of the extension (s.3, para. 2);
  - the “planned level of service” for the extension is complete construction and readiness for full operation (s.3, para.3).
- h) s.4 of the Regulation requires the City’s Background Study to segregate the capital costs of the extension between benefit to:
- existing development, as of the completion of the Background Study (para. 4a));
  - development during the 10-year period following such completion (para. 4b));
  - subsequent development beyond the 10 years (para. 4c)).
- i) s.5 of the Regulation requires the City to keep records of a reserve fund established for the extension (s.s.5(1)), sufficient to determine that money paid into the fund is/will be used for the purpose for which it was collected (s.s.5(2)).





## **2. CURRENT CITY OF TORONTO POLICY**



## 2. CURRENT CITY OF TORONTO POLICY

### 2.1 Introduction

This chapter summarizes the City's current development charge policy, as set out in its Development Charges By-law. It also compares Toronto's current DCs to those elsewhere in the GTA and discusses the primary reasons for the differences. Finally, the chapter discusses a number of significant policy contexts to the City's DC policy and quantum.

### 2.2 Summary of By-law 547-2004

2.2.1 In 2004, City Council imposed development charges for 14 different services against five types of residential development (single and semi-detached units, 2 Bedroom+ apartments, Bachelor & 1 Bedroom apartments, multiple dwellings and dwelling rooms) and one type of non-residential development ("Retail Use" as defined). These charges were phased in over three time periods (July 28, 2004 – December 31, 2004; January 1, 2005 – June 30, 2005; and July 1, 2005 and following). Also, building permit applications submitted prior to December 31, 2004 for which permits were issued by December 31, 2005 were charged the rates in effect prior to adoption.

2.2.2 The initial charges, the fully phased-in charges effective July 1, 2005 and the current charges, as of January 1, 2008, are as shown on Tables 2-1 to 2-3.

2.2.3 The annual indexing of the City's development charges occurred after 17 months, as of January 1, 2006, based on the Statistics Canada Quarterly Construction Price Statistics, Catalogue Number 62-007 (s.415-11).

2.2.4 The City's by-law applies to all lands in Toronto, subject to a number of exemptions both statutory and voluntary. The statutory exemptions are broadly summarized as follows:

- a) lands owned by and used for purposes of the City, a local board thereof or a board of education;
- b) enlargement of an existing dwelling unit or the creation of one or two additional dwelling units in existing dwellings, as defined. (s.415 A (1)-(3))

The voluntary exemptions established by the City include:

- a) All non-residential development not covered by the broad definition of "retail" development;
- b) Accessory use not exceeding 10 s.m. in GFA;
- c) Public hospitals, colleges and universities, as defined;
- d) Former municipal agreements expressly exempting land and buildings;
- e) A place of worship, cemetery or burial ground;
- f) Non-profit housing;

**TABLE 2-1  
CITY OF TORONTO RESIDENTIAL DEVELOPMENT CHARGES  
PER SINGLE AND SEMI-DETACHED UNIT BY SERVICE**

Service	Percentage	As of:		
		July 28/04	July 1/05	Jan. 1/08
Childcare	0.5%	\$22	\$45	\$55
Shelter and Housing	3.8%	166	344	421
Emergency Medical Services	0.5%	22	45	55
Parks and Recreation	13.3%	581	1,206	1,474
Urban Development Services	0.8%	35	73	89
Development-related Studies	1.1%	48	100	122
Library	6.2%	271	563	687
Fire Facilities	0.9%	39	82	100
Police	1.3%	57	118	144
Roads	24.8%	1,084	2,251	2,748
Transit	27.7%	1,210	2,514	3,070
Sanitary Sewer	15.6%	682	1,416	1,729
Water	1.1%	48	100	122
Stormwater Management	2.4%	105	218	266
<b>TOTAL</b>	<b>100.0%</b>	<b>\$4,370</b>	<b>\$9,075</b>	<b>\$11,082</b>

**TABLE 2-2  
CITY OF TORONTO RESIDENTIAL DEVELOPMENT CHARGES  
PER UNIT BY TYPE**

Dwelling Type	July 28, 2004 to Dec. 31, 2004	As of: July 1, 2005	As of: Jan. 1, 2008
Single Detached and Semi-detached Dwelling	\$4,370	\$9,075	\$11,082
Apartment Unit - Two Bedroom and Larger	2,816	5,886	7,187
Apartment Unit - One Bedroom and Bachelor Unit	1,802	3,658	4,467
Multiple Dwelling Unit <sup>1</sup>	3,544	7,222	8,819
Dwelling Room	-	2,345	2,864

<sup>1</sup> A multiple dwelling unit less than 55 s.m. in GFA is considered to be an apartment unit for purposes of the DC (s.s.415-7A(2))

Note: The January 1, 2005 - June 30, 2005 set of phase-in charges are not shown above, nor are the January 1, 2006 and 2007 indexed charges.

**TABLE 2-3**  
**CITY OF TORONTO NON-RESIDENTIAL DEVELOPMENT CHARGES**  
**PER SQUARE METRE OF "RETAIL USE"<sup>1</sup> GFA BY SERVICE**

Service	Percentage	As of:		
		July 28/04	July 1/05	Jan. 1/08
Childcare	0.4%	-	\$0.29	\$0.36
Shelter and Housing	0.0%	-	\$0.00	\$0.00
Emergency Medical Services	0.2%	-	\$0.15	\$0.18
Parks and Recreation	0.9%	-	\$0.66	\$0.80
Urban Development Services	0.7%	-	\$0.51	\$0.62
Development-related Studies	0.9%	-	\$0.66	\$0.80
Library	0.5%	-	\$0.36	\$0.44
Fire Facilities	0.9%	-	\$0.66	\$0.80
Police	1.2%	-	\$0.87	\$1.07
Roads	26.1%	-	\$19.02	\$23.22
Transit	25.3%	-	\$18.44	\$22.51
Sanitary Sewer	33.2%	-	\$24.19	\$29.54
Water	5.0%	-	\$3.64	\$4.45
Stormwater Management	4.7%	-	\$3.42	\$4.18
<b>TOTAL</b>	<b>100.0%</b>	<b>-</b>	<b>\$72.87</b>	<b>\$88.98</b>

<sup>1</sup> Defined generally as real estate primarily intended for the sale or rental of services, goods, foods, wares, merchandise, substances, articles or things to the public, including offices related thereto. Nine categories of such uses are listed in the By-law as examples.

Note: All other forms of non-residential development are not subject to the payment of development charges.

- g) Dwellings conditionally approved by the City under RRAP;
- h) Rooming houses;
- i) Temporary buildings (existing for up to eight months), as defined;
- j) Sales offices or pavilions. (s.415 B)

2.2.5 Development charges are payable as of the date a building permit is issued, with two exceptions. The first exception applies to the water, sanitary sewer, road and storm water management DC components, which are payable immediately on the parties entering into a subdivision or consent agreement, where applicable. The other exception applies in instances where the City and landowner enter into an agreement specifying a different payment schedule (s.s.415-8, A, B, C, D).

2.2.6 Payments or agreements concerning the provision of work specified under an agreement with a former municipality pursuant to the DCA, 1990 involve a pro rata credit against the outstanding balance of the DC applicable, unless the agreement provides otherwise (s.s.415-8(3), (4)).

2.2.7 s.s.415-7 C of By-law 547-2004 sets out the City's development charge policy with respect to redevelopment. Where a demolition permit has been issued within 36 months prior to the submission of a complete building permit application re a building or structure on the same land or a use conversion, the DCs otherwise payable are to be reduced as follows:

- a) in the case of residential uses being redeveloped for residential purposes, the DC will be reduced by multiplying the applicable DC in Schedule A of the by-law by the number and type of dwellings to be demolished or converted (to the limit of the DCs otherwise payable with respect to the redevelopment);
- b) in the case of non-residential uses redeveloped for non-residential purposes, DCs will only be imposed on all additional non-residential floor area in excess of the existing non-residential GFA to be demolished or converted;
- c) no such DC reduction provisions are provided for residential redevelopment to non-residential use or for non-residential redevelopment to residential use.

### **2.3 GTA Development Charge Policy vs. Toronto's Circumstances**

2.3.1 Toronto is a major, world-class City, but it also functions as part of the GTA market area. As a result, it is relevant to look at and compare development charge practice within that area. Most development charges throughout the GTA and beyond will be modified in 2008/09, although York and Peel Regions updated their charges in 2007 and Halton and Durham Regions in mid-2008. One of the highest development charges in Ontario as of early 2008 (Vaughan/York) is compared with those in Toronto on a service-by-service basis (Table 2-4) for

single detached dwellings. In minor cases the charges are similar, in some cases Toronto is higher, but in a number of key instances, Toronto's charges are far less (i.e. parks and recreation, roads, sewer and water). This circumstance across the GTA is reflected in Figure 2-1 (for 2 Bedroom apartment dwellings), Figure 2-2 (for commercial/retail development) and Figure 2-3 (for industrial development), which indicate the following:

- Charge per Large (2 BR+) Apartment Unit (Figures 2-1A and B) – Toronto's charge is substantially the lowest charge in the GTA and in a sample of 16 other large municipalities (125,000 persons+) extending beyond the GTA, ranks 14<sup>th</sup>.
- Charge per sq.ft. of Commercial/Retail Floor Space (Figures 2-2A and B) – Toronto ranks 23<sup>rd</sup> (3<sup>rd</sup> last) in the GTA and 12<sup>th</sup> (5<sup>th</sup> last) in the large municipality sample.
- Charge per sq.ft. of Industrial Floor Space (Figures 2-3A and B) – Toronto ranks 24<sup>th</sup> (2<sup>nd</sup> last) in the GTA and 14<sup>th</sup> (4<sup>th</sup> last) in the large municipality sample.

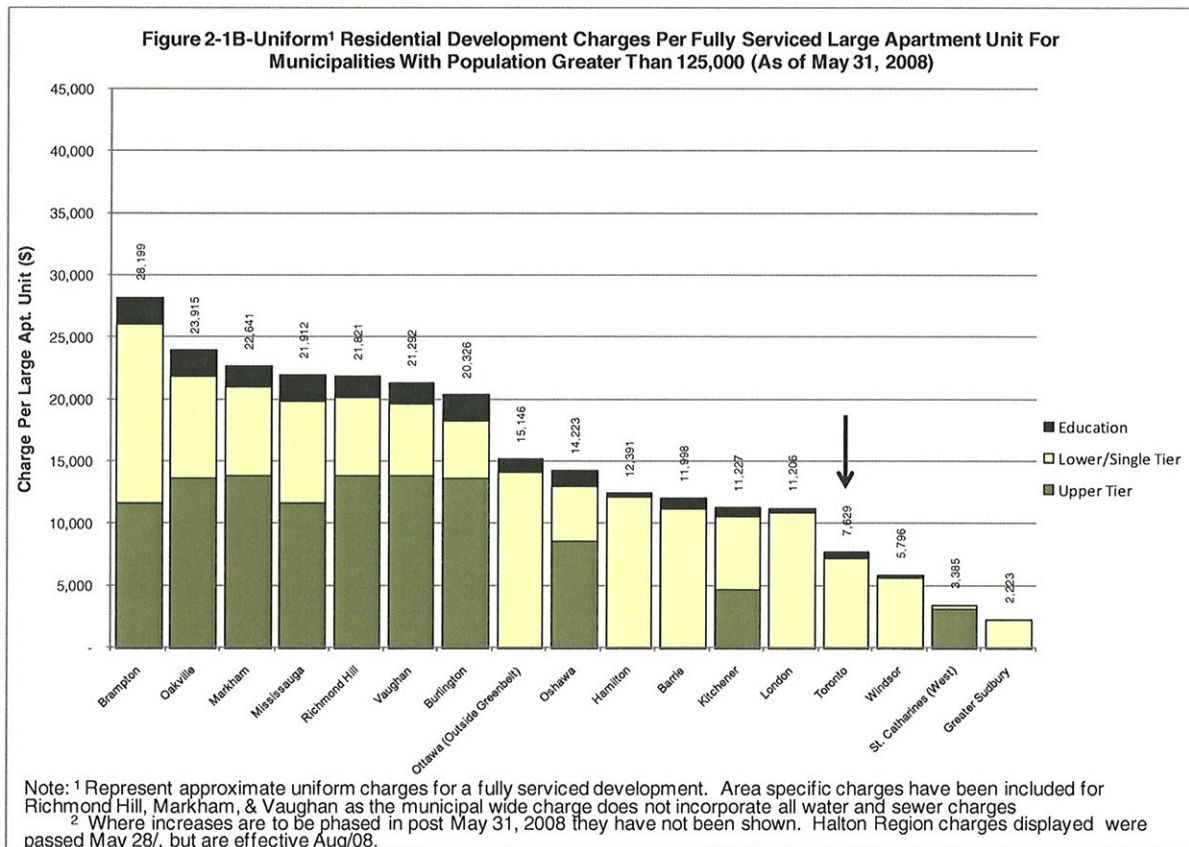
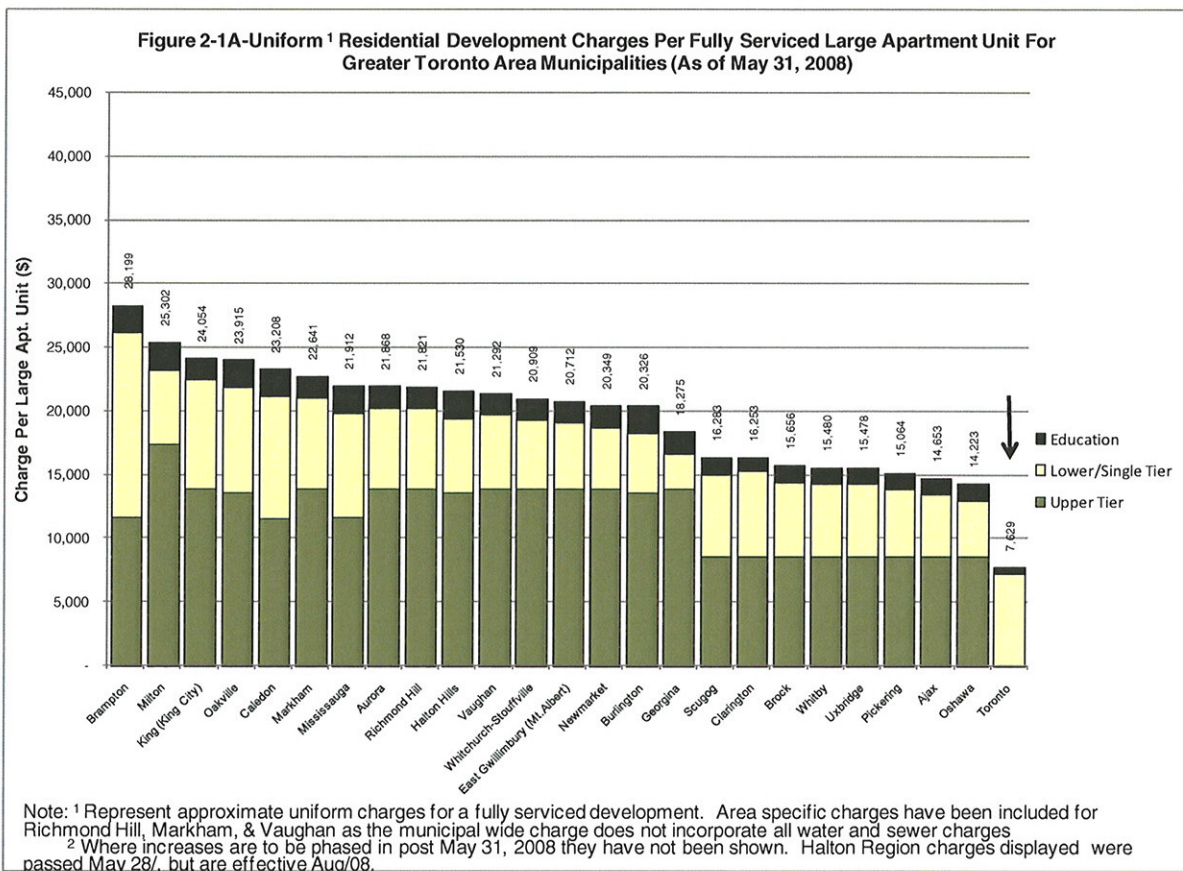
2.3.2 These differences relate largely to the following and other circumstances:

- a) In 2004, Toronto reduced the sewer and water component of the charge and delayed the indexing of its charge;
- b) Most of the Waterfront development servicing costs were not formalized in 2004 and were therefore not included in the charge;
- c) The charge for the Spadina Subway extension was restricted by the DCA and a number of these restrictions have recently been removed by legislation;
- d) Toronto is constraining growth-related staff increases which, in turn, restricts the requirement for associated additional fire trucks, police cars, works vehicles, etc.;
- e) Toronto's Transit and Waterfront programs are extensive but are generally based on 2/3 subsidies, unlike the situation in much of the 905;
- f) Infill and intensification in Toronto, in some cases, can be less costly to service than low density greenfield development in the 905.

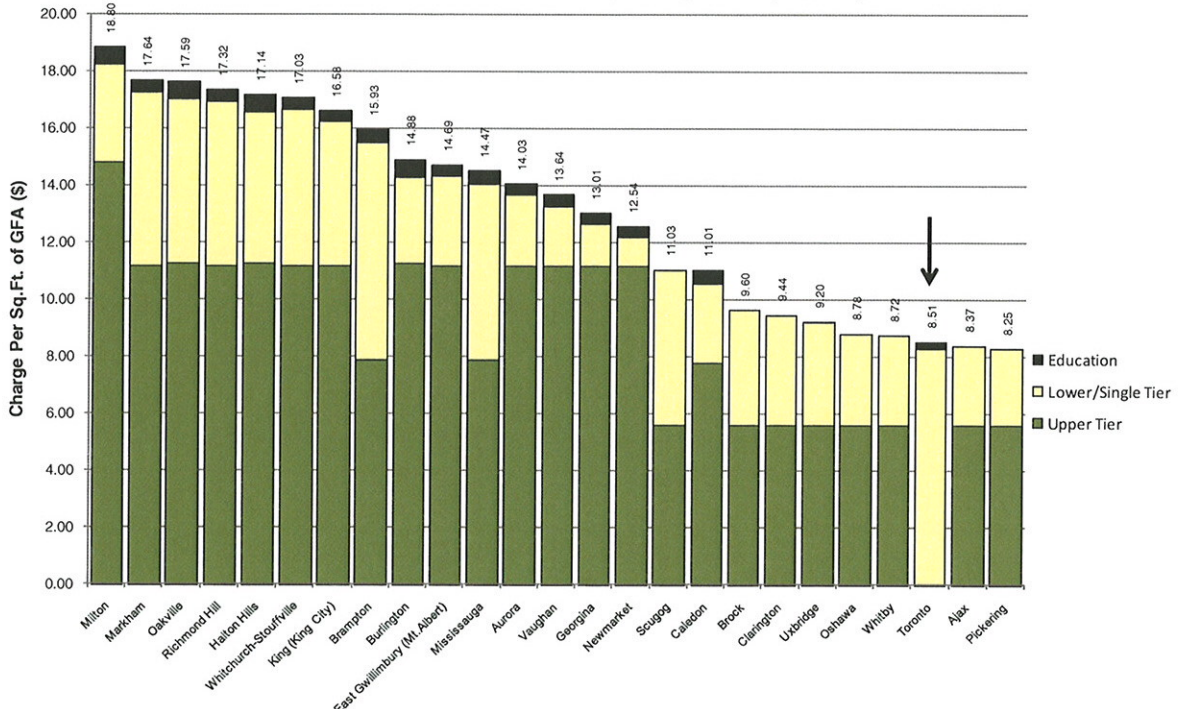
**TABLE 2-4  
COMPARISON OF MAY 2008 RESIDENTIAL DEVELOPMENT CHARGES  
(SINGLE DETACHED UNIT) IN TORONTO AND YORK REGION/VAUGHAN**

	York Region	Vaughan	Total	Toronto	Comments
Childcare			\$ -	\$ 55.41	Toronto only charge
Shelter & Housing			\$ -	\$ 421.12	Toronto only charge
Development Related Studies	\$ 29.00	\$ 106.27	\$ 135.27	\$ 121.90	Similar charges
EMS	\$ 56.00		\$ 56.00	\$ 55.41	Similar charges
Parks & Recreation		\$ 5,563.13	\$ 5,563.13	\$ 1,473.91	Toronto 27% of Vaughan
Urban Development Services			\$ -	\$ 88.66	Toronto only charge
Library		\$ 1,087.24	\$ 1,087.24	\$ 687.08	Toronto 63% of Vaughan
Fire Facilities		\$ 318.38	\$ 318.38	\$ 99.74	Toronto 31% of Vaughan (no new trucks)
Police	\$ 264.00		\$ 264.00	\$ 144.07	Toronto 55% of Vaughan (no additional officers or vehicles)
Roads	\$ 6,790.00	\$ 2,856.00	\$ 9,646.00	\$ 2,748.34	Toronto 29% of Y/V
Transit	\$ 1,749.00		\$ 1,749.00	\$ 3,069.71	Toronto charge 76% higher than York
Sanitary Sewer	\$ 8,590.00	\$ 390.71	\$ 8,980.71	\$ 1,728.79	Toronto 19% of Y/V (charge was reduced)
Water	\$ 4,090.00	\$ 469.52	\$ 4,559.52	\$ 121.90	Toronto 3% of Y/V (charge was reduced)
Stormwater Management			\$ -	\$ 265.97	Toronto only charge
GO Transit	\$ 296.00		\$ 296.00		Toronto didn't adopt charge in 2002
Long Term Care	\$ 178.00		\$ 178.00		Possible new charge to be addressed
Public Health	\$ 51.00		\$ 51.00		Possible new charge to be addressed
Public Works	\$ 67.00	\$ 249.98	\$ 316.98		Possible new charge to be addressed
<b>Total</b>	<b>\$ 22,160.00</b>	<b>\$ 11,041.23</b>	<b>\$ 33,201.23</b>	<b>\$ 11,082.00</b>	<b>Toronto charge 33.4% of Y/V</b>



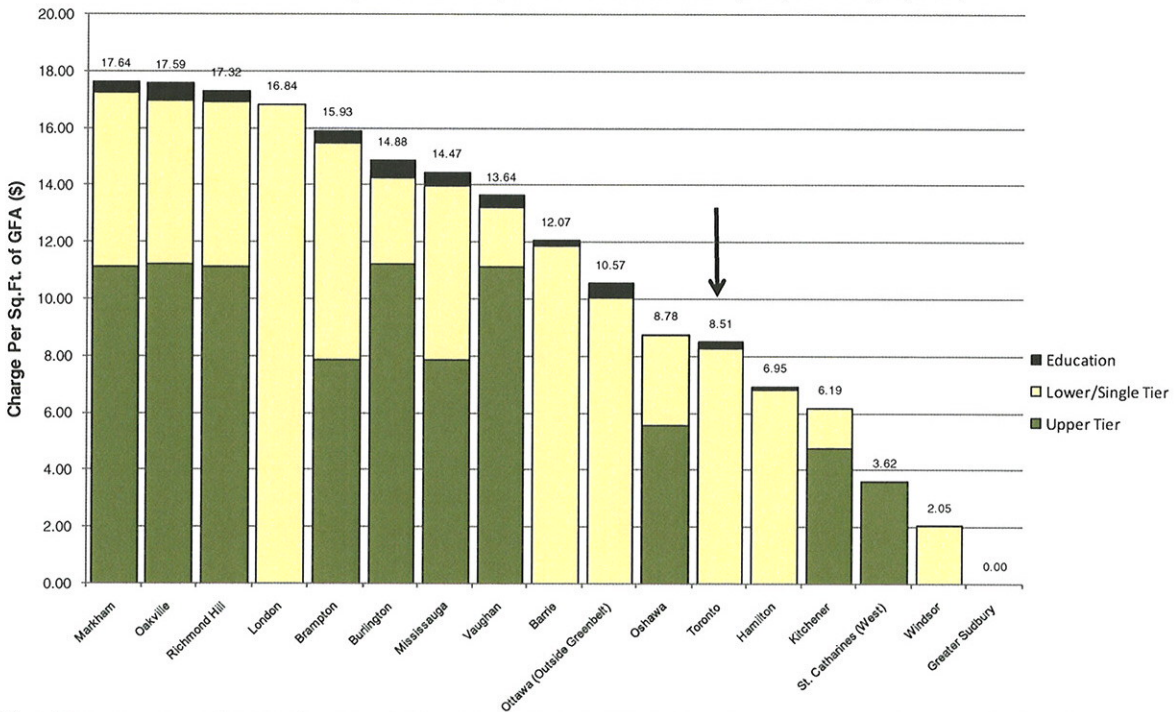


**Figure 2-2A-Uniform<sup>1</sup> Commercial/Retail Development Charges Per Fully Served Square Foot of GFA For Greater Toronto Area Municipalities (As of May 31, 2008)**

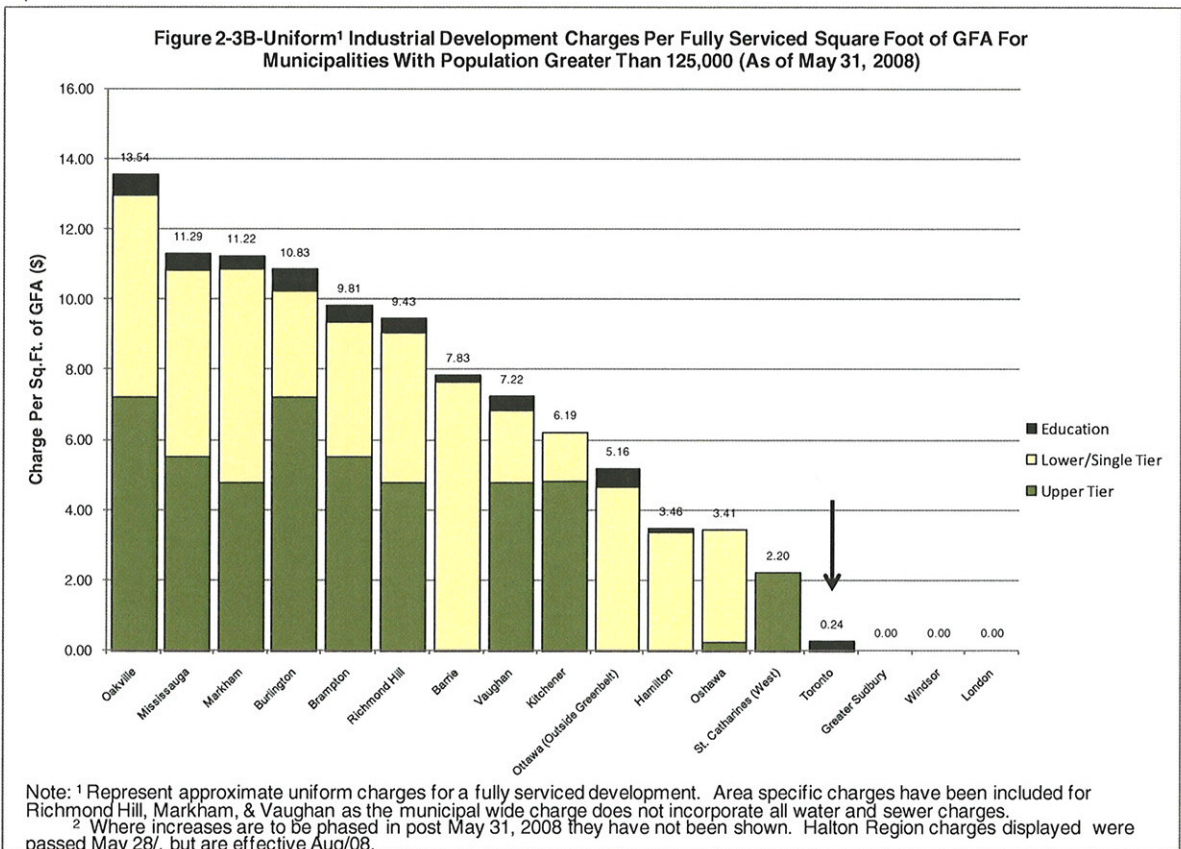
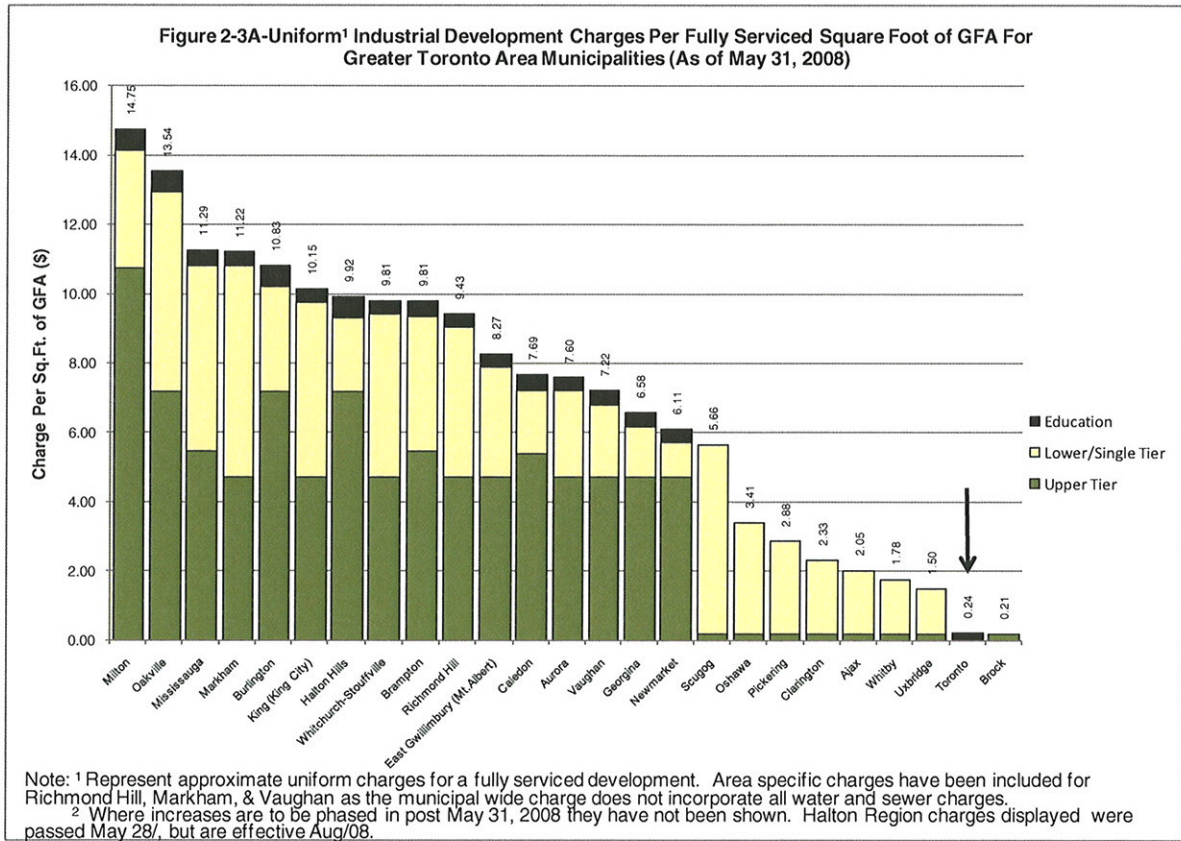


Note: <sup>1</sup> Represent approximate uniform charges for a fully serviced development. Area specific charges have been included for Richmond Hill, Markham, & Vaughan as the municipal wide charge does not incorporate all water and sewer charges.  
<sup>2</sup> Where increases are to be phased in post May 31, 2008 they have not been shown. Halton Region charges displayed were passed May 28/, but are effective Aug/08.

**Figure 2-2B-Uniform<sup>1</sup> Commercial/Retail Development Charges Per Fully Served Square Foot of GFA For Municipalities With Population Greater Than 125,000 (As of May 31, 2008)**



Note: <sup>1</sup> Represent approximate uniform charges for a fully serviced development. Area specific charges have been included for Richmond Hill, Markham, & Vaughan as the municipal wide charge does not incorporate all water and sewer charges.  
<sup>2</sup> Where increases are to be phased in post May 31, 2008 they have not been shown. Halton Region charges displayed were passed May 28/, but are effective Aug/08.



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## 2.4 2004 DC Policy Considerations

2.4.1 This section provides a detailed summary of the two key staff reports which were prepared as part of the City's 2004 DC consultation and DC by-law passage process, in order to provide relevant context to the DC policy approval of June 24, 2004. The inclusion of this material reflects the fact that in revising its DC policy based on 2008 circumstances, the City is not approaching all aspects of the update "de novo." Thus, a number of issues can expect to reoccur and the intention is to build on the base of previous commentary and analysis, in order to provide an appropriate level of continuity and administrative follow-through. While many of these policy considerations are still applicable today, a number require full reconsideration as a result of changes in the City's financial outlook, development trends, and amendments to development charge policy in the "905".

2.4.2 The May 3, 2004 staff report to Policy and Finance Committee on the Updated Development Charge Background Study is summarized as follows:

- a) The development charge calculated in the February, 2004 Draft Background Study was reduced by approximately 15% as a result of calculation refinements (from \$13,060 in the initial draft Background Study, to \$11,053 per single detached unit and from \$8.03 per sq.ft. of non-residential GFA to \$6.77). By comparison, the City's DC as of May, 2004 was \$4,370/single detached unit and nil for non-residential development.
- b) Staff proposed four policy options respecting the quantum of the charge, ranging from implementation of the full charge, to various water/wastewater DC reductions, to an across-the-board reduction for all service areas. The proposed reductions produced DCs of \$7,350-\$9,075/SDU, in comparison with the \$11,053 calculated charge. Transitional provisions were also considered.
- c) Options considered for non-residential development ranged from full exemption, to levying for specific service categories on varying types of non-residential development. The proposed reductions produced DCs of 0-3.48/sq.ft., compared with the \$6.77 calculated charge.

It was also noted that the differentiation of non-residential uses by category could be expected to produce added costs and difficulties for the City's Building Division. Charging the entirety of a development in accordance with the majority use in a mixed-use development was suggested as a possible solution.

- d) It was noted that, in making a decision on the DC quantum, the City must balance overall, long-term economic development, financial and planning objectives against the immediate cost impact to existing ratepayers.

- e) Committee asked for a table showing the number/value of building permits issued per 1,000 population in each of the GTA municipalities, as an indicator of DC impact.
- f) A six-month phase-in period was proposed to allow developers with firm projects, time to receive their above-grade building permits (at which point DCs are paid) before the new charges come into effect.
- g) It was noted that DCs are only one factor among many influencing the market and they are not the largest influence. There is no empirical evidence conclusively demonstrating a cause and effect relationship between DCs and the growth rate. The DC impact of greatest concern was not the potential impact on end user prices or on developer profits ("financial effects"), but rather the impact on the decision to build or not, to delay or not, as well as the size of the development and the size of the residential units in it ("real effects"). Financial effects could be significant for projects pre-sold or pre-leased at fixed prices, but these effects can be mitigated through transition provisions. (DC reductions, delayed implementation, grandparenting (relief for projects in the development application pipeline that have achieved a certain status, e.g. complete building permit application but with an expiry date) and/or phasing in). Concern was expressed that the market for multi-residential projects was softening and increased DCs may exacerbate that trend. Further, pass-through of the charges could affect affordability for some new homebuyers.
- h) Caution concerning significant increases to the DC was referenced because of the apparent softening in the high density residential market and the need to encourage residential growth to Avenues, rather than suburban locations.
- i) With respect to non-residential development, raising money via DCs was expected to produce a greater potential negative influence than raising an equal amount of money via property taxes from that class of property; however, non-residential property tax increases were capped and already comparatively high.

DCs on industrial development were not favoured, due to the significant economic and social benefits of such development and the competitive challenges produced by the already high development and operating costs faced by new or expanding businesses.

Office and hotel development which are also not "captive" to the local market, already face an unfavourable property tax structure in relation to the "905", and produce for the City high annual property tax revenues, job creation, economic multipliers and spin-off and social benefits. Even a small risk of deterring new development of this type was not considered to be prudent.

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DCs were considered unlikely to have a significant negative impact on retail development in the provision of necessary uses to serve Toronto residents.

- j) Representatives of the development industry proposed that development Downtown should have a lesser DC than other areas of the City because of higher land and construction costs and the availability of unused service capacity. The staff report noted that to the extent that development costs are higher, so are densities, rents and selling prices. The unused service capacity argument is in support of area-specific charges and would be very difficult to determine and keep current on an individual service basis, particularly in a mature urban context. It was noted that there is no public policy reason why excess capacity, paid for by previous generations of taxpayers should be “free” to some developers, but not others, even if it could be accurately tabulated on a sub-area basis. In addition, the Official Plan is also seeking to encourage development in other areas such as the Avenues, Centres and Employment Districts, where the DC quantum would potentially rise, as a result of a reduction in the charges Downtown.
- k) The validity of the City’s 10-year employment forecast was questioned by some, in light of the recent employment decline as observed in the Toronto Employment Survey. Staff responded that this survey undercounts the total workforce (e.g. work at home and no fixed place of work). Also, it is important to separate short-term patterns from the intent of a long-term projection.
- l) Re redevelopment of heritage buildings, DCs would only be payable on any net additional GFA created.
- m) Providing a DC exemption for development on contaminated lands would be difficult, as this is not a “type” of development and the City does not have the ability to accurately delineate contaminated areas; however, the DC exemption for industrial development will cover a good deal of the new development involved.
- n) Non-profit housing has been made DC exempt. It was noted that individual by-laws can be passed on a case-by-case basis for affordable housing projects in which the City is a partner, under the Municipal Housing Facilities By-law. The one exception made in terms of charging based on unit size, related to small townhouses (less than 55 m<sup>2</sup>) in the interests of demographic differences and affordability.
- o) A DC credit system for sustainable development initiatives (e.g. reduced water usage and storm-water run-off impacts) was proposed by TCHC, but not recommended by staff. The determination of the amount of the credit, as governed by the provisions of the DCA, was considered to be fraught with significant difficulties.

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- p) The development community expressed some concern as to the magnitude of the City's December 31, 2003 DC reserve fund balances (\$124 million). It was noted that: balances need to be accumulated over time to fund large capital projects, monies can only be used for specified development-related purposes and \$89 million was netted off the future funding requirement for hard services in the 2004 DC calculation.
- q) Voluntary exemptions for institutional/cultural uses were considered. Where senior governments are partially funding such projects, DC exemptions regarding their infrastructure requirements were not recommended.

2.4.3 The June 9, 2004 staff report to Policy and Finance Committee presented the proposed DC by-law for Council adoption, following the completion of the consultation process and is summarized as follows:

- a) The key issues raised and responded to are summarized in Table 1, which has been excerpted directly from the report.
- b) Prof. David Nowlan was retained to assess the economic impact that would result from the imposition of the full calculated development charges. A summary of his 2004 analysis is included herein as Appendix F. Overall the economic analysis suggested that there was little reason to consider a dramatic reduction in the proposed residential DCs.

However, staff were of the opinion that some DC discount should be provided, because of the magnitude in the proposed increase in the fees and in an effort to obviate the need for an appeal, effectively by conceding the quantum of the areas considered to be in dispute.

- c) Option 3 (eliminate the water and wastewater DC increase) was recommended, in order that the necessary offsetting rate increase would be borne by all consumers (rather than largely by residential taxpayers in the circumstance where the reduction is across the board and impacts property taxes as well as water rates). This option resulted in an 18% reduction from the calculated maximum permissible residential charge. The lost revenue could be generated via a one-year increase in water rates of 1.7%, or a 0.6% increase for the five year term of the by-law. The resultant DC (\$9,075/SDU once fully introduced) represented a 108% increase from the current charge.
- d) Continuation of the full exemption for industrial development was recommended because of the footloose nature of such development, the relatively high DC:total development cost ratio, the quality of the jobs and multiplier effect involved, as well as the potential industry has for generating net fiscal benefits for the City.

Table 1  
Key Issues and Revisions to the By-law

Issue	By-law at Public Meeting	Recommended By-law																				
Quantum of the residential charge	<ul style="list-style-type: none"> <li>- Maximum permissible charge</li> </ul> <table style="margin-left: 40px; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Rate</th> <th style="text-align: left; border-bottom: 1px solid black;">Unit Type</th> </tr> </thead> <tbody> <tr> <td>▪ \$11,053</td> <td>Single and Semi</td> </tr> <tr> <td>▪ \$7,169</td> <td>2+ Bedroom Apt.</td> </tr> <tr> <td>▪ \$4,455</td> <td>1 Bedroom/Bach. Apt.</td> </tr> <tr> <td>▪ \$8,797</td> <td>Multiples</td> </tr> </tbody> </table>	Rate	Unit Type	▪ \$11,053	Single and Semi	▪ \$7,169	2+ Bedroom Apt.	▪ \$4,455	1 Bedroom/Bach. Apt.	▪ \$8,797	Multiples	<ul style="list-style-type: none"> <li>- Reduced charge – Eliminate any increase over the current water &amp; wastewater component of the residential DC (18% reduction from calculated DC)</li> </ul> <table style="margin-left: 40px; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Rate</th> <th style="text-align: left; border-bottom: 1px solid black;">Unit Type</th> </tr> </thead> <tbody> <tr> <td>▪ \$9,075</td> <td>Single and Semi</td> </tr> <tr> <td>▪ \$5,886</td> <td>2+ Bedroom Apt.</td> </tr> <tr> <td>▪ \$3,658</td> <td>1 Bedroom/Bach. Apt.</td> </tr> <tr> <td>▪ \$7,222</td> <td>Multiples</td> </tr> </tbody> </table>	Rate	Unit Type	▪ \$9,075	Single and Semi	▪ \$5,886	2+ Bedroom Apt.	▪ \$3,658	1 Bedroom/Bach. Apt.	▪ \$7,222	Multiples
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▪ \$3,658	1 Bedroom/Bach. Apt.																					
▪ \$7,222	Multiples																					
Quantum of the non-residential charge	<ul style="list-style-type: none"> <li>- Industrial – exempt</li> <li>- All Other Non-residential subject to \$6.77/sq. ft. of gross floor area (gfa)</li> </ul>	<ul style="list-style-type: none"> <li>- Industrial – exempt</li> <li>- Retail subject to \$6.77/sq. ft. of gfa</li> <li>- All other non-residential – exempt</li> </ul>																				
Phase-in period	<ul style="list-style-type: none"> <li>- Six months</li> <li>- 100% of the increase phased-in on Jan. 1, 2005</li> </ul>	<ul style="list-style-type: none"> <li>- One year</li> <li>- 50% of the increase phased-in Jan. 1, 2005</li> <li>- Remainder of the increase phased-in on July 1, 2005</li> </ul>																				
Grand-parenting provisions	<ul style="list-style-type: none"> <li>- None</li> </ul>	<ul style="list-style-type: none"> <li>- Shielded from any increase in the DC provided that complete building permit application is submitted by December 31, 2004 and permit is issued by October 31, 2005</li> </ul>																				
Re-development	<ul style="list-style-type: none"> <li>- Credit is restricted by type of use (i.e. credit applicable only where a residential use is converted to another residential use or a non-residential use is converted to another non-residential use)</li> </ul>	<ul style="list-style-type: none"> <li>- Greater clarity to reflect that, in the case of non-exempt non-residential development, a DC will only be assessed on the incremental gfa created beyond that which is demolished or converted</li> </ul>																				
Dwelling rooms	<ul style="list-style-type: none"> <li>- Dwelling rooms subject to the one bedroom and bachelor apartment charge (\$4,455/unit)</li> </ul>	<ul style="list-style-type: none"> <li>- Dwelling rooms subject to a lower charge based on a person per unit occupancy rate of 1.0 and the 18% reduction in the quantum of the residential charge (\$2,345/unit)</li> </ul>																				
Other Exemptions		<ul style="list-style-type: none"> <li>- residential sales offices or pavilions &amp; new dwelling units with conditionally approved RRAP financing have been added</li> </ul>																				



- e) A similar recommendation was made with respect to office and hotel development, because of the relatively stagnant state of such development in Toronto in 2004.
- f) The application of the full charge (\$6.77/sq.ft.) to all retail development (as a “targeted charge”) was recommended as a result of the strength of demand and provision of a small disincentive toward converting vacant industrial lands into “big box” retail developments. No DC was imposed against any form of non-residential development by the City in early 2004.
- g) Staff recommended some transition provisions in order to ensure an orderly move to the new development charge regime and the substantial increases involved. These provisions were two-fold. First, the charge was increased in two steps, over a 17-month period. Second, submission of a complete building permit application within 5 months (and issuance of a building permit within 10 months of that deadline) would entitle payment of the current development charge.
- h) The policy position taken in the May 3, 2004 staff report was reiterated with respect to non-profit affordable housing and brownfield redevelopment.
- i) A charge per dwelling room based on average occupancy of 1.0 ppu and amounting to 64% of the bachelor/one bedroom apartment charge, was recommended.
- j) Several modifications to the DCA, 1997 legislation were recommended relative to excluded services and the statutory DC calculation deductions.
- k) Consideration was given to the extent to which development charge policy can contribute to the achievement of planning objectives. It is noted that DCs are only one of many factors influencing land development decisions; however, where a sub-market is not performing well, DC relief may be warranted to avoid exacerbating already challenging market conditions. Seven factors were advanced as being relevant considerations in deciding on whether to provide DC relief.
- l) The development industry sought relief for at-grade retail and service uses in multi-storey developments. Concerns regarding long-standing vacancy rates and high property taxes were raised; however, given the difficulties in implementation and in the effective targeting of development charge relief, staff recommended against providing it.
- m) It was not considered necessary or appropriate to offer development charge relief for big box uses, where the cost of providing municipal (transportation) infrastructure is relatively high. Distinguishing between big box uses and other forms of large retail uses vs. other retail forms, was considered difficult and mitigated against making the distinction or granting DC relief for retail uses in general.

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- n) The report noted that most of the new infrastructure costs related to Waterfront Revitalization were unknown in 2004 and an area-specific DC Background Study for the area would be considered in future. This may result in a higher charge for the Waterfront and possibly the need for special development charge relief for the Waterfront, if DCs significantly affected the potential rate of development in that area.
- o) The report found that there would not appear to be a need to provide DC relief to further the objective of encouraging intensive development near subway stations. This is occurring naturally. Also, the trade-off between subway requirements vs. road requirements for such development has not been quantitatively assessed and the issue of which developments would qualify for the relief, is a difficult one.
- p) The report found DC relief for Official Plan "Avenues" to be worthy of consideration, but recommended against doing so, because:
- a) so far only three Avenue locations have been defined by zoning and can be precisely delineated;
  - b) the DCA was perceived as being inflexible to the addition of additional areas of DC relief without a full Background Study.
- q) Consideration was given to the imposition of development charges on parking areas. This was not recommended, as the most effective way to reduce parking and encourage transit is through the zoning by-law. Also, the demand for infrastructure and the basis for the DCs, is created by the businesses, activities and residences for which the parking is provided, and not by parking per se.
- r) As of April 30, 2004, the City's DC reserve fund balance totalled \$133 million. It was expected that that balance would be fully utilized over the next five years (although additional funds would be collected in that interval and only partially expended). \$89 million of these reserve funds were applied against future spending requirements in making the DC calculation.
- s) DC relief for housing purposes included:
- a) case-by-case exemptions under the City's Municipal Housing Facilities By-law for "Let's Build" or SCPI, as well as any for-profit rental dwelling units subject to controlled rent and tenure (and possibly self-contained RRAP program units);
  - b) establishment of a "dwelling room" category;
  - c) charging small townhouse units of 55 m<sup>2</sup> or less, as apartments;
  - d) new dwelling units for which RRAP funding has been conditionally approved were exempted from DCs.

- t) The report concluded by stating the fundamental principle behind DCs, being that the costs of growth-related infrastructure should be primarily born by the beneficiaries of such infrastructure, with existing taxpayers not required to pay a substantial portion thereof. However, it was noted that this principle must be balanced against:
- the City's other urban planning and long-term economic development objectives, contributing towards the City's long-term growth, quality of life and prosperity;
  - the need to provide basic fairness to all potential stakeholders through a balancing of the City's fiscal and public policy objectives.

2.4.4 On June 14, 2004, Policy and Finance Committee recommended that the proposed DC by-law be adopted subject to:

- extending the grandparenting period from October 31, 2005 to December 31, 2005;
- when considering the structure of 2005 water rates, Council also consider the impact of water rate increases on competition for large industrial users;
- CFO to submit a report on the feasibility of implementing a differentiated retail charge for oversized retail/big box.



### **3. TORONTO'S DEVELOPMENT FORECAST 2008-2018**



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## 3. TORONTO'S DEVELOPMENT FORECAST 2008-2018

### 3.1 Introduction

#### 3.1.1 *Requirements of the Act*

Subsection 5(1) of the DCA sets out the method that must be used to determine development charges. The first step states that:

“The anticipated amount, type and location of development, for which development charges can be imposed, must be estimated.”

Steps 2 and 5 go on to refer to “the increase in need for service attributable to the anticipated development ...”. Thus, the estimate of anticipated development is an important starting point to the DC calculation process.

The requirement of the Act is for a development forecast, which refers to residential, commercial, industrial and institutional development. Such development generates increased service needs, via its occupancy and use, which is measured in terms of households, population, employment and visitors (tourists, customers, patrons and suppliers). This chapter therefore addresses both the anticipated increase in development and the users thereof. It covers all forms of development, whether or not they are included in the schedule of development charges, in order to avoid transferring the servicing cost responsibility of exempt development to non-exempt development.

The Act requires that the amount, type and location of development be estimated. “Timing” is not referenced, other than indirectly, in section 8 para. 3 of O.Reg. 82/98, where capital costs to be incurred during the term of the proposed development charge by-law, must be set out. Also, s.s.5(1)4 of the Act restricts the estimate of the increase in the need for services other than roads, water supply, waste water, storm water drainage and control, police and fire protection, to a maximum of 10 years following the preparation of the background study. The development charge for all services in this background study was calculated based on a ten year planning period, consistent with the City's overall capital forecasting time frame, past City practice and practice in a number of other municipalities.

#### 3.1.2 *What anticipated growth estimates are relevant to the development charge calculation?*

- a) Amount, type and location of development in Toronto;
- b) Population, housing (by type), employment and ICI floor area;
- c) Over the 10 year period mid 2008 to mid 2018;

- d) Total new development less expected demolitions/conversions = net increase;  
 e) General geographic areas of concentration.

### **3.1.3 Why is the growth forecast important to the DC justification?**

Because a municipality can only include the servicing needs of new development anticipated over the DC calculation period, in establishing DC-recoverable costs.

### **3.1.4 What is the basis for the anticipated growth estimate?**

Population and employment growth targets expressed as policy in the Official Plan.

Also, the extrapolation of building permit and demolition/conversion activity in Toronto.

## **3.2 Residential Growth**

### **3.2.1 What growth is anticipated for Toronto in the next decade?**

- a) Population (excl. undercount)

			<u>Increase</u>		
	mid 2001	2,471,355			
DC Update Growth Period	{	mid 2008	2,667,918	196,563	(7.95%)
		mid 2018	2,798,497	130,579	(4.89%)

The City's population growth rate is expected to slow, consistent with an anticipated significant slowing in future new housing construction after 2009, based on Provincial demographic trends.

- b) Households

			<u>Increase</u>		
	mid 2001	942,176			
DC Update Growth Period	{	mid 2008	1,029,324	87,148	(9.25%)
		mid 2018	1,089,759	60,435	(5.87%)

Housing production is expected to slow, generally proportionate to the decline in the rate of population growth (see Figure 3-1).



SCHEDULE 3-1  
CITY OF TORONTO  
TEN YEAR GROWTH FORECAST  
MID 2008 TO MID 2018

		POPULATION	
<b>Mid 2008 Population (1)</b>		<b>2,667,918</b>	
Occupants of New Housing Units, Mid 2008 to Mid 2018	<i>Units (2)</i>	67,149	
	<i>multiplied by persons per unit (3)</i>	2.25	
	<i>gross population increase</i>	150,755	150,755
Demolitions of Existing Housing Units Mid 2008 to Mid 2018	<i>Units (4)</i>	-6,714	
	<i>multiplied by person per unit (5)</i>	3.00	
	<i>total decline in population</i>	-20,176	-20,176
<b>Population Estimate to Mid 2018</b>		<b>2,798,497</b>	
<i>Net Population Increase, Mid 2008 to Mid 2018</i>		<i>130,579</i>	

(1) 2008 population based on: Toronto Plan - Flashforward: Projecting Population and Employment to 2031 in a Mature Urban Area, June 2002  
Note: The population and housing figures provided above are based on annualized interpolation derived from Flashforward.

(2) Estimated residential units constructed, mid 2008 to mid 2018. Based on: annualized interpolation of Toronto Plan: Flashforward: Projecting Population and Employment to 2031 in a Mature Urban Area, June 2002.

(3) Average number of persons per unit (ppu) is assumed to be:

Structural Type	Persons Per Unit	% Distribution of Estimated Units	Weighted Persons Per Unit Average
<i>Single family &amp; semi-detached</i>	3.70	7.0%	0.26
<i>Multiples except apartments</i>	3.00	9.3%	0.28
<i>Apartments</i>	2.04	83.8%	1.71
<i>one bedroom or Less</i>	1.61		
<i>two bedrooms or more</i>	2.36		
<b>Total</b>		100.0%	2.25

Source: 2006 Census custom tabulation, based on new units age 1 to 10 years (Schedule A-5). Note: % Distribution sources based on annualized interpolation of Flashforward: Projecting Population and Employment to 2031 in a Mature Urban Area, June 2002.

(4) Demolitions estimated to be 671 annually, of which 664 (98.9%) are low-density, 1 (.02%) are medium-density, and 6 (.09%) are high-density.

(5) Persons per unit for demolitions based on 2001 Census occupancy data for existing City of Toronto housing stock.

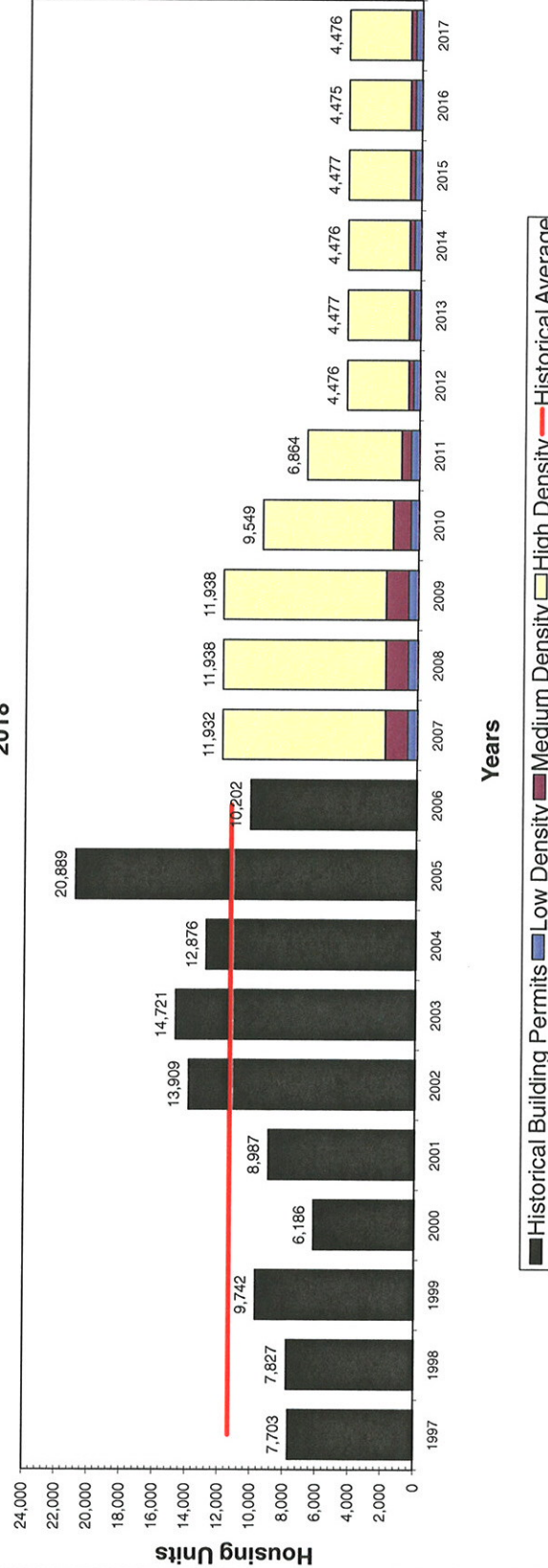
**SCHEDULE 3-2  
CITY OF TORONTO  
RESIDENTIAL GROWTH FORECAST SUMMARY**

Year	Population		Households				Total	Demolition	Person Per Unit (PPU)
	Excluding Net Census Undercount	Including Net Census Undercount	Singles and Semi Detached	Row / Townhouse	Apartments				
Mid 1996	2,383,736	2,461,210	402,045	46,150	453,355	901,550		2.64	
Mid 2001	2,471,355	2,551,967	407,036	59,647	475,493	942,176		2.62	
Mid 2006	2,619,284	2,703,918	407,183	75,661	523,928	1,006,792		2.60	
Mid 2008	2,667,918	2,755,135	407,099	78,370	543,855	1,029,324		2.59	
Mid 2013	2,756,386	2,848,500	406,450	83,026	581,257	1,070,733		2.58	
Mid 2018	2,796,497	2,889,922	405,139	84,582	600,038	1,089,759		2.57	
Mid 1996 - Mid 2001	87,619	90,758	4,991	13,497	22,138	40,626			
Mid 2001 - Mid 2006	146,929	151,950	147	16,034	48,435	64,616			
Mid 2006 - Mid 2008	49,634	51,217	-84	2,689	19,927	22,532	1,634		
Mid 2008 - Mid 2013	90,468	93,366	-649	4,656	37,402	41,409	3,357		
Mid 2008 - Mid 2018	130,579	134,787	-1,960	6,212	56,183	60,435	6,714		

Source: Toronto Plan - Flashforward: Projecting Population and Employment to 2031 in a Mature Urban Area, June 2002 (based on annualized interpolations derived from Flashforward).  
 Note: The housing figures provided in the above table are net of demolitions/conversions.

1. The net Census undercount is estimated at 3.27%

**FIGURE 3-1  
GROSS NEW RESIDENTIAL UNIT PROJECTION (BEFORE DEDUCTING FOR DEMOLITIONS/CONVERSIONS), 2008-2018**



Source: Historical housing activity (1997-2006) based on Statistics Canada building permits, Catalogue 64-001-XIB. Note housing unit forecast between 2009 and 2012 has been adjusted to reflect a gradual stepping down of housing activity over this time period.

The percentage growth in housing production is higher than the population growth percentage, because 84% of the new units are expected to be relatively low occupancy apartments (which only represent 53% of the 2008 base).

Also, approximately 10% (6,714 units) of the new housing growth over the next decade will simply replace the expected demolition of existing units (and therefore will not represent net growth).

c) New Housing by Type (mid 2008 to mid 2018)

Type	% of New Housing 2008-2018	No.	Less Demolitions	Net Increment
Singles, Semis and Duplexes	6.97%	4,681	6,641	(1,960)
Row/Townhouses	9.27%	6,225	13	6,212
Apartments	83.76%	56,243	60	56,183
Total	100%	67,149	6,714	60,435

Map 3-1 and Schedule 3-2 provide additional details with respect to the anticipated forecast population and housing growth from mid 2008 to mid 2018.

### 3.2.2 *Where is the growth expected to occur?*

Population Growth Projection by Former Municipality

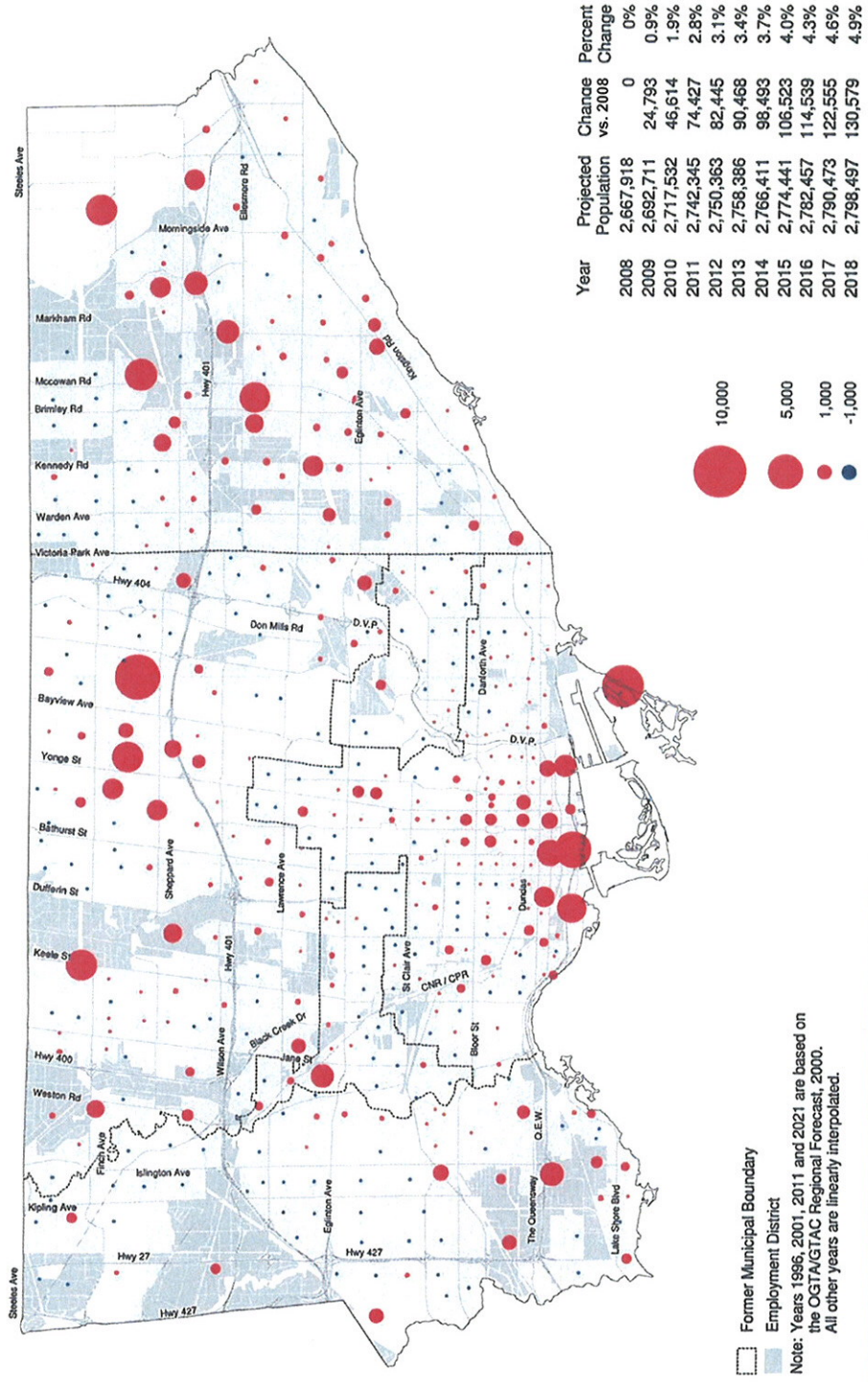
Former Municipality	Population Growth 2008-2018	% of City-wide Growth	% Increase in Population to 2008 Base by Former Municipality
Scarborough	40,616	31.1	6.6
Toronto	38,930	29.8	5.0
East York	738	0.6	0.7
North York	36,014	27.5	5.4
York	3,628	2.8	2.4
Etobicoke	10,669	8.2	3.0
City Total	130,595 <sup>1</sup>	100.0	4.9

Most (88.4%) of the 2008-18 population growth is expected to occur in former Scarborough, Toronto and North York.

<sup>1</sup>varies marginally from the 130,579 figure in Schedule 3-1 (which is the number used in the DC calculation) due to rounding.

MAP 3-1

**TORONTO** Base Population Scenario Projected Population Change 2008 - 2018



Overall, the City's population is expected to increase by 4.9% over the next decade, with former Scarborough, North York and Toronto growing slightly beyond that average and East York, York and Etobicoke, well below it.

Map 3-1 summarizes the geographic location of forecast population growth from mid-2008 to mid-2018.

### 3.2.3 What were the City's 10-year Growth Forecasts in the 2004 DC Background Study?

They were also based on Flashforward projections, but were significantly higher because only five years (rather than nine years this time) of the DC calculation period were post-2009, when the City's growth rate is expected to significantly diminish.

Anticipated population growth:

Mid 2004	2,559,516	
10 Yr. Growth	<u>215,008</u>	8.4%
2014	2,774,524	

Anticipated employment growth:

Mid 2004	1,501,730	
10 Yr. Growth	<u>144,844</u>	9.6%
2014	1,646,574	

### 3.2.4 What are the City's longer term growth prospects?

Flashforward Table 32 provides the following population forecasts for the City (excluding the undercount):

	2001	2011	2021	2031
Population Housed	2,471,355	2,742,345	2,822,569	2,905,426
		↓	↓	↓
Growth increment	270,990	80,224	82,857	

Flashforward Table 38 provides the following employment forecasts for the City:

	2001	2011	2021	2031
Toronto Total Jobs (FT + PT)	1,453,355	1,615,625	1,719,475	1,835,090
		↓	↓	↓
Growth increment	162,270	103,850	115,615	

### 3.3 Non-residential Growth

#### a) Persons Employed

<b>Sector</b>	<b>Mid 2008</b>	<b>Mid 2018</b>	<b>Net Increment</b>	<b>% Increment</b>
Primary/Industrial	431,323	413,269	(18,054)	(4.2)
Commercial	768,032	891,205	123,174	16.0
Institutional	279,794	287,620	7,826	2.8
Work at Home	87,487	96,138	8,651	9.9
<b>Total</b>	<b>1,566,635</b>	<b>1,688,232</b>	<b>121,597</b>	<b>7.8</b>

The growth in employment over the next decade is expected to outpace population growth in percentage terms, resulting in a small increase in the City's activity rate.

#### b) New ICI Floor Area (sq.ft.) (See Schedules 3-3, 3-4, 3-5 and Figure 3-2)

<b>Sector</b>	<b>Ten Year Gross Sq.ft. GFA Increase</b>	<b>Less: Demolitions and Conversions (sq.ft.)</b>	<b>Ten Year Net Floor Area Increase</b>
Total ICI sq.ft.	36,132,950	27,255,303 <sup>1</sup>	8,877,647
s.m.	3,356,833	2,532,079 <sup>1</sup>	824,754

The gross increase in ICI floor area represents approx. 300 sq.ft. per additional employee.

Schedule 3-3 sets out the 2001-2018 employment projection contained in Flashforward. This involves growth of 121,597 jobs over the 10-year period mid-2008-mid-2018.<sup>2</sup> That total is disaggregated into five employment categories (primary, work-at-home, industrial, commercial and institutional).

Schedule 3-4 moves from 2007 construction values for building permits 1996-2007 (for industrial, commercial and institutional development in Toronto) in "A," to the portion of that building activity which resulted in new buildings or additions in "B," to the estimated amount of floor area involved annually in each case in "C" (as graphed in Figure 3-2). "B" is based on actual building permit data and "C" is based on average construction costs.

<sup>1</sup> Broad estimate only

<sup>2</sup>The Background Study uses the 10-year period mid-2008 to mid-2018 (Census mid-year periods covering growth subject to the charge) and the 10-year period 2008-2017 (calendar year budgeting periods) as being generally synonymous for DC calculation purposes.

Schedule 3-5 goes on to extrapolate that level of new building space provision to the ten-year period mid-2008-2018. This extrapolation is at approximately 75% of the annual average 2001-2008, consistent with the fact that the employment projection in Flashforward for 2008-2018 is approximately 75% of the preceding 2001-2007 period. This decline is distributed variously by sector, in order to reflect the anticipated % decline in industrial and institutional building activity and the compensating % increase in commercial. Among other things, this 25% decline reflects the emerging reduction in the rate of employment growth throughout the GTA, as well as the decline in the rate of housing development in Toronto (as it affects population-related employment growth).

Accordingly, the gross non-residential floor area forecast is for an average of 3,613,000 sq.ft./year for a total of 36,133,000 sq.ft. for the ten-year period 2008-2018 (Figure 3-2).

Thus, the City is expected to add 36.1 million sq.ft. of non-residential building space and 121,597 additional jobs but, at the same time, it anticipates demolishing or experiencing net conversions out of non-residential space in the amount of approximately 27 million square feet (Schedule 3-6). This estimate is based on an adjusted average, reflecting actuals 2004-2006.

The increase in the additional requirement for municipal services primarily relates to the anticipated net increase in employees and the associated growth in customers, visitors, students, suppliers, etc., who are using roads, transit, water and other municipal services. This increase is substantial, despite the reduced level of net building space increase. This is the result of the substitution of higher occupancy facilities in place of lower occupancy. The increase in the need for service also relates to the added requirement of locating new buildings in areas currently without sufficient servicing capacity.

Schedule 3-7 details the relationship between population, activity rate, employment and floor area growth.

Map 3-2 summarizes the geographic location of the forecast (population and) employment growth combined.

