

**City Council****Notice of Motion**

MM7.2	ACTION			Ward:All
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**Potential Development Levy through Amendments to the City of Toronto Act - by Councillor Justin J. Di Ciano, seconded by Councillor Mark Grimes**

*\* Notice of this Motion has been given.*

*\* This Motion is subject to referral to the Executive Committee. A two-thirds vote is required to waive referral.*

**Recommendations**

Councillor Justin J. Di Ciano, seconded by Councillor Mark Grimes, recommends that:

1. City Council request staff to review and report on potential new levies on land development under the City of Toronto Act, or through amendments to COTA, in order to achieve full-cost recovery of growth-related capital expenditures from land development projects.

**Summary**

The Development Charges Act was originally designed in the late 1980s primarily to respond to rapid greenfield development and to help municipalities recover growth-related infrastructure costs based on the principle "growth pays for growth".

In mature urban municipalities such as Toronto where almost all development is infill or redevelopment (as evidenced by areas such as Yonge-Eglinton, the Golden Mile, Scarborough City Centre, the Portlands, the Dundas Street Corridor and the Downtown Core), where services are at or anticipated to be nearing capacity, significant portions of growth related costs are transferred onto existing taxpayers as they are deemed ineligible for recovery through current development charges legislation.

Provincial policies encourage growth in urban areas and despite Council's recommendations in certain instances, the Ontario Municipal Board approves greater intensification than anticipated by the City's Official Plan or recommended by Council.

Consequently, taxpayers are forced to subsidize growth at the expense of budgets for maintaining infrastructure and service levels.

There are structural flaws in the Development Charges Act that prevent urban municipalities, such as Toronto, from fully recovering growth related costs.

The Province has proposed changes to the Development Charges Act that simply put do not go far enough in addressing the City's needs, and therefore there will continue to be a shortfall funded by property taxpayers.

In order for the City to more adequately fund growth from growth-related capital costs of municipal services, such as new and expanded water and sewer infrastructure, transit, transportation improvements, parks and community facilities among other services, the City needs to consider additional sources of revenue to complement the currently limited recovery under existing Development Charges legislation.

This Motion is time sensitive in nature as City staff are currently undertaking a review of the City of Toronto Act (COTA). Any recommended changes or additions to the Act need to be submitted for consideration during this review.

### **Background Information (City Council)**

Member Motion MM7.2