EX30.3

TORONTO

REPORT FOR ACTION

Development Charges Bylaw Review

Date: January 10, 2018
To: Executive Committee
From: Acting Chief Financial Officer
Wards: All

SUMMARY

This report tables the 2018 Development Charges (DC) Background Study and proposed DC bylaw for consideration at statutory public meeting in accordance with the Development Charges Act, 1997 (DC Act) and as part of the DC bylaw review consultation process.

Prior to tabling this Study and bylaw, staff held four consultation meetings with key industry stakeholders beginning in June 2017, and undertook a series of technical review meetings with Building Industry and Land Development Association (BILD) and their respective consultants on the DC Study calculations beginning in November. Meetings with ratepayer groups including two evening general public information sessions have also been scheduled in January 2018.

The consultation process is ongoing and helps ensure that stakeholders understand the DC Study methodologies and assumptions in calculating the proposed charges and that the stakeholder input is considered through the review process. Staff are committed to continuing consultation on key technical and policy matters with the land development industry and other stakeholders before a final bylaw is presented to Council for adoption.

DCs help fund essential growth-related infrastructure in numerous City programs. The DC Act requires that a municipality update its DC bylaw every five years, or sooner, in order to continue to levy DCs. The City's current DC bylaw came into effect on November 1, 2013 and must be replaced with a new DC bylaw prior to its expiry on October 31, 2018 if Council wishes to continue to collect DCs.

The DC Background Study calculates costs that can be recovered through DCs based on the City's capital plans and other assumptions in accordance with the prescriptive requirements of the DC Act. The calculated DC rates, as set out in the Background Study, represent the maximum charges that can be imposed. These increases (approximately 97%, on average, for residential uses and 110% on non-residential uses) over current levels reflect updated capital programs, revised growth forecasts and updated DC Background Study calculations.

Increases of this magnitude are due to increased expenditure plans, particularly in programs such as transit, affordable housing, and for major new development areas like Port Lands, along with increasing land and construction costs.

DCs do not fully fund the cost of growth-related capital infrastructure. Statutory constraints limit the City's ability to recover the full cost of growth from DCs. As such, a portion of the cost of growth is funded from the City's property tax base and user fees.

The proposed bylaw continues many of the current policies including exemptions for industrial uses and non-ground non-residential floor area (i.e. exemptions for office uses). Exemptions for non-profit housing is now governed independently through the City's Open Door program and has been removed from the bylaw. The exemption for employment uses that qualify for the City's Imagination, Manufacturing, Innovation and Technology (IMIT) Financial Incentives Program has been removed, given its limited impact compared to the property tax incentive. All DC exemptions reduce revenue for growth related programs, requiring instead funding directly through other City revenues.

Transition provisions that phase-in the implementation of rate increases have been considered by Council in the past. Such provisions can mitigate the potential impact of a DC rate increase on projects already in the development pipeline. The proposed bylaw does not currently include transition provisions as these will be considered pending input received at the public meeting and further consultation with stakeholders. Various options on transition are described in the body of the report. Like exemptions, transition provisions have financial implications for both the City and land developers.

This report recommends that the input received through the public meeting be referred to staff for a further report to the March 19, 2018 meeting of Executive Committee. Staff will continue dialogue and consultation with industry and other stakeholders following the statutory public meeting. Any necessary adjustments to the DC rates and policies will be made and incorporated into the final amended DC Study and proposed bylaw for consideration of Committee and Council.

RECOMMENDATIONS

The Acting Chief Financial Officer recommends that**:**

1. Executive Committee refer input received through the statutory public meeting to the Acting Chief Financial Officer for consideration, and direct the Acting Chief Financial Officer to undertake further stakeholder consultation and report to the March 19, 2018 meeting of Executive Committee on the results.

FINANCIAL IMPACT

Staff began the DC Background Study in early 2017 based on the approved 2017 Capital Budget and Plan. Newly planned project expenditures anticipated in the 2018 Capital Budget and Plan were subsequently added to the calculations, as were unfunded projects endorsed by Council and expected to be included in subsequent budgets prior to the next DC bylaw update.

The DC Background Study identifies approximately $6.117 billion in net growth-related costs attributable to new development that is forecast to occur within the City over the 10-year study planning period (2018-2027), a further $3.181 billion over a 2018 – 2041 study planning period for some engineered services (e.g. water, wastewater, roads), as permitted under the DC Act. Combined, these represent approximately $800 million annually on average in growth-related expenditures and related financing costs under the DCA. A further $5.403 billion in growth-related costs are anticipated to benefit development beyond the study planning period.

Due to mandatory restrictions under the DC Act and discretionary Council policies (e.g. discounts, phase-in or exemptions in the final bylaw), DCs will not fully fund the cost of growth-related capital infrastructure. To the extent that DCs are not fully implemented, the related portion of growth-related costs will need to be funded from property taxes or user rates.

It is estimated that the proposed bylaw could generate approximately $500 to $600 million annually, on average, in DC revenues, before consideration of any transition provisions. This represents approximately 65-75% cost recovery as compared to theoretical full cost recovery under the DC Act. Actual DC revenues may differ from those forecast depending on the amount, type and timing of development occurring in the City.

The 2018-2027 capital budgeting and planning process is proceeding concurrently with this bylaw update and includes DC revenue assumptions based on the City's current (2013) bylaw, as Council has yet to adopt new DC rates and policies. Funding assumptions will be updated to reflect the new DC bylaw and related revenue expectations as part of the 2019 Capital Budgeting and Planning process.

DECISION HISTORY

On October 8, 2013, City Council enacted the 2013 DC Bylaw, which came into force on November 1, 2013.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.EX34.1

On May 5, 2015, City Council adopted a DC bylaw amendment to add the Scarborough Subway Extension (SSE) project to the transit service component of the 2013 DC bylaw.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX5.1

The SSE DC By-law was appealed to the OMB by the BILD. On August 22, 2016, the Ontario Municipal Board approved a settlement that reduced the adopted SSE DC rates by 10%.

On February 3, 2016, in response to changes to the Provincial DC Act, Council authorized the Chief Building Official and Executive Director to require applicants seeking conditional below-grade permits to enter into a DC Deferral Agreement. http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX11.7

ISSUE BACKGROUND

DCs are fees collected from new development at the time of building permit issuance. The principle behind DCs is that "growth pays for growth" so that the cost of growth-related infrastructure does not fall on the existing community in the form of higher property taxation or user fees. DCs help ensure that municipalities have adequate funding to invest in a timely manner in necessary capital improvements in order to maintain service levels as the City grows. This capital financing tool is integral to the City's long-term fiscal stability.

The City's current DC bylaw was adopted by Council on October 8, 2013 and came into effect on November 1, 2013. In accordance with the DC Act it will expire after five years, on October 31, 2018. Copies of the 2013 DC staff reports, staff presentations, background study and bylaw can be found at the following link: http://bit.ly/2m62D4r.

Before a new DC bylaw can be passed, the DC Act requires the completion of a comprehensive Background Study that, among other things, sets out a growth forecast and related growth-related shares of capital infrastructure requirements that provide the basis for the calculated DC rates.

COMMENTS

1. Introduction

This report presents the findings of the 2018 DC Background Study, dated January 9, 2018 and a proposed DC bylaw for consideration at a statutory public meeting. The proposed bylaw is attached as Appendix 1 to this report. The complete background study is available at the City Clerk's office at:

City Hall
10th Floor, West Tower
100 Queen Street West
Toronto, ON M5H 2N2

It is also available online, along with other relevant DC information, on the City's website at the following address: www.toronto.ca/devcharges.

The DC Background Study has been prepared pursuant to Section 10 of the DC Act and together with the proposed bylaw has been made available more than 60 days prior to the anticipated passage and more than two weeks prior to the public meeting. The background study is attached to this report as Appendix 4.