### 3.4 Places to Grow and Census Results

a) The Growth Plan for the Greater Golden Horseshoe, Schedule 3 allocations to Toronto (inclusive of population undercount) are as follows:

	2001	2011	2021
Toronto Population	2,590,000	2,760,000	2,930,000
		↓	↓
Growth increment	170,000	170,000	

	2001	2011	2021
Toronto Employment	1,440,000	1,540,000	1,600,000
		↓	↓
Growth increment	100,000	60,000	

In March 2000, the Office for the Greater Toronto Area released the results of a collaborative exercise to develop long range population and employment forecasts for the entire GTA and constituent regions. Staff of the Ministry of Municipal Affairs and Housing, the City and the GTA Regions agreed upon a set of regional forecasts and growth allocations which included the expectation that Toronto would continue to experience strong growth. This exercise revealed a forecast growth of 2.6 million people and 1.6 million jobs to be housed across the Greater Toronto Area between 1996 and 2031. The share of this growth allocated to the new City of Toronto was 537,000 people and 544,000 jobs to be accommodated between 1996 and 2031, for totals of 3,000,000 residents and 1,835,000 jobs. These totals were inserted into the Official Plan into Section 2.1 as targets for 2031 by the Minister of Municipal Affairs and Housing and they are based on the 2000 regional forecast. Based on this regional forecast, population and employment projections for small areas within the City were developed as background information to the City's Official Plan. These are discussed in the background research report "Flashforward: Projecting Population and Employment to 2031 in a Mature Urban Area," released in June 2002.

When the Flashforward population projection for 2021 of 2,822,569 (p.81, Table 32, Base Population Scenario) is adjusted up for the Census undercount (3.27%), it produces a projection of 2,914,867 (p.3, Table1), (based on the 2000 regional population forecast for 2021 of 2,915,000, per Flashforward Table 1) which is 99.5% of the Places to Grow (PTG) population number.



The 2000 employment forecast for 2021 of 1,719,475 (with rounding from Flashforward Table 8) is 107.5% of the 2021 PTG number of 1,600,000. The 2018 employment projection of 1,688,232 is 5.5% beyond the PTG 2021 employment number.

General consideration was given to the sensitivity of the DC calculation to possible increases in the household growth forecast and possible decreases in the employment forecast.

In the residential case, increases in the growth denominator to the calculation are expected to be largely offset by increases in the applicable capital expenditure numerator. The latter would occur as a result of, a) increased population and service level caps, b) additional geographic areas requiring hard servicing capacity increases, and c) a higher residential share of the total costs.

In the employment case, decreases in the growth denominator to the calculation are expected to be largely offset by decreases in the applicable capital expenditure numerator. The latter would occur as a result of, a) employment and area-related reductions in servicing requirements, and b) a lower non-residential share of total DC recoverable costs.

As a result, moderate shifts in the City's growth rate are not expected to produce significant changes in the DC calculation.

b) A number of concerns have been raised with respect to the 2006 population and household Census for Toronto, by City staff. These include:

- The 2006 Census population for Toronto appears to be understated, due to the omission of newly occupied high density condominiums at the time of Census enumeration;
- The 2006 Census reports a decrease in housing unit counts vs. 2001, in places where there is no record of demolitions;
- Significant reclassifications of housing units from semi-detached to row house have been identified which requires further examination; and
- The difference between total private dwellings minus total occupied dwellings has tripled since 2001, which may be a result of the change in survey procedure from door-to-door enumeration to mail-out enumeration.

Upon further review of the 2002 Flashforward population forecast against actual residential development activity, it has been concluded that the Flashforward population and housing forecast continues to provide a reasonable estimate of the City's 2006 population and households. In accordance with these findings, the 2002 Flashforward base population and forecast has been used in the generation of the 2008 City of Toronto Development Charges Background Study growth forecast.

**SCHEDULE 3-3  
CITY OF TORONTO  
2001-2018 EMPLOYMENT PROJECTION<sup>1</sup>**

	Primary	Work @ Home	Ind	Comm	Inst	Total
2001	3,750	74,770	428,755	680,745	265,335	1,453,355
2002	3,594	76,892	428,663	692,962	267,398	1,469,509
2003	3,439	79,014	428,571	705,179	269,462	1,485,663
2004	3,283	81,136	428,478	717,395	271,525	1,501,817
2005	3,127	83,257	428,386	729,612	273,588	1,517,971
2006	2,972	85,379	428,294	741,829	275,651	1,534,125
2007	2,859	86,433	428,435	754,930	277,723	1,550,380
2008	2,746	87,487	428,577	768,032	279,794	1,566,635
2001-2008 Ave	-1,004 -143	12,717 1,817	-178 -25	87,287 12,470	14,459 2,066	113,280 16,183
2008	2,746	87,487	428,577	768,032	279,794	1,566,635
2009	2,645	88,572	428,064	782,018	281,667	1,582,965
2010	2,544	89,656	427,551	796,004	283,540	1,599,295
2011	2,443	90,741	427,039	809,990	285,413	1,615,625
2012	2,357	91,510	424,792	821,563	285,760	1,625,981
2013	2,271	92,279	422,545	833,135	286,106	1,636,336
2014	2,185	93,048	420,298	844,708	286,453	1,646,692
2015	2,099	93,817	418,051	856,280	286,800	1,657,048
2016	2,013	94,586	415,804	867,853	287,147	1,667,403
2017	1,936	95,362	413,607	879,529	287,383	1,677,818
2018	1,859	96,138	411,410	891,205	287,620	1,688,232
2008-2018 Ave.	-887 -89	8,651 865	-17,167 -1,717	123,174 12,317	7,826 783	121,597 12,160

2008-2018 as a % of 2001-2008						
	Primary	Work @ Home	Ind	Comm	Inst	Total
	61.8%	47.6%	67.33%	98.8%	37.9%	75.1%

<sup>1</sup> Source: Flashforward p.93 adjusted for annualized interpolations, ratioing and a separate estimate for "work at home" employment. Figures may vary slightly from Flashforward due to rounding and interpolation.

**SCHEDULE 3-4  
CITY OF TORONTO NON-RESIDENTIAL BUILDING PERMIT-RELATED DATA 1996-2007**

"A"

Total Construction Values (000's in \$2007)				
Year	Industrial	Commercial	Institutional	Total
1996	130,235	816,843	277,445	1,224,523
1997	205,112	966,417	327,467	1,498,996
1998	347,893	946,324	357,407	1,651,623
1999	304,160	947,219	341,742	1,593,120
2000	182,551	1,054,221	271,820	1,508,592
2001	53,322	338,191	315,082	706,595
2002	82,328	945,105	657,930	1,685,363
2003	264,643	1,015,334	806,838	2,086,814
2004	202,253	1,057,727	818,419	2,078,399
2005	87,290	1,031,022	466,891	1,585,203
2006	136,522	1,119,820	307,114	1,563,456
2007	154,807	1,033,801	611,439	1,799,847

Source: Statistics Canada Publication, 64-001-XIB

"B"

Estimated New Non-Residential Construction from Values (000's in \$2007)				
Year	Industrial	Commercial	Institutional	Total
1996	84,946	347,675	186,061	618,682
1997	133,784	411,339	219,607	764,730
1998	226,913	402,787	239,685	869,385
1999	198,368	403,168	229,180	830,736
2000	119,069	448,711	182,289	750,069
2001	34,779	143,945	211,301	390,026
2002	53,889	402,268	441,223	897,190
2003	172,614	432,160	541,084	1,145,858
2004	131,919	450,204	548,851	1,130,974
2005	56,935	438,837	313,108	808,880
2006	89,047	476,632	205,958	771,637
2007	100,843	440,020	410,045	950,908

Source: Statistics Canada Publication, 64-001-XIB

Assumptions : Percentage New Construction & Additions of Total Non-Res  
Industrial 65.23% Commercial 42.56% Institutional 67.06%

"C"

Estimated Total Non-Residential GFA from Values (Gross)				
Estimated New Construction <sup>1</sup>				
Year	Industrial	Commercial	Institutional	Total
1996	943,845	1,986,716	744,244	3,674,805
1997	1,486,494	2,350,509	878,428	4,715,430
1998	2,521,258	2,301,639	958,741	5,781,638
1999	2,204,315	2,303,816	916,720	5,424,851
2000	1,322,990	2,564,064	729,156	4,616,211
2001	386,436	822,545	845,205	2,054,186
2002	596,652	2,298,674	1,764,893	4,660,220
2003	1,917,929	2,469,483	2,164,338	6,551,750
2004	1,465,770	2,572,593	2,195,405	6,233,768
2005	632,609	2,507,640	1,252,434	4,392,683
2006	989,408	2,723,614	823,832	4,536,854
2007	1,120,474	2,514,401	1,640,180	5,275,055

Source: Watson & Associates Economists Ltd.

1. A year and a half lag is assumed for non-residential building permits to translate into new \$/Sq.Ft.  
Industrial 90 Commercial 175 Institutional 250



## SCHEDULE 3-6

**CITY OF TORONTO - ESTIMATED ANNUAL DEMOLITIONS 2004-2007  
IN GROSS FLOOR AREA BY MAJOR EMPLOYMENT SECTOR**

Year	Gross Floor Area (Sq.m.)			
	Industrial	Commercial	Institutional	Total
2004	122,815	78,701	15,937	217,453
2005	136,023	193,518	30,587	360,128
2006	1,272,403	159,210	10	1,431,623
2007 (Estimated)	165,513	185,979	15,599	367,091
<b>Average 2004-2007</b>	424,188	154,352	15,533	594,074

Year	Gross Floor Area (Sq.ft.)			
	Industrial	Commercial	Institutional	Total
2004	1,321,979	847,141	171,546	2,340,666
2005	1,464,147	2,083,029	329,238	3,876,414
2006	13,696,147	1,713,736	108	15,409,991
2007 (Estimated)	1,781,583	2,001,882	167,905	3,951,369
<b>Average 2004-2007</b>	4,565,964	1,661,447	167,199	6,394,610

Source: City of Toronto Buildings Division, 2007.

Year	Industrial	Commercial	Institutional	Total
<b>Adjusted Ave.<sup>1</sup></b>	1,218,056	1,329,158	178,317	2,725,530
<b>Ave. 5 Year</b>	6,090,278	6,645,788	891,585	13,627,651
<b>Ave. 10 Year</b>	12,180,556	13,291,576	1,783,171	27,255,303

1. Adjusted average excludes 2006 data for industrial and institutional demolitions, as a result of the unusually large Kodak demolition, plus further 20% reduction by sector to reflect declining rate of non-residential activity.

**SCHEDULE 3-7  
EMPLOYMENT AND GROSS FLOOR AREA (GFA) FORECAST, 2008 TO 2018  
CITY OF TORONTO**

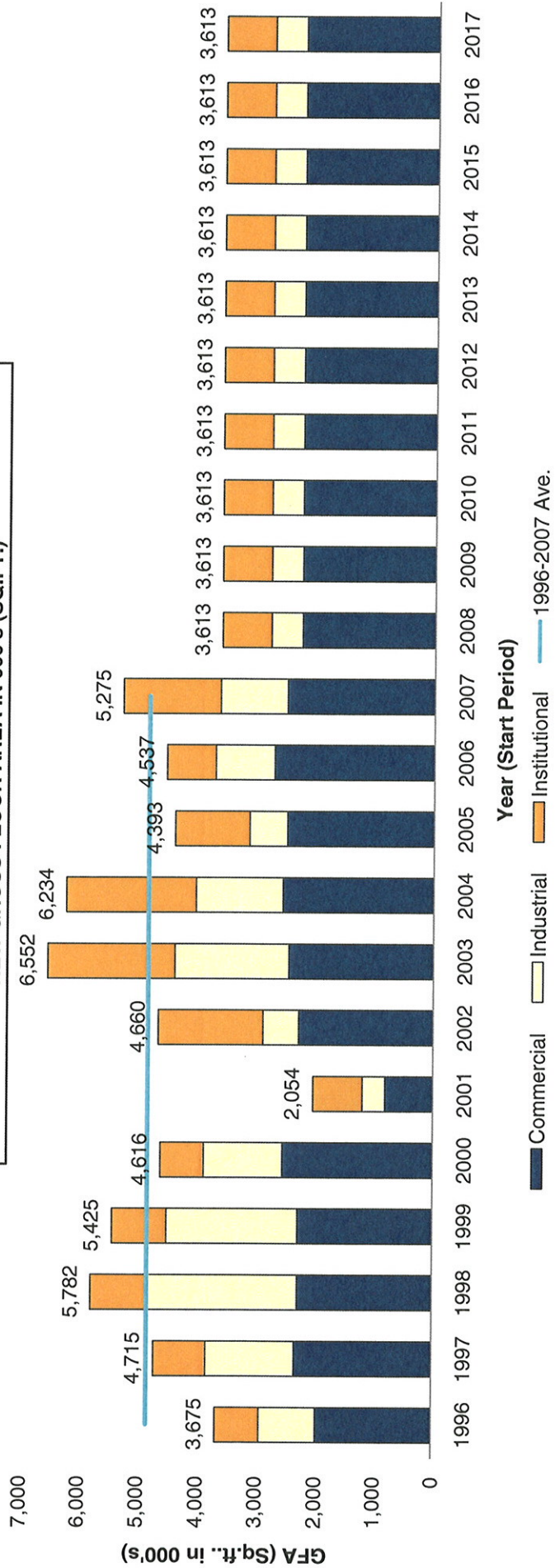
Year	Activity Rate					Employment					Gross Square Feet (ESTIMATED) Before Deducting for Demolitions/Conversions <sup>2</sup>						
	Pop'n	Primary	Work at Home <sup>1</sup>	Industrial	Commercial / Pop'n Related	Institutional	Total	Primary	Work at Home	Industrial	Commercial / Pop'n Related	Institutional	Total	Industrial	Commercial	Institutional	Total
Mid 2008	2,667,918	0.001	0.033	0.161	0.268	0.105	0.587	2,746	87,487	428,577	768,032	279,794	1,566,635				
Mid 2013	2,759,366	0.001	0.033	0.153	0.302	0.104	0.593	2,271	92,279	422,545	833,135	286,106	1,636,336				
Mid 2018	2,798,497	0.001	0.034	0.147	0.318	0.103	0.603	1,659	96,138	411,410	891,205	287,620	1,688,232				
<b>Incremental Change</b>																	
Mid 2008 - Mid 2013	90,468	-0.0002	0.0007	-0.0075	0.0142	-0.0012	0.0060	-475	4,792	-6,032	65,104	6,312	69,701	2,589,808	11,363,535	4,113,132	18,066,475
Mid 2008 - Mid 2018	130,579	-0.0004	0.0016	-0.0136	0.0306	-0.0021	0.0161	-887	8,651	-17,167	123,174	7,826	121,597	5,179,617	22,727,070	8,226,264	36,132,950
<b>Annual Average</b>																	
Mid 2008 - Mid 2013	18,094	0.0000	0.0001	-0.0015	0.0028	-0.0002	0.0012	-95	958	-1,206	13,021	1,262	13,940	517,962	2,272,707	822,626	3,613,295
Mid 2008 - Mid 2018	13,058	0.0000	0.0002	-0.0014	0.0031	-0.0002	0.0016	-89	865	-1,717	12,317	783	12,160	517,962	2,272,707	822,626	3,613,295

Source: The above employment figures are annualized interpolations derived from Flashforward; Projecting Population and Employment to 2031 in a Mature Urban Area, June, 2002. Employment has been based upwardly adjusted to account for gross employment growth excluding employment loss from demolitions. City of Toronto Buildings Division, Urban Development Services Dept. (see schedule A-9).

1. Forecast (2008-2018) "Work at Home" employment based on historical ratio 2001 Census "Work at Home" employment to total employment.

2. Forecast gross GFA derived from 2008 to 2018 employment growth as per Flashforward; Projecting Population and Employment to 2031 in a Mature Urban Area, June, 2002.

**FIGURE 3-2**  
**CITY OF TORONTO ESTIMATED NON-RESIDENTIAL CONSTRUCTION BY TYPE**  
**NEW GROSS FLOOR AREA IN 000's (SQ.FT.)**



Source: Historical Non-Residential Building Permits (1996-2006) - Statistics Canada publication 64-001-X1B.  
 New construction is estimates as follows: Industrial - 65%, Commercial - 43%, Institutional - 67% of total construction.  
 Forecast gross floor area (2008-2018) based on a ratio of 2001-2008 vs. 2008-2018 employment as per Flashforward; Projecting Population and Employment to 2031 in a Mature Urban Area, June, 2002.  
 Forecast GFA (Sq.ft..) estimates are unadjusted for demolitions.





## **4. THE RESULTANT INCREASE IN THE NEED FOR SERVICE**



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## **4. THE RESULTANT INCREASE IN THE NEED FOR SERVICE**

### **4.1 Introduction**

This chapter addresses the requirements of s.s.5(1) of the DCA, 1997 with respect to the establishment of the need for service which underpins the development charge calculation, in accordance with the broad requirements set out in section 1.2.

### **4.2 Services Involved**

4.2.1 Table 4-1 lists the full range of municipal service categories which are provided by the City. A number of these services are defined in s.s.2(4) of the DCA, 1997 as being ineligible for inclusion in development charges. These are shown as "ineligible" on Table 4-1. Ineligible services include: acquisition of land for parks; electrical power services; cultural, entertainment and tourism facilities and convention centres; waste management services; hospitals; and, headquarters for the general administration of municipalities and local boards. Although not full services, it is noted that two ineligible costs defined in s.s.5(3) of the DCA are "computer equipment" and "rolling stock with an estimated useful life of (less than) seven years ..." Local roads and water, sanitary and storm water services are covered separately under subdivision agreements and related means (as are other local services). Services which are potentially eligible for inclusion in the City development charge are indicated with a "✓".

### **4.3 The Increase in the Need for Service**

4.3.1 The development charge calculation commences with an estimate of "the increase in the need for service attributable to the anticipated development," for each service to be covered by the by-law. There must be some form of link or attribution between the anticipated development and the estimated increase in the need for service. While the need could conceivably be expressed generally in terms of units of capacity, s.s.5(1)3, which requires that Municipal Council indicate that it intends to ensure that such an increase in need will be met, suggests that a project-specific expression of need would be most appropriate.

4.3.2 Some of the need for services generated by additional development consists of local services related to a plan of subdivision, a consent, site plan or other form of development approval. As such, it will be provided as a condition of such development approvals.

TABLE 4-1  
CATEGORIES OF MUNICIPAL SERVICES  
TO BE ADDRESSED AS PART OF THE DEVELOPMENT CHARGE CALCULATION

This table is based on a generic service organization and is not intended to reflect the City of Toronto's organizational structure.

CATEGORIES OF MUNICIPAL SERVICES	ELIGIBILITY FOR INCLUSION IN THE DC CALCULATION	SERVICE COMPONENTS	MAXIMUM POTENTIAL DC RECOVERY %
1. Services Related to a Highway	✓	1.1 Highways and arterial roads	100
	✓/Dev. Agreements	1.2 Collector roads	100
	Dev. Agreements	1.3 Local roads	0
	✓/Dev. Agreements	1.4 Traffic signals	100
	✓/Dev. Agreements	1.5 Sidewalks and streetlights	100
	✓/Dev. Agreements	1.6 Urban Design	90
2. Other Transportation Services	✓	2.1 Transit vehicles	90
	✓	2.2 Other transit infrastructure	90
	✓	2.3 Municipal parking spaces - indoor	90
	✓	2.4 Municipal parking spaces - outdoor	90
	✓	2.5 Works Yards	100
	✓	2.6 Rolling stock <sup>1</sup>	100
	✓	2.7 Ferries	90
	N/A	2.8 Airport facilities	90
	✓	2.9 GO Transit	90
3. Storm Water Drainage and Control Services	✓/Municipal Act/Dev. Agreements	3.1 Main channels and drainage trunks	100
	✓/Dev. Agreements	3.2 Channel connections	100
	✓/Dev. Agreements	3.3 Retention/detention ponds	100
4. Fire Protection Services	✓	4.1 Fire stations	100
	✓	4.2 Fire pumpers, aerials and rescue vehicles	100
	✓	4.3 Small equipment and gear	100
5. Outdoor Recreation Services (i.e. Parks and Open Space)	Ineligible	5.1 Acquisition of land for parks, woodlots and ESAs	0
	✓	5.2 Development of local parks	90
	✓	5.3 Development of district parks	90
	✓	5.4 Development of City-wide parks	90
	✓	5.5 Development of special purpose parks	90
	✓	5.6 Parks rolling stock <sup>1</sup> and yards	90
6. Indoor Recreation Services	✓	6.1 Arenas, indoor pools, fitness facilities, community centres, etc. (including land)	90
	✓	6.2 Recreation vehicles and equipment <sup>1</sup>	90
7. Library Services	✓	7.1 Public library space (incl. furniture and equipment)	90
	✓	7.2 Library materials	90
8. Electrical Power Services	ineligible	8.1 Electrical substations	0
	ineligible	8.2 Electrical distribution system	0
	ineligible	8.3 Electrical system rolling stock <sup>1</sup>	0
9. Provision of Cultural, Entertainment and Tourism Facilities and Convention Centres	Ineligible	9.1 Cultural space (e.g. art galleries, museums and theatres)	0
	Ineligible	9.2 Tourism facilities and convention centres	0

<sup>1</sup> with 7+ year life  
free-standing computer equipment excluded throughout

CATEGORIES OF MUNICIPAL SERVICES	ELIGIBILITY FOR INCLUSION IN THE DC CALCULATION	SERVICE COMPONENTS	MAXIMUM POTENTIAL DC RECOVERY %
10. Waste Water Services	✓ ✓ Dev. Agreements ✓	10.1 Treatment plants 10.2 Sewage trunks 10.3 Local systems 10.4 Vehicles and equipment	100 100 0 100
11. Water Supply Services	✓ ✓ Dev. Agreements	11.1 Treatment plants 11.2 Distribution systems 11.3 Local systems	100 100 0
12. Waste Management Services	Ineligible  Ineligible Ineligible	12.1 Collection, transfer vehicles and equipment 12.2 Landfills and other disposal facilities 12.3 Other waste diversion facilities	0 0 0
13. Police Services	✓ ✓ ✓	13.1 Police detachments 13.2 Police rolling stock <sup>1</sup> 13.3 Small equipment and gear	100 100 100
14. Homes for the Aged	✓	14.1 Homes for the aged space	90
15. Child Care	✓	15.1 Child care space (owned or leased)	90
16. Health	✓	16.1 Health department space	90
17. Social Services	✓	17.1 Social service space	90
18. Ambulance (EMS)	✓ ✓	18.1 Ambulance station space 18.2 Vehicles <sup>1</sup>	90 90
19. Hospital Provision	Ineligible	19.1 Hospital capital contributions	0
20. Shelter and Housing	✓ ✓	20.1 Emergency Shelters 20.2 Subsidized Housing	90 90
21. Provision of Headquarters for the General Administration of Municipalities and Local Boards	Ineligible Ineligible Ineligible	20.1 Office space (all services) 20.2 Office furniture 20.3 Computer equipment	0 0 0
22. Civic Improvements	✓	22.1 Place and Route Improvements	90
23. Health	✓	23.1 Program Space	90
24. Pedestrian Infrastructure	✓	24.1 Underground Links	100
25. Other Services	✓  ✓	25.1 Studies in connection with acquiring buildings, rolling stock, materials and equipment, and improving land <sup>2</sup> and facilities, including the DC background study cost 25.2 Interest on money borrowed to pay for growth-related capital	0-100  0-100

<sup>1</sup>with a 7 year life

<sup>2</sup>same percentage as service component to which it pertains

4.3.3 The City has established general guidelines with respect to parkland dedication and engineered services, in terms of which development-related requirements are incorporated in the development charge calculation vs. being a separate and independent requirement of development agreements, over and above the payment of the development charge. Guidelines as to the City's local servicing requirements outside of development charges are set out in Appendix D.

#### **4.4 Capital Cost Estimates**

4.4.1 These estimates involve capital costing of the increased services discussed above. This entails costing actual projects or the provision of service units, depending on how each service has been addressed.

4.4.2 The capital costs include:

- a) costs to acquire land or an interest therein (including a leasehold interest);
- b) costs to improve land;
- c) costs to acquire, lease, construct or improve buildings and structures;
- d) costs to acquire, lease or improve facilities including rolling stock (with useful life of 7 or more years), furniture and equipment (other than computer equipment), materials acquired for library circulation, reference or information purposes;
- e) interest on money borrowed to pay for the above-referenced costs;
- f) costs to undertake studies in connection with the above-referenced matters;
- g) costs of the development charge background study.

4.4.3 The capital program on which the development charge calculation is based, is set out in Appendix A and is summarized in the Executive Summary.

4.4.4 In addition, the development charge background study is required to present the following cost allocation for each service involved:

- costs benefiting new development vs. existing development, with respect to costs incurred during the term of the by-law vs. the balance of the planning period. This information is provided on a project and service-specific basis in Appendix A.

4.4.5 The capital costs determined in Appendix A in accordance with s.s.5(1) of the *Development Charges Act, 1997*, reference projects as part of defining the increase in the need for service. It is anticipated that a number of such projects will evolve over time in response to the specific needs of new development. As a result, the cost, timing and nature of such projects may be altered as part of the City's annual capital budgetary process or better defined as development requirements are further detailed. It is intended that development charge draws

will be made for such projects, based on the development-related percentages which have been identified. In some instances, an allowance for unallocated improvements was made where the total capital program could not be accurately identified. This was done for roads, sewer and water services and is discussed in Appendix A.

4.4.6 Those growth-related costs specifically noted as benefiting development post-2018 are expected to be recovered from post 2018 development in subsequent years based on Council's approval of the 2008 Background Study and this recommendation which forms part of it.

## **4.5 Credits Carried Forward**

4.5.1 Section 8 para. 5 of O.Reg. 82/98 indicates that a development charge background study must set out, "The estimated value of credits that are being carried forward relating to the service." As a result, this provision should be made in the calculation, in order to avoid a funding shortfall with respect to future service needs. The City of Toronto has made agreements with respect to the following credits, which are incorporated in the calculation of the charge, for each of the services involved:

- Concord Adex (formerly Canadian Tire)      \$500,000 for East Service Road
- West Queen West Development                \$1.4 million for Sudbury Street Extension
- Tapscott Development                            \$565,443 for Sanitary Sewer  
    \$2,168,546 for Roads  
    \$390,505 for Stormwater Management

## **4.6 Eligible Debt and Committed Excess Capacity**

4.6.1 Section 66 of the DCA, 1997 states that for the purposes of developing a development charge by-law, a debt incurred with respect to an eligible service may be included as a capital cost, subject to any limitations or reductions in the Act. Similarly, s.18 of O.Reg. 82/98 indicates that debt with respect to an ineligible service may be included as a capital cost, subject to several restrictions.

4.6.2 In order for such costs to be eligible, two conditions must apply. First, they must have funded excess capacity which is able to meet service needs attributable to the anticipated development. Second, the excess capacity must be "committed," that is, either before or at the time it was created, City Council must have expressed a clear intention that it would be paid for by development charges or other similar charges. The primary focus of this development charge calculation is on capital costs to be incurred. Provision has not been fully made in the

calculation for financing costs incurred or to be incurred by the City for development charge cost components.

#### **4.7 Council's Assurance**

4.7.1 In order for an increase in need for service to be included in the DC calculation, City Council must indicate "... that it intends to ensure that such an increase in need will be met" (s.s.5(1)3). This can be done if the increase in service forms part of a Council-approved Official Plan, capital forecast or similar expression of the intention of Council (O.Reg. 82/98 s.3).

4.7.2 During the 4<sup>th</sup> Quarter of 2007, City Council and its Committees reviewed and approved the 2008 capital budget in the context of a 2009-2012 capital plan and an additional five year forecast. These capital costs reflect the masterplanning and detailed planning work that has recently been undertaken for all City services involved. Funding decisions are made with reference to project priorities, debt targets, funding backlogs and operating impacts.

4.7.3 Council approval (beyond the 2008 and prior year approvals) of the 2008-2017 capital forecast contained herein is sought as part of this development charge approval process.



## **5. DCA CALCULATION REQUIREMENTS**



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## 5. DCA CALCULATION REQUIREMENTS

### 5.1 Introduction

5.1.1 Subsection 5(1) of the DCA sets out the method that must be used to determine development charges. This method specifically calls for five different types of deductions to be made from municipal servicing costs which relate to the need for eligible services attributable to new development anticipated over the planning period. These are:

- level of service cap;
- uncommitted excess capacity;
- benefit to existing development;
- grants, subsidies and other contributions;
- the 10% statutory deduction for “soft services.”

5.1.2 Two other calculation deductions are addressed herein as being potential requirements. These are:

- post-period capacity;
- uncommitted DC reserve fund balances.

The basis for, and nature of, each of these DC calculation deductions is outlined below.

### 5.2 Growth-related Services Not Covered by Development Charges

Appendix C outlines those services which are not incorporated in the calculations herein, as a result of statutory exclusion or circumstances specific to the City of Toronto.

### 5.3 Level of Service Cap

5.3.1 Paragraph 4 of subsection 5(1) of the DCA, 1997 states that the estimate of the increase in the need for service attributable to the anticipated development, made under paragraph 2 must not include an increase that would result in the level of service exceeding the average level provided in the City over the 10 year period preceding the preparation of the background study.

5.3.2 s.s.4(3) of O.Reg. 82/98 provides for an exception, such that:

“If the average level of service determined is lower than the standard level of service required under another Act, the standard level of service required under the other Act may be deemed ... to be the average level of service.”

Section 4 of the Regulation also provides that:

- both the quantity and quality of a service shall be taken into account in determining the average level of service.
- a geographic area of the municipality may be excluded in determining the average level of service, if the service is not provided there and the area is identified in the by-law. However, the average level of service so determined, cannot exceed that which would be determined if the by-law applied to the whole municipality.

5.3.3 These level of service calculations are included in Appendix A. They are based on a variety of measures, reflecting the nature of the service involved. In most cases, these measures incorporate a quantity (inputs) level of service measure, relating to service provided per unit benefiting, e.g. floor area/capita and employee, vehicles/capita and employee, land area developed/capita and employee. The “development units benefiting” from the capital expenditures are sometimes the blended numbers of population, employees, etc.

The quality measure which is most often used is based on the cost per unit provided, e.g. the construction cost per vehicle, per square foot/metre of floor area (inclusive of site and related costs) or the cost per developed acre/hectare.

5.3.4 This approach has the advantage of enabling an increase in development (population and/or employees) to be translated directly into the additional service requirement and the cost associated therewith.

5.3.5 Variations on this theme are employed in the case of engineered services which are more highly subject to statutory and MOE controls, engineering design standards, and to costs which vary with the physical requirements of individual development and servicing circumstances.

5.3.6 In a number of cases, population plus employment was used as the denominator in the service level calculation. Employment represents one part of the non-residential requirement and further represents a surrogate for the servicing needs of customers, visitors and suppliers.

Population alone is used as the denominator in the case of services which are exclusively or almost entirely of benefit to residential development, i.e. shelters and housing, parks, recreation and libraries.

## **5.4 Uncommitted Excess Capacity**

5.4.1 Paragraph 5 of s.s.5(1) of the DCA requires a deduction from the increase in the need for service attributable to the anticipated development that can be met using the City’s “excess

capacity”, other than excess capacity which is “committed”, i.e. where Council has previously indicated a clear intention that it would be paid for by DCs or other similar charges, before or at the time it was created (s.5 of O.Reg. 82/98).

5.4.2 “Excess capacity” is undefined in the Act, but in this case must be able to meet some or all of the increase in need for service, in order to potentially represent a deduction. The deduction of “excess capacity” from the future increase in the need for service, occurs as part of the conceptual planning and feasibility work associated with justifying and sizing new facilities, e.g. if a road widening to accommodate increased traffic is not required because sufficient capacity is already available or is being provided via transit, then that widening would not be included as an increase in need, in the first instance. Another potential consideration is the relationship between the 2007 level of service (in instances where the 2007 service level is beyond the 10-year average) and the ten year historical average and/or an operational review of the capacity functioning of a particular facility.

5.4.3 Where an excess capacity deduction is required from a proposed project, provision has been made on a consolidated basis, in the infrastructure cost tables in Appendix A.

## **5.5 Benefit to Existing Development**

5.5.1 With a municipal-wide DC regime, benefit to existing development is generally established on a municipal-wide basis, without reference to the nature of the servicing gains or losses on a finer geographic basis. For example, road service level is typically measured based on the overall volume/capacity relationship or overall lane km/capita, without reference to service improvements that may be produced in some areas. This general approach has been followed in the City, with some consideration to the amount of growth in the service area for the various facilities involved, as outlined below.

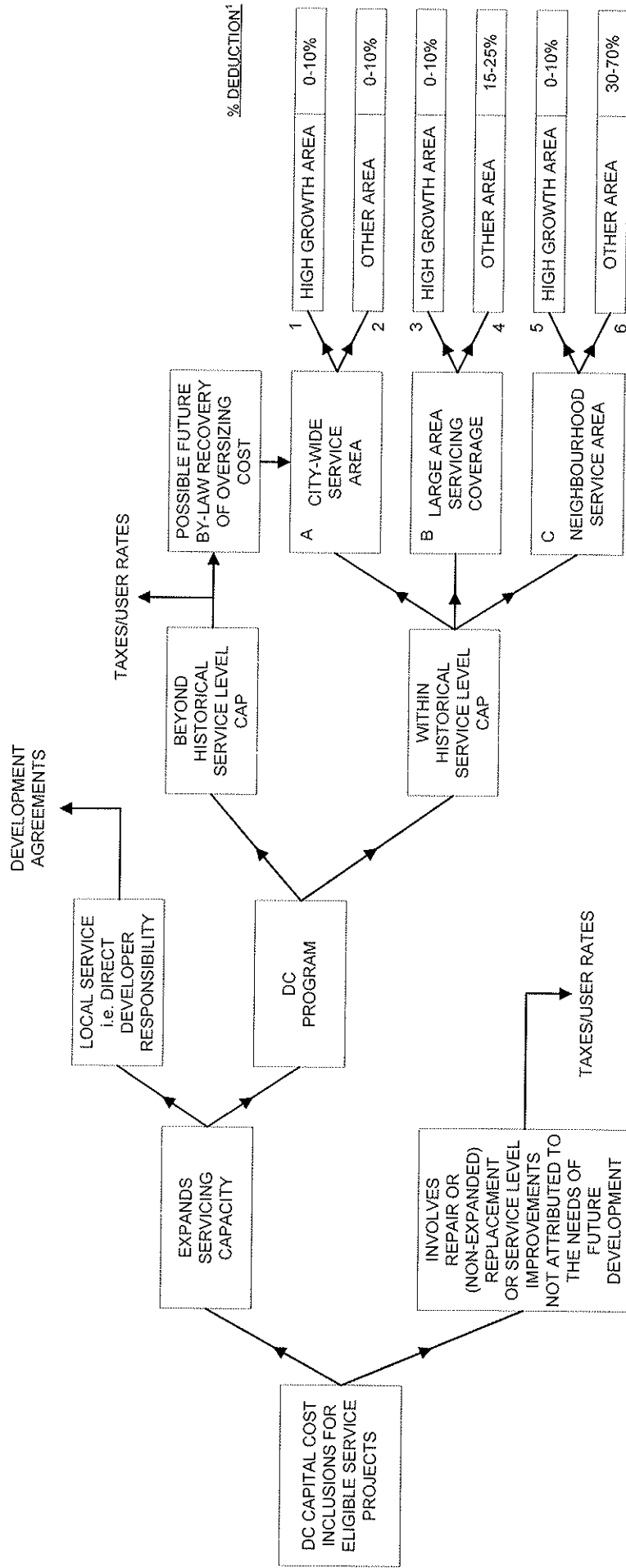
5.5.2 The following provides background rationale for the more refined methodology described schematically on the right-hand side of Figure 5-1:

### **A. *City-wide Service Area***

The facility has (virtually) a City-wide service area. For example:

- sewage treatment and water purification plant;
- the subway system;
- homeless shelters;
- City-wide parks and trails;

**FIGURE 5-1**  
**CITY OF TORONTO - 2007/2008 DC BY-LAW UPDATE**  
**BASE RATIONALE FOR BENEFIT TO EXISTING DEVELOPMENT DEDUCTIONS**  
**FOR NON-SEWER/WATER/ROADS PROJECTS**



<sup>1</sup> with consideration also given to whether the project involves a new service location vs. expansion to an existing service location.

- City-wide bus and streetcar system;
- some growth-related studies.

## **B. Large Area Servicing Coverage**

The facility serves a large portion of the City, well beyond an individual neighbourhood or planning district. For example:

- major arterial road or highway;
- major sewerage trunk, watermain or storm channel;
- ice pad facility;
- district library.

## **C. Neighbourhood Service Area**

The facility has a localized service area, largely focussing use to within a radius of a few kms or less. For example:

- neighbourhood park;
- neighbourhood library.

### **A.1. City-wide Service Area - High Growth Area**

- Includes those areas where the amount of residential and/or employment growth anticipated over the next decade (Map 5-1) is highest.
- These are the areas which will derive the highest growth-related benefit from new facilities providing service thereto. It is this consideration, together with the City's need to maintain City-wide service levels as it grows, which governs the development-related percentages which are applied.
- This is the case where the new facility is located within a High Growth Area or where its service area covers a portion of a High Growth Area (as with any City-wide facility).
- A 0-10% benefit to existing development deduction is involved. The benefit is zero where the City is simply providing more of the same sort of service already being provided. Where a case can be made for a clear instance of an existing service deficiency rectification, a deduction of 5% or 10% can be made accordingly.

However, higher deductions are required in circumstances such as the following:

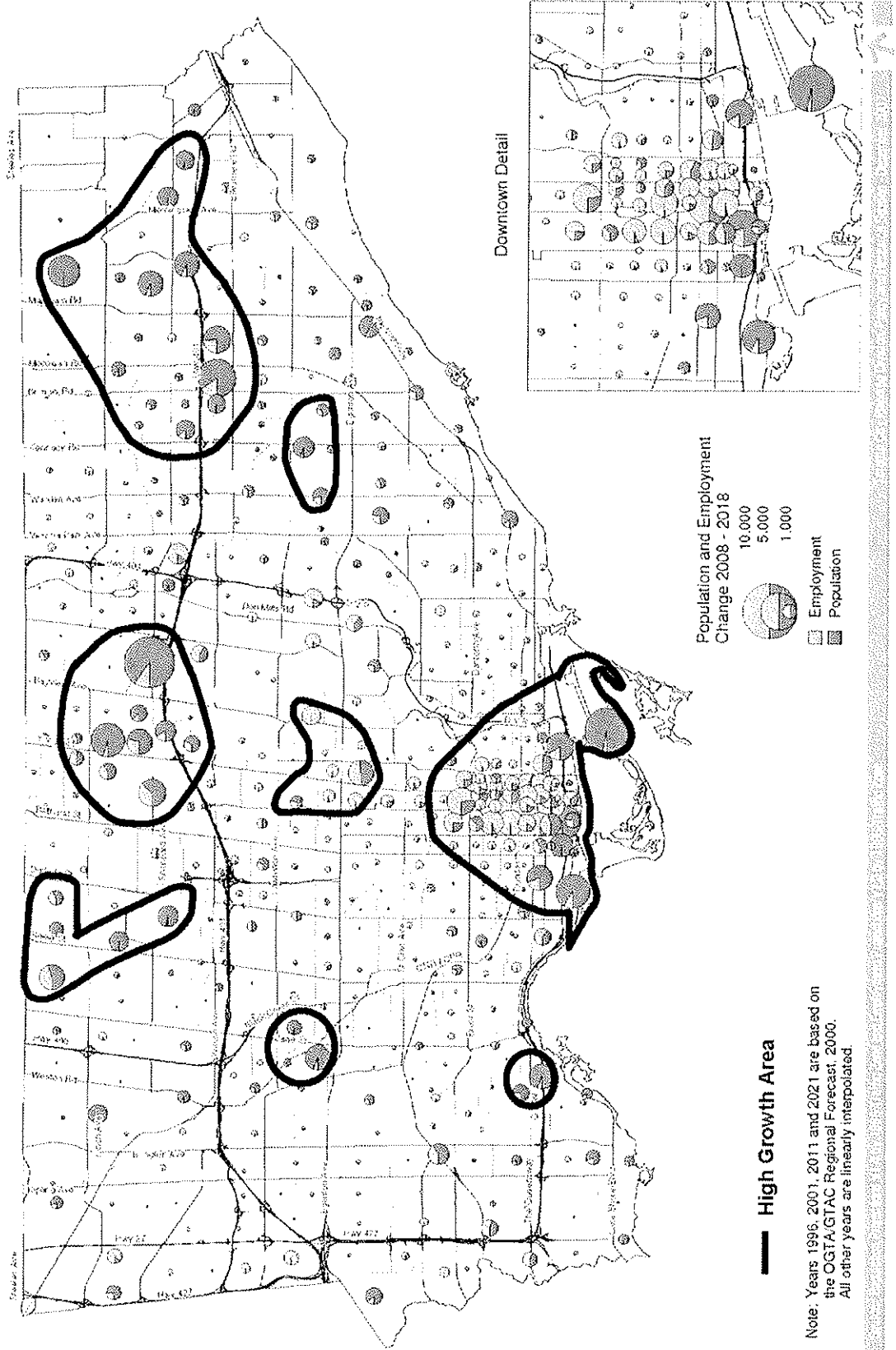
- new transit service specifically intended to significantly increase transit use from the existing population;
- treatment/purification plant improvements providing common benefits to City-wide flows – existing and growth alike.

Figure 5-2 provides additional insight into the deduction methodology used with respect to “hard services.”



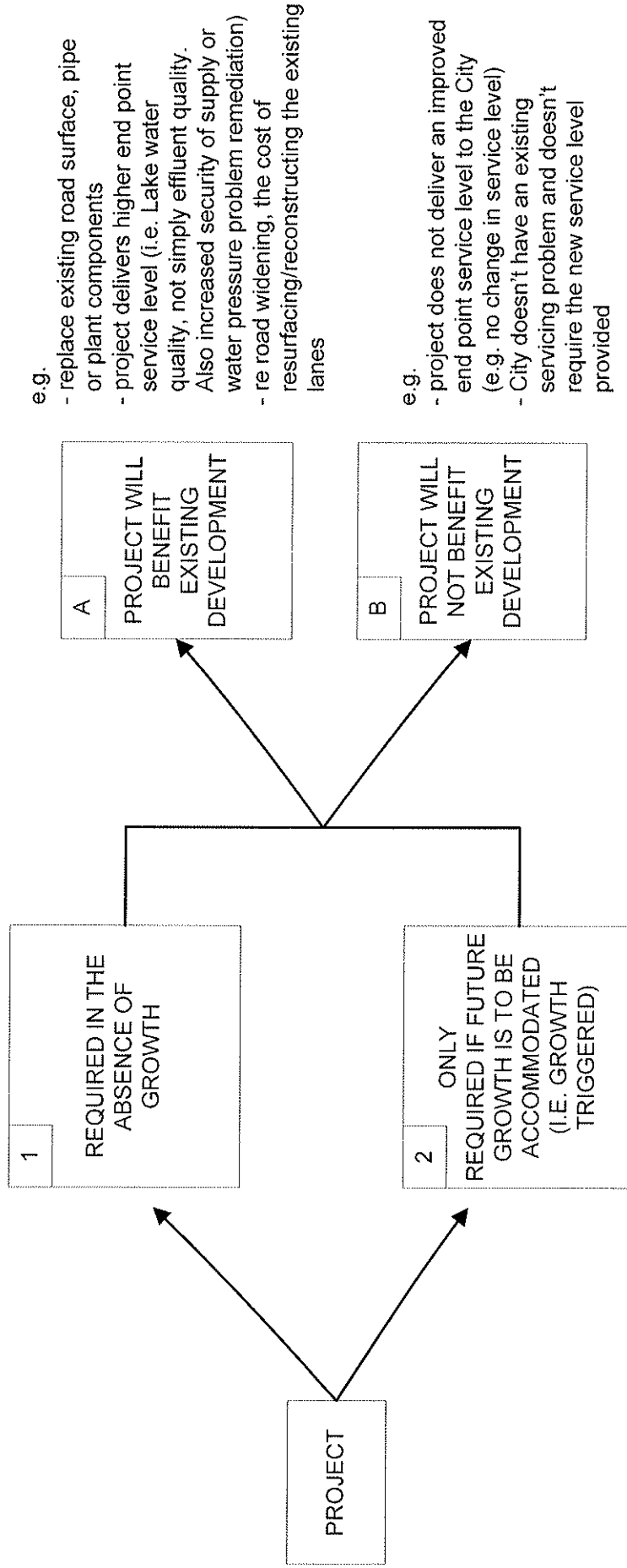
Projected Population and Employment Change 2008 - 2018

MAP 5-1





**FIGURE 5-2  
BENEFIT TO EXISTING DEVELOPMENT OPTIONS**



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#### A.2. City-wide Service Area - Other Area

- Any area not designated as a “High Growth Area” is in the “Other Area” category. Population and employment growth is involved generally throughout the City but, in some areas, at relatively low levels.
- The deduction remains at 0-10% in these areas for facilities with virtual City-wide coverage. This is because of the reduced importance of the amount of anticipated growth in the immediate vicinity of such a facility.

#### B.3. Large Area Servicing Coverage – High Growth Area

- This situation is treated in the same fashion as A.1. as the result of having broad coverage and benefit to high growth area(s).
- The deduction would typically be at the upper end of the 0-10% range, to reflect the fact that the coverage is broad, but not City-wide.

#### B.4. Large Area Servicing Coverage – Other Area

- A significantly larger benefit to existing development deduction is involved (15-25%). Its size is largely dependent upon the extent to which one or more high growth areas do fall within the large area covered and the extent to which the additional capacity serves to rectify long-standing deficiencies.

#### C.5. Neighbourhood Service Area – High Growth Area

- The deduction in this case is 0-10%. This reflects the situation with Waterfront development, for example, where the localized benefit of a number of the works is almost exclusively growth-related.
- Other high growth areas in the City include much larger quantities of existing development which, despite already being served in one form or another, will derive some benefit from additional capacity.

#### C.6. Neighbourhood Service Area – Other Area

- The benefit to existing development deduction in this case is the highest in many cases, by a wide margin. This reflects the fact that the benefit of the works involved is localized and the benefiting area is not a high growth area.
- Despite these factors, the deduction is significantly less than 100%, because:
  - The facilities involved are part of a City-wide service network that needs to be maintained generally proportionate to the number of City residents/employees. It is noted that a significant amount of new growth elsewhere in the City will

inevitably not have the benefit of being served by new neighbourhood facilities, thereby creating unmet growth needs. This negative impact is compensated for by the partial deduction in other areas where improvements are to be made, which reflects the fact that existing development in those areas receives a benefit.

- Despite the fact that the primary service area for some facilities is a neighbourhood area, it is noted that they frequently have broader “secondary” service areas (e.g. fire call back-up) which can also be expanded by growth-related servicing deficiencies in abutting areas (e.g. library and recreation facilities) and by the mobility of service users accessing municipal services from home, place of work, shopping, travel routes, etc.
- As a result, three deductions (30%, 50%, 70%) have been utilized, in order to reflect differences in these circumstances.

## **5.6 Grants, Subsidies and Other Contributions**

5.6.1 s.s.5(1)7 of the DCA requires that the capital costs must be reduced by the reductions set out in subsection (2).

s.s.5(2) states that:

“The capital costs, determined under para. 7 of subsection (1), must be reduced, in accordance with the regulations, to adjust for capital grants, subsidies and other contributions made to a municipality or that the Council of the municipality anticipates will be made in respect of the capital costs.”

5.6.2 Section 6 of O.Reg. 82/98 indicates that any such grant, subsidy or other contribution (including developer contributions) must be used to reduce the s.s.5(1)7 capital costs in the same proportion as the increase in need was reduced under s.s.5(1), para. 6, unless at the time it was made, the person making it expressed a clear intention that all or part be used to benefit existing or new development. In the latter case, a deduction to capital costs must be made, but only to the extent that the funds were intended to benefit new development.

5.6.3 Any grants, subsidies, developer and other contributions anticipated have been reflected in Appendix A, in accordance with the provisions of the Act and Regulation.

## **5.7 10% Statutory Deduction for “Soft Services”**

s.s.5(1)8 of the DCA requires that the capital cost calculation must be reduced by 10% for services other than water, sewer, storm water management, roads, fire and police.

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## 5.8 Post-period Capacity

5.8.1 This is a term and a concept which is not specifically referenced in the DCA. It refers to development-related servicing capacity which is not required by development anticipated over the City's 10-year planning period, which will clearly benefit development in a **subsequent** planning period and therefore may be (partially) funded by such development, in this case post-2018 development.

5.8.2 For example if a sewage treatment plant is specifically sized to accommodate development to 2031, then the DC recovery of an appropriate portion of that cost should be deferred, such that it is funded by the development that ultimately benefits from it. This requirement is implicit in s.s.5(1)2 of the DCA, which requires the charge to be based on "the increase in the need for service attributable to the anticipated development...", in this case development 2008-2018. However, in the case of facilities which have not been significantly oversized, with long term development need as a specific consideration, no post-period capacity deduction is provided and any cost deduction that is made is generally calculated on an incremental, rather than an average cost basis.

## 5.9 DC Reserve Fund Balances

5.9.1 There is no explicit requirement under the DCA calculation method set out in s.s.5(1) to net the outstanding reserve fund balance as part of making the DC calculation; however, s.35 does restrict the way in which the funds are used in future, i.e.

"The money in a reserve fund established for a service may be spent only for capital costs determined under paragraphs 2 to 8 of subsection 5(1)."

5.9.2 For services which are subject to a per capita-based, service level "cap," the reserve fund balance should be applied against the development-related costs for which the charge was imposed, once the project is constructed (i.e. the needs of recent, but previous, growth). This cost component is distinct from the DC-recoverable costs for the next 10 year period, which underlie the DC calculation herein.

5.9.3 The uncommitted balance of the City's DC reserve fund (as of December 31/07) for roads, water, sewerage, studies and civic improvement purposes, is to be applied against future spending requirements. Accordingly, these amounts have been netted from the calculations in Appendix B.

5.9.4 This deduction is made in the case of these services, in that the DC calculation is geared to funding a large group of development-related works that are being implemented over the long term. While these works are also broadly subject to service level caps, each DC calculation is designed to fund an appropriate share of the overall program of works, over a "moving" 10+

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year period. Previous DC collections are, in effect, applicable only to the projects they have been applied against. The calculation involves updating cost estimates and project descriptions, removing completed works and netting reserve fund balances, each time a new DC is established.

## **5.10 DC Calculation Methodology**

5.10.1 The most common method of calculating a development charge is simply to divide the net residential development-related cost by the gross increase in population. The “net” population increment has been used in this case, since the difference between net and gross population relates to the anticipated demolition of housing units which, in turn, is covered by development charge credits. Thus the City only collects for the “net” population increase. This calculation yields a development charge factor per capita for each individual service. That cost factor is then multiplied by the average occupancy for various types of new housing units in Toronto. A similar process is carried out for non-residential development, based on the net servicing cost of additional square metres of gross floor area (GFA). This is the approach used in Toronto in 1999 and 2004 and in numerous other municipalities.

5.10.2 The average cost approach implicitly assumes that DC reserve fund draws and spending needs generally correspond with average annual development charge collections, which is generally the case, although some instances of expenditure “front-end or back-end loading” may occur.



## **6. DEVELOPMENT CHARGE RULES**





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## 6. DEVELOPMENT CHARGE RULES

### 6.1 Introduction

6.1.1 s.s.5(1)9 of the DCA states that rules must be developed:

“... to determine if a development charge is payable in any particular case and to determine the amount of the charge, subject to the limitations set out in subsection 6.”

Paragraph 10 of the section goes on to state that the rules may provide for exemptions, phasing in and/or indexing of development charges.

6.1.2 s.s.5(6) establishes the following restrictions on the rules:

- the total of all DCs that would be imposed on anticipated development must not exceed the capital costs determined under 5(1) 2-8 for all services involved.
- if the rules expressly identify a type of development, they must not provide for it to pay DCs that exceed the capital costs that arise from the increase in the need for service for that type of development. However, this requirement does not relate to any particular development.

In order to address this requirement, the following conventions have been adopted:

1. Costs are allocated to residential uses (as opposed to non-residential uses) based upon a number of factors, as may be suited to the circumstances of each individual service.
  2. Costs to residential uses have been assigned to different types of residential units based on the average occupancy for each housing type constructed during the first 10-20 years of occupancy.
- if the rules provide for a type of development to have a lower development charge than is allowed, the rules for determining development charges may not provide for any resulting shortfall to be made up via other development.

6.1.3 With respect to “the rules”, Section 6 of the DCA states that a DC by-law must expressly address the matters referred to above re s.s.5(1) para. 9 and 10, as well as how the rules apply to the redevelopment of land.

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## 6.2 Redevelopment DC Reductions

### *Legislative Requirements*

6.2.1 Section 6, para. 3 of the DCA indicates that a development charge by-law must set out, "How the rules referred to in paragraph 1 [those for determining if a development charge is payable in any particular case and for determining the amount of the charge] apply to the redevelopment of land."

6.2.2 Beyond this general reference, there is no explicit requirement in the DCA for the application of a redevelopment credit or reduction in the event of demolition and replacement or use conversion. However, the Act does require that:

- uncommitted excess capacity be deducted in calculating a DC;
- the total of the DCs to be imposed cannot exceed the capital costs considered in the calculation;
- each type of development that is identified cannot be required to pay DCs that exceed the growth costs attributable to that type of development.

6.2.3 It is significant to note that s.s.5(6)2 of the Act states that:

"However it is not necessary that the amount of the development charge for a particular development be limited to the increase in capital costs, if any, that are attributable to that particular development." (underlining added)

What this means, in effect, is that if the cost of servicing a new building, built in the place of a demolished building, is reduced, as a result of the availability of existing servicing that is no longer required, then, in calculating the DC, that cost saving can be spread over all new buildings of the same type and does not have to be isolated to the benefit of the particular redevelopment site involved.

### *Existing City Policy*

6.2.4 s.s.415-7 C of By-law 547-2004 sets out the City's development charge policy with respect to redevelopment. Where a demolition permit has been issued within 36 months prior to the submission of a complete building permit application re a building or structure on the same land or a use conversion is similarly involved, the DCs otherwise payable are to be reduced as follows:

- a) in the case of residential uses being redeveloped for residential purposes, the DC will be reduced by multiplying the applicable DC in Schedule A of the by-law by the number and

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type of dwellings to be demolished or converted (to the limit of the DCs otherwise payable with respect to the redevelopment);

- b) in the case of non-residential uses redeveloped for non-residential purposes, DCs will only be imposed on any additional non-residential floor area in excess of the existing non-residential GFA to be demolished or converted;
- c) no such DC reduction provisions are available for residential redevelopment to non-residential use or for non-residential redevelopment to residential use.

### ***Standard Redevelopment DC Reduction Practice***

6.2.5 General municipal practice is to give a redevelopment reduction equal to the amount of the DC that would have been payable on the building(s) demolished as if the building was to be newly constructed and had applied for a building permit. That approach implicitly recognizes that a municipality may not have to provide servicing capacity in that amount, as it is notionally already there, but is freed up for other use, as a result of the demolition/conversion. It also implicitly assumes that any such servicing capacity release was not addressed and allowed for in the calculation of the DC.

In Toronto's case, the City has no industrial development charge and it is industrial floor area that is being extensively demolished/converted in the City. Use of this standard municipal approach in Toronto would therefore result in no DC reduction being provided for industrial and other exempt use demolitions/conversions.

### ***Policy Consideration re Non-Residential Redevelopment***

6.2.6 Toronto has policy reasons relating to the preservation and enhancement of a full range of employment opportunities, and for discouraging the substitution of new residential development for existing employment land development in many parts of the City.

As a result, there is a need to ensure that financial incentives are not being provided to such industrial redevelopment by means of a DC reduction which is beyond what is required.

### ***Toronto's Position re Non-Residential DC Redevelopment Reductions***

6.2.7 Toronto's proposed approach is summarized in Schedule 6-1 and as follows:

- a) In the case of residential demolitions (or conversions) a DC reduction is granted to the extent of the units demolished or converted;

**SCHEDULE 6-1  
SUMMARY OF CITY OF TORONTO PROPOSED POLICY RE DC REDUCTIONS UPON REDEVELOPMENT <sup>1</sup>**

Type of Redevelopment		Development Charge Applicable to the New Use <sup>2</sup>	Rationale
From	To		
1. Residential	Residential	DC <u>reduction</u> on the units demolished	The residential DC was calculated using the <u>net</u> population increase as the denominator (rather than the gross increase, which is inclusive of the population of the units eliminated)
2. Residential	Non-residential		
3. Non-residential	Residential	No DC <u>reduction</u> granted	The DC calculation was based on the servicing needs of the City-wide <u>net</u> population/employment growth and other factors.
4. Non-residential	Non-residential	DC <u>reduction</u> in the amount of the chargeable non-residential gross floor area <u>demolished</u> .	While the DC calculation was based on the servicing needs of the City-wide <u>net</u> population/employment growth, a restricted <u>reduction</u> for redevelopment to same use is proposed.

<sup>1</sup>Where a demolition permit has been issued within 36 months prior to the submission of complete building permit application re a building or structure on the same land or a use conversion.

<sup>2</sup>The amount of the reduction in DC's shall not exceed the amount of the DC otherwise payable.

- b) Where redevelopment is from a non-residential use to a residential use, no DC reduction is granted; and
- c) Where redevelopment is from a non-residential use to a non-residential use, a DC reduction is only granted in the amount of the DC-chargeable non-residential gross floor area demolished (or converted).
- d) No DC reduction is applicable in cases where no DC is sought for the development being substituted, e.g. industrial, municipal, specified hospitals and universities, places of worship, non-profit housing, TIEG projects, as well as the non-ground floor portion of non-residential development.

6.2.8 These different approaches are pursued in this matter, in order to appropriately address the differing redevelopment and DC circumstances involved in Toronto. i.e.

- a) In the case of residential demolitions, the residential DC was calculated using the net population increase as the denominator, rather than the gross increase, inclusive of the population of the units eliminated. Therefore a DC reduction is called for on demolition.
- b) No DC reduction is proposed in the case of non-residential development (with the one exception noted in c) above), because the DC calculation was based on the servicing needs of the City-wide net population/employment growth, allocated over the gross increase in non-residential floor area.

This premise is supported by the following:

- A significant portion of the City's DC has been calculated on a City-wide (or virtual City-wide) basis with respect to the servicing needs of the net increase in population and employment. For example:
  - sewage treatment and water purification plant capacity;
  - City-wide parks, trails and recreation facilities;
  - Other City-wide services such as subsidized housing, central library, development-related studies and City-wide transit service;
  - in addition, in the case of fire, EMS, police, libraries, community centres, community parkland where needs were established on a per capita basis and broad location-specific existing development deductions were made. Also, the population-related servicing capacity released in the latter categories through the demolition of industrial buildings is limited, as a result of the residential/non-residential cost split which reflects low service requirements.

These servicing requirements are unaffected by the amount, type or location of redevelopment, as all occupancy losses have already been implicitly netted in making the growth forecast and the resultant servicing calculation. All new development, whether it involves redevelopment or not, is required to pay its average cost share of this net servicing requirement, consistent with s.s.5(6)2 of the DCA. Net growth forecasts by traffic zone and small planning areas have been used for establishing service requirements.

- In many cases, the servicing capacity that is notionally released by demolition or conversion is of limited value, in that:
  - it involves infrastructure that requires upsizing and premature replacement and/or
  - servicing capacity that is largely “notional,” in that it has been largely reallocated to others because the buildings to be demolished have been underutilized for some time and/or
  - servicing capacity that cannot be shown as having the potential to actually reduce the City’s infrastructure funding requirements that form part of the DC calculation.
  
- c) In some cases, non-residential development will receive a DC reduction, where new non-residential space is being created and the floor area being demolished is DC chargeable. This policy proposal is designed to provide some relief to those particular non-residential uses that are required to pay a development charge in Toronto. Where the new use is not DC chargeable, no DC reduction is applicable. In other instances, the use being demolished is non-chargeable (e.g. industrial) and the replacement use is (e.g. retail). In those circumstances, the rationale for not granting a DC reduction is the same as noted above.

### **6.3 Use Exemptions**

6.3.1 The consideration of use exemptions which underpins the City’s current DC policy is summarized in section 2.4. The use exemptions proposed herein are largely the same as at present and are set out in s.415-6 and 7 of the proposed by-law. The proposed changes to current policy are fully outlined in the staff report to Executive Committee which addresses the DC Background Study and include:

- all non-residential uses are exempt, other than the ground floor, in addition to fully exempt non-residential uses such as industrial;
- all non-residential development qualifying under the IMIT Financial Incentives Program is exempt.

In addition, it is proposed to provide development charge relief to developments that have paid development charges and are certified by the City as having met all of the Tier 2 requirements of the Toronto GREEN Development Standard Program (or successor program).

## **6.4 Transitional Provisions**

6.4.1 In adopting By-law 547-2004, the City made three DC quantum concessions, in the interests of promoting economic development and the defensibility of the development charge, as follows:

- a) It reduced the quantum of the development charge from \$11,053 to \$9,075 per single detached unit;
- b) It phased-in the increase in the then existing charge of \$4,370 per single detached unit to \$6,723 per single detached unit five months later and to \$9,075 per single detached unit six months after that;
- c) It deferred indexing of the charge.

6.4.2 The 2008 DC by-law transitional provisions are set out in the proposed by-law, which is provided under separate cover.

## **6.5 DC Indexing**

s.s.5(1)9 of the DCA requires that rules must be developed to determine a number of things and they "... may also provide for the indexing of development charges based on the prescribed index" (s.s.5(1)10). Section 6, para. 2 requires that a DC by-law must set out an express statement indicating how, if at all, the rules provide for the indexing of development charges.

The "prescribed index" is defined in O.Reg. 82/98 s.7 as, "The Statistics Canada Quarterly, Construction Price Statistics,<sup>1</sup> catalogue number 62-007 as the index for the purposes of paragraph 10 of subsection 5(1) of the Act." s.415-11 of the City's existing DC by-law further specifies that Non-residential Building Construction Price Index (Toronto) in Catalogue 62-007-X is to be used.<sup>2</sup>

It is necessary that the City's DC be indexed if it is to be sufficient to fund the works it has been calculated to cover, as the cost of those works to be constructed in future years grows with inflation.

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<sup>1</sup> Renamed "Capital Expenditure Price Statistics."

<sup>2</sup> Renamed "Catalogue 62-007-X."

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## 6.6 City-wide vs. Area-specific Charges

6.6.1 The City of Toronto's first development charge by-law, passed in 1999, was in the form of a uniform, jurisdiction-wide charge. Several area-specific DCs previously imposed by the former municipalities (e.g. Sheppard Subway and Yonge Centre) were rescinded, with the expenditure recoveries involved, amalgamated into the uniform City-wide charge calculation.

6.6.2 Similarly, the current DC By-law, passed in 2004, was in the form of a uniform, City-wide charge. Section 4 of the Executive Summary of the April 21, 2004 DC Background Study explained the policy rationale, as follows:

4.1 Most municipalities in Ontario have established uniform, municipal-wide development charges. When area-specific charges are used, it is generally to underpin master servicing and front-end financing arrangements, particularly in the case of stormwater management, collector/minor arterial roads and/or water and sanitary feeders and related works sometimes identified in defined "greenfield" development circumstances.

4.2 The use of area-specific charges in a mature urban area is uncommon for several reasons, i.e.

- continued growth in the central area, for example, triggers the need for transportation, water and sewer processing, recreation and other needs throughout the City;
- the calculation and updating of area-specific charges in portions of a large metropolitan area is difficult;
- the City requires the full development charge contribution from all development as part of funding the substantial capital works program needed to permit growth to occur, without eroding service levels.

4.3 Notwithstanding paragraph 4.2, the Waterfront Redevelopment Area is a unique development opportunity facing the City as a result of:

- the magnitude of the development and the servicing cost involved (\$4.35 billion+);
- the cost sharing arrangements involved between three levels of government, the Waterfront Revitalization Corporation and a number of existing private owners.

4.4 As a result, this [the 2004] Background Study is proposing the use of a City-wide development charge, until such time as planning and cost-sharing arrangements for the Waterfront Redevelopment Area (Map S-1) have advanced to the point where an area-specific development charge can be considered for it. This charge would be potentially applicable to development-related costs not being funded by senior levels of government or directly by developers as a condition of their development



agreements or by the City as a benefit to existing development or for purposes of development occurring elsewhere in the City.

- 4.5 It is therefore contemplated that in 2005, or at such time as the necessary planning has been completed, the City's DC by-law may be amended in order to establish an area-specific charge for the Waterfront Redevelopment Area and possibly to establish a second DC schedule for the "Rest of the City" (the latter may or may not require an amendment to the charge to be established in 2004)."

6.6.3 As a result of the planning work needed to be done, only a limited number of Waterfront-related capital costs were included in the current (2004) development charge (e.g. Union Station platform and Front Street Extension).

6.6.4 Waterfront planning and servicing cost arrangements have now advanced to the stage where a much more complete servicing program can be included in the DC program, particularly in the case of the East Bayfront and West Don Lands precincts. A decision is required as to whether the charge is to be area-specific or part of the uniform, City-wide calculation. Three reasons supporting an area-specific charge were advanced in 2004, as part of the initial consideration of the matter. These reasons were:

- a) "...to ensure that development in that area pays a development charge specifically geared to funding some or all of the substantial infrastructure program required by that development area."
- b) "This will also ensure that the charges collected from Waterfront development...will be directly allocated to Waterfront infrastructure projects."
- c) "It will also enable a higher proportion of DC-funding to be directed toward Waterfront projects, because of the reduced benefit to existing development attribution, compared to the rest of the City." (p.6-12)

6.6.5 Based on further consideration of these matters in terms of the specifics of the Waterfront servicing program which have emerged, it is concluded that continued use of a uniform, City-wide development charge (uniformly embracing the Waterfront and the rest of the City) is the preferred approach. The reasons for this position in terms of the three objectives noted above, are as follows:

- a) While some of the Waterfront servicing needs are specifically referable to that area alone, other needs also benefit growth elsewhere in the City and are difficult to segregate between the two geographic areas. Also, since its creation, the City has applied development charges uniformly, without varying them in an attempt to account for geographically-based servicing cost differences. This is the most widely-used municipal approach in Ontario and beyond, and the one proposed for continued use in Toronto.

- b) Waterfront DC collections can be earmarked and exclusively directed toward the funding of Waterfront infrastructure projects; however, it may be more prudent to leave the City with full discretion as to the way in which it prioritizes development-related needs and DC reserve fund draws.
- c) In this Background Study, Waterfront infrastructure projects have been shown as part of a separate sub-heading under each individual service which is directly applicable to the Waterfront. In doing so, appropriately (low) benefit to existing development deductions have been made. However, in cases where the City's capital forecast takes it beyond the 10-year service level cap under the DCA (e.g. Parks and Recreation), Waterfront DC project inclusions have been scaled back or eliminated, as they are to be significantly funded from other sources.

## 7. IMPLEMENTATION



## 7. IMPLEMENTATION

### 7.1 The By-law Adoption Process

7.1.1 The City's proposed DC by-law is provided under separate cover.

7.1.2 Section 12 of the DCA, 1997 indicates that before passing a development charge by-law, Council must hold at least one public meeting, giving at least 20 clear days' notice thereof, in accordance with the Regulation. Council must also ensure that the proposed by-law and background study are made available to the public at least two weeks prior to the (first) meeting. Any person who attends such a meeting may make representations related to the proposed by-law.

7.1.3 If a proposed by-law is changed following such a meeting, the Council must determine whether a further public meeting is necessary (i.e. if the proposed by-law which is proposed for adoption has been changed in any respect, the Council should formally consider whether an additional public meeting is required, incorporating this determination as part of the final by-law or associated resolution. It is noted that Council's decision, once made, is final and not subject to review by a Court or the OMB.

7.1.4 The primary consultation sessions involved with the City's 2008 development charge process are referenced below. Detailed questions posed by the Industry between items 7 and 8 were answered by the City.

Date	Representation
1 January 11, 2008	Toronto Board of Trade
2 January 16, 2008	Building, Industry and Land Development Association
3 January 31, 2008	Development Industry and Business Association Representatives <sup>1</sup>
4 February 25, 2008	Ward 25 Ratepayers
5 March 28, 2008	Development Industry and Business Association Representatives <sup>1</sup>
6 March 31, 2008	IBI Group and Watson & Associates Economists Ltd. – Technical Discussions
7 April 24, 2008	Development Industry and Business Association Representatives <sup>1</sup>
8 Scheduled for October 23, 2008	Development Industry and Business Association Representatives <sup>1</sup>

<sup>1</sup> Toronto Board of Trade; Building, Industry and Land Development Association; Real Property Association of Canada; Toronto Real Estate Board

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## **7.2 Long Term Capital and Operating Cost Examination**

7.2.1 Subsection 10(2)(c) of the Act requires that a DC Background Study include an examination for each service to which the development charge by-law would relate, of the long term capital and operating costs for capital infrastructure required for the service.

