5. WHERE do we go from here?

The consultation process identified some of the existing barriers to widespread green development in Toronto, and possible solutions that may help to overcome the barriers and facilitate the successful implementation of the Toronto green development standard. This section presents the input relating to implementation barriers that was received from the survey of Toronto-area developers and from the stakeholder workshop. It also describes options available to address barriers to green development, as suggested through the consultation process and the Halsall report. Finally, it outlines the next steps that need to be taken to define and implement the Toronto Green Development Standard.

5.1 Implementation Barriers

Costs vs. Savings from New Technology

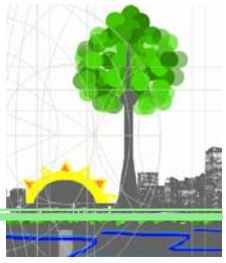
"Some environmental technologies are believed to pay for themselves over time, and some environmental practices and technologies provide benefits in the less tangible form of added value for building occupants or the surrounding community."

Many stakeholders opined that the business case for green development is yet to be convincing for many property owners and developers, and that widespread implementation will occur only when there is a business case to support it. Design, installation and construction costs of many green technologies are typically higher than those for conventional equipment[9], and maintenance costs are sometimes higher too. Some environmental technologies are believed to pay for themselves over time, and some environmental practices and technologies provide benefits in the less tangible form of added value for building occupants or the surrounding community. However, these benefits are often not enough to make a business case, for at least three reasons:

- *Uncertainty about new technologies:* Since many environmental technologies are relatively new, with less market history than conventional technologies, many property owners and developers are concerned that the payback will not be as promised, and that these technologies will not be as reliable and effective as conventional equipment. Some participants stated that cost-benefit information for many environmental technologies is still being defined. In addition, since the "value benefits" of green development are generally intangible, they are typically excluded from developers' own cost-benefit analyses[10].

[9] It should be noted that in some cases the additional expense is due to the fact that the technology is new and not widely produced. It is expected that relative costs would come down as these technologies became more common.

[10] However, where green developments have been built in Toronto, such as the SAS Building and Metro Label, the value benefits were fundamental to the decision to go green.



- *The payback period is considered too long for most property owners and developers:* While input varied about a generally acceptable payback period, the answers were mainly in the range of 3 years for most people, and 5 to 7 years for those who are more environmentally motivated. While some environmental technologies with shorter payback periods are beginning to emerge on the market (for example, some heat recovery systems), and more will do so as energy prices continue to rise, the payback period for many technologies is still considerably longer than many people find acceptable. For example, the payback period for some renewable energy sources, like solar and wind, may be in the order of 15 and 10 years, respectively.

- *Distinction between who pays and who benefits:* There are a variety of scenarios where, under conventional arrangements, the party who would implement environmental technologies has no incentive to do so, as the benefits of the technology accrue to other parties. This is often the case for condominium development, where the developer would pay, but the owners would benefit (from, for example, lower energy and water bills)[11]. In other scenarios, such as stormwater control measures, the cost is exclusive to the property owner, while the benefit is diffused to society in general.

Perception of a Lengthened Process

Along with the perception that green technologies are more costly and risky than conventional equipment, there is also a common perception that green development is more expensive because it takes longer to implement. From seeking qualified professionals, to creating and obtaining approval for an unconventional design, to finding different kinds of materials, many people see hurdles at every stage of the development process that they believe can only lengthen the implementation period. While certain individual cases show that this is not always the case, the perception that the implementation process for green development will be longer, and therefore costlier, creates a disincentive to "go green".

It is worth noting that there is a particular concern that approval of a green design would be delayed due to lack of experience amongst municipal staff in processing alternative types of developments, and even due to certain municipal policies that discourage environmental features.

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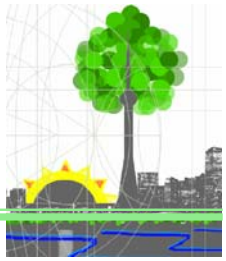


[11] In this case the developer can choose to raise the unit costs.