1.1. Process Overview

1.1.1 The amended DC Act introduces new requirements for municipalities

On January 1, 2016, the amendments to the DC Act and accompanying regulations came into force. The amended DC Act allows for potential greater cost recovery but also places new reporting and analytical requirements on municipalities. The amendments represent a significant change in Ontario's approach to funding growth (see Table 1 for further detail).

Table 1: New Requirements Under the Amended DC Act

Material changes	**Administrative changes**
Requirement to consider area-specific DCs	Increased reporting requirements for DC reserves
Planned level of service for transit for a 10-year horizon, rather than 10-year historical level of service, and removal of 10 per cent statutory deduction	Background study available to the public at least 60 days prior to passing of the bylaw
Waste diversion eligible for DC recovery	Additional data respecting transit ridership
Requirements for asset management plans	
No voluntary contributions	
DCs payable at first building permit	

1.1.2 Background Study and Bylaw Update Process

The City retained Hemson Consulting Ltd. (Hemson) through a request for proposal process in early 2017 to complete the comprehensive background study analysis. Corporate Finance provided project management and direction to Hemson and City program staff, who in turn provided critical input to the study (e.g. growth forecast, capital expenditure details, ridership analysis, policy input, etc.) A staff steering committee, comprised of senior representatives from Corporate Finance, City Planning, Toronto Building, Economic Development, Legal, Engineering and Construction, and Financial Planning Divisions, provided oversight and strategic direction to the review process.

The City published the completed background study and bylaw on January 9, 2018 for consideration at a statutory public meeting.

2. Current versus Proposed Policies

The following table summarizes key policies and changes in the proposed DC bylaw. The proposed bylaw continues the majority of City's current DC policies and exemptions. Transition assistance has not been included, pending input through the public meeting and consultation process.

Table 2: Key Proposed Changes to the DC Bylaw

Description	**Current Bylaw**	**Proposed Change to Bylaw**
DC Services	Seventeen DC Services	Eighteen DC Services - DC for Shelter added
Residential charge	No definition for secondary units in new construction	Added definition for secondary units in new construction to provide more appropriate (lower) charges
Non-residential charge	Uniform non-residential charge Industrial uses exempted Ground floor only charge for non-industrial uses	Differentiated industrial and non-industrial charge. Continues industrial uses exemption and ground floor only charge for non-industrial uses
Transition	Two year phase-in	Transition provisions have not been included, pending input at the public meeting and stakeholder consultation.
Discretionary Exemptions	a) Residential Non-profit (affordable rental) housing exempted b) Projects qualifying for the IMIT Financial Incentives Program exempted	a) Residential Non-profit housing definition no longer needed as the exemption is provided under the City's municipal housing facilities bylaw b) IMIT exemption no longer in the DC bylaw as the financial incentive is not considered effective relative to the tax benefits provided
Redevelopment reduction	Residential reduction provided where a building permit is submitted within 36 months of issuance of a demolition permit	Residential reduction extended to 60 months
Payment timing	Paid at first above grade building permit issuance*	Paid at first building permit issuance unless deferral agreement entered into

*Payment timing is discussed further in this report

3. Public Engagement

3.1 Consultation Activity

Staff began a consultation process in June 2017. As the study progressed, staff sought comment from industry stakeholder representatives on both technical and policy aspects of the Background Study calculations and bylaw review, resulting in numerous refinements to the rate calculations and informed the policy review. The following public consultation activities were completed as part of the DC bylaw review process:

i) Key Industry Stakeholders Meetings:

Four meetings were held with key stakeholders from the land development industry and business associations, including representative from the Building Industry and Land Development Association (BILD), Toronto Real Estate Board (TREB), Toronto Region Board of Trade (TRBoT), Real Property Association of Canada (REALpac), Commercial Real Estate Development Association (NAIOP), and the Toronto Industry Network (TIN).

A fifth meeting was held in January 2018 after the public release of the DC Study and bylaw. At the request of BILD, the January meeting was also open to members of the respective stakeholder organizations.

Table 3. Consultation Meetings with Key Industry Stakeholders

Meeting #	Date	Topic
1	June 1, 2017	Growth Forecast, Policy Review
2	July 10, 2017	Historic Inventory
3	October 30, 2017	Capital Program and Deductions, Updated Growth Forecast
4	December 1, 2017	Potential Rates and Policy Review
5	January 12, 2018	DC Study and Proposed Bylaw

Each meeting featured a presentation by staff and/or Hemson followed by a question and answer and discussion period. Input received through the January 12, 2018 meeting will be considered and discussed in the further report in March 2018.

ii) Ratepayer Meeting

One meeting with ratepayer associations was held on January 11, 2017. The meeting featured a presentation by staff followed by a question and answer and discussion period. Input received through the January 11, 2018 ratepayer meeting will be considered and discussed in the further report in March 2018.

iii) General Public Consultation Sessions

Two evening public consultation sessions are planned for January 15 and 17, 2018. Public notification included a news release, letters directly mailed to all residents' associations registered with the City Clerk's Division, email to residents' associations identified through the TOcore consultation, online via the City website, City Twitter feeds and podcast, as well as articles provided to City Councillors for their e-news and newsletters. Input received through the general public consultations will be considered and discussed in the further report in March 2018.

3.2 Consultation - Main Themes

The major points arising from the consultation meetings with key industry stakeholders related to:

- more time for technical review of the DC Background Study
- delay of implementation of the bylaw to October 2018
- request for transition provisions
- continuation of exemptions
- continuation of a city-wide approach to DCs
- impact and treatment of Port Lands and related servicing costs
- amount of the increase in the quantum of the charge
- requirements for a transit asset management plan

Actions in response to these themes are discussed in this report.

3.3 Technical Review of the Background Study

Staff and Hemson Consulting Ltd. have been working in an open and transparent manner with consultants acting on behalf of the development industry to undertake its technical review of the DC rate calculations. Written responses were provided to questions and requests for further information, as available, and five technical review meetings were held between October and November 2017.

Input received through the technical review process resulted in a modest reduction in the calculated residential and non-residential rates respectively, as compared to the draft rates released to the BILD technical review team in November 2017.

4. Background Study

The background study has been prepared pursuant to the prescriptive methodology required under the DC Act. Key steps for determining DC rates are highlighted below, with full details available in the Background Study which is attached as Appendix 3.

1. Formulate a growth forecast
2. Determine historic capital service levels
3. Identify growth-related capital works

4. Conduct an analysis of gross expenditures, funding sources, net expenditures incurred or to be incurred by the City to provide for anticipated development
5. Allocate net costs between types of development
6. Determine calculated DC rates

4.1 Services Included and Excluded

Eighteen City services have been included in the DC analysis as shown below.

Table 4: Services Included

- Spadina Subway Extension
- Transit (Balance)
- Roads and Related
- Water
- Sanitary Sewer
- Storm Water Management
- Parks and Recreation
- Library
- Subsidized Housing
- Shelters (new DC service)
- Police
- Fire
- Paramedic Services (previously Emergency Medical Services)
- Development-Related Studies
- Civic Improvements
- Child Care
- Health
- Pedestrian Infrastructure

A number of City services were excluded from the study. Solid Waste Management is now an eligible DC service, but program staff elected not to move forward with a DC at this time due to the relatively small growth-related capital program for solid waste management and associated minor potential DC recovery, and other considerations. Other services, as shown in Table 5 below, were excluded due to either specific statutory ineligibility or an absence of the required development-related capital plans, including:

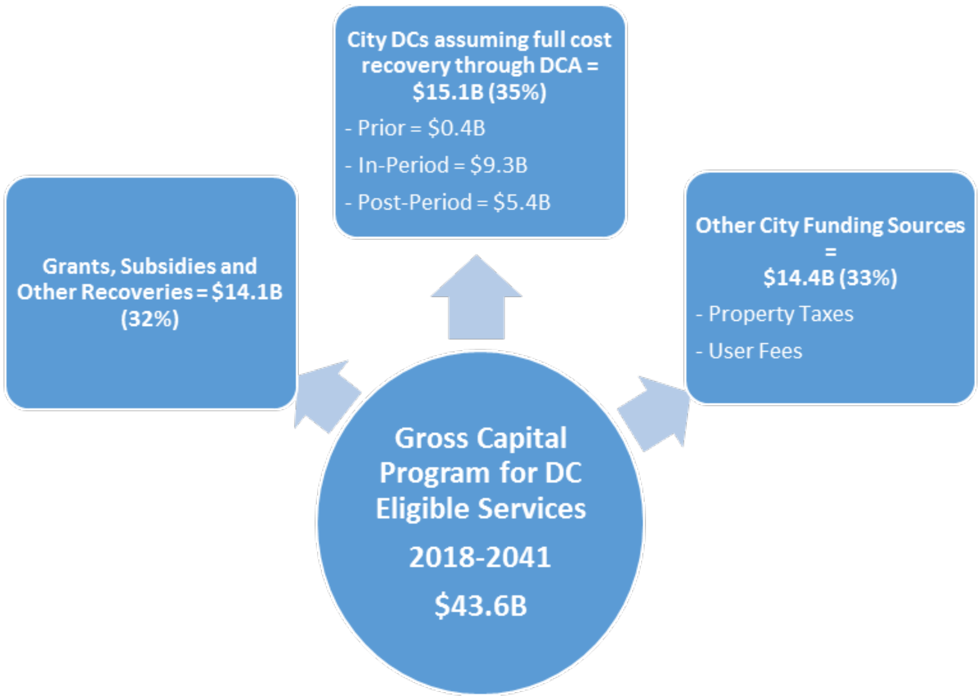
Table 5: Services Excluded

Rationale	Cost / Program
Statutory Ineligibility	• Parkland Acquisition • Electrical Power Services • Cultural, Entertainment and Tourism Facilities • Hospitals • Administrative Headquarters
No Development-Related Capital Plans	• Long-Term Care Homes
Requires changes to program cost recovery user fees, relatively small DC, and other considerations	• Solid Waste Management

4.2 Background Study Development-related Capital Program and Deductions

The Background Study establishes the gross development-related capital program and the deductions made pursuant to the DC Act. The key Study tables are summarized in in Appendix 3, and the detailed Background Study is provided as Appendix 4.

The following provides a summary of the DC eligible and ineligible costs as identified in the DC Background Study.



Out of the total $43.5 billion gross DC Study capital program for DC eligible services, $15.1 billion, or 35%, is eligible for potential recovery through DCs under the DCA, prior to the impact of exemptions and discounts. Of this amount, approximately $6.1 billion is attributed to growth over the period 2018-2027 and $3.181 billion over the period 2018-2041. Approximately $5.4 billion is attributed to growth beyond the DC Study planning period, and is potentially eligible for recovery in future DC bylaws. These costs generally do not include financing costs to be incurred by the City, as these have been incorporated separately, with the exception of the TYSSE and Sheppard Subway Extension projects which has been included.

Of the remaining shares of the program, $14.1 billion relates to grants, subsidies and other recoveries and $14.4 billion is not eligible for recovery and would be funded from other revenue sources, such as property taxes and user fees.

4.3 Planned Level of Service for Transit

As noted earlier, the DC Background Study is prepared in compliance with the DC Act and the amendments that came into force on January 1, 2016. Several of these amendments resulted in changes to the calculation methodology used for Transit Services including the removal of the 10 per cent statutory deduction and the use of a "planned" level of service rather than the "10-year historical" level of service.

For Transit services, the "planned level of service" is considered the City's Council approved development-related capital forecast (2018-2027) contained in the 2018 DC Background Study, which has been informed by various sources, including the City's current and proposed capital budgets and other long range plans. The proposed recommendation for Council to approve the Transit capital program and the "planned level of service" is discussed in Section 8 below.

4.4 Calculated Maximum DC Rates

Residential DC rates are differentiated based on the type of dwelling unit. Non-residential DC rates are calculated based on non-residential gross floor area and is differentiated between industrial and non-industrial uses. The calculated DC and current rates are presented in Table 6.

Table 6: Comparison of Current and Calculated Rates

Development Type	Current Rates (Effective Feb 1/18)	2018 DC Study Calculated Maximum Rates	Change from Current (Feb 1/18) Rates	
Residential ($ per unit)				
Dwelling Room	11,028	23,954	12,926	117%
Apartments - 1 Bed and Bach.	17,644	33,775	16,131	91%
Apartments - 2+ Bedrooms	25,366	51,740	26,374	104%
Multiples - 1 Bedroom & Bach.	24,816	36,650	11,834	48%
Multiples - 2+ Bedroom	34,742	73,058	38,316	110%
Singles & Semis	41,251	88,391	47,140	114%
Non-residential ($ per m2)				
Non-industrial*	213.65	449.04	235.39	110%
Industrial (calculated)**	213.65	190.89	-22.76	-11%

* Non-industrial non-residential charge applies only to the ground floor gross floor area in the current and proposed bylaw.

** Rates shown represent the calculated rate. Industrial uses are exempted from DCs in the current and proposed bylaw.

The 2018 calculated charges represent an increase over the current rates effective February 1, 2018 of between 48% to 117% for residential development, depending on the unit type (97% on average), and 110% for non-residential non-industrial development.

The increase in the proposed 2018 calculated charges, compared to the current charges, can be broadly attributed to the following factors:

- Updated (increased) growth related capital expenditures
- Increasing land and construction costs
- Increases to permitted recoverable expenditure levels for Parks & Recreation, Paramedic Services, and Transit
- Elimination of the statutory 10% discount for transit

4.4.1 The majority of the DC rate relates to Transit and Engineered Services

Almost 73% and 92% of the residential and non-residential rates respectively are attributed to transit, roads, water and wastewater services, which reflects the average calculated demand that new development places on the City for this type of infrastructure. For residential development, parks and recreation represents a significant component of the residential charge (approximately 11%).

Figure 1 and Figure 2 below, provide the high-level composition of the residential and non-residential rates, respectively, with specific details available in Appendix 3.

Figure 1: Residential DC by Key Service (%)