7.2.2 One standard that could be used in scrutinizing the above-referenced costs is the current level of operating costs per capita. Another more detailed standard that goes beyond the specific requirements of the Act would be the anticipated impact on user rate levels, as determined by the application of a full fiscal impact model.

7.2.3 The revenue to be generated by the DC by-law during its life of up to five years, will be determined by the quantum of the charge, the amount and type of development occurring and the impact of the rules regarding exemptions, phasing in, indexing, land redevelopment, etc. The net stream of revenue which results, will determine the rate at which the City is able to construct the works which underlie the development charge. Consideration of these revenue streams would normally occur as part of the City's annual Capital Budget and Forecasting process. Appendix E contains Toronto's Long Term Capital and Operating Cost examination.

## **7.3 Potential Economic Impact on Development**

7.3.1 One of the important considerations in the circumstance where a significant increase is proposed in the development charge, is the potential economic impact that such an increase may have upon the City's future residential and non-residential development prospects.

7.3.2 Appendix F presents a summary of the material which was previously prepared to address this issue. Additional discussion is included in the staff report being issued with the Background Study.

## **7.4 By-law Implementation**

7.4.1 Once the City has calculated the charge, prepared the complete Background Study, carried out the public process and passed a new by-law, the emphasis shifts to implementation matters. These include transitional arrangements, notices, potential appeals and complaints, credits, front-ending agreements, subdivision agreement conditions and finally the collection of revenues and funding of projects. The following section overviews requirements in each case.

7.4.2 In accordance with s.13 of the DCA, when a DC by-law is passed, the municipal clerk shall give written notice of the passing and of the last day for appealing the by-law (the day that is 40 days after the day it was passed). Such notice must be given no later than 20 days after

the day the by-law is passed (i.e. as of the day of newspaper publication and the mailing of the notices).

Section 10 of O.Reg. 82/98 further defines the notice requirements, which are summarized as follows:

- Notice may be given by publication in a newspaper, which is (in the Clerk's opinion) of sufficient circulation to give the public reasonable notice, or by personal service, fax or mail to every owner of land in the area to which the by-law relates;
- s.s.10(4) lists the persons/organizations who must individually be given notice;
- s.s.10(5) lists the eight items which the notice must cover.

7.4.3 In addition to the "notice" information, the City must prepare a "pamphlet" explaining each development charge by-law in force, setting out:

- a description of the general purpose of the development charges;
- the "rules" for determining if a charge is payable in a particular case and for determining the amount of the charge;
- the services to which the development charge relates; and
- a general description of the general purpose of the Treasurer's statement and where it may be received by the public.

Where a by-law is not appealed to the OMB, the pamphlet must be readied within 60 days after the by-law comes into force. Later dates apply to appealed by-laws.

The City must give one copy of the most recent pamphlet without charge, to any person who requests one.

7.4.4 Sections 13-19 of the DCA, 1997 set out requirements relative to the making and processing of a DC by-law appeal and OMB Hearing in response to an appeal. Any person or organization may appeal a DC by-law to the OMB by filing with the municipal clerk a notice of appeal, setting out the objection to the by-law and the reasons supporting the objection. This must be done by the last day for appealing the by-law, which is 40 days after the by-law is passed.

7.4.5 A person required to pay a development charge, or his agent, may complain to City Council imposing the charge that:

- the amount of the charge was incorrectly determined;
- the credit to be used against the development charge was incorrectly determined; or
- there was an error in the application of the development charge.

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Sections 20-25 of the DCA, 1997 set out the requirements that exist, including the fact that a complaint may not be made later than 90 days after a DC (or any part of it) is payable. A complainant may appeal the decision of City Council to the OMB.

7.4.6 The City and one or more landowners may enter into a front-ending agreement, which provides for the costs of a project, which will benefit an area in the municipality to which the DC by-law applies. Such an agreement can provide for the costs to be borne by one or more parties to the agreement who are, in turn, reimbursed in future, by persons who develop land defined in the agreement. Part III of the DCA, 1997 (Sections 44-57) addresses front-ending agreements.

7.4.7 Section 59 of the DCA, 1997 prevents a municipality from imposing directly or indirectly, a charge related to development or a requirement to construct a service related to development, by way of a condition or agreement under s.51 or s.53 of the *Planning Act*, except for:

“local services, related to a plan of subdivision or within the area to which the plan related, to be installed or paid for by the owner as a condition of approval under section 51 of the *Planning Act*,”

“local services to be installed or paid for by the owner as a condition of approval under Section 53 of the *Planning Act*.”

Appendix D sets out the City’s “Guidelines re Landowner Emplacement of Local Services Under Development Agreements.”

7.4.8 It is also noted that s.s.59(4) of the DCA, 1997 requires that the City use its *Planning Act* power to impose conditions to ensure that the first purchaser of newly subdivided land is informed of all the development charges related to the development, at the time the land is transferred.



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# APPENDIX A

## DEVELOPMENT CHARGE RECOVERABLE COST

### CALCULATIONS

### Contents

	<u>Page</u>
A-1 Spadina Subway Extension	90.
A-2 Transit (Balance)	97.
A-3 Roads and Related	106.
A-4 Water	112.
A-5 Sanitary Sewer	122.
A-6 Storm Water Management	131.
A-7 Parks and Recreation	136.
A-8 Library	149.
A-9 Subsidized Housing	157.
A-10 Police	163.
A-11 Fire	168.
A-12 EMS	175.
A-13 Development-related Studies	181.
A-14 Civic Improvements	186.
A-15 Child Care	190.
A-16 Health	195.
A-17 Waterfront	200.
A-18 Pedestrian Infrastructure	213.



## **A-1 SPADINA SUBWAY EXTENSION**



## A-1 SPADINA SUBWAY EXTENSION

### A-1.1 Project Description

A-1.1.1 The Spadina Subway Extension (Toronto-York Subway Extension) project involves extension of the Spadina subway from the Downsview station to the Vaughan Corporate Centre. The current project cost is estimated at \$2.634 billion in nominal dollar terms (\$2.09 Billion 2006 \$), allocated as follows:

Jurisdiction	\$ Share Nominal Millions
Provincial	\$870
Federal	697
Interest Earnings	189
Municipal	
• Toronto (59.96%)	526.3
• York (40.04%)	351.4
Total	\$2,634

The Toronto/York sharing percentages were arrived at by negotiation between the two jurisdictions. Considerations included operating cost responsibilities as well as capital requirements.

A-1.1.2 The extension “opening year” is expected to be 2015. Travel demand forecasts have been carried out to 2031, which is considered to represent full usage of the extension.

A-1.1.3 Stations forming part of the project include the Vaughan Corporate Centre and Highway 407/Jane in York Region and Steeles West, York University, Keele/Finch and Sheppard West in Toronto.

### A-1.2 Level of Service

Section 1.2.4 of Chapter 1 sets out the legislative change introduced in 2007, which essentially served to remove the ten year historical service level cap for the Spadina Subway Extension. The permissible increase in the need for service is the “planned level of service,” i.e. complete construction.

### A-1.3 Benefit to Existing Development

A-1.3.1 The City has produced population and employment growth forecasts for traffic zones encompassing the Spadina Subway Extension corridor. This corridor is generally bounded by Steeles (N), Wilson (S), Jane (W) and Dufferin (E) and is made up of 26 traffic zones, which extend beyond the area in Toronto within 500 metres of the proposed new subway stations.

A-1.3.2 Two growth scenarios were produced for this corridor.

The first is the Base Land Use Scenario, which is based on forecasts which reflect the City's Official Plan. This forecast is as follows:

	2001	2021	2001-2021 Growth	
				% Increase
<u>Population</u>				
Toronto	87,550	97,950	10,400	11.9
York	8,150	13,850	5,700	69.9
<u>Employment</u>				
Toronto	54,300	60,250	5,950	11.0
York	47,950	54,950	7,000	14.6

A-1.3.3 The second forecast is the Policy Land Use Scenario. This scenario assumed a target density for development in the vicinity of potential future subway stations (other than in the case of the York University station). This density was 100 persons per hectare within a 500 metre radius of a rapid transit station. At densities below 100, the success of rapid transit cannot be assumed and the operational performance of a line may not be affordable. Population and employment quantities and splits were estimated, based on experience in the vicinity of comparable existing subway stations in the City.

In addition, a study is underway to assess development potential beyond that level, as well as additional development opportunities for York University. This is being accomplished via the update of two secondary plans – York University and Downsview Area. The Policy Land Use scenario (for traffic zones within the subway corridor) is as follows:

	2001	2021	2031	2001-21 Growth	
					% Increase
<u>Population</u>					
Toronto	87,550	124,700	143,300	37,150	42.4
York	8,200	24,800	29,900	16,600	202.4
<u>Employment</u>					
Toronto	54,950	62,600	65,000	7,650	13.9
York	48,000	65,500	67,700	17,500	36.5

A-1.3.4 As documented in the Toronto Spadina Extension EA, traffic conditions throughout the Study Area are poor, with high delays and high volume to capacity ratios, particularly at Steeles Avenue and at most major intersections during both AM and PM peak periods. As well as affecting auto travel, this congestion also affects the ability of public transit vehicles to provide surface service.

A-1.3.5 York University represents an important element of Toronto's current need for a subway extension. Between 2004 and 2021, student enrolment is expected to increase marginally from 50,000 to 52,000, with employment remaining constant at approximately 5,300.

A-1.3.6 The forecast of AM peak period subway ridership on the subway extension is 23,500 in 2015 (85,900 daily). Ridership by mid 2018 (the end of the 2008 DC planning period) at 2.7% increase per year is estimated at 25,500. Peak period subway ridership by 2021 is estimated at 28,400 and 37,000 by 2031 (2021 + 30%).

A-1.3.7 The subway ridership for the 2021 Base Land Use projections referenced above in para A-1.3.2, were adjusted to account for differences between the Official Plan land use vs. the Policy Land Use, student travel to York U and changes to surface transit services among the stations, resulting in the following increments (within a 500 m station radius):

<b>Station</b>	<b>Additional Population</b>	<b>Additional Employment</b>	<b>Additional Boardings + Alightings</b>
Sheppard West	4,300	700	1,070
Finch West	2,600	600	640
York U	1,100	-	n/a
Steeles West	900	900	252
<b>Total</b>	<b>8,900</b>	<b>2,200</b>	<b>1,962</b>

A-1.3.8 The benefit to existing development in Toronto that the subway extension will produce is the result of the fact that some of those currently travelling within the subway corridor by auto or surface transit, will choose to travel by subway. These trips represent the majority of the 25,650 peak period trips that the subway extension is expected to accommodate by mid 2018 and indicate that a clear benefit to existing development is involved, in terms of receiving an elevated level of transportation service. This subway usage will also create more road and surface transit capacity to accommodate growth in the subject corridor. In addition to that development-related transportation "capacity-release," development-related trips include:

- those in York Region travelling on the subway extension to newly-created jobs, institutions, retail shops or events in Toronto;

- new residents in the study area travelling on the subway extension to similar destinations (new or existing) in Toronto or York Region;
- new residents elsewhere in Toronto travelling on the subway extension to similar destinations (new or existing) in the study area or in York Region.

A-1.3.9 A second perspective is that, absent the growth anticipated in the study area, existing roads and surface transit will continue to function at their current level of service. Much of the benefit of the subway extension relates to accommodating the needs of growth, in and through the area, which would otherwise be less feasible. As a result, the importance weight of the benefit produced by the extension, per new passenger, is somewhat higher than the benefit per existing passenger (who already has a transportation service level albeit lower).

A-1.3.10 Further, when the project is assessed in terms of benefit to the existing development methodology set out in Chapter 5, it is highly growth-related, i.e. the study area is expected to be “High Growth” at levels anticipated up to those of the Policy Land Use Scenario. In addition, the subway extension is part of an integrated City-wide subway network, providing benefit to those across the City. It is necessary for the City to continue expanding this subway network as it grows, in order to maintain an adequate overall transportation level of service.

Based on this methodology, the project is 90% development-related and involves a 10% benefit to existing development. Under normal circumstances, this would constitute the cost sharing allocation to be used for DC calculation purposes; however, the subway extension is a large special purpose project and a dual approach has been applied to the deduction as a result.

Based on the approach discussed in para A-1.3.8 (capacity released for growth to use, as well as purely growth-related trips with extra weighting as to significance) the split is in the order of 30:70 (growth:non-growth). In this regard, it is noted that the Policy Land Use scenario population growth of 55,750 (143,300 less 87,550) persons for 30 years is equal to 39% of the 2031 total corridor population (plus a smaller amount of employment growth).

The mid-point between the two approaches (30:70 and 90:10) is 60:40 (growth:non-growth) and this split has been adopted as part of the 2008 DC calculation.

## **A-1.4 Post Period/Excess Capacity**

A-1.4.1 The Spadina Subway Extension is planned to commence service in 2015 and is expected to tangibly grow in ridership until 2031, by 11% from 2018 to 2021 and approximately 30% 2021-2031.



A-1.4.2 As a result, approximately 40% of the cost (less on an incremental cost basis) should be reserved for development charge recovery from subsequent development charge by-laws which will increasingly cover benefits post 2018.

## **A-1.5 Grants, Subsidies and Other Contributions**

A-1.5.1 It is assumed that two-thirds of the Subway Extension capital cost will be funded by the Provincial and Federal Governments combined. It is also assumed that the percentage of overall funding provided by the Provincial and Federal governments will be greater in the early project years, with the municipal portion increasing in the later years.

As a result, two-thirds of the anticipated cost has been netted out at the front end of the calculation, such that the DC calculation works only with net City share costs.

It is further assumed that 60% of the net municipal cost is borne by Toronto, yielding a net 2008 cost of \$526,248,000.

## **A-1.6 10% Statutory Deduction**

A-1.6.1 A 10% statutory deduction was not applicable to this project pursuant to the legislation described in para. 1.2.4.

## **A-1.7 Residential vs. Non-Residential Split**

A-1.7.1 Over the next decade, on a City-wide basis, the City's population is expected to increase by 130,579 persons and its workforce by 121,597 persons, for a residential:non-residential split of 52:48.

A-1.7.2 2021 total development in Toronto's Subway Extension Study Area has a res:non-res split of 66:34 under the Policy Land Use Scenario. The incremental split (2001-21) is 83:17.

A-1.7.3 In York Region's subway catchment area, the res:non-res split in 2021 is 27:73, which implies a potentially higher level of Toronto residential ridership (travelling to jobs in York Region) and a lower level of Toronto non-residential ridership.

A-1.7.4 The City-wide res:non-res split of 52:48 which is used for a number of other services, has been modified to recognize the importance of extension usage within its immediate service area (66:34) including significant usage by York Region residents to (new) non-residential destinations in Toronto. Assigning approximately equal weight to the City-wide vs. localized growth splits results in an overall res:non-res split for the project of 60:40.

INFRASTRUCTURE COSTS COVERED IN THE DC CALCULATION  
City of Toronto

MUNICIPALITY:

SERVICE: Spadina Subway Extension

a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
Capitol Project No.	Project Name / Increased Service Needs Attributable to Anticipated Development 2008-2017	Sub-project Name	Timing	Gross Capital Cost Est.	Ineligible re: Level of Service	Eligible Increase in Need	Benefit to Existing Development	Less: Grants, Subsidies & Other Contributions Attrib. to New Development	Post Period Capacity	Less: Other (e.g. 10% Statutory Deduction)	Net Costs Benefiting New Development	Potential DC Recoverable Cost Residential Share	Potential DC Recoverable Cost Non-Residential Share	% of Gross Cost
	Spadina Subway Extension (net cost 2008\$)		2008-15 <sup>1</sup>	473,623,200 <sup>2</sup>	-	473,623,200	189,449,280	N/A	113,869,568	N/A	170,504,352	102,302,611	68,201,741	36%
	Total Estimated Capital Cost			\$ 473,623,200	\$ -	\$ 473,623,200	\$ 189,449,280	\$ -	\$ 113,869,568	\$ -	\$ 170,504,352	\$ 102,302,611	\$ 68,201,741	36%

<sup>1</sup> 63% pre-2013 and 37% 2013-17

<sup>2</sup> \$526,246,000 (nominal \$) x 0.9 = \$473,623,200 (2008 \$)

## A-2 TRANSIT (BALANCE)



## A-2 TRANSIT (BALANCE)

### A-2.1 Project Description

TTC's 10-year growth-related capital program consists of the following components:

- a) Bus Fleet Expansion – The bus fleet expansion requirement has been reduced from 342 vehicles to 6 growth buses, because buses will no longer be required on routes where Transit City streetcars will run. The average cost per bus is \$772,000, for a total cost of \$4,632,000.
- b) Subway Fleet Expansion – Between 2007 and 2010, TTC's total subway fleet is to increase by 54 cars (to 732), with that fleet size maintained to 2017. This includes provision for additional cars to facilitate line expansion and reduced headway operation associated with ATC resignalling, thereby augmenting capacity. The cost of an additional subway car is estimated at \$3.0 million (\$162 million for the fleet expansion). \$342 million replacement of the existing signal system with up-to-date signalling equipment and automatic train control will permit closer headways and a significant increase in carrying capacity (25% of this cost was included in the calculation). Coupled with this program, the Toronto Rocket (TR) trains are able to carry 10-13% more riders per train than the current trains.

In order to accommodate the additional train sets, \$70 million in track and upgrades to the Wilson maintenance facilities will be required.

- c) Streetcar Fleet Plan – The base cost of a new low-floor, fully accessible articulated Light Rail Vehicle (LRV) is expected to be \$5.0 million per unit.

Total fleet requirements are to increase from 244 in 2007 to 273 units in 2012, an increase of 29, at a cost of \$145 million (2007 \$).

- d) Scarborough RT Plan – The Scarborough RT Strategic Plan (Aug/06) recommended a \$221.3 million project (updated cost increased from \$204.1) involving upgrading to accommodate 36 larger vehicles (Mark II), so as to provide increased service capacity and provide early replacement of the existing fleet of 28 Mark I cars. This was found to be the most cost effective means of meeting future passenger demand in the corridor.

In order to accommodate these larger cars, the existing SRT yard carhouse will require modification, as well as curve adjustment, modifying the ROW and relocating the SRT platform at the Kennedy Station. The estimated buildings and structures cost is \$236.7 million. One-third of this program is growth-related 2009-2031 and approximately half relates to development needs of the next decade.

- e) Sheppard Subway Cost Recovery – The Sheppard subway was constructed early in this decade and opened in 2002. The subway provides “committed excess capacity” which is sufficient to accommodate some of the needs of new development in Toronto post-2002. The City indicated that the development-related portion was to be development charge funded, as part of including the project in its 1999 and 2004 development charge calculations. The net cost of the project to the City, after Provincial grants, was estimated at approximately \$384 million (indexed to \$445.4 million in 2004), which was largely debt funded. 18% of the cost was attributed to existing development (in 1999), 9%, to growth 1999-2009, and the remaining 73%, to post-2009 growth.
- f) Union Station Second Platform<sup>1</sup> – This \$89.3 million project (2004 cost) (\$40 million City share) involves the construction of a second platform at the TTC Union Station on the north side of the rails. Design is underway, funded by the W.R.C. The project will alleviate current overcrowding, significantly increase passenger boarding capacity, significantly reduce station dwell time for trains, thereby contributing to overall subway service.
- g) Waterfront Toronto<sup>1</sup> – The West Don Lands Precinct Plan calls for an LRT route to be constructed by 2010, at a 2004 cost of \$19.1 million (\$7.4 million City share). Similarly, the East Bayfront Precinct Plan calls for an LRT route to be constructed by 2014, at a 2004 cost of \$116 million (\$60.9 million City share).
- h) Transit City-Light Rail Plan – The “Toronto Transit City-Light Rail Plan” calls for the development of a network of electric light-rail lines across Toronto. Light rail costs a fraction of what it costs to build subways and offers significant environmental and City-building advantages.

The plan is “high level,” in that it has not yet undergone environmental assessment or detailed engineering work. However, the corridors selected have been widely discussed as part of the Official Plan public consultation process. Table A-2-1 indicates that the total cost of the program was estimated at \$6.1 billion (now \$8.3 billion, including realistic vehicle requirements and necessary maintenance/storage requirements).

No development charge funding is proposed for this Light Rail Plan at this time, as it is understood that full funding is to be provided by the Province (two-thirds share) and Federal Government (one-third share).

<sup>1</sup> 2004 \$ costs have been used for Waterfront transit projects in order to properly align with City funding arrangements which relate back to the City's \$500 million contribution.

Table A-2-1

<b>Toronto Transit City -- Light Rail Plan</b>					
<b>Corridors and preliminary estimated costs and ridership</b>					
<b>Corridor</b>	<b>Terminals (preliminary)</b>	<b>Length, one-way, km</b>	<b>Estimated cost, millions, includes vehicles</b>	<b>Existing corridor ridership, per year, millions</b>	<b>Projected ridership in 2021, per year, millions</b>
Don Mills	Steeles Ave– Bloor-Danforth Subway	17.6	\$675	13.7	21.2
Eglinton Crosstown	Kennedy Stn– Pearson Airport	30.8	\$2200	19.0	52.8
Etobicoke-Finch West	Yonge St– Highway 27	17.9	\$835	11.3	24.6
Jane	Steeles West Stn– Jane Stn	16.5	\$630	11.9	24.0
Scarborough Malvern	Kennedy Stn– Malvern/Morningside	15.0	\$630	9.6	14.1
Sheppard East	Don Mills Stn– Morningside Ave	13.6	\$555	10.0	16.5
Waterfront West	Union Stn/Exhibition– Long Branch	11.0	\$540	5.2	20.8

- i) Other – TTC's capital budget contains a number of other projects which have not been referenced herein, as the program already covered is the most clearly development-related and has fully utilized transit's ten year service level cap applicable under the DCA.

## A-2.2 Level of Service

The table below establishes the transit level of service cap for Toronto, combining the value of all of the numerous ways in which transit service is delivered, and based upon standard replacement cost methodology (insured values and land cost estimates).

Toronto Transit Current Service Level Calculation		2007 Replacement Cost Millions \$
<b>1. Infrastructure</b>		
1.1 <u>Subway/SRT/Streetcar</u>		10,245
1.1.1	68.3 km of 2-way Subway track and associated stations and works (at \$150 million per km) <sup>1</sup>	
1.1.2	280,000 double track feet (DTF) and 80 Special Track layouts along with streetcar overhead and pole systems	
1.1.3	Traction power feeder and distribution systems comprised of 56 substations, 32 breaker rooms and 500 cable chambers and 80 km of traction power cables for the supply of traction and AC power	
1.1.4	Communication systems	
1.1.5	Subway and SRT signal control systems	
1.1.6	70 Subway and SRT stations with integrated bus terminal facilities	
1.1.7	Bridges and tunnel structures comprised of 103 bridges/166 retaining walls/68 stations/359 miscellaneous structures/74 km of running structures/1,056 special beam spans	
1.2 <u>Other</u>		859
1.2.1	8 garages and 6 carhouses	
1.2.2	4 heavy maintenance shops and 4 yards	
1.2.3	10 divisions and 5 administrative buildings	
1.2.4	29 commuter parking lots with 14,119 spaces	
1.2.5	Transit traffic signal equipped intersections and vehicles	

<sup>1</sup> Sheppard Subway \$968,856,000 ÷ 6.4 km = \$151,383,750/km (rounded to \$150 million/km), excludes New Maintenance Facility (Wilson and Davisville).



<b>Toronto Transit Current Service Level Calculation</b>		<b>2007 Replacement Cost Millions \$</b>
<b>2.</b>	<b>Vehicles and Equipment</b>	
2.1.	1,603 conventional buses	831
2.2	144 wheel trans buses	
2.3	248 streetcars (CLRV and ALRV)	39
2.4	678 subway cars	939
2.5	28 SRT cars	2,009
2.6	67 rail non revenue vehicle workcars	117
2.7	397 automotive non-revenue vehicles including: 66 sedans, 188 light trucks and vans, 29 medium duty trucks, 60 heavy duty trucks, 15 swingloaders and front end loaders and 39 trailers	75
2.8	Shop and maintenance equipment	36
2.9	Revenue and fare handling equipment	222
<b>3.</b>	<b>Land</b>	<b>300</b>
	<b>Total</b>	<b>\$15,672</b>
	<b>Plus 6% inflation to 2008 values</b>	<b>\$16,612</b>

When this replacement value estimate is related to the City's 2007 population and employment of 4,193,457 population equivalent (2,643,097 population + 1,550,360 employment), the replacement cost per population equivalent, is \$3,962. Data on the TTC asset base in 1998/99 and 2002/03, indicate similar per capita service levels in 2007 \$.

Mississauga, Oakville, Durham and Toronto have applied a second component to measure level of service (in addition to cost per population/employment) and that is a measure that serves to adjust the service level to account for the deterioration of surface transit service due to road congestion over time. That is, as roads become more congested as a result of future growth, and travel times diminish, more buses are required in order to maintain the same headways. In order to be conservative, such an adjustment has not been incorporated, as the majority of the City's transit service level uses a dedicated ROW.

When this service level is multiplied by the anticipated ten year increment in population and employment, the service level cap for transit is  $\$3,962 \times 252,176 = \$999,121,000$ .

The way in which the City's transit program has been applied against this cap, is as follows:

	Millions \$
<u>Fleet Expansions</u>	
• Bus	\$4.6
• Subway	247.5
• Streetcar	<u>145.0</u>
• Sub Total	397.1
<u>Waterfront</u>	
• Union Station	89.3
• West Don Lands LRT	19.1
• East Bayfront LRT	<u>116.0</u>
• Sub Total	224.4
	} 2004 \$
<u>Sheppard Subway Oversizing Recovery</u>	86.9
<u>Scarborough SRT Vehicles and Related</u>	153.0
Vehicle maintenance facilities and related requirements, incl. Wilson complex (\$101 million) and Central Replacement and Maintenance Facility (\$345 million) which will accommodate additional Transit City streetcars	137.7 (residual)
Total	999.1

These costs represent the increase in the need for service (partially) attributable to the anticipated development.

### A-2.3 Benefit to Existing Development

The benefit to existing development deduction was based on the principles illustrated in Figure 5-1 and discussed in Chapter 5. The transit service is an integrated City-wide service and the vehicles and related support facilities involved are either part of major "spine" services or are mobile enough to be assigned to high growth, increased need, areas. The cost of these expansions is within the overall transit service level cap. This additional capacity is required in order to accommodate the travel needs of new residential and non-residential development anticipated to occur throughout the City, 2008-18. As with virtually any service, new growth users will use both existing and new vehicles, as will existing users; however, new growth will, on a net basis, give rise to the need for this increase in transit carrying capacity, as part of maintaining existing service levels. As a result, the net benefit being provided to existing development by this addition is nominal, in the order of 5-10% in most cases (20% in the case of the West Don Lands LRT and 30% in the case of Union Station).

The deduction applicable to the Union Station project is based on the fact of a significant unmet need prior to the first inclusion of the project in the City's DC program.

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Finally, the committed excess capacity for the Sheppard Subway, reflects the methodology documented in the City's 2004 DC Background Study.

#### **A-2.4 Post Period/Excess Capacity**

Post period/excess capacity is defined as a significant amount of transit capacity unused by development occurring by 2018, available for use by development beyond that point.

The primary fleet projects have been sized to accord with the needs of development to 2017/18 and do not include post period/excess capacity.

The Union Station project was assigned a 20% post-period capacity allowance.

#### **A-2.5 Grants, Subsidies and Other Contributions**

Other than the "Transit City" program, which is assumed to be 100% funded by senior governments, a two-thirds subsidy provision has been deducted from all of the netted capital costs involved (other than the Waterfront projects which have a different cost sharing arrangement).

#### **A-2.6 10% Statutory Deduction**

A 10% deduction has been made in the case of all transit projects (other than the Spadina Subway Extension), in accordance with the requirements of s.s.5(1)8 of the DCA, 1997.

#### **A-2.7 Residential vs. Non-Residential Split**

Over the next decade, on a City-wide basis, the City's population is expected to increase by 130,579 persons and its workforce by 121,597 persons. The vast majority of the peak hour trips are from home to work/school or from work/school to home, which further indicates the appropriateness of a residential:non-residential split of 52:48, based on origin/destination analysis.

**INFRASTRUCTURE COSTS COVERED IN THE DC CALCULATION**  
City of Toronto

MUNICIPALITY:

SERVICE: Transit (Balance)

MILLIONS \$

a Capitol Project No.	b Project Category / Increased Service Needs Attributable to Anticipated Development 2008-2017	c Timing	d Gross Capital Cost Est. <sup>2</sup>	e Ineligible re: Level of Service	f Eligible Increase in Need	g		h		i Post Period Capacity %	j Less: Other (e.g. 10% Statutory Deduction)	k			m Non-Residential Share	n % of Gross Cost
						\$	%	\$	%			Net Costs Benefiting New Development	Residential Share	Potential DC Recoverable Cost		
	1 Bus Fleet Expansion	<sup>3</sup>	4.6	-	4.6	0.46	10%	2.76		-	0.14	1.24	0.65		0.6	27%
	2 Subway Fleet Expansion	2008-12	247.5	-	247.5	24.75	10%	148.50		-	7.43	66.83	34.75		32.1	27%
	7 Scarborough SRT Vehicles	2009-12	153.0		153.0	15.30	10%	91.80		22.95	2.30	20.66	10.74		9.9	14%
	Transit City	N/A	N/A													
	3 Streetcar Fleet Plan	<sup>4</sup>	145.0	-	145.0	14.50	10%	87.00		-	4.35	39.15	20.36		18.8	27%
	6 Sheppard Subway Cost Recovery	<sup>5</sup>	86.9	-	86.9	N/A		N/A			8.69	78.21	40.67		37.5	90%
	Maintenance Facilities	2008-12	137.7		137.7	27.54	20%	73.44		-	3.67	33.05	17.18		15.9	24%
	subtotal		774.7	-	774.7	82.6		403.5		23.0	26.6	239.1	124.3		114.8	31%
	1 Waterfront LRT	2009-11	116.0		116.0	11.60	10%	49.59		-	5.48	49.33	25.65		23.7	43%
	East Bayfront (2004S)	2009-10	19.1		19.1	3.82	20%	9.35		-	0.59	5.34	2.77		2.6	28%
	West Don Lands (2004S)	2009-12	89.3		89.3	26.79	30%	34.51		5.60	2.24	20.16	10.48		9.7	23%
	subtotal		224.4		224.4	42.2		93.4		5.6	8.3	74.8	36.9		35.92	33%
	Total Estimated Capital Cost		\$ 999.1	\$ -	\$ 999.1	\$ 124.8		\$ 496.9		\$ 28.6	\$ 34.9	\$ 314.0	\$ 163.3		\$ 150.7	31%

<sup>1</sup> 2/3 of balance other than for Union Station (55.2%), East Bayfront (47.5%) and West Don Lands (61.2%).

<sup>2</sup> total cost inclusive of subsidies and cost sharing

<sup>3</sup> 60% 2008-12 and 40% 2013-17

<sup>4</sup> 93% 2007-12 and 7% 2013-17

<sup>5</sup> previous oversizing

## **A-3 ROADS AND RELATED**



## A-3 ROADS AND RELATED

### A-3.1 Project Description

The capital program for roads includes new roads, road widenings, intersection improvements, reconstruction of rural cross-sections to urban standards, road/rail grade separations, highway interchanges, pedestrian infrastructure and strategic transportation initiatives. The latter category involves the use of technology to improve traffic flow through such measures as automatic adjustments to signal timing and electronic signage to advise of congestion. In addition, there are several projects that have been constructed by developers, for which an outstanding credit entitlement exists. An allowance has also been included for Unallocated Improvements to cover unforeseeable requirements, assumed to be approximately 10% of the total gross projects costs for all other projects, excluding the Waterfront.

### A-3.2 Level of Service

The calculation of service level measures the lane kms and vehicle kms (a.m. peak hour) for the Toronto roads that are included in the City's transportation modeling network. The roads included in the network are City owned expressways (Gardiner Expressway and Don Valley Parkway) and major and minor arterial roads. Limited collector roads that have transit service are also included. Local roads are not included. The lanes used to code the network are through lanes.

The historic (1996, 2001 and 2006) service level<sup>1</sup> of vehicle kms/ lane km is compared with the forecast ratio of vehicle kms/lane km in 2011 and 2021. For future years, the road inventory and anticipated level of use, generally reflects road improvements (e.g. road widenings, new roads and extensions) identified in the City's capital program for the category of roads included in the model.

The information is summarized in the table below:

	Lane kms	Vehicle kms	Vehicle kms/lane km
1996	4,750	2,076,600	437.2
2001	5,400	2,417,500	447.7
2006	5,440	2,480,600	456.0
2011	5,475	2,586,500	472.4
2021	5,600	2,835,000	506.3

The data indicates that, even incorporating the planned road improvements, the number of vehicle kms driven per lane km will tangibly increase. This establishes that the proposed road

<sup>1</sup> A somewhat higher service level prevailed earlier in the 10-year period.

program will not increase the City's (quantity) service level for roads. The quality level of service measure reflects engineering road design standards and is essentially unchanged.

### A-3.3 Benefit to Existing Development

In assessing the benefit to existing development, each of the projects was allocated to one of six functional categories:

- new roads
- road widenings and new alignments
- road and intersection reconstruction
- traffic management
- provincial freeway interchanges
- railway grade separations.

Basic deductions for benefit to existing development were made, generally as follows. In some instances these incorporate adjustments relative to post-period capacity (see s.A.3.4).

- |        |   |
|--------|---|
| 0%     | <ul style="list-style-type: none"> <li>• developer credits (no further deduction required as the value of the credit is based on the DC recoverable share);</li> </ul>  |
| 10%    | <ul style="list-style-type: none"> <li>• Strategic Planning Initiatives, as these projects serve to increase capacity on existing City roads without road widening, through better traffic management;</li> <li>• new roads (which have a nominal BTE);</li> </ul>  |
| 20%    | <ul style="list-style-type: none"> <li>• capacity-related improvement with some benefit to existing development (pre 1999/2004) when the road program was initially established;</li> </ul>   |
| 30%    | <ul style="list-style-type: none"> <li>• widenings from four lanes to six lanes;</li> </ul>   |
| 50%    | <ul style="list-style-type: none"> <li>• rail/road separations, where there is currently a level crossing in place. The benefit to existing development arises from both a safety improvement and the elimination of possible delays due to train movement. This percentage is also applicable for projects where there is an improvement in the level of service for existing development (e.g. Dufferin job elimination and Secondary Plan/O.P. improvements);</li> </ul> |
| 70%    | <ul style="list-style-type: none"> <li>• reconstruction of a rural road to urban standards;</li> </ul>  |
| 80/90% | <ul style="list-style-type: none"> <li>• capacity-related improvements in non-high-growth areas or corridors.</li> </ul>  |

With respect to these provisions, it is noted that the existing user already has a level of service, which is being marginally improved by various projects, whereas the new growth-related user requires an aggregation of road improvements across the City simply to attain a similar (or even lower) level of service. Thus, the benefits derived by growth are often of a more fundamentally important nature than those derived by existing development for the same project.



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### **A-3.4 Post Period/Excess Capacity**

The demand for road capacity in Toronto is such that virtually any capacity-related improvements made during the ten year planning period are expected to be largely or fully consumed therein. In some cases, a component of the deduction in A-3.3 addresses the incremental cost of any significant road oversizing where significant benefits may be involved post 2017.

### **A-3.5 Grants, Subsidies and Other Contributions**

Only the City's share of costs was included, in the case of Waterfront road projects, for example.

### **A-3.6 10% Statutory Deduction**

Not applicable.

### **A-3.7 Residential vs. Non-Residential Split**

The DC recoverable share has been allocated between residential and non-residential development on the basis of the forecast increase in population and employment (52:48).

INFRASTRUCTURE COSTS COVERED IN THE DC CALCULATION  
MUNICIPALITY: City of Toronto

SERVICE: Transportation

a Project Number	b Project Name Increased Service Needs Attributable to Anticipated Development	c Transportation	d Timing	e Gross Capital Cost Est.	f Less:			g Potential DC Recoverable Cost			h % of Gross	
					i Benefit to Existing Development <sup>1</sup> \$	j %	k Grants, Subsidies & Other Contributions Attrib. to New Development	l Residential Share	m Non-Residential Share	n Net Costs Benefiting New Development		
<b>Already Constructed - Developer Credits</b>												
1	Tapscott Employment District - Credit		<2008	2,168,546			0.0%					
2	East Service Road (Concord Adex) - Credit		<2008	500,000			0.0%					
3	Sudbury Street Extension - Credit		<2008	1,400,000			0.0%					
	<b>Subtotal</b>			<b>4,068,546</b>								
<b>Cost to be Incurred During Term of Proposed By-Law (2008-2012)</b>												
4	Dufferin Jog Elimination		2008-2009	22,300,000	11,150,000		50.0%		5,798,000	5,352,000		50%
5	Strategic Transportation Initiatives		2008-2012	45,000,000	4,500,000		10.0%		21,060,000	19,440,000		90%
6	North York (Yonge Centre) NY Centre Secondary Plan		2008-2013	25,600,000	2,560,000		10.0%		11,980,800	11,059,200		90%
7	Road-Rail Separations Finch at Morningside		2008-2012	24,000,000	12,000,000		50.0%		6,240,000	5,760,000		50%
8	Scarlett/St. Clair/Dundas		2008-2013	14,850,000	10,395,000		70.0%		2,316,600	2,138,400		30%
9	Simcoe Street Underpass		2008	14,700,000	1,470,000		10.0%		6,879,600	6,350,400		90%
10	Wilson (Keele to Bathurst)		2008	1,000,000	200,000		20.0%		416,000	384,000		80%
11	Six Points Interchange		2010-2012	45,000,000	36,000,000		80.0%		4,680,000	4,320,000		20%
12	St.Clair Transit Right of Way (Transportation Component)		2008-2009	7,310,000	5,848,000		80.0%		760,240	701,760		20%
13	Cycling Infrastructure		2008-2012	30,270,000	24,216,000		80.0%		3,148,080	2,905,920		20%
14	Construction of Pavement/Sidewalks Railway Lands		2008	3,615,000	2,892,000		80.0%		375,960	347,040		20%
15	Sudbury Street Extension		2008-2009	4,000,000	3,200,000		80.0%		416,000	384,000		20%
16	Audible Signals		2008-2012	3,700,000	3,330,000		90.0%		192,400	177,600		10%
17	Engineering Studies		2008-2012	6,203,000	4,952,400		80.0%		645,112	595,488		20%
	<b>Subtotal</b>			<b>247,548,000</b>	<b>122,723,400</b>				<b>64,908,792</b>	<b>59,915,808</b>		
<b>Cost to be Incurred Post By-Law Term (2013-2017)</b>												
18	Emery Village		2014-2015	5,000,000	500,000		10.0%		2,340,000	2,160,000		90%
19	Markham/Steeles Intersection Improvements		2013-2017	2,000,000	600,000		30.0%		728,000	672,000		70%
20	Redlea Steeles to Passmore		2013-2017	1,650,000	165,000		10.0%		772,200	712,800		90%
21	Secondary Plans Various		2013-2017	28,500,000	14,250,000		50.0%		7,410,000	6,840,000		50%
22	Tapscott Rd. Ironside to Passmore		2013-2017	525,000	52,500		10.0%		245,700	226,800		90%
23	Executive Court E. limit to Markham		2013-2017	1,639,000	163,900		10.0%		767,052	708,048		90%
24	Golden Gate Court W. limit across watercourse land		2013-2017	1,541,000	154,100		10.0%		721,188	665,712		90%
25	Golden Gate Court Watercourse to Midland		2013-2017	1,508,000	150,800		10.0%		705,744	651,456		90%
26	Golden Gate Court W. limit across watercourse		2013-2017	918,000	91,800		10.0%		429,624	396,576		90%
27	Miliken Blvd. N. limit to McNicoll		2013-2017	656,000	65,600		10.0%		307,008	283,392		90%
28	Nugget Ave. Ext. McCowan to Sheppard		2013-2017	750,000	150,000		20.0%		312,000	288,000		80%
29	Official Plan Improvements Various		2013-2017	17,700,000	8,850,000		50.0%		4,602,000	4,248,000		50%
30	Passmore Ave. Markham to 440 m W.		2013-2017	754,000	226,200		30.0%		274,456	253,344		70%
31	Road-Rail Separations GO Uxbridge grade separation		2013-2017	56,750,000	28,375,000		50.0%		14,755,000	13,620,000		50%
32	Steeles Ave widenings Various		2013-2017	55,000,000	16,500,000		30.0%		20,020,000	18,480,000		70%
33	Strategic Transportation Initiatives		2013-2017	55,000,000	5,500,000		10.0%		25,740,000	23,760,000		90%
	<b>Subtotal</b>			<b>229,891,000</b>	<b>75,794,900</b>				<b>80,129,972</b>	<b>73,966,128</b>		

a	b	c	d	e	f	g	h	i	j	k
Project Number	Project Name Increased Service Needs Attributable to Anticipated Development	Timing	Gross Capital Cost Est.	Benefit to Existing Development <sup>1</sup> \$	%	Grants, Subsidies & Other Contributions Attrib. to New Development	Net Costs Benefiting New Development	Residential Share	Non-Residential Share	% of Gross
	<b>Unallocated Improvements</b>									
34	Unallocated Improvements	2008-2017	49,485,000	20,025,877			29,459,123	15,318,744	14,140,379	60%
	Subtotal		49,485,000	20,025,877			29,459,123	15,318,744	14,140,379	60%
	<b>Waterfront Projects (City cost share only)</b>									
35	Front Street Extension	2013-2017	6,950,000	2,085,000	30.0%		4,865,000	2,529,800	2,335,200	70%
36	Gardiner EA	2013-2017	11,000,000	8,250,000	75.0%		2,750,000	1,430,000	1,320,000	25%
37	Front Street 26	2008-2012	1,793,084	448,271	25.0%		1,344,813	699,303	645,510	75%
38	Front Street 42	2008-2012	1,292,268	323,067	25.0%		969,201	503,985	465,216	75%
39	Eastern Ave 25	2008-2012	1,663,813	415,953	25.0%		1,247,860	648,887	598,373	75%
40	Cherry St	2008-2012	5,157,320	1,289,330	25.0%		3,867,990	2,011,355	1,856,635	75%
41	Pedestrian Bridge	2008-2012	3,197,900	799,475	25.0%		2,398,425	1,247,181	1,151,244	75%
42	Pedestrian Tunnel under R/R	2008-2012	767,496	191,874	25.0%		575,622	299,323	276,299	75%
43	High Line Trail & Ped Xing under Cherry	2008-2012	1,599,176	399,794	25.0%		1,199,382	623,679	575,703	75%
44	Ped Underpass at Trinity St	2008-2012	6,396,252	1,599,063	25.0%		4,797,189	2,494,538	2,302,651	75%
45	Allowance for Upgrading Underpass at Cherry & Parl	2008-2012	639,580	159,895	25.0%		479,685	249,436	230,249	75%
46	Jarvis Street	2008-2012	390,443	97,611	25.0%		292,832	152,273	140,559	75%
47	Richardson St.	2008-2012	18,270	4,568	25.0%		13,703	7,125	6,577	75%
48	Sherbourne North	2008-2012	298,410	74,603	25.0%		223,808	116,380	107,428	75%
49	Sherbourne South	2008-2012	517,913	129,478	25.0%		388,435	201,986	186,449	75%
50	Bonneycastle N	2008-2012	18,270	4,568	25.0%		13,703	7,125	6,577	75%
51	Parliament	2008-2012	308,543	77,136	25.0%		231,407	120,332	111,075	75%
52	Queens Quay A, Existing	2008-2012	3,695,265	923,816	25.0%		2,771,449	1,441,153	1,330,295	75%
	Subtotal		45,704,003	17,273,501			28,430,502	14,783,861	13,646,641	62%
	<b>Total Estimated Capital Cost</b>		<b>576,696,549</b>	<b>235,817,678</b>			<b>340,878,871</b>	<b>177,257,013</b>	<b>163,621,858</b>	<b>59%</b>

<sup>1</sup> Includes allowance for post period capacity



**A-4 WATER**



## A-4 WATER

### A-4.1 Project Description

Two sets of projects are involved with the water service. The first relates to the provision of additional water treatment capacity. This occurs through expansions to plant and associated system capacity or, alternatively, through savings produced via water efficiency measures.

The second set of projects involves watermain projects, primarily in order to upsize capacity. Detailed planning has been carried out with respect to the 2008/09 growth-related program and this spending level has been extrapolated over the balance of the ten year period.

### Water Treatment

### A-4.2 Level of Service

The water supply system is fully integrated and therefore the percentages are based on total combined capacity and do not differentiate between growth districts, as in the case of wastewater treatment plants, which are addressed on a drainage area basis.

	Unit	
<b>Water Supply:</b>		
Design Capacity		
R.L. Clark Filtration Plant	ML/D	615
Island Filtration Plant	ML/D	410
F.J. Horgan Plant	ML/D	570
R.C. Harris Plant	ML/D	<u>950</u>
Total	ML/D	2,545
Storage Capacity	ML	1,600

### A-4.3 Benefit to Existing Development

1. The water demand needs associated with growth anticipated in the City over the 2008-2018 period are estimated below. These calculations are predicated on the full implementation of the City Council approved Water Efficiency Plan.

Sector	2008-2018 increment	Lpcd	Peaking Factor <sup>1</sup>	Resulting Demand (ML/d)	%
Residential (Population)	130,595	234 <sup>2</sup>	1.44	44.01	48.5
Non-residential (Employment)	121,597	267 <sup>3</sup>	1.44	46.75	51.5
Total				90.76	100.0

2. Toronto's current water supply system has a sustainable capacity of 2,263 ML/d. This calculation is the result of netting 282 ML/d from the combined rated capacity of the water treatment plants to reflect hydraulic limitation in a major supply tunnel between the Harris WTP and the Main John Street Pumping Station, as demonstrated by a modelling component of the Joint Optimization Study.
3. Toronto has committed approximately 511 ML/d to York Region by 2018 (501 ML/d by 2011 and 530 ML/d by 2031). Netting this amount from the sustainable capacity leaves a net available supply of 1,752 ML/d. Toronto's current demand is 1,729 ML/d, based on a Peaking Factor of 1.44 attributed to implementation of the Water Efficiency Plan, resulting in an available supply of 23 ML/d (1,752-1,729).
4. Based on a growth need of 91 ML/d, additional capacity of 68 ML/d (91-23) is required to service new growth. It is assumed that with continued implementation of Water Efficiency, an additional 20 ML/d of in-system capacity could be created from the existing facilities, requiring plant expansion to provide the remaining 48 ML/d of supply (68-20).
5. The Horgan Water Treatment Plant expansion and associated trunk watermains and supply facilities will provide approximately 158 ML/d of supply to the City of Toronto. The remainder of the capacity is provided to meet the needs of the Regional Municipality of York and their cost contribution has been netted via "Other Contribution" revenues in

<sup>1</sup> Resulting Peaking Factor through implementation of Water Efficiency Plan plus a safety factor of 0.04 vs. typical design Peaking Factor of 1.9

<sup>2</sup> Table 9: Residential Unit Consumption Rates (assumes full implementation of WEP) – Volume 3 – Toronto/York Joint Optimization Study

<sup>3</sup> Water Efficiency Plan Appendix A, Section II for Primary/Ind Sector, Table 10: Employment Unit Consumption Rates– Volume 3 – Toronto/York Joint Optimization Study for remaining sectors



the capital cost table. No grants or subsidies are available. As a result, the DC-related cost attribution to the net 2008-2018 requirement is 30.4 % ( $48 \div 158$ ).

6. Thus, approximately 31% of the net cost of the water treatment plant expansion, plus 100% of the cost of capacity expansion via water efficiency, has been included in the DC calculation.
7. The category column (“cat.”) in the capital cost sheets notes whether the project is largely:

- Service Improvements (SI)
  - Joint Optimization Study (JOS)
  - Growth Projects.
- “Service improvements” – 5% of these costs are growth-related, based on a pro-rata sharing of necessary costs (93.7% benefit to existing development and 1.3% PPC).
  - “Growth Projects” – capacity-related projects added that are not JOS are 100% growth-related (31% 2008-18 and 69% post-2017).
  - “Horgan Expansion and JOS” – is 100% growth-related (31% 2008-18 and 69% post-2017), except for Avenue Rd. watermains, where benefit to existing development is 95%.
  - “Water Efficiency” – the supply created is fully required by the ten year growth forecast and also reduces new development demand.
  - Otherwise the same benefit to existing development deduction was used as in 2004.

8. The percentage of the net City cost which is DC recoverable is calculated based on the following:

	<u>DC %</u>
• Water Efficiency Studies	100.0
• Applicable Portion of Horgan Plant Expansion (as calculated above)	31.0
• Existing Facility Enhancements with Growth Components	5.0

It is noted that the Toronto portion of individual cost components is variable depending on the cost share borne by York Region.

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#### **A-4.4 Post Period/Excess Capacity**

These deductions were addressed in #7 above.

#### **A-4.5 Grants, Subsidies and Other Contributions**

These deductions were addressed in #5.

#### **A-4.6 10% Statutory Deduction**

Not applicable to Water.

#### **A-4.7 Residential vs. Non-Residential Split**

The resultant cost is allocated between residential and non-residential development in accordance with the flow requirements estimated in #1 above, i.e.

$$\begin{array}{rcl} 44.01 \div 90.76 = & & 48.5\% \text{ residential} \\ 46.75 \div 90.76 = & & \underline{51.5\%} \text{ non-residential} \\ & & 100.0\% \end{array}$$

INFRASTRUCTURE COSTS COVERED IN THE DC CALCULATION  
Municipality: City of Toronto

Water Treatment Plants

Proj.	Cat	Project Name Increased Service Needs Attributable to Anticipated Development 2006-2017	Timing	Gross Capital Cost Est. 1	Benefit to Existing Development \$	Post Period Capacity \$	Grants, Subsidies & Other Contributions Attrib. to New Development	Sub Total	Net Costs New Development	Residential Share	Non-Residential Share	% of Gross Cost
WTP2008-1	JOS	Already Constructed	Ending 2007	-	-	-	-	-	-	-	-	-
WTP2008-2	JOS	DISTRIBUTION STS. IMPROV. - W/M-Ellesmere PS to Nielson Road	COMPLETED	17,500,200 \$	-	-	-	17,500,200	48.5%	8,487,597	9,012,603	100%
WTP2008-3	JOS	DIADDITIONAL PUMPING EQUIP. - Keele PS	COMPLETED	5,100,000 \$	-	2,392,920 \$	1,632,000	4,024,920	-	521,414	553,666	21%
WTP2008-4	JOS	DIADDITIONAL PUMPING EQUIP. - Kennedy PS	COMPLETED	151,950,000 \$	-	71,294,940 \$	48,624,000	119,918,940	-	15,535,064	16,493,996	21%
WTP2008-5	JOS	D/W/M MARK/SHEP TO BAY/FINCH - McNicoll to Warden	Ending 2007	1,275,000 \$	1,194,675 \$	16,575 \$	-	1,211,250	-	30,919	32,831	5%
WTP2008-6	JOS	D/W/M MARK/SHEP TO BAY/FINCH - Right-of-Way Easements	Ending 2007	2,089,000 \$	1,129,085 \$	15,665 \$	-	1,144,750	-	29,221	31,029	5%
WTP2008-7	JOS	D/MILLIKEN PS EXTENSION - EA	Ending 2007	2,089,000 \$	1,129,085 \$	15,665 \$	-	1,144,750	-	29,221	31,029	5%
WTP2008-8	JOS	PHORGAN EXPANSION - Pre-Design Std./Envr./Assess.	COMPLETED	695,000 \$	-	533,322 \$	1,316,070	1,649,392	-	116,210	123,396	11%
WTP2008-9	JOS	PHORGAN EXPANSION - Pre-Design Std./Envr./Assess.	COMPLETED	984,000 \$	922,008 \$	12,792 \$	423,500	1,418,300	-	27,289	28,976	9%
WTP2008-10	JOS	D/W/M WARDEN-DANFORTH TO EGL. - Danforth to St. Clair	Ending 2007	3,042,000 \$	2,850,354 \$	39,546 \$	-	3,042,000	-	28,862	29,338	5%
WTP2008-11	JOS	D/W/M WARDEN-DANFORTH TO EGL. - Wm Warden to Warden Tank	Ending 2007	3,042,000 \$	2,850,354 \$	39,546 \$	-	3,042,000	-	28,862	29,338	5%
WTP2008-12	JOS	Added in 2008 Study	Ending 2007	3,042,000 \$	2,850,354 \$	39,546 \$	-	3,042,000	-	28,862	29,338	5%
WTP2008-13	GROWTH	GO HAGERMAN CROSSING	Ending 2007	-	-	-	-	-	-	-	-	-
WTP2008-14	GROWTH	WATER EFFICIENCY**	1998-2012	17,500,200 \$	-	-	-	17,500,200	-	8,487,597	9,012,603	100%
WTP2008-15	JOS	PHORGAN EXPANSION - Design*	2007-2012	5,100,000 \$	-	2,392,920 \$	1,632,000	4,024,920	-	521,414	553,666	21%
WTP2008-16	SI	PHORGAN EXPANSION - Construction*	2008-2012	151,950,000 \$	-	71,294,940 \$	48,624,000	119,918,940	-	15,535,064	16,493,996	21%
WTP2008-17	SI	PHARRIS RESIDUE MGMT. - Design	2003-2010	1,275,000 \$	1,194,675 \$	16,575 \$	-	1,211,250	-	30,919	32,831	5%
WTP2008-18	JOS	DIADDITIONAL PUMPING EQUIP. - Ellesmere PS	2004-2009	2,089,000 \$	1,129,085 \$	15,665 \$	-	1,144,750	-	29,221	31,029	5%
WTP2008-19	JOS	D/W/M MARK/SHEP TO BAY/FINCH - Ont. Hydro to Victoria Pk	2008-2009	2,089,000 \$	1,129,085 \$	15,665 \$	-	1,144,750	-	29,221	31,029	5%
WTP2008-20	SI	PICLARK RESIDUE MGMT. - Design	2003-2011	984,000 \$	922,008 \$	12,792 \$	423,500	1,418,300	-	116,210	123,396	11%
WTP2008-21	SI	PICLARK RESIDUE MGMT. - Construction	2004-2010	3,042,000 \$	2,850,354 \$	39,546 \$	-	3,042,000	-	28,862	29,338	5%
WTP2008-22	JOS	DI/DUFFERIN RESERVOIR EXT. - Dufferin Reservoir Ext.*	2008-2012	1,169,000 \$	-	806,610 \$	690,000	1,755,210	-	73,769	76,332	5%
WTP2008-23	JOS	DI/DUFFERIN RESERVOIR EXT. - Construction*	2008-2012	40,225,000 \$	-	1,821,462 \$	690,000	42,746,462	-	6,047,829	6,421,921	31%
WTP2008-24	JOS	D/MILLIKEN PS EXTENSION - Design*	2007-2012	3,940,000 \$	-	1,821,462 \$	1,300,200	3,121,662	-	366,894	421,444	21%
WTP2008-25	JOS	D/MILLIKEN PS EXTENSION - Construction*	2009-2012	33,300,000 \$	-	15,394,590 \$	10,985,000	26,333,590	-	3,354,459	3,561,951	21%
WTP2008-26	JOS	D/MILLIKEN PS EXTENSION - Construction*	2009-2012	22,800,000 \$	-	15,732,000 \$	690,000	15,732,000	-	3,427,980	3,640,020	21%
WTP2008-27	JOS	Added in 2008 Study	2004-2012	2,950,000 \$	2,224,300 \$	113,988 \$	560,500	2,898,788	-	24,838	26,374	2%
WTP2008-28	JOS	AVENUE RD W/M ENGINEERING - HI LEVEL TO LAWRENCE**	2008-2012	38,100,000 \$	28,727,400 \$	1,472,184 \$	7,239,000	37,438,584	-	320,787	340,629	2%
WTP2008-29	JOS	HORGAN TO ELLESMERE W/M - ENGINEERING*	2004-2012	2,540,000 \$	-	1,069,086 \$	990,000	2,059,086	-	232,952	247,382	19%
WTP2008-30	JOS	HORGAN TO ELLESMERE W/M - CONSTRUCTION*	2009-2012	20,050,000 \$	-	8,439,045 \$	7,815,500	16,258,545	-	1,838,856	1,952,599	19%
WTP2008-31	JOS	JOS - GERRARD W/M ENGINEERING	2007-2012	5,100,000 \$	-	1,126,080 \$	3,468,000	4,594,080	-	505,920	525,371	10%
WTP2008-32	JOS	JOS - GERRARD W/M - CONSTRUCTION*	2009-2012	36,000,000 \$	-	7,948,800 \$	24,460,000	32,428,800	-	1,732,032	1,839,168	10%
WTP2008-33	JOS	JOS - BATHURST-OUTPOINT W/M - ENGINEERING	2007-2012	4,232,000 \$	1,015,880 \$	1,407,966 \$	719,440	1,088,894	-	528,113	560,780	26%
WTP2008-34	GROWTH	ADDITIONAL PUMPING EQUIPMENT	2006-2012	5,464,000 \$	273,200 \$	4,971,690 \$	-	5,190,800	-	130,502	140,698	5%
WTP2008-35	JOS	ELLESMERE PS UPGRADE*	2008-2012	4,500,000 \$	-	1,148,350 \$	2,835,000	3,993,850	-	250,333	265,817	11%
WTP2008-36	JOS	JOS - VICTORIA PARK W/M ENGINEERING	2007-2011	4,895,000 \$	-	2,600,714 \$	1,125,850	3,726,564	-	586,692	607,745	24%
WTP2008-37	JOS	JOS - NELSON (ELLESMERE-SHEPPARD) W/M CONST	2008-2011	14,760,000 \$	-	4,379,292 \$	8,413,200	12,792,492	-	954,241	1,013,267	13%
WTP2008-38	JOS	JOS - EASTMALL W/M Engineering*	2009-2012	1,850,000 \$	-	574,425 \$	1,017,500	1,591,925	-	258,075	272,166	14%
WTP2008-39	JOS	JOS - EASTMALL W/M CONSTRUCTION*	2012	1,500,000 \$	-	465,750 \$	825,000	1,290,750	-	209,250	229,000	14%
WTP2008-40	JOS	JOS - Ellesmere (Markham-Nielson) Engineering	2009-2012	1,100,000 \$	-	326,370 \$	627,000	953,370	-	146,630	157,514	13%
WTP2008-41	JOS	JOS - Ellesmere (Markham-Nielson) CONSTRUCTION*	2010-2012	10,500,000 \$	-	3,115,350 \$	5,985,000	9,100,350	-	678,830	720,820	13%
WTP2008-42	JOS	JOS - VICTORIA PARK W/M CONSTRUCTION*	2011-2012	10,000,000 \$	-	5,333,700 \$	2,270,000	7,603,700	-	1,162,206	1,234,095	24%
WTP2008-43	JOS	JOS - MT. PLEASANT W/M - ENGINEERING	0	1,551,000 \$	-	21,542 \$	1,529,780	1,551,322	-	4,654	4,984	1%
WTP2008-44	JOS	JOS - D4 W/M ENGINEERING	2009-2012	1,439,000 \$	-	605,675 \$	561,210	1,166,885	-	272,115	284,139	19%
WTP2008-45	JOS	JOS - KENNEDY W/M - SCARP PS TO ST CLAIR MIDLAND*	2007-2012	9,100,000 \$	-	4,834,830 \$	2,083,000	6,927,630	-	1,083,502	1,118,668	24%
WTP2008-46	JOS	PUMPING EQUIPMENT - ROSEHILL PS	2009-2011	1,750,000 \$	-	1,207,500 \$	-	1,207,500	-	283,113	279,388	31%
WTP2008-47	JOS	PUMPING EQUIPMENT - RICHVIEW PS	2009-2011	8,000,000 \$	7,496,000 \$	104,000 \$	160,000	7,660,000	-	193,113	205,000	5%
WTP2008-48	SI	ISLAND CHEMICAL & DEWATERING FACILITY ENGINEERING	2011-2012	500,000 \$	-	234,600 \$	46,9%	394,600	-	105,400	54,281	21%
WTP2008-49	JOS	Highland Creek HORGAN SUPERNATANT LINE CONNECTION	2012	500,000 \$	-	234,600 \$	46,9%	394,600	-	105,400	54,281	21%

INFRASTRUCTURE COSTS COVERED IN THE DC CALCULATION  
MUNICIPALITY: City of Toronto

Water Treatment Plants

Prj.	Cat.	Project Name Attributable to Anticipated Development 2008-2017	Timing	Gross Capital Cost Est. 1	Benefit to Existing Development \$	%	Less:		Grants, Subsidies & Other Contributions Attrib. to New Development	Sub Total	Net Costs Benefiting New Development	Potential DC Recoverable Cost Residential Share 48.5%	Non-Residential Share 51.5%	% of Gross Cost
							Post Period Capacity \$	%						
WTP2008-27	GROWTH	Cost to be Incurred Post By-law Term (2013-2017)	2013	3,105,000 \$	-	0.0%	-	-	-	3,105,000	1,505,925	1,599,075	100%	
WTP2008-28	SI	WATER EFFICIENCY*	2016-2017	25,000,000 \$	23,425,000 \$	93.7%	325,000 \$	1.3%	-	23,750,000	606,250	643,750	2%	
WTP2008-29	JOS	Taste & Odour Mgmt.	2013	200,000 \$	-	0.0%	93,840 \$	46.9%	64,000	157,840	20,448	21,712	21%	
WTP2008-30	JOS	P/HORGAN EXPANSION - Design*	2013	98,700,000 \$	-	0.0%	46,310,040 \$	46.9%	31,584,000	77,894,040	10,090,891	10,715,069	21%	
WTP2008-31	JOS	D/DUFFERIN RESERVOIR EXT. - Construction*	2013	148,000 \$	-	0.0%	102,120 \$	69.0%	-	102,120	22,252	23,628	31%	
WTP2008-32	JOS	D/DUFFERIN RESERVOIR EXT. - Construction*	2013	11,000,000 \$	-	0.0%	7,590,000 \$	69.0%	-	7,590,000	1,653,850	1,756,150	31%	
WTP2008-33	JOS	D/MILLIKEN PS EXTENSION - Design*	2013	205,000 \$	-	0.0%	94,772 \$	46.2%	67,650	162,422	42,579	21,928	21%	
WTP2008-34	JOS	D/MILLIKEN RESERVOIR EXTENSION - Construction*	2013	11,100,000 \$	-	0.0%	5,131,530 \$	46.2%	3,663,000	8,794,530	1,118,153	1,187,317	21%	
WTP2008-35	JOS	D/MILLIKEN PS EXTENSION - Construction*	2013	7,200,000 \$	-	0.0%	4,968,000 \$	69.0%	-	4,968,000	2,232,000	1,149,480	31%	
WTP2008-36	JOS	Avenue RD WM ENGINEERING - HI LEVEL TO LAWRENCE*	2013	17,000 \$	12,818 \$	75.4%	772 \$	3.9%	3,230	16,820	130	87	1%	
WTP2008-37	JOS	AVENUE RD WM CONSTRUCTION - HI LEVEL TO LAWRENCE*	2013	7,000,000 \$	5,278,000 \$	75.4%	270,480 \$	3.9%	1,300,000	6,878,480	12,1520	98,937	2%	
WTP2008-38	JOS	HORGAN TO ELLESMERE WM - ENGINEERING*	2013	35,000 \$	-	0.0%	14,732 \$	42.1%	13,650	28,382	6,619	3,210	3409	
WTP2008-39	JOS	HORGAN TO ELLESMERE WM - CONSTRUCTION *	2013	10,000,000 \$	-	0.0%	4,209,000 \$	42.1%	3,900,000	8,109,000	1,891,000	917,135	19%	
WTP2008-40	JOS	JOS - GERRARD WM - CONSTRUCTION*	2013	4,000,000 \$	-	0.0%	883,200 \$	22.1%	2,720,000	3,603,200	396,800	192,448	204,352	
WTP2008-41	JOS	JOS - BATHURST-DUPONT WM - CONSTRUCTION	2013-2016	60,000,000 \$	14,400,000 \$	24.0%	19,962,000 \$	33.0%	10,200,000	44,562,000	15,438,000	7,467,430	7,950,570	
WTP2008-42	JOS	ADDITIONAL PUMPING EQUIPMENT*	2013	1,000,000 \$	50,000 \$	5.0%	900,000 \$	90.0%	-	900,000	60,000	24,250	25,750	
WTP2008-43	JOS	ELLESMERE PS UPGRADE*	2013	3,200,000 \$	-	0.0%	816,960 \$	25.5%	2,016,000	2,832,960	367,040	178,614	195,026	
WTP2008-44	JOS	JOS - EASTMALL WM ENGINEERING*	2013	650,000 \$	-	0.0%	201,825 \$	31.1%	357,500	357,500	90,675	43,977	46,898	
WTP2008-45	JOS	JOS - EASTMALL WM CONSTRUCTION*	2013-2015	35,000,000 \$	-	0.0%	10,867,500 \$	31.1%	19,250,000	30,117,500	4,882,500	2,368,013	2,514,488	
WTP2008-46	JOS	JOS - Ellesmere (Markham-Nelson) CONST**	2013	2,500,000 \$	-	0.0%	741,750 \$	29.7%	1,425,000	2,166,750	333,250	161,626	171,624	
WTP2008-47	JOS	JOS - VICTORIA PARK WM CONSTRUCTION*	2013-2014	15,000,000 \$	-	0.0%	8,000,550 \$	53.3%	3,405,000	11,405,550	3,594,450	1,743,308	1,851,142	
WTP2008-48	JOS	JOS - MT PLEASANT WM - CONST	2015-2017	37,000,000 \$	-	0.0%	510,600 \$	1.4%	36,260,000	36,770,600	229,400	111,259	118,141	
WTP2008-49	JOS	JOS - KENNEDY WM - SCARB PS TO ST CLAIR MIDLAND*	2009-2011	7,100,000 \$	-	0.0%	3,772,230 \$	53.1%	1,633,000	5,405,230	1,694,770	821,863	872,807	
WTP2008-50	JOS	HPEC WM - BAYVIEW TO KEELE*	2012	20,800,000 \$	-	0.0%	14,352,000 \$	69.0%	-	14,352,000	6,448,000	3,127,260	3,207,720	
WTP2008-51	GROWTH	ISLAND CHEMICAL & DEWATERING FACILITY ENGINEERING*	2013-2014	10,000,000 \$	9,370,000 \$	93.7%	130,000 \$	1.3%	-	9,500,000	500,000	242,500	257,500	
WTP2008-52	SI	JOS - BATHURST-DUPONT WM - CONSTRUCTION	2013-2016	60,000,000 \$	-	0.0%	34,362,000 \$	57.3%	10,200,000	44,562,000	15,438,000	7,487,430	7,950,570	
WTP2008-53	JOS	JOS - JARVIS WM - TO ROSEHILL PS CONSTRUCTION	2015-2017	13,349,000 \$	-	0.0%	3,223,784 \$	24.2%	8,676,850	11,900,634	1,448,367	702,458	745,909	
WTP2008-54	JOS	JOS - BAYVIEW WM - EGLINTON TO YORK MILLS	2014-2017	17,440,000 \$	-	0.0%	120,336 \$	0.7%	17,265,600	17,385,936	54,064	26,221	27,843	
WTP2008-55	JOS	JOS - BAYVIEW WM - EGLINTON TO BAYVIEW RESEVOIR	2014-2017	15,865,000 \$	-	0.0%	547,343 \$	3.5%	15,071,750	15,619,093	245,908	119,265	126,642	
WTP2008-56	JOS	PUMPSTATION UPGRADE - ELLESMERE PS	2013-2014	1,374,000 \$	-	0.0%	948,060 \$	69.0%	-	948,060	425,940	206,581	219,359	
* Same project listed twice since costs expected during and post by-law term														
Total Estimated Capital Cost				\$ 949,063,200	\$ 98,368,620		\$ 356,838,695		\$ 306,110,580	\$ 761,317,795	\$ 187,745,405	\$ 91,086,521	\$ 96,688,883	20%

1 For projects that commenced prior to 2008, only costs 2008 and forward are included.

## Watermains

### A-4.8 Capital Project Requirements

The detailed 2008/09 watermain program has been extrapolated over the eight remaining years of the 10-year period, given the difficulty in anticipating the timing and location of emerging development requirements. It is noted that Toronto Water anticipates spending approximately \$120 million/year over the next decade in watermain replacement. A small portion of that replacement program has a significant development-related component. This results in an \$87.9 million program, 75% of which is presently "unallocated" and subject to the Development Charges Fund Criteria for unallocated improvements set out in the sanitary sewer section. \$23.9 million (27%) has been allocated against benefit to existing development (and post-period capacity).

For projects carried forward from the 2004 study, a 32% price increase has been added to the 2004 costs, based on the Toronto Water analysis of Tech Services awards from 2005, 2006 and 2007, as compared with the unit rates in the 2004 Watermain Break Reduction Study (R.V. Anderson).

