City of Toronto
2015 Scarborough Subway Development Charges Bylaw Amendment

Public Meeting (April 22, 2015)
Executive Committee
Today we will discuss...

- Project Overview
- Current Bylaw
- Background Study Findings
- Proposed Bylaw Amendment
Project Overview

- Council directed staff to update the DC rates for the Scarborough Subway Extension project (CC 39.5, October 11, 2013)
- Retained Hemson Consulting to complete DC Study
- Proposed Amendment to 2013 Study and Bylaw
- Calculated based on existing DC legislation
Key Documents Recently Released

• April 1 – Notice of Public Meeting
• April 7 – DC Background Study and Proposed Bylaw
• April 15 – Staff Report

• April 22 – Statutory Public Meeting
Background - What are DCs?

- Fees collected at building permit
- Pays for growth-related capital infrastructure
- Principle is that “Growth Pays for Growth”
- Widely used in Ontario
- Governed by Provincial Legislation (DC Act, 1997)
Current (2013) DC Bylaw

- Adopted on October 11, 2013
- Effective November 1, 2013
- Expires in five years (October 2018)
- Two-year phase-in – full rates still not implemented
  - Next phase-in dates: Aug 1/15 and Feb 1/16
- Uniform city-wide charges
- Various exemptions including:
  - Affordable rental housing
  - Industrial uses
  - Non-ground floor non-residential uses
2013 DC Phase-in

Percent of Adopted Increase Phased-in:

- 0%
- 32%
- 55%
- 70%
- 85%
- 100%

DC per two bedroom apartment unit ($):

- Feb 1/13: 12,412
- Nov 1/13: 12,412
- Feb 1/14: 15,265
- Aug 1/14: 17,293
- Feb 1/15: 18,896
- Aug 1/15: 20,238
- Feb 1/16 (est.): 21,580

2013 DC Rate

2013 DC Bylaw Adopted Phase-in, Indexed
Residential Charge by Service

- **34% Transit**
- **26% Transit (Balance)**
- **16% Parks & Recreation**
- **8% Spadina Subway**
- **11% All Other Services**
- **4% Protection Services**
- **13% Roads**
- **22% Water, Sewer and Stormwater**

- 17 DC Services
- “All Other Services” includes Library, Subsidized Housing, Studies, Civic Improvements, Childcare, Health & Pedestrian Infrastructure
Process Overview

• Background Study – 2014 to early 2015
  – Calculate DC rates
  – Allows growth capital costs to be recovered from new development (“cost recovery”)

• Statutory Public Meeting – April 22, 2015
  – Consider public input to proposed bylaw

• Council consideration
  – Can implement rates at or below calculated rates

• Bylaw can be appealed to the OMB (within 40 days)
Public Engagement

• Key Stakeholders
  – BILD, TREB, TRBot, NAIOP, REALpac, TIN
  – DC Study calculations released in early March
  – Three meetings (March – April) to discuss methodology, capital program, calculations, rates, and policies
  – Additional technical meeting with BILD at their request (April)
  – Responded to written submissions
  – Request for longer phase-in and questions about calculations

• Statutory Public Meeting
  – April 22, 2015 (Executive Committee) to consider public input
## Project Funding

### 2015 to 2024 Capital Budget and Plan:

<table>
<thead>
<tr>
<th>Funding</th>
<th>$millions (inflated dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal</td>
<td>660.0</td>
</tr>
<tr>
<td>Provincial</td>
<td>1,990.0</td>
</tr>
<tr>
<td><strong>City</strong></td>
<td><strong>910.0</strong></td>
</tr>
<tr>
<td>Total</td>
<td>3,560.0</td>
</tr>
</tbody>
</table>

City share funded through a combination of:

- **Property Tax Increase**
  - 0.5% for each of 2014 and 2015, and 0.6% planned for 2016

- **Development Charges**
  - ($165M plus debt charge recovery)
## Calculated DC Rates

<table>
<thead>
<tr>
<th>Type</th>
<th>2013 DC Background Study Calculated Charge</th>
<th>Calculated Scarborough Subway Charge</th>
<th>Total Amended Charge</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Residential Charge Per Unit</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Singles &amp; Semis</td>
<td>$35,095</td>
<td>$3,357</td>
<td>$38,452</td>
<td>10%</td>
</tr>
<tr>
<td>Townhouses 2+ Bedrooms</td>
<td>$29,559</td>
<td>$2,827</td>
<td>$32,386</td>
<td>10%</td>
</tr>
<tr>
<td>Townhouses 1 Bed and Bach.</td>
<td>$21,113</td>
<td>$2,019</td>
<td>$23,132</td>
<td>10%</td>
</tr>
<tr>
<td>Apartments 2+ Bedrooms</td>
<td>$21,582</td>
<td>$2,064</td>
<td>$23,646</td>
<td>10%</td>
</tr>
<tr>
<td>Apartments 1 Bed and Bach.</td>
<td>$15,014</td>
<td>$1,436</td>
<td>$16,450</td>
<td>10%</td>
</tr>
<tr>
<td>Dwelling Room</td>
<td>$9,384</td>
<td>$897</td>
<td>$10,281</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Non-Residential Charge Per Square Metre</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted Charge per Square Metre</td>
<td>$178.91</td>
<td>$20.55</td>
<td>$199.46</td>
<td>11%</td>
</tr>
</tbody>
</table>

(1) Calculated 2013 rates have been indexed
(2) Calculated SSE charge represents an additional rate applicable to the existing Transit DC
(3) "Multiple dwelling unit" category in the DC bylaw includes a row dwelling, duplex, triplex or a back to back townhouse unit
(4) Non-residential rates applicable to non-residential floor area located on the ground floor only
Notes: (1) Rates as of February 2015, including EDCs.
(2) MLTT for Toronto (not shown in chart) is estimated at $3,725 based on a $400,000 value. Toronto DC rates, with MLTT, are about 15% below the GTA average DC imposed.
Proposed Bylaw Amendment

• Proposed bylaw amendment to Transit DC rates
• Expected to generate approximately $20 to $25 million annually, on average, in Transit DC
• No changes to current bylaw policies
• Uniform City-wide charge
• Phase-in of rate increases
Thank You