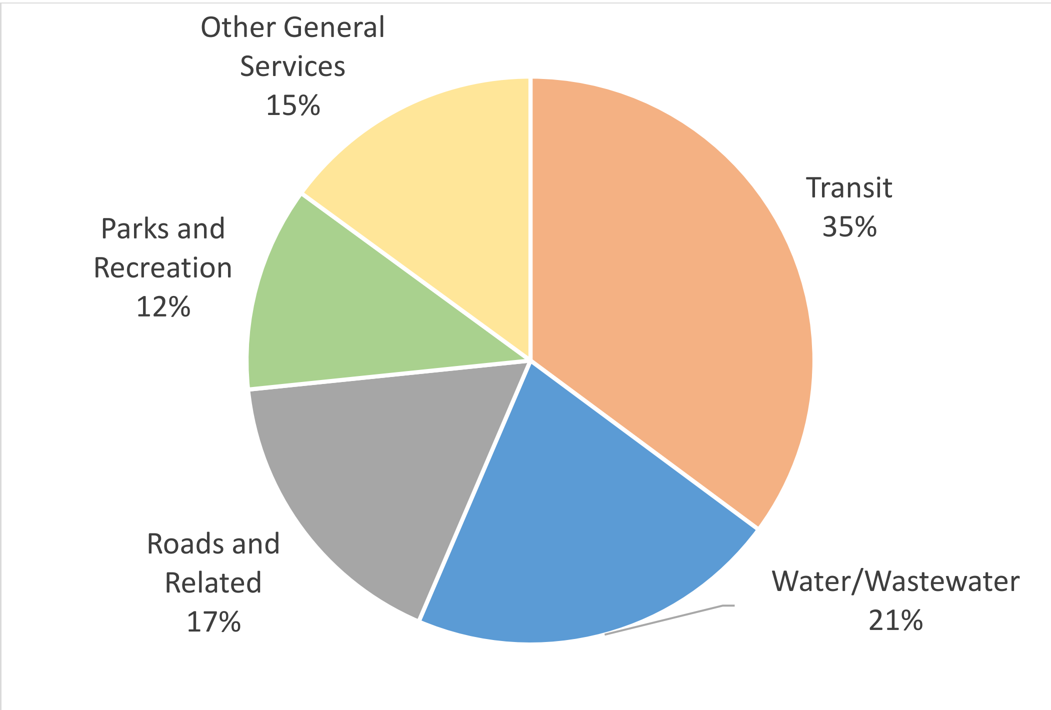
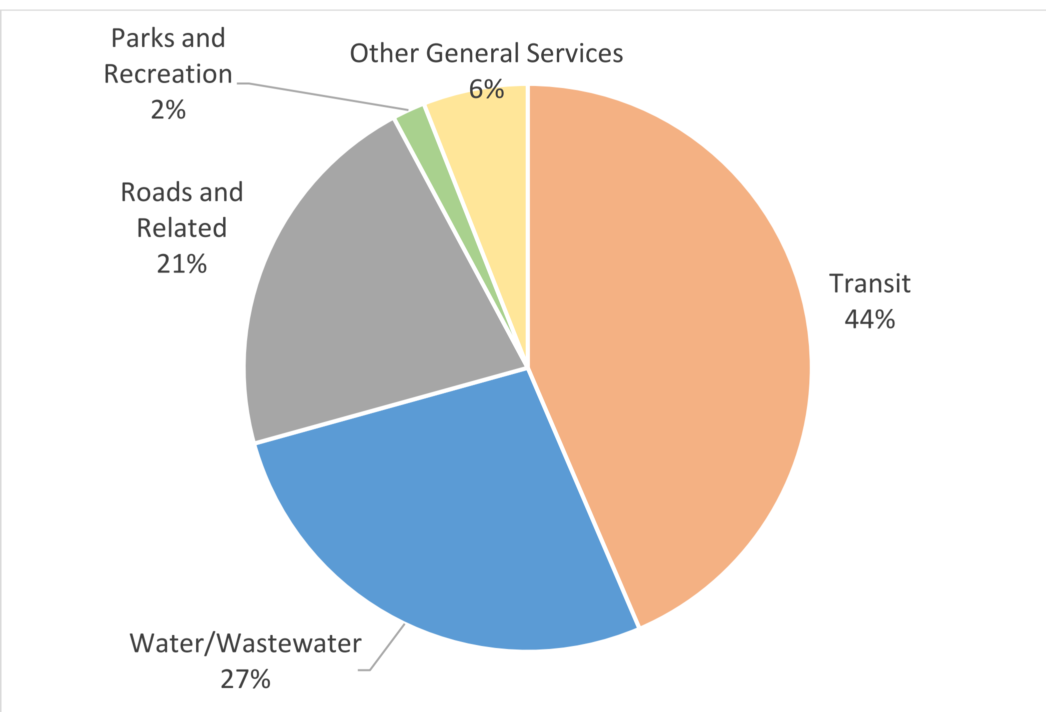


Figure 2: Non-Residential DC by Key Service (%)



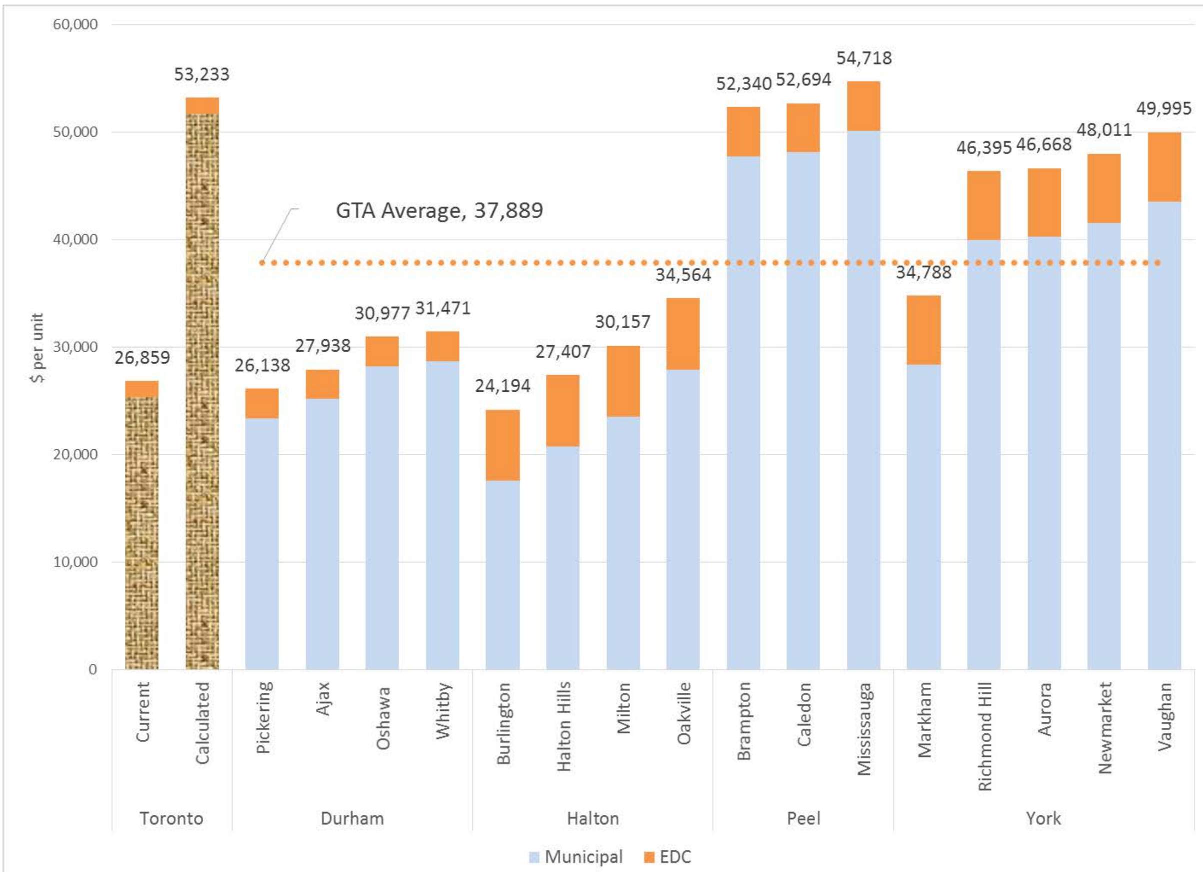
5. DC Rate Comparisons

The calculated rates in the 2018 Background Study, if adopted, would increase Toronto's rates from below average to among the highest in the region, although this may change as several jurisdictions are preparing to update their rates and bylaws in 2019.

5.1 Residential Rate Comparisons

Figure 3 compares the residential DC rates in Toronto and the surrounding municipalities.