### A-4.9 Level of Service

		Unit	
<b>Trunk Watermains (Operating pressure within Service District):</b>			
	Max	1000 kPa design and test pressure 690 kPa static	
	Min	275 kPa in non-fire and 140 kPa in fire scenarios	
Average Daily Demand			
	Residential	L/cap/d	360
	Com	L/sq ft/d	2.1
	Industrial	Lsq ft/d	2.6
	Institutional	L/cap/d	60
Peaking Factors (Related to Average Day)			
	Max hr		2.48
	Min Hr		0.70
	Max Day		1.65
Fire Flow Allowance			
	Low/Med Residential		75 L/s (4500 L/min)
	High Density		100 L/s (6000 L/min)
	Com		150 L/s (9000 L/min)
	Industrial		150 L/s (9000 L/min)
	Institutional		150 L/s (9000 L/min)
	Trunk System (6 hours in duration)		26000 L/min for 6 hours

Note: a higher design standard is used for watermains than for plants because the latter have more flexibility as a result of the impact of water efficiency and the ability to phase projects in modules.

#### **A-4.10 Benefit to Existing Development**

1. Projects identified to Toronto Water by Development Engineering (Anndale & Meadowvale) are 100% growth-related.
2. New projects are from the 2008 & 2009 Toronto Water program where a watermain is being replaced with a larger sized main and where growth is projected in the next 10 years. The BTE is calculated based on the relative size of the original main to the new one.
3. Unallocated portion for 2010-2012 is calculated by applying the same annual cost of programmed work for 2008 and 2009 to the future years. The BTE for the unallocated portion for 2010-2012 is calculated by taking a weighted average of the cost benefit split from the specific projects for 2008 & 2009.
4. Unallocated portion for 2013-2017 is calculated by applying the same annual cost of programmed work for 2008 and 2012 to the future years. The BTE for the unallocated portion for 2013-2017 is calculated by taking a weighted average of the cost benefit split from the 2008-2012 list.

#### **A-4.11 Post Period/Excess Capacity**

Since growth is expected in the next 10 years in the area specific to the project, the benefit to growth is entirely within that 10 year period, not to PPC. % Benefiting Development =  $[1 - (r^2_{\text{original}} / r^2_{\text{new}})] \times 100\%$ , on a cross-sectional basis.

#### **A-4.12 Grants, Subsidies and Other Contributions**

N/A.

#### **A-4.13 10% Statutory Deduction**

N/A.

#### **A-4.14 Residential vs. Non-Residential Split**

48.5/51.5 based on water flows, as above.

INFRASTRUCTURE COSTS COVERED IN THE DC CALCULATION  
MUNICIPALITY: City of Toronto

WATERMAINS

a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
Prj.	Cat.	Project Name Increase Service Needs Attributable to Anticipated Development 2008-2017	Timing	Gross Capital Cost Est.	Benefit to Existing Development \$	%	Post Period Capacity \$	%	Grants, Subsidies & Other Contributions Attrib. to New Development	Sub Total	Net Costs Benefiting New Development	Residential Share 48.5%	Non-Residential Share 51.5%	% of Gross Cost
WM2008-1		<b>Already Constructed</b>												
WM2008-2		LAKESHORE BLVD - Palace Pier - Parklawn WATERFRONT DRIVE - Parklawn - Palace Pier		640,000 411,000	64,000	10.0%	-	0%	-	64,000	576,000 411,000	279,360 199,335	296,640 211,665	90% 100%
WM2008-4		Cost to be Incurred During Term of Proposed By-law (2008-2012)												
WM2008-6		YONGE CENTRE - Kemeth - Dons	2008	2,238,720	-	0.0%	-	0%	-	-	2,238,720	1,085,779	1,152,941	100%
WM2008-8		DOWNSVIEW - Kealee St	2008-2012	3,532,300	708,464	20.0%	-	0%	-	708,464	2,825,836	1,370,540	1,455,316	80%
WM2008-9		DOWNSVIEW - Champagne - Chesswood	2008-2012	3,088,800	617,760	20.0%	-	0%	-	617,760	2,471,040	1,198,454	1,272,586	80%
WM2008-11		SOUTH BATHURST - Bathurst St	2008-2012	2,196,480	439,296	20.0%	-	0%	-	439,296	1,757,184	852,234	904,950	80%
WM2008-12		FINCH - KEELE - Kealee St - Alness St <i>Added in 2008 Study</i>	2008-2012	1,846,680	369,336	20.0%	-	0%	-	369,336	1,477,344	716,512	760,832	80%
WM2008-49		Annaple Drive - Bales to Tradewind Install 300mm dia WM	2008	134,000	-	0.0%	-	0%	-	-	134,000	64,980	69,010	100%
WM2008-50		Meadowdale - Hwy 2 to Kingston Rd	2008	707,000	397,688	56.3%	-	0%	-	397,688	309,313	150,017	159,296	44%
WM2008-19		Ludson Ave - Ouland Ave to Royal York Rd - Replace existing 150mm WM Upsize to 200mm	2008	454,000	255,375	56.3%	-	0%	-	255,375	198,625	96,333	102,292	44%
WM2008-20		Towns Road - Kipling Avenue to West Limit - Upsize existing watermain to a 200mm	2008	110,000	48,889	44.4%	-	0%	-	48,889	61,111	29,639	31,472	58%
WM2008-24		Arnold Avenue - St David St to Dundas St E - Replace and upsize existing 100mm to a 150mm	2008	240,000	60,000	25.0%	-	0%	-	60,000	180,000	87,300	92,700	75%
WM2008-25		Charles St W - Bay St to 80m w of St. Thomas St - Upgrade 150mm CI to 300mm	2008	770,000	192,500	25.0%	-	0%	-	192,500	577,500	280,088	297,413	75%
WM2008-26		Jamesson Ave - Springhurst Ave to Queen St - Upsize existing 150mm CI watermain to a 300mm	2008	318,000	114,480	36.0%	-	0%	-	114,480	203,520	98,707	104,813	64%
WM2008-29		Saulter St - Queen St E to south end - Upgrade 150mm to 250mm	2008	220,000	79,200	36.0%	-	0%	-	79,200	140,800	68,288	72,512	64%
WM2008-30		St. Thomas St - Charles St to Bloor St W - Upsize from 150mm to 250mm	2009	994,000	441,778	44.4%	-	0%	-	441,778	552,222	267,828	284,394	58%
WM2008-36		Sinnott Rd - Equilton Ave to Hymus Rd - Upsize existing 200mm watermain to 300mm	2009	260,000	115,556	44.4%	-	0%	-	115,556	144,444	70,086	74,358	56%
WM2008-37		Victoria Park Ave - Kingston Rd to Meadow Ave - Upgrade existing 100mm watermain to 150mm	2009	645,000	161,250	25.0%	-	0%	-	161,250	483,750	234,619	249,131	75%
WM2008-40		Gerrard St E - Yonge St to Jarvis St - Upgrade 150mm CI to 300mm PVC	2009	1,100,000	488,889	44.4%	-	0%	-	488,889	611,111	296,389	314,722	58%
WM2008-42		King St W - Queen St W to Jamesson Ave - Upsize existing 200mm to 300mm	2009	1,014,300	570,544	56.3%	-	0%	-	570,544	443,756	215,222	228,534	44%
WM2008-43		McCaul St - Queen St W to College St - Upsize existing 150mm WM to 200mm	2009	1,363,500	340,875	25.0%	-	0%	-	340,875	1,022,625	495,973	526,652	75%
WM2008-46		Victoria St - Gerrard St to Adelaide St - Replace existing 150mm CI with a 300mm WM	2010-2012	12,494,700	4,980,656	39.9%	1,266,694	10%	-	6,247,351	6,247,351	3,029,965	3,217,385	50%
WM2008-47		UNALLOCATED IMPROVEMENTS												
WM2008-48		UNALLOCATED IMPROVEMENTS	2013-2017	53,082,000	13,493,696	25.4%	5,079,004	10%	-	18,572,700	34,503,300	16,734,101	17,769,200	65%
		Total Estimated Capital Cost		87,860,500	\$ 23,944,231		\$ 6,345,696		\$	\$ 30,289,935	\$ 57,570,572	\$ 27,921,727	\$ 29,648,844	66%





## **A-5 SANITARY SEWER**



## A-5 SANITARY SEWER

### Wastewater Treatment Plants

#### A-5.1 Project Description

\$74.6 million in 10-year expenditure program costs have been allocated as being DC-recoverable. These are primarily:

	Gross Cost <u>Millions \$</u>	%	Post- <u>Period</u>	DC Revenue <u>Millions \$</u>
		<u>Benefit to Existing Dev.</u>		
Water Efficiency	20.6	-	-	20.6
Highland Creek Capacity Upgr.	34.7	-	19%	28.1
Highland Creek Biosolids Ph. 2	125.0	77%	21%	2.5
Ashbridges Bay – Outfall	134.9	87%	10%	4.0
Ashbridges Bay – Primary Upgrade	110.0	87%	10%	3.3
Future Sewage PS Upgrades	30.0	85%	7.5%	2.3
Sub-total	455.2			60.8
All Other	671.3			13.8
TOTAL	1,126.5	857.4	194.5	74.6
	100%	76.1%	17.3%	6.6%

#### A-5.2 Level of Service

<u>Water Pollution Control:</u> <sup>1</sup>	Unit	
Design Capacity		
Ashbridges Bay Treatment Plant	ML/D	818
Highland Creek Treatment Plant	ML/D	219
Humber Treatment Plant	ML/D	473
North Toronto	ML/D	36
Total	ML/D	1,546

<sup>1</sup> City of Toronto, "The Water Cycle: From the Lake to you and back again," 2002, pg. 39.

### A-5.3 Benefit to Existing Development

1. Based on population growth projections by Sewershed, the following values were calculated based on current demand and population and employment projections by Sewershed:
 

Humber:	BTE: 74%, PPC: 25%, 2008-2018: 1%
ABTP:	BTE: 87%, PPC: 10%, 2008-2018: 3%
HCTP:	BTE: 77%, PPP: 21%, 2008-2018: 2%
2. Water Efficiency is 100% benefit to growth in 2008-2018.  
*50% of Water Efficiency costs on WWTP, 50% on WTP.*
3. Sewer System Improvements & MTI Chamber Upgrades: BTE=95%, PPC = 0%, 2008-2018=5%, as per the 2004 DC study.
4. Keele Trunk Sewer: BTE=30%, PPC= 70%, 2008-2018=0%. Taken from 2004 DC study. Since construction is planned through 2017, assumed PPC was 100% of growth portion.
5. Pumping Stations: BTE = 90%, PPC= 7%, 2008-2018=3%.

### A-5.4 Post Period/Excess Capacity

As noted above in A-5.3.

### A-5.5 Grants, Subsidies and Other Contributions

N/A

### A-5.6 10% Statutory Deduction

N/A

### A-5.7 Residential vs. Non-Residential Split

48.5:51.5 as per water flow data above.

INFRASTRUCTURE COSTS COVERED IN THE DC CALCULATION  
MUNICIPALITY: City of Toronto

Waste Water Treatment Plants

Proj.	Cat.	Project Name Attributable to Anticipated Development	Timing	Gross Capital Cost Est. 1	Benefit to Existing Development \$	Benefit to Existing Development %	Post Period Capacity \$	Less: Post Period Capacity %	Grants, Subsidies & Other Contributions Attrib to New Development	Sub Total	Net Costs Benefiting New Development	Potential DC Recoverable Cost Residential Share	Potential DC Recoverable Cost Non-Residential Share	% of Gross Cost
WWTP2008-1		Already Constructed												
WWTP2008-2		Ashbridges Bay Plant Outfall Study	COMPLETED											
WWTP2008-3		Ashbridges Bay Bypass Conduits Study	COMPLETED											
WWTP2008-4		Ashbridges Bay North Substation Upgrade	ENDING 2007											
WWTP2008-5		Ashbridges Bay Remediation Agreement Implementation	COMPLETED											
WWTP2008-6		Ashbridges Bay PS Odour Control	COMPLETED											
WWTP2008-7		Ashbridges Bay FT Odour Control	COMPLETED											
WWTP2008-8		Ashbridges Bay Sludge Cake Pumping Upgrade	ENDING 2007											
WWTP2008-9		Highland Creek Diester upgrades #7 & 8 & 10	COMPLETED											
WWTP2008-10		Highland Creek Centrate Line Molds	COMPLETED											
WWTP2008-11		Highland Creek Odour Control Study	COMPLETED											
WWTP2008-12		Humber Screen #6	2003-9											
WWTP2008-13		Humber Return Secondary Sludge System	2005-2005											
WWTP2008-14		Humber HVAC/Fine Prof/Gas Detection	ENDING 2007											
WWTP2008-15		Humber PARKING, GATEHOUSE, SECURITY B	ENDING 2007											
WWTP2008-16		Humber Odour Control Study	COMPLETED											
WWTP2008-17		Humber PLANT WASHING WATER TREATMENT	ENDING 2007											
WWTP2008-18		Humber North Grit Vortex N4-N6	1998-2007											
WWTP2008-19		Humber North Grit Chan. N1-N3	7-2005											
WWTP2008-20		SEWER SYSTEM IMPROVEMENTS - Access Roads	1998-2003											
WWTP2008-21		SEWER SYSTEM IMPROVEMENTS - Clean out Chambers	1998-2005											
Cost to be Incurred During Term of Proposed By-law (2008-2012)														
WWTP2008-22		Ashbridges Bay Standby Power Generation	2008-2012	3,325,000	2,882,750	87%	332,500	10%	\$	3,225,250	\$	99,750	48,379	3%
WWTP2008-23		Ashbridges Bay Fine Bubble Aeration Upgrade - Pilot	2008-2012	10,500,000	9,135,000	87%	1,050,000	10%	\$	10,185,000	\$	315,000	152,775	3%
WWTP2008-24		Ashbridges Bay Emission Air Treatment Upgrade	2008-2012	19,000,000	16,530,000	87%	1,900,000	10%	\$	18,430,000	\$	570,000	276,450	3%
WWTP2008-25		Ashbridges Bay PCS Plant Services	2004-2012	8,100,000	7,047,000	87%	810,000	10%	\$	7,857,000	\$	243,000	117,855	3%
WWTP2008-26		Ashbridges Bay PROCESS EQUIPMENT UPGRADES	2008-2012	6,300,000	5,481,000	87%	630,000	10%	\$	6,111,000	\$	189,000	91,665	3%
WWTP2008-27		Highland Creek Digesters 1-8 modifications	2008-2012	0	0	77%	\$	21%	\$	\$	\$	\$	\$	\$
WWTP2008-28		Highland Creek WAS THICKENING AND DEWATERING - ENGINEERING	2005-2012	3,550,000	2,733,500	77%	745,500	21%	\$	3,479,000	\$	71,000	34,435	2%
WWTP2008-29		Highland Creek HVAC & PLANT SECURITY UPGRADES	2004-2010	1,645,000	1,268,650	77%	345,450	21%	\$	1,612,100	\$	32,900	15,957	2%
WWTP2008-30		Highland Creek PCS - Plant Services	2005-2012	5,100,000	3,927,000	77%	1,077,000	21%	\$	4,998,000	\$	102,000	49,470	2%
WWTP2008-32		Humber SLUDGE THICKENING BLDG UPGRADE	2003-2012	35,760,000	26,462,400	74%	8,940,000	25%	\$	35,402,400	\$	357,600	173,436	1%
WWTP2008-34		Humber PCS Plant Services	2004-2012	6,150,000	4,551,000	74%	1,537,500	25%	\$	6,088,500	\$	61,500	29,828	1%
WWTP2008-35		KEELE TRUNK SEWER - Property Acquisition	2007-2008	2,175,000	652,500	30%	1,522,500	70%	\$	2,175,000	\$	61,500	31,673	1%
WWTP2008-37		MTI CHAMBER UPGRADES AND PCS WATER EFFICIENCY*	2005-2012	6,310,000	5,994,500	95%	\$	0%	\$	5,994,500	\$	315,500	153,018	5%
WWTP2008-38		Ashbridges Bay CUTFALL AND DISINFECTION UPGRADES ENGINEERING*	2007-2012	17,500,200	\$	0%	\$	0%	\$	\$	\$	17,500,200	8,487,587	100%
WWTP2008-39		Ashbridges Bay CUTFALL AND DISINFECTION UPGRADES ENGINEERING*	2007-2012	6,900,000	6,003,000	87%	690,000	10%	\$	6,693,000	\$	207,000	100,395	3%
WWTP2008-40		Ashbridges Bay BUILDING TREATMENT AND BIOFILTER	2009-2012	49,050,000	42,673,500	87%	4,905,000	10%	\$	47,578,500	\$	1,471,500	713,678	3%
WWTP2008-41		Ashbridges Bay Remediation Agreement Implementation	2008-2012	520,000	452,400	87%	52,000	10%	\$	504,400	\$	15,600	7,566	3%
WWTP2008-43		Ashbridges Bay PROCESS UPGRADES & ODOUR CONTROL ENGINEERING*	2007-2012	7,300,000	6,351,900	87%	730,000	10%	\$	7,081,900	\$	219,000	106,215	3%
WWTP2008-44		Ashbridges Bay DEWATERING EQUIPMENT UPGRADES*	2007-2012	13,670,000	11,892,900	87%	1,367,000	10%	\$	13,259,900	\$	410,100	198,899	3%
WWTP2008-45		Ashbridges Bay BIOSOLIDS IMPRVIS & STUDIES	2007-2010	1,150,000	1,000,500	87%	115,000	10%	\$	1,115,500	\$	34,500	17,768	3%
WWTP2008-49		Ashbridges Bay FINE BUBBLE AERATION IMPLEMENTATION*	2007-2009	0	0	87%	\$	10%	\$	\$	\$	\$	\$	\$
WWTP2008-55		Ashbridges Bay FINE BUBBLE AERATION IMPLEMENTATION*	2012	10,000,000	8,700,000	87%	1,000,000	10%	\$	9,700,000	\$	300,000	145,500	3%
WWTP2008-56		Ashbridges Bay FT Engineering Design & Contract Admin*	2005-2012	1,442,000	1,254,540	87%	144,200	10%	\$	1,398,740	\$	43,260	20,981	3%
WWTP2008-59		Ashbridges Bay M & T Pumping Station	2007-2010	7,900,000	6,873,000	87%	790,000	10%	\$	7,663,000	\$	237,000	114,945	3%
WWTP2008-74		Ashbridges Bay WASTE ACTIVATED SLUDGE UPGRADE*	2010-2012	7,000,000	6,090,000	87%	700,000	10%	\$	6,790,000	\$	210,000	101,850	3%
WWTP2008-85		Humber PROCESS AUDIT	2007-2009	0	0	74%	\$	25%	\$	\$	\$	\$	\$	\$
WWTP2008-86		Humber HEADHOUSE UPGRADES PHASE 1 ODOUR CONTROL	2007-2010	14,000,000	10,360,000	74%	3,500,000	25%	\$	13,860,000	\$	140,000	67,900	1%
WWTP2008-88		Humber HEADHOUSE UPGRADES PH2 & PH1 ODOUR CONTROL	2009-2012	20,200,000	14,948,000	74%	5,050,000	25%	\$	19,998,000	\$	202,000	97,970	1%
WWTP2008-87		Humber SECONDARY TREATMENT UPGRADES*	2013-2014	18,000,000	13,320,000	74%	4,500,000	25%	\$	17,820,000	\$	180,000	87,300	1%
WWTP2008-75		Humber PROCESS EQUIPMENT UPGRADES*	2008-2012	4,000,000	2,960,000	74%	1,000,000	25%	\$	3,960,000	\$	40,000	19,400	1%
WWTP2008-44		HIGHLAND CREEK WAS THICKENING AND DEWATERING PHASE 2*	2009-2012	24,600,000	18,942,000	77%	5,168,000	21%	\$	24,108,000	\$	492,000	238,620	2%
WWTP2008-45		Highland Creek ODOUR CONTROL UPGRADES - PHASE 1 ENG*	2008-2012	4,250,000	3,272,500	77%	892,500	21%	\$	4,165,000	\$	85,000	41,225	2%
WWTP2008-66		FUTURE SEWAGE PS UPGRADES*	2009-2012	24,000,000	20,400,000	85%	1,800,000	8%	\$	22,200,000	\$	1,800,000	873,000	8%

INFRASTRUCTURE COSTS COVERED IN THE DC CALCULATION  
MUNICIPALITY: City of Toronto

Waste Water Treatment Plants

Prj.	Cat.	Project Name Attributable to Anticipated Development 2006-2017	Timing	Gross Capital Cost Est. 1	Benefit to Existing Development \$	Benefit to Existing Development %	Post Period Capacity \$	Post Period Capacity %	Less: Grants, Subsidies & Other Contributions Attrib. to New Development	Sub Total	Net Costs Benefiting New Development	Residential Share	Potential DC Recoverable Cost Residential Share	Non-Residential Share	% of Gross Cost
WWTP2008-22		Cost to be Incurred Post By-law Term. (2013-2017)													
WWTP2008-22		Ashbridges Bay Standby Power Generation Engineering	2013-2015	2,385,000	\$ 2,074,950	87%	\$ 238,500	10%	\$ -	\$ 2,313,450	\$ 71,550	34,702	36,848	3%	
WWTP2008-26		Ashbridges Bay PCS Plant Services	2013-2014	2,770,000	\$ 2,409,900	87%	\$ 277,000	10%	\$ -	\$ 2,692,900	\$ 83,100	40,304	42,797	3%	
WWTP2008-36		Ashbridges Bay PROCESS EQUIPMENT UPGRADES	2013	600,000	\$ 522,000	87%	\$ 60,000	10%	\$ -	\$ 562,000	\$ 18,000	8,730	9,270	3%	
WWTP2008-51		Ashbridges Bay UV Disinfection	2014-2017	0	0										
WWTP2008-52		KEELE TRUNK SEWER Design & Construction	2013-2017	33,844,000	\$ 10,153,200	30%	\$ 23,690,800	70%	\$ -	\$ 33,844,000	\$ -	-	-	0%	
WWTP2008-54		Ashbridges Bay Sewall Substation Extension	2013-2015	0	0										
WWTP2008-58		Highland Creek WAS THICKENING AND DEWATERING - ENGINEERING	2013	300,000	\$ 231,000	77%	\$ 69,000	21%	\$ -	\$ 294,000	\$ 6,000	2,910	3,090	2%	
WWTP2008-20		Highland Creek PCS - Plant Services	2013	100,000	\$ 77,000	77%	\$ 21,000	21%	\$ -	\$ 98,000	\$ 2,000	970	1,030	2%	
WWTP2008-31		Highland Creek PLANT FIRM CAPACITY UPGRADES - PHASE V	2013-2016	34,700,000	\$ 6,593,000	19%	\$ 6,593,000	19%	\$ -	\$ 6,593,000	\$ 28,107,000	13,631,895	14,475,105	81%	
WWTP2008-37		WATER EFFICIENCY*	2013	3,105,000	\$ -	0%	\$ -	0%	\$ -	\$ -	\$ 3,105,000	1,505,925	1,599,075	100%	
WWTP2008-38		Added in 2008 Study													
WWTP2008-38		Ashbridges Bay OUTFALL AND DISINFECTION UPGRADES ENGINEERING*	2013	3,000,000	\$ 2,610,000	87%	\$ 390,000	10%	\$ -	\$ 2,910,000	\$ 90,000	43,650	46,350	3%	
WWTP2008-38		Ashbridges Bay D BUILDING TREATMENT AND BIOFILTER*	2013	16,000,000	\$ 13,920,000	87%	\$ 1,600,000	10%	\$ -	\$ 15,520,000	\$ 480,000	232,800	247,200	3%	
WWTP2008-40		Ashbridges Bay Mediation Agreement Implementation	2013	100,000	\$ 87,000	87%	\$ 10,000	10%	\$ -	\$ 97,000	\$ 3,000	1,455	1,545	3%	
WWTP2008-41		Ashbridges Bay PROCESS UPGRADES & ODOUR CONTROL ENGINEERING*	2013	1,000,000	\$ 870,000	87%	\$ 100,000	10%	\$ -	\$ 970,000	\$ 30,000	14,550	15,450	3%	
WWTP2008-43		Ashbridges Bay DEWATERING EQUIPMENT UPGRADES*	2013-2014	10,900,000	\$ 9,483,000	87%	\$ 1,090,000	10%	\$ -	\$ 10,573,000	\$ 327,000	158,595	168,405	3%	
WWTP2008-49		Ashbridges Bay FINE BUBBLE AERATION IMPLEMENTATION*	2013-2016	31,550,000	\$ 27,448,500	87%	\$ 3,155,000	10%	\$ -	\$ 30,603,500	\$ 946,500	459,053	487,448	3%	
WWTP2008-55		Ashbridges Bay STANDBY POWER GENERATION Construction	2013-2015	12,000,000	\$ 10,440,000	87%	\$ 1,200,000	10%	\$ -	\$ 11,640,000	\$ 360,000	174,600	185,400	3%	
WWTP2008-58		Ashbridges Bay PT Engineering Design & Contract Admin*	2013-2017	15,020,000	\$ 13,067,400	87%	\$ 1,602,000	10%	\$ -	\$ 14,669,400	\$ 450,600	218,541	232,059	3%	
WWTP2008-72		Ashbridges Bay PRIMARY TREATMENT UPGRADE - CONST CONT #2	2016-2017	40,000,000	\$ 34,800,000	87%	\$ 4,000,000	10%	\$ -	\$ 38,800,000	\$ 1,200,000	582,000	618,000	3%	
WWTP2008-73		Ashbridges Bay PRIMARY TREATMENT UPGRADE - CONST CONT #1	2014-2017	70,000,000	\$ 60,900,000	87%	\$ 7,000,000	10%	\$ -	\$ 67,900,000	\$ 2,100,000	1,018,500	1,081,500	3%	
WWTP2008-74		Ashbridges Bay WASTE ACTIVATED SLUDGE UPGRADE*	2013-2017	6,400,000	\$ 5,568,000	87%	\$ 640,000	10%	\$ -	\$ 6,208,000	\$ 192,000	93,120	98,880	3%	
WWTP2008-56		Highland Creek ODOUR CONTROL UPGRADES PHASE 2	2014-2017	40,000,000	\$ 30,800,000	77%	\$ 8,400,000	21%	\$ -	\$ 39,200,000	\$ 800,000	388,000	412,000	2%	
WWTP2008-44		HIGHLAND CREEK WAS THICKENING AND DEWATERING PHASE 2*	2013-2015	68,600,000	\$ 52,822,000	77%	\$ 14,408,000	21%	\$ -	\$ 67,228,000	\$ 1,372,000	685,420	706,580	2%	
WWTP2008-45		Highland Creek ODOUR CONTROL UPGRADES - PHASE 1 ENGR	2013	1,750,000	\$ 1,347,500	77%	\$ 367,500	21%	\$ -	\$ 1,715,000	\$ 35,000	16,975	18,025	2%	
WWTP2008-46		Highland Creek ODOUR CONTROL UPGRADES - PHASE 1 CONST	2013-2015	34,700,000	\$ 26,719,000	77%	\$ 7,287,000	21%	\$ -	\$ 34,006,000	\$ 684,000	336,580	367,410	2%	
WWTP2008-57		Ashbridges Bay OUTFALL AND DISINFECTION UPGRADES CONSTRUCTION	2014-2017	125,000,000	\$ 108,750,000	87%	\$ 12,500,000	10%	\$ -	\$ 121,250,000	\$ 3,750,000	1,818,750	1,931,250	3%	
WWTP2008-58		Humber HEADHOUSE UPGRADES PH2 & PH1 ODOUR CONTROL*	2013	6,000,000	\$ 4,440,000	74%	\$ 1,500,000	25%	\$ -	\$ 5,940,000	\$ 60,000	29,100	30,900	1%	
WWTP2008-57		Humber PROCESS EQUIPMENT UPGRADES*	2013	11,100,000	\$ 8,214,000	74%	\$ 2,775,000	25%	\$ -	\$ 10,989,000	\$ 111,000	53,835	57,165	1%	
WWTP2008-76		Humber PROCESS EQUIPMENT UPGRADES*	2013	1,000,000	\$ 740,000	74%	\$ 250,000	25%	\$ -	\$ 990,000	\$ 10,000	4,850	5,150	1%	
WWTP2008-76		Humber PROCESS AUDIT RECOMMENDATIONS	2014-2017	40,000,000	\$ 29,600,000	74%	\$ 10,000,000	25%	\$ -	\$ 39,600,000	\$ 400,000	194,000	206,000	1%	
WWTP2008-77		Humber BMP IMPLEMENTATION	2013-2016	20,400,000	\$ 15,096,000	74%	\$ 5,100,000	25%	\$ -	\$ 20,196,000	\$ 204,000	98,940	105,060	1%	
WWTP2008-59		Ashbridges Bay BYPASS CONDUITS	2013-2016	0	0										
WWTP2008-60		Ashbridges Bay PROCESS UPGRADES & ODOUR CONTROL CONTRACT ADMIN	2013-2017	3,250,000	\$ 2,837,500	87%	\$ 325,000	10%	\$ -	\$ 3,162,500	\$ 97,500	47,288	50,213	3%	
WWTP2008-61		Ashbridges Bay DIGESTERS 9-12 REFURBISH	2015-2017	20,500,000	\$ 17,835,000	87%	\$ 2,050,000	10%	\$ -	\$ 19,885,000	\$ 615,000	298,275	316,725	3%	
WWTP2008-62		Highland Creek BIOSOLIDS TREATMENT PHASE 2	2015-2017	125,000,000	\$ 95,250,000	77%	\$ 26,250,000	21%	\$ -	\$ 122,500,000	\$ 2,500,000	1,212,500	1,287,500	2%	
WWTP2008-66		FUTURE SEWAGE PS UPGRADES*	2013	6,000,000	\$ 5,100,000	85%	\$ 450,000	8%	\$ -	\$ 5,550,000	\$ 450,000	218,250	231,750	8%	
		* Same project listed twice since costs expected during and post by-law term. Costs split accordingly													
		Total Estimated Capital Cost		\$1,126,471,200	\$887,369,590		\$194,488,950		\$	\$ 1,051,856,540	\$ 74,614,660	\$36,188,110	\$ 38,426,550		7%

1 For projects that commenced prior to 2008, only costs 2008 and forward are included.

## Sewers

### A-5.8 Project Description

1. The City's 2004 DC Background Study contained \$167.2 million in the form of 90 sanitary sewer projects, of which \$89 million were potential DC recoverable costs.
2. 56 of these projects have been either completed in the interval or screened out of the calculation as being no longer expected to be related to anticipated development 2008-2018. This step was carried out by review, including overlaying the 2004 list of unbuilt projects on the anticipated growth location map as part of the updating process.
3. The remaining 34 projects have an estimated 2008 cost of \$87 million.
4. Provision for unallocated sewer construction improvements was reduced from \$18.5 million (2004\$) to \$10 million (2008\$) in order to make provision for sewer requirements which emerge from unanticipated development proposals or otherwise unanticipated project requirements. These project costs are governed by the policies and procedures outlined under "Development Charges Fund Criteria", which follows. These criteria are generally applicable to all hard service unallocated improvements. They have been shown as 50% growth-related, on average.
5. Projects carried forward from the 2004 study, applied a 32% Cost Index to the previous costs, as per the Toronto Water analysis of actual Awarded projects in 2005, 2006 & 2007, as compared with 2004 estimates.
6. New projects are ones that have been specifically identified by Sewer Asset Planning or Development Engineering as being development related, or in an area of known capacity limitations.

### A-5.9 Level of Service

	<b>Unit</b>	
<b><u>Sanitary Sewer Service:</u></b>		
Average Daily Flow		
Low./Med Density	L/cap/d	450
High Density	L/cap/d	433
Commercial	L/s.f/d	2.6
Industrial	L/s.f/d	3.1
Min Extraneous Flow	L/s/ha	0.26

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### **A-5.10 Benefit to Existing Development**

1. \$49.4 million has been deducted as benefit to existing development, leaving \$38.1 million as being applicable to growth.
2. Benefit to Growth was determined by calculating the % Growth from the population and employment projections, by traffic zone where the project is planned. Exceptions to this are where projects were specifically driven by development, in which case they are considered 100% growth related (e.g. Anndale, 8333 Sheppard Ave, Milliken and Meadowvale).

### **A-5.11 Post Period/Excess Capacity**

A 10% deduction for post period capacity has been made for the unallocated amounts.

### **A-5.12 Grants, Subsidies and Other Contributions**

N/A

### **A-5.13 10% Statutory Deduction**

N/A

### **A-5.14 Residential vs. Non-Residential Split**

48.5:51.5 as per water flow data





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## **DEVELOPMENT CHARGES FUND CRITERIA (UNALLOCATED IMPROVEMENTS)**

The project costs, or part thereof, as determined by the General Manager of Toronto Water or his designate, acting reasonable, shall be charged or credited to the Development Charges Fund as Unallocated Improvements as described in the following criteria:

### **SEWER AND WATER SUB-TRUNK SYSTEMS**

- Sub-trunk pipes are defined to include watermain, combined and sanitary pipe systems sized over and above the pipe sizes as defined in the Local Service Policy. The developer shall be responsible to pay the cost of local service pipe sizes as determined by the General Manager of Toronto Water, or his designate.
- The project cost for **NEW WATER AND WASTEWATER SUB-TRUNK PIPES** both internal and/or external to a proposed development, where such piping is required to accommodate future development growth, over and above the requirements of a proposed development, may be charged to the Development Charges Unallocated Improvements Fund or credited against any development charges payable.
- The project cost to replace **EXISTING WATER AND WASTEWATER SUB-TRUNK PIPES** with larger pipes to accommodate future growth, over and above the requirements of a proposed development, may be charged to the Development Charges Unallocated Improvements Fund or credited against any development charges payable.
- The project cost for the reconstruction or rehabilitation of an **EXISTING WATER AND WASTEWATER SUB-TRUNK PIPES** may be charged to the Development Charges Unallocated Improvements Fund or credited against any development charges payable where such reconstruction or rehabilitation provides additional capacity in the existing system to accommodate future development growth.

## **A-6 STORM WATER MANAGEMENT**



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## **A-6 STORM WATER MANAGEMENT**

### **A-6.1 Project Description**

Each new development is responsible for providing on-site controls for storm water collected within the boundaries of the development and this is the underpinning of the Wet Weather Flow Master Plan; however, each new development also creates off-site impacts due to the other hard infrastructure (i.e. road widenings, etc.) required to service the development, that require control to meet the objectives of the WWFMP. The City's 10-year capital program totals \$807.8 million.

### **A-6.2 Level of Service**

The City's level of service is as required by the Ministry of the Environment and standard engineering design practice.

### **A-6.3 Benefit to Existing Development**

1. \$727.0 million (90%) has been deducted as a benefit to existing development. An additional \$41.3 million has been deducted as the cost attributable to post-period capacity. The remainder is \$39.5 million (4.9%) as the potential DC recoverable cost. This is basically the weighted forecast growth in population and employment in the City over the next decade.
2. The basis for these percentage deductions is as follows:
  - BTE of 90% was used in the 2004 study, and has been maintained herein. PPC to 0% and 2008-2018 at 10%, since the projects listed will all have immediate impact.

Exception to the above:

- 10 YR WWFMMP Design and Implementation has a 5% PPC, since the WWFMP is a 25 year plan and has a longer range goal for impact than other projects.
- Basement Flooding is 90% Benefit to Existing and 10% long term capacity benefit (PPC)

#### **A-6.4 Post Period/Excess Capacity**

0-10%, as discussed above.

#### **A-6.5 Grants, Subsidies and Other Contributions**

N/A

#### **A-6.6 10% Statutory Deduction**

N/A

#### **A-6.7 Residential vs. Non-Residential Split**

48.5:51.5 as per water flow above.

INFRASTRUCTURE COSTS COVERED IN THE DC CALCULATION  
MUNICIPALITY: City of Toronto

Storm Water Management

a	b	c	d	e	f	g	h	i	j	k	l		m	n	o
											Benefit to Existing Development	Post Period Capacity			
Proj.	Cat.	Project Name	Timing	Gross Capital Cost Est.	\$	%	\$	%	Grants, Subsidies & Other Contributions Attrib. to New Development	Sub Total	Not Costs Benefiting New Development	Residential Share	Non-Residential Share	% of Gross Cost	
		Increased Service Needs Attributable to Anticipated Development 2009-2017		390,505	\$						\$ 390,505	48.5%	201,110	100%	
		Already Constructed													
		Tapscott Employment District - Credit	<2008												
		<b>SOURCE CONTROL</b>													
		Cost to be Incurred During Term of Proposed By-law (2008-2012)													
		DOWNSPOUT DISCONNECTION PROGRAM*	2007-2012	22,530,000	\$	50%	11,265,000	10%		20,268,000	\$ 2,552,000	1,092,230	1,159,760	10%	
		TREE PLANTING FOR SOURCE WATER PROTECTION	2007-2009	4,000,000	\$	50%	2,000,000	10%		3,600,000	\$ 400,000	194,000	206,000	10%	
		Cost to be Incurred Post By-law Term (2013-2017)													
		DOWNSPOUT DISCONNECTION PROGRAM*	2013-2016	20,520,000	\$	90%	18,468,000	10%		18,468,000	\$ 2,052,000	995,220	1,056,780	10%	
		<b>FLOOD PREVENTION</b>													
		Cost to be Incurred During Term of Proposed By-law (2008-2012)													
		BASEMENT FLOODING STUDIES & EAs	2005-2010	55,800,000	\$	90%	5,220,000	10%		5,800,000	\$ -	-	-	0%	
		BASEMENT FLOODING RELIEF - DESIGN*	2005-2012	11,500,000	\$	90%	1,150,000	10%		11,500,000	\$ -	-	-	0%	
		BASEMENT FLOODING RELIEF GROUP 1 - CONSTRUCTION*	2009-2012	339,100,000	\$	90%	35,190,000	10%		39,100,000	\$ -	-	-	0%	
		Cost to be Incurred Post By-law Term (2013-2017)													
		BASEMENT FLOODING RELIEF - DESIGN*	2013	52,000,000	\$	90%	1,800,000	10%		2,000,000	\$ -	-	-	0%	
		BASEMENT FLOODING RELIEF GROUP 1 - CONSTRUCTION*	2013-2017	113,500,000	\$	90%	11,350,000	10%		118,500,000	\$ -	-	-	0%	
		BASEMENT FLOODING RELIEF GROUP 2 - CONSTRUCTION*	2015-2017	170,000,000	\$	90%	63,000,000	10%		70,000,000	\$ -	-	-	0%	
		<b>CONVEYANCE CONTROL</b>													
		Already Constructed													
		2008 STORM SEWER REPLACEMENT	2006-2007		\$	90%	-	10%		-	\$ -	-	-		
		Cost to be Incurred During Term of Proposed By-law (2008-2012)													
		2009 STORM SEWER REPLACEMENT	2009	3,000,000	\$	90%	2,700,000	10%		2,700,000	\$ 300,000	145,500	154,500	10%	
		10 YEAR STORM SEWER REPLACEMENT*	2007-2012	19,500,000	\$	90%	17,550,000	10%		17,550,000	\$ 1,950,000	945,500	1,004,500	10%	
		CONVEYANCE CONTROLS	2008-2012	9,540,000	\$	90%	8,586,000	10%		8,586,000	\$ 954,000	462,000	497,000	10%	
		Cost to be Incurred Post By-law Term (2013-2017)													
		10 YEAR STORM SEWER REPLACEMENT*	2013-2017	42,500,000	\$	90%	38,250,000	10%		38,250,000	\$ 4,250,000	2,061,250	2,188,750	10%	
		<b>SHORELINE MANAGEMENT</b>													
		Cost to be Incurred Post By-law Term (2013-2017)													
		VARIOUS LOCATIONS (OYR W/FMAP IMPLEMENTATION)*	2013-2017	45,000,000	\$	90%	40,500,000	10%		42,750,000	\$ 2,250,000	1,091,250	1,158,750	5%	
		HUMBER RIVER DEFLECTOR ARM													
		ETOBICOKE CREEK DEFLECTOR ARM													
		RESTORATION OF HIGHLAND CREEK MARSH													
		RESTORATION OF ROUGE PARK MARSH													
		<b>STREAM RESTORATION AND REFORESTATION</b>													
		Cost to be Incurred During Term of Proposed By-law (2008-2012)													
		YR05 SWM STREAM RESTORATION	2005-2012	320,000	\$	90%	288,000	10%		288,000	\$ 32,000	15,520	16,480	10%	
		HIGHLAND CREEK STREAM RESTORATION	2008-2012	16,500,000	\$	90%	14,850,000	10%		14,850,000	\$ 1,650,000	800,250	847,750	10%	
		STREAM RESTORATION	2007-2010	3,000,000	\$	90%	2,700,000	10%		2,700,000	\$ 300,000	145,500	154,500	10%	
		10 YEAR STREAM RESTORATION*	2008-2012	5,000,000	\$	90%	4,500,000	10%		4,500,000	\$ 500,000	242,500	257,500	10%	
		Cost to be Incurred Post By-law Term (2013-2017)													
		HIGHLAND CREEK STREAM RESTORATION	2013	4,000,000	\$	90%	3,600,000	10%		3,600,000	\$ 400,000	194,000	206,000	10%	
		10 YEAR STREAM RESTORATION*	2013-2018	22,000,000	\$	90%	19,800,000	10%		20,900,000	\$ 1,100,000	533,500	566,500	5%	

INFRASTRUCTURE COSTS COVERED IN THE DC CALCULATION  
MUNICIPALITY:  
City of Toronto

Storm Water Management

a	b	c	d	e	f	g	h	Less:		i	j	k	m		n	o
								Post Period Capacity	%				Residential Share	Non-Residential Share		
Proj.	Cat.	Project Name Increased Service Needs Attributable to Anticipated Development: 2008-2017	Timing	Gross Capital Cost Est. 1	Benefit to Existing Development \$	%	\$	\$	%	Grants, Subsidies & Other Contributions Attrib to New Development	Sub Total	Net Costs Benefiting New Development	Residential Share	Non-Residential Share	% of Gross Cost	
		<b>END OF PIPE FACILITIES</b>														
		Cost to be Incurred During Term of Proposed By-Law (2008-2012)														
		CLASS ENVIRONMENTAL ASSESSMENT AND DESIGN														
		SWM2008-9	2007-2012	5,812,000	0	50%	6,139,500	0	10%		6,139,500	681,200	330,382	350,818	10%	
		WWFMP IMPLEMENTATION - DESIGN	2007-2012	23,000,000	0	90%	20,700,000	0	10%		20,700,000	2,300,000	1,115,500	1,184,500	10%	
		VARIOUS LOCATIONS (10YR WWFMP IMPLEMENTATION)*	2008-2012	10,000,000	0	95%	9,000,000	0	10%		9,000,000	1,000,000	485,000	515,000	10%	
		STORMWATER STORAGE FACILITIES (VARIOUS LOCATIONS)														
		SWM2008-27	2008-2012	0	0	95%	0	0	10%		0	0	0	0		
		WWFMP	2008-2012	0	0	90%	0	0	10%		0	0	0	0		
		SWM2008-28	2008-2012	0	0	90%	0	0	10%		0	0	0	0		
		WWFMP	2008-2012	0	0	90%	0	0	10%		0	0	0	0		
		SWM2008-4	2007-2012	3,600,000	3,240,000	90%	3,240,000	0	10%		3,240,000	360,000	174,600	185,400	10%	
		WWFMP	2007-2012	0	0	90%	0	0	10%		0	0	0	0		
		SWM2008-6	2007-2010	5,685,000	5,116,500	90%	5,116,500	0	10%		5,116,500	568,500	275,723	292,778	10%	
		WWFMP	2008-2010	1,220,000	1,098,000	90%	1,098,000	0	10%		1,098,000	122,000	59,170	62,830	10%	
		SWM2008-3	2008-2012	0	0	90%	0	0	10%		0	0	0	0		
		WWFMP	2008-2012	0	0	90%	0	0	10%		0	0	0	0		
		SWM2008-14	2008-2011	5,000,000	4,500,000	90%	4,500,000	0	10%		4,500,000	500,000	242,500	257,500	10%	
		WWFMP	2008-2011	6,800,000	6,800,000	90%	6,800,000	0	10%		6,800,000	800,000	320,100	339,900	10%	
		SWM2008-7	2008-2011	0	0	90%	0	0	10%		0	0	0	0		
		WWFMP	2008-2011	0	0	90%	0	0	10%		0	0	0	0		
		SWM2008-14	2008-2012	5,550,000	4,995,000	90%	4,995,000	0	10%		4,995,000	555,000	269,715	285,285	10%	
		WWFMP	2008-2012	2,400,000	2,160,000	90%	2,160,000	0	10%		2,160,000	240,000	116,400	123,600	10%	
		SWM2008-29	2008-2012	1,830,000	1,647,000	90%	1,647,000	0	10%		1,647,000	183,000	88,755	94,245	10%	
		WWFMP	2008-2012	0	0	90%	0	0	10%		0	0	0	0		
		SWM2008-31	2008-2012	0	0	90%	0	0	10%		0	0	0	0		
		WWFMP	2008-2012	0	0	90%	0	0	10%		0	0	0	0		
		Cost to be Incurred Post By-Law Term (2013-2017)														
		CLASS ENVIRONMENTAL ASSESSMENT AND DESIGN														
		SWM INNA/EA	2013	500,000	450,000	90%	450,000	0	10%		450,000	50,000	24,250	25,750	10%	
		WWFMP IMPLEMENTATION - DESIGN	2013	500,000	450,000	90%	450,000	0	10%		450,000	50,000	24,250	25,750	10%	
		SWM INNA/EA	2013	800,000	720,000	90%	720,000	0	0%		720,000	80,000	38,600	41,200	10%	
		WWFMP	2013	275,000,000	247,500,000	90%	247,500,000	13,750,000	10%		261,250,000	13,750,000	6,668,750	7,081,250	5%	
		VARIOUS LOCATIONS (10YR WWFMP IMPLEMENTATION)*	2013-2017	0	0	90%	0	0	10%		0	0	0	0		
		COMBINED SEWER OVERFLOW STORAGE FACILITIES (VARIOUS LOCATIONS)														
		SWM INNA/EA	2013	808,187,500	727,017,000	90%	727,017,000	41,250,000	10%		768,307,000	39,880,205	19,341,900	20,538,305	5%	
		WWFMP	2013	0	0	90%	0	0	10%		0	0	0	0		
		SWM INNA/EA	2013	0	0	90%	0	0	10%		0	0	0	0		
		WWFMP	2013	0	0	90%	0	0	10%		0	0	0	0		
		SWM INNA/EA	2013	0	0	90%	0	0	10%		0	0	0	0		
		WWFMP	2013	0	0	90%	0	0	10%		0	0	0	0		
		SWM INNA/EA	2013	0	0	90%	0	0	10%		0	0	0	0		
		WWFMP	2013	0	0	90%	0	0	10%		0	0	0	0		
		SWM INNA/EA	2013	0	0	90%	0	0	10%		0	0	0	0		
		WWFMP	2013	0	0	90%	0	0	10%		0	0	0	0		
		SWM INNA/EA	2013	0	0	90%	0	0	10%		0	0	0	0		
		WWFMP	2013	0	0	90%	0	0	10%		0	0	0	0		
		SWM INNA/EA	2013	0	0	90%	0	0	10%		0	0	0	0		
		WWFMP	2013	0	0	90%	0	0	10%		0	0	0	0		
		SWM INNA/EA	2013	0	0	90%	0	0	10%		0	0	0	0		
		WWFMP	2013	0	0	90%	0	0	10%		0	0	0	0		
		SWM INNA/EA	2013	0	0	90%	0	0	10%		0	0	0	0		
		WWFMP	2013	0	0	90%	0	0	10%		0	0	0	0		
		SWM INNA/EA	2013	0	0	90%	0	0	10%		0	0	0	0		
		WWFMP	2013	0	0	90%	0	0	10%		0	0	0	0		
		SWM INNA/EA	2013	0	0	90%	0	0	10%		0	0	0	0		
		WWFMP	2013	0	0	90%	0	0	10%		0	0	0	0		
		SWM INNA/EA	2013	0	0	90%	0	0	10%		0	0	0	0		
		WWFMP	2013	0	0	90%	0	0	10%		0	0	0	0		
		SWM INNA/EA	2013	0	0	90%	0	0	10%		0	0	0	0		
		WWFMP	2013	0	0	90%	0	0	10%		0	0	0	0		
		SWM INNA/EA	2013	0	0	90%	0	0	10%		0	0	0	0		
		WWFMP	2013	0	0	90%	0	0	10%		0	0	0	0		
		SWM INNA/EA	2013	0	0	90%	0	0	10%		0	0	0	0		
		WWFMP	2013	0	0	90%	0	0	10%		0	0	0	0		
		SWM INNA/EA	2013	0	0	90%	0	0	10%		0	0	0	0		
		WWFMP	2013	0	0	90%	0	0	10%		0	0	0	0		
		SWM INNA/EA	2013	0	0	90%	0	0	10%		0	0	0	0		
		WWFMP	2013	0	0	90%	0	0	10%		0	0	0	0		
		SWM INNA/EA	2013	0	0	90%	0	0	10%		0	0	0	0		
		WWFMP	2013	0	0	90%	0	0	10%		0	0	0	0		
		SWM INNA/EA	2013	0	0	90%	0	0	10%		0	0	0	0		
		WWFMP	2013	0	0	90%	0	0	10%		0	0	0	0		
		SWM INNA/EA	2013	0	0	90%	0	0	10%		0	0	0	0		
		WWFMP	2013	0	0	90%	0	0	10%		0	0	0	0		
		SWM INNA/EA	2013	0	0	90%	0	0	10%		0	0	0	0		
		WWFMP	2013	0	0	90%	0	0	10%		0	0	0	0		
		SWM INNA/EA	2013	0	0	90%	0	0	10%		0	0	0	0		
		WWFMP	2013	0	0	90%	0	0	10%		0	0	0	0		
		SWM INNA/EA	2013	0	0	90%	0	0	10%		0	0	0	0		
		WWFMP	2013	0	0	90%	0	0	10%		0	0	0	0		
		SWM INNA/EA	2013	0	0	90%	0	0	10%		0	0	0	0		
		WWFMP	2013	0	0	90%	0	0	10%		0	0	0	0		
		SWM INNA/EA	2013	0	0	90%	0	0	10%		0	0	0	0		
		WWFMP	2013	0	0	90%	0	0	10%		0	0	0	0		
		SWM INNA/EA	2013	0	0	90%	0	0	10%		0	0	0	0		
		WWFMP	2013	0	0	90%	0	0	10%		0	0	0	0		
		SWM INNA/EA	2013	0	0	90%	0	0	10%		0	0	0	0		
		WWFMP	2013	0	0	90%	0	0	10%		0	0	0	0		
		SWM INNA/EA	2013	0	0	90%	0	0	10%		0	0	0	0		
		WWFMP	2013	0	0	90%	0	0	10%		0	0	0	0		
		SWM INNA/EA	2013	0	0	90%	0									



## A-7 PARKS AND RECREATION



## A-7 PARKS AND RECREATION

### A-7.1 Parkland

#### 1.1 *Capital Program*

Over the next ten years, the City intends to develop new parkland and trails, such as the district park planned for the former Canadian Tire site and construction of the CN Leaside Trail. In addition, the growth-related capital program includes plans to intensify the development of existing parkland and trails, in order to accommodate the needs of new (and existing) development in Toronto (e.g. adding spray pads and skateboarding facilities or providing lighting for previous unlit playing fields and courts). This latter improvement will increase park development operating capacity by increasing the number of hours that the facility may be open. A small unallocated amount has also been included for unanticipated projects and DC credit requirements.

The City has reviewed its 10-year capital plan to identify those projects that will result, in whole or in part, in increased capacity to meet the needs of growth.

A number of the projects are non-site-specific but are intended to implement approved plans and strategies such as the Toronto Bike Plan and the Parks Renaissance Strategy.

The gross cost shown in the DC calculation has been adjusted from the 2008 Capital Budget amount in the case of a number of projects, to remove the portion that is not related to increasing capacity as follows:

#	Project Name	City Budget Amount	Reduction	Rationale
248	Sports Fields	\$2.8 million	\$800,000	To remove the portion related to "State of Good Repair"
210	Toronto Bike Expansion Plan	\$4 million	\$2 million	To remove portion related to maintaining existing paths
501	Park Renaissance Strategy	\$16 million	\$3 million	To remove cost associated with maintaining "State of Good Repair"
215	Christie Pits Park	\$1,080,000	\$580,000	To remove portion that relates to service improvements (e.g. accessibility, safety)
190	City-wide Environmental Initiatives	\$12,646,000	\$9,484,500	To remove portion not related to serving growth

## **1.2 Level of Service**

A service level calculation sheet is provided for each of: community parkland, natural and special feature parks (e.g. Ashbridges Bay, High Park, Centennial Park), and developed trails. The value of the City's existing inventory of developed parkland is based on the average replacement cost of the full inventory over the past ten years. The historical and future development costs are exclusive of the local works that are the responsibility of a developer for the delivery, in base park condition, of any land dedicated as a condition of development. Such work generally includes base park grading, top soil, sod, plantings, lighting, provision of benches and drainage (Appendix D).

## **1.3 DC Calculation Assumptions**

### **Ineligibility re: Level of Service**

While the City's contribution to parkland development projects planned by Waterfront Toronto has been included in the capital program, these projects have not been included in the DC calculation as they are beyond the statutory service level cap. It is proposed that these particular projects be designated in this way because they are already subject to tri-level funding arrangements, and this also mitigates against including these Waterfront costs in the DC.

### **Benefit to Existing Development**

The methodology illustrated in Figure 5-1 has been applied to the Park projects with respect to service area coverage. The primary catchment area varies depending on the type of park project. Each park project has been categorized as either local (e.g. neighbourhood services area), district (i.e. large service area) or City-wide. City-wide parks and trails (e.g. Earl Bales Park, High Park and the Leaside Trail) attract visitors from across the City. Therefore, a 5% deduction for benefit to existing development was applied to all projects involving City-wide parks.

District and local parks identified for inclusion in the development charge calculation were mapped to determine their location relative to growth. Each project was identified as either being in a high growth area (denoted with an H) or "other" area. The primary catchment area for a district park project is approximately a radius of 4 kms, meaning that it is estimated that 75% of the users of the park live within 4 kms. For a local park project, the primary catchment area is approximately 1 km. It is noted that local parks support a smaller population than many other City facilities (e.g. library, fire station) thus a modest increase in population can give rise to the need for additional service. In accordance with Figure 5-1, the following averaged deductions for benefit to existing development were made:

City-wide Park Project	All	5%
District Park Project	High growth	5%
	Other	20%
Local Park Project	High growth	5%
	Other	50%

These average deductions were applied to all projects within each category. Some exceptions warrant a different deduction on an individual basis. For example, a project outside of a high growth area may be the only project for a large area. As a result, it may involve a small investment, so that on a cost/capita basis, the project may be largely required to meet the needs of the limited population growth anticipated for the area in which it is located. Therefore, a lower BTE may be appropriate. However, it is recognized that the reverse may be true in other circumstances; therefore, given the large number of projects, use of an approach based on averages is considered appropriate. The BTE for the “unallocated” provision is generally based on the average BTE for all projects.

As noted earlier, there are several City initiatives that involve district parkland development at a range of currently unspecified locations (e.g. the Park Renaissance Strategy (#501), Skateboard Parks (#297), Sports Fields (#248)). It is expected that most of these projects will be undertaken in areas that are experiencing growth pressure and, for this reason, a blended BTE deduction of 10% has been made. These projects have been denoted with a “V” after the Parkland Category descriptor.

### **Grants, Subsidies and Other Contributions**

No grants, subsidies or other contributions are anticipated for any of the Parkland Development projects included in the DC calculation.

### **Residential vs. Non-residential Allocation**

The net costs benefiting new development have been allocated 95% to residential development, recognizing that most of the demand is related to residents of Toronto. A nominal 5% allocation is made for non-residential development to reflect the more limited use of most parks by employees working in the City and visitors.

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## **A-7.2 Major Indoor Recreation Facilities Component**

### **2.1 Capital Program**

Twelve growth-related projects from the City's capital budget have been identified for inclusion in the capital program, including six new community centres: 40 Wabash (Parkdale); Edithvale, York, North East Scarborough, Western North York and Warden Corridor.

Expansions are proposed for two existing community centres: O'Connor (two separate projects) and Birchmount, and a new indoor pool is proposed for Block 15 of the Regent Park redevelopment. Provision for a replacement community centre for Regent Park is also included with the gross cost reflecting only the expansion component (assumed to be 14,500 sq.ft.). The final entry is for the implementation of the City's Aquatic Pool Study. The gross project cost of \$27 million has been reduced to \$20 million to recognize that some smaller existing indoor pool facilities will be closed. Project costs shown are net of s.37 funding where applicable.

In addition to these projects, the City's contribution to recreation facilities planned by Waterfront Toronto has been included in the capital program but for the reasons noted above, has not been included as part of the DC itself, for the purposes of this by-law update.

### **2.2 Level of Service**

The quantity level of service for Recreation is based on the historic inventory of floor area of major indoor recreation facilities. The quality service level of \$358 per sq.ft. (2008 \$), reflects the blended average replacement cost of the existing facilities, including design, construction, furnishings and equipment, land and site servicing.

### **2.3 DC Calculation Assumptions**

#### **Benefit to Existing Development**

The methodology illustrated in Figure 5-1 has been applied to the Recreation facility projects with respect to service area coverage. The primary catchment area for Major Indoor Recreation Facilities is assumed to be a radius of 4 km from the facility. This has been calculated based on the distance within which 75% of the registered users of all such facilities travel to use them. However, it is also recognized that participants will travel a much greater distance, particularly where specialized or newer facilities are involved.

The next step in establishing an appropriate "benefit to existing development" (BTE) share is to determine whether the facility services a "high growth area" or an "other area" as generally defined by Map 5-1. Projects in high growth areas are labelled "HG" as part of the project

name. High Growth Area projects were assigned a 5% BTE deduction, in order to make provision for a possible minor overall service level benefit to the City as a whole. In the case of projects in "other areas" the BTE deduction is 20%, as these projects serve a larger area, rather than a neighbourhood, service area. This is the mid-point of the range for this circumstance (e.g. projects with a larger area coverage and not within a high growth area). The 20% figure recognizes that most of these projects are new facilities that will provide some benefit to the existing communities in which they are located.

The Aquatic Pool Study Implementation involves the provision of new (larger) indoor pools throughout the City. The actual locations are not yet known; however, they are expected to be located in areas of growth. For this reason, a blended BTE deduction of 10% has been made and the project has been denoted with a "V".

### **Grants, Subsidies and Other Contributions**

As noted in section A.7.2.1, the gross project costs are net of s.37 contributions where applicable.

The following additional contributions are anticipated for individual projects included in the capital program:

- Regent Park Pool – \$2 million contribution resulting from TRUMP development project being constructed in the area
- O'Connor Community Centre – Additional Youth Programming Space - \$100,000 financial support from TCHC Tenant Council and \$500,000 grant from Ministry of Citizenship and Immigration.

These funds have been deducted in the calculation, in proportion to the percentage of the gross costs that are within the eligible increase in need and benefit to existing development. For example, if the gross project cost is reduced by 25% due to deductions for "ineligible re level of service" plus benefit to existing development, 75% of the grant is deducted as part of the DC calculation, as being the amount attributable to new development.

### **Residential vs. Non-residential Allocation**

The net costs benefiting new development have been allocated 95% to residential development recognizing that the vast majority of the demand is related to residents of Toronto. A nominal 5% allocation is made for non-residential development, to reflect the more limited use of recreation facilities by visitors and employees working in the City.

**SERVICE: DEVELOPED PARKLAND (COMMUNITY PARKLAND)**

Municipality  
Level of Service Calculation Sheet

City of Toronto

Contact:  
Unit Measure:

Hectares of Developed Parkland

Facility Name	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008 Value (per ha)
Community Parkland	2,027	2,031	2,046	2,056	2,062	2,070	2,074	2,088	2,115	2,115	\$424,000
<b>Total</b>	<b>2,027</b>	<b>2,031</b>	<b>2,046</b>	<b>2,056</b>	<b>2,062</b>	<b>2,070</b>	<b>2,074</b>	<b>2,088</b>	<b>2,115</b>	<b>2,115</b>	<b>\$424,000</b>
Population Level of Service (ha/1,000 persons)	2,418,776	2,436,315	2,453,831	2,471,355	2,500,743	2,530,123	2,559,516	2,588,896	2,618,284	2,643,097	
10 Year Average	0.83803	0.83347	0.83368	0.83205	0.82463	0.81795	0.81031	0.80652	0.80778	0.80020	
Quantity (ha per 1,000 persons)	0.82046										
Quality (\$/ha)	\$424,000										
Combined Quantity/Quality Level (\$/1,000 persons)	\$347,875										
Combined Quantity/Quality Level (\$/person)	347.88										
DC Amount (before deductions)	10 Year										
Forecast Population (2008-18)	130,579										
\$ per person	347.88										
Eligible Amount	45,425,175										

Note: Parkland development cost includes paths, lighting, furniture, washrooms irrigation, playground, design/supervision, parking and a selection of other facilities such as outdoor sports fields (lit and unit), ancillary buildings outdoor, tennis courts (lit and unit), general purpose outdoor facilities (ice pad, wading, pool, splash pad, multipurpose court), bowling greens (lit and unit), outdoor pools, and ball diamonds (lit and unit). This assumes that the dedicated land has been graded, top soiled, sodded, planted and drained by the developer.



SERVICE: DEVELOPED TRAILS

Municipality  
City of Toronto

Level of Service Calculation Sheet

Contact :  
Unit Measure: Kilometres of Trail

Facility Name	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008 Value (per sq.m.)
Trails (total km)	221	221	223	223	224	226	226	227	234	237	106
Total Square Metre of Trail (3,500 sm/k)	773,500	773,500	779,800	781,060	784,035	791,035	791,000	794,500	819,000	829,500	106
Population	2,418,776	2,436,315	2,453,831	2,471,355	2,500,743	2,530,123	2,559,516	2,588,896	2,618,284	2,643,097	
Level of Service (sq m./capita)	0.32	0.32	0.32	0.32	0.31	0.31	0.31	0.31	0.31	0.31	

10 Year Average Quantity (sq.m. per capita)	0.31
Quality (\$/sq.m.)	106.00
Combined Quantity/Quality Level (\$/capita)	32.86

Note: A typical trail has been assumed to be 3.5 m wide asphalt paved, with an appropriate allowance made for the provision of bridges, crossings and related structures as required.

DC Amount (before deductions)	10 Year
Forecast Population (2008-18)	130,579
\$ per person	32.86
Eligible Amount	4,290,826

**SERVICE: DEVELOPED PARKLAND (Natural and Special Feature Parks)**

City of Toronto

Municipality  
Level of Service Calculation Sheet

Contact :  
Unit Measure: Hectares of Developed Parkland

Facility Name	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008 Value (per ha)
Natural and Special Feature Parks	5,842	5,847	5,847	5,847	5,847	5,848	6,073.0	6,101.0	6,112.0	6,116.0	\$ 111,300
<b>Total</b>	<b>5,842</b>	<b>5,847</b>	<b>5,847</b>	<b>5,847</b>	<b>5,847</b>	<b>5,848</b>	<b>6,073</b>	<b>6,101</b>	<b>6,112</b>	<b>6,116</b>	<b>\$111,300</b>
Population	2,418,776	2,436,315	2,453,831	2,471,355	2,500,743	2,530,123	2,559,516	2,588,896	2,618,284	2,643,097	
Level of Service (ha/1,000 persons)	2.41524	2.40001	2.38288	2.36598	2.33818	2.31151	2.37271	2.35660	2.33435	2.31395	

Note: Development costs have allowed for the inclusion of access roads and parking, paths, lighting, furniture, washrooms, irrigation, horticultural displays, ancillary outdoor buildings, plazas and design/supervision.