5. WHERE do we go from here?

Shortage of Qualified Professionals and Trades

Since "building green" is not the conventional way to build in Toronto, it generally requires an additional set of skills amongst the designers, planners, and tradesmen involved. Many stakeholders stated that there is a shortage of professionals and tradesmen with the appropriate qualifications, skills and experience to implement green development on a widespread basis in Toronto. The areas of design and materials supply were identified as areas of particular concern.

Some property owners and developers expressed distrust of many industry representatives who are pushing green technology, noting there is a need for independent evaluation and standards for environmental technology, to reduce the perceived risks, and to help purchasers choose amongst the growing variety of products.

Low Awareness of, and Demand for, Real Green Development

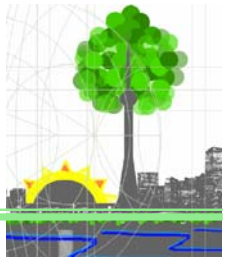
Although there is increasing public awareness of the benefits of certain environmental development features, many participants stated that awareness is still well below the "tipping point" that would create high enough demand to stimulate large-scale green development. Although some property owners and developers have voluntarily started to implement environmental technologies because they believe these features give them a market edge, many others do not believe that purchasers will be willing to pay a premium for these technologies.

"Green development is a complex field, and it is difficult for consumers to be able to determine the true environmental impact of their properties and homes."

There was also a concern amongst some participants about "green washing" – using green features as a marketing tool when the actual environmental benefits may be negligible. Green development is a complex field, and it is difficult for consumers to be able to determine the true environmental impact of their properties and homes.

Perceived Barriers in the Ontario Building Code

Some participants stated that the Ontario Building Code (OBC) can discourage certain environmental technologies. In spring 2006, the Ontario Ministry of Municipal Affairs and Housing consulted on proposed changes to the OBC to increase its energy efficiency provisions and remove perceived barriers to "green technologies". In that consultation, the City of Toronto responded supporting the strongest options in energy efficiency improvement. This is consistent with previous City Council directions that have requested the Province to implement at least 25% higher energy performance than the Model National Energy Code for



Buildings. The City of Toronto's response also encouraged the Province to consider further removal of perceived barriers to environmental technologies and practices, such as enhancing provisions on non-potable water systems to allow the use of surface water from Lake Ontario.

5.2 Implementation Solutions

This section outlines the variety of options available to Toronto to facilitate green development, based on Halsall's work and the consultation process, and discusses the implications of choosing amongst these options. The recommended process to implement suitable options will be discussed in the following section, "Recommended Next Steps".

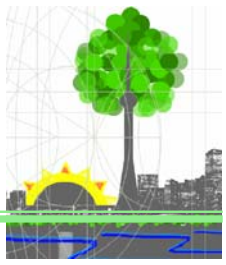
The case studies in the Halsall Report provide examples of both mandatory/regulatory approaches and voluntary or incentive-based approaches to implementing a green development standard amongst the private sector. Municipalities such as Vancouver, Santa Monica, Tokyo, Ealing, Malmo, Minnesota and Berlin have used their legislative authority to impose mandatory green requirements for private sector development by amending local building codes or requiring certain green development features during planning approval. The advantage of this approach is that it raises the bar for all development. The other municipalities studied have instead created green standards as a voluntary guideline for private sector development and offered various incentives (as mentioned below) to encourage compliance.

At this point, Toronto does not have the authority to require developers to meet the green development standard[12]. Therefore, the focus at this time is on ways that the City can encourage green development.

Fast-track Applications Designed to Meet Toronto's Green Standard

The consultant's study suggested that developers prefer a process that speeds up planning approvals, as compared to cash incentives, which typically represent a very small percentage of the total project costs. This was observed in Santa Monica, which initially offered grants of up to $30,000 to developers for designing to LEED standards. After very little take-up, Santa Monica recently readjusted

[12] While several participants were strongly in favour of the City seeking the authority to require green development, this option was not well supported at all by most developers consulted.



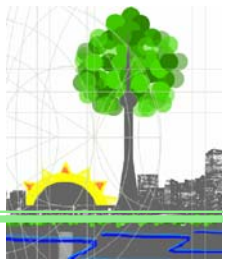
their approach to offer fast-tracked approvals and have already received a favorable response. The consultation process supported this finding, with the proposed solution that received the broadest and strongest support being fast-tracking applications for developments that would meet Toronto's green standard. The vast majority of stakeholders in every category gave this the highest approval rating.