Figure 3: DC Rate Comparison – Large Apartment Unit ($/unit)

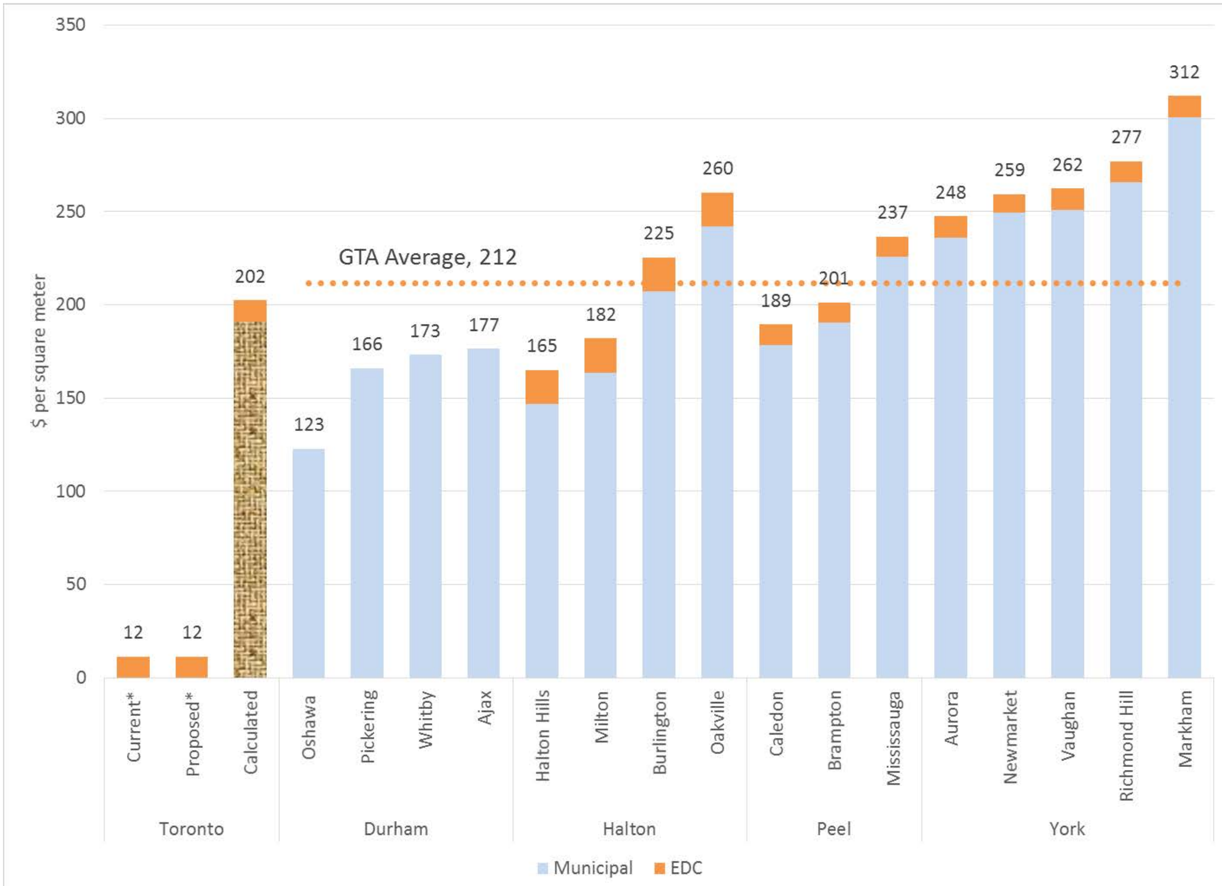


Note: The Toronto Municipal Land Transfer Tax (MLTT) payable on the new condo valued at $700,000 (Average GTA new apartment unit price per reported by BILD/Altus Group**)** is $6,000 assuming a first time home buyer rebate were to apply, or $10,475 assuming no first time home buyers rebate were to apply.

5.2 Non-residential Rate Comparisons

Figure 4 provides a comparison of industrial DC rates in the surrounding Greater Toronto Area municipalities. The proposed bylaw continues the existing exemption for industrial uses; however, the Toronto Catholic District School Board imposes an education DC on this type of use.

Figure 4: DC Rate Comparison – Industrial Uses ($/sqm)



* Industrial uses are exempted under the City's current and proposed bylaw.

Toronto's approach to industrial exemptions sets it apart from most neighbouring jurisdictions.

Figure 5 compares the DC rates for ground floor retail uses and Figure 6 compares the potential DC rate burden for a theoretical eight storey commercial office building in the Greater Toronto Area.

Figure 5: DC Rate Comparison - Ground Floor Retail Uses ($/sq.m.)

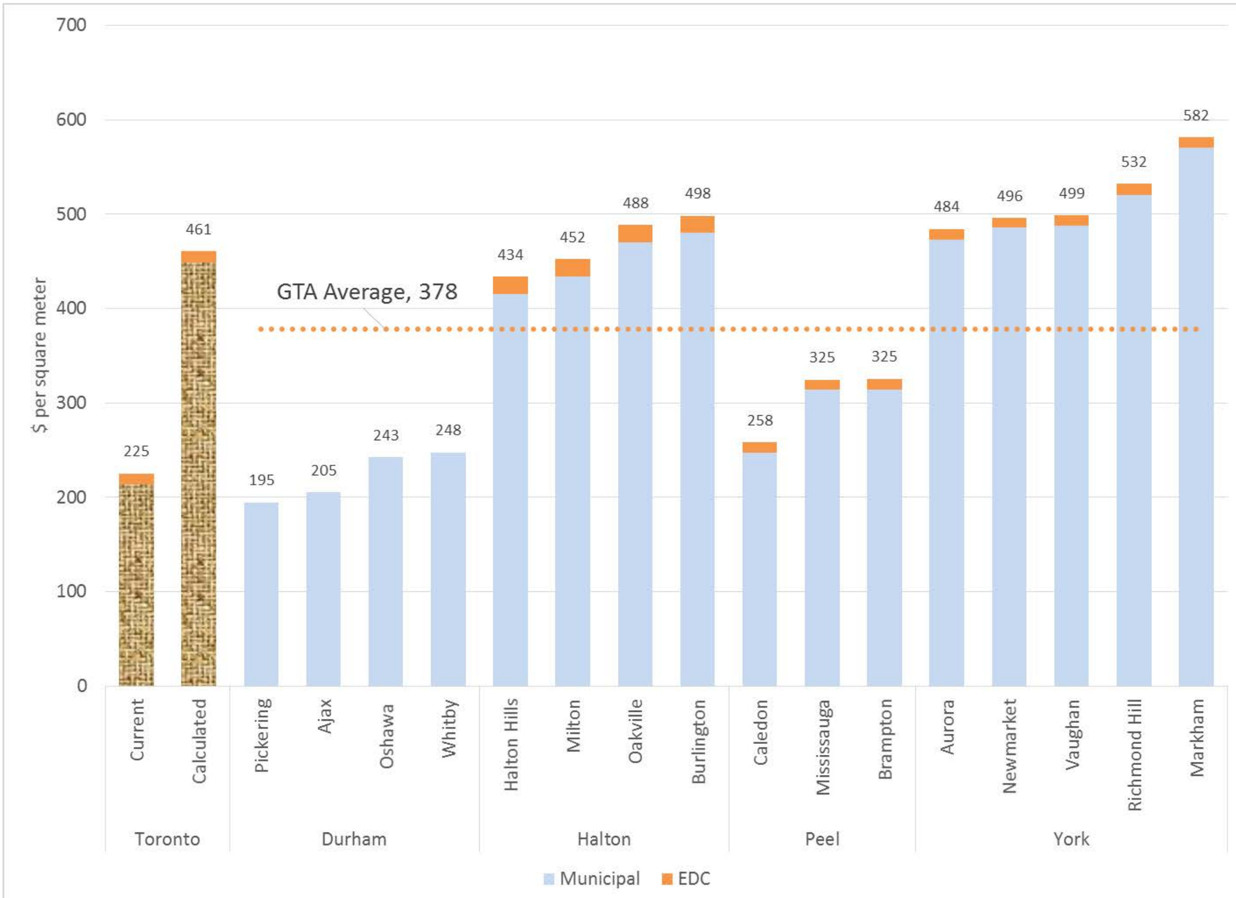
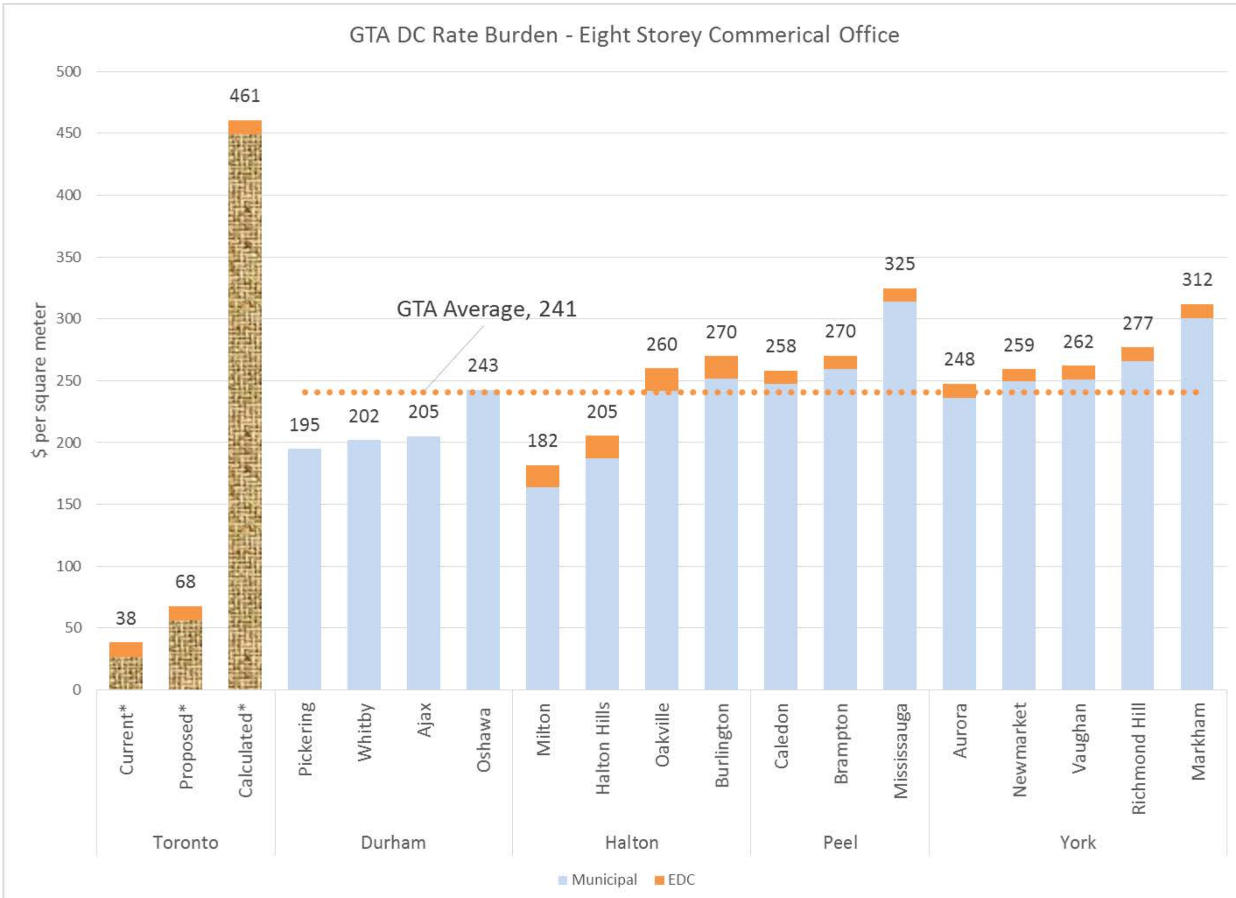