10 Year Average	
Quantity (ha per 1,000 persons)	2.35914
Quality (\$/ha)	\$111,300
Combined Quantity/Quality Level (\$/1,000 persons)	\$262,572
Combined Quantity/Quality Level (\$/person)	262.57
DC Amount (before deductions)	10 Year
Forecast Population (2008-18)	130,579
\$ per person	262.57
Eligible Amount	34,286,426

INFRASTRUCTURE COSTS COVERED IN THE DC CALCULATION  
City of Toronto

MUNICIPALITY:

SERVICE: Parkland Development

a	b	c	d	e	f	g	h	i		k	l	m	n		o	p
								Benefit to Existing Development \$	%				Residential Share 95%	Non-Residential Share 5%		
Pfj. No.	Park Cat.		Increased Service Needs Attributable to Anticipated Development	Timing	Gross Capital Cost Est.	Ineligible re: Level of Service	Eligible Increase in Need	Benefit to Existing Development \$	%	Grants, Subsidies & Other Contributions Attrib. to New Development	Other (e.g. 10% Statutory Deduction)	Net Costs Benefiting New Development	Residential Share 95%	Non-Residential Share 5%	% of Gross Cost	
264	D	H	Cost to be Incurred During Term of Proposed By-law (2008-2012)													
274	L	L	Ness Park Redevelopment	2008	50,000		50,000	2,500	5%	47,500	4,750	42,750	40,613	2,136	88%	
486	L	L	Wychwood Community Park	2008	225,000		225,000	112,500	50%	112,500	11,250	101,250	96,188	5,063	45%	
264	D	H	Nelson Park (E) - Develop Soccer Field	2008	660,000		660,000	330,000	50%	330,000	33,000	297,000	282,150	14,850	45%	
224	L	L	Harrowfield Gardens Park Waterplay	2009	75,000		75,000	3,750	5%	71,250	7,125	64,125	60,919	3,206	86%	
114	CW	D	High Park Children's Garden -Kitchen Construction	2009	400,000		400,000	200,000	50%	200,000	20,000	180,000	171,000	9,000	45%	
320	D	V	Whitehaven Park - Total redevelopment	2009/2010	300,000		300,000	15,000	5%	285,000	28,500	256,500	243,675	12,825	86%	
297	D	V	Skateboard Parks City Wide FY2009-2011	2009/2010	550,000		550,000	275,000	50%	275,000	27,500	247,500	238,250	9,250	77%	
248	D	V	Sports Fields FY2009-2017 (SFP)	2009-2012	2,000,000		2,000,000	100,000	5%	1,900,000	190,000	1,710,000	1,620,000	90,000	81%	
190	CW	V	City Wide Environmental Initiatives	2009-2017	3,161,500		3,161,500	158,075	5%	2,993,425	299,343	2,704,082	2,567,928	136,154	86%	
192	D	V	Community Gardens	2009-2017	900,000		900,000	45,000	5%	855,000	85,500	769,500	729,000	36,450	81%	
10	L	D	Minneapolis Yard-soccer fields	2010	275,000		275,000	13,750	5%	261,250	26,125	235,125	223,369	11,756	86%	
237	D	D	O'Connor C.C. New Waterplay	2010	490,000		490,000	24,500	5%	465,500	46,550	418,950	398,100	20,850	71%	
266	D	H	Brookbanks Park Redevelopment	2010	275,000		275,000	13,750	5%	261,250	26,125	235,125	223,369	11,756	86%	
167	CW	V	Queensway Park - Baseball Lighting	2010	350,000		350,000	17,500	5%	332,500	33,250	299,250	284,288	14,963	86%	
190	D	H	Sunnybrook Park - New Pedestrian Walkway	2010	275,000		275,000	13,750	5%	261,250	26,125	235,125	223,369	11,756	86%	
283	CW	H	Wickson Trail - Trail Construction	2010	100,000		100,000	5,000	5%	95,000	9,500	85,500	81,225	4,275	85%	
267	D	H	Reagent Park - Local Parks	2010	2,360,000		2,360,000	118,000	5%	2,242,000	224,200	2,017,800	1,916,910	100,890	86%	
22	D	D	Ashtbridges Bay - Sports Field Lighting	2010/2011	2,000,000		2,000,000	100,000	5%	1,900,000	190,000	1,710,000	1,624,500	85,500	86%	
200	L	D	Port Union Village Common - Washroom Facilities	2010/2011	550,000		550,000	27,500	5%	522,500	52,250	470,250	446,738	23,513	86%	
208	L	H	Hawkesbury Park Tennis Bldg. Improve	2011	175,000		175,000	8,750	5%	166,250	16,625	149,625	142,144	7,481	45%	
204	CW	D	John Tabor Park - Conversion of Washing Pool	2011	350,000		350,000	17,500	5%	332,500	33,250	299,250	284,288	14,963	86%	
332	D	CW	Riverdale Park East - Lighting of Path (TBP)	2011	325,000		325,000	16,250	5%	308,750	30,875	277,875	263,961	13,894	86%	
116	CW	D	East Point Park - Install Pathway	2011/2012	75,000		75,000	3,750	5%	71,250	7,125	64,125	60,919	3,206	86%	
298	CW	D	Cedarvale Park redevelopment - Construction	2011/2012	1,200,000		1,200,000	60,000	5%	1,140,000	114,000	1,026,000	960,000	84,000	72%	
			Earl Bales Park - Ski Centre Expansion	2011/2012	2,400,000		2,400,000	120,000	5%	2,280,000	228,000	2,052,000	1,949,400	102,600	86%	
			Earl Bales Park Mountain Biking Facility	2012	100,000		100,000	5,000	5%	95,000	9,500	85,500	81,225	4,275	86%	
			Subtotal		20,631,500		20,631,500	2,593,575	5%	18,037,925	1,803,793	16,234,133	15,422,426	811,707	79%	
187	L	H	Shawnee Park - New Waterplay	2013	400,000		400,000	20,000	50%	200,000	20,000	180,000	171,000	9,000	45%	
206	L	L	Vredenburg Park - Waterplay	2013	400,000		400,000	20,000	5%	380,000	38,000	342,000	324,900	17,100	86%	
207	L	L	Clarita Park - Install a spray pad	2013	400,000		400,000	20,000	5%	200,000	20,000	180,000	171,000	9,000	45%	
94	L	L	Alton Park - Outdoor Basketball Courts	2013	150,000		150,000	7,500	50%	75,000	7,500	67,500	64,125	3,375	45%	
225	D	H	Borce Development - Thomson Park	2013	175,000		175,000	8,750	5%	166,250	16,625	149,625	142,144	7,481	45%	
271	CW	D	West Rouge Canoe Club - Clubhouse (City contribution)	2013	225,000		225,000	11,250	5%	213,750	21,375	192,375	182,756	9,619	86%	
228	L	H	New Cricket Pitch - North District Local (TBD)	2013	600,000		600,000	30,000	5%	570,000	57,000	513,000	487,350	25,650	86%	
500	L	H	West Queen West Triangle - New Park Waterplay	2013	500,000		500,000	25,000	5%	475,000	47,500	427,500	406,125	21,375	86%	
225	L	H	Humberwood/Indian Line Park Waterplay	2013	400,000		400,000	20,000	5%	380,000	38,000	342,000	324,900	17,100	86%	
226	L	H	Seven Oaks Park - New Splash Pad	2013	350,000		350,000	17,500	5%	332,500	33,250	299,250	284,288	14,963	86%	
198	L	H	Belmar Park - New Splash Pad	2013	350,000		350,000	17,500	5%	332,500	33,250	299,250	284,288	14,963	86%	
110	CW	D	Cathedral Bluffs Park Playground/Splash Pad	2013	400,000		400,000	20,000	50%	200,000	20,000	180,000	171,000	9,000	45%	
303	CW	D	Canada Arsenal (Marie Curtis Park)	2013	2,420,000		2,420,000	121,000	5%	2,299,000	229,900	2,069,100	1,965,845	103,455	45%	
110	CW	D	Concord Trails-Humber River to Humber Ave./Bic	2013-2015	3,000,000		3,000,000	150,000	5%	2,850,000	285,000	2,565,000	2,436,750	128,250	86%	
348	L	H	Yonge/Oliver (to be developed as local "urban park")	2014	98,000		98,000	4,900	50%	49,000	4,900	44,100	41,895	2,205	45%	
347	L	H	Former lands (to be developed as local and linear park)	2014	328,000		328,000	16,400	5%	311,600	31,160	280,440	266,418	14,022	86%	
353	L	H	Brimley/401/Progress (to be developed as local park)	2014	780,000		780,000	39,000	5%	741,000	74,100	666,900	633,555	33,345	86%	
358	CW	D	Don Leslie Trail (Multi-use trail construction)	2014	410,000		410,000	20,500	50%	205,000	20,500	184,500	175,275	9,225	45%	
352	D	H	Former Canadian Tire Site (1015-1019 Sheppard E.)	2014	3,906,000		3,906,000	195,300	5%	3,710,700	371,070	3,339,630	2,842,875	149,625	86%	
326	D	H	Clarence Square - Redevelopment Phase 2	2014	150,000		150,000	7,500	5%	142,500	14,250	128,250	122,838	16,982	86%	
49	D	D	Thomson Park-Redevelop of Park areas	2014	125,000		125,000	6,250	5%	118,750	11,875	106,875	101,850	5,025	45%	
271	L	D	Canthara Playground - Park Improvements	2014	150,000		150,000	7,500	5%	142,500	14,250	128,250	122,838	16,982	86%	
106	L	D	Maryvale Park - Foot Bridge from Murray Glen Dr	2014	1,000,000		1,000,000	50,000	5%	950,000	95,000	855,000	812,250	42,750	74%	
107	CW	D	Bluffers Park-Install pathway lighting	2014	175,000		175,000	8,750	5%	166,250	16,625	149,625	142,144	7,481	86%	
273	D	H	Fairmount Park Sport Field Renovations	2014	150,000		150,000	7,500	5%	142,500	14,250	128,250	122,838	16,982	86%	
85	D	D	Keele/Sheppard - Rebuild stairs/path/N Spooling	2014	250,000		250,000	12,500	5%	237,500	23,750	213,750	203,063	10,688	86%	
206	D	H	Thomson Park - Install Walkway Under Bridge	2014	1,500,000		1,500,000	75,000	5%	1,425,000	142,500	1,282,500	1,188,100	94,400	73%	
350	D	H	Bosert/Sheppard	2014	417,000		417,000	20,850	5%	396,150	39,615	356,535	338,708	17,827	86%	
351	L	H	Bayview/Sheppard (Knapton Gardens)	2014	110,000		110,000	5,500	5%	104,500	10,450	94,050	89,548	4,503	86%	
373	L	D	Adams Park - Install 2 New Picnic Shelters	2014	175,000		175,000	8,750	5%	166,250	16,625	149,625	142,144	7,481	86%	
448	L	H	New Park Dev-S End of Ward 18 Ex. Industrial Area	2014	500,000		500,000	25,000	5%	475,000	47,500	427,500	406,125	21,375	86%	

a	b	c	d	e	f	g	h	Less:		k	Potential DC Recoverable Cost		o	p			
								Benefit to Existing Development %	Grants, Subsidies & Other Contributions Attrib. to New Development		Sub Total	Other (e.g. 10% Statutory Deduction)			Net Costs Benefiting New Development	Residential Share 95%	Non-Residential Share 5%
414	L		Increased Service Needs Attributable to Anticipated Development	Timing	Gross Capital Cost Est.	Ineligible re Level of Service	Eligible Increase in Need	Benefit to Existing Development \$	%	Grants, Subsidies & Other Contributions Attrib. to New Development	Sub Total	Other (e.g. 10% Statutory Deduction)	Net Costs Benefiting New Development	Residential Share 95%	Non-Residential Share 5%	% of Gross Cost	
414	L		Tumbony Park North	2014	125,000		125,000	62,500	50%		62,500	6,250	56,250	53,438	2,813	45%	
440	L		Morningside Park - Install Shelter & Tables	2014	100,000		100,000	50,000	50%		50,000	5,000	45,000	42,750	2,250	45%	
429	L	H	Gore Park - New Park Development	2014	150,000		150,000	30,000	20%		120,000	12,000	108,000	102,600	5,400	72%	
510	CW		Centre Island - Construct a Picnic Shelter	2014	2,640,000		2,640,000	132,000	5%		2,508,000	250,800	2,257,200	2,144,340	112,860	86%	
511	L		East Lynn Park Lighting	2014	500,000		500,000	25,000	5%		475,000	47,500	427,500	408,125	21,375	86%	
205	CW		Lawrence Ave to Connaught Dr. New Trail	2014	300,000		300,000	15,000	5%		285,000	28,500	256,500	243,675	12,825	86%	
29	D		Colonel Samuel Smith Site Development	2015	1,550,000		1,550,000	310,000	20%		1,240,000	124,000	1,116,000	1,069,200	46,800	72%	
49	D		Keesdale Park-Build New Basketball Facility	2015	500,000		500,000	100,000	20%		400,000	40,000	360,000	342,000	18,000	72%	
62	CW		West Humbert Trail washrooms	2015	450,000		450,000	22,500	5%		427,500	42,750	384,750	365,513	19,238	86%	
81	D		Rexington Park-redevelopment	2015	900,000		900,000	180,000	20%		720,000	72,000	648,000	615,600	32,400	72%	
215	D		Christie Pils Park - Redevelopment	2015	500,000		500,000	25,000	5%		475,000	47,500	427,500	408,125	21,375	86%	
268	CW		Escher Shiner Stadium-Facility Upgrade & Expansion	2015/2016	2,100,000		2,100,000	105,000	5%		1,995,000	199,500	1,795,500	1,705,725	89,775	86%	
146	D		Don Russell Park Baseball Facility	2015/2016	750,000		750,000	150,000	20%		600,000	60,000	540,000	513,000	27,000	72%	
419	CW		Harbour Square Park - Redesign	2015/2016	37,500		37,500	3,750	10%		33,750	3,375	30,375	29,138	1,238	86%	
341	L		Sand Beach Road - (expansion of existing local park)	2016	102,000		102,000	51,000	50%		51,000	5,100	45,900	43,605	2,295	45%	
26	L		Beeston Park-Build a washroom facility	2016	275,000		275,000	137,500	50%		137,500	13,750	123,750	117,563	6,188	45%	
65	CW		Embsvale Valley Park: Trail Extension	2016	650,000		650,000	32,500	5%		617,500	61,750	555,750	527,963	27,788	86%	
384	D		2475 Edinboro Ave. West - New Park Development	2016	450,000		450,000	22,500	5%		427,500	42,750	384,750	365,513	19,238	86%	
344	D		Riverdale Farm - Residence Retrofit	2016	500,000		500,000	100,000	20%		400,000	40,000	360,000	342,000	18,000	72%	
48	CW		Mystic Point: (to be developed as district park)	2017	1,188,000		1,188,000	237,600	20%		950,400	95,040	855,360	812,382	42,978	72%	
210	CW		Toronto Bike Plan-CW Expansion (TBP) FY2009-2017	2009-2017	375,000		375,000	18,750	5%		356,250	35,625	320,625	304,394	16,031	85%	
122	CW		Mile-Humber Extend Trail Wards 1.2.7 (TBP)	2011-2016	2,000,000		2,000,000	100,000	5%		1,900,000	190,000	1,710,000	1,624,500	85,500	85%	
501	D	V	Parks Renaissance Strategy FY2012-FY2017	2012-2017	3,750,000		3,750,000	187,500	5%		3,562,500	356,250	3,206,250	3,045,938	160,313	86%	
117	CW		Golf Driving Range - Location TBD	2014/2015	850,000		850,000	42,500	5%		807,500	80,750	726,750	700,000	26,750	81%	
187	CW		Upper Highland Creek Trail Ext. Pn. 3-5 (TBP)	2014/2016	1,200,000		1,200,000	60,000	5%		1,140,000	114,000	1,026,000	974,700	51,300	86%	
234	D	H	Ramsden Park Improvements	2015/2016	1,500,000		1,500,000	75,000	5%		1,425,000	142,500	1,282,500	1,235,250	47,250	86%	
121	CW		East Don Trail Ext. Wards 29.31.34 (TBP)	2016/2017	1,000,000		1,000,000	50,000	5%		950,000	95,000	855,000	812,250	42,750	86%	
			Parkland Development Unallocated	2008-2017	1,736,927		1,736,927	173,693	10%		1,563,312	156,331	1,406,981	1,336,631	70,350	81%	
			Subtotal		63,370,927		63,370,927	6,334,265		0	57,036,662	5,703,666	51,332,995	48,766,346	2,566,650	81%	
			Waterfront Parks (City cost share only) 2														
			Port Union	2007-2009	18,334,000		18,334,000										0%
			Mimico	2007-2008	6,266,000		6,266,000										0%
			Naturalization of the Don	2008-2016	29,152,000		29,152,000										0%
			Central Waterfront Public Realm	2012-2016	51,076,000		51,076,000										0%
			Transitional Sports Fields	2007	1,000,000		1,000,000										0%
			Leslie Street Greening	2007	620,000		620,000										0%
			Martin Goodman Trail Phase 1	2007	1,900,000		1,900,000										0%
			Commissioners Park	pre-2007	3,334,000		3,334,000										0%
			East Bayfront - Promenade	2006-2012	11,286,632		11,286,632										0%
			Subtotal		122,968,632		122,968,632			0	122,968,632						0%
					\$ 206,971,059	\$ 122,968,632	\$ 84,002,427	\$ 8,927,840	\$	\$	\$ 75,074,567	\$ 7,507,459	\$ 67,567,128	\$ 64,188,772	\$ 3,378,356	\$	33%

1 Excludes non-capacity related components of projects where applicable

2 Excluded from the calculation, as explained in section A-7.1/1.3. The magnitude of the DC recoverable amount foregone is indicated in Tables A-17-1 and A-17-2A, for information purposes

Service Level Cap 84,002,427

**SERVICE: MAJOR INDOOR RECREATION FACILITIES**

Municipality: City of Toronto

Level of Service Calculation Sheet

Contact: \_\_\_\_\_  
 Unit Measure: Square Feet of Building Area

Facility Name	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008 Value (per sq.ft.)
General Community Space (total sq.ft.)	4,792,367	4,792,367	4,793,349	4,893,025	4,904,911	4,904,911	4,904,911	4,910,329	4,911,545	4,916,602	\$358
Listing of community space over 40,000 sq. ft.:											
Eticoboke Olympium											
Swansea Community Recreation Centre											
North Toronto Community Centre & Arena											
JJ Piccinini Community Centre											
Orloto Park											
McGregor Park Arena											
Malvern Recreation Centre											
Cummer Community Centre											
Wallace Emerson Community Centre											
Mid-Scarborough Community Centre & Arena											
Centennial Community Recreation Centre											
Flemington Resource Centre											
University Settlement House											
Matty Eckler Community Recreation Centre											
Pleasantview Park											
Scadding Court											
St. Lawrence Community Recreation Centre											
Grandravine Community Centre											
Gord and Irene Risk Park											
Jimmie Simpson Recreation Centre											
Goulding											
McCormick Recreation Centre											
Metro Track and Field Centre											
Forest Hill Memorial Arena											
George Bell Arena											
Ted Reeve Arena											
Commander Arena											
Heron Park Arena											
Stephen Leacock Arena											
Lakeshore Lion's Arena											
Humber Sheppard Community Centre											
<b>Total</b>	<b>4,792,367</b>	<b>4,792,367</b>	<b>4,793,349</b>	<b>4,893,025</b>	<b>4,904,911</b>	<b>4,904,911</b>	<b>4,904,911</b>	<b>4,910,329</b>	<b>4,911,545</b>	<b>4,916,602</b>	<b>\$358</b>

1 Note: This is a listing of general community spaces greater than 40,000 square feet. The entire inventory used to calculate total square feet includes community recreation centres, arenas, pools, curling ice, bocce, and fitness centres.

Population	2,418,776	2,436,315	2,453,831	2,471,355	2,500,743	2,530,123	2,559,516	2,588,896	2,618,284	2,643,097
Level of Service (sq ft./person)	1.98	1.97	1.95	1.98	1.96	1.94	1.92	1.90	1.88	1.86
10 Year Average	1.93									
Quantity (sq.ft. per person)	\$358									
Quality (\$/sq.ft.)	690.94									
Combined Quantity/Quality Level (\$/person)	690.94									

DC Amount (before deductions)	10 Year
Forecast Population Increase (2008-18)	130,579
\$ per person	690.94
Eligible Amount	90,222,254

**INFRASTRUCTURE COSTS COVERED IN THE DC CALCULATION**  
Municipality: **City of Toronto**

SERVICE: Major Indoor Recreation Facilities

a Pj. No.	b Increased Service Needs Attributable to Anticipated Development	c Timing	d Gross Capital Cost Est.	e Ineligible re: Level of Service	f Eligible Increase in Need	g Less:		h Grants, Subsidies & Other Contributions Attrib. to New Development	i Sub Total	k Other (e.g. 10% Statutory Deduction)	l Net Costs Benefiting New Development	m Potential DC Recoverable Cost		n Non-Residential Share 5%	o % of Gross Cost
						\$	%					Residential Share 95%			
2090	<b>Cost to be Incurred During Term of Proposed By-law (2008-2012)</b>														
244	Regent Pk 08-Indoor Pool on Block 15 (HG)	2008	10,691,000	3,004,109	7,676,891	383,845	5%	1,365,611	5,927,435	592,744	5,334,692	5,067,957	266,735	50%	
220	O'Connor CC - Additional Youth Programming Space	2008	1,100,000	309,383	790,617	158,123	20%	344,997	287,497	28,750	258,747	245,810	12,937	24%	
223	York Community Centre-new facility	2009	21,000,000	5,906,403	15,093,597	3,018,719	20%		12,074,878	1,207,488	10,867,390	10,324,021	543,370	52%	
220	Edithvale CC - Construction (New) (HG)	2008/2009	4,696,985	1,321,033	3,375,952	168,793	5%		3,207,069	320,706	2,886,363	2,742,036	144,318	61%	
230	Warden Corridor Community Centre - Construction	2008-2010	5,750,000	1,617,229	4,132,771	826,554	20%		3,306,217	330,622	2,975,595	2,826,815	148,780	52%	
	Regent Park Community Centre (HG)	2010-2011	6,000,000	1,687,544	4,312,456	215,623	5%	1,710,608	4,096,834	409,683	3,687,150	3,502,793	184,358		
	<b>Subtotal</b>		<b>49,227,885</b>	<b>13,845,701</b>	<b>35,382,184</b>	<b>4,771,657</b>			<b>28,899,920</b>	<b>2,889,992</b>	<b>26,009,928</b>	<b>24,709,431</b>	<b>1,300,496</b>		
86	<b>Cost to be Incurred Post By-law Term (2013-2017)</b>														
	Aquatic Pool Study implementation (expansion component only)	2012-2017	20,000,000	5,625,145	14,374,855	1,437,485	10%		12,937,369	1,293,737	11,643,632	11,061,451	582,182	58%	
165	North East Scarborough CC-new (HG)	2013	21,500,000	6,047,031	15,452,969	772,648	5%		14,680,320	1,468,032	13,212,288	12,551,674	660,614	61%	
225	O'Connor CC Expansion (RRR #6)	2014	3,400,000	956,275	2,443,725	488,745	20%		1,954,980	195,498	1,759,482	1,671,508	87,974	52%	
149	Western North York New CC (RRR #5)	2014	15,600,000	4,387,613	11,212,387	2,242,477	20%		8,969,909	896,991	8,072,918	7,689,272	403,646	52%	
46	40 Wabash Parkdale - Build new CC (HG)	2015	12,600,000	3,543,842	9,056,158	452,808	5%		8,603,350	860,335	7,743,015	7,355,865	387,151	61%	
217	Brimmount CC - Build new double gym	2014 / 2015	3,200,000	900,023	2,299,977	459,995	20%		1,839,981	183,998	1,655,983	1,573,184	82,799	52%	
	<b>Subtotal</b>		<b>76,300,000</b>	<b>21,459,930</b>	<b>54,840,070</b>	<b>5,854,160</b>		<b>0</b>	<b>48,985,910</b>	<b>4,898,591</b>	<b>44,087,319</b>	<b>41,882,953</b>	<b>2,204,366</b>	<b>56%</b>	
	<b>Waterfront Projects - City Cost Share Only<sup>1</sup></b>														
	Regional Sports Complex	2008	5,289,000	5,289,000											0%
	West Don Lands Rec Centre	2008-2012	7,458,000	7,458,000											0%
	West Don Lands - Community Facilities	2008-2012	534,716	534,716											0%
	East Bayfront - Community Facilities	2013-2017	9,255,399	9,255,399											0%
	<b>Subtotal</b>		<b>22,537,115</b>	<b>22,537,115</b>											<b>0%</b>
			148,065,000	57,842,746	90,222,254	10,625,816		1,710,608	77,885,830	7,786,583	70,097,247	66,592,385	3,504,862	47%	

<sup>1</sup> Excluded from the calculation, as explained in Section A-7.1/1.3. The magnitude of the DC recoverable amount foregone is indicated in Tables A-17-1, A-17-2 and A-17-3, for information purposes.

Service level cap 90,222,254

## A-8 LIBRARY





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## **A-8 LIBRARY**

### **A-8.1 Capital Program**

#### **1.1 *Library Facilities***

The Toronto Public Library (TPL) capital program includes the establishment of two new branches, expansion of eight branches and the relocation and expansion of five branches. Table A-8-1 provides a brief description of these projects and the increased floor area that results. Only the costs related to the expansion portion has been included in the development charge calculation.

The construction costs include design, project management, furnishings, equipment and land costs, where applicable. For some projects (e.g. Bloor/Gladstone, Cliffcrest and Jane/Sheppard) the cost shown includes only the unfunded portion, as prior development charge funding has been allocated in previous years.

TPL also intends to undertake renovations at both its reference library and a number of its branches. These renovations will allow TPL to expand its services and provide more programming space for example, by creating space efficiencies and flexible multi-function spaces. On this basis, 10% of the cost of those renovations has been determined to be capacity expansion-related and therefore, eligible for inclusion in the development charge calculation.

#### **1.2 *Library Materials***

TPL intends to continue to expand its collection, largely in order to serve the growing residential population. The capital program for additional library materials is based, in part, on the requirements generated by the new or expanded library facilities in which the expanded collection is to be accommodated. Further additions to the collection are anticipated throughout the system.

### **A-8.2 Level of Service**

A level of service for library facilities and materials has been calculated, based on floor area and number of items, respectively. The facility cost of \$396 per sq.ft. reflects the average replacement cost of the existing branches, including design, construction, furnishings, land and site servicing. This average figure reflects the fact that 17% of the buildings in the inventory are designated as heritage properties and that as public facilities, libraries have high accessibility standards incorporated into the building layout and design. Further, branches are generally located in busy and densely developed areas which would serve to increase the cost of construction/reconstruction.

Table A-8-1  
 Toronto Public Library  
 New/Expanded Library Facilities Program

Name	Description	Floor Space Added (Square Feet)
<b><u>New Projects</u></b>		
1. Bloor/Gladstone District Library	Expansion of existing library 11,397 sq. ft. to 25,000 sq. ft.	13,603
2. Jane/Sheppard Neighbourhood Library	Relocation and expansion of existing library from 3,500 sq. ft to 7,000 sq. ft.	3,500
3. Cliffcrest Neighbourhood Library	Relocation and expansion of existing library from 2,800 sq. ft to 4,692 sq. ft.	1,892
4. Kennedy Eglinton Neighbourhood Library	Expansion of existing library 3,854 sq. ft to 6,482 sq. ft.	2,628
5. Brentwood District Library	Expansion of existing library 13,615 sq. ft to 17,000 sq. ft.	3,385
6. West Waterfront Neighbourhood Library	New facility construction as part of a multi-service community facility in the railway lands	15,000
7. Scarborough Centre Neighbourhood Library	New facility construction, on City-owned land.	15,000
8. Bayview Neighbourhood Library	Relocation of an existing 6,333 sq. ft. leased facility to a new 10,000 sq. ft. library to be built on City owned land, in a shared facility with Parks and Recreation.	3,667
9. St. Lawrence District Library	Construction of a 25,000 sq. ft district library on city-owned property and relocation of the existing 4,833 sq.ft. St. Lawrence Neighbourhood Library to this new site.	20,167
10. Agincourt District Library	Expansion of existing 27,000 sq. ft. library to 37,000 sq. ft.	10,000
11. Guildwood Neighbourhood Library	Relocation of an existing 3,010 sq. ft leased facility to a new 7,000 sq. ft library to be built on city-owned property/ Guildwood Park.	3,990
12. Jones Neighbourhood Library	Expansion of an existing 3,636 sq.ft. library to a 7,000 sq.ft. facility.	3,364
13. Fairview District Library	Expansion of existing 64,670 sq. ft. library by 7,090 sq. ft.	7,090
14. Thorncliffe Neighbourhood Library	Expansion of existing 5,000 sq. ft. library to 10,000 sq. ft.	5,000
15. St.Clair/Silverthorn Neighbourhood Library	Expansion of existing 4,587 sq. ft. library to 5,437 sq. ft.	850
<b>Total Additional Floor Area</b>		<b>109,136</b>

The average value per item of the existing collection is \$39.52. This is based on the average 2007 cost to purchase new materials and includes provision for cataloguing, increased to 2008\$. The annual inventory of library materials 1998 to 2007 was provided by TPL. The decline in the quantity between 2003 and 2004 is as a result of a major culling that occurred for the first time since amalgamation.

The calculated service level cap totals \$65,561,731 (2008 \$) which is the sum of \$37,230,684 for facilities and \$28,331,047 for materials. Since the project costs in the capital program are inflated at 3.0%/year, it is necessary to also inflate the service level cap, in order to put it in comparable terms. This is done via an increase of 15.9% based on 3%/year for 5 years (half the 10-year period). This produces a revised service level cap of \$75,986,046.

### **A-8.3 DC Calculation Assumptions**

The development charge calculation is based on the cost of providing increased capacity in library facilities, as well as additional materials reflective of the needs of a growing City population and business/industrial base.

#### **Benefit to Existing Development**

The methodology illustrated in Figure 5-1 has been applied to the library facility projects with respect to service area coverage. The catchment area for library facilities varies depending on the availability and type of programs offered. The primary service area of a Neighbourhood branch is approximately 1.6 kms in radius and the primary service area for a District branch is 2.5 kms. Experience has shown that library patrons will travel significant distance to attend programs that are offered at no charge. With the provision of new or expanded programming space, it is expected the branches included in the capital program will draw from a larger service area than an older branch with little or no facilities to offer programs. It is also noted that library patrons are mobile, reflecting movement to work, childcare, shopping, school, recreation, social events, etc. As a result, increased library usage is dispersed throughout the City and is not restricted to a set radius from any given facility.

The branches in the capital program may be categorized as either City-wide (e.g. the Toronto Reference Library and Ellesmere Administration Building), District (e.g. Bloor/Gladstone and Agincourt) or Neighbourhood (e.g. Cliffcrest and West Waterfront).

The capital program for library materials seeks to maintain the current level of service (e.g. items/capita). Additional library materials provide very little benefit to the existing population, since in many cases, the additional materials to be acquired are duplicate titles. Further, the circulating collection is not restricted to a single location. Library users may access materials at

any branch and have the items delivered to the location of their choice, through the interbranch loan system.

The next step in establishing an appropriate “benefit to existing development” (BTE) share is to determine whether the service area for a facility embraces a portion of a “high growth area” or an “other area” as generally defined by Map 5-1. Projects and materials in high growth areas, or with a City-wide service area, are labelled “HG” as part of the sub-project name. High Growth Area projects have been assigned a 5% BTE deduction, in order to make provision for a possible minor overall service level benefit to the City as a whole. In the case of projects in “other areas” the BTE deduction ranges from 15%, depending on whether the project has a large servicing area (e.g. District Library), to 30% for a neighbourhood branch. This results from the fact that the City’s service level is assessed on a City-wide basis, balanced against the fact that some library locations are more readily available to development-related usage than others.

Further, all of the library projects that are located outside of high growth areas are expansions to existing branches. The costs associated with replacing the existing floor area (in the case of a reconstructed branch) have not been included in the project cost in the first instance, as this is a further benefit to existing development and is to be funded through the tax base. Further, a 25% BTE deduction has been applied to unspecified (e.g. non-location-specific) renovation projects.

The benefit to existing development deduction for library materials that are directly associated with a new or expanded branch is consistent with the deduction for the facility in question. In the case of collections City-wide, a 5% deduction has been made, as this expenditure has a City-wide benefit.

The DC recovery for the purpose of the calculation was concentrated on the most highly growth-related projects, in order to maximize potential DC funding in the overall financial interests of the City.

### **Grants, Subsidies and Other Contributions**

No allocation has been made for grants, subsidies and other contributions, as the Toronto Public Library does not anticipate receiving funds from these sources for the expansion portions of the projects included in the capital program or for materials.

### **Residential/Non-residential Share**

It is expected that the primary users of the Toronto Public Library will continue to be residents of the City. Therefore, the “Net Costs Benefiting New Development” has been allocated 95% to residential development. The balance is allocated to non-residential development to recognize the nominal use of these facilities by visitors and persons employed in the City.

**SERVICE: LIBRARY FACILITIES**

Municipality  
Level of Service Calculation Sheet

City of Toronto

Contact :  
Unit Measure:

Square Feet of Building Area

Facility Name	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008 Value (per sq.ft.)
Total	1,815,584	1,809,461	1,807,269	1,810,023	1,812,578	1,814,556	1,815,615	1,818,680	1,819,648	1,825,184	\$396
Total	1,815,584	1,809,461	1,807,269	1,810,023	1,812,578	1,814,556	1,815,615	1,818,680	1,819,648	1,825,184	\$396

Population Level of Service (sq ft./person)	2,418,776	2,436,315	2,453,831	2,471,355	2,500,743	2,530,123	2,559,516	2,588,896	2,618,284	2,643,097	
	0.75	0.74	0.74	0.73	0.72	0.72	0.71	0.70	0.69	0.69	

10 Year Average	
Quantity (sq.ft. per person/)	0.72
Quality (\$/sq.ft.)	396.00
Combined Quantity/Quality Level (\$/person)	285.12

Includes \$40 per sq ft. for land

DC Amount (before deductions)	10 Year
Forecast Population Increase (2008-18)	130,579
\$ per person	285.12
Eligible Amount	37,230,684

**SERVICE: LIBRARY (COLLECTION)**

Municipality  
Level of Service Calculation Sheet

City of Toronto

Contact :  
Unit Measure: Toronto Public Library  
Items of Library Materials

Item Name	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008 Value (per item)
Library Materials	14,152,674	14,160,530	14,042,250	14,072,732	14,513,279	14,227,039	13,014,011	13,102,105	13,439,776	13,530,928	39.52
<b>Total</b>	14,152,674	14,160,530	14,042,250	14,072,732	14,513,279	14,227,039	13,014,011	13,102,105	13,439,776	13,530,928	\$39.52
<b>Population</b>											
Level of Service (items/capita)	2,418,776	2,436,315	2,453,831	2,471,355	2,500,743	2,530,123	2,559,516	2,588,896	2,618,284	2,643,097	
10 Year Average	5.85	5.81	5.72	5.69	5.80	5.62	5.08	5.06	5.13	5.12	
Quantity (items per capita)	5.49										
Quality (\$/item)	39.52										
Combined Quantity/Quality Level (\$/person)	216.95										
<b>DC Amount (before deductions)</b>											
Forecast Population Increase (2008-18)	10 Year										
\$ per person	130,579										
Eligible Amount	216.96										
	28,331,047										

INFRASTRUCTURE COSTS COVERED IN THE DC CALCULATION  
City of Toronto

SERVICE: Library

Caplor No.	Project Name / Attributable to Anticipated Development 2008-2017	Sub-Project Name	Timing	Gross Capital Costs (Expansion Component Only)	Ineligible re: Level of Service	Eligible Increase in Need	Benefit to Existing Development \$	Benefit to Existing Development %	Less: Grants, Subsidies & Other Contributions Attrib. to New Development	Sub Total	Less: Other (e.g. 10% Statutory Deduction)	Net Costs Benefiting New Development	Potential DC Recoverable Cost		% of Gross Cost
													Residential Share	Non-Residential Share	
	Already Constructed														
LB000141	Bloor/Gladstone Renovation & Expansion	Bloor/Gladstone Renovation	2008-2009	161,255		161,255	24,188	15%		137,066	13,707	123,360	117,192	6,168	77%
LB000141	Bloor/Gladstone Renovation & Expansion	Bloor/Gladstone Renovation	2008-2009	2,410,719		2,410,719	361,608	15%		2,049,111	204,911	1,844,200	1,751,990	92,210	77%
LB000146	Cedarbrae Renovation	Cedarbrae Renovation (HG)	2008-2010	619,900		619,900	30,975	5%		588,925	58,893	529,673	503,189	26,484	86%
LB000148	S.W. Stewart Renovation	S.W. Stewart Renovation	2008-2009	202,500		202,500	30,375	15%		172,125	17,213	154,913	147,167	7,746	77%
LB000152	Jane/Dundas Renovation	Jane/Dundas Renovation	2008	13,100		13,100	917	30%		9,110	917	8,253	7,840	413	63%
LB000162	Dufferin/Clair Renovation	Dufferin/Clair Renovation	2008-2009	197,300		197,300	59,190	30%		138,110	13,811	124,299	118,084	6,215	63%
LB000163	Jane/Sheppard Reconstruction	Jane/Sheppard Reconstruction	2008-2009	1,039,000		1,039,000	311,700	30%		727,300	72,730	654,570	621,842	32,729	63%
LB000163	Tronzie/Cliffcrest Renovation & Expansion	Tronzie/Cliffcrest Renovation	2008-2009	72,700		72,700	21,810	30%		50,890	5,089	45,801	43,511	2,290	63%
LB000163	Thorncliffe Renovation	Thorncliffe Renovation	2008-2009	1,457,000		1,457,000	437,100	30%		1,019,900	101,990	917,910	872,015	45,896	63%
LB000163	Cliffcrest Relocation	Cliffcrest Relocation	2008	181,458		181,458	54,437	30%		127,020	12,702	114,318	108,602	5,716	63%
LB000163	Kennedy/Eglinton Expansion	Kennedy/Eglinton Expansion	2008	950,000		950,000	285,000	30%		665,000	66,500	598,500	568,575	29,925	63%
LB000163	TRL - Renovation (HG)	TRL - Renovation (HG)	2008-2010	367,700		367,700	18,314	5%		349,386	34,938	314,448	273,139	14,376	86%
LB000163	TRL - Renovation (HG)	TRL - Renovation (HG)	2008-2009	1,777,260		1,777,260	88,863	5%		1,688,397	168,840	1,519,557	1,443,579	75,978	86%
LB000163	TRL - Expansion (HG)	TRL - Expansion (HG)	2009-2010	804,000		804,000	40,200	5%		763,800	76,380	687,420	653,049	34,371	86%
LB000163	TRL - Renovation & Retrofit	TRL - Renovation & Retrofit	2011-2013	623,678		623,678	31,184	5%		592,494	59,249	533,244	506,562	26,682	86%
LB000163	Multi-Branch Minor Renovations	Multi-Branch Minor Renovations	2008-2009	243,600		243,600	60,900	25%		182,700	18,270	164,430	156,209	8,222	86%
LB000163	Multi-Branch Minor Renovations	Multi-Branch Minor Renovations	2010-2011	287,600		287,600	66,900	25%		200,700	20,070	180,630	171,589	9,032	86%
LB000163	Multi-Branch Minor Renovations	Multi-Branch Minor Renovations	2012-2017	1,147,500		1,147,500	286,875	25%		860,625	86,063	774,563	735,834	38,728	86%
LB000163	Brentwood Expansion	Brentwood Expansion	2008	19,000		19,000	8,750	15%		10,250	1,025	9,225	8,808	417	77%
LB000163	Brentwood Expansion	Brentwood Expansion	2008	60,000		60,000	9,000	15%		51,000	5,100	45,900	43,605	2,295	77%
LB000163	Brentwood Expansion	Brentwood Expansion	2009-2011	395,430		395,430	59,314	15%		336,115	33,612	302,504	287,378	15,125	77%
LB000163	Brentwood Expansion	Brentwood Expansion	2009-2011	1,443,705		1,443,705	216,556	15%		1,227,149	122,715	1,104,434	1,049,213	55,222	77%
LB000163	West Waterfront Construction (HG)	West Waterfront Construction (HG)	2008-2011	569,000		569,000	85,350	15%		483,650	48,365	435,285	413,521	21,764	77%
LB000166	West Waterfront Construction	West Waterfront Construction	2008-2011	6,243,198		6,243,198	6,243,198	5%		6,243,198	6,243,198	6,243,198	6,243,198	0	86%
LB000166	Scarborough Centre Construction	Scarborough Centre Construction	2008-2013	1,776,653		1,776,653	312,159	5%		1,464,494	146,449	1,318,045	1,270,855	47,190	86%
LB000166	Scarborough Centre Construction	Scarborough Centre Construction	2009-2013	6,335,765		6,335,765	316,789	5%		6,018,976	601,898	5,417,078	5,146,241	270,837	86%
LB000166	Bayview Relocation	Bayview Relocation (HG)	2010-2014	1,152,724		1,152,724	57,636	5%		1,095,088	109,509	985,579	936,300	49,279	86%
LB000166	Bayview Relocation	Bayview Relocation (HG)	2010-2014	1,485,407		1,485,407	74,270	5%		1,411,136	141,114	1,270,022	1,206,822	63,200	86%
LB000166	Fairview Entrance	Fairview Entrance Expansion (HG)	2010-2013	311,873		311,873	115,594	5%		236,279	23,628	212,651	203,319	9,332	86%
LB000166	Sanderson Renovation	Sanderson Renovation (HG)	2008-2013	2,203,988		2,203,988	110,198	5%		2,093,790	209,377	1,884,413	1,790,173	94,240	86%
LB000166	Northern District Renovation	Northern District Renovation	2011-2015	702,427		702,427	105,366	15%		597,061	59,706	537,355	510,489	26,866	77%
LB000166	St. Lawrence Relocation & Expansion	St. Lawrence Relocation & Expansion	2011-2015	9,984,744		9,984,744	499,237	5%		9,485,507	948,551	8,536,956	8,110,108	426,848	86%
LB000166	St. Lawrence Relocation & Expansion	St. Lawrence Relocation & Expansion	2011-2015	1,736,797		1,736,797	86,840	5%		1,649,957	164,995	1,484,962	1,410,713	74,248	86%
LB000166	Ellesmere Administration/Operations	Ellesmere Administration/Operations	2011-2016	6,000,000		6,000,000	300,000	5%		5,700,000	570,000	5,130,000	4,873,500	256,500	86%
LB000166	Albion Renovation	Albion Renovation	2011-2016	1,030,350		1,030,350	154,552	15%		875,797	87,580	788,218	748,807	39,411	77%
LB000166	St. Clair / Silverthorn Renovation	St. Clair / Silverthorn Renovation	2012-2014	160,571		160,571	48,171	30%		112,400	11,240	101,160	96,102	5,058	63%
LB000166	St. Clair / Silverthorn Expansion	St. Clair / Silverthorn Expansion	2012-2014	350,235		350,235	105,071	30%		245,165	24,516	220,648	209,616	11,032	63%
LB000166	Agincourt Renovation (HG)	Agincourt Renovation (HG)	2012-2016	846,187		846,187	42,309	5%		803,878	80,388	723,490	687,315	36,174	86%
LB000166	Agincourt Expansion (HG)	Agincourt Expansion (HG)	2012-2016	4,839,894		4,839,894	241,995	5%		4,597,899	459,790	4,138,109	3,931,204	206,905	86%
LB000166	Agincourt Renovation & Expansion	Agincourt Renovation & Expansion	2012-2016	624,161		624,161	31,208	5%		592,953	59,295	533,658	506,973	26,685	86%
LB000166	Admins to Collection Throughout the System	Admins to Collection Throughout the System	2008-2012	480,000		480,000	24,000	5%		456,000	45,600	410,400	389,880	20,520	86%
	Subtotal			63,416,606		63,416,606	5,307,350			58,109,256	5,810,926	52,298,331	49,683,414	2,614,917	82%
	Cost to be Incurred During Term of Proposed By-law (2008-2012)														
LB000151	Albion Renovation	Albion Renovation	2013-2017	844,131		844,131	126,620	15%		717,511	71,751	645,760	613,472	32,288	77%
LB000151	North York Central Renovation	North York Central Renovation	2013-2017	1,425,615		1,425,615	116,281	5%		1,309,334	130,933	1,178,401	1,157,956	20,445	86%
LB000151	Mount Dennis Renovation	Mount Dennis Renovation	2013-2017	387,869		387,869	116,361	30%		271,508	27,151	244,357	232,140	12,218	63%
LB000151	Guidwood Relocation	Guidwood Relocation	2013-2015	2,007,540		2,007,540	602,262	30%		1,405,278	140,528	1,264,750	1,201,513	63,236	63%
LB000151	Parliament Renovation (HG)	Parliament Renovation (HG)	2014-2017	515,171		515,171	25,759	5%		489,413	48,941	440,472	418,443	22,029	86%
LB000151	Weston Renovation	Weston Renovation	2017-2020	430,780		430,780	129,234	30%		301,546	30,155	271,391	257,822	13,570	63%
LB000151	High Park Renovation	High Park Renovation	2017-2021	288,950		288,950	86,665	30%		202,285	20,228	182,057	172,936	9,121	63%
LB000151	Jones Reconstruction	Jones Reconstruction	2017-2020	1,732,545		1,732,545	519,764	30%		1,212,781	121,278	1,091,503	1,036,928	54,575	63%
LB000151	Jones Reconstruction	Jones Reconstruction	2017-2020	324,014		324,014	97,204	30%		226,810	22,681	204,129	193,922	10,206	63%
LB000151	Additions to Collection Throughout the System	Additions to Collection Throughout the System	2013-2017	480,000		480,000	24,000	5%		456,000	45,600	410,400	389,880	20,520	86%
	Subtotal			8,436,615		8,436,615	1,799,168			6,637,447	663,745	5,973,702	5,675,017	298,685	71%
	Total Estimated Capital Cost			\$ 71,853,221		\$ 71,853,221	\$ 7,106,518			\$ 64,746,703	\$ 6,474,670	\$ 58,272,032	\$ 55,358,431	\$ 2,913,602	81%

Service level Cap \$75,986,046

4/10/2008 10:41 AM

\$65,561,731 Initiated





## **A-9 SUBSIDIZED HOUSING**



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## **A-9 SUBSIDIZED HOUSING**

### **A-9.1 Project Description**

The City anticipates providing funding for approximately 1,000 new affordable housing units per year for the next ten years. This target is derived from Council's endorsement of the "Streets to Homes Report" in 2005.

To date the City has approved sixteen affordable housing developments that will result in over 1,600 additional new affordable homes<sup>1</sup> in Toronto for construction during 2008-2010. These projects will be funded from a joint program between the City, the Provincial government and the Federal government. Most of the projects will be developed by either a private or not-for-profit third party. Two will be Toronto Community Housing Corporation (TCHC) projects. In all cases, the City will administer the funding agreements for the projects for terms ranging from 25 to 50 years.

Further, in order to meet the City's plan for 1,000 additional units annually, another 8,250 units are anticipated to be developed by 2017. These have been shown as unspecified annual allocations. Projects will be selected through a Request for Proposal process. The total number of units included in the capital program is 9,884.

It is expected that all projects will receive funding from the Provincial and Federal governments as well as from the City. The average City contribution for all of these projects is estimated to be \$35,200 per unit. The City's contribution may be provided in the form of land, loans or grants, exemption from property taxes, fees and charges, and rent supplement.

### **A-9.2 Level of Service**

The historic level of service for housing is comprised largely of Social Housing Units, including Toronto Community Housing Corporation (TCHC). Since 2001, the City has been adding to the inventory by supporting the creation of Affordable Housing Units and Provincial Rent Supplement Units.

The quantity service level is measured by the average number of subsidized housing units per 1,000 persons annually for the 1998 to 2007 period. This produces an historical level of service of 39.41 subsidized housing units per 1,000 persons. The net forecast population increase of 130,579 persons over the next ten years would require 5,146 additional units to maintain historic levels of service.

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<sup>1</sup> Excludes replacement units.

Therefore, 52.1% of the capital program is within the service level cap ( $5,146/9,884 = 52.1\%$ ) and 47.9% is ineligible.

This approach to calculating the service level cap assumes that the quality of the new units to be provided will be similar to the existing social housing supply in terms of unit size and configuration (mix of unit types). The approach is preferable to valuing all existing units in the City's inventory, as these would have a much higher cost on a per unit basis than the City's average contribution to new units.

### **A-9.3 Benefit to Existing Development**

In determining an appropriate deduction for benefit to existing development, consideration was given to the existing and future demand for social housing units among the existing population and the potential for occupants of new development to access the units. Factors such as size of the waiting list, average wait times and the annual availability (turn-over) of existing units were reviewed.

As of the end of 2007, there were approximately 66,000 applicants on the waiting list including almost 17,000 "inactive" applications. This latter group includes people who have not responded to requests for confirmation of interest. Approximately 44% of the active applicants on the wait list have been waiting for more than three years.

The waiting list is used to allocate housing units that become available from Toronto Community Housing Corporation; rent supplement, private non-profit housing providers and co-operative housing providers (excluding Federally funded co-ops). On average, over the past four years, 4,900 applicants annually were provided with housing.

Priority is given to certain categories of applicants, including those who are terminally ill, victims of violence and youth. Applicants who meet these criteria account for only 2.4% of the active waiting list, but account for 32% of the applicants housed in the last three months of 2007.

Based on consideration of all the above factors, concerning existing unmet need and related matters, an average deduction of 50% has been made for benefit to existing development.

### **A-9.4 Post Period/Excess Capacity**

The growth related capital program has been reduced to remain within historic service levels. No additional capacity has been created to meet the needs of growth beyond the ten year period.

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### **A-9.5 Grants, Subsidies and Other Contributions**

Projects will receive funding from a number of sources. For most projects, the City will contribute 15%; however, there is some variation. Additional sources of funding include the Federal and Provincial Government, private sector mortgage lenders, and equity contributions from private and non-profit organizations.

The cost reflected in the capital program includes only the City's contribution, therefore, no further deduction is required.

### **A-9.6 10% Statutory Deduction**

Pursuant to s.s.5(1)8 of the DCA, 1997, a 10% deduction has been made in order to arrive at the potential DC recoverable cost.

### **A-9.7 Residential vs. Non-Residential Split**

As this service is directly related to population, the DC recoverable costs have been allocated entirely to residential development.

**SERVICE: HOUSING**

Level of Service Calculation Sheet  
Municipality: City of Toronto

City of Toronto

Contact: Sean Gadon  
Unit Measure: # of Units

Facility Name	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Social Housing Units	98,478	98,478	98,478	98,478	98,478	98,478	98,478	98,478	98,478	98,478
Affordable Housing Units				94	298	359	533	1,039	1,541	1,738
Provincial Rent Supplement Units				51	163	248	309	574	734	875
<b>Total</b>	<b>98,478</b>	<b>98,478</b>	<b>98,478</b>	<b>98,623</b>	<b>98,899</b>	<b>99,085</b>	<b>99,320</b>	<b>100,091</b>	<b>100,753</b>	<b>101,091</b>

Population	2,418,776	2,436,315	2,453,831	2,471,355	2,500,743	2,530,123	2,559,516	2,588,896	2,618,284	2,643,097
Level of Service Per 1,000 persons	40.71	40.42	40.13	39.91	39.55	39.16	38.80	38.66	38.48	38.25

<b>10 Year Average</b>	
Quantity (units per 1,000 persons)	39.41
Forecast Population Increase	130,579
Eligible Amount (number of units)	5,146

The cost to the City of providing Social Housing units is variable; the average City contribution is estimated to be \$34,300 per unit.







**A-10 POLICE**



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## A-10 POLICE

### A-10.1 Project Description

Toronto Police are proposing to replace and/or expand a number of divisions over the next ten years to achieve a standard facility size, ranging from 48,000 sq.ft. for divisions without central lock-up to 56,000 sq.ft. to accommodate additional detention areas for divisions with central lock-up facilities. The following specific projects are planned:

- 11 Division – replacement of an existing 21,129 sq.ft. building with a 56,000 sq.ft. facility;
- 14 Division – replacement of an existing 34,200 sq. ft. building with a 56,000 sq.ft. facility;
- 41 Division – replacement of an existing 51,080 sq.ft. building with a 50,000 to 55,000 sq.ft. facility;
- 54 Division – replacement of a 25,150 sq.ft. building with a 50,000 sq.ft. facility;
- Property Unit – provision of an expanded facility through the redevelopment of an existing building. It is assumed that 50% of the cost relates to the expansion portion.

In the case of the replacement of an existing building with a new facility, only the cost associated with the expanded floor area has been included. That share has been determined by removing the floor area in the new building that represents the replacement of floor area in the existing building. For example, in the case of 11 Division, 21,129 sq.ft. (37.7%) of the new 56,000 sq.ft. facility is replacement space; therefore the capital cost included in the DC calculation has been reduced by 37.7%.

### A-10.2 Level of Service

The historic service level for the police service is calculated on the basis of sq.ft. of floor area per capita/employee in existing buildings. In 2007, TPS occupied almost 2 million sq.ft. of floor space, including its 19 divisions and sub-divisions, a number of specialized offices (e.g. Complaints Bureau, Emergency Task Force, Communications Bureau and TPS Headquarters) and three garages. The average cost per sq.ft. for this floor area is estimated to be \$300, including furniture, fixtures, equipment, land and site servicing. A small portion of this space is for administrative headquarters functions, but this is more than compensated for by the vehicle and officer equipment inventory which was not incorporated in the service level.

The calculated level of service cap is \$31,017,648. Since the capital program has been inflated at 4%/year, it is necessary to also inflate the service level cap, in order to put it in comparable terms. This is done via an increase of 21.7%, based on 4%/year for 5 years (half the 10-year period). This produces a revised service level cap of \$37,748,478.

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### **A-10.3 Benefit to Existing Development**

The methodology illustrated in Figure 5-1 has been applied to the Police Services projects with respect to service area coverage. Each of the divisions is considered to have large servicing area coverage. The Property Unit building is a City-wide facility.

In establishing an appropriate “benefit to existing development” (B/E) share for each Division, consideration was given to whether the division services a “high growth” or an “other area” as generally defined by Map 5-1. Projects in high growth areas, or with a City-wide service area are labelled as “HG” as part of the sub-project name. High Growth Areas have been assigned a 5% B/E deduction, in order to make provision for a possible minor overall service benefit to the City as a whole.

In the case of project in “other areas”, the BTE deduction is 20%. This recognizes that the projects included in the DC calculation represent expansions to existing facilities or existing facilities are also being replaced and this component is to be funded from other sources (e.g. tax base).

The DC recovery for the purposes of the calculation was concentrated on the most highly growth-related projects, in order to maximize potential DC funding in the overall interests of the City.

### **A-10.4 Post Period/Excess Capacity**

No deduction has been made for post period capacity as the program has been reduced to meet the needs of growth over the next ten years within historic levels of service.

### **A-10.5 Grants, Subsidies and Other Contributions**

No grants, subsidies or other contributions are anticipated for the projects involved.

### **A-10.6 10% Statutory Deduction**

Not applicable.

### **A-10.7 Residential vs. Non-Residential Split**

Police Services benefits both residential and non-residential development, therefore the DC recoverable costs have been allocated based on the proportionate share of additional population to additional employees.

The City’s standard 52:48, residential:non-residential split has been applied.

Level of Service Calculation Sheet

Contact : Enrico Pera  
 Unit Measure: sq.ft. of floor area

FACILITY Name	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008 Value (per sq.ft.)
11 DIVISION	21,129	21,129	21,129	21,129	21,129	21,129	21,129	21,129	21,129	21,129	21,129
12 DIVISION	25,781	25,781	25,781	25,781	25,781	25,781	25,781	25,781	25,781	25,781	25,781
13 DIVISION	20,355	20,355	20,355	20,355	20,355	20,355	20,355	20,355	20,355	20,355	20,355
14 DIVISION + SUB	34,200	34,200	34,200	34,200	34,200	34,200	34,200	34,200	34,200	34,200	34,200
22 DIVISION Station	32,275	32,275	32,275	32,275	32,275	32,275	32,275	32,275	32,275	32,275	32,275
D22 Sub	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
23 DIVISION	13,627	13,627	13,627	13,627	13,627	13,627	13,627	13,627	13,627	13,627	13,627
31 DIVISION	35,500	35,500	35,500	35,500	35,500	35,500	35,500	35,500	35,500	35,500	35,500
32 DIVISION	48,700	48,700	48,700	48,700	48,700	48,700	48,700	48,700	48,700	48,700	48,700
33 DIVISION	27,900	27,900	27,900	27,900	27,900	27,900	27,900	27,900	27,900	27,900	27,900
41 DIVISION	51,080	51,080	51,080	51,080	51,080	51,080	51,080	51,080	51,080	51,080	51,080
42 DIVISION	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000
42 Substation	7,710	7,710	7,710	7,710	7,710	7,710	7,710	7,710	7,710	7,710	7,710
43 Division (excluding EMS space)	-	-	-	-	-	-	-	-	-	-	-
51 DIVISION	24,460	24,460	24,460	24,460	24,460	24,460	24,460	48,000	48,000	48,000	48,000
52 DIVISION	52,210	52,210	52,210	52,210	52,210	52,210	52,210	51,710	51,710	51,710	51,710
53 DIVISION	52,194	52,194	52,194	52,194	52,194	52,194	52,194	52,194	52,194	52,194	52,194
54 DIVISION	25,150	25,150	25,150	25,150	25,150	25,150	25,150	25,150	25,150	25,150	25,150
55 DIVISION	24,820	24,820	24,820	24,820	24,820	24,820	24,820	24,820	24,820	24,820	24,820
ERMS Building (former old D23)	-	-	-	-	-	-	-	-	-	-	-
Professional Standards (former D22 Substation)	-	-	-	-	-	-	-	10,096	10,096	10,096	10,096
PROPERTY UNIT	58,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
COMPLAINTS BUREAU	4,000	6,000	6,000	6,000	6,000	18,000	18,000	6,000	6,000	6,000	6,000
PUBLIC ORDER UNIT	8,347	8,347	8,347	8,347	8,347	8,347	8,347	8,347	8,347	8,347	8,347
C.O. BICK COLLEGE	92,860	92,860	92,860	92,860	92,860	92,860	92,860	92,860	92,860	92,860	92,860
TPS HEADQUARTERS	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
POLICE DOG SERVICES	9,200	9,200	9,200	9,200	9,200	9,200	9,200	9,200	9,200	9,200	9,200
MOUNTED UNIT	5,087	5,087	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500
EMERGENCY TASK FORCE	38,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000
FORENSIC EXAMINATION SERVICES	36,000	36,000	36,000	36,000	36,000	36,000	34,000	34,000	34,000	34,000	34,000
DETECTIVE SERVICES	-	-	-	-	-	24,000	24,000	24,000	24,000	24,000	24,000
DETECTIVE SUPPORT	70,588	70,588	70,588	70,588	70,588	70,588	70,588	70,588	70,588	70,588	70,588
BAIL & PAROLE	4,500	4,500	4,500	4,500	4,500	7,987	7,987	7,987	7,987	7,987	7,987
COMMUNICATIONS BUREAU	133,000	133,000	133,000	133,000	133,000	133,000	133,000	133,000	133,000	133,000	133,000
011 BACKUP CENTRE	-	-	-	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300
EMPLOYEE & FAMILY ASSISTANCE	1,800	1,800	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
TRAFFIC SERVICES	19,756	19,756	10,756	10,756	10,756	10,756	19,756	19,756	-	-	-
TRAFFIC SERVICES/COURTS/FLEET	-	-	-	-	-	-	-	-	-	300,000	300,000
NORTH TRAFFIC	10,173	-	-	-	-	-	-	-	-	-	-
ACCIDENT REPORTING CENTER (OXFORD)	200	200	200	200	300	300	300	300	300	300	300
ACCIDENT REPORTING CENTER (HOWDEN)	200	200	200	200	200	300	300	300	300	300	300
ACCIDENT REPORTING CENTRE (TORONTO)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
CENTRAL GARAGE	30,383	30,383	30,383	30,383	30,383	30,383	30,383	30,383	30,383	-	-
WEST GARAGE/STORES/R&T	62,487	62,487	62,487	62,487	62,487	62,487	62,487	62,487	62,487	62,487	62,487
EAST GARAGE	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000
MARINE UNIT HQ	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000
MARINE S.S. (BLUFFERS PARK)	1,830	1,830	1,830	1,830	1,830	1,830	1,830	1,830	1,830	1,830	1,830
MARINE S.S. (HUMBER BAY)	1,830	1,830	1,830	1,830	1,830	1,830	1,830	1,830	1,830	1,830	1,830
LGS (CHERRY BEACH)	-	-	-	-	-	200	200	200	200	200	200
LGS (SUNNY SIDE)	-	-	-	-	-	-	150	150	150	150	150
LGS (ROUGE BEACH)	-	-	-	-	-	-	150	150	150	150	150
LGS (MARIE CURTIS PARK)	-	-	-	-	-	-	150	150	150	150	150
LGS (TORONTO ISLAND)	-	-	-	-	-	300	300	300	300	300	300
LGS (LEUTY BEACH)	-	-	-	-	-	1,000	1,000	1,000	1,000	1,000	1,000
PARKING ENFORCEMENT (EAST) - LEASE	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
PARKING ENFORCEMENT (WEST) - LEASE	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000
<b>Total</b>	<b>1,541,841</b>	<b>1,525,668</b>	<b>1,541,281</b>	<b>1,543,581</b>	<b>1,555,781</b>	<b>1,582,768</b>	<b>1,594,299</b>	<b>1,596,895</b>	<b>1,878,046</b>	<b>1,934,046</b>	<b>300</b>

Population	2,418,776	2,436,315	2,453,831	2,471,355	2,500,743	2,530,123	2,559,516	2,588,896	2,618,284	2,643,097	
Employment	1,355,711	1,388,269	1,420,807	1,453,355	1,469,466	1,485,575	1,501,730	1,517,915	1,534,125	1,550,360	
Population + Employment	3,774,487	3,824,574	3,874,638	3,924,710	3,970,209	4,015,698	4,061,246	4,106,811	4,152,409	4,193,457	
Level of Service (sq ft./person/employee)	0.41	0.40	0.40	0.39	0.39	0.39	0.39	0.39	0.45	0.46	

10 Year Average	
Quantity (sq.ft. per capita)	0.41
Quality (\$/sq.ft.)	300
Combined Quantity/Quality Level (\$/capita)	123
DC Amount (before deductions)	10 Year
Forecast Population/Employment increase (2008-18)	252,176
\$ per person/employee	123
Eligible Amount	31,017,648

\$/sq.ft. include \$40 for land values

← 130,579 persons + 121,597 employees

INFRASTRUCTURE COSTS COVERED IN THE DC CALCULATION  
MUNICIPALITY: City of Toronto

SERVICE: Police

a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	
Capitol Project No.	Project Name / increased Service Needs Attributable to Anticipated Development 2008-2017	Sub-project Name	Timing	Gross Capital Cost Est.	Gross Capital Cost Est. (Expansion portion only)	Ineligible re Level of Service	Eligible Increase in Need	Benefit to Existing Development %	Grants, Subsidies & Other Contributions Attrib. to New Development	Sub Total	Less: Other (e.g. 10% Statutory Deduction)	Net Costs Benefiting New Development	Residential Share	Non-Residential Share	% of Gross Cost
	Already Constructed														
	Cost to be Incurred During Term of Proposed By-Law (2008-2012)														
	Replacement of 11 Division	Expansion portion only	2009	34,275,000	21,342,920	4,605,082	16,733,838	3,346,768	20%	13,387,071	-	13,387,071	6,961,277	6,425,794	63%
	Replacement of 14 Division and substation	Expansion portion only (HG)	2010	36,698,000	14,363,864	3,101,929	11,261,935	563,097	5%	10,698,838	-	10,698,838	5,363,396	5,135,442	74%
	Property Unit Additional Floor Area	(HG)	2010	22,896,000	11,348,000	2,450,642	8,897,358	444,868	5%	8,452,490	-	8,452,490	4,395,295	4,057,195	74%
	Replacement of 41 Division	Expansion portion only (HG)	2011	40,334,000	1,090,939	235,592	855,346	42,767	5%	812,579	-	812,579	422,541	390,038	74%
	Replacement of 54 Division	Expansion portion only	2012*	36,500,000	18,140,500	18,140,500	-	-	-	-	-	-	-	-	-
	Cost to be Incurred Post By-Law Term (2013-2017)														
	Total Estimated Capital Cost			\$ 66,286,223	\$ 28,537,745	\$ 37,748,478	\$ 4,397,500	\$ -	\$ -	\$ 33,350,978	\$ -	\$ 33,350,978	\$ 17,342,509	\$ 16,008,469	50%

Service Level Cap 31,017,646 inflated 37,748,478

**A-11 FIRE**





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## **A-11 FIRE**

### **A-11.1 Project Description**

Toronto Fire Services (TFS) released its Master Fire Plan in 2007. This report identified the need for four new stations during the 2008 to 2017 period:

- Station D Central Scarborough (Eglinton Ave. and Midland);
- Station G – Sunnybrook (At the Sunnybrook Hospital site);
- Station B – Downsview (Keele between Wilson and Sheppard);
- Station A – Northwest Etobicoke (Rexdale/Highway #27 Area).

These stations are all included in the City's 10 year capital program. The costs include land acquisition in each case.

There are no plans to acquire additional vehicles.

### **A-11.2 Level of Service**

The level of service for Fire includes stations and vehicles. In 2007, TFS was operating out of 81 stations, with a total floor area of 627,500 sq.ft. The development cost per square foot including land, is estimated to be \$300 (2008 \$).

Vehicles are also included in the service level calculation. The value of the vehicles includes equipment.

In calculating the quantity level of service, the inventory of vehicles and stations has been determined on the basis of combined population and employment annually, as a population equivalent. This approach recognizes that non-residential development creates a demand for fire services as reflected on a per employee basis that is roughly equivalent to the per capita requirement.

The calculated service level cap totals \$17,524,172 which is the sum of \$11,347,920 for facilities and \$6,176,252 for vehicles. Since the capital program has been inflated at 2.5%/year, it is necessary to also inflate the service level cap, in order to put it in comparable terms. This is done via an increase of 13.1% based on 2.5%/year for 5 years (half of the 10-year period). This produces a revised service level cap of \$19,819,839.

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### **A-11.3 Benefit to Existing (BTE) Development**

The methodology illustrated in Figure 5-1 has been applied to the Fire facility projects with respect to service area coverage. While each fire station has a primary service area boundary of approximately 4 minutes travel time from the station, stations also provide an important secondary and tertiary response function, so that when a nearby station is occupied in responding to a call within its primary boundary, neighbouring stations are on call to provide assistance in that area. On this basis, it has been determined fire stations effectively have a large area servicing coverage. Further, it is noted that none of the proposed new stations is in a high growth area, therefore a BTE deduction of 15-25% is appropriate.

As indicated in the Masterplan, the initial justification for the stations is based on insufficient response times for the primary service areas at the present time (e.g. more than 90% of calls average beyond the 5 minute time -including dispatch). Growth is also a factor, both in terms of new development in the primary and secondary service areas and reduced response times throughout the City, as a result of traffic flow (i.e. growth-related disbenefits). New development throughout the City increases demand for fire services. For example, while the primary service area for Station D is not a high growth area; its location is important for providing secondary and beyond response. As a result, growth outside the primary response area draws on the resources of that area. For these reasons, a BTE deduction of 20% has been applied to the stations which primarily provide service outside of high growth areas.

### **A-11.4 Post Period/Excess Capacity**

No deductions are made for post period capacity, as the station costs have been reduced to remain within the service level cap for the 2008 to 2018 period.

### **A-11.5 Grants, Subsidies and Other Contributions**

No grants, subsidies or other contributions are anticipated for the Fire projects.

### **A-11.6 10% Statutory Deduction**

Section 5 (1) 8. of the DCA does not apply to Fire Protection Services therefore, no deduction is made for this purpose.