A faster approvals process can reduce the financial risks and costs associated with project delays. A fast-track process for green buildings also has the added benefit of developing greater in-house expertise within a municipality to negotiate with developers for green features. However, fast-tracking in and of itself does not guarantee success. Chicago has been unable to stimulate significant private sector green development, even though it has a fast-track program for buildings registered for LEED certification.

Fast-tracking of applications is difficult to achieve in Toronto because there may be any of a number of development approval processes that might apply to a given situation, each with its own limitations. For example, a zoning by-law amendment must be approved by Council, include public input, and is subject to third party appeal at the Ontario Municipal Board. This means that it is almost impossible to predict a consistent timeframe for approval.

In theory, Site Plan Approval should be more predictable in its timeframe for approval because the project must be compliant with zoning, and hence there is no zoning amendment or variance process required. Also, it is a delegated approval, for the most part, and therefore no Council approval is required. However, Site Plan Approval lacks the legislative authority to secure in an agreement the many development feature enhancements contemplated by the Toronto Green Development Standard.

Finally, there is the building permit process. Under the Building Code Statute Law Amendment Act, 2002, municipalities in Ontario are required to issue a building permit, or provide a decision on the permit within a prescribed time-frame. These time-frames range from five days for stock plans to 30 days for complex buildings. Other municipalities that have introduced programs to fast-track "green permits" have performance targets which are about equivalent or slower than the "normal" permit streams in Toronto. For example, the City of Chicago performance target for a "green permit" is 30 days.



5. WHERE do we go from here?

While the prospect of using fast-tracking as an incentive for green development may seem poor at this time, changes to the development approval process do hold some promise for reconsideration of this matter in the future. For example, the introduction of the Development Permit System or the potential new authority for Conditional Zoning (being considered in connection with Bills 51 and 53) may provide the City with the ability to secure matters such as green development features as a condition of any development, without the need of a zoning by-law amendment process. Under such circumstances, the timing of approvals may become more predictable.

Provide Relief of Taxes or Development Charges

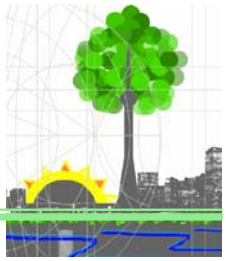
In the consultation process, there was also considerable support, particularly amongst developers and builders but also amongst other stakeholders, for relief of taxes and development charges for developments that meet Toronto's Green Standard. The rationale for providing this relief would be to acknowledge the additional private expense incurred for the public good, particularly where the City may receive measurable benefits.

In order for Toronto to consider relief of taxes or development charges, there must be a review of the City's legal ability to undertake such measures, and the legal and financial ramifications of such an action. Also, it would be important that the public benefits of green development be specifically quantified, so as to determine the appropriate level of reduction in tax or development charge. Such a study is discussed more below, and further consideration of tax and/or development relief should take place when that analysis is complete.

Provide Grants for Green Development

Although there was less support in the consultation process for providing grants for green development, as compared to other incentives such as fast-tracking applications and relief of taxes or development charges, it is still an option worth considering as part of a package of incentives. Portland's Green Investment Fund ($2.5 million over 5 years, but no indication of individual grant amounts) has served well to stimulate private sector green development.

It is clear from the Halsall report and the consultation process that if grants are to be an effective incentive, they need to be large enough to constitute a significant proportion of total project costs, or at least be part of a package of incentives that would tip a property owner's cost-benefit analysis in favour of green development. It would certainly be a challenge for Toronto to find a revenue source for large



grants for green developments. Also, in order to determine the suitable size of grants, there should be a cost-benefit study of the green development standard to both the private and public sector. Such a study is discussed more below, and further consideration of City-provided grants should take place when that analysis is complete.

Provide Density Bonuses

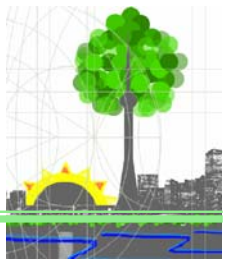
Density bonuses can be provided as an incentive for the developer to contribute certain community assets. In Toronto, this is accomplished through Section 37 agreements. Although some stakeholders in the consultation process thought density bonuses would be a good incentive, as a whole, density bonusing received relatively low levels of support, as compared to other incentives.

