Ex 34.1.49

CORRA

Confederation of Resident & Ratepayer Associations in Toronto

October 8, 2013

Mayor Rob Ford and City Council
City Hall, 100 Queen Street West
12th Floor, West Tower
Toronto, ON M5H 2N2

Attention: Ms. Marilyn Toft
Email: clerk@toronto.ca

Dear Mayor Rob Ford and Members of City Council:

RE: EX34.1 Development Charges By-law Review
Council Meeting 39 – October 8 and 9, 2013

The Confederation of Resident and Ratepayer Associations in Toronto (CORRA) is an incorporated not for profit association representing its member resident and ratepayer groups (unincorporated and incorporated) from the north, south, east and central areas of Toronto.

CORRA is writing to seek Council to:

Hold and support Staff recommendation to increase development charge rates to 75% (average rate increase) for residential and 25% for non-residential development, respectively, over the current rates. The resulting development charges continue to be well below the average rates charged by the surrounding municipalities in the 905 area.

Request the Province to amend the Development Charges Act to ensure that growth will pay for growth. The formula that determines the development charges eligible for recovery requires a rebalance to stem the burden borne by existing taxpayers.

CORRA accepts the position and thank staff for negotiating the best possible outcome. However CORRA believes the phase-in of the increased charges over a two year period is not appropriate or necessary because:

- Over the last review cycle existing taxpayers subsidized the development industry for growth related infrastructure costs under robust construction activity. The development industry was given a generous two-year freeze on increases

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combined with a 4-year phase-in period fearing an economic downturn that did not happen.

- Every dollar not collected or delayed costs taxpayers. Development charges should pay substantially more of these growth related charges. As the charges are meant to cover the cost of capital expenditures and reduce the burden on existing residents and businesses.

- The charges collected do not fully fund the capital costs and as a result existing residents and businesses continue to fund a significant portion of growth related capital costs through property taxes, water and sewer rates etc.

- The City has an estimated $11bln of Capital Expenditures (not including the subsidies) over the next 10 years of which $3bln is eligible to be recovered from development charges. The City's 2013 current capital budget shows $701m in growth related expenditures of which $129 is funded by development charges. The shortfall is funded by taxpayers under various mechanisms including higher borrowing costs.

In addition, the focus must now shift to recover more of the growth related capital expenditures. However, the rules for development charges to be paid by developers and builders are determined by the Province through the Development Charges Act.

CORRA asked during its deputation at Executive Committee Meeting and is asking again that the City take the lead to seek the Province to amend the Development Charges Act to more fully recover these funds and shift the burden for these growth related costs from existing taxpayers to where it belongs.

Sincerely,

Eileen Denny

Eileen Denny, Vice Chair
William Roberts, Chair
CORRA, Confederation of Resident and Ratepayer Associations in Toronto
corratoronto@gmail.com