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## A-11.7 Residential vs. Non-Residential Split

Fire Protection benefits both residential and non-residential development; therefore, the net growth related costs have been allocated based on the share of population as a percentage of population and employment:

Over the next decade, on a City-wide basis, the City's population is expected to increase by 130,579 persons and its workforce by 121,597 persons. Thus, the residential:non-residential allocation has been calculated as:

130,579 additional persons

130,579 persons + 121,597 additional employees =

52% residential and 48% non-residential

SERVICE: FIRE FACILITY

CITY OF TORONTO  
Level of Service Calculation Sheet

Contact Unit Measure: Square Feet of Fire Station Space

Facility Name	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008 Value (\$/sq.ft.)
Station #111	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050
Station #112	7,020	7,020	7,020	7,020	7,020	7,020	7,020	7,020	7,020	7,020	7,020
Station #113	4,820	4,820	4,820	4,820	4,820	4,820	4,820	4,820	4,820	4,820	4,820
Station #114	8,634	8,634	8,634	8,634	8,634	8,634	8,634	8,634	8,634	8,634	8,634
Station #115	5,986	5,986	5,986	5,986	5,986	5,986	5,986	5,986	5,986	5,986	5,986
Station #116											12,000
Station #121	4,216	4,216	4,216	4,216	4,216	4,216	4,216	4,216	4,216	4,216	4,216
Station #122	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050	3,050
Station #123	2,406	2,406	2,406	2,406	2,406	2,406	2,406	2,406	2,406	2,406	2,406
Station #125	5,810	5,810	5,810	5,810	5,810	5,810	5,810	5,810	5,810	5,810	5,810
Station #131	5,850	5,850	5,850	5,850	5,850	5,850	5,850	5,850	5,850	5,850	5,850
Station #132	7,704	7,704	7,704	7,704	7,704	7,704	7,704	7,704	7,704	7,704	7,704
Station #133	8,064	8,064	8,064	8,064	8,064	8,064	8,064	8,064	8,064	8,064	8,064
Station #134	7,130	7,130	7,130	7,130	7,130	7,130	7,130	7,130	7,130	7,130	7,130
Station #135	10,600	10,600	10,600	10,600	10,600	10,600	10,600	10,600	10,600	10,600	10,600
Station #141	2,891	2,891	2,891	2,891	2,891	2,891	2,891	2,891	2,891	2,891	2,891
Station #142	5,589	5,589	5,589	5,589	5,589	5,589	5,589	5,589	5,589	5,589	5,589
Station #143	2,891	2,891	2,891	2,891	2,891	2,891	2,891	2,891	2,891	2,891	2,891
Station #145	5,460	5,460	5,460	5,460	5,460	5,460	5,460	5,460	5,460	5,460	5,460
Station #146	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900
Station #211	3,571	3,571	3,571	3,571	3,571	3,571	3,571	3,571	3,571	3,571	3,571
Station #212						11,000	11,000	11,000	11,000	11,000	11,000
Station #213	5,048	5,048	5,048	5,048	5,048	5,048	5,048	5,048	5,048	5,048	5,048
Station #214	4,986	4,986	4,986	4,986	4,986	4,986	4,986	4,986	4,986	4,986	4,986
Station #215	4,223	4,223	4,223	4,223	4,223	4,223	4,223	4,223	4,223	4,223	4,223
Station #222	6,912	6,912	6,912	6,912	6,912	6,912	6,912	6,912	6,912	6,912	6,912
Station #223	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100
Station #224	7,648	7,648	7,648	7,648	7,648	7,648	7,648	7,648	7,648	7,648	7,648
Station #225	9,085	9,085	9,085	9,085	9,085	9,085	9,085	9,085	9,085	9,085	9,085
Station #226	11,800	11,800	11,800	11,800	11,800	11,800	11,800	11,800	11,800	11,800	11,800
Station #227	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500
Station #231	13,225	13,225	13,225	13,225	13,225	13,225	13,225	13,225	13,225	13,225	13,225
Station #232	5,048	5,048	5,048	5,048	5,048	5,048	5,048	5,048	5,048	5,048	5,048
Station #233	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Station #234	5,048	5,048	5,048	5,048	5,048	5,048	5,048	5,048	5,048	5,048	5,048
Station #235	8,808	8,808	8,808	8,808	8,808	8,808	8,808	8,808	8,808	8,808	8,808
Station #241	3,906	3,906	3,906	3,906	3,906	3,906	3,906	3,906	3,906	3,906	3,906
Station #242	5,048	5,048	5,048	5,048	5,048	5,048	5,048	5,048	5,048	5,048	5,048
Station #243	5,048	5,048	5,048	5,048	5,048	5,048	5,048	5,048	5,048	5,048	5,048
Station #244	5,048	5,048	5,048	5,048	5,048	5,048	5,048	5,048	5,048	5,048	5,048
Station #245	6,148	6,148	6,148	6,148	6,148	6,148	6,148	6,148	6,148	6,148	6,148
Station #311	12,750	12,750	12,750	12,750	12,750	12,750	12,750	12,750	12,750	12,750	12,750
Station #312	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800
Station #313	12,100	12,100	12,100	12,100	12,100	12,100	12,100	12,100	12,100	12,100	12,100
Station #314	11,940	11,940	11,940	11,940	11,940	11,940	11,940	11,940	11,940	11,940	11,940
Station #315	7,250	7,250	7,250	7,250	7,250	7,250	7,250	7,250	7,250	7,250	7,250
Station #321	8,552	8,552	8,552	8,552	8,552	8,552	8,552	8,552	8,552	8,552	8,552
Station #322	7,848	7,848	7,848	7,848	7,848	7,848	7,848	7,848	7,848	7,848	7,848
Station #323	10,240	10,240	10,240	10,240	10,240	10,240	10,240	10,240	10,240	10,240	10,240
Station #324	13,150	13,150	13,150	13,150	13,150	13,150	13,150	13,150	13,150	13,150	13,150
Station #325	10,130	10,130	10,130	10,130	10,130	10,130	10,130	10,130	10,130	10,130	10,130
Station #326	4,070	4,070	4,070	4,070	4,070	4,070	4,070	4,070	4,070	4,070	4,070
Station #331	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000
Station #332	20,850	20,850	20,850	20,850	20,850	20,850	20,850	20,850	20,850	20,850	20,850
Station #333	12,720	12,720	12,720	12,720	12,720	12,720	12,720	12,720	12,720	12,720	12,720
Station #334	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000
Station #341	9,271	9,271	9,271	9,271	9,271	9,271	9,271	9,271	9,271	9,271	9,271
Station #342	3,060	3,060	3,060	3,060	3,060	3,060	3,060	3,060	3,060	3,060	3,060
Station #343	9,830	9,830	9,830	9,830	9,830	9,830	9,830	9,830	9,830	9,830	9,830
Station #344	11,240	11,240	11,240	11,240	11,240	11,240	11,240	11,240	11,240	11,240	11,240
Station #345	12,800	12,800	12,800	12,800	12,800	12,800	12,800	12,800	12,800	12,800	12,800
Station #411	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900
Station #412	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Station #413	4,900	4,900	4,900	4,900	4,900	4,900	4,900	4,900	4,900	4,900	4,900
Station #415	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Station #421	9,464	9,464	9,464	9,464	9,464	9,464	9,464	9,464	9,464	9,464	9,464
Station #422	7,948	7,948	7,948	7,948	7,948	7,948	7,948	7,948	7,948	7,948	7,948
Station #423	12,340	12,340	12,340	12,340	12,340	12,340	12,340	12,340	12,340	12,340	12,340
Station #424	5,870	5,870	5,870	5,870	5,870	5,870	5,870	5,870	5,870	5,870	5,870
Station #425	7,950	7,950	7,950	7,950	7,950	7,950	7,950	7,950	7,950	7,950	7,950
Station #426	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500
Station #431	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Station #432	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500
Station #433	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Station #434	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Station #435	7,700	7,700	7,700	7,700	7,700	7,700	7,700	7,700	7,700	7,700	7,700
Station #441	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Station #442	15,481	15,481	15,481	15,481	15,481	15,481	15,481	15,481	15,481	15,481	15,481
Station #443	4,900	4,900	4,900	4,900	4,900	4,900	4,900	4,900	4,900	4,900	4,900
Station #444	4,900	4,900	4,900	4,900	4,900	4,900	4,900	4,900	4,900	4,900	4,900
Station #445	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500	11,500
<b>Total</b>	<b>604,491</b>	<b>604,491</b>	<b>604,491</b>	<b>604,491</b>	<b>604,491</b>	<b>615,491</b>	<b>615,491</b>	<b>615,491</b>	<b>615,491</b>	<b>627,491</b>	<b>\$300</b>

Population	2,418,776	2,436,315	2,453,831	2,471,355	2,500,743	2,530,123	2,559,516	2,588,906	2,618,284	2,643,097	
Employment	1,355,711	1,388,259	1,420,807	1,453,355	1,489,466	1,485,575	1,501,730	1,517,915	1,534,125	1,550,360	
Population + Employment	3,774,487	3,824,574	3,874,638	3,924,710	3,970,209	4,015,698	4,061,246	4,106,811	4,152,409	4,193,457	
Level of Service (sq.ft./person/employee)	0.16	0.16	0.16	0.15	0.15	0.15	0.15	0.15	0.15	0.15	

10 Year Average	
Quantity (sq.ft. per capita)	0.15
Quality (\$/sq.ft.)	\$300
Combined Quantity/Quality Level (\$/capita)	45

DC Amount (before deductions)	
Forecast Population/Employment Increase (2008-2007)	252,176
\$ per person/employee	45.00
Eligible Amount	11,347,920

130,579 persons + 121,597 employees

SERVICE: FIRE VEHICLES

CITY OF TORONTO  
Level of Service Calculation Sheet

Contact :  
Unit Measure:

Number of Equipped Vehicles

Vehicle Name	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008 Value \$/vehicle
Pumpers	109	109	109	93	83	78	78	78	78	76	410,000
Rescues	7	7	7	17	28	28	28	28	28	28	450,000
Aerials	32	32	32	29	26	25	19	18	18	10	850,000
Quint Aerials	13	13	13	12	19	19	20	23	23	28	850,000
Squads	11	11	11	11	10	10	10	10	10	9	350,000
Support Vehicles	8	8	8	17	12	18	21	25	25	25	300,000
Various Light Units	174	174	174	185	179	179	190	180	180	177	40,000
<b>Total</b>	<b>354</b>	<b>354</b>	<b>354</b>	<b>364</b>	<b>357</b>	<b>357</b>	<b>366</b>	<b>362</b>	<b>362</b>	<b>353</b>	<b>\$272,464</b>

Population	2,418,776	2,436,315	2,453,831	2,471,355	2,500,743	2,530,123	2,559,516	2,588,896	2,618,284	2,643,097
Employment	1,355,711	1,388,259	1,420,807	1,453,355	1,469,466	1,485,575	1,501,730	1,517,915	1,534,125	1,550,360
Population + Employment	3,774,487	3,824,574	3,874,638	3,924,710	3,970,209	4,015,698	4,061,246	4,106,811	4,152,409	4,193,457
Vehicles per 1,000 persons/employees)	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.08

10 Year Average Quantity (vehicle/1,000) Quality (\$/vehicle.)	0.09
Combined Quantity/Quality Level (\$/1,000)	272,464.42
Combined Quantity/Quality Level (\$/capita)	24,492
DC Amount (before deductions)	24

Forecast Population/Employment increase (2008-18)	10 Year	252,176
\$ per person/employee		24.49
Eligible Amount		6,176,252

annual estimates based on available point in time data

130,579 persons + 121,597 employees

INFRASTRUCTURE COSTS COVERED IN THE DC CALCULATION  
Municipality: City of Toronto

SERVICE: Fire

a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
Capitol Project No.	Project Name / Increased Service Needs Attributable to Anticipated Development (2008-2017)	Sub-project Name	Timing	Gross Capital Cost Est.	Ineligible re. Level of Service	Eligible Increase in Need	Benefit to Existing Development %	Less: Grants, Subsidies & Other Contributions Attrib. to New Development	Sub Total	Less: Other (e.g. 10% Statutory Deduction)	Net Costs Benefiting New Development	Potential DC Recoverable Cost Residential Share 52%	Potential DC Recoverable Cost Non-Residential Share 48%	% of Gross Cost
	Cost to be Incurred During Term of Proposed By-law (2008-2012)													
	Cost to be Incurred Post By-law Term (2013-2017)													
FIR000167	Station D (Eglinton Ave. & Midland Ave)	Station D (Eglinton Ave. & Midland Ave)	2013	5,538,000	1,504,698	4,033,302	80%		3,226,641		3,226,641	1,677,853	1,548,788	58%
FIR000124	Station G - Sunnybrook	Station G - Sunnybrook	2014	8,860,000	2,407,300	6,452,700	20%		5,162,160		5,162,160	2,684,323	2,477,837	56%
FIR000117	Station B (Downsview - Keele between Wilson and Sheppard)	Station B (Downsview - Keele between Wilson and Sheppard)	2015	7,668,000	2,083,429	5,584,571	20%		4,467,657		4,467,657	2,323,162	2,144,475	58%
FIR000121	Station A (Highway 27 & Rexdale Blvd)	Station A (Highway 27 & Rexdale Blvd)	2016	5,148,000	1,388,734	3,749,266	20%		2,999,413		2,999,413	1,559,695	1,439,718	58%
	Total Estimated Capital Cost			\$ 27,214,000	\$ 7,394,161	\$ 19,819,839	\$ 3,963,968	\$	\$ 15,855,871	\$	\$ 15,855,871	\$ 8,245,053	\$ 7,610,818	58%
				17,524,172	Inflated	19,819,839								

**A-12 EMS**





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## **A-12 EMS**

### **A-12.1 Project Description**

The City anticipates increasing the inventory of ambulances at a rate of just over one vehicle per year.

### **A-12.2 Level of Service**

The historic service level for EMS includes both facilities and vehicles. EMS currently operates forty stations and four Hubs with a total floor area in 2007 of just over 140,000 sq.ft. The 2008 value of the building space including furnishings, fixtures, site development and land is \$300 per sq.ft.

In calculating the quantity service level, both population and employment were used with employment weighted at 1/3. This weighting is discussed below under "Residential vs. Non-residential" split. The level of service cap exceeds the program size.

### **A-12.3 Benefit to Existing Development**

The vehicles will be used to meet the demands on a City wide basis and will be located in areas of high need. A 5% deduction has been made for benefit to existing development.

### **A-12.4 Post Period/Excess Capacity**

No deduction has been made for post period capacity, consistent with the application of the City-wide service level.

### **A-12.5 Grants, Subsidies and Other Contributions**

No grants, subsidies or other contributions are anticipated for the construction of the new station or purchase of additional ambulance vehicles.

### **A-12.6 10% Statutory Deduction**

Pursuant to Section 5 (1) 8 of the DCA, a 10% deduction has been made to arrive at the potential DC recoverable costs.

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## A-12.7 Residential vs. Non-Residential Split

The allocation of potential DC recoverable costs between residential and non-residential development is based on the ratio of forecast growth in Toronto for these two types of developments. Population has been weighted at three times employment to reflect the higher use of this service by residents as compared to employees:

$130,579 \times 3 / (130,579 \text{ population} \times 3 + 121,597 \text{ employment}) =$   
76% residential share and 24% non-residential share.

SERVICE: EMERGENCY MEDICAL SERVICES

CITY OF TORONTO  
Level of Service Calculation Sheet

Contact: Wayne Vibert  
Unit Measure: sq.ft. of ambulance space

#	Location	Facility Name	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008 Value (\$/sq.ft.)
1	61 Toyonk Drive		4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800
4	Eastern Avenue		0	0	800	800	800	800	800	800	800	800	800
10	2015 Lawrence Avenue West, M9N 3V5		4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800
11	1135 Caladonia Road		3,578	3,578	3,578	3,578	3,578	3,578	3,578	3,578	3,578	3,578	3,578
12	1535 Alton Road, Etobicoke, M9V 1B7		1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
13	555 Martin Grove Road, Weston, M9R 4B7		3,578	3,578	3,578	3,578	3,578	3,578	3,578	3,578	3,578	3,578	3,578
14	321 Rexdale Blvd., Unit 3, Rexdale, M9W 1R8		4,256	4,256	4,256	4,256	4,256	4,256	4,256	4,256	4,256	4,256	4,256
15	2763 Jane Street, Downsview, M3L 2M1		1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
16	4330 Dufferin Street		4,100	4,100	4,100	4,100	4,100	4,100	4,100	4,100	4,100	4,100	4,100
17	4135 Balfour Street, Downsview, M3H		1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
18	843 Eglinton Avenue West, M5N 1C5		1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350
19	2660 Eglinton Avenue West, Toronto, M6M 1T7		2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
20	3300 Bayview Avenue, Willowdale, M2M 3R7		1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
21	2075 Bayview Avenue, Toronto, M4N 3M5		1,830	1,830	1,830	1,830	1,830	1,830	1,830	1,830	1,830	1,830	1,830
22	12 Canterbury Place, M2N 6N8		1,344	1,344	1,344	1,344	1,344	1,344	1,344	1,344	1,344	1,344	1,344
23	115 Parkway Forest Drive, Willowdale, M2J 1L8		1,886	1,886	1,886	1,886	1,886	1,886	1,886	1,886	1,886	1,886	1,886
24	3061 Birchmount Avenue, Scarborough, M1W 2S4		1,886	1,886	1,886	1,886	1,886	1,886	1,886	1,886	1,886	1,886	1,886
25	Morningside and Sheppard		3,164	3,164	3,164	3,164	3,164	3,164	3,164	3,164	3,164	3,164	3,164
26	Station #26 - 5316 Lawrence Ave. E. (EMS's Portion of joint facility)		1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875
28	2900 Lawrence Avenue East, Scarborough, M1P 2T7		1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875
29	4800 Sheppard Avenue		3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400
31	4219 Dundas Street West		3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100
32	9 Calverton Avenue		3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600
33	766 Dovercourt Road		9,100	9,100	9,100	9,100	9,100	9,100	9,100	9,100	9,100	9,100	9,100
34	674 Markham Street		2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600
35	256 Manitoba Drive CNE		0	0	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600
36	338 Queens Quay West		375	375	375	375	375	375	375	375	375	375	375
37	1288 Queen Street West		3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100
38	259 Homer Avenue		2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
39	155 The East Mall		4,728	4,728	4,728	4,728	4,728	4,728	4,728	4,728	4,728	4,728	4,728
40	58 Richmond Street East		2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
41	1300 Page Avenue		5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100
42	1535 Kingston Road		3,790	3,790	3,790	3,790	3,790	3,790	3,790	3,790	3,790	3,790	3,790
43	126 Page Avenue		3,578	3,578	3,578	3,578	3,578	3,578	3,578	3,578	3,578	3,578	3,578
44	887 Pharmacy Avenue		4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600
45	135 Davenport Road		1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
46	105 Cedarvale Avenue		1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
47	3600 St. Clair Avenue East		500	500	500	500	500	500	500	500	500	500	500
48	35 Avenue of the Islands		2,578	2,578	2,578	2,578	2,578	2,578	2,578	2,578	2,578	2,578	2,578
49	3100 Eglinton Avenue East		0	0	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200
NE Hub	2430 Lawrence Avenue East		0	0	7,885	7,885	7,885	7,885	7,885	7,885	7,885	7,885	7,885
NW Hub	4330 Dufferin Street (50 Toyonk Road -2003)		0	0	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100
SE Hub	42 Kingston Road		103,310	103,310	126,694	134,579	134,579	139,294	139,294	139,294	140,144	140,144	140,144
SW Hub	100 Tumberry		0	0	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100	5,100
Total			103,310	103,310	126,694	134,579	134,579	139,294	139,294	139,294	140,144	140,144	140,144
Population			2,418,776	2,436,315	2,453,831	2,471,355	2,500,743	2,530,123	2,559,516	2,588,896	2,618,284	2,643,097	2,643,097
Employment + 3			451,904	462,753	473,602	484,452	495,302	506,151	517,000	527,849	538,698	549,547	549,547
Population + Employment			2,870,680	2,899,068	2,927,433	2,955,807	2,996,045	3,026,274	3,076,516	3,116,745	3,156,982	3,192,644	3,192,644
Sq.Ft. Per Capita/Employee			0.036	0.036	0.043	0.046	0.045	0.046	0.046	0.045	0.045	0.045	0.044

10 Year Average  
Quantity (sq.ft. per capita) 0.043  
Quantity (\$/sq.ft.) 300.00  
Combined Quantity/Quality Level (\$/capita) 12.93

DC Amount Before Deductions 10 Year 171,111  
Forecast Population/Employment Increase (2008-18) 12.93  
\$ per person/employee 2,213,154

130,579 persons + 121,597 employees (= 3 = 40,532)

SERVICE: EMS VEHICLES

CITY OF TORONTO  
Level of Service Calculation Sheet

Emergency Medical Services

Contact : Wayne Vibert  
Unit Measure: Number of Equipped Vehicles

Vehicle Name	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008 Value
Ambulance Type II	81	67	50	46	40	21	1	1	1	1	\$146,280
Ambulance Type III	51	65	80	101	103	128	138	139	139	139	\$177,961
Ambulance Type III 158" Wheel Base					2	4	10	10	10	10	\$182,479
Buses	7	5	5	5	5	7	5	5	5	4	\$636,000
Heavy Duty Trucks	8	8	8	8	6	7	8	8	8	8	\$153,700
Light Duty Trucks	7	5	5	5	4	6	14	14	14	14	\$67,628
Vans	11	10	10	12	12	10	3	3	3	3	\$53,000
ERU's	6	6	6	6	6	23	22	22	22	22	\$68,900
Sedans	32	28	38	37	37	44	65	65	65	65	\$42,400
<b>Number of vehicles</b>	<b>203</b>	<b>194</b>	<b>202</b>	<b>220</b>	<b>215</b>	<b>250</b>	<b>275</b>	<b>276</b>	<b>277</b>	<b>278</b>	<b>\$139,220</b>
Population	2,418,776	2,436,315	2,453,831	2,471,355	2,500,743	2,530,123	2,559,516	2,588,896	2,618,284	2,643,097	
Employment ÷ 3	451,904	462,753	473,602	484,452	489,822	495,192	500,577	505,972	511,375	516,787	
Population + Employment	2,870,680	2,899,068	2,927,433	2,955,807	2,990,565	3,025,315	3,060,093	3,094,868	3,129,659	3,159,884	
Vehicles per 1,000 persons/employees)	0.071	0.067	0.069	0.074	0.072	0.083	0.090	0.089	0.089	0.088	
10 Year Average											
Quantity (vehicle/1,000)											
Quality (\$/vehicle.)											
Combined Quantity/Quality Level (\$/1,000)											
Combined Quantity/Quality Level (\$/capita)											
DC Amount (before deductions)	10 Year										
Forecast Population/Employment Increase (2008-18)		171,111									
\$ per person/employee		11.01									
Eligible Amount		1,884,633									

130,579 persons + 121,597 employees (÷ 3 = 40,532)

INFRASTRUCTURE COSTS COVERED IN THE DC CALCULATION

City of Toronto

SERVICE: Emergency Medical Services

a	b	c	d	e	f	g	h	i	j	k	l	m
Proj. No.	Increased Service Needs Attributable to Anticipated Development 2008-2017	Timing	Gross Capital Cost Est.	Ineligible re: Level of Service	Eligible Increase in Need	Benefit to Existing Development \$	Less: Grants, Subsidies & Other Contributions Attrib. to New Development	Less: Other (e.g. 10% Statutory Deduction)	Net Costs Benefiting New Development	Residential Share 76%	Non-Residential Share 24%	% of Gross Cost
	Already Constructed											
	Cost to be Incurred During Term of Proposed By-law (2008-2012)											
	5 additional ambulances	2008-2012	1,067,768		1,067,768	53,388	5%	101,438	912,941	693,835	219,106	86%
	Cost to be Incurred Post By-law Term (2013-2017)											
	5 additional ambulances	2013-2017	889,806		889,806	44,490	5%	84,532	760,784	578,196	162,588	86%
	Total Estimated Capital Cost		\$1,957,574		\$1,957,574	\$97,879		\$185,970	\$1,673,726	\$1,272,032	\$401,694	86%

130,579 X 3 = 391,737  
 121,597  
 513,334

76.3%  
 23.7%  
 100.0%

Res 24 hours X 365 days = 8,760  
 Non-Res 10 hours X 5 days X 45 weeks = 2,250 - but less ambulance activity on average at night



## **A-13 DEVELOPMENT-RELATED STUDIES**





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## A-13 DEVELOPMENT-RELATED STUDIES

### A-13.1 Project Description

The City of Toronto will be required to undertake a significant number of studies over the 2008-2017 period that are directly or indirectly related to its capital program for providing services to new development. These studies are potentially applicable to virtually all divisions and boards in the City, including Planning, Transportation and Water, Waterfront Toronto, Parks, Forestry and Recreation, Library, TTC, Finance, Children's Services, etc.

The requirement for such studies in Toronto is proportionately much greater than in other municipalities, given the City's geographic size and populousness, as well as the fact that most of its growth is in the form of widely dispersed development and infill, rather than via more readily identifiable and discrete Greenfield subdivisions.

For example, the City Planning Division expects to incur an expenditure of approximately \$20-25 million over the next decade for studies which are significantly growth-related. These include:

- two, five year Official Plan reviews;
- two, municipal comprehensive reviews;
- employment forecast model;
- urban design guidelines/studies;
- streetscape plans, public realm plans, pedestrian and median plans;
- Transit environmental assessments;
- up to 30 Avenue studies;
- community services and facilities studies/strategies for growth areas;
- numerous secondary plan reviews;
- master plans, zoning reviews, retail plaza intensification strategy, several CIP studies, intensification studies, pedestrian plans, several corridor/area reviews, and a number of plan reviews.

These studies will generally establish the amount and location of anticipated growth in the City at a "micro" level, together with the way in which such growth can be accommodated and the municipal servicing implications thereof.

The following development-related study cost estimates are made, and are over and above the cost of feasibility and design work which is adhesive to individual projects on a service by service basis:

### DEVELOPMENT-RELATED STUDY COSTS

<u>Division</u>	<u>\$2008-2017</u>
Planning	\$20,000,000
Transportation and Water	10,000,000
Parks, Forestry and Recreation	2,000,000
Finance	1,000,000
Waterfront-related	6,300,000 <sup>1</sup>
All Other Services	<u>3,000,000</u>
Total	\$42,300,000

### **A-13.2 Level of Service**

The “level of service” for development-related studies can be approximated on an expenditure per growth increment basis; however, in the final analysis, in Toronto the requirement fundamentally relates to the provisions of the City’s Official Plan, which was substantially updated and altered several years ago. Study requirements also relate to the needs of the remaining development areas, which shift over time.

### **A-13.3 Benefit to Existing Development**

Much of this studies program is largely development-related, including the development charge studies and updates, as well as Planning and Works studies relating specifically to estimating and accommodating growth on a location-specific basis.

Other major projects, such as the Official Plan Review, inevitably provide some benefits to existing development, in addition to addressing growth-related challenges and opportunities.

In order to recognize this situation, a one-third benefit to existing development deduction has been made on an across-the-board basis (except for Waterfront studies, where the deduction was 10%). This reflects an overall 2:1 relationship between the perceived benefits to new vs. existing development.

### **A-13.4 Post Period/Excess Capacity**

The studies involved are substantially directed toward growth over the next decade, but a number can be expected to be of continuing benefit to new development in the City. Offsetting this is the reality that most of these studies will require updating on a periodic basis, as a wide

<sup>1</sup> \$15.7 million in gross costs include \$6.6 million in EA’s, \$1.8 million in transitional sports fields planning, planning, \$2.5 million in Central Waterfront Public Realm Planning and \$4.8 million in Precinct planning, less \$8 million in funding by others.

array of socio-economic and service circumstances in the City, change. As a result, a 10% deduction has been made in order to recognize the possibility of a tangible net continuing benefit from some of the studies undertaken, particularly those completed later in the planning period.

### **A-13.5 Grants, Subsidies and Other Contributions**

No grants, subsidies or other contributions are anticipated with respect to the studies involved, other than in the case of the Waterfront, where senior government subsidies have been netted.

### **A-13.6 10% Statutory Deduction**

Those studies which relate directly or indirectly to the provision of water, sewer, roads, fire and police services do not require a 10% deduction under s.s.5(1)8 of the DCA. All studies which relate to the provision of other municipal services, do require a 10% deduction. Most of the Planning and Financing studies underpin the full array of municipal services and therefore involve a "blended deduction". This has been calculated on the basis of the service mix in the City's current development charge (i.e. 46%, no deduction; 54%, 10% deduction). This serves to augment the deduction, in that it reflects a DC which was significantly discounted with respect to water and sewer charges.

### **A-13.7 Residential vs. Non-Residential Split**

The City's standard 52:48, residential:non-residential split has been applied.

City of Toronto

MUNICIPALITY:

SERVICE: STUDIES

Project Name / Increased Service Needs Attributable to Anticipated Development 2008-2017	Timing	Gross Capital Cost Est.	ineligible re: Level of Service	Eligible Increase in Need	Benefit to Existing Development %	Sub Total	Post Period Capacity %	Grants, Subsidies & Other Contributions Attrib. to New Development	Sub Total	Less: Other (e.g. 10% Statutory Deduction) %	Net Costs Benefiting New Development	Potential DC Recoverable Cost		% of Gross Cost
												Residential Share	Non-Residential Share	
<b>Cost to be Incurred During Term of Proposed By-law (2008-2012)</b>														
Planning		10,000,000		10,000,000	33%	6,666,667	10%	666,667	6,000,000	324,000	5,676,000	2,951,520	2,724,480	57%
Technical Services		5,000,000		5,000,000	33%	3,333,333	10%	333,333	3,000,000	-	3,000,000	1,560,000	1,440,000	60%
Parks, Forestry and Recreation		1,000,000		1,000,000	33%	666,667	10%	66,667	600,000	60,000	540,000	280,800	259,200	54%
Finance		500,000		500,000	33%	333,333	10%	33,333	300,000	16,200	283,800	147,576	136,224	57%
Waterfront-related (City share)		6,300,000		6,300,000	10%	587,000	10%	587,000	5,713,000	255,150	4,847,850	2,520,862	2,326,988	77%
All Other Services		1,500,000		1,500,000	39%	1,000,000	10%	100,000	900,000	72,000	828,000	430,560	387,440	55%
		24,300,000		24,300,000		17,670,000		1,767,000	15,903,000	727,350	15,175,650	7,891,338	7,284,312	62%
<b>Cost to be Incurred Post By-law Term (2013-2017)</b>														
Planning		10,000,000		10,000,000	33%	6,666,667	10%	666,667	6,000,000	324,000	5,676,000	2,951,520	2,724,480	57%
Technical Services		5,000,000		5,000,000	33%	3,333,333	10%	333,333	3,000,000	-	3,000,000	1,560,000	1,440,000	60%
Parks, Forestry and Recreation		1,000,000		1,000,000	33%	666,667	10%	66,667	600,000	60,000	540,000	280,800	259,200	54%
Finance		500,000		500,000	33%	333,333	10%	33,333	300,000	16,200	283,800	147,576	136,224	57%
All Other Services		1,500,000		1,500,000	39%	1,000,000	10%	100,000	900,000	72,000	828,000	430,560	387,440	55%
		18,000,000		18,000,000		12,000,000		1,200,000	10,800,000	472,200	10,327,800	5,370,456	4,957,344	57%
Total Estimated Capital Cost		\$ 42,300,000	\$ -	\$ 42,300,000		\$ 29,670,000		\$ 2,967,000	\$ 26,703,000	\$ 1,199,550	\$ 25,503,450	\$ 13,261,794	\$ 12,241,656	60%

## **A-14 CIVIC IMPROVEMENTS**



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## **A-14 CIVIC IMPROVEMENTS**

### **A-14.1 Project Description**

The capital program involves civic improvement projects in the City's public realm, primarily its streets, parks, open spaces and public buildings. The project types can be categorized as "routes" which are streetscape improvements such as special paving, widened sidewalks, tree planting and landscaping) and "places" which involves the creation of special features such as plazas, fountains, gardens and interpretive displays.

Projects involving streetscape works are closely linked with the capital program for Transportation Services so that when road improvements (resurfacing, reconstruction, widening) are undertaken, the City will use that opportunity to undertake streetscape works.

The City's capital budget sets out the annual expenditure forecast for 2008 to 2017. These expenditures have been included in the development charge calculation. Over the next ten years, the City anticipates spending an average of \$2 million per year on 'routes' and almost \$1 million per year on "places".

Some of the major "route" projects for 2008 include Pt. Union Road from Lawrence to the Waterfront and the Queensway from Mimico Creek to Islington. Places projects for 2008 include the Humber River Bridge at Dundas Street West. This project will involve installation of pedestrian lighting and a concrete seatwall.

### **A-14.2 Level of Service**

The City's program for Civic Improvements has resulted in ongoing improvements to routes and places for the past ten years. From 2004 to 2007, spending has averaged over \$3.4 million per year. Additional investment has been made by other departments and agencies such as Economic Development, Urban Forestry and Transportation.

The proposed capita program is within the average spending in recent years. Therefore, no deduction is made for "ineligible re level of service".

### **A-14.3 Benefit to Existing Development**

The planned projects are located throughout the City of Toronto, with an emphasis on well used public spaces. The servicing area for these civic improvements is expected to be either City-wide or to have a large area coverage.

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Locations will vary between both high growth and other areas. Given the range in servicing area and locations, an average 15% deduction for benefit to existing development has been made.

#### **A-14.4 Post Period/Excess Capacity**

No deduction has been made for post period capacity created by the projects involved.

#### **A-14.5 Grants, Subsidies and Other Contributions**

Proposed expenditures for Civic Improvements are net of grants, subsidies and other contributions.

#### **A-14.6 10% Statutory Deduction**

Pursuant to Section 5 (1) 8 of the DCA, a deduction of 10% has been made, although some are road-related.

#### **A-14.7 Residential vs. Non-Residential Split**

The projects involved, benefit both residents and business/employees. Therefore, the potential DC recoverable costs have been allocated on the basis of additional population and employment and the City's standard 52:48, residential:non-residential split has been applied.







## **A-15 CHILD CARE**



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## **A-15 CHILD CARE**

### **A-15.1 Project Description**

The City of Toronto has indicated plans to provide additional child care spaces at fourteen locations including a number of school board facilities. These projects will result in almost 700 new child care spaces. The cost shown for the Thorncliffe Park Centre includes only the unfunded amount of a \$1.23 million project.

In addition to the projects, there are plans for additional day care spaces for the Toronto Waterfront. These projects will be funded jointly by the Federal Government, Provincial Government and the City. The City of Toronto's contribution to those spaces has also been included in the development charge calculation.

### **A-15.2 Level of Service**

The historic level of service for child care space is based on spaces directly operated by the City in group or home-based settings, as well as purchased spaces. The latter accounts for approximately 85% of the inventory. The number of units fluctuates annually with availability of operating funds from the Province.

The value per space reflects the average cost to construct new space in 2008 \$. Actual costs incurred by the City range from \$25,000, where the space is being provided through a retrofit of existing buildings, such as a school, to \$40,000, where a new stand alone facility is being constructed.

### **A-15.3 Benefit to Existing Development**

The methodology illustrated in Figure 5-1 was referred to with respect to service area coverage. Child care centres are a City-wide service, in that Child Care spaces serve both the residents and employees/employers of Toronto. Clients may choose a location that is close to their home, their place of work or somewhere in between these two places. For this reason a 25% deduction for benefit to existing has been made in the case of the City projects. A 10% deduction has been made in the case of Waterfront Projects.

### **A-15.4 Post Period/Excess Capacity**

No deduction has been made for post period capacity as the capital program is intended to meet the needs of the population to 2017/18.

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## **A-15.5 Grants, Subsidies and Other Contributions**

Two of the projects will be entirely funded by grants or subsidies. In the case of the Aboriginal Child Care Centre and the Regent Park project, the City will allocate funds from the Child Care Expansion Reserve Fund which is comprised entirely of money received from the Province for the Best Start Program. The Province does not direct the use of the funds and the City has the discretion to spend the money on creating new spaces, refurbishing existing spaces or funding operating costs. However, pursuant to Section 5 (2) of the DCA, 1997, by electing to use this Provincial money to fund these projects, this revenue should be deducted from the DC eligible amount. In addition, the Aboriginal Child Care Centre will receive a separate Provincial subsidy, which has also been deducted from the DC eligible amount.

As noted earlier, the child care spaces planned for Waterfront Toronto will be funded jointly by the Federal, Provincial and City Governments. Only the City's contribution is shown in the gross capital costs; therefore, no further deduction is required.

## **A-15.6 10% Statutory Deduction**

A 10% deduction has been made.

## **A-15.7 Residential vs. Non-Residential Split**

Childcare space benefits both residents and employees/employers of the City of Toronto. As a result, the DC recoverable costs have been allocated between residential and non-residential development based on the share of population as a percentage of population and employment:

Over the next decade, on a City-wide basis, the City's population is expected to increase by 130,579 persons and its workforce by 121,597 persons. Thus, the residential:non-residential allocation has been calculated as

130,579 additional persons

130,579 persons + 121,597 additional employees =  
52% residential and 48% non-residential

**SERVICE: CHILDCARE**

Municipality  
Level of Service Calculation Sheet

City of Toronto

Contact :  
Unit Measure: Gail O'Donnell  
# of Subsidized Child Care Spaces

Facility Name	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008 Value (\$ per space)
Directly operated - group	2,546	2,709	2,926	2,926	2,926	2,926	2,926	2,926	2,804	2,695	
Directly operated - home	1,020	1,068	990	1,080	1,225	1,225	1,168	1,168	1,065	927	
Directly operated - total	3,566	3,777	3,916	4,006	4,151	4,151	4,094	4,094	3,869	3,622	
Purchased spaces	20,650	20,439	20,300	20,210	20,345	20,345	18,651	18,651	18,876	20,222	
<b>Total</b>	<b>24,216</b>	<b>24,216</b>	<b>24,216</b>	<b>24,216</b>	<b>24,496</b>	<b>24,496</b>	<b>22,745</b>	<b>22,745</b>	<b>22,745</b>	<b>23,844</b>	<b>30,000</b> <sup>1</sup>

Population	2,418,776	2,436,315	2,453,831	2,471,355	2,500,743	2,530,123	2,559,516	2,588,896	2,618,284	2,643,097
Employment	1,355,711	1,388,259	1,420,807	1,453,355	1,469,466	1,485,575	1,501,730	1,517,915	1,534,125	1,550,360
Population + Employment	3,774,487	3,824,574	3,874,638	3,924,710	3,970,209	4,015,698	4,061,246	4,106,811	4,152,409	4,193,457
Space per person/employee)	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.006	0.005	0.006

10 Year Average	
Quantity (space per person/employee)	0.006
Quality (\$/space)	\$30,000
Combined Quantity/Quality Level (\$/capita)	179
DC Amount (before deductions)	10 Year
Forecast Population/Employment Increase (2008 \$ per person/employee)	252,176
Eligible Amount	179.22
	45,194,846

1. This reflect a wide range of existing facilities including home daycares.

← 130,579 persons + 121,597 employees

**INFRASTRUCTURE COSTS COVERED IN THE DC CALCULATION**  
**Municipality: City of Toronto**

SERVICE: Children's Services

a Project No.	b Capitol Sub-Project No.	c Project Name / Increased Service Needs Attributable to Anticipated Development 2008-2017	d Sub-project Name	e Timing	f Gross Capital Cost Est.	g Ineligible re: Level of Service	h Eligible Increase in Need	i Benefit to Existing Development \$	j % Development	k Less:		m Net Costs Benefiting New Development	n Potential DC Recoverable Cost		o % of Gross Cost
										Grants, Subsidies & Other Contributions Attrib. to New Development	Sub Total		Residential Share 52%	Non-Residential Share 48%	
Cost to be Incurred During Term of Proposed By-law (2008-2012)															
CHS06381	3	Thorncliffe Park Child Care Centre	Thorncliffe Park Construction	2008	1,226,000		1,226,000	306,500	25%		919,500	827,560	430,326	397,224	66%
CHS06381	5	Chester Le	Chester Le	2008-2009	3,187,000		3,187,000	796,750	25%		2,390,250	2,151,225	1,118,637	1,032,598	68%
CHS06381	1	30 Regent Street	30 Regent Street (additional spaces only)	2008-2009	412,500		412,500	103,125	25%		309,375	278,438	144,788	133,650	68%
CHS06381	6	SI Andrew	SI Andrew	2008-2010	2,000,000		2,000,000	500,000	25%		1,500,000	1,350,000	702,000	648,000	66%
CHS06381	1	New Centre D	Centre D	2012	2,000,000		2,000,000	500,000	25%		1,500,000	1,350,000	702,000	648,000	66%
		Capital from operating	Aboriginal Child Care Centre	2008-2009	2,928,000		2,928,000	732,000	25%		2,196,000	-	-	-	0%
		Capital from operating	Regent Park	2008	1,860,000		1,860,000	465,000	25%		1,395,000	-	-	-	0%
		Capital from operating	TDSB - Kennedy	2008-2009	670,000		670,000	167,500	25%		502,500	452,250	235,170	217,060	68%
		Capital from operating	TDSB - Highfield	2008-2009	670,000		670,000	167,500	25%		502,500	452,250	235,170	217,060	68%
		Capital from operating	TDSB - Crescent Town	2008-2009	660,000		660,000	165,000	25%		495,000	445,500	231,660	213,840	68%
		Capital from operating	Regent Park	2009-2010	3,500,000		3,500,000	875,000	25%		2,625,000	2,362,500	1,228,500	1,134,000	68%
		Capital from operating	Regent Park	2010-2011	3,500,000		3,500,000	875,000	25%		2,625,000	2,362,500	1,228,500	1,134,000	68%
		Capital from operating	Regent Park	2011-2012	3,500,000		3,500,000	875,000	25%		2,625,000	2,362,500	1,228,500	1,134,000	68%
		Capital from operating	Regent Park	2012-2013	3,500,000		3,500,000	875,000	25%		2,625,000	2,362,500	1,228,500	1,134,000	68%
		Subtotal			29,613,500		29,613,500	7,403,375		3,591,000	18,619,125	16,757,213	8,713,751	8,043,462	57%
Cost to be Incurred Post By-law Term (2013-2017)															
Waterfront Projects (City cost share only)															
		Capital from operating	East Bayfront	2008-2012	1,659,071		1,659,071	414,768	10%		1,493,164	1,343,848	698,801	645,047	81%
		Capital from operating	West Donlands	2008-2012	1,342,440		1,342,440	335,610	10%		1,208,196	1,087,376	565,436	521,941	81%
		Subtotal			3,001,511		3,001,511	750,378			2,701,360	2,431,224	1,264,236	1,166,987	81%
		Total Estimated Capital Cost			\$ 32,615,011		\$ 32,615,011	\$ 7,703,526		\$ 3,591,000	\$ 21,320,485	\$ 19,188,436	\$ 9,977,967	\$ 9,210,449	59%

H:\toronto\DC 2008\Cap Cost.xls\Childcare

Service Level Cap

45,194,846



**A-16 HEALTH**



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## **A-16 HEALTH**

### **A-16.1 Project Description**

Toronto Public Health provides a wide range of services, including health promotion (flu shots, dental clinics, inoculation clinics, injury prevention); restaurant inspections, enforcement of the *Smoke-Free Ontario Act*, animal services and water quality monitoring at City beaches. Additional residential and non-residential development will create further demand for such services. The City's capital program for additional Public Health program delivery space is calculated to maintain the current (2007) service level of 0.1 sq.ft. per capita. Thus, an increase of 130,579 persons, will generate the need for additional 13,060 sq.ft. of "field office" space.

Some of this additional space is expected to be occupied by establishment of several additional dental health clinics and a new sexual health clinic.

### **A-16.2 Level of Service**

The historic service level for Toronto Public Health is measured in terms of floor area of program space per capita. In 2007, the City was providing over 263,000 sq.ft. of programming space in twenty-seven different locations. This excludes approximately 40,000 sq.ft. of administrative space at 277 Victoria St.

The cost per sq.ft. of the majority of program space is estimated at \$255 including furnishings, fixtures, equipment and land. The cost per sq.ft of space in dental clinics is considerably higher due to the value of the equipment involved which adds a further \$145 per sq.ft. It is estimated that existing dental clinics account for approximately 6% of all program space. Therefore, the average cost per sq.ft. for all Public Health Division program space is calculated at \$264.

### **A-16.3 Benefit to Existing Development**

The capital program included in the DC calculation is sized to provide additional program space to accommodate the needs resulting from additional residential and non-residential development. There is limited benefit to existing development from this program; however, it is possible that existing residents and employees/employers of the City of Toronto will benefit from new locations. A 5% deduction for benefit to existing development has been made to recognize this nominal benefit.

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### **A-16.4 Post Period/Excess Capacity**

As the capital program has been reduced to meet the needs of development from 2008 to 2018, no deduction has been made for post period capacity.

### **A-16.5 Grants, Subsidies and Other Contributions**

The City does not anticipate receiving any grants, subsidies or other contributions towards the cost of this capital program.

### **A-16.6 10% Statutory Deduction**

Pursuant to Section 5.(1) 8, of the DCA, a 10% deduction has been made in order to arrive at the potential DC recoverable cost.

### **A-16.7 Residential vs. Non-Residential Split**

Toronto Public Health provides services to both the City's population and its employers/employees. It is estimated that 30,000 sq.ft. of the total existing programming space is related to non-residential uses including food inspections and 'healthy environment'. This represents approximately 11% of the total Public Health program space floor area for 2007. It is proposed that this be the basis for a res:non-res split: i.e. residential - 89% and non-residential – 11%.

**SERVICE: Toronto Public Health**

Municipality:  
Level of Service Calculation Sheet

City of Toronto  
Public Health Program Space

Contact :  
Unit Measure:

Shirley MacPherson  
Square Feet of Building Area

Facility Name	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008 Value \$ per sq.ft.
1115 Queen St. W	7,500	7,500	7,500	9,272	9,272	9,272	9,272	9,272	9,272	9,272	9,272
2340 Dundas St. W	10,037	10,037	10,037	33,900	33,900	33,900	33,900	33,900	33,900	33,900	33,900
235 Danforth Ave	14,217	14,217	14,217	17,737	17,737	17,737	17,737	17,737	19,168	19,168	19,168
666 Eglinton Ave. (Library)	2,000	2,000	2,000	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200
40 St. Clair Ave.	3,200	3,200	3,200	4,778	4,778	4,778	4,778	4,778	4,778	4,778	4,778
44 Victoria St.	-	-	-	-	-	-	-	-	-	7,415	7,415
277 Victoria St.	25,000	25,000	25,000	25,000	25,000	39,000	39,000	39,000	45,280	45,280	45,280
1530 Markham Rd.	-	-	-	-	-	-	-	-	20,000	20,000	20,000
55 Town Centre	13,115	13,115	13,115	13,115	13,115	13,115	13,115	13,115	-	-	-
160 Borough Dr. (Scarb CC)	15,390	15,390	15,390	15,390	15,390	15,390	15,390	15,390	15,390	15,390	15,390
2181 Queen Street East	5,000	5,000	5,000	5,000	5,000	-	-	-	-	-	-
850 Coxwell Ave. (EYCC)	14,030	14,030	14,030	14,030	13,067	13,067	13,067	13,067	13,067	13,067	13,067
175 Memorial Park Dr.	16,482	16,482	16,482	19,591	6,390	6,390	6,390	6,390	6,390	6,390	6,390
399 The West Mall (ECC)	4,000	4,000	4,000	2,544	20,635	20,635	20,635	20,635	20,635	20,635	20,635
662 Jane St.	1,300	1,300	1,300	1,300	2,544	2,544	2,544	2,544	2,544	2,544	2,544
726 Bloor Street	5,489	5,489	5,489	-	-	-	-	-	-	-	-
1884 Davenport	-	-	-	-	-	-	-	-	-	-	-
590 Jarvis Street	-	-	-	12,960	12,960	-	-	-	-	-	-
524 Oakwood Ave.	12,000	12,000	12,000	12,000	14,139	14,139	14,139	14,139	14,139	14,139	14,139
2300 Sheppard Ave. W	6,960	6,960	6,960	6,960	6,960	6,960	6,960	6,960	6,960	6,960	6,960
225 Duncan Mill Road, Suite 201	7,168	7,168	7,168	7,168	7,168	7,168	7,168	7,168	12,468	12,468	12,468
5100 Yonge St. (NYCC)	16,000	16,000	16,000	16,000	20,270	20,270	20,270	20,270	20,270	20,270	20,270
5110 Yonge St. (Talk Shop)	1,971	1,971	1,971	1,971	1,971	1,971	1,971	1,971	1,971	1,971	1,971
95 Lavina St.	1,000	1,000	1,000	1,000	1,180	1,180	1,180	1,180	1,180	1,180	1,180
791 Queen St. E.	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
340 College St.	1,582	1,582	1,582	1,582	1,582	1,582	1,582	1,582	1,582	1,582	1,582
2398 Yonge St.	3,180	3,180	3,180	3,180	2,246	2,246	2,246	2,246	2,246	2,246	2,246
<b>Total</b>	<b>188,021</b>	<b>188,021</b>	<b>188,021</b>	<b>235,078</b>	<b>234,904</b>	<b>235,944</b>	<b>235,944</b>	<b>235,944</b>	<b>255,840</b>	<b>263,255</b>	<b>\$264</b>

Population	2,418,776	2,436,315	2,453,831	2,471,355	2,500,743	2,530,123	2,559,516	2,588,896	2,618,284	2,643,097
Level of Service (sq ft./person)	0.08	0.08	0.08	0.10	0.09	0.09	0.09	0.09	0.10	0.10

10 Year Average	0.09
Quantity (sq.ft. per person)	264.00
Quality (\$/sq.ft.)	23.76
Combined Quantity/Quality Level (\$/person)	

Note: excludes 40,000 sq.ft. of administrative space

DC Amount (before deductions)	10 Year
Forecast Population Increase (2008-18)	130,579
\$ per person	23.76
Eligible Amount	3,102,557

INFRASTRUCTURE COSTS COVERED IN THE DC CALCULATION  
MUNICIPALITY: City of Toronto

SERVICE: Health

a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	
Capital Project No.	Project Name / Increased Service Needs Attributable to Anticipated Development 2008-2017	Sub-project Name	Timing	Gross Capital Cost Est.	Ineligible re: Level of Service	Eligible Increase in Need	Benefit to Existing Development \$	%	Less: (Grants, Subsidies & Other Contributions Attrib. to New Development)	Sub Total	Less: Other (e.g. 10% Statutory Deduction)	Net Costs Benefiting New Development	Potential DC Recoverable Cost Residential Share 89%	Non-Residential Share 11%	% of Gross Cost
	Already Constructed														
	<b>Cost to be Incurred During Term of Proposed By-law (2008-2012)</b>														
	Additional Health Department Program Space (6,530 sq.ft.)		2008-2012	1,723,920	172,641	1,551,279	77,564	5%	1,473,715	147,371	1,326,343	1,180,445	145,898	77%	
	<b>Cost to be Incurred Post By-law Term (2013-2017)</b>														
	Additional Health Department Program Space (6,530 sq.ft.)		2008-2012	1,723,920	172,641	1,551,279	77,564	5%	1,473,715	147,371	1,326,343	1,180,445	145,898	77%	
	Total Estimated Capital Cost			\$ 3,447,840	\$ 345,283	\$ 3,102,557	\$ 155,128		\$ 2,947,429	\$ 284,743	\$ 2,662,686	\$ 2,360,891	\$ 291,795	77%	



## A-17 WATERFRONT

1. DC RELEVANT PROJECT INFORMATION IS CONSOLIDATED HERE FOR INFORMATION PURPOSES, BUT FOR PURPOSES OF THE DC CALCULATION, DC RECOVERABLE COSTS HAVE BEEN DISAGGREGATED TO THE RELEVANT SERVICE SECTION IN EACH CASE. ONLY A PORTION OF THE POTENTIALLY DC-RECOVERABLE COST HAS ACTUALLY BEEN INCLUDED IN THE DC CALCULATION COSTS IN SOME CASES, AS A RESULT OF CONSTRAINTS PRODUCED BY THE STATUTORY SERVICE LEVEL CAP APPLICABLE TO THE CITY AS A WHOLE FOR EACH INDIVIDUAL SERVICE.
  
2. IT IS ALSO NOTED THAT WATERFRONT TORONTO HAS RECENTLY UPDATED ITS FIVE YEAR BUSINESS PLAN/TEN YEAR FORECAST THAT WILL BE CONSIDERED BY COUNCIL THIS FALL AND RATIFIED BY THE FEDERAL AND PROVINCIAL FUNDING PARTNERS. THIS INFORMATION FORMS THE BASIS FOR THE 2009-2018 CAPITAL PROGRAM SUBMISSION FOR THE WATERFRONT REVITALIZATION INITIATIVE THAT WILL BE CONSIDERED BY COUNCIL IN DECEMBER, 2008. THE PROPOSED PLAN MAINTAINS THE CITY'S \$500 MILLION TOTAL FUNDING SHARE, BUT PROPOSES REDISTRIBUTIONS BETWEEN BROAD PROJECT CATEGORIES, FROM THE COSTINGS SHOWN HEREIN. THESE PROPOSED REDISTRIBUTIONS WILL BE ALLOCATED AT A FINER PROJECT LEVEL SUBSEQUENTLY AND CAN BE ADDRESSED IN DETAIL IN FUTURE DC CALCULATION UPDATES.

THIS INFORMATION, TOGETHER WITH ASSOCIATED APPROVALS AND PROJECT ALLOCATIONS WAS NOT AVAILABLE AS OF THE PREPARATION OF THIS DC BACKGROUND STUDY. THESE CHANGES ARE NOT EXPECTED TO SIGNIFICANTLY MODIFY THE CALCULATION OF THE CITY'S DEVELOPMENT CHARGE, WITH ONE EXCEPTION. THAT EXCEPTION IS THE FRONT STREET EXTENSION PROJECT, WHERE THE DC RECOVERABLE AMOUNT HAS DECLINED BY \$46.9 MILLION FROM \$51.8 MILLION (IN EARLIER DRAFTS OF THE BACKGROUND STUDY) TO \$4.9 MILLION, AS SHOWN HEREIN (THE LATTER FIGURE IS BASED ON THE PERCENTAGE DEDUCTION SHOWN IN TABLE A-17-1).



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## A-17 WATERFRONT

### A-17.1 Background

A-17.1.1 Waterfront Toronto is funded by contributions from the City, the Province and the Federal Government, together with land sale and related revenues funded through the City.

A-17.1.2 A portion of the cost of the servicing and development program is beyond land assembly and preparation and the provision of local services. These municipal servicing costs are eligible for development charge recovery and have been included as part of this Background Study as a result. The overall Waterfront capital program is consolidated in this section, together with broad-based development charge cost analysis. The resultant DC recoverable costs have then been included under the relevant service sections, i.e. transit, roads, childcare, parks and recreation and studies. This is done in order to address the total City program on an individual service by service basis, with respect to the statutory service level caps that are involved and the calculation of a City-wide development charge. For example, these service level caps exclude the parks and recreation projects included herein.

A-17.1.3 The cost portion included herein is net of:

- a) the appropriate portion of the project cost (to be) funded by the Provincial or Federal governments;
- b) "local service" requirements of individual landowners to be met via infrastructure emplacement and/or related payments;
- c) public landowner costs involving remediation, clean-up, soil management and treatment as well as special-purpose projects such as District Energy, dockwall repairs, Pier 4 rehabilitation, etc.
- d) non-capital costs, including Waterfront Toronto corporate costs, Waterfront Project Secretariat, financial securities, etc.

### A-17.2 Cost Summary and Project Description

1. Total project costs to be funded by all Governments to 2018 are \$1,697,315,000 (2004 \$), with the City's share designated as \$500,000,000. The potentially DC-applicable portion of these costs is further detailed in Tables A-17-1, 2, 3 and 4. A portion of the precinct servicing costs is not accounted for in these tables and involves non-DC-recoverable costs, such as development and implementation of parking and ground floor retail space.
2. The City's funding share of the East Bayfront and West Don Lands servicing cost is \$246.7 million, of a total of \$552.1 million (2004 \$). Waterfront Toronto has indicated

that \$89.5 million of the \$214.2 million in total cost for West Don Lands is potentially DC eligible, subject to the various deductions under the DCA. The majority of the cost (\$214.2 million - \$89.5 million = \$124.7 million) relates to the provision of local services and other costs not recoverable via development charges.

Similarly, \$206 million of the East Bayfront servicing costs of \$337.9 million are potentially DC-eligible, subject to the necessary statutory deductions. Once again, a substantial portion of the cost (\$337.9 million - \$206 million = \$131.9 million) relates to the provision of local services and other development costs not recoverable via development charges.

### **A-17.3 Waterfront Development Forecast**

Table A-17-A provides a broad estimate of the amount of development anticipated for Waterfront Toronto's East Bayfront and West Don Lands precincts over the 2008-2017 period. This amounts to 9,100,000 sq.ft. of residential development (approx. 9,949 residential units, assuming an average of 82% development efficiency and 750 sq.ft./unit) and 2,995,000 sq.ft. of commercial space. An additional 5,795 residential units and 1,005,000 sq.ft. of commercial space is expected to be developed in these precincts post 2017.

### **A-17.4 Benefit to Existing Development**

The benefit to existing development deduction was based on the principles illustrated in Figure 5-1 and discussed in Chapter 5. The Waterfront is clearly a "High Growth Area" and the works involved range from being "neighbourhood" in service area (e.g. local parks) to "Large Area" (e.g. Waterfront Community facilities and LRT) to City-wide (e.g. major recreation facilities and City-wide Waterfront parks and trails).

As a result, the range of deductions for this purpose, in many cases, is 0-10%, with a high-end figure of 10% typically being used. For some projects, more significant deductions are applicable to address individual circumstances.

### **A-17.5 Post Period/Excess Capacity**

Waterfront development is scheduled to be particularly active during the final seven years of the ten year planning period. The development charge has generally been calculated on the assumption that 75% of the net growth-related cost for sewer, water and roads, would be recovered through development charges, from development occurring mid-2008-18, with the growth-related component of the remaining 25% subsequently recovered from development post mid-2018, to generally reflect marginal cost shares.

**Table A-17-A Waterfront Toronto  
DC By-law review  
Annual absorption estimates (waterfront area)  
(in 000's of sq.ft.)**

	Total to 2017	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>East Bayfront (West)</b>											
Residential (public)	2,100	-	-	-	400	500	-	300	300	300	300
Residential (private)	2,100	-	-	-	-	300	600	300	300	300	300
Commercial	1,735	-	-	450	535	-	250	250	-	250	-
Sub-total EBF(W)	5,935	-	-	450	935	800	850	850	600	850	600
<b>East Bayfront (East)<sup>1</sup></b>											
Residential (public)	300	-	-	-	-	-	-	-	-	300	-
Residential (private)	600	-	-	-	-	-	-	-	300	-	300
Commercial	500	-	-	-	-	-	-	-	250	-	250
Sub-total EBF(E)	1,400	-	-	-	-	-	-	-	550	300	550
<b>West Don Lands</b>											
Residential	4,000	-	100	400	500	500	500	500	500	500	500
Commercial	760	-	10	50	100	100	100	100	100	100	100
Sub-total WDL	4,760	-	110	450	600	600	600	600	600	600	600
<b>Waterfront Totals</b>											
Residential	9,100	-	100	400	900	1,300	1,100	1,100	1,400	1,400	1,400
Commercial	2,995	-	10	500	635	100	350	350	350	350	350
<b>Sub-total Waterfront</b>	<b>12,095</b>	<b>-</b>	<b>110</b>	<b>900</b>	<b>1,535</b>	<b>1,400</b>	<b>1,450</b>	<b>1,450</b>	<b>1,750</b>	<b>1,750</b>	<b>1,750</b>

**Conversion of sq.ft. to residential units**

<b>Residential Units</b>	<b>9,949</b>	<b>109</b>	<b>437</b>	<b>984</b>	<b>1,421</b>	<b>1,203</b>	<b>1,203</b>	<b>1,203</b>	<b>1,531</b>	<b>1,531</b>	<b>1,531</b>
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Efficiency 82%  
Average Unit Size 750

(1) Reflects approximately half the build-out of East Bayfront (East) precinct. Remaining build-out would be beyond 2017.

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## **A-17.6 Grants, Subsidies and Other Contributions**

The development charge calculations have been based on the City's net funding share of DC-eligible projects. As has been documented, a significant portion of the City's investment is directed to non-capital, or otherwise DC-ineligible works and, as a result, these expenditures have not been included in the DC calculation.

## **A-17.7 10% Statutory Deduction**

In addition to providing "hard services", Waterfront projects involve the provision of parks, recreation and community facilities, trails, childcare facilities and public transit. The 10% statutory deduction has been made from the cost of all of the "soft" services which are involved.

## **A-17.8 Residential vs. Non-Residential Split**

The Waterfront projects are being incorporated into the calculation on a City-wide basis, as with other projects located throughout the City. As a result, they are subject to the City-wide split of 52% residential and 48% non-residential, based on the ten year anticipated population and employment growth increment (95%/5% for parks and recreation). (A Waterfront-specific split would be in the order of 60% residential:40% non-residential, based on the data in Table A-17-A.)

## **A-17.9 Level of Service**

The Waterfront-related projects are subject to the overall service level caps for each individual service involved, based on a City-wide calculation and project prioritization. As a result, it is necessary to consult the Waterfront section of the capital cost sheets for each individual service, to establish the extent to which various Waterfront projects are intended to be DC-funded, i.e. in the case of Transit (Balance), Roads and Related, Parks and Recreation, Development-related Studies and Child Care. In addition, in several cases, the DC recoverable cost component may have been modified as part of this process, in order to reflect service-related conventions.

**TABLE A-17-1  
TOTAL WATERFRONT PROJECTS TO BE FUNDED BY ALL GOVERNMENTS TO 2018**

Expenditure Category	\$000's 2004			Deduction for:			Total DC Recoverable (Millions \$)
	Total Funding	City Funding		Benefit to Existing Development	Post Period Benefit	Stat. 10%	
<b>1. Precinct Servicing Costs for Public Lands</b>							
a) West Don Lands (including LRT)	214,204	88,898		See Table 17-3			23.7
b) East Bayfront (including LRT)	337,903	157,785		See Table 17-2A			62.3
<b>Sub Total</b>	<b>552,107</b>	<b>246,683</b>		n/a	n/a	n/a	86.0
<b>2. Other DC Eligible Costs</b>							
a) Union Station	89,334	40,000		44%		10%	20.2
b) Front Street Extension	18,200	6,950		30%		-	4.9
c) Port Union	29,000	18,334		100%		-	-
d) Mimico	10,600	6,266		100%		-	-
e) Gardiner EA	11,000	11,000		75%		-	2.8
f) Naturalization of Don	65,945	29,152		60%		10%	10.5
g) Central Waterfront Public Realm	80,816	51,076		35%		10%	29.9
h) Transitional Sports Fields	7,800	2,800		10%	-	10%	2.3
i) Regional Sports Complex	34,000	5,289		10%	-	10%	4.3
j) Western Beaches Watercourse	22,500	4,000		100%	-	-	-
k) Leslie Street Greening	1,860	620		10%	-	10%	0.5
l) Martin Goodman Trail Phase 1	6,238	1,900		10%	-	10%	1.5
m) Commissioners Park	10,000	3,334		N/A	-	N/A	N/A
n) Unallocated Funding	22,355	22,355			100%		-
o) Misc. Studies, EA's & Planning	13,914	6,300		20%	-	5%	4.8
<b>Sub Total</b>	<b>423,562</b>	<b>209,376</b>					81.7
<b>3. Non-Capital/Ineligible Costs</b>							
	<b>541,245</b>	<b>91,540</b>		n/a	n/a	n/a	-
<b>Total</b>	<b>1,516,914</b>	<b>547,599</b>	<sup>1</sup>	n/a	n/a	n/a	167.7

Source: Waterfront Toronto

<sup>1</sup> Inclusive of City Share of land sale revenues

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## PROJECT DESCRIPTIONS RE TABLE A-17-1

1. Precinct Servicing Costs
  - a) West Don Lands (see Table A-17-4)
    - An 80-acre site running from Parliament St. east to the Don River and from King St. South to the rail corridor.
  - b) East Bayfront (see Table A-17-3)
    - A 55-acre site south of the rail corridor between Jarvis and Parliament.
2. Other DC Eligible Costs
  - a) Union Station – construction of a second subway platform at Union Station to provide additional passenger capacity, improve safety and make the station more efficient. It also includes a connection between the subway and the Harbourfront LRT.
  - b) Front St. Extension – an extension of Front Street from Bathurst to Dufferin adding new east and westbound ramps for the Gardiner west of Strachan. This will ease congestion in the Waterfront area and improve N/S connections west of Bathurst.
  - c) Port Union Linear Park – construction of a 3.6 km trail between Highland Creek and the Rouge River, land acquisition, headland structures, bridge over Highland Creek, wetlands and fishery habitats. Ph. 1 completed in 2006. 30% of the cost involves land acquisition. Net City eligible cost is estimated at \$4.8 million. City-wide park development.
  - d) Mimico Linear Park – a 1 km waterside park from Humber Bay Park West to Norris Cres. Parkette. Completion by 2007/08. 30% of the cost for land acquisition. Net City eligible cost is estimated at \$1.5 million. City-wide park development.
  - e) Gardiner EA – examination of Gardiner corridor Options.
  - f) Naturalization of Don – to reclaim wetlands, recreate natural habitats, provide flood protection and provide public access to new open spaces accommodating various recreational activities. Development of special purpose parks.

- g) Central Waterfront Public Realm – involves expansion to the Martin Goodman Trail, providing an accessible Waterfront. The second phase involves completion of the Central Waterfront Promenade (the East Bayfront portion is included in that precinct's budget). City-wide park development.
- h) Transitional Sports Fields – Transitional sports fields for City-wide soccer, field hockey and lacrosse south of Ship Channel in the Portlands, to open in 2007.
- i) Regional Sports Complex – planning, design and construction costs for a multi-use, year round recreational facility, servicing community and City-wide needs, including four hockey ice pads.
- j) Western Beaches Watercourse – a 600 m rowing and paddling facility just west of Ontario Place for completion in 2006.
- k) Leslie St. Greening and Martin Goodman Trail Ph. 1 – arterial road greening. Clean-up and site preparation projects along the major corridors in the Portlands area connecting to the City and Lake Ontario Park. City-wide park development.
- l) Commissioners Park – addresses (DC ineligible) future land acquisition needs of West Don Lands, East Bayfront, Lower Don Lands and Portlands for playing fields and waterfront park space.
- m) Unallocated Funding – funds not yet assigned to specific projects such as Water's Edge Promenade, Transit and Transportation Initiatives. Expected to be largely growth-related.

**TABLE A-17-2  
EAST BAYFRONT INFRASTRUCTURE COST ESTIMATES  
RE (PARTIALLY) DC RECOVERABLE COSTS**

Project	Total Cost 000's 2004	Est. Cost of Local Services	Balance
Jarvis St.	918.5	174.8	743.7
Richardson St.	985.6	950.8	34.8
Sherbourne St. N.	970.1	401.7	568.4
Sherbourne St. S.	1,443.6	457.1	986.5
Lakeshore Blvd. E.	409.7	409.7	-
Bonneycastle N.	811.6	776.8	34.8
Bonneycastle S.	1,128.5	1,128.5	-
Small N.	653.4	653.4	-
Small S.	918.1	918.1	-
Parliament	779.1	191.4	587.7
Sedimentation Tanks	5,700.3	5,299.3	401.0
Queens Quay A. Existing	8,493.3	1,454.7	7,038.6
Roads EB-3	1,633.3	1,633.3	-
Road EB-6	966.9	966.9	-
Promenade (Jarvis to Parl. Slip)	44,073.7	-	44,073.7
Parks & Open Spaces	14,724.7	-	14,724.7
Community Facility	17,629.3	-	17,629.3
Day Cares	3,160.1	-	3,160.1
Planning & Site Preparation	23,997.0	23,997.0	-
Public Transit	116,000.0	-	116,000.0
East Bayfront Total	245,396.8	39,413.5 (15,416.5) <sup>1</sup>	205,983.3

Source: Waterfront Toronto

<sup>1</sup> Excluding Planning and Site Preparation which are pre-servicing costs.





**TABLE A-17-3  
WEST DON LANDS PRECINCT  
PROJECT COST ALLOCATION RE (PARTIALLY) DC RECOVERABLE COSTS**

1	2	3	4	5	6	7
No.	Project Name	2004 Cost Est.	Portion Funded by Others	Net City Cost Share	DC Deduction for B/E & PPC	Total DC Recov. 2004 \$
	<b>Roads &amp; Related</b>					
			Allocation Ratio			
			54.80%	45.20%		
	Front Street 26	\$ 3,967,000	\$ 2,173,916	\$ 1,793,084	25%	\$ 1,344,813
	Front Street 42	\$ 2,859,000	\$ 1,566,732	\$ 1,292,268	25%	\$ 969,201
	Eastern Ave 25	\$ 3,681,000	\$ 2,017,188	\$ 1,663,812	25%	\$ 1,247,859
	Cherry St	\$ 11,410,000	\$ 6,252,680	\$ 5,157,320	25%	\$ 3,867,990
	Pedestrian Bridge	\$ 7,075,000	\$ 3,877,100	\$ 3,197,900	25%	\$ 2,398,425
	Pedestrian Tunnel under R/R	\$ 1,698,000	\$ 930,504	\$ 767,496	25%	\$ 575,622
	High Line Trail & Ped Xing under Cherry	\$ 3,538,000	\$ 1,938,824	\$ 1,599,176	25%	\$ 1,199,382
	Ped Underpass at Trinity St	\$ 14,151,000	\$ 7,754,748	\$ 6,396,252	25%	\$ 4,797,189
	Allowance for Upgrading Underpass at Cherry & Parl	\$ 1,415,000	\$ 775,420	\$ 639,580	25%	\$ 479,685
	<b>Roads and Related Sub Total</b>	<b>49,794,000</b>	<b>27,287,112</b>	<b>22,506,888</b>		<b>16,880,166</b>
	<b>Soft Services <sup>1</sup></b>				<b>DC Deduction for B/E &amp; Stat.</b>	
	Community facilities	1,183,000	\$ 648,284	\$ 534,716	10% X 10%	\$ 433,120
	Daycare	2,970,000	\$ 1,627,560	\$ 1,342,440	10% X 10%	\$ 1,087,376
	Rec Centre	16,500,000	\$ 9,042,000	\$ 7,458,000	100%	\$ -
	LRT	19,100,000	\$ 11,690,000	\$ 7,410,000	20% X 10%	\$ 5,335,200
	<b>Soft Services Sub Total</b>	<b>39,753,000</b>	<b>23,007,844</b>	<b>16,745,156</b>		<b>6,855,696</b>
	<b>West Don Lands Total</b>	<b>89,547,000</b>	<b>50,294,956</b>	<b>39,252,044</b>		<b>23,735,862</b>

<sup>1</sup> Excludes Don River Park (\$17.6 Million) to be fully Federally-funded.

TABLE A-17-4

## NON-CAPITAL/INELIGIBLE WATERFRONT COSTS

Expenditure Category	\$000's 2004	
	Total Funding	City Funding
a) Portlands Preparation	60,700	20,233
b) Waterfront Toronto Corporate Costs	95,658	27,169
c) GO Transit Expansion	130,000	-
d) Financial Securities	43,244	8,759
e) Federally Funded Initiatives	56,176	-
f) Land Acquisition	60,142	-
g) Lake Ontario Park (Phase 1)	14,478	-
h) Portlands Beautification	7,480	-
i) Tommy Thompson Park	8,000	-
j) West Don Lands/East Bayfront District Energy	30,000	2,280
k) Waterfront Project Secretariat	8,196	4,603
l) Harbourfront-Waters Edge	17,719	5,906
m) Other (e.g. Urban Planning Resources, Ireland Park, Dockwall Repairs, Pier 4 Rehab, Intelligent Communities, Front Street Pedestrian Bridge)	23,366	9,014
Sub-total	555,159	77,964
o) Less: Growth related EA's & studies	(13,914)	(6,300)
+ land revenue items		19,876
<b>Total</b>	<b>541,245</b>	<b>91,540</b>

Source: Waterfront Toronto

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## PROJECT DESCRIPTIONS RE TABLE A-17-4

- a) Portlands Preparation – major components include transforming Cherry Beach into a high quality urban beach, design of significant parks, and environmental remediation plans for the Mouth of the Don, Commissioners Park and certain lands in the West Don Lands Precinct.
- b) Waterfront Toronto Corporate Costs – includes staff salaries and rent, not allocated to specific projects.
- c) GO Transit Expansion – involves modernizing track and signal infrastructure to increase the core capacity of the network and alleviate congestion. This will reduce traffic into the Central Waterfront and support improvements to the Gardiner/Lakeshore corridor. No City funding.
- d) Financial Securities – will provide the City security from Waterfront Toronto and/or third parties constructing municipal infrastructure. Includes warranty fund and capital interest costs.
- e) Federally Funded Initiatives – include a Discover Centre feasibility study, installation of a seasonal theatre, design work re a connection between Union Station and Pearson Airport, construction of Harbourfront Canada Square and a campus of the United Nations Peace University.
- f) Land Acquisition – relates to the acquisition of strategic properties across the Waterfront for land assembly for public spaces, affordable housing, and other Waterfront Toronto-related uses.
- g) Lake Ontario Park (Ph 1) – a 500-acre park located along the Outer Harbour between Cherry Beach and Ashbridge's Bay. No City funding.
- h) Portlands Beautification – soil remediation strategy, including general clean-up of sites and corridors in the area. Local servicing.
- i) Tommy Thompson Park – involves conversion of the current Leslie St. spit into an urban wilderness park as part of Lake Ontario Park, to include trails, habitat restoration, shoreline protection, etc. No City funding.
- j) West Don Lands/East Bayfront District Energy – to provide heating and cooling to a community of buildings from a central plant.
- k) Waterfront Project Secretariat – non-capital, staff and operating costs.
- l) Harbourfront – Water's Edge
- m) Other – Urban Planning Resources, Ireland Park, Dockwall Repairs, Pier 4 Rehab, Intelligent Communities, Front Street Pedestrian Bridge

## **A-18 PEDESTRIAN INFRASTRUCTURE**



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## **A-18 PEDESTRIAN INFRASTRUCTURE**

### **A-18.1 Project Description**

1. The PATH underground pedestrian link from Union Station to Wellington Street is an estimated \$65 million (2007 \$) City project currently nearing completion of the EA and expected to be completed by 2012. The project is “roads-related,” as it involves installation of the PATH by reconstruction of an existing City street (York) including surface treatment at grade improvements.
2. At present, the eastern portion of Union Station is connected to the PATH system via the Royal Bank. The west concourse is underutilized and is to be redeveloped as part of the Union Station revitalization initiative. The subject PATH connection proceeding north-westerly from Union Station is required at the time the west concourse is made operational.
3. The pedestrian link is required in order to relieve congestion by more effectively dispersing underground pedestrian activity in the PATH system and to support future downtown growth, generated by GO Transit's service expansion plans over the next 20 years.