In Toronto, the main difficulty in providing density bonuses is that green development is not considered a community benefit for the purposes of Section 37, as defined in the Official Plan. To introduce the Toronto Green Development Standard as a Section 37 benefit requires that a public benefit be demonstrated. Conceptually, this has already been achieved in Chapter 2 of this report. However, the measurable public value of any of the improved development features in the Toronto Green Development Standard is still unknown. As mentioned below, a cost-benefit analysis of the various development features listed in the Standard is proposed. When this work is complete, a better understanding of the costs of each feature and the benefit to both the building owner and the City as a whole will be understood.

Negotiate Better Financing Rates

The Halsall Report identified another approach to address the financial concerns of implementing a green development standard. Officials in Tokyo were able to negotiate with local banks to offer alternative, more advantageous financing rates for buildings that achieve the Tokyo green standard. Halsall identified this as a key opportunity for Toronto to take a leadership role as the country's major banking centre.

It is recommended that this option be further explored in cooperation with the Toronto Financial Services Alliance and the Toronto Atmospheric Fund, which has been involved in the implementation of special financing for the Verve project, a new green development in Toronto.



Conduct a Cost-Benefit Analysis of the Green Development Standard

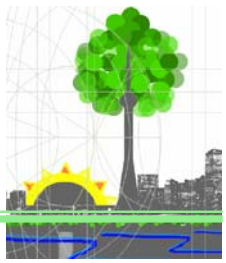
Undertaking a cost-benefit analysis of the various features of the green development standard can address developers' concerns about the costs versus savings of implementation, and can help the City to identify appropriate levels of incentives, as described above. The study would work to clarify the financial impact of the standard on the development community, and may help to refine the level at which the standard is set, so that it is effective but also attainable for many developers. It would also help to ensure that the standard does not unfairly disadvantage firms unable to absorb or pass off the higher costs of construction, and that green development does not become a luxury item for purchasers. Ongoing monitoring of green development costs could also provide vital feedback to refine the standard over time.

The City of Vancouver is currently conducting a cost-benefit analysis for its package of green building requirements to ensure that the standard remains feasible for developers. Portland's experience has been that the incremental costs for LEED construction are negligible and decrease with experience, whereas New York has estimated that incremental capital costs for green development run 2-3% higher than conventional development.

The City of Toronto has received a grant from the Federation of Canadian Municipalities' Green Municipal Fund to undertake a feasibility study of green development, including a cost-benefit analysis of the Green Development Standard. For features of the Toronto Standard that are based on private third-party standards, the consultant will be requested to compare them with alternative existing standards to determine if the appropriate choice has been made. This work is expected to begin in 2006, with a report to City Council in 2007.

Take Advantage of Rezoning Opportunities

Rezoning applications and official plan amendments provide a unique opportunity to negotiate for higher building standards. Once Toronto's standard is in place, this is an area its planners could certainly use to facilitate more green development. Several municipalities have been very successful in leveraging greener development this way. Vancouver's success is due in part to its use of discretionary zoning tools that allow planners to attain public benefits in exchange for any additional development rights granted. Green building features have been achieved in every rezoning during the previous 1½ years, with most major projects negotiated to achieve LEED Silver standards. Similarly, Santa Monica typically



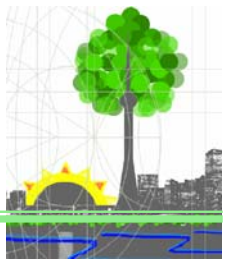
negotiates for a LEED Silver requirement when permitting rezoning applications. Officials in Chicago have also attempted (though with less success) to secure green features through negotiations during the planning approval process for "planned development" sites.

As a first step, it is recommended that every rezoning applicant be requested to consider complying with the Toronto Green Development Standard. During this initial phase, verification of implementation would be self-administered by the applicant. The City should then monitor the uptake of the use of the standard, or any component thereof. Following the completion of the cost-benefit study described above, it is recommended that staff report back to Council on minimum green requirements for every rezoning application. That report would include recommendations for administering verification of the implementation of minimum green requirements. This information could also form the basis for the development of any "conditional zoning" that might be provided for under the new City of Toronto Act.