Figure 6: DC Rate Burden Comparison - Eight Storey Commercial Office Use ($/sq.m.)



* Toronto calculated DC is based on the calculated maximum DC rate. Current and proposed rates are applicable to the ground floor gross floor area only.

6. Proposed Bylaw

The proposed bylaw is attached as Appendix 1 to this report.

The majority of exemptions and other policies in the current DC bylaw are proposed to be continued. Key changes in the proposed bylaw, as compared to the current bylaw, are discussed below. Those aspects of the bylaw that remain unchanged are not discussed in this report in detail. The rationale put forward in 2013 and previously remains applicable today, and reference can be made to the previous staff reports. A link to the 2013 staff reports is found in the background section of this report.

6.1 Level of the Charges

As discussed earlier, the background study calculates the maximum charges, or "full cost recovery charges", that can be implemented pursuant to the DC Act. Council may provide for full or partial discounts of the rates that are imposed for a variety of reasons. Generally, discounts are provided in cases where a basis for relief is substantiated and the full rate would otherwise produce negative effects for the City.

6.2 Exemptions

As discussed below, the proposed bylaw continues the majority of current exemptions, which are intended to provide incentives for specific types of development which might not otherwise occur. A summary of the statutory and non-statutory exemptions is provided in Appendix 2.

6.2.1 Exemptions for Office and Industrial Development

The use of DC to fund growth-related capital expenditures is generally premised on the principle that "growth should pay for growth." However, since amalgamation, the City has provided exemptions for office and industrial development in its DC bylaws for various reasons, including:

1. The rate of development activity of office/industrial space is believed to be more sensitive to DCs than other types of development;

2. The costs of providing municipal services to industrial or office developments are considered to be less than what the City collects in taxes from such development (particularly given historically high tax ratios), meaning that these land uses contribute positively to the City budget;

3. There are benefits (that accrue in large part to City residents) resulting from local access to employment opportunities created directly, and through the economic multiplier effect; and

4. The City has acknowledged that its property tax rates for non-residential property are out of balance with residential rates (i.e. tax ratios are too high), a potential disincentive to new development, and continues a long-term plan to make them more competitive.

The decision as to whether or not the City should establish non-residential DCs and if so, how high they should be and whether they should vary between industrial and commercial uses is an important policy issue.

a) Industrial Uses

The City has historically had the lowest industrial DC in the GTA, but has still experienced a steady decline in industrial employment. Based on the above considerations, the proposed bylaw continues the exemption for industrial uses.

b) Commercial Uses

In comparison to industrial uses, the office market has evolved considerably since the above policies were adopted. After a 15 year period of zero or negative commercial assessment growth, new commercial office developments have begun to occur, especially in the downtown. In recent years, commercial development in Toronto has outpaced that in the 905 regions. Non-residential vacancies in the downtown area are at historic lows. Unemployment rates and labour force participation are also healthy.

In response, the City has re-evaluated some of the financial incentive it provides to non-residential investment. For example, the 2017 Budget and the 2018 Preliminary Budget both included a small reversal of the limits on non-residential tax increases, extending the expected period to reach a 2.5 times target to 2023. The City's IMIT tax increment equivalent grant program for eligible non-residential development is currently under review and is the subject of a concurrent report to the January 2018 Executive Committee. The City is also reviewing its section 42 parkland charges, particularly as they apply to high growth areas, which may impact the relative competiveness of commercial office development vs. other forms such as purpose built rental and condo development. The cumulative effect of these changes and potential changes to the DC exemptions must be considered in terms of the potential impact of non-residential investment.

The full non-residential rate of $449.04 per square meter would be by far the highest charge applied to non-residential development in the GTHA. Applying only the transit portion of the charge at $195.60 per square meter would be comparable to the non-residential charges levied by many jurisdictions in the GTHA. The strength of the office market to support even partial implementation of such rates varies across the City. For example, office development is fairly strong in the downtown core but areas outside of the core, such as North York, Scarborough, and Etobicoke, face significant barriers to office development.

Given the number of factors at play, the variation in the non-residential market across the City, and the various policy changes being considered, the proposed bylaw continues the ground floor only charge on commercial uses. Staff believe that the non-residential exemptions requires further consideration and study and propose to report on a potential DC bylaw amendment for consideration as appropriate in 2019.

6.2.2 Other Non-residential Exemptions

Other non-residential exemptions that have been continued in the proposed bylaw include exemptions for public hospitals, colleges, universities, temporary structures, places of worship, cemeteries and accessory parking uses. The City's DC exemption for projects qualifying for the IMIT financial incentive program has been removed primarily because the DC exemption has played only a very minor role in program relative to the property tax incentive. Any future consideration of expansion of the application of the non-residential DCs beyond the ground floor (i.e. to commercial office space) by the Acting Chief Financial Officer will be conducted in consultation with the Economic Development & Culture Division, and with due acknowledgement of the content of the Hemson IMIT cumulative impact study which is before Committee in a concurrent report.