### **A-18.2 Level of Service**

1. The City has previously coordinated the provision of approximately 27 km of PATH links in the downtown. The City had 26.6 km in 1998 and has added approx. 0.37 km in the intervening decade. The subject connection is approximately 230 m in length (a PATH expansion of approximately 1%) and is therefore well within the City's 10 year level of service for such pedestrian connections, based on a 5% increase in population and an 8% increase in employment over the 2008-2018 period.

### **A-18.3 Benefit to Existing Development and Post-Period Excess Capacity**

1. The City's share of the cost must be assigned to each of three different categories, for development charge purposes. This allocation is as follows:

Category	AM Peak Hour – Peak Direction (Total Above and Below Grade Volumes)		
	Movements		Base + Increase as a % of Ultimate Total
	Total	Increase	
Benefit to Existing (2008) Development (Base)	33,000	-	55
Need for Service Attributable to Development 2008-2018	42,500	9,500	15.8
Need for Service Attributable to Development Post 2018	60,000	17,500	29.2
Ultimate Total	60,000	27,000	100%

Source: "Route Map to the Future," GO Transit, August, 2000.

- The 60,000 peak hour movement forecast is consistent with GO Transit's 2031 low forecast. It is estimated that approximately 35% of the 27,000 movement increase from the present situation, will occur by 2018, with the balance by 2031. As a result, 15.8% of the City's net capital cost of \$10.9 million (\$1.72 million) is DC fundable over the next decade. A further \$3.18 million would be DC fundable over the subsequent 13 years. For purposes of this review, additional cost provision is likely to be required for front-end debt financing for the project.

#### **A-18.4 Grants, Subsidies and Other Contributions**

- The City's net share of the capital cost is expected to be \$10.9 million, with Federal/Provincial funding approximately in the amount of two-thirds (\$43.3 million) and up to \$10.8 million expected to be funded from other sources and applied against the City's full one-third cost share of \$21.7 million, including funding in the form of fees collected from property owners interested in a connection to the new PATH link.

#### **A-18.5 10% Statutory Deduction**

Since the pedestrian link is directly or indirectly part of "a service related to a highway," it is not a service that would require the statutory 10% deduction to be made.



## **A-18.6 Residential vs. Non-Residential Split**

Most of those using the link would be GO Transit passengers originating from residential development outside of Toronto. Less than 10% of those passengers are expected to originate in Toronto. However, a portion would be downtown residents and/or Toronto subway passengers. As a result, the residential:non-residential split used in the calculation is 20:80 (i.e. \$343,000 residential and \$1,372,000 non-residential share).

## **A.18.7 Summary of the DC Calculation**

Gross Cost	\$65,000,000
Ineligible Re Level of Service	<u>nil</u>
Eligible Increase in Need	\$65,000,000
Less: Benefit to Existing Development (55%)	35,750,000
Less: Post Period Capacity (29.2%)	<u>18,980,000</u>
Need for Service Attributable to Development 2008-2018	10,270,000
Less: Grants and Other Contributions (83.3%) <sup>1</sup>	<u>8,555,000</u>
	\$1,715,000
Residential Share (20%)	\$343,000
Non-Residential Share (80%)	\$1,372,000

<sup>1</sup>  $\frac{2}{3} \times \$65,000,000 + \$10,800,000 = \$54,133,333$   
 $\$54,133,333 \div \$65,000,000 = 83.3\%$



**APPENDIX B**  
**DEVELOPMENT CHARGE CALCULATIONS**



## APPENDIX B -DEVELOPMENT CHARGE CALCULATIONS

- B-1 The calculation of the development charge is carried out in Table B-1 (Residential) and Table B-2 (Non-Residential). In many cases (i.e. transit, roads, library, police, fire and civic improvements), the capital costs in the City's 10-year capital forecast have been inflated at 2.5%, 3% or 4% per annum, depending on the circumstances anticipated by each service. Table B-3 calculates the present value of those costs, based on the annualized funding assumptions used by the Department involved and reflected in the Appendix A tables. This process yields the total DC recoverable cost in 2008 \$ as input to the average cost calculation. Separate adjustments of a similar nature have been made in Appendix A for the Spadina Subway Extension, which was costed in nominal dollars.
- B-2 In the case of Parks and Recreation, Housing, EMS, Studies, Child Care, Health and Water/Sewer/Storm, the capital costs in the 10-year forecast were not indexed and these costs have been used without further adjustment, on the assumption that DC collections and average annual expenditures are generally expected to be synchronized.
- B-3 In the case of Waterfront project costs, these have been left in 2004 \$ (which is the basis on which the City's fixed funding share was established) and further reduced by 12.8%. The rationale for this adjustment is as follows:

The calculation of the DC has been based on the assumption that the DC recoverable is in the amount shown in this study, such that over the 10-year period the City collects only that amount, even with inflation in the DC quantum, assumed to be at an average rate of 3%/year. This is to recognize the fixed (i.e. non-escalating) nature of the City's funding contribution for this set of projects.

For example, if the objective was to fund a total of \$10,000, at the rate of \$1,000 per annum, from one housing unit to be developed annually, and the anticipated annual DC indexing rate was 3%/yr., the DC would be:

Year	1	\$872
	2	899
	3	926
	4	953
	5	982
	6	1,011
	7	1,041
	8	1,073
	9	1,105
	10	<u>1,138</u>
Total Collections		\$10,000

Thus, in Year 1 the City should only impose 87.2% of the calculated development charge for Waterfront projects, in order to avoid collecting more than the City's fixed funding contribution for the project costs involved over the next decade (assuming uniform annual spending).

These adjustments have been made in moving from the recoveries in Appendix A to the "DC Recoverable Cost" columns in Tables B-1 and B-2.

#### B-4 DC Reserve Fund Adjustments

The rationale for applying current DC reserve fund balances in the DC calculation for some services, but not others, is outlined above in section 5.9. The six services for which the reserve fund balances are deducted, are outlined below. In each case, the balance is apportioned between residential and non-residential development, based on the DC split applied in the 2004 Background Study (so as to reflect the collection rationale).

Service	Total Balance	2004 Split	Residential	Non-Residential
Roads and Related	9,076,340	60/40	5,445,804	3,630,536
Water	2,091,170	60/40	1,254,702	836,468
Sanitary Sewer	52,629,793	60/40	31,577,876	21,051,917
SWM	715,377	60/40	429,226	286,151
Dev. Related Studies	728,504	60/40	437,102	291,402
Civic Improvements	661,990	60/40	397,194	264,796
<b>TOTAL</b>	<b>65,903,174</b>	<b>60/40</b>	<b>39,541,904</b>	<b>26,361,270</b>

cap cost.xls

**TABLE B-1**  
**City of Toronto**  
**Residential Development Charge Calculation by Service**  
**000's \$2008**

Service	DC Recoverable Cost - Residential	Dec. 31/07 DC Reserve Fund Adjustment	Resultant DC Recovery - Residential	DC Cost/ Capita (130,579 net pop. increase)	Residential DC Per:				
					Single & Semi-Detached Unit 3.7 ppu	2+ BR Apt. Unit 2.36 ppu	1 BR/Bach Apt. Unit 1.61 ppu	Multiple Unit 3.0 ppu	Dwelling Room 1.0 ppu
1 Spadina Subway Extension	\$ 102,302.6	\$ -	\$ 102,302.6	\$ 783.45	\$ 2,898.78	\$ 1,848.95	\$ 1,261.36	\$ 2,350.36	\$ 783.45
2 Transit (Balance)	\$ 115,864.6		\$ 115,864.6	\$ 887.31	\$ 3,283.06	\$ 2,094.06	\$ 1,428.58	\$ 2,661.94	\$ 887.31
	\$ 38,910.6		\$ 38,910.6	\$ 259.84	\$ 961.42	\$ 613.23	\$ 418.35	\$ 779.53	\$ 259.84
3 Roads and Related	\$ 145,737.9	\$ 5,446	\$ 140,292.1	\$ 1,074.39	\$ 3,975.23	\$ 2,535.55	\$ 1,729.76	\$ 3,223.16	\$ 1,074.39
	\$ 14,783.9		\$ 14,783.9	\$ 98.73	\$ 365.29	\$ 232.99	\$ 158.95	\$ 296.18	\$ 98.73
4 Water	\$ 118,978.2	\$ 1,255	\$ 117,723.5	\$ 901.55	\$ 3,335.74	\$ 2,127.66	\$ 1,451.50	\$ 2,704.65	\$ 901.55
5 Sanitary Sewer	\$ 54,199.9	\$ 31,578	\$ 22,622.0	\$ 173.24	\$ 641.00	\$ 408.86	\$ 278.92	\$ 519.73	\$ 173.24
6 Storm Water Management	\$ 19,341.9	\$ 429	\$ 18,912.7	\$ 144.84	\$ 535.90	\$ 341.82	\$ 233.19	\$ 494.51	\$ 144.84
7 Parks and Recreation	\$ 130,781.2	\$ -	\$ 130,781.2	\$ 1,001.55	\$ 3,705.73	\$ 2,363.65	\$ 1,612.49	\$ 3,004.64	\$ 1,001.55
8 Library	\$ 49,424.2	\$ -	\$ 49,424.2	\$ 378.50	\$ 1,400.45	\$ 893.26	\$ 609.39	\$ 1,135.50	\$ 378.50
9 Housing	\$ 81,536.9	\$ -	\$ 81,536.9	\$ 624.43	\$ 2,310.38	\$ 1,473.65	\$ 1,005.33	\$ 1,873.28	\$ 624.43
10 Police	\$ 16,276.5	\$ -	\$ 16,276.5	\$ 124.65	\$ 461.20	\$ 294.17	\$ 200.68	\$ 373.95	\$ 124.65
11 Fire	\$ 7,032.2	\$ -	\$ 7,032.2	\$ 53.85	\$ 199.26	\$ 127.10	\$ 86.70	\$ 161.56	\$ 53.85
12 EMS	\$ 1,272.0	\$ -	\$ 1,272.0	\$ 9.74	\$ 36.04	\$ 22.99	\$ 15.68	\$ 29.22	\$ 9.74
13 Development-Related Studies	\$ 10,740.9	\$ 437	\$ 10,303.8	\$ 78.91	\$ 291.96	\$ 186.22	\$ 127.04	\$ 236.73	\$ 78.91
	\$ 2,520.9		\$ 2,520.9	\$ 16.83	\$ 62.29	\$ 39.73	\$ 27.10	\$ 50.50	\$ 16.83
14 Civic Improvements	\$ 10,172.3	\$ 397	\$ 9,775.2	\$ 74.86	\$ 276.98	\$ 176.67	\$ 120.52	\$ 224.58	\$ 74.86
15 Childcare	\$ 8,713.8	\$ -	\$ 8,713.8	\$ 66.73	\$ 246.91	\$ 157.49	\$ 107.44	\$ 200.19	\$ 66.73
	\$ 1,264.2		\$ 1,264.2	\$ 8.44	\$ 31.24	\$ 19.92	\$ 13.59	\$ 25.33	\$ 8.44
16 Health	\$ 2,360.9	\$ -	\$ 2,360.9	\$ 18.08	\$ 66.90	\$ 42.67	\$ 29.11	\$ 54.24	\$ 18.08
17 Pedestrian Infrastructure	\$ 343.0	\$ -	\$ 343.0	\$ 2.63	\$ 9.72	\$ 6.20	\$ 4.23	\$ 7.88	\$ 2.63
<b>TOTAL DC</b>	\$ 932,556.7	\$ 39,541.9	\$ 893,016.8	\$ 6,782.6	\$ 25,095.5	\$ 16,006.8	\$ 10,919.9	\$ 20,347.7	\$ 6,782.6
	\$ 38,910.6	÷	130,579	x .872 =	\$ 259.84				
	\$ 14,783.9	÷	130,579	x .872 =	\$ 98.73				
	\$ 2,520.9	÷	130,579	x .872 =	\$ 16.83				
	\$ 1,264.2	÷	130,579	x .872 =	\$ 8.44				

<sup>1</sup> Waterfront charge adjusted 87.2%.  
<sup>2</sup> Waterfront charge adjusted 87.2%.  
<sup>3</sup> Waterfront charge adjusted 87.2%.  
<sup>4</sup> Waterfront charge adjusted 87.2%.

**TABLE B-2**  
**City of Toronto**  
**Non-Residential Development Charge Calculation by Service**  
**000's \$ 2008**

Service	DC Recoverable Cost - Non-Residential	Dec. 31/07 DC Reserve Fund Adjustment	Resultant DC Recovery - Non-Residential	Recovery/ s.m. GFA	Non-Residential DC per s.m. GFA	per sq.ft.
1 Spadina Subway Extension	68,201.7 \$	-	68,201.7 \$	20.32	20.32 \$	1.89
2 Transit (Balance)	106,952.0 \$ 35,917.4 \$		106,952.0 \$ 35,917.4 \$	31.86 9.33 <sup>1</sup>	31.86 \$ 9.33 \$	2.96 0.87
3 Roads and Related	134,527.3 \$ 13,646.6 \$	3,631	130,896.8 \$ 13,646.6 \$	38.99 3.54 <sup>2</sup>	38.99 \$ 3.54 \$	3.62 0.33
4 Water	126,337.7 \$	836	125,501.3 \$	37.39	37.39 \$	3.47
5 Sanitary Sewer	57,552.5 \$	21,052	36,500.5 \$	10.87	10.87 \$	1.01
6 Storm Water Management	20,538.3 \$	286	20,252.2 \$	6.03	6.03 \$	0.56
7 Parks and Recreation	6,883.2 \$	-	6,883.2 \$	2.05	2.05 \$	0.19
8 Library	2,601.3 \$	-	2,601.3 \$	0.77	0.77 \$	0.07
9 Housing	0.0 \$	-				
10 Police	15,024.5 \$	-	15,024.5 \$	4.48	4.48 \$	0.42
11 Fire	6,491.3 \$	-	6,491.3 \$	1.93	1.93 \$	0.18
12 EMS	401.7 \$	-	401.7 \$	0.12	0.12 \$	0.01
13 Development-Related Studies	9,914.7 \$ 2,327.0 \$	291	9,623.3 \$ 2,327.0 \$	2.87 0.60 <sup>3</sup>	2.87 \$ 0.60 \$	0.27 0.06
14 Civic Improvements	9,389.9 \$	265	9,125.1 \$	2.72	2.72 \$	0.25
15 Childcare	8,043.5 \$ 1,167.0 \$	-	8,043.5 \$ 1,167.0 \$	2.40 0.30 <sup>3</sup>	2.40 \$ 0.30 \$	0.22 0.03
16 Health	291.8 \$	-	291.8 \$	0.09	0.09 \$	0.01
17 Pedestrian Infrastructure	1,372.0 \$	-	1,372.0 \$	0.41	0.41 \$	0.04
<b>TOTAL DC</b>	<b>\$ 627,581.3</b>	<b>\$ 26,361</b>	<b>\$ 601,220</b>	<b>\$ 177.07</b>	<b>\$ 177.07</b>	<b>\$ 16.45</b>
<sup>1</sup> Waterfront charge adjusted 87.2%	\$ 35,917.4	+	3,356,833	s.m. x 872 =	\$ 9.33	
<sup>2</sup> Waterfront charge adjusted 87.2%	\$ 13,646.6	+	3,356,833	s.m. x 872 =	\$ 3.54	
<sup>3</sup> Waterfront charge adjusted 87.2%	\$ 2,327.0	+	3,356,833	s.m. x 872 =	\$ 0.60	
<sup>4</sup> Waterfront charge adjusted 87.2%	\$ 1,167.0	+	3,356,833	s.m. x 872 =	\$ 0.30	



**CITY OF TORONTO**  
**TIMING OF DC CAPITAL COSTS**  
**FOR THOSE SERVICES THAT HAVE BEEN INFLATED (i.e. CURRENT DOLLARS)**

Residential	Transit (Balance)		
	Current \$	2.5%	Present Value
2008	18,317,801	1.000	18,317,801
2009	21,002,951	0.976	20,490,684
2010	21,002,951	0.952	19,990,911
2011	21,002,951	0.929	19,503,328
2012	21,002,951	0.906	19,027,637
2013	4,403,599	0.884	3,892,140
2014	4,403,599	0.862	3,797,210
2015	4,403,599	0.841	3,704,595
2016	4,403,599	0.821	3,614,239
2017	4,403,599	0.801	3,526,087
<b>Total</b>	<b>124,347,600</b>		
<b>Present Value</b>			<b>115,864,630</b>

Non-Residential	Transit (Balance)		
	Current \$	2.5%	Present Value
2008	16,908,739	1.000	16,908,739
2009	19,387,339	0.976	18,914,477
2010	19,387,339	0.952	18,453,149
2011	19,387,339	0.929	18,003,072
2012	19,387,339	0.906	17,563,972
2013	4,064,861	0.884	3,592,745
2014	4,064,861	0.862	3,505,117
2015	4,064,861	0.841	3,419,626
2016	4,064,861	0.821	3,336,221
2017	4,064,861	0.801	3,254,849
<b>Total</b>	<b>114,782,400</b>		
<b>Present Value</b>			<b>106,951,967</b>

Residential	Roads		
	Current \$	2.5%	Present Value
2008	29,042,212	1.000	29,042,212
2009	13,339,852	0.976	13,014,490
2010	9,504,020	0.952	9,046,063
2011	9,504,020	0.929	8,825,428
2012	9,504,020	0.906	8,610,173
2013	20,412,770	0.884	18,041,914
2014	17,791,580	0.862	15,341,623
2015	17,791,580	0.841	14,967,437
2016	17,791,580	0.821	14,602,378
2017	17,791,580	0.801	14,246,222
<b>Total</b>	<b>162,473,213</b>		
<b>Present Value</b>			<b>145,737,941</b>

Non-Residential	Roads		
	Current \$	2.5%	Present Value
2008	26,808,196	1.000	26,808,196
2009	12,313,710	0.976	12,013,375
2010	8,772,942	0.952	8,350,212
2011	8,772,942	0.929	8,146,549
2012	8,772,942	0.906	7,947,852
2013	18,842,556	0.884	16,654,074
2014	16,422,996	0.862	14,161,498
2015	16,422,996	0.841	13,816,096
2016	16,422,996	0.821	13,479,118
2017	16,422,996	0.801	13,150,359
<b>Total</b>	<b>149,975,273</b>		
<b>Present Value</b>			<b>134,527,330</b>

Residential	Library		
	Current \$	3.0%	Present Value
2008	5,631,424	1.000	5,631,424
2009	6,688,872	0.971	6,494,050
2010	4,741,819	0.943	4,469,619
2011	7,922,770	0.915	7,250,457
2012	7,021,078	0.888	6,238,137
2013	7,822,296	0.863	6,747,581
2014	5,493,258	0.837	4,600,517
2015	5,099,385	0.813	4,146,266
2016	2,692,618	0.789	2,125,578
2017	2,244,910	0.766	1,720,537
<b>Total</b>	<b>55,358,431</b>		
<b>Present Value</b>			<b>49,424,167</b>

Non-Residential	Library		
	Current \$	3.0%	Present Value
2008	296,391	1.000	296,391
2009	352,046	0.971	341,792
2010	249,569	0.943	235,243
2011	416,988	0.915	381,603
2012	369,530	0.888	328,323
2013	411,700	0.863	355,136
2014	289,119	0.837	242,132
2015	268,389	0.813	218,225
2016	141,717	0.789	111,873
2017	118,153	0.766	90,555
<b>Total</b>	<b>2,913,602</b>		
<b>Present Value</b>			<b>2,601,272</b>

**TIMING OF DC CAPITAL COSTS  
FOR THOSE SERVICES THAT HAVE BEEN INFLATED (i.e. CURRENT DOLLARS)**

Residential	Police		
	Current \$	4.0%	Present Value
2008	-	1.000	-
2009	6,961,277	0.962	6,693,535
2010	9,958,691	0.925	9,207,369
2011	422,541	0.889	375,638
2012	-	0.855	-
2013	-	0.822	-
2014	-	0.790	-
2015	-	0.760	-
2016	-	0.731	-
2017	-	0.703	-
<b>Total</b>	<b>17,342,509</b>		
<b>Present Value</b>			<b>16,276,542</b>

Non-Residential	Police		
	Current \$	4.0%	Present Value
2008	-	1.000	-
2009	6,425,794	0.962	6,178,648
2010	9,192,638	0.925	8,499,110
2011	390,038	0.889	346,742
2012	-	0.855	-
2013	-	0.822	-
2014	-	0.790	-
2015	-	0.760	-
2016	-	0.731	-
2017	-	0.703	-
<b>Total</b>	<b>16,008,469</b>		
<b>Present Value</b>			<b>15,024,500</b>

Residential	Fire		
	Current \$	2.5%	Present Value
2008	-	1.000	-
2009	-	0.976	-
2010	-	0.952	-
2011	-	0.929	-
2012	-	0.906	-
2013	1,677,853	0.884	1,482,978
2014	2,684,323	0.862	2,314,683
2015	2,323,182	0.841	1,954,412
2016	1,559,695	0.821	1,280,114
2017	-	0.801	-
<b>Total</b>	<b>8,245,053</b>		
<b>Present Value</b>			<b>7,032,188</b>

Non-Residential	Fire		
	Current \$	2.5%	Present Value
2008	-	1.000	-
2009	-	0.976	-
2010	-	0.952	-
2011	-	0.929	-
2012	-	0.906	-
2013	1,548,788	0.884	1,368,903
2014	2,477,837	0.862	2,136,631
2015	2,144,475	0.841	1,804,073
2016	1,439,718	0.821	1,181,644
2017	-	0.801	-
<b>Total</b>	<b>7,610,818</b>		
<b>Present Value</b>			<b>6,491,250</b>

Residential	Civic Improvements		
	Current \$	2.5%	Present Value
2008	1,123,785	1.000	1,123,785
2009	1,016,777	0.976	991,977
2010	1,018,368	0.952	969,297
2011	838,562	0.929	778,689
2012	879,536	0.906	796,816
2013	1,309,558	0.884	1,157,458
2014	1,309,558	0.862	1,129,227
2015	1,309,558	0.841	1,101,685
2016	1,309,558	0.821	1,074,815
2017	1,309,558	0.801	1,048,600
<b>Total</b>	<b>11,424,816</b>		
<b>Present Value</b>			<b>10,172,350</b>

Non-Residential	Civic Improvements		
	Current \$	2.5%	Present Value
2008	1,037,340	1.000	1,037,340
2009	938,563	0.976	915,671
2010	940,032	0.952	894,736
2011	774,058	0.929	718,789
2012	811,879	0.906	735,522
2013	1,208,822	0.884	1,068,423
2014	1,208,822	0.862	1,042,364
2015	1,208,822	0.841	1,016,940
2016	1,208,822	0.821	992,137
2017	1,208,822	0.801	967,938
<b>Total</b>	<b>10,545,984</b>		
<b>Present Value</b>			<b>9,389,861</b>

**APPENDIX C**  
**SERVICES FOR WHICH DEVELOPMENT CHARGE FUNDING**  
**IS NOT PROPOSED AT THIS TIME**



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## **APPENDIX C - SERVICES FOR WHICH DEVELOPMENT CHARGE FUNDING IS NOT PROPOSED AT THIS TIME**

This Appendix provides an overview of the reasons for excluding a number of services from inclusion in the City's development charge at this time. These reasons range from specific statutory ineligibility to an absence of the required development-related spending plans.

### **1. Services Related to a Highway**

#### **1.1 *Local Roads***

Subsection 2(5) of the DCA, 1997 states that a development charge by-law may not impose development charges with respect to local services described in clauses 59(2)(a) and (b).

Those clauses state that Sections 51 and 53 of the *Planning Act* may not impose directly or indirectly a charge related to a development or a requirement to construct a service related to a development, except for local services, related to a plan of subdivision or within the area to which the plan relates, to be installed or paid for by the owner as a condition of approval under s.51 of the *Planning Act*. Similar conditions exist with respect to a condition of approval under s.53 of the *Planning Act*. Similarly, servicing requirements imposed by the City via site plan agreements, the *Municipal Act*, *Local Improvement Act* or other cost sharing arrangements, will not form part of the development charge recovery.

Provision for local roads has been outlined in Appendix D.

#### **1.2 *Rolling Stock***

Future development in Toronto will result in additional road lengths and a number of road widenings. This work will produce additional demands on the City's inventory of road equipment used for snow clearing, sweeping, etc., and on City contractors performing these functions. The latter costs may not be "capital", as they do not involve the acquisition or lease of the equipment by the City. City capital costs of this nature are expected to be relatively small and unlikely to result in incremental costs, as a result of successful fleet rationalization and contracting out.

#### **1.3 *Works Yards***

For the reasons noted under 1.2, no coverage has been made with respect to Works Yard expansions or relocations, from a development charge cost recovery perspective.

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## **2. Other Transportation Services**

### ***2.1 Municipal Parking Spaces***

Indoor and outdoor parking is provided in Toronto by commercial operations, by individual landowners pursuant to City zoning by-laws (supplemented by a cash-in-lieu of parking contribution), by the Parking Authority of Toronto and, in the case of on-street parking, by the City. These operations are funded from reserves, and/or as part of individual development costs. Also, parking provision is generally restricted as part of encouraging full use of TTC and GO Transit services (for which station-related parking is provided in both cases).

## **3. Local Water, Sanitary Sewer and Storm Sewer Services**

These services were funded in the same manner as outlined above in Section 1.1 for local roads. Appendix D outlines the City's local service guidelines for the provision thereof.

## **4. Fire Protection Services**

### ***4.1 Fire Vehicles***

Previous Masterplans have recommended that numerous vehicle and fire company reallocations be made, resulting in a net reduction of in-service company. A number of vehicle/equipment substitutions were recommended as well. The staffing requirements in terms of full-time fire fighters and the related cost that are associated with the addition of a firefighting vehicle is expected to result in maintenance of the status quo with respect to the number of vehicles.

### ***4.2 Fire Equipment and Gear***

No provision has been made in the DC calculation under this heading, given that the number of the City's fire companies is expected to remain constant.

## **5. Outdoor Recreation Services**

### ***5.1 Acquisition of Land for Parks, Woodlots and ESAs***

Subsection 2(4) of the DCA, 1997 states that a DC by-law may not impose development charges for "the acquisition of land for parks". Subsection 1(2) of O.Reg. 82/98 defines "land for parks" to include woodlots and land that is acquired because it is environmentally sensitive, but to exclude land for an enclosed structure used throughout the year for public recreation (including the building footprint and land necessary for the structure to be used, including parking and access).

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Thus, the acquisition of parkland (excluding indoor recreation facility sites), woodlots and ESAs can be addressed under the *Planning Act* or other means, but not under the DCA, 1997.

## **6. Electrical Power Services**

The development-related cost of electrical substations, distribution system and rolling stock is no longer eligible for development charge recovery. Bill 35, which received Royal Assent on October 30, 1998, required restructuring of municipal hydro utilities to business corporations within two years of proclamation (November 7, 1998). Since this has occurred, neither the new municipal electrical corporation, nor the municipality on its behalf can levy a development charge for this purpose, primarily because the new corporation is not a “local board,” under any Act.

## **7. Cultural, Entertainment and Tourism Facilities**

Subsection 2(4) of the DCA, 1997 states that a DC by-law may not impose development charges for any of the above-referenced, including convention centres, museums, theatres and art galleries, but not including public libraries.

This subsection serves to exclude any and all capital works plans falling under the “Arts, Culture and Heritage” heading in the City’s significant five year Capital Works program. This exclusion also involves virtually all of the projects related to Exhibition Place.

## **8. Waste Management Services**

Subsection 2(4) of the DCA, 1997 states that a DC by-law may not impose development charges for the provision of waste management services. For example, these include collection vehicles, transfer stations, recycling equipment, as well as landfills and other disposal facilities.

## **9. Hospitals**

Subsection 2(4) of the DCA, 1997 states that a DC by-law may not impose development charges for the provision of a hospital as defined in the *Public Hospitals Act*.

## **10. Provision of Administrative Headquarters**

Subsection 2(4) of the DCA, 1997 states that a DC by-law may not impose development charges for the provision of headquarters for the general administration of municipalities and local boards. In addition to HQ office space, this includes all office computer equipment (separately excluded from “capital” under s.s.5(3)). This exclusion does not embrace field office program space.

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## 11. GO Transit

The City did not establish a development charge for GO Transit in late 2001, as was done by the Regional Municipalities of Durham, Halton, Peel and York. Any charge which could be justified would be almost entirely a non-residential development charge, as Toronto is the primary destination for riders from the "905."

## 12. Homes for the Aged

Future plans for this program do not include net additions to the number of bed spaces and, thus, there is no apparent link to the needs of new development.

## 13. Emergency Shelters

There has been an overall decline in the number of City owned/funded shelter beds from 2002 levels. The City has been able to stabilize the demand for beds with the implementation of its "Streets to Homes" Program which seeks to reduce the reliance on shelters by increasing the supply of affordable housing.

The only capacity expansion project in the City's capital budget for the next ten years has a gross cost of \$250,000. It is expected that any DC eligible portion can be funded from existing DC reserves.

## 14. Zoo

Much of the Zoo's usage relates to tourism, which is DC-ineligible. One portion that may be DC eligible relates to visits from Toronto-based school children for educational purposes. It is provisionally estimated that less than 5% of the Zoo's visitors fall into this category. Toronto's population is expected to grow by approximately 5% over the next decade. The resultant level of service for the education-related aspect of the Zoo is .0078 sq.ft. of facilities/capita.

Given that the potential development charge recovery is very small, it is not recommended that it be included in the calculation at this time.

## 15. All Other

Any other items referenced in Table 4-1 which are not addressed in Appendix A.



**APPENDIX D**

**GUIDELINES RE LANDOWNER EMPLACEMENT OF LOCAL  
SERVICES UNDER DEVELOPMENT AGREEMENTS**



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## **APPENDIX D - GUIDELINES RE LANDOWNER EMPLACEMENT OF LOCAL SERVICES UNDER DEVELOPMENT AGREEMENTS**

The following guidelines set out, in general terms, the size and nature of engineered infrastructure that is included in the study as a development charge project, versus infrastructure that is considered as a local service, to be emplaced separately by landowners, pursuant to a development agreement.

The following policy guidelines are general principles by which staff will be guided in considering development applications. However, each application will be considered, in the context of these policy guidelines and subsection 59(2) of the *Development Charges Act, 1997*, on its own merits having regard to, among other factors, the nature, type and location of the development and any existing and proposed development in the surrounding area, as well as the location and type of services required and their relationship to the proposed development and to existing and proposed development in the area.

### **WATER**

#### **1. Watermains**

- i. Watermains that are required for a development, either internal or external, are considered to be the developer's responsibility, unless the City requests the sewers to be oversized, in which case the project will be considered a development charge project.
- ii. Watermains of any size required to connect a pumping station or reservoir to the supply network are considered to be development charge projects.

#### **2. Booster Stations and Reservoirs**

Upgrading or construction of new water booster pumping stations and reservoir projects are considered to be development charge projects.

The detailed engineering requirements of the above items are governed by the approved detailed engineering standards for the City.

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## WASTEWATER

### 1. Sanitary Sewers

- i. Sanitary Sewers that are required for a development, either internal or external, are considered to be the developer's responsibility, unless the City requests the sewers to be oversized, in which case the project will be considered a development charge project.
- ii. Sanitary Sewers of any size required to connect a pumping station or treatment plant to the collection network are considered to be development charge projects.

### 2. Pumping Stations

New or expanded pumping stations internal or external to a development, that are fed by sanitary sewers which qualify as a development charge project are also considered to be development charge projects. New or expanded pumping stations fed by sanitary sewers that do not qualify as a development charge project are the responsibility of the developer.

## LAND ACQUISITION FOR WATER AND WASTEWATER WORKS

### 1. Booster Stations and Reservoirs

- i. Where required, land acquisition for Booster Stations and Reservoirs servicing an area greater than the development site, to the size required by the design of the facility, is to be provided by the developer as part of the development approval process. The market value of the land is considered to be part of the capital cost of the related development charge project.

### 2. Pumping Stations

- i. Where required, land acquisition for Pumping Stations servicing an area greater than the development site, to the size required by the design of the facility, is to be provided by the developer as part of the development approval process. The market value of the land is considered to be part of the capital cost of the related development charge project.

The detailed engineering requirements of the above items are governed by the approved detailed engineering standards for the City.

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## ROAD-RELATED

### 1. Expressways, Arterial and Collector Roads (including Structures)

- i. New Collector Roads internal to a development are direct developer responsibility.
- ii. New, widened, extended or upgraded, Expressway, Arterial and Collector Roads (except in the case of (iii)) external to a development are considered to be development charge projects.
- iii. New Collector Roads external to a development, but primarily acting as a connection serving a development, are a direct developer responsibility.
- iv. All other roads are considered to be the developer's responsibility.

### 2. Traffic Signals and Intersection Improvements

- i. When on Arterial or Collector Roads external to a development are considered to be development charge projects.
- ii. When on Collector Roads, Local Roads, private site entrances or entrances to specific developments are a direct developer responsibility.
- iii. Intersection improvements and/or Traffic Signals on other roads due to general development growth resulting in increasing traffic are considered to be development charge projects.

### 3. Streetlights

- i. Streetlights on Expressways and Arterial Roads are considered to be development charge projects.
- ii. Streetlights on all other roads are considered to be a direct developer responsibility.

### 4. Sidewalks

- i. Sidewalks on all internal roads are considered to be a direct developer responsibility.
- ii. Sidewalks external to a development which are necessary to connect the development to public spaces are considered to be a direct developer responsibility.

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**5. Strategic Transportation Initiatives (e.g. congestion management initiatives, signal modifications, bike lanes, HOV, bus lanes, RESCU, ATSC)**

- i. On Expressways, Arterial or Collector Roads external to a development are considered to be development charge projects.
- ii. Internal to a development are a direct developer responsibility.

**LAND ACQUISITION FOR ROADS**

**1. Road Allowances**

- i. Land acquisition for Expressways, Arterial or Collector Roads, to the widths required according to the approved engineering standards, is primarily provided by dedications under the *Planning Act*. In areas where limited or no development is anticipated, and direct dedication is unlikely, the land acquisition is considered to be part of the capital cost of the related development charge project

**2. Grade Separations**

- i. Land acquisition for Grade Separations (beyond normal dedication requirements) is considered to be part of the capital cost of the related development charge project.

The detailed engineering requirements of the above items are governed by the approved detailed engineering standards for the City.

**STORMWATER MANAGEMENT**

**1. Storm Sewers**

Storm sewers that are required for a development, either internal or external, are considered to be the developer's responsibility, unless the City requests oversizing, in which case the project will be considered a development charge project.

**2. Stormwater Management Facilities**

- i. Stormwater quality and quantity works not outlined in the Wet Weather Flow Management Master Plan are a direct developer responsibility.
- ii. Stormwater quality and quantity works outlined in the Wet Weather Flow Management Master Plan are development charge projects.

- iii. Localized stormwater quality and quantity works not outlined in the Wet Weather Flow Management Master Plan but required by a development to achieve a level of treatment and/or attenuation sufficient for the site discharge to be included into Wet Weather Flow Management Master Plan works, are a direct developer responsibility.
- iv. In some circumstances both quality and quantity works may be considered to be development charge projects where they benefit a broader area of development growth. In some of these cases the quality and quantity works are on a particular development site, with the works commonly oversized for other benefiting lands. In such a case, the developer on whose lands the works are located will be responsible for his proportionate share of the work, while the remainder of the work will be considered a development charge project.

### **3. Erosion Control Measures**

- i. Erosion works not included in the Wet Weather Flow Management Master Plan required to mitigate the impact of a development are a direct developer responsibility.

## **LAND ACQUISITION FOR STORMWATER MANAGEMENT**

### **1. Stormwater Management Facilities**

- i. Land acquisition for centralized Stormwater Management Facilities, to the size required according to the approved engineering standards, is primarily provided by dedications under the *Planning Act*. In areas where limited or no development is anticipated, and direct dedication is unlikely, the land acquisition may be considered to be part of the capital cost of the related development charge project.

The detailed engineering requirements of the above items are governed by the approved detailed engineering standards for the City.

## **PARKLAND DEVELOPMENT**

Developers dedicating parkland as a condition of development are required to undertake at their sole expense, the base construction and installation of the parkland improvements (the "Base Park Improvements") on lands to be conveyed to the City for park purposes including:

- (a) grading inclusive of topsoil supply and placement, minimum of 150 mm depth;
- (b) sodding #1 nursery grade;

- (c) fencing, where deemed necessary to the satisfaction of Parks, Forestry and Recreation;
- (d) drainage systems, including connections to the municipal services as required;
- (e) electrical and water connections minimum 50 mm and backflow, shut off valve and water meter to the street line; and
- (f) street trees along all public road allowances abutting City owned parkland.



**APPENDIX E**  
**LONG TERM CAPITAL AND OPERATING COST**  
**EXAMINATION**



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## **APPENDIX E - LONG TERM CAPITAL AND OPERATING COST EXAMINATION**

### **E.1 Legislative Requirement**

E.1.1 Subsection 10(2) of the Act lists as one of the things that a development charge background study must include:

“(c) an examination for each service to which the development charge by-law would relate, of the long term capital and operating costs for capital infrastructure required for the service.”

E.1.2 Considering the various phrases in this paragraph in turn, indicates the following requirements:

- “an examination,” which involves testing or judging by a standard and some form of scrutiny;
- “for each service to which the development charge by-law would relate,” excludes ineligible services and any voluntary excluded services;
- “of the long term,” generally refers to the planning period which in this case is 10 years, or possibly the lifetime of the asset;
- “capital and operating costs,” refers to all costs, not to revenues or to net costs; although, if available, this information is relevant;
- “for capital infrastructure required for the service,” appears to refer to project specific information, possibly aggregated on an overall service basis;
- “Operating costs” refer to all operating or non-capital costs, based on the definition of “capital” in the DCA, 1997, which would be required for each service;
- “Capital costs” include the initial cost of emplacing the work (development charges and other funding sources), possibly as well as the subsequent cost of repair and replacement.

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## **E.2 Services**

E.2.1 As indicated in Appendices A and B, development charges are proposed for the following services:

- (a) Spadina Subway Extension
- (b) Transit (Balance)
- (c) Roads and Related
- (d) Water
- (e) Sanitary Sewer
- (f) Storm Water Management
- (g) Parks and Recreation
- (h) Library
- (i) Subsidized Housing
- (j) Police
- (k) Fire
- (l) Emergency Medical Services
- (m) Development-related Studies
- (n) Civic Improvements
- (o) Child Care
- (p) Health
- (q) Pedestrian Infrastructure

E.2.2 The City of Toronto examines the operating cost implications of its capital program as part of its capital budget and four year capital plan approval process. A copy of the background fiscal contextual analysis addressing the City's Five Year Capital Budget and Plan (November 21, 2007) is included in this Appendix, plus similar material for Toronto water and excerpts from the "City of Toronto Long Term Fiscal Plan," as approved by Toronto City Council, April, 2005.

E.2.3 In addition, section E.3 summarizes key operating cost parameters of the capital involved with each DC service, and section E.4 discusses the capital cost implications (medium and long term).

### **E.3 Annual Operating Cost Implications<sup>1</sup>**

- (a) **Spadina Subway Extension** – The annual operating cost for the Spadina Subway extension from Downsview to Vaughan Corporate Centre has been estimated at \$33.7 million (2006 \$). These costs are expected to be offset by revenues of \$19.5 million per year; thus, the net annual operating cost is estimated to be in the order of \$14.2 million (2006 \$).
- (b) **Transit (Balance)** – The following net annual operating costs and/or parameters are estimated for the projects included in the DC calculation:
- Waterfront LRT: East Bayfront - \$2.5 million (2006 \$) operating cost, including wages, vehicle fuel, etc. This figure is net of revenue from fares, advertising, and property rental;
  - Waterfront LRT: West Don Lands: \$2.1 million (2006 \$) operating cost, including wages, vehicle fuel, etc. This figure is net of revenue from fares, advertising, and property rental;
  - Buses: \$96,000 per bus per year net cost, including running maintenance, major maintenance, fuel and insurance;
  - Subway fleet: \$105,000 per car per year net cost, including running maintenance, servicing, inspection, traction power and insurance;
  - SRT Vehicles: \$201,000 per vehicle per year net cost, including running maintenance, servicing, inspection, traction power and insurance;
  - Streetcar Fleet: \$166,000 per car per year net cost including running maintenance, major maintenance, servicing, inspection, traction power and insurance;
  - Maintenance facilities: \$400,000 including facility maintenance, utilities, taxes, etc.;
  - The operating costs associated with the second platform at Union Station are not expected to have a significant impact on the operating budget of the TTC.

An excerpt from the Analyst Briefing Notes for the 2008-2017 Capital Program for TTC follows this section. It provides further details of the operating budget impact of the City's capital program.

- (c) **Roads and Related** – The roads program will result in increased lane kms. Data provided in the City's 2005 Performance Management and Benchmarking report indicate that the average cost to maintain a lane km of road was \$8,959 (2005\$). This includes

<sup>1</sup>It should be noted that the assessment of the full operating cost implications is based on completion of the 10-year Capital Program. Thus, operating costs will increase gradually as facilities are added.

the winter maintenance, patching surface repairs, sweeping and flushing. It is anticipated that the City will add an average of 10 lane kms of major roads per year over the next ten years for approximately 100 additional lane kms by the end of the period. Thus, the total additional operating costs for these major road additions at the end of the ten years is estimated to be approximately \$1 million per annum. An excerpt from the Analyst Briefing Notes for the 2008-2017 Transportation Capital Program follows this section. This excerpt provides additional details regarding the operating budget impact of the City's capital program.

- (d) **Water** - The following data is provided in the City's 2005 Performance Management and Benchmarking Report:
- Average operating cost of water distribution from the water treatment plant to the customer - \$9,089 per km (2005 \$);
  - Water treatment costs including operating and maintenance of treatment plants including quality assurance and laboratory testing - \$78 per megalitre of water treated.
- (e) **Sanitary Sewer** – The following data is provided in the City's 2005 Performance Management and Benchmarking Report:
- Average operating cost of collection pipe from private property to waste treatment plant - \$10,104 per km (2005 \$);
  - Waste water treatment cost including operating and maintenance of treatment plants and disposal of bio-solids - \$251 per megalitre of waste water;
- (f) **Storm Water Management** – The capital program for storm water management is based on implementation of the City's Wet Weather Flow Management Master Plan. The operating costs associated with the implementation of the plan were examined in 2003 and summarized in the document, "Wet Weather Flow Management Master Plan Overview and Implementation Plan, July 2003." Operating costs vary depending on the component. For example, no operating costs are anticipated relative to the source control program. The most significant costs result from the End of Pipe Facilities, where 5-year cost estimates ranged from \$9.7 million during the period 2003-2007 to \$65.3 million during the period 2023-2037 (2003 \$).

An excerpt from the Analyst Briefing Notes for the Toronto Water 2008-2017 capital program follows this section. It provides information regarding the operating budget impact of the City's capital program for water, wastewater and storm water management.

- (g) **Parks and Recreation** – Additional developed parkland will increase operating costs. On average, the cost to maintain an additional acre of parkland (maintained and natural parkland combined) is \$6,200. For an individual park this may include the cost of

maintaining gardens and floral displays, playgrounds, public spaces, sports fields, splash pads, outdoor natural rinks, public squares and skate board parks. Costs will vary depending on the type of park and the nature of the facilities provided at each park. Trail maintenance costs are estimated at \$1.57 per metre annually for mowing, trimming, litter picking, sweeping, ploughing, erosion/stabilization work, etc.

The operating costs for the new recreation centres (net of revenues) will vary depending on the types of facilities provided and the nature of the programs offered. Based on experience elsewhere, the average net operating cost is estimated to be \$21 per sq.ft per year.

An excerpt from the Analyst Briefing Notes for the Parks, Forestry and Recreation 2008-2017 capital program is included at the end of this section. It provides further details on the impact of the capital program on the City's operating budget.

- (h) **Library** – The capital program for Toronto Public Library involves the establishment of two new branches as well as the expansion and/or renovation of 26 existing branches. The total incremental operating cost, once these projects are all complete, is estimated to be \$5.5 million per annum (2008 \$) or an average of \$200,000 per branch. The most significant cost component is for additional staffing, estimated to be 74.07 FTE positions. Other costs include building maintenance, utilities, and IT licensing.
- (i) **Subsidized Housing** – The City will not incur additional expenditures related directly to the additional housing units as the operating costs will be the responsibility of the service provider. There will be modest costs as a result of staff time to monitor and ensure compliance under the project agreements.
- (j) **Police** – A number of new and expanded police detachments will be constructed over the next ten years. Operating cost increases of an average of \$20/sq.ft. will result from additional expenditures for telephones, other utilities, maintenance and office supplies.
- (k) **Fire** – The capital program for fire includes the establishment of four additional fire stations. The average annual operating cost for a fire station is approximately \$2.2 million. The most significant cost is for staffing (assumed to be 21 persons). Other costs include utilities, maintenance and non-capital repairs related to the building, as well as costs associated with vehicles and equipment maintenance, uniforms, protective clothing and office supplies.

As the City plans to staff the new stations using existing staff and will relocate fire apparatus from existing stations, the actual incremental costs are projected to be \$60,000 annually per station.

- (l) **Emergency Medical Services** – Annual operating costs for the 11 additional ambulances, including routine services, fuel, insurance and repairs, are estimated to be \$165,000 based on an average of \$15,000 per year, per vehicle. Data provided in the City's Performance Management and Benchmarking report indicates that the average cost of providing one weighted in-service vehicle hour was \$180 (2005 \$)
- (m) **Development-related Studies** – There are no operating costs applicable to development related studies.
- (n) **Civic Improvements** – Civic improvements will result in increased operating costs to maintain the features provided (e.g. street trees). These costs have been estimated as \$40 per linear metre for routes and \$24/s.m for places.
- (o) **Child Care** – Data provided in the City's Performance Management and Benchmarking report indicate that the average cost of providing a subsidized child care space was \$4,700 (2006\$).
- (p) **Health** – The capital program including in the development charge calculation provides additional program space for Health. It is expected that this space will involve a new sexual health clinic as well as additional dental operatories. The annual net operating cost for the health clinic is estimate to be \$500,000. The most significant cost item is staffing, including public health nurses and MD services provided on a contract basis. The operating cost for a dental clinic with 3 operatories is estimated to be \$484,000 per annum. This provides for seven staff (dentist, hygienist, assistant, clerk) as well as building maintenance, dental supplies, office supplies and utilities.
- (q) **Pedestrian Infrastructure** – It is expected that the proposed pedestrian link from Union Station to Wellington Street will be maintained by the adjacent private property owners at no cost to the City.

#### **E.4 Long Term Capital Cost Implications**

It is anticipated that the City's capital reserve fund will fund a portion of this long term cost, based on contributions already provided for some services, and future schedules to be established as required. In the case of sewer and water, the user rate contains a replacement cost provision.

- (a) **Spadina Subway Extension** – The following replacement schedule is anticipated for subway tracks: 15 years (special); 25 years (tangent).



## 2008-2017 Capital Program

## Toronto Transit Commission

**Operating Budget Impact – 5-Year Plan  
Incremental Operating Impact Summary**

Incremental Operating Budget Impact	2008	2009	2010	2011	2012
<b>2008 Recommended Capital Budget</b>					
Program Costs (net) (\$000s)	522				
Approved Positions	3				
Debt Service Charges (\$000s)	4,910	22,913	22,913	22,913	22,913
<b>Recommended 2009-2012 Capital Plan</b>					
Program Costs (net) (\$000s)	0	8,619	807	301	(90)
Approved Positions		87	(0)	3	(5)
Debt Service Charges (\$000s)	0	3,555	16,974	16,760	15,436
<b>Total</b>					
Program Costs (net) (\$000s)	522	8,619	807	301	(90)
Approved Positions	3	87	(0)	3	(5)
Debt Service Charges (\$000s)	4,910	26,468	39,887	39,673	38,349

*Debt service cost of repayment of principal and interest is calculated according to corporate guidelines, in the following manner: 3.0% Year 1, and 14% for subsequent years.*

### Program Operating Impacts

The 2008-2012 Capital Plan will increase future year Operating Budgets by a total of \$10.159 million net over the five-year period, with more than 80% or \$8.619 million of the increase impacting 2009.

The Operating Budget net impacts are the result of the following capital projects/sub-projects:

## 2008-2017 Capital Program

## Toronto Transit Commission

2008 - 2012 OPERATING IMPACT OF CAPITAL												
Project Name	2008		2009		2010		2011		2012		TOTAL	
	\$000's	Positions	\$000's	Positions	\$000's	Positions	\$000's	Positions	\$000's	Positions	\$000's	Positions
Surface Track Improvement			(10.0)								(10.0)	
Traction Power - Various	(24.0)		(24.0)		(24.0)		(24.0)		(24.0)		(120.0)	
Communications	125.0	0.5	115.0	4.8	199.0	3.1	46.0	4.0	(27.0)		658.0	12.4
Signal Systems	271.0	2.5	108.0	1.0							379.0	3.5
Finishes	(25.0)										(25.0)	
Tools and Shop Equipment	(4.0)		(3.0)				(3.0)		(3.0)		(13.0)	
Computer Equipment and Software	100.0		300.0	2.5	595.0	5.6	271.0	3.2	15.0		1,281.0	11.3
Intelligent Transportation & Technical Systems			473.0	5.5	75.0	(4.7)	88.0	1.1			636.0	1.9
Easier Access - Phase II and III	44.0		34.0		25.0		36.0		55.0		194.0	
Other Service Planning	15.0		18.0	(2.0)	(63.0)	(4.0)	(113.0)	(5.0)	(106.0)	(5.0)	(229.0)	(16.0)
Mount Dennis Bus Garage			7,408.0	75.0							7,408.0	75.0
<b>Total Operating Impact</b>	<b>522.0</b>	<b>3.0</b>	<b>8,619.0</b>	<b>86.8</b>	<b>307.0</b>	<b>0.0</b>	<b>301.0</b>	<b>3.3</b>	<b>(90.0)</b>	<b>(5.0)</b>	<b>10,159.0</b>	<b>88.1</b>

## 2008-2017 Capital Program

## Transportation Services

## Operating Budget Impact – 5-Year Plan

## Incremental Operating Impact Summary

Incremental Operating Budget Impact	2008	2009	2010	2011	2012
<b>2008 Recommended Capital Budget</b>					
New Traffic Control Signals/Devices	250.0				
Traffic Control - RESCU	20.0				
Debt Service Charges (\$000s)	5,241.9	20,656.3	5,595.0	1,275.0	238.4
<b>Recommended 2009-2012 Capital Plan</b>					
Traffic Control - RESCU		10.0			
Debt Service Charges (\$000s)		3,873.8	19,611.1	25,239.1	25,775.6
<b>Total</b>					
Program Costs (net) (\$000s)	270.0	10.0			
Debt Service Charges (\$000s)	5,241.9	24,530.1	25,206.1	26,514.1	26,014.0
<i>Debt service cost of repayment of principal and interest is calculated according to corporate guidelines, in the following manner: 3.0% Year 1, and 14% for subsequent years.</i>					

The incremental operating costs outlined above include the following:

- Traffic Control RESCU System - The operating impact associated with this project is estimated to be \$0.020 million for 2008 and \$0.010 million for 2009 for maintenance and additional systems.
- New Traffic Control Signals – The operating impact associated with this project is estimated to be \$0.250 million in 2008 is for maintenance and additional systems.

There are no new positions being added as a result of approving the 2008 Recommended Capital Budget and 2009-2012 Capital Plan.

- Debt service charges arising from approval of the 2008 Recommended Capital Budget are \$5.242 million in 2008, \$20.656 million in 2009, \$5.595 million in 2010, \$1.275 million in 2011 and \$0.0238 million in 2012.
- The operating impact of approving the 2009-2012 Recommended Capital Plan will result in additional debt service costs of \$3.874 million in 2009, \$19.611 million in 2010, \$25.239 million in 2011 and \$25.776 million in 2012.

**2008-2017 Capital Program****Toronto Water**

**Operating Budget Impact – 5-Year Plan  
Incremental Operating Impact Summary**

Incremental Operating Budget Impact	2008	2009	2010	2011	2012
<b>2008 Recommended Capital Budget</b>					
Program Costs (net) (\$000s)	299	2,077	(1,300)		
Approved Positions	1				
<b>Recommended 2009-2012 Capital Plan</b>					
Program Costs (net) (\$000s)		354	2,431	1,534	1,862
Approved Positions		6			
<b>Total</b>					
Program Costs (net) (\$000s)	299	2,431	1,131	1,534	1,862
Approved Positions	1	6			

**Program Operating Impacts**

The incremental operating impacts outlined above include the following:

- Toronto Water has identified 7 new positions arising from the 5-Year Capital Plan. The 7 new positions are required in District Operations to manage the future growth of infrastructure.
- The 5-Year Capital Plan includes operating impacts from previously approved and new/change in scope capital projects for 2008 of \$0.299 million; 2009 of \$2.431 million; 2010 of \$1.131 million; 2011 of \$1.534 million; and, 2012 of \$1.862 million. The operating impacts reflect additional costs for labour; chemicals; and general maintenance required for various projects.
- The 5-Year Capital Plan is funded entirely from water and sewer rates; development charges; user fees and capital cost sharing with York Region. There is no reliance on the municipal tax levy.

**2008-2017 Capital Program****Parks, Forestry and Recreation****Operating Budget Impact – 5-Year Plan  
Incremental Operating Impact Summary**

<b>Incremental Operating Budget Impact</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>2008 Recommended Capital Budget</b>					
Program Costs (net) (\$000s)		278			
Approved Positions					
Debt Service Charges (\$000s)	1,140	4,324	571	175	
<b>Recommended 2009-2012 Capital Plan</b>					
Program Costs (net) (\$000s)			1,838	2,280	1,136
Approved Positions					
Debt Service Charges (\$000s)		1,078	5,280	6,115	5,810
<b>Total</b>					
Program Costs (net) (\$000s)		278	1,838	2,280	1,136
Approved Positions					
Debt Service Charges (\$000s)	1,140	5,402	5,851	6,289	5,810
<i>Debt service cost of repayment of principal and interest is calculated according to corporate guidelines, in the following manner: 3.0% Year 1, and 1.4% for subsequent years.</i>					

**Program Operating Impacts**

The Parks, Forestry and Recreation Recommended 2008-2012 Capital Plan will increase future-year Parks, Forestry and Recreation operating budgets by approximately \$5.532 million net over the five-year period, with no impact in 2008 from projects in the 2008-2012 Plan.

The operating budget impacts of these Parks, Forestry and Recreation capital projects will be 100% City-funded.

These figures represent only an estimate of operating budget impacts and do not include positions required. It is recommended that the operating budget impacts arising from the approval of Parks, Forestry and Recreation's 2008-2012 Capital Plan be finalized and submitted to the Deputy City Manager and Chief Financial Officer by June 30, 2008.

There are also Parks, Forestry and Recreation operating budget impacts arising from other programs' capital budgets, such as City Planning, Toronto and Region Conservation Authority (TRCA) and the Waterfront Toronto. These agencies are working together with Parks, Forestry and Recreation to include in future-year capital budget submissions the operating impacts of their capital work on Parks, Forestry and Recreation's operating budgets.

- (b) **Transit (Balance)** – Buildings will require substantial repair or replacement after 40 years. Tracks will require repair or replacement after 15-25 years. The replacement schedule for vehicles ranges from 18 years in the case of buses, to 30 years for rail vehicles.
- (c) **Roads and Related** – The road program is based on resurfacing a road approximately every 25 years at a cost of \$140,000 and \$242,000 per lane km for collectors and arterials, respectively. Complete reconstruction would occur every 70-90 years, depending on the road classification and traffic loads encountered with reconstruction costs ranging from \$637,000 to \$880,000/lane km.
- (d) **Water** - Water distribution pipes are often made of various materials coincident with the technology available at the time of their installation. They can have a useful life ranging from 50 to 75+ years, depending on the pipe material, soil environment and service conditions.

Water supply and treatment infrastructure is likely to undergo expansion and/or remediation arising from service and/or treatment design changes before it reaches its useful life. Notwithstanding this, a facility can be expected to operate effectively for 75+ years.

- (e) **Sanitary Sewer** - Sanitary sewer pipes are often made of various materials coincident with the technology available at the time of their installation. They can have a useful life ranging from 50 to 75+ years, depending on the pipe material, soil environment and service conditions.

Sanitary sewage treatment infrastructure is likely to undergo expansion and/or remediation arising from service and/or treatment design changes before it reaches its useful life. Notwithstanding this, a facility can be expected to operate effectively for 75+ years.

- (f) **Storm Water Management** - Storm sewage pipes were often combined with sanitary sewage pipes in the early days of such servicing. Thus, older pipes may be of various materials coincident with the sanitary sewage technology at the time of their installation. Combined sewers are generally disconnected when the opportunity arises, and so the storm sewer pipe material may be of a more recent vintage. Generally, they are considered to have a useful life ranging from 50 to 75+ years, depending on the pipe material, soil environment and service conditions.

Storm sewage treatment infrastructure is a relatively new phenomenon, and as such many facilities are in the early stages of their anticipated service life. With periodic

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cleaning of sediment and repair of erosion, such facilities can be expected to operate effectively for 75+ years.

- (g) **Parks and Recreation** – Parks are maintained annually and equipment and features are rehabilitated as required (e.g. 5 to 20 years) depending on the nature of the feature. For example, for artificial sports fields, major components such as underground drainage and lighting may be replaced after twenty years.

Indoor facilities such as pools, arenas and fitness centres will require substantial repair or replacement after thirty years.

- (h) **Library** – Building will require substantial repair after 10-20 years and replacement after 50-100 years.
- (i) **Subsidized Housing** – Buildings will require substantial refurbishment or replacement after 25 to 40 years.
- (j) **Police** – Stations will require substantial repair or replacement after 40 years.
- (k) **Fire** – Stations will require substantial repair or replacement after 40 years. The HVAC system, kitchens and roof are expected to require upgrades or replacement every 10 to 15 years.
- (l) **Emergency Medical Services** – Vehicles will be replaced after approximately 4.5 to 5 years.
- (m) **Development-related Studies** – not applicable.
- (n) **Civic Improvements** – Special purpose facilities with varying life spans.
- (o) **Child Care** – Facilities are expected to last 20-25 years prior to substantial replacement.
- (p) **Health** – Buildings will require substantial repair and replacement after 20 years. On average, equipment will need to be replaced after seven years.
- (q) **Pedestrian Infrastructure** – The pedestrian link is expected to require substantial refurbishment after 15 to 25 years.





## TAX SUPPORTED SERVICES





**STAFF REPORT  
ACTION REQUIRED**

**Budget Committee Recommended  
2008 Capital Budget and 2009 – 2012 Capital Plan**

<b>Date:</b>	November 21, 2007
<b>To:</b>	Executive Committee
<b>From:</b>	City Manager Deputy City Manager and Chief Financial Officer
<b>Wards:</b>	All
<b>Reference Number:</b>	P:\2007\Internal Services\FP\ec07032Fp (AFS #6060)

**SUMMARY**

This report presents the City of Toronto Budget Committee (BC) Recommended 2008 Capital Budget and 2009 - 2012 Capital Plan, and recommends approval of 2008 cash flow and future years' commitments for capital projects, authority for the Mayor and the Deputy City Manager and Chief Financial Officer to negotiate and enter into agreements for the issuance of debentures in 2008 to support the City's capital program. Furthermore, the report recommends approval of the 2009 – 2012 Capital Plan, which will form the basis for developing future capital budgets, in accordance with the City's multi-year financial planning and budgeting process.

**2008 – 2012 Capital Budget and Plan**

The Budget Committee Recommended 2008 Capital Budget and 2009 – 2012 Capital Plan builds on the foundation established in the 2007 – 2011 Council Approved Capital Budget and Plan. The Capital Budget and Plan invests in capital projects that fulfil Council's strategic priorities, and maintain the City's existing infrastructure and physical assets in a state of good repair. Over the five-years 2008 – 2012, recommended capital spending totals \$8.487 billion (including Toronto Parking Authority of \$136.196 million) of which \$6.449 billion or 76% is allocated to health and safety, legislated and state of good repair projects. While emphasis has been placed on maintaining and protecting the City's infrastructure and physical assets, the capital budget and plan also provides for growth in strategic areas and priority service expansion projects in key Program areas to accommodate service demands and expectations of the public.

The Budget Committee Recommended Tax Supported 2008 Capital Budget and 2009 –

2012 Capital Plan totals \$8.351 billion (excluding 2007 carry forward projects) as shown in Table 1. TTC alone accounts for more than one-half of the five-year capital spending plan. As indicated in Table 1 below, the TTC 2008 Capital Budget and 2009 – 2012 Capital Plan (inclusive of Spadina Subway extension) is \$4.344 billion - 52% of the City's recommended capital spending plan; and Transportation Services totals \$1.132 billion or 14% of the total capital spending plan. Between them, TTC and Transportation Services comprise two-thirds of the Capital Budget and Plan.

	Approved 2007	2008 Budget	Capital Plan					2009 - 2012	2008 - 2012	% of Total
			2009	2010	2011	2012				
Citizen Centred Services "A"	113,600	127,340	115,942	103,478	84,390	80,469	384,279	511,619	6.1%	
Citizen Centred Services "B"	336,716	387,660	383,483	421,057	351,250	342,331	1,498,121	1,885,801	22.6%	
Internal Services	117,560	117,866	145,541	125,522	124,531	103,013	498,607	616,473	7.4%	
Other City Programs	33,919	43,251	76,301	93,891	47,143	26,042	243,377	286,628	3.4%	
Agencies Boards and Commissions - Excl. TTC	112,450	178,950	139,362	144,422	134,222	110,117	528,123	707,073	8.5%	
Total Tax Supported Programs (Excl. TTC)	714,245	855,087	860,629	888,370	741,536	661,972	3,152,507	4,007,594	48.0%	
Toronto Transit Commission - Excl. Spadina	717,304	697,248	875,345	770,516	676,609	1,103,705	3,426,175	4,123,423	49.4%	
Toronto Transit Commission - Spadina		56,098	131,200	32,752	0	0	163,952	220,050	2.6%	
Total Tax Supported Programs	1,431,549	1,608,433	1,867,174	1,691,638	1,418,145	1,765,677	6,742,634	8,351,067	100.0%	

Diminished capital reserves and reduced other non-debt funding sources continue to constrain capital spending. Until the City has a share of revenues that grow with the economy, the growth and service improvement requirement will continue to receive limited funding and minimize debt financing. In order to stabilize the increase in debt financing and maintain / enhance the City's credit rating, the recommendations include implementation of Council's 2005 policy decision to increase contribution from current (CFC) funding by 10% annually, which will begin in 2008 and will add \$12.0 million to the 2008 Operating Budget. Notwithstanding significant funding challenges, the 2008 Capital Budget and 2009 – 2012 Capital Plan is fiscally prudent; it balances the capital spending needs for infrastructure maintenance with the objective of ensuring that the City's debt burden is kept within the Council approved debt service charge to property tax ratio of 15%. However, it must be noted that the recommended TTC Budget Capital Budget and Plan is subject to substantial Provincial and Federal funding.

Debt is the primary funding source for the Budget Committee Recommended 2008 Capital Budget and 2009 – 2012 Capital Plan. Totalling \$2.684 billion, debt represents 32% of the five year funding requirement. On average, about \$200.0 million of debt is retired annually. Therefore, after adjusting for retired debt of \$1.000 billion over the five year term of the Capital Plan, new debt will approximate \$1.684 billion. This level of new debt is within affordability limits; however, 81% is allocated to the Toronto Transit

Commission (TTC) leaving little room to fully address the infrastructure maintenance and expansion needs of other City Programs, Agencies, Boards and Commissions.

It is noted that even with capital investments averaging \$1.670 billion per year during the period 2008 - 2012, a substantive infrastructure *gap* exists between capital investment needs and available funds. This gap has resulted in an SOGR backlog for Tax Supported Programs estimated at \$1.671 billion at the end of 2012. Notwithstanding capital funding constraints, infrastructure maintenance backlog has been limited to about 5% of the City's total estimated capital asset value of about \$30 billion (excluding Toronto Water).

Notwithstanding the debt guideline pressure, it must be emphasized that approximately \$106 million is included in Climate Change / Environmental initiatives that are financed from the Strategic Infrastructure Reserve Fund.

## FINANCIAL IMPLICATIONS

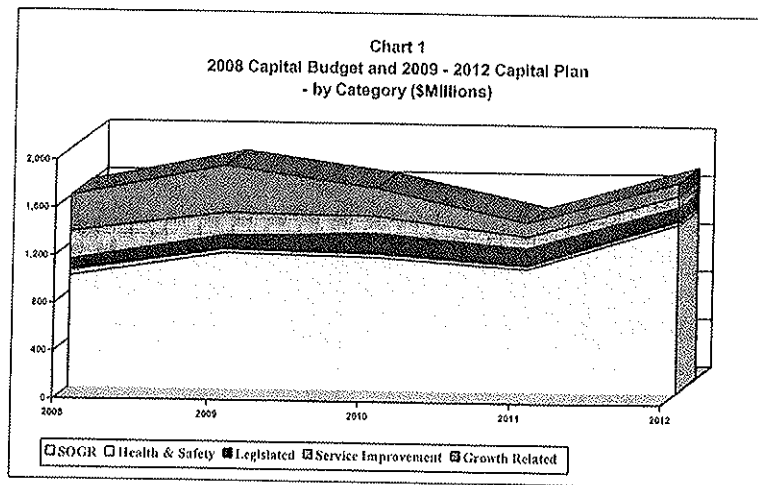
### OVERVIEW

#### *Budget Committee Recommended 2008 Capital Budget and 2009 – 2012 Capital Plan*

The 2008 Capital Budget and 2009 - 2012 Capital Plan is prioritized into five categories as shown in Table 2 below. Consistent with Council's directions and guidelines, the recommended Capital Budget and Plan focuses on maintaining and rehabilitating existing infrastructure to support the protection of services that are needed by the citizens of Toronto. Table 2 shows that \$6.443 billion or 77.1 of the 2008 Budget Committee Recommended Tax Supported Capital Budget of \$8.351 billion is allocated to Legislated, Health and Safety, and SOGR projects. This emphasis on protection and preservation of existing infrastructure continues throughout the five-year term of the Capital Plan as graphically illustrated in Chart 1.

Expenditures	\$Millions							TOTAL 2008 - 2012	Percent of Total
	2008 Budget	Capital Plan					TOTAL 2009 - 2012		
		2009	2010	2011	2012				
Health and Safety	43	33	31	26	29	119	162	1.9%	
Legislated	96	117	174	154	126	571	667	8.0%	
State of Good Repair	931	1,134	1,110	1,026	1,413	4,683	5,614	67.2%	
Service Improvement and Enhancement	234	187	141	93	88	509	743	8.9%	
Growth Related	304	396	236	119	110	861	1,165	14.0%	
<b>Total Gross Expenditures</b>	<b>1,608</b>	<b>1,867</b>	<b>1,692</b>	<b>1,418</b>	<b>1,766</b>	<b>6,743</b>	<b>8,351</b>	<b>100.0%</b>	
<b>Funded By:</b>									
Provincial	265	290	228	185	313	1,017	1,282	15.4%	
Federal	282	291	248	236	367	1,142	1,425	17.1%	
Development Charge	31	92	25	24	27	169	200	2.4%	
Reserve / Reserve Funds	211	203	167	125	131	626	837	10.0%	
Capital from Current	136	150	165	182	200	697	833	10.0%	
Other	152	207	182	115	76	580	732	8.8%	
Debt	459	557	588	483	596	2,225	2,684	32.1%	
Debt - Recoverable	72	76	89	68	54	287	358	4.3%	
<b>Total Funding</b>	<b>1,608</b>	<b>1,867</b>	<b>1,692</b>	<b>1,418</b>	<b>1,766</b>	<b>6,743</b>	<b>8,351</b>	<b>100.0%</b>	

It is noted that despite the growing requirement for investment in infrastructure maintenance, the Five-Year Capital Plan recognizes and addresses the need to also invest in essential service improvement and growth related projects to meet changing priorities and the increasing service demands of a growing population. The Budget Committee recommends capital spending totalling \$1.908 billion, or approximately 23% of the 2008



Capital Budget and 2009 – 2012 Capital Plan on growth-related and service improvement projects.

### **Provincial and Federal Funding - TTC**

Financing sources for the 2008 Capital Budget and 2009 – 2012 Capital Plan are summarized in Table 2. A prevailing assumption of this 5 year Capital Plan is that the Federal and Provincial governments will fund \$2.707 billion or 32% of the five-year Capital, primarily for transit capital expenditures. Investment in transit meets Council's vision of making Toronto a transit friendly and a clean and beautiful City, and addresses the City's strategies on the environment and climate change. However, the City lacks the resources to maintain its vast and aging infrastructure which is critical to its ability to remain the major contributor to the national economy. As a result, the TTC capital budget and plan has significant assumptions related to Provincial and Federal assistance. The Federal and Provincial governments must commit financial assistance to address the sizable transit infrastructure funding gap that continues to undermine the City's competitiveness and to impair its ability to fuel the national economy.