Bill 51 amendments to the Planning Act allow for zoning with conditions, provided a city has included policies in its Official Plan governing the use of this new authority. Bill 53, the new City of Toronto Act, introduces the same provision. Moreover, the New City of Toronto Act confirms the City's authority to pass bylaws with respect to the economic, social and environmental well-being of the city. Conditional zoning will be enacted by regulation passed under either Act. Once passed, the City should be able to enact by-laws requiring a property owner to meet certain conditions as part of a development proposal. The legislation also provides for agreements that can be registered on title to secure the conditions. While this may appear more onerous for some property owners, this approach does create certainty with respect to City requirements. In addition, conditional zoning allows for predictability in the timing of development approval.

Survey Green Development Skills in Toronto and Work to Fill Gaps

The consultation process has suggested that there is a shortage of professionals, labour and suppliers in Toronto that would prevent the implementation of widespread green development in the short term. A survey of the skills and resources necessary to implement green development would verify whether this is, in fact, the case. It would also help to identify more specifically the gaps and presence of green development skills and resources in Toronto so that a strategy could be developed to fill the gaps.



5. WHERE do we go from here?

The City of Toronto is to participate in a study conducted by the Clean Air Partnership and the Canadian Urban Institute on *Construction Skills for Energy Efficiency*. The study will identify the skills required for energy efficient construction in the Greater Toronto Area, analyze the gaps in skills and training programs for sustainable construction, and identify barriers and opportunities to filling those gaps.

The City is also developing a Green Economic Development Strategy, which will seek to foster growth in the energy efficiency, renewable energy, sustainable design and construction sectors.

Train City Staff

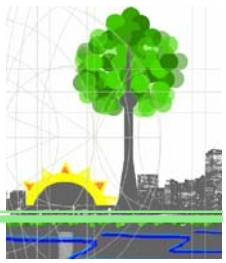
In order to address concerns that building green would take longer than conventional development, the Halsall Report emphasized training of City staff and the development of in-house expertise with regard to green technologies and green building design. This would facilitate the timely review of development applications and allow for ongoing education of the development community.

Staff training has been an important component of the green building strategies in Vancouver, Chicago, San Mateo, New York and Portland. For example, in Portland the Office of Sustainable Development's "G-Rated" program acts as a central resource for green building initiatives, assisting with outreach, technical assistance, policy research and staff training. The expertise developed under this program allows officials to offer appropriate direction to designers and developers on green building technologies and Portland's green policies.

It is recommended that specially trained "green" resource people be appointed for each district and/or relevant division to assist in guiding applications for green developments through the approval process. It is also recommended that staff training sessions be held for staff of all affected divisions to promote their awareness and understanding of the green development standard, and to ensure that staff promotes the standard to the development community.

Show Public Leadership

In the consultation process, there was fairly strong support amongst stakeholders for the City to lead by ensuring that all buildings it owns would meet Toronto's Green Standard. This would demonstrate the feasibility of meeting the standard, as well as help to stimulate the local market for environmental technologies, and provide opportunities to produce case studies that could further research on green



development in Toronto. Public sector leadership is a way to leverage buy-in to the green development standard so that the financial risks associated with innovative development are not borne only by the private sector.

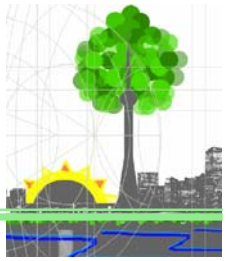
A number of municipalities have established mandatory green requirements for public buildings and have funded green demonstration projects. In nearly all cases, the jurisdictions studied have adopted strong policies to ensure that publicly funded buildings lead the way, often achieving a higher green standard than expected of private developers. Examples of this include Vancouver, Tokyo, Portland and Santa Monica. Public leadership can also play an important role in shaping the international image of a city, as has been observed in Chicago.