6.3 Payment Timing

The Province amended the DC Act in 2016 that, among other things, altered the payment of DCs to first building permit for multi-permit developments, which normally in

Toronto is the Excavation and Shoring permit given the size, scope and complexity of most large developments in Toronto . This change to the timing of calculation and payment of DCs was effective immediately on January 1, 2016 and took precedence over the City's DC bylaw, which required payment at first above grade permit. From the City's perspective, this was an undesirable change as developments that obtain partial conditional below-grade building permits, such as excavation and shoring permits, could avoid scheduled DC rate phase-in increases.

While issuance of conditional permits are at the discretion of the Chief Building Official (e.g. no one is ever entitled to a conditional building permits), these partial permits for various stages of construction are routinely issued for large and complex developments in Toronto; in consultation with appropriate commenting City Divisions, in order to facilitate commencement of construction which supports the timely completion of significant projects which have obtained planning approval and have an in-force zoning by-law. This process allows the applicant to continue to work toward obtaining compliance with all remaining applicable law and obtaining the final requisite planning and development approvals which supports the City's strategic plan that promotes growth.

In order to comply with the amended DC Act and to safeguard the City's financial interests with respect to DCs, Council adopted a procedural change in 2016. This change authorized the Chief Building Official to require applicants seeking conditional below-grade building permits to enter into a DC deferral agreement. Under the terms of the agreement, the DC would be payable with the issuance of the first above-grade permit, consistent with the adopted DC bylaw. This ensured that development and construction could proceed and move forward in a timely manner without being able to avoid future development charge phase-in contributions.

Collecting DCs at the time of first permit could be advantageous to the City to the extent that it allows DCs to be collected earlier and be invested in growth-related works. However, this benefit is outweighed by the potential foregone DC revenues associated with advancing collections when DC rates are increasing. The financial impacts associated with a change in payment timing are difficult to estimate but are expected to be significant given the magnitude of the potential rate change.

Land development industry stakeholders have expressed a preference for DCs to be collected earlier, at first permit. This provides greater cost certainty to developers earlier in the development approval process and potentially crystalizes the DCs payable at lower rates.

Staff propose to review the current DC procedure around collection timing in conjunction with further industry consultation and consideration of phase-in and financial impacts.

6.4 Other Bylaw Provisions

The proposed bylaw also includes definitional and other provisions that update the bylaw and that are intended to provide greater clarity and equity, including the following:

- Non-profit Housing – Currently, the DC bylaw explicitly exempts not-for-profit affordable rental housing. This exemption is no longer consistent with the City's broader affordable housing exemptions under Open Door framework. It is proposed that the references to these types of exemptions be removed from the bylaw, as is it not needed due to City financial incentives that already exist or could be provided through the Municipal Capital Facility bylaw or through the Open Door program.

- University Residences – The current bylaw exempts all developments on owned by and used for the purposes of a College or University under the *Education Act*. University residences are considered ancillary to university purposes and in some cases are no different than privately owned and operated properties rented by students, both in function, and in terms of demand for City services. Furthermore the distinction between exempt and non-exempt residences can be difficult to adjudicate. As a result, it is proposed that all residence uses be no longer exempt. In some cases, the enabling legislation for the university or college provide a statutory exclusion from the application of DCs.

- Secondary Dwelling Units – The City and the Province are working on a number of initiatives to support the inclusion of second units within new singe and semi-detached houses and townhouses to promote densification. The City's current DC bylaw is silent on this type of construction, while the draft bylaw provides some clarity and lower rates in some circumstances. However, the treatment and definition of secondary units is under review and further changes may be proposed in the March report, after consideration of public input and discussion.

- Redevelopment Reductions – Redevelopment reductions are currently provided if a building permit application is submitted within 36 months of the demolition permit being issued. Although this limit for non-residential demolitions is considered an appropriate measure in Toronto's highly urbanized setting, it is proposed that the residential limit be extended to 60 months. In most cases residential demolition permits are not granted until a building permit application for a new building is submitted.

7. Other Matters

7.1 City-wide versus Area-Specific Charges

DCs may be City-wide, area-specific or a combination of the two. Under the amended Act, a municipality must consider area-specific DCs as part of its DC Background Study. The following was considered with respect to area-specific DCs:

- Is the use of area-specific charges appropriate for some or all services?
- Are there any data limitations with calculating an area-specific DC?
- Are there policy, risk or financial implications of implementing an area-specific charge?

For various reasons identified in in the Study, as discussed in past staff reports, and considered through this DC update, the proposed bylaw continues to apply city-wide charges. The key reasons that support a city-wide charge include:

- The City's growth-related capital program is provided on a municipal-wide basis for the majority of services
- City-wide DCs provide greater financial flexibility to the City to funding growth-related capital investments with lower financial risk
- Area-specific boundaries are difficult to define and defend
- Area-specific charges may discourage development in areas where the City's may be seeking to intensify (e.g. transit corridors)
- Area-specific charges may result in lower DC rates and revenues compared to city-wide charges, due to the historic service level cap and DC Act restrictions
- Growth in the downtown and outer areas triggers the need to develop City-wide transportation, water and sewer processing, and recreation networks
- The City's other major funding sources, namely property taxes and utility rates are structured on a uniform city-wide basis.

7.2 Asset Management Plans

The amended Act now requires that municipalities include an asset management plan (AMP) that demonstrates that all assets funded by DCs will be financially sustainable over their lifecycle. The intent of the AMP requirement is to ensure that municipalities do not include growth projects in their bylaw that they cannot afford to maintain. This is in addition to the current requirement of examining the long-term capital and operating costs required for each infrastructure service.

The DCA Act provides detailed requirements for transit AMPs as part of its regulations. Other program AMP requirements are to be phased-in under separate legislation over a number of years. Upon full phase-in of the AMP required under separate legislation, the DC Act requirements will be rescinded.

7.3 Economic Impact

The DC Background Study includes a high level analysis of the economic impact of DCs. The Study concludes that the development of land is a complex economic environment involving landowner, developer, construction industry, sellers and buyers, and is more significantly impacted by broader market supply and demand factors than the change in DC rates over the medium and longer term. These preliminary findings are largely consistent with analysis undertaken for the City of Vancouver, but will be the subject of further stakeholder consultation before a final report is submitted to Executive Committee in March.

7.3.1 Residential Affordability

Over the past decade the price of new housing has risen dramatically. DCs as a portion of house prices typically represent about 5-9 percent of the average purchase price in

Ontario[1]. The DC rate increases in the proposed bylaw (e.g. $21,253 average apartment unit rate increase) represent about 3% of the price of new condo apartment unit in the GTA ($700,000 per unit[2]), and the new rates after such an increase would be about 7% of average price of a new unit.

Housing affordability is an important consideration for the City. The City exempts affordable rental housing from DCs, and provides other supports (e.g. fee exemptions, direct contributions, etc.) for the creation of new affordable rental and ownership housing through its Open Door program. In addition, the provincial government provides contributions to support the creation of affordable housing and recently announced a DC rebate program for eligible rental housing projects.

7.4 Local Services Policy

Staff produce and maintain a guideline to help with the determination of which costs are a direct developer responsibility, and which will be a City responsibility, potentially recoverable from DC, and eligible for inclusion in the background study. As part of the bylaw review, staff are updating the guideline to improve clarity based on experience over the previous bylaw period. The updated guideline will be provided for consideration at the March 19th Executive Committee meeting.

7.5 Implementation Options - Transition

7.5.1 Transition Overview

The DC Act prescribes many aspects of how Council may impose DC rates but is silent on transitional matters. While the proposed bylaw does not currently include transition provisions, a number of potential options are discussed below that involve some form of transition to the proposed DC rates.

Transition provisions can be provided in recognition that some of the development applications imminently proceeding to the development approvals stage may have difficultly absorbing notable rate increases. Each option has a theoretical associated cost when compared to immediate implementation. Transition policies seek to strike a balance between mitigating the impact of the new rates on new development and, at the same time, minimizing the financial cost to the City of such transition assistance.