In the absence of sufficient alternative sources of funds, 32% of the five-year capital spending plan or \$2.684 billion is debt financed (see Table 2 above). This does not include recoverable debt of \$358 million, which represents 4.3% of the capital spending plan. (Recoverable debt refers to debt that is fully recoverable from projects that will generate revenues in future years and do not require tax funding.) Other financing sources include: reserve and reserve funds of \$837 million or approximately 10% of total funding requirement; capital from current of \$833 million; development charges of \$200 million and other funding sources of \$732 million, which includes donations, contribution from developers, retained earnings (Toronto Parking Authority), and third party funding.

Sections 71-10 and 71-11 of the Financial Control By-law specify (i) that no expenditure shall be made and no account shall be paid by or on behalf of the City, except with Council approval; and (ii) that no commitment shall be made except where cash flow funding has been provided in the ... capital budget to the satisfaction of the Chief Financial Officer". Therefore, approval of the 2009 – 2012 Capital Plan does not constitute cash flow or spending approval; this is achieved through the approval of the annual capital budget. The Five-Year Capital Plan represents a long-term framework for planning and implementing capital activities, and the basis for developing the annual capital budget.

### ***Debt Financing***

Consistent with prior years, debt is the largest funding source for the Budget Committee Recommended 2008 Capital Budget and 2009 – 2012 Capital Plan. As shown in Table 3, Council approved a debt affordability guideline of \$464 million for 2008 and a total of \$2.249 billion for 2008 – 2012. After adjusting for retired debt averaging \$200 million annually, the new debt requirement associated with this debt target is \$264 million for



	2007 Council Approved Debt/CFC	2008	2009	2010	2011	2012	Total 2008-2012
Baseline Debt (Retire / Reissue)	200	200	200	200	200	200	1,000
New Debt:							
TTC	200	167	200	200	194	194	955
City	107	97	65	74	38	20	294
Total New Debt	307	264	265	274	232	214	1,249
Total Debt	507	464	465	474	432	414	2,249
Capital from Current (CFC)	124	136	150	165	182	200	833
Total Debt & CFC	631	600	615	639	614	614	3,082

2008 and \$1.249 billion for the five years 2008 – 2012. Over the five-year term of the Capital Budget and Plan, \$955 million or 76% of the new debt guideline has been allocated to the Toronto Transit Commission (see Table 3). In part, this is due to the allocation of increased capital from current funding to City municipal operations.

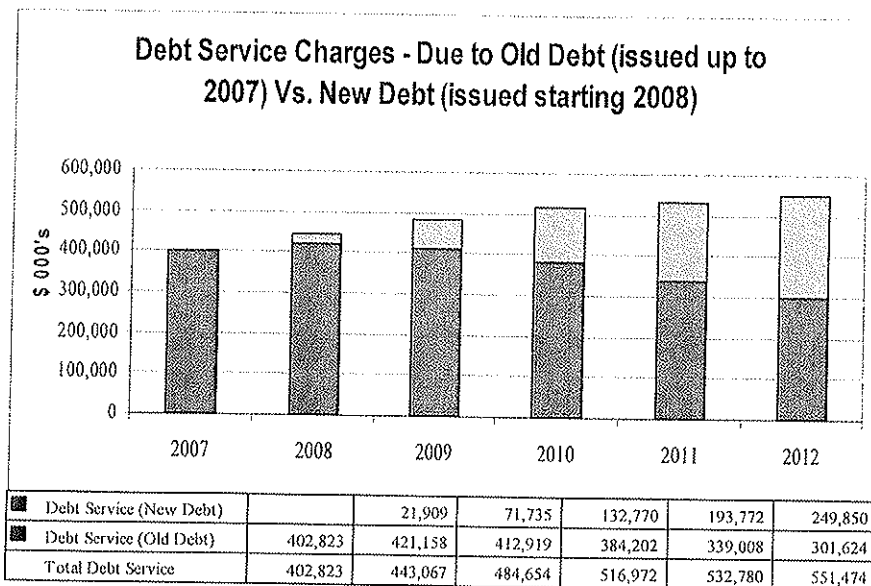
The Budget Committee Recommended 2008 Capital Budget and 2009 – 2012 Capital Plan requires debt financing of \$2.684 billion, approximately 32% of the total funding requirement. This debt level exceeds the 2008 – 2012 debt affordability guidelines by \$434.208 million. It is noted that \$420.208 million or 97% of the over-target debt amount is attributed to TTC. The TTC over-target debt amount is driven by the following: advancing the purchase of new subway cars; the purchase of 204 light rail vehicles in 2012; acquisition of new Scarborough Rapid Transit cars and re-signalling of the Yonge / University / Spadina subway. These projects are not affordable within the City's affordable debt guidelines. To secure funding for these initiatives, staff will continue negotiations with the other orders of government with a focus on advancing the Provincial Move Ontario 2020 funding in 2009 – 2012. Since the TTC's capital budget and plan is subject to Provincial and Federal funding, there will be no debt commitment in 2009 – 2012 for the above projects until funding is confirmed.

The Deputy City Manager & Chief Financial Officer confirms that borrowing \$459 million to fund 2008 capital expenditures: (i) can be financed by the issuance of debentures with terms that do not exceed 10 years; and, (ii) is within the City's updated Debt and Financial Obligation Limit. The DCM & CFO further confirms that funds are available from the other funding sources identified in the Budget Committee Recommended 2008 Capital Budget.

### *Debt Service Ratio*

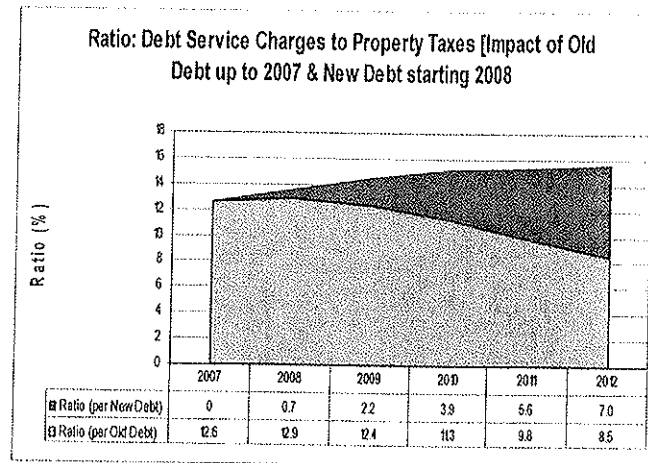
At the meeting of June 27-29, 2006 (Policy and Finance Committee, Report 5, Clause 25) Council affirmed that the maximum limit of debt service charges as a percentage of total property tax be established at 15% as a benchmark for evaluating capital expenditure levels.

At the Budget Committee meeting of October 29, 2007, Staff Recommended a 2008 Capital Budget and 2009-2012 Capital Plan, which incorporated planned debt issuance as follows: \$464 million in 2008, \$465 million in 2009, \$474 million in 2010, \$432 million in 2011 and \$414 million in 2012, excluding financing for Green Lane Landfill (see graph below). Based on the assumptions that the TTC's debt target is met (through increased subsidy or expenditure reductions), the debt service ratio will achieve the policy guideline of less than 15%.



Based on the Budget Committee Recommended 2008 Capital Budget and 2009 – 2012 Capital Plan, total debt service charges are estimated to increase by approximately \$30 million per year, from \$403 million in 2007 to \$551 in 2012, as illustrated below.

The graph below illustrates the progression of the overall ratio over 2008-2012 period from estimated 13.6% in 2008 to 15.5% in 2012. The ratio forecast is comparable to the forecast for the 2007 capital plan, although the new forecast incorporates increased capital from current contributions which will help reduce debt and keep the ratio down. Other factors that could reduce the forecast debt ratio include higher levels of capital



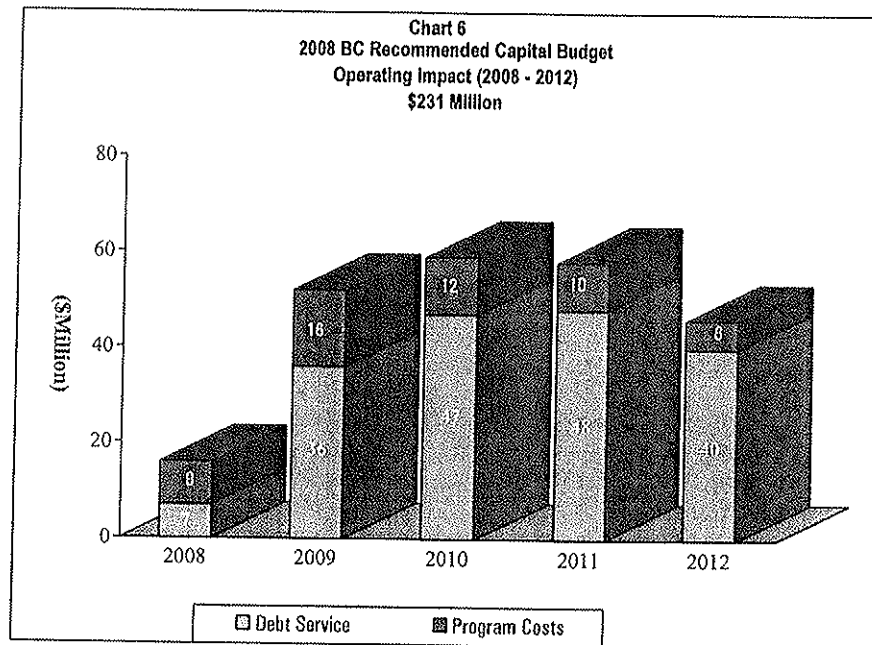
from current funding (such as might be affordable if a share of sales tax revenues were obtained), achieving a 50% operating subsidy for transit which would permit reallocation of Provincial gas tax revenue to capital, upload of funding responsibility for GO Transit capital expansion, greater than assumed property tax revenues, increased development charges funding, or cuts and deferrals to capital expenditures in the Plan.

### Incremental Operating Impacts

Prior to recommending a capital project for Council approval, any incremental cost impact on the operating budget over the life of each project is evaluated. The objective of this evaluation is to ensure that operating cost increases associated with the capital budget and plan are both accurate and affordable, and to factor these cost increases in the annual operating budget and forecasts. Capital projects tend to impact the operating budget in the following ways:

- i. Principal repayment and interest payments on debt issued to finance the capital program;
- ii. Increased operating costs such as those required for new infrastructure of capital assets, or change or expanded facilities;
- iii. Efficiency savings from capital investments that reduce operating costs; and,
- iv. Direct contributions from the Operating Fund to finance pay as you go capital projects thereby reducing the annual borrowing requirements.

The incremental impact (including debt services charges) of the BC Recommended 2008 Capital Budget and 2009 – 2012 Capital Plan on the Operating Budget over the five years totals \$231 million (see Chart 6). Annual operating impacts range from a low of \$16 million in 2008 to a high of \$59 million in 2010. Incremental debt service charges, which represent interest and principal repayment on new debt, total \$178 million while incremental increases to Program costs are estimated at \$53 million. Program costs will be included in the operating budget of the impacted City Programs and ABCs; while debt service costs will be included in the City's Capital and Corporate Financing account in the Non-Program operating budget.





**RATE-SUPPORTED SERVICES**

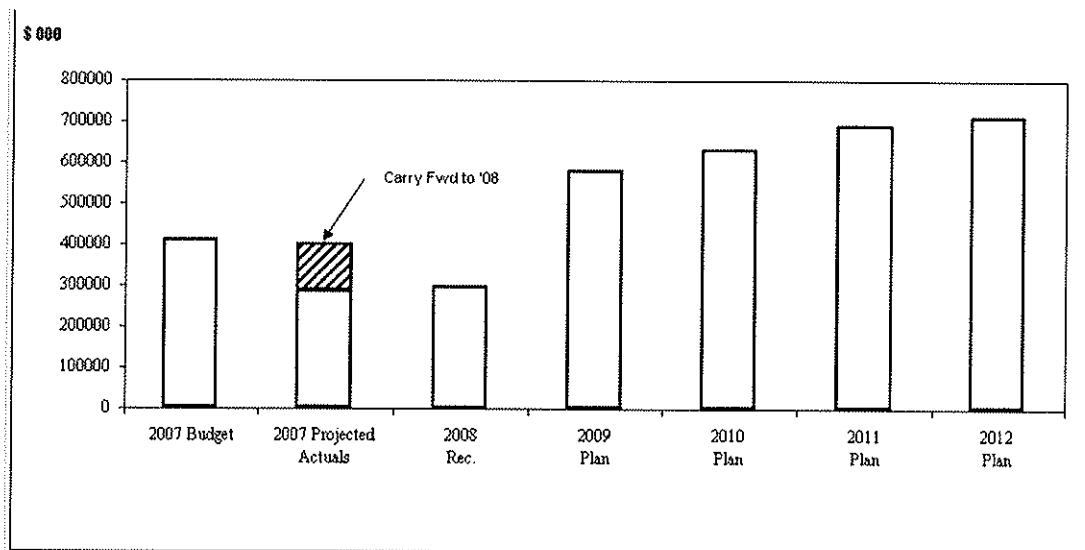




## 2008-2017 Capital Program

## Toronto Water

## 5-Year Capital Plan (2008-2012)



	2007		5-Year Plan					2008-2012
	Budget	Projected Actual	2008	2009	2010	2011	2012	
<b>Gross Expenditures:</b>								
2007 Capital Budget & Future Year Commitments	410,001	287,001	226,399	128,528	88,551	53,881		497,359
Recommended Changes to Commitments			(15,838)	3,706	10,022	11,342	4,669	13,901
2008 New/Change in Scope and Future Year Commitments			87,458	213,037	196,457	190,657	214,338	901,947
2009 - 2012 Plan Estimates				233,558	336,372	434,762	490,269	1,494,961
1-Year Carry Forward to 2008		111,981	→					
<b>Total Gross Annual Expenditures &amp; Plan</b>	<b>410,001</b>	<b>398,982</b>	<b>298,019</b>	<b>578,829</b>	<b>631,402</b>	<b>690,642</b>	<b>709,276</b>	<b>2,908,168</b>
<b>Financing Sources:</b>								
Reserves/Reserve Funds	382,599		272,721	505,553	529,492	582,905	624,091	2,514,762
Development Charges	13,794		6,161	24,546	33,197	32,051	12,168	108,123
Federal								
Provincial								
Other Revenue	13,608		19,137	48,730	68,713	75,686	73,017	285,283
<b>Total Financing</b>	<b>410,001</b>		<b>298,019</b>	<b>578,829</b>	<b>631,402</b>	<b>690,642</b>	<b>709,276</b>	<b>2,908,168</b>
<b>By Category:</b>								
Health & Safety								
Legislated	21,713		27,894	25,312	20,192	22,894	19,039	115,331
SOGR	297,897		151,464	387,993	415,163	446,626	482,368	1,883,614
Service Improvement	55,079		52,608	67,747	70,385	93,309	87,413	371,462
Growth Related	35,312		66,053	97,777	125,662	127,813	120,456	537,761
<b>Total By Category</b>	<b>410,001</b>		<b>298,019</b>	<b>578,829</b>	<b>631,402</b>	<b>690,642</b>	<b>709,276</b>	<b>2,908,168</b>
Yearly SOGR Backlog Estimate (not addressed by current plan)			(113,100)	(167,111)	(162,630)	(163,729)	(153,776)	(762,366)
Accumulated Backlog Estimate (end of year)		1,062,981	949,882	782,770	620,121	456,391	300,616	300,616
<b>Operating Impact on Program Costs</b>			299	2,431	1,131	1,534	1,862	7,257

### 5-Year Capital Plan (2008-2012)

#### Overview

- The 5-Year Capital Plan is 100% self-sustaining with no debenture financing and does not impact the municipal property tax levy.
- The cash flow funding, including carry forward funding from 2007 into 2008, increases significantly over the 5-Year Capital Plan from \$410.000 million in 2008 to \$709.276 million in 2012. This represents a cash flow increase of approximately 73% or \$299.276 million over 5-years. The increase in new cash flow will balance the infrastructure deficit for state of good repair projects with future growth and capacity demands within an increasingly stringent regulatory framework for the delivery of water supply and wastewater disposal services.
- **State of Good Repair Projects:** Toronto Water's assets have a replacement value of approximately \$26.600 billion. The Program currently has a large infrastructure and renewal backlog. For example, 20% of the water supply network is at least 80-years old while 10% of the wastewater collection and disposal system is at least 80-years old.

The 5-Year Capital Plan reflects the allocation of significant financial resources to state of good repair projects to address the renewal needs of aging and deteriorating infrastructure. Projects that maintain assets in a state of good repair represent 65% or \$1,883.614 million of the total planned new cash flow of \$2,908.168 million.

- **Service Improvement Projects:** Represent approximately 13% or \$371.462 million of the 5-Year Capital Plan. Examples of service improvement projects include biosolids treatment and disposal; odour control at wastewater treatment plants; automated metering; Wet Weather Flow Master Plan; basement flooding protection; landscaping; and, plant optimization.
- **Growth Projects:** Account for 18% or \$537.761 million of the 5-Year Capital Plan. Additional capacity will be required to service a projected population of 3 million people by 2031. To address this need, the 5-Year Capital Plan includes initiatives for improving water efficiency; reducing water loss; and, expansion projects required for future water and wastewater service needs.
- **Legislative Projects:** Account for 4% or \$115.331 million of the 5-Year Capital Plan. These projects address existing and emerging Provincial legislation, which includes Bill 195, Safe Drinking Water Act and Bill 81, Nutrient Management Act. Legislative projects also include compliance with the Federal government's Environmental Protection Act. Funding for legislative projects is expected to increase in future years as regulations governing water and wastewater services continue to become more stringent in the post-Walkerton period.
- The 5-Year Capital Plan is funded primarily from the Program's reserves, which account for approximately 86% or \$2,514.762 million. Development charges provide funding for approximately 4% or \$108.123 million. Capital cost sharing with York Region and other sources of revenue such as user fees for construction of new water and sewer connections represent the remaining 10% or \$285.283 million.

## 2008-2017 Capital Program

## Toronto Water

### Multi-Year Debt Affordability Target

The City did not set a multi-year debt affordability guideline for the 5-Year Capital Plan. The Program is self-sustaining and does not impact the municipal property tax levy. Operating and capital investments are funded through water and sewage rates established each year by Council and included in the City's By-law (Municipal Code, Chapter 849: Water and Sewage Services). Other sources of funding include user fees; capital cost sharing with York Region; and, development charges.

### Changes to the 2007-2012 Capital Plan

The following highlights the changes from the 2007-2011 Approved Capital Plan with the 2008-2012 Capital Plan.

- **2008:** Decrease of \$62.201 million or 13% compared to the 2007-2011 Approved Capital Plan of \$472.201 million for 2008. This decrease represents delays in initiating multi-year projects in 2007. The 2007 Approved Capital Budget assumed that construction would commence in early 2008 on these projects, cashflow has now been deferred in recognition that tendering will likely not occur until mid-2008 resulting in a late 2008 construction start date.
- **2009; 2010; and, 2011:** Increases of \$35.303 million in 2009; \$29.102 million in 2010; and, \$22.353 million in 2011 compared to the 2007-2011 Approved Capital Plan. Factors that contribute to the increases include:
  - Projects delayed in 2008 have been compressed into an accelerated workplan for 2009; 2010; and, 2011 respectively in order to meet commitments.
  - Inflationary pressures for commodities, such as aggregate; copper; steel; fuel; and, labour market conditions are forecasted to increase substantially.
  - Increase in the use of tunnelling techniques for new construction projects. Tunnelling reduces the level of disruption to local communities during construction compared to traditional construction methods however results in higher costs.
  - 2009 is anticipated to be the first full year of construction activities for the Horgan Water Treatment Plant Expansion and trunk projects which accounts for a significant percentage of the cashflow needs.
- **2012:** Decrease of \$13.123 million or 2% compared to the 2007-2011 Approved Capital Plan of \$722.399 million for 2012. The decrease results from refined capital costs through improved design and engineering work, particularly with respect to odour control and process upgrade work at the Ashbridges Bay Wastewater Treatment Plant.

### Program Capacity and Readiness to Proceed

The 2007 Approved Capital Budget of \$410.001 million was 16% or \$65.374 million spent, at of June 30<sup>th</sup>, 2007. Actual expenditures by year-end are anticipated to be \$287.001 million or 70% of the 2007 Approved Capital Budget. The 2007 projected spending rate by year-end represents a continued improvement over the Program's historic spending capacity. The last several years have shown a consistent ramping up of capital spending, with 2004 expenditures of \$191.323 million or 76%; 2005 expenditures of \$202.853 million or 57%; and, 2006 expenditures of \$264.545 million or 67%.

Please refer to the Issues Section for an expanded discussion on the Program's capital budget spending capacity.

## 2008-2017 Capital Program

## Toronto Water

Facility and needs assessment studies have now been completed for major capital works included in the 5-Year Capital Plan. Final designs are underway for many of the large projects, which include the Horgan Water Treatment Plant expansion and Ashbridges Bay Wastewater Treatment Plant odour control. It is anticipated that the tendering of the projects will occur in mid-2008. Many of the environmental assessments for trunk water mains are nearing completion and final design is anticipated to proceed by year-end with construction to commence in late 2008 or early 2009.

Cost projections are based on engineering estimates using historical unit rates from City tenders and data from other municipalities for similar projects. Future year costs have been adjusted based on industry recognized inflationary indices for raw materials; fuel; and, labour market conditions. In addition, project costs, where applicable, have considered foreign exchange exposure.

### Backlog of Projects – Unmet Needs

Toronto Water currently has a significant infrastructure rehabilitation backlog. The 2007 end-year value of the infrastructure deficiency is estimated at \$1,062.981 million. The backlog experienced by the City may be more than any other major Canadian urban centre. For example, cast-iron pipes put in service during the 1920's are nearing the end of their 80 to 120-year lifecycles. In addition, the thinner-walled water mains installed in North York and parts of Scarborough in the 1950s are also reaching the end of their lifecycle.

Currently, 0.69% of the water mains and 0.47% of the sewers are being replaced annually. This is creating a backlog given that the optimal replacement rate should range 1% to 2% per annum. The 5-Year Capital Plan reflects an increase in the replacement rate to achieve the optimal level in approximately 10-years and mitigate most of the accumulated backlog. The 5-Year Capital Plan will reduce the state of good repair backlog from \$1,062.981 million in 2007 (year-end) to \$300.616 million in 2012.

The rate of pipe leaks and breaks have increased substantially over the last decade and are currently the highest of Ontario municipalities. Pipe leaks and breaks not only result in lower revenues from water sales and sewer surcharges but also contribute to the following:

- Disruption to local residential; traffic; and, business activities.
- Significant repair and rehabilitation costs for roads and underground utilities.
- Potential loss of fire protection to high-rise buildings.
- Increased energy consumption and related CO<sub>2</sub> emissions as pumps and motors must work harder to deliver service.

### Capital Project Highlights

The 5-Year Capital Plan aligns with the strategic direction of the Toronto Water Multi-Year Business Plan and supports the Mayor's Mandate and Council's policy agenda.

#### *Climate Change, Clean Air and Sustainable Energy Action Plan:*

The 5-Year Capital Plan provides approximately \$188.778 million in funding for a broad range of projects that will form part of the Action Plan for Climate Change. This includes the following:

- **Water Efficiency Plan:** \$47.736 million in funding is recommended to advance municipal system leak detection; toilet and clothes washer replacement rebates; computer controlled irrigation for City facilities; ICI indoor and residential outdoor water audits; and public education and promotions.

## 2008-2017 Capital Program

## Toronto Water

The direct environmental benefits associated with the Water Efficiency Plan include reduced chemical and energy use. The electricity used in treating and pumping drinking water and subsequent treatment of wastewater is produced partially by gas and oil fired generating stations, resulting in smog and CO<sub>2</sub> emissions. It is estimated that during the implementation period of the Water Efficiency Plan, 90,000 tonnes of CO<sub>2</sub> emissions will have been avoided. When fully implemented, the Plan will avoid about 14,000 tonnes per year of CO<sub>2</sub> emissions. Reductions in energy consumption will also reduce SO<sub>2</sub> and, NO<sub>x</sub> emissions.

- **Water Metering Pilot:** \$74.000 million is recommended to supply and install water meters and a fixed area network for meter reading. With the completion of the project, all homes and businesses will be metered, providing direct feedback to encourage conservation of water resources.
- **Energy Efficiency Measures:** \$64.842 million is provided for energy efficiency measures to achieve optimal savings and reduce CO<sub>2</sub> emissions, such as completion of the Deep Lake Water Cooling project; energy audits; facility lighting and electrical upgrades; replacement of pumps and motors with high efficiency units; and, implementation of real-time monitoring.
- **Tree Planting and Green Roof Technology:** \$2.000 million for tree planting and \$0.200 million for green roof technology is recommended to improve the retainment of rainwater to reduce surface run-off. In addition, the planting of trees will contribute to the reduction of CO<sub>2</sub> and other green house gases in the atmosphere.

The 5-Year Capital Plan includes \$242.679 million in funding to advance the following strategic priorities:

*Implementation of a Ravine Improvement Team that will Clean, Beautify, and Improve Access and Stewardship to Toronto's Ravines:*

The 5-Year Capital Plan includes \$37.105 million to advance this initiative through stream restoration projects and tree planting for source water protection.

*Help to Clean Up Lake Ontario to Make Toronto's Beaches More Swimmable:*

The 5-Year Capital Plan includes \$183.674 million in funding for projects to continue the Wet Weather Flow Master Plan to manage the discharge of pollutants into waterways and Lake Ontario. The goal of the Plan is to reduce and ultimately eliminate the adverse impacts of wet weather flow on the built and natural environments to achieve a measurable improvement in ecosystem health of the City's watersheds and waterfront, with particular emphasis on improving water quality along the City's waterfront beaches.

The 5-Year Capital Plan includes funding to complete environmental assessments followed by the design and construction for projects identified in the Master Plan. Projects included in the 5-Year Capital Plan which directly affect improvements to waterfront quality include the following: Etobicoke Waterfront Storm Sewer Discharges; Bonar Creek Stormwater Wetland (Etobicoke Waterfront); Don and Waterfront Trunk Sanitary Sewer and Combined Sewer Overflow Control Project; Coatsworth Cut Storm Sewer and Combined Sewer Overflow Control Project; Eastern Beaches Storm Sewer Discharges; and, the Scarborough Waterfront Combined Sewer Overflow Discharges.

- **Water Treatment Plant Residual Control:** The 5-Year Capital Plan includes \$21.900 million for residue management facilities at the City's water treatment plants. Facilities will be operational at the Harris Water Treatment Plant and the R.L. Clark Water Treatment Plant in early 2008. This

## 2008-2017 Capital Program

## Toronto Water

will allow residue to be treated on-site rather than entering directly into the lake. Design of facilities at the Island Water Treatment Plant will proceed in 2008 and additional facilities will be included in the Horgan Water Treatment Plant expansion work that forms part of the cost sharing agreement with the Region of York.

### *Addressing Renewal Needs of Aging and Deteriorating Infrastructure – State of Good Repair*

Projects that maintain aging water and sewer infrastructure in a state of good repair represent more than 64% or \$1,870.114 million of the 5-Year Capital Plan. These projects are intended to extend the useful life of assets; ensure service reliability; and, postpone replacement.

- **Rehabilitation:** Programs designed to rehabilitate aging watermains include installing cathodic protection to prevent corrosion; cleaning and lining; and, replacing deficient hydrants and valves to improve system performance.
- **Replacement:** Projects are included in the capital program for pipes that are structurally deficient or where increased water demand or sewer flow warrants larger pipe sizes. In many areas, pipe relining and trenchless technology will be used to minimise the impact on local communities.

### *Increasing Total Capacity to Keep Pace with Population Growth*

Additional capacity will be required to service a projected population of 3 million people by 2031. To address this need, the 5-Year Capital Plan includes \$537.761 million in new cash flow for growth projects. Projects to increase system capacity for future growth include the following:

- **Water Efficiency Plan:** The aim of the Plan is to reduce water demand by 15% by 2011, freeing up capacity to accommodate growth needs while delaying costly plant expansions. The Program will cost approximately \$74 million, which compares favourably to the cost of providing an equivalent capacity through the expansion of infrastructure, at an estimated cost of \$220 million.
- **Reducing Watermain Leakage:** The 5-Year Capital Plan includes projects aimed at reducing watermain leakage. Programs are being developed to identify areas of the distribution system experiencing undetected water loss. These deficient pipe sections will be rehabilitated, repaired or replaced depending on the severity of damage.

### *Continuous Improvements in Service Delivery*

Numerous continuous improvements in service delivery programs are underway; examples include the following:

- **Basement Flooding Program:** At its meeting of April 25, 26 and 27, 2006, City Council approved a work plan to address basement flooding across the City. The work plan incorporates a new integrated approach to alleviate basement flooding that focuses on preventing, to the degree possible, surface flooding and reducing the amount of stormwater entering all sewer systems: storm, sanitary and combined. The first phase of Environmental Assessments initiated in the chronic basement flooding areas are nearing completion and have identified capital works necessary to reduce or eliminate the causes of basement flooding. While the 5-Year Capital Plan includes \$77.800 million for this initiative, a report will be forthcoming to Council to provide an update on the financial implications of implementing similar upgrades across all identified basement flooding areas.
- **Accelerated Replacement of Lead Water Service Connections:** The 5-Year Capital Plan includes \$114.290 million aimed at an accelerated replacement of lead water service connections

## 2008-2017 Capital Program

## Toronto Water

over a 9 year period. The replacement of the current Water Service Connection Replacement Program with a Lead Water Service Connection Replacement Program was approved by Council on July 16, 17, 18 and 19, 2007, in response to anticipated amendments to O.Reg 170/03, which came into force on July 26, 2007. The new program would accelerate the replacement of the estimated 65,000 remaining lead water service connections, effectively removing all lead sources within the City's water distribution system within the next 9 years, while providing for the emergency replacement of water service connections with flow rates of less than 7 litres per minute and connections with leaks.

- The District Service Improvement Program extends the review of best practices; technological upgrades; management; and, operation of the City's linear water and wastewater infrastructure. Funding of \$0.300 million has been included in the 2008 Capital Budget to complete implementation of the Program.
- An aggressive restructuring has begun on the watermain and sewer replacement programs coordinated with Transportation Services' Road Construction Program. This new initiative will provide a coordinated and fixed 5-Year Capital Plan that will minimise construction disruption to the public. Please refer to the Issues Section for a discussion regarding the Plan to Improve the Development and Implementation of a Coordinated Multi-Year Joint Transportation Services and Toronto Water Capital Program.

### Summary of Major Capital Initiatives

(In 000s)	2008 Rec. Budget	2009 Plan	2010 Plan	2011 Plan	2012 Plan	Total 2008 - 2012	Total 2013 -2017
Facilities Projects: New and Expanded	21,295	54,575	82,250	110,320	119,284	387,724	15,500
IT sub-projects	2,500	8,500	1,000	8,000	8,000	28,000	
<b>Total</b>	<b>23,795</b>	<b>63,075</b>	<b>83,250</b>	<b>118,320</b>	<b>127,284</b>	<b>415,724</b>	<b>15,500</b>
<b>Other Major City Initiatives:</b>							
Basement Flooding Relief	8,800	13,500	17,500	17,000	21,000	77,800	
Lead Service Replacement	30,150	27,383	20,352	21,370	15,035	114,290	
Climate Change Action Plan	26,741	38,102	36,442	44,105	43,388	188,778	
Other Strategic Priorities:	38,905	39,443	47,900	55,169	61,262	242,679	
<b>Total</b>	<b>104,596</b>	<b>118,428</b>	<b>122,194</b>	<b>137,644</b>	<b>140,685</b>	<b>623,547</b>	<b>-</b>

- The 5-Year Capital Plan includes new/expanded facilities funding of \$387.724 million.
- Information technology projects amount to \$28.000 million of the 5-Year Capital Plan. The project provides funding for the implementation of the Toronto Water Technology Blueprint to accomplish the Program's strategic and technical objectives using integrated technologies.

**2008-2017 Capital Program****Toronto Water**

**Operating Budget Impact – 5-Year Plan**  
**Incremental Operating Impact Summary**

<b>Incremental Operating Budget Impact</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>2008 Recommended Capital Budget</b>					
Program Costs (net) (\$000s)	299	2,077	(1,300)		
Approved Positions	1				
<b>Recommended 2009-2012 Capital Plan</b>					
Program Costs (net) (\$000s)		354	2,431	1,534	1,862
Approved Positions		6			
<b>Total</b>					
Program Costs (net) (\$000s)	299	2,431	1,131	1,534	1,862
Approved Positions	1	6			

**Program Operating Impacts**

The incremental operating impacts outlined above include the following:

- Toronto Water has identified 7 new positions arising from the 5-Year Capital Plan. The 7 new positions are required in District Operations to manage the future growth of infrastructure.
- The 5-Year Capital Plan includes operating impacts from previously approved and new/change in scope capital projects for 2008 of \$0.299 million; 2009 of \$2.431 million; 2010 of \$1.131 million; 2011 of \$1.534 million; and, 2012 of \$1.862 million. The operating impacts reflect additional costs for labour; chemicals; and general maintenance required for various projects.
- The 5-Year Capital Plan is funded entirely from water and sewer rates; development charges; user fees and capital cost sharing with York Region. There is no reliance on the municipal tax levy.



**2008-2017 Capital Program** **Toronto Water**

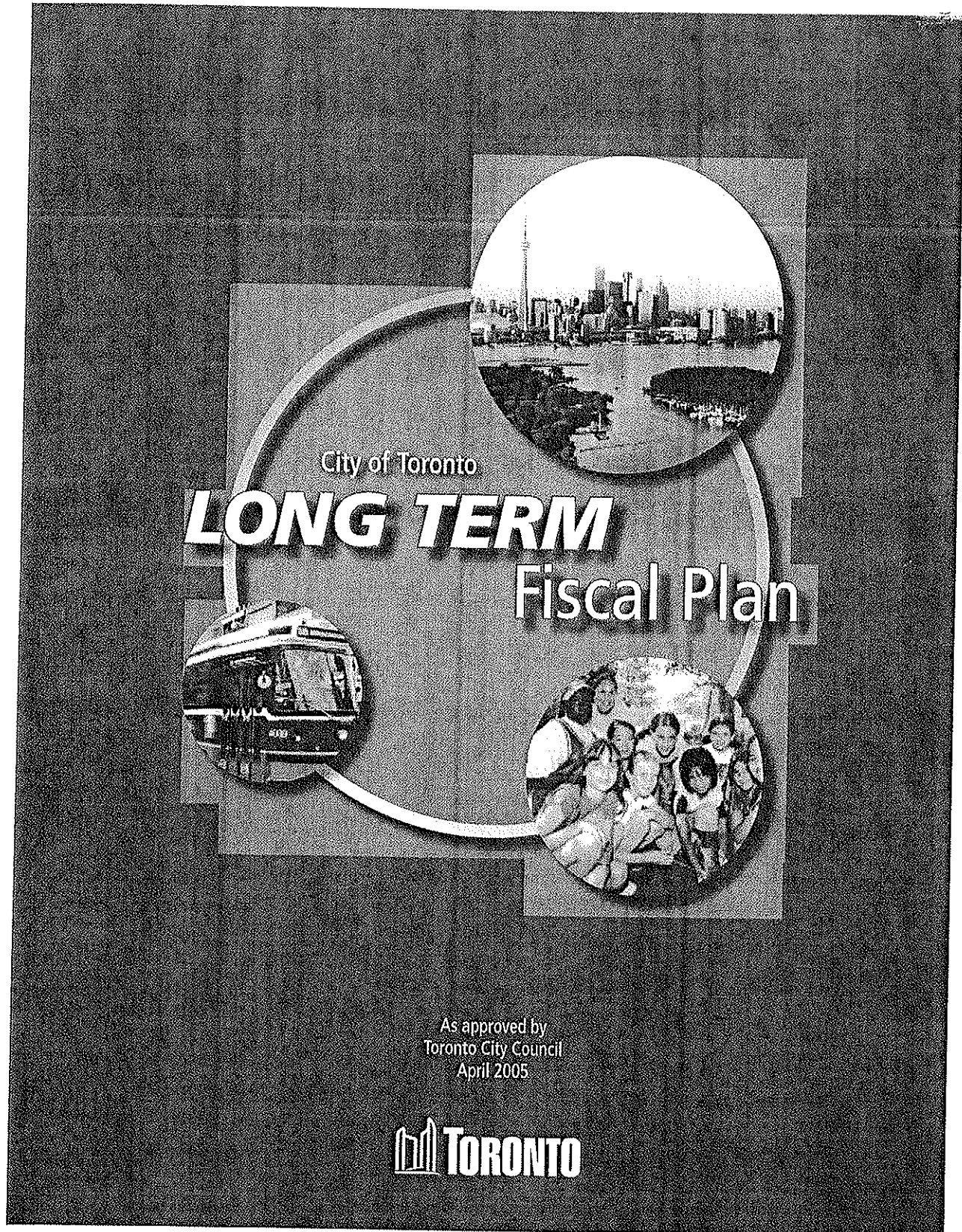
**Total 2008 Recommended Cash Flow & Future Year Commitments (\$000s)**

	2006 & Prior Year Carry Forwards	2008 Previously Approved Cash Flow Commitments	2008 New Cash Flow Recommended	2008 Total Cash Flow Recommended	2008 Debt Target	2007 Carry Forwards	Total 2008 Cash Flow (Incl 2006 C/Fwd)	2009	2010	2011	2012	2013-2017	Total Cost
<b>Expenditures</b>													
Previously Approved Change in Scope		210,561	(32,620)	210,561		111,981	322,542 (32,620)	134,234	102,073	71,224	10,669	3,060	643,802
New		8,813	8,813	8,813			8,813	101,702	111,507	124,256	166,304	(4,072)	467,077
New w/Future Year		111,265	111,265	111,265			111,265	84,950	84,950	66,401	48,034		8,813
<b>Total Expenditure</b>	<b>0</b>	<b>210,561</b>	<b>87,458</b>	<b>298,019</b>		<b>111,981</b>	<b>410,000</b>	<b>347,271</b>	<b>298,530</b>	<b>261,881</b>	<b>225,007</b>	<b>(1,012)</b>	<b>1,541,677</b>
<b>Financing</b>													
Reserves/Res Funds		189,314	83,407	272,721		105,827	378,548	296,621	248,559	214,784	187,712	(1,012)	1,325,212
Development Charges		8,697	(2,536)	6,161		3,851	10,012	13,283	14,717	14,963	5,929		58,904
Other		12,550	6,587	19,137		2,303	21,440	37,367	35,254	32,134	31,366		157,561
<b>Total Financing</b>	<b>0</b>	<b>210,561</b>	<b>87,458</b>	<b>298,019</b>		<b>111,981</b>	<b>410,000</b>	<b>347,271</b>	<b>298,530</b>	<b>261,881</b>	<b>225,007</b>	<b>(1,012)</b>	<b>1,541,677</b>

**Comments / Issues:**

- The 2008 Recommended Capital Budget is \$410,000 million and includes funding from 2007 projects carried forward into 2008 of \$111.981 million; previously approved commitment funding of \$210.561 million; and, \$87.458 million for new/change in scope projects.
- 2007 carry forward funding is provided for large multi-year projects such as the Humber Wastewater Treatment Plant sludge thickening building upgrade; storm sewer rehabilitation; Island Filtration Plant winterisation; Automated Meter Reading System program; yard and building renovations; and, the Horgan Water Treatment Plant HVAC rehabilitation.
- Approval of the 2008 Recommended Capital Budget will result in a commitment to future year funding for new/change in scope projects of \$213.037 million in 2009; \$196.457 million in 2010; \$190.657 million in 2011; and, \$214.338 million in 2012. Future year funding commitments have increased in comparison to previous years. Factors which contribute to the increase include the following:
  - Significant increase for project costs included in the Region of York capital cost sharing agreement, due to the construction techniques selected in consultation with the public (i.e. tunneling). Delivery of these projects, based on the current schedule, is a requirement of the agreement.
  - Many of the multi-year projects to be tendered, such as the Horgan Water Treatment Plant expansion; Milliken and Dufferin expansions; and, Ashbridges Bay Wastewater Treatment Plant odour control and primary treatment upgrades were in the early stages of planning and public consultation during the development of the 2007 Approved Capital Budget and as such, the 2007 budget submission identified these project costs as future year spending. As these projects are scheduled for tendering in 2008, approval is now being sought to commit these funds.





As approved by  
Toronto City Council  
April 2005





## Executive Summary

The City of Toronto, being the largest municipal government in Canada, is financially sound and has a good credit rating. It has the most diversified economy in North America, and is the top tourist destination in the country.

Yet, Toronto has three fundamental financial problems:

- ◆ Expenditure pressures due to ageing infrastructure, unique demographic mix associated with being Canada's largest and most diverse City, over-inflationary cost increases for many items and continuously increasing demand for services
- ◆ Insufficient revenue growth to support growth in operating and capital requirements, due to legislatively restricted access to non-tax revenue sources, exacerbated by relatively weak commercial/industrial tax competitiveness and weak overall assessment growth
- ◆ Asset degradation due to insufficient funding, and growing liabilities to provide for future costs, particularly in the area of employee benefits.

The financial plan to correct these problems over a ten-year horizon will require:

- ◆ continued vigilance on cost control – productivity increases for items that can be controlled and monitored, e.g. Continuous Service Improvement Initiatives and restrained salary cost increases
- ◆ securing new sources of revenues that grow over time, adjusting service funding responsibility, and property tax reform as part of a longer term competitiveness strategy
- ◆ ongoing financial support for infrastructure state of good repair and reserve funding
- ◆ recognition by other orders of governments that Toronto requires solutions that may not fit other municipalities
- ◆ investment in strategies that promote core development in the GTA: GO Transit enhancement, live/work development, destination based planning (waterfront park, support for retail establishments) and support for transit.

### Premises of the Plan

#### Premises of the Plan:

- Toronto has unique characteristics that will require unique solutions
- The City has to manage, and be seen to be managing, its own affairs in a rigorous and efficient manner
- The City has embarked on a number of City-led initiatives, such as Continuous Service Improvement, program priority setting, business plans, performance measures and benchmarking, establishing financial policies and controls, hiring freeze and the establishment of the Auditor General position.
- Other orders of government must be further convinced to recognize the importance of supporting the City – this plan is intended to show that the City has a clearly articulated way out of the current problems that includes them as integral partners.

### Ad Hoc Committee for the Development of a Long-Term Fiscal Plan

City Council, in January 2004, established the Ad Hoc Committee for the Development of a Long-Term Fiscal Plan, to continue the work of the previous Ad Hoc Committee for a Five-year Fiscal Plan established in 2003 which ended with the previous term of Council. The purpose of the Ad Hoc Committee is to structure a Long-Term Fiscal Plan for the City of Toronto, with such Plan to be submitted to Council as a blueprint for future budgeting and discussions with funding partners. The Ad Hoc Committee reports to Council through the Policy and Finance Committee, and is responsible for developing fiscal policies to guide multi-year financial planning within the context of Council's Strategic Plan and other sectoral plans. It provides input to the setting of Council priorities, informs and provides context to the annual budget process, and provides a framework for future-year financial planning. This document "Long Term Fiscal Plan" is the first comprehensive staff report submitted to Council through the Ad Hoc Committee.

### Plan Outline

This Long-Term Fiscal Plan consists of:

- the goals of fiscal sustainability, the relationship between the Long-Term Fiscal Plan, the Strategic Plan and other sectoral plans, and the linkage between the long-term plan with the annual budget process;
- an environmental scan, i.e. assessment of the City's economic & socio-demographic environment;
- the history and an analysis of the City's financial condition;
- multi-year financial forecasts and the options to close the gap;
- a description of the financial issues that have been identified, the symptoms of these issues, the preferred outcomes, and the recommendations to address these issues in the form of financial strategies, fiscal principles and financial policies; and
- plan implementation and the future work plan.

### Eight issues have been identified

A total of eight key financial issues have been identified, which can broadly be grouped under three major categories — Expenditures, Revenues, and Assets and Liabilities:

A list of recommendations has been developed to address these eight issues. They are summarised below:

### Expenditure Issues & Recommendations

#### ISSUE 1

**The City of Toronto has a higher cost structure than other municipal governments in the rest of GTA, e.g. Police, transit, social assistance, social housing, and debt charges.**

#### RECOMMENDATIONS

##### Strategies

1. The City should continue to engage in Continuous Service Improvement.
2. The City should continue to exercise fiscal restraint.
3. The Federal Government should pay for the full costs of Federal programs which impact Toronto.
4. Program specific funding transfers from other orders of government should recognize the City's higher cost structure with respect to those services.

Principles

1. All activities should be reviewed in the context of affordability (*new*).
2. All new initiatives should be accompanied by a business case and a timetable for a post-implementation review and/or sunset provision (*new*).
3. The cost of servicing new debt should not negatively affect the City's credit rating which should be maintained at the current level (AA for long-term debt) or higher (*revised based on Council's Strategic Plan January 2002*).

Policies

1. City programs will be reviewed periodically to assess their relevance to current City priorities, objectives, their effectiveness and efficiency.

**ISSUE 2**

**Demands for growth as laid out in the Official Plan or other Sectoral and program plans are not adequately funded.**

RECOMMENDATIONSStrategies

1. Plans for growth should be implemented consistent with the affordability level.
2. Other orders of government should provide the City with adequate financial resources to support TTC's growth requirements.
3. The City request the Province of Ontario to amend the Development Charges Act:
  - (a) so that no municipal services are excluded from the development charge calculation;
  - (b) to allow municipalities to adopt service levels that are in keeping with Council-approved long-term service plans for the purposes of calculating development charges, instead of the average service levels during the 10-year period immediately preceding the preparation of the background study, as allowed under existing legislation; and
  - (c) so that the 10 per cent service discounts are removed.

Principles

Investment in new infrastructure should be based on analysis of shifts in demographic growth and existing unmet needs (*per Council's Strategic Plan January 2002*).

Policies

Approval of updated Development Charges By-law (*adopted by Council June 2004*)

**ISSUE 3**

There is variability in certain program expenditures from year to year.

**RECOMMENDATIONS****Strategies**

1. Target balances and financing plans should be established for each reserve and reserve fund, and should be based on the purpose on which the fund was based.
2. There should be periodic reviews of the relevance and adequacy of each major reserve and reserve fund.

**Principles**

1. Reserves and reserve funds should be used to fund anticipated potential liabilities, stabilizing (smoothing of) revenues and expenditures that are subject to cyclical fluctuations, extraordinarily large purchases, or self-financing on-going activities (*revised based on Council's Strategic Plan January 2002*).

**Policies**

Reserve Fund By-Law (Municipal Code 227) specifies the use of each reserve and reserve fund.

Revenue Issues &  
Recommendations

**ISSUE 4**

Business taxes are not competitive.

**RECOMMENDATIONS****Strategies**

1. The Province should provide business education tax relief by lowering the business tax rates to the GTA average.
2. The City should have the flexibility to rectify or re-dress tax ratios between business tax rates and those on residential properties.



### Principles

In June 2004 City Council adopted the following guiding principles relating to property tax policies:

1. Tax ratios are an important measure of tax fairness and equity between the various property classes. Reasonable targets for tax ratios should be set, and tax policies regarding budgetary levy increases and tax ratio-related tax burden shifts between classes should be made with a view of respecting and achieving these targets over a reasonable period of time.
2. The current capping regime is ineffective and will prolong historic tax inequities. However, any changes to the capping program in order to facilitate the transition to Current Value Assessment (CVA) should have regard for maintaining a manageable pace of change for property owners. A longer transition period should be available for those properties facing large increases.
3. Property tax protection for vulnerable business must be developed in conjunction with any other changes that facilitate the transition to CVA, with a view to achieving equity to the extent possible between various property types, objectivity in defining eligible properties, longer-term stability and certainty for property owners, and transparency in administration.
4. A view to achieving equity and fairness in tax rates for both the municipal and education portion taxes should be taken. The Province must be encouraged to show its commitment to reduce Toronto's business education tax rate disparity vis-à-vis the surrounding GTA municipalities.

In addition to the four guiding principles per above:

1. Affordability of a tax increase should first be viewed in the context of general inflation and/or the growth in the economy, consistent with the changes in the costs of maintaining or enhancing existing service levels (*new*).
2. Tax increases should be based on service level costs and provide flexibility for taxpayers with limited fixed incomes (*per Council's Strategic Plan January 2002*).

### Policies

Pending – as part of an upcoming report to the Policy and Finance Committee (in 2005)

#### **ISSUE 5**

**The City lacks adequate revenue sources to fund its municipal responsibilities.**

## RECOMMENDATIONS

### Strategies

1. Current sources of financing should be reformed, e.g. property taxes, development charges
2. Alternative revenue sources should be explored, e.g. share of sale taxes
3. Other orders of governments should provide the City with new revenue sources, e.g. sharing of fuel taxes, new tax tools through enabling legislation, and sharing of consumption taxes.

### Principles

1. Innovative approaches to financing services should be considered before using property tax financing, i.e. property tax is the funding source of the last resort (*new*).
2. The pricing of user fees should generally take into consideration of the full cost of the service (direct, indirect and the cost of capital) (*new*).

### Policies

None identified to date

### ISSUE 6

Improper funding of Provincial cost-shared programs has resulted in significant financial pressures for the City:

- Capping of Provincial share
- Tentative capping of GTA pooling revenues
- Social service costs / risk exposure

## RECOMMENDATIONS

### Strategies

1. Income distributive programs should be fully funded from the income tax base (of the Provincial / Federal Governments).
2. The City should prioritize its programs and services, and focus on its core responsibilities.
3. Program and funding responsibilities of current services should be rationalized with other orders of government.
4. Funding from other orders of government should equal program commitment.

### Principles

1. The property tax base should not be used to fund income distributive programs (*new*).

### Policies

None identified to date

Asset & Liability Issues  
& Recommendations

**ISSUE 7**

City's investment in its ageing infrastructure has been lagging.

**RECOMMENDATIONS**

Strategies

1. Funding priority should be given to physical infrastructure's State of Good Repair over Growth.
2. Funding priority should be given to preventive maintenance to reduce replacement cost.
3. Strategic investment in physical infrastructure should be given priority to maintain City residents' quality of life.
4. Strategic asset management policies should be employed.

Principles

1. Infrastructure should be replaced when it can be demonstrated that the replacement cost and subsequent maintenance cost are less expensive than maintaining the existing asset in a state of good repair over the same period of time (*revised based on Council's Strategic Plan January 2002*).
2. Debt repayment period should not exceed the useful life of the asset for which the debt is incurred (*per Council's Strategic Plan January 2002*).

Policies

1. Policy on Management of Operating Budget Surpluses (approved by Council in September 2004):
  - (a) The surplus carried forward should be zero by the 2007 fiscal year and this is accomplished by reducing the surplus carried forward in 2005 to a target level of \$10 million, in 2006 to \$5 million and 2007 to zero (*deferred for consideration during the 2005 budget process*);
  - (b) For the fiscal 2004 surplus, if any, the Chief Financial Officer and Treasurer is authorized, consistent with item a above, to apply any additional surplus entirely to the Capital Financing Reserve Fund;
  - (c) Starting with fiscal 2005, for any surplus, the Chief Financial Officer and Treasurer<sup>1</sup> is authorized, consistent with item a above, to apply any additional surplus, in priority order to:
    - Capital Financing Reserve Fund (at least 75 per cent of the additional surplus); and
    - the remainder to fund any under-funded liabilities, and/or reserves/reserve funds, as determined by the Chief Financial Officer and Treasurer; and
  - (d) The Chief Financial Officer and Treasurer report such contributions as per items b and c to the Budget Advisory Committee, Policy and

<sup>1</sup> Effective April 15, 2005, the Chief Financial Officer and Treasurer has become the Deputy City Manager and Chief Financial Officer under corporate restructuring.

Finance Committee and Council following the closing of the accounts for the prior year.

2. As a guideline, debt service charges should not exceed 10 per cent of net property tax levy (*approved by Council in February 1998*).

#### **ISSUE 8**

**Employee Benefits and other liabilities are not adequately funded.**

#### **RECOMMENDATIONS**

##### **Strategies**

1. Financial risks should be recognized and properly funded.
2. Funding for underfunded liabilities should at least be increased in the next five years to ensure the current gaps do not widen.
3. Work is in progress to quantify environmental liabilities.

##### **Principles**

1. Reserves and reserve funds should be funded to the levels required for their purposes.

##### **Policies**

None identified to date

### **Plan Implementation**

As part of the future work plan, as issues arise staff will develop appropriate financial strategies, principles and policies to be incorporated into the Long-Term Fiscal Plan. It should be noted that some policies may require further review and will be brought forward in 2005.

The City has established 14 Fiscal Sustainability Principles as part of Council's Strategic Plan dated January 2002 and a number of financial policies, such as the policy on management of Operating Budget surpluses. In order for Council and its Committees to be cognizant of them on a day-to-day basis when making subsequent decisions, it would be appropriate to have a mechanism within the current procedures, or through an amendment to the current procedures, which would make it clearer to Council that policies were in place which impacted on a proposition currently before a Committee or Council, or a mechanism which could prevent a Committee or Council from over-riding a previously approved policy or principle established by Council.

A Council Working Group on the Procedural By-Law and the Meeting Management Initiatives was struck subsequent to Council's meeting of September 28, 29, 30 & October 1, 2004, which adopted the staff recommendations in Clause No. 35 of Policy and Finance Committee Report No. 7 entitled 'Member Requests for Information and Review of Council Procedures Regarding Various Matters'. The report recommended that a working group of Councillors and the City Clerk be established to conduct a review, and where necessary, redesign Chapter 27, Council Procedures, of

the City's Municipal Code to meet Council's needs and respond to its priorities, be understandable to all stakeholders, result in clear decisions and transparent decision making and support the implementation of Council's meeting management initiative. Municipal Code Chapter 27 Council Procedures governs the conduct of business for Council and its Committees. Subsequently, the Chief Financial Officer and Treasurer sent a communication to the City Clerk, conveying the concerns of the Ad Hoc Committee about the current procedures and requesting that the Working Group give consideration to strengthening the force of financial principles, policies and plans.

In the same communication, the Chief Financial Officer and Treasurer also requested the Working Group consider incorporating the financial protocols from the joint report of the Chief Administrative Officer and the Chief Financial Officer and Treasurer entitled 'Financial Control Protocols within the Revised Council-Committee Structure' adopted by Council on July 27 - 30, 1999 into the Procedural By-Law.

The Deputy City Manager and Chief Financial Officer will develop, review and update fiscal strategies, principles and policies as the work plan is carried out and each issue sub-component is reviewed, and report back to Council through the Policy and Finance Committee.

The adopted financial principles, policies and financial control protocols will be incorporated into the annual budget guidelines so that both staff and Councillors can have easy access and reference to these financial principles and policies during budget deliberations.

The Long-Term Fiscal Plan will be reviewed and updated periodically.



**APPENDIX F**  
**DEVELOPMENT CHARGE ECONOMIC IMPACT MATERIAL**





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## **APPENDIX F**

The following summarizes the results of previous research conducted by Watson & Associates concerning the potential impact of (increased) development charges on economic development. In addition, the last part of the Appendix sets out the Executive Summary of a DC Economic Effects Study carried out by Prof. David M. Nowlan for the City in 2004.

1. There are two fundamentally different ways of viewing the City's current comparatively low development charges. The first view is that this is sound policy, reflecting the City's servicing cost economies of scale, as well as enhancing its competitive position in attracting residential, commercial and industrial growth. The second opposing view is that higher DC's would not tangibly inhibit growth and the City is failing to fully utilize this significant capital funding source. As a result, its tax levy and water/sewer rates are higher than would otherwise be necessary and/or needed works are being deferred.
2. Many municipalities impose the full residential DC and, in some cases, discount or exempt only a portion of their non-residential (i.e. industrial/commercial) charges, in the interests of attracting more of such development. Their policy position, implicitly or explicitly, is that the rate of industrial and/or commercial development may be impacted by the quantum of their DC's. Their actions suggest that this is not the case with residential development, or at least that the "growth pays for growth" philosophy is expected to be more operative in that case.

### Residential Development Impacts

3. A change in DC quantum is thought by some to reflect itself directly and automatically on house prices. However, in the strong market experienced for years in Toronto, house prices reflect demand pressures, more than a simple cost recovery formula. DC increases are absorbed in pricing (and/or land purchase), but may not always be a significant determinant of such pricing, due to overall market dynamics. However, in poor markets, house prices may be unable to fully absorb DC increases. As a result, DC increases may impact profits and/or construction activity. Over a longer period of time, DC increases may result in compensating land price decreases, where the selling price of the final product cannot be increased sufficiently. This is particularly the case where there is a high "value-add" to the undeveloped land value.
4. The potential impact of DC quantum shifts on the residential housing market is also impacted by the competitive environment and by the price and nature of the housing involved. For example, Toronto is surrounded by four Regions which impose much higher residential DC's; however, land costs, building forms, the planning process, ease of construction, tax rates, municipal and commercial service levels and lifestyle also vary

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significantly between those two markets. It is the cumulative effect of these socio-economic forces which determines whether a significant addition to Toronto's residential DC's will diminish its rate of residential growth. This, in turn, raises the question of whether a small reduction in residential growth, resulting from an increase in DC quantum which better equips the City to fund its growth-related servicing needs, is an acceptable trade-off.

5. Housing projects which are geared to the rental market, affordable or assisted housing, or sites which are expensive to service or remediate, could be impacted by a significant increase in DC's. For example, a DC increase of \$10,000 is only 5% of a \$200,000 housing price, but at the margin, that may be the difference between an acceptable financial return and one which is not. Thus, there may be housing projects which are made less feasible as a result of a significant increase in DC's.
6. When one plots DC quantum against residential development activity amounts in different municipalities, an indirect cause and effect relationship is not apparent. That is, in part, because municipalities which are attractive, high growth areas, are able to impose high DC's as part of maintaining high service levels. Municipalities with lower market appeal tend to moderate DC's in the hopes of encouraging more growth. However, the primary determinants of the amount of residential development in a municipality generally relate more to serviced/zoned land availability, amenity/lifestyle, access to job opportunities, development industry focus, etc.

#### Industrial/Commercial Development Impacts

7. The City is not presently imposing industrial/office/institutional development charges, although the Toronto Catholic District School Board does impose education development charges. The City is one of very few major municipalities in Ontario not imposing development charges on these forms of development.
8. The decision as to whether or not Toronto should establish industrial/office/institutional development charges and, if so, how high they should be and whether they should vary between industrial and commercial uses, is an important policy issue. Essentially, it involves a trade-off between increased capital contributions (which must otherwise come from property taxes and/or user rates) and a potential deterrent of indeterminate size to new and expanded development activity within the City.
9. The potential impact of DC quantum shifts on the industrial and commercial market is also impacted by the competitive environment and by the price and nature of the development involved. For example, Toronto currently waives DCs for industrial and office development, but imposes substantially higher municipal taxes on these properties than surrounding municipalities. Land costs, building forms, the planning process, ease

of construction, tax rates, municipal and commercial service levels and lifestyle also vary significantly between those two markets. It is the cumulative effect of these socio-economic forces which determines whether a significant increase to Toronto's industrial and office DC's will diminish the rate of growth. Since DC's provide a one-time contribution, while property taxes establish an on-going revenue stream to municipalities, this, in turn, raises the question of whether a reduction in industrial and office development, resulting from an increase in development charges, improves or diminishes the City's financial position.

Industrial and commercial properties are generally acknowledged as paying more in property taxes than the cost of the municipal services they consume. It is this net positive contribution to municipal revenues that helps support the services and programs the City provides to its residents. The long-term fiscal sustainability of such municipal services is therefore benefited by maintaining a strong industrial and office property tax base.

10. Municipalities are generally more concerned with attracting industrial/office development, than with residential development, because the former brings local jobs, commercial services, no increased need for some municipal services, economic stimulus and more highly taxed assessment.

In this regard, industrial and head office development is often given added attention, in comparison with retail and service sector employment, which is generally "population-related". Also, "major destination retail" which serves the entire GTA, differs somewhat from community-specific retail services. The latter is more captive to urban population centres than industry (for example, the automotive industry, which has located plants in smaller communities such as Alliston, Cambridge and Ingersoll).

11. Industrial site selection analysis generally focuses on non-financial matters, such as transportation access to markets, proximity to labour and suppliers, quality of life/image/amenity and the suitability of the available real estate. Financial matters are often less important and relate more to land and construction cost, as well as property tax and utility rate costs. DC's are a relatively small component of the latter, but at the margin, can have an impact on a cumulative basis, particularly where property taxes are high, as in Toronto.
12. Notwithstanding the fact that Toronto has the lowest DCs for industrial and commercial development of any municipality in the GTA, the City has experienced a steady decline in industrial employment. In the face of this trend, can the City afford to establish development charges for such uses? The financial answer to the question lies, in part, with the trade-off between the one-time DC revenue figure and the long-term, net property tax surplus stream created by new non-residential development.

13. "Market optics" can play a role in a municipality's ability to attract industrial/commercial development. This often relates more to planning approval matters, but having no DC's or heavily discounted DC's, can be part of sending out a favourable message – once again at a price.
14. Some of the ways that are sometimes used to moderate the negative impacts of non-residential development charges include transition measures such as:
  - "grandfathering" certain types of previous approvals;
  - providing a "grace period" for the introduction of the charge;
  - phasing in the increase in the charge over a period of years;
  - leaving the indexing of the charge as a discretionary annual decision and one which can be waived by Council in poor economic periods;
  - fully or partially exempting those types of development likely to be most negatively impacted by a DC increase (subject to difficulties involved in distinguishing one type of development from another at the point of DC collection).

The City has, in the past, used a number of these measures. It is evident that all of these measures involve sacrificing capital revenues that must be generated from other sources in order to provide the real estate and development market with sufficient opportunity to adjust to any significant change in DC quantum or policy. This is particularly the case in the event of a significant economic downturn relating to international financial turbulence.

**Economic Effects of the Calculated 2004 City of Toronto  
Development Charges**

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**Excerpts Only**



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## Contents

Executive Summary .....	i
 Chapter 1: Introduction.....	 1
 Chapter 2: General Considerations.....	 3
<i>Real effects and financial effects differentiated.....</i>	<i>3</i>
<i>Possibility of passing forward to new buyers or tenants</i>	
<i>an increase in development charges.....</i>	<i>4</i>
<i>What if all developers tried to raise prices?.....</i>	<i>7</i>
<i>Best developer response.....</i>	<i>8</i>
<i>Importance of project location.....</i>	<i>8</i>
<i>Capitalization in land prices.....</i>	<i>9</i>
<i>Possible changes in size and quality of dwelling units.....</i>	<i>10</i>
<i>Possibility of delaying or abandoning a project.....</i>	<i>11</i>
<i>Commercial projects.....</i>	<i>11</i>
<i>Industrial projects.....</i>	<i>12</i>
<i>Summary.....</i>	<i>13</i>
 Chapter 3: Specific Examples .....	 14
<i>Real and financial effects on a large-scale, moderate-price</i>	
<i>residential project.....</i>	<i>14</i>
<i>Effect on land value.....</i>	<i>17</i>
<i>Sensitivity to higher development charges.....</i>	<i>18</i>
<i>A second example with higher-price, larger units.....</i>	<i>19</i>
<i>A second look at the sensitivity of real effects</i>	
<i>to the level of the development charge.....</i>	<i>20</i>

## Economic Effects of the Calculated 2004 City of Toronto Development Charges

Appendix D

**Chapter 3 (continued)**

<i>A possible upward shift in the demand curve.....</i>	<i>20</i>
<i>A third residential example with variable dwelling sizes.....</i>	<i>21</i>
<i>Non-residential projects.....</i>	<i>23</i>

**Chapter 4: Conclusions..... 35****Tables**

Table 1A.....	27
Effect of an Increase in the Residential Development Charge of \$4,353 Two Bedroom Units Averaging 150 Square Metres Each	
Table 1B.....	28
Effect of an Increase in the Residential Development Charge of \$15,000 Two Bedroom Units Averaging 150 Square Metres Each	
Table 2A.....	29
Effect of an Increase in the Residential Development Charge of \$4,353 Three Bedroom Units Averaging 260 Square Metres Each	
Table 2B.....	30
Effect of an Increase in the Residential Development Charge of \$10,000 Three Bedroom Units Averaging 260 Square Metres Each	
Table 2C.....	31
Effect of an Increase in the Residential Development Charge of \$4,353 and with a Demand Shift of \$2,000 per Unit Three Bedroom Units Averaging 260 Square Metres Each	
Table 3A.....	32
Effect of an Increase in the Residential Development Charge of \$4,353 with Constant Density Constant Density of 3-times Coverage: 7500 Square Metres of Floor Space on a 2500 Square Metre Lot	
Table 3B.....	33
Effect of an Increase in the Residential Development Charge of \$10,000 with Constant Density Constant Density of 3-times Coverage: 7500 Square Metres of Floor Space on a 2500 Square Metre Lot	



Table 4.....	34
Effect of Higher Development Charges on a Mixed Residential/Commercial Project	
Project characteristics: fixed 31,200 square metres of floor space on a 39,000 square-metre lot (density = 0.8)	
The average dwelling unit size is 260 square metres	
Increase in residential development fee is \$4353 per unit;	
increase in commercial development fee is \$72.87 per square metre	



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## Executive Summary

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If the City were to implement the higher development charges calculated in the *City of Toronto 2004 Development Charge Background Study* (April 21, 2004) there would be some but generally minor effects on the amount and type of residential development in the City over the 2004 to 2014 period. There could be a more noticeable effect on the pattern and pace of non-residential development.

The cost of the higher charge would be borne principally by developers in the first instance but would quickly become transformed into lower prices for land being assembled or ripe for development. Thus, most of the increased development charge would be borne by the owners of developable land.

The presumption that the full increase in the development charges would or could be passed forward to new buyers and tenants is incorrect. As explained below, some amount, generally small, may be passed forward, but there are many restraints on the extent to which selling prices can be raised to recover the higher charge. Principal among these restraints is the competition that exists from the existing stock of dwellings and floor space in the City. The number of new dwelling units and amount of new non-residential floor space that is expected to be built annually over the 2004-2014 period will be only about 1 per cent of the existing stock. In addition competition from outside the City limits the ability of City developers to raise prices.

Competition from the existing stock of dwellings and space and from outside the City will be less for projects that are unique in either design or location. In the case of such projects, more of the increased charge can be passed forward to buyers, but with alternatives always present even this ability is limited. It is likely that projects in the outer parts of the City will face more competition than those in the central city and so find it more difficult to pass on development charge increases.

The higher development charges, if implemented, are expected to raise additional revenue of between \$590 to \$680 million over the ten-year period. This amounts to a savings in property tax and user charges that I estimate to be about \$134 per City resident or \$350 per dwelling unit, and about \$4.50 per square metre of non-residential space. All taxpayers benefit, existing as well as newcomers, but the newcomers will have their benefit offset by the ability of developers to charge a higher selling or renting price that just equals this benefit. That is, competition will not limit a price increase of, on average, just this amount since it is a payment for a benefit received, namely lower property taxes and user charges. This means that, in the case of residential projects, about 9 per cent of the increase in the development charges can be passed forward to buyers with no effect on buyer demand. In the case of non-residential projects, the proportion that can be passed forward in this way is about 6 per cent.

The financial effects of a higher development charge may induce real effects in the pattern of development. A higher residential development fee can have the effect of encouraging developers to build fewer units in any one project, or to build larger units. In chapter 3, a number of plausible examples are analysed in order to help determine the likely magnitude of these effects. The conclusion from these examples is that the real effects of the higher residential charges are likely to be very small and in some cases non-existent – developers will find that their best course of action is to proceed with a project just as it was initially planned before any fee increase and to absorb the loss. As my examples show, any other decision, in many cases, will cost the developer even more. Even if the whole of the increased development charge (less the tax and user-charge benefit which can always be passed forward) is borne by the developer or landowner, its magnitude is likely to be quite small for residential projects: in the examples of chapter 3 this cost was between 1 and 5 per cent of the land value.

For the non-industrial projects, the financial effects are larger and so too will be the real effects. One example in chapter 3 shows how the increased charges could influence the

mix of residential and commercial space in a mixed-use development -- commercial space would be reduced and residential space increased.

With the increased non-residential fee having the possibility of reducing land values by 20 per cent or more, as the examples of chapter 3 show, perhaps the greatest real effect will come from decisions by developers or land owners not to proceed with a planned project, at least not at this time. If the existing use for some property slated for early re-development yields relatively high property value (relative that is to the anticipated value in a new use), the re-development may well be delayed. If the value of their existing use is low for some properties -- so-called "soft" properties --, then the higher fee will have less of an effect on the development decisions.

Again, in unique locations, such as the central area, the possibility of passing forward to new buyers or tenants the cost of the increased fee is much higher than in other locations, so the developer will bear less of the burden and the real effects will be smaller. Also, it appears that less than half of the new non-residential floor space expected to be developed over the next ten years would be subjected to the new development fee, if implemented. This high percentage of exempt projects would of course moderate the real effects of the development charge and the existence of exemptions would create a small bias in favour of development-charge-exempt projects, compared with the situation with no development charges.