It is recommended that a commitment be made to applying the Toronto green development standard to all new City buildings. Further, it is recommended that the possibility of building a demonstration development be explored. Such a development could showcase innovative environmental designs, products and technologies. It could also provide an opportunity to monitor the environmental performance of the development and its features. The results of such monitoring would be useful in the ongoing refinement and review of the Toronto Green Development Standard.

Educate the Public

Public education about green development has been an important component in several of the case studies from the Halsall Report. The purpose of public education is to create better informed consumers who will demand better products from developers and stimulate more green development. Information on savings can potentially also increase a consumer's willingness to pay so that developers are able to invest more heavily in green technologies that might have a longer return period. Examples of educational initiatives include green resource centres (Chicago, Santa Monica), design competitions and demonstration projects (Chicago, San Mateo), how-to green guides and informational brochures (Chicago, Portland, Berlin), information sessions / workshops (Vancouver, Santa Monica, San Mateo, Portland, Berlin), green building expositions and tours (Santa Monica, Portland), webpages (Chicago, Santa Monica, San Mateo, Malmo), labelling programs (Tokyo) and school participation (Berlin).

Overall there was moderate support in the consultation process for the City to work to educate the market about the benefits of green development. It is clear that education should be a component of the City's effort to promote green



development, but that education alone would not be adequate to make a significant difference.

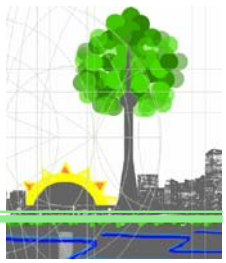
It is recommended that an awareness and educational campaign of the Toronto Green Development Standard be launched. This campaign should communicate the standard's purpose and content. The campaign should focus firstly on the development community, to inform them of the City's ideals, and to get them to consider building green. It should also focus on the public, to inform them of the benefits of living and working in green buildings and developments, to promote enhanced demand for buildings that meet the standard.

Communicate the Standard on the Web

Web-based communication can be a very effective way to make information on the green development standard readily available to designers, developers, industry representatives and members of the public. The flexibility of webpages allows for the cross-referencing of information so that explanatory notes for green building guidelines can be easily provided and the framing of the standards by the region's environmental drivers can be more clearly understood.

The Halsall Report provided numerous examples of municipalities that have developed high-quality webpages to communicate critical information on green development standards and related environmental policy goals. For example, San Mateo's webpage (www.recycleworks.org/greenbuilding/gbg_checklist.html) effectively communicates their green checklist through visual illustrations and clear explanations. Santa Monica also has a very strong webpage that provides information on the green development standard and green technologies (www.greenbuildings.santa-monica.org). The webpage seamlessly integrates green building requirements with explanations of how building systems connect to environmental drivers.

It is recommended that a web page be established on the City's web site that would serve as a "one-stop shop" for all green related policies and programs that affect development in Toronto. It would communicate the purpose of the standard, provide some explanation of the content, and provide answers to frequently asked questions about implementation of the standard.



Develop a Green Labeling Program

Labelling programs are a way of creating private sector incentives by generating market advantages and educating the public to demand higher quality and greener buildings. The mandatory green condomimium labelling program in Tokyo supports buyers' awareness of environmental performance. The labelling program is related to Tokyo's simplified green standard by rating buildings in four categories.

It is recommended that a Toronto green development standard labeling program be established, with graded levels of achievement, based on the number and degree of targets achieved. A logo should be designed for the program, and developments meeting the standard would be permitted and encouraged to display the logo prominently, to promote their achievement. Consideration should be given to presenting an annual award to an outstanding green development that had met the Toronto Green Development Standard.

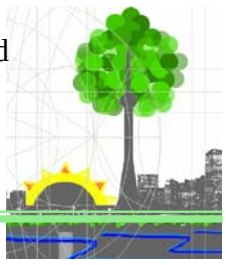
5.3 Recommended Next Steps

The purpose of the Toronto Green Development Standard is to generate awareness of green development practices, and to inspire more developers to build green. To that extent, a measure of its success will be the proportion of developments in Toronto that incorporate its various features. Another challenge for the Standard is remaining current. Our understanding of how to lessen the impact of urban development together with technological changes will require updating of the Standard from time to time. As such, the recommended next steps in the process are:

1. Adopt a Toronto Green Development Standard

The Green Development Standard is being proposed as a voluntary commitment at this time. The work in this report represents a best effort to date in the formulation of the various targets and practices that are considered achievable in today's market place. As a voluntary program, the true test of applicability will be its uptake by developers, builders and homeowners. As such, the Green Standard should be adopted with the understanding that further comment and changes are still possible. In this regard, the following program of further review and improvement is proposed:

(i) Circulate the Standard to key stakeholders and make the Green Standard widely available to the public and encourage comment.



(ii) Hold a series of workshops, with a range of stakeholders to receive detailed input on the content of the Green Development Standard.

(iii) Report back to City Council following the completion of further work (as discussed below) and include stakeholder and public feedback.

(iv) Review the Standard on an annual basis through preparation of a monitoring report. This would allow for changes and updates to the targets in the Standard as current conditions make appropriate.

2 Establish a Green Development Labeling program

A Toronto green development standard labeling program, with graded levels of achievement, should be established to promote green buildings in the city. Currently, the Standard labels the minimum level required to be considered 'green'.

3. Apply the standard to all new City of Toronto buildings

A commitment should be made to applying the Toronto Green Development Standard to all new City buildings, once the Standard has been refined and the various levels of achievement defined. The Standard for City buildings should be chosen following the completion of the cost benefit study discussed below. Until then, the interim standard for new City-owned buildings should remain LEED Silver.

4. Explore the possibility of building a demonstration site

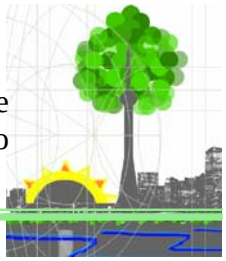
The possibility of building a demonstration development should be explored as an opportunity to showcase innovative environmental designs, products and technologies, and to monitor environmental performance.

5. Work toward using rezoning to encourage green development

As a first step, every rezoning applicant should be requested to consider complying with the Toronto Green Development Standard. During this phase, verification of implementation would be self-administered by the applicant. Following monitoring of the uptake of the standard and the completion of the cost-benefit study, there should be a report back to Council on minimum green requirements for every rezoning application, including recommendations for administering verification of the implementation of requirements.

6. Train City staff and Identify 'Green' Resource People

Staff training sessions should be held for staff of all affected divisions to promote their awareness and understanding of the green development standard, and to



ensure that staff promotes the standard to the development community. Specially trained "green" resource people should be identified in each district within relevant divisions to assist in guiding applications for green developments through the approval process.

7. Develop a website to promote and explain the standard

A Toronto green development web page should be established on the City's web site to serve as a "one-stop shop" for all environmentally-related policies and programs that affect development in Toronto.

8. Launch an awareness and educational campaign

An awareness and educational campaign of the Toronto Green Development Standard should target the development community and the general public.

9. Undertake a Cost-Benefit Study

The City of Toronto has received a grant from the Federation of Canadian Municipalities' Green Municipal Fund to undertake a study of green development, which includes the Halsall study, as well as a cost-benefit analysis. Work on the cost-benefit analysis is expected to begin in 2006, with a report to City Council in 2007.

10. Undertake a Green Skills Study and Green Sector Growth Strategy

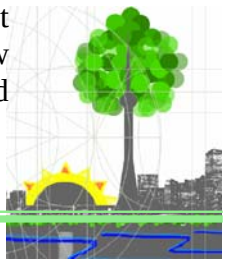
The City of Toronto will be participating in a study conducted by the Clean Air Partnership and the Canadian Urban Institute on *Green Construction Skills Project*. The City is also undertaking the Green Economic Development Strategy.

11. Review special financing in conjunction with TFSA and TAF

Special financing of green developments should be further explored in cooperation with the Toronto Financial Services Alliance and the Toronto Atmospheric Fund, which has previous experience arranging special financing for green development.

12. Review the legal and financial ramifications of tax and development charge relief

In order to explore the possibility of providing relief of taxes or development charges for developments that meet Toronto's green standard, a legal review should be undertaken to determine whether Toronto has the authority to do so, and



what other legal ramifications this option may entail. The financial impact of any resultant program would also need to be assessed.