Staff propose to continue discussion with all stakeholders to investigate whether an appropriate resolution to transition, if any, to full rates can be recommended by staff. A discussion on past and typical transition options are provided below.

7.5.2 Discussion of Transition Options

Options for transition assistance are discussed below and include delayed implementation, phase-in of the change in rates, grandparenting and prepayments.

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1 http://www.mah.gov.on.ca/AssetFactory.aspx

2 http://www.bildgta.ca/news/newsreleases/GTAs-new-home-market-slows-as-prices-remain-high-in-November

i) Phase-in Provisions and Delayed Implementation

Phasing-in of the charge mitigates the impact of the increase in the rates by implementing the rates on an incremental basis at selected intervals over a defined period of time. This is especially relevant in view of the notable increase in the calculated charge as compared to existing rates.

Foregone revenues are difficult to accurately estimate because land developers may advance applications, to the extent possible, in order to avoid the rate increase and the rate increase may, to some degree, impact the overall level, type or timing of development activity that may otherwise occur in the City. However based on the City's past experience phasing-in of DC rate increases, including a delay in implementation may result in notable foregone DC revenues.

ii) Grandparenting

Grandparenting of land development projects typically involves shielding the applicant from future increases if the project has received certain planning approvals. For example, if a complete building permit application is being reviewed for pending issuance, the application could be grandparented at the old DC rates. Grandparenting of applications has been applied in the past although it can have considerable implementation issues and the potential for significant financial implications on the City.

iii) Prepayment

Prepayment of the DC provides for an ability to pay the DC earlier than would otherwise be required. Potential costs associated with permitting prepayment of DC are difficult to estimate, but could be significant, because the City may experience a rush of prepayments as developers attempt to avoid the rate increase.

7.5.3 2013 DC Bylaw Transition

As a result of the large increase in the calculated rates (71%), the 2013 bylaw included a 3 month delay and a two year phase-in the revised rates by an across the board reduction to all services. The phase-in reduced DC funding that could have otherwise been available to fund all projects in the growth related capital program (assuming the charge had been fully phased-in). By February 1, 2016, the rates had been fully phased-in, including an increase for the Scarborough Subway Extension project that was approved via amendment in 2015.

8. Council Approvals

The DC Background Study and Bylaw are currently tabled for information and consultation at this time.

After consideration of input at the public meeting, as well as any recommended changes to the DC Study and proposed bylaw provided to the March 19 meeting of Executive

Committee, Council approval will be sought for the adoption of the new proposed DC bylaw, including:

- Adoption of the DC Background Study, including the associated development-related capital program
- Acknowledgement that Council gave due consideration to the use of area-specific DCs, and determined that the charges should be calculated on a city-wide basis
- Adoption of the planned level of service for transit, as set out in the DC Background Study
- A determination that no further public meetings are required; and
- Direction to the City Solicitor, in consultation with the Acting Chief Financial Officer, to make revisions to the by-law as necessary to give effect to adopted recommendations.

9. Conclusion

The DC Background Study has been carried out in accordance with the requirements of the DC Act. In the course of completing the Background Study and preparing the proposed bylaw, consultations were conducted with stakeholders, and dialogue is ongoing and continuing. The Background Study, along with the proposed bylaw, are being tabled at this time with the Executive Committee for the purposes of holding the requisite statutory public meeting.

This report recommends that the input received at the statutory public meeting be referred to staff for a further report to Executive Committee at its meeting on March 19, 2018, including the results of further consultations and any recommended changes to the proposed bylaw and Background Study calculations.

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SIGNATURE

Joe Farag, Acting Chief Financial Officer

ATTACHMENTS

Appendix 1: Proposed Development Charges Bylaw
Appendix 2: Summary of Residential and Non-residential Exemptions
Appendix 3: Background Study Summary Tables
Appendix 4: City of Toronto 2018 Development Charges Background Study

Appendix 1

Proposed Development Charges Bylaw

Provided under separate cover

Appendix 2
Summary of Proposed Residential and Non-residential Exemptions

Proposed Non- Residential DC Exemptions: Statutory and Non-Statutory

Type	Statutory	Discretionary
Institutional	City or Local Boards	Public hospitals receiving aid under the Public Hospitals Act
	Public Schools	Land, buildings or structures owned by and used or to be used for a college or university as defined in section 171.1 of the Education Act
		Land, buildings or structures used or to be used for a place of worship or for the purpose of a cemetery or burial ground
		Temporary sales offices or pavilions that are required and associated with the sale of new residential development to the public at large
		Accessory use not exceeding 10 square metres
		A temporary building or structure not exceeding eight months
		Non-ground floor gross floor area
Office		Accessory use not exceeding 10 square metres
		A temporary building or structure not exceeding eight months
		Non-ground floor gross floor area
Industrial	Addition or expansion is less than 50 per cent of the existing gross floor area	Industrial uses
Retail		Temporary sales offices or pavilions that are required and associated with the sale of new residential development to the public at large
		Non-ground floor gross floor area

Proposed Residential DC Exemptions: Statutory and Non-Statutory

Statutory		
Type of Building	Maximum Number of Additional Dwelling Units	Restrictions
Single detached dwellings	Two	Total gross floor area of the additional dwelling unit or units must be less than or equal to the gross floor area of the dwelling unit already in the building
Semi-detached dwellings or row dwellings	One	Total gross floor area of the additional dwelling unit must be less than or equal to the gross floor area of the existing dwelling unit already in the building
Other residential buildings	One	Total gross floor area of additional dwelling unit must be less than or equal to the gross floor area of the smallest dwelling unit already in the building

Non-statutory
Dwelling rooms within a rooming house
Accessory use not exceeding 10 square metres

Appendix 3

Background Study Summary Tables

Calculated Residential DC Rates by Unit Type and Service

Service	Adjusted Charge Per Capita	Residential Charge By Unit Type (1)						Percentage of Charge
		Singles & Semis	Multiples 2+ Bedrooms	Multiples 1 Bed and Bach.	Apartments 2+ Bedrooms	Apartments 1 Bed and Bach.	Dwelling Room	
Spadina Subway Extension	$720.03	$2,657	$2,196	$1,102	$1,555	$1,015	$720	3.0%
Transit (balance)	$7,699.66	$28,412	$23,484	$11,780	$16,631	$10,857	$7,700	32.1%
Parks and Recreation	$2,795.23	$10,314	$8,525	$4,277	$6,038	$3,941	$2,795	11.7%
Library	$490.53	$1,810	$1,496	$751	$1,060	$692	$491	2.0%
Subsidized Housing	$1,874.51	$6,917	$5,717	$2,868	$4,049	$2,643	$1,875	7.8%
Shelter	$246.60	$910	$752	$377	$533	$348	$247	1.0%
Police	$290.75	$1,073	$887	$445	$628	$410	$291	1.2%
Fire	$120.48	$445	$367	$184	$260	$170	$120	0.5%
Paramedic Services	$135.02	$498	$412	$207	$292	$190	$135	0.6%
Development-related Studies	$137.60	$508	$420	$211	$297	$194	$138	0.6%
Civic Improvements	$65.92	$243	$201	$101	$142	$93	$66	0.3%
Child Care	$206.66	$763	$630	$316	$446	$291	$207	0.9%
Health	$2.28	$8	$7	$3	$5	$3	$2	0.0%
Pedestrian Infrastructure	$13.37	$49	$41	$20	$29	$19	$13	0.1%
Subtotal General Services	**$14,798.64**	**$54,607**	**$45,135**	**$22,642**	**$31,965**	**$20,866**	**$14,800**	**61.8%**
Roads and Related	$4,055.47	$14,965	$12,369	$6,205	$8,760	$5,718	$4,055	16.9%
Water	$1,971.45	$7,275	$6,013	$3,016	$4,258	$2,780	$1,971	8.2%
Sanitary Sewer	$2,121.34	$7,828	$6,470	$3,246	$4,582	$2,991	$2,121	8.9%
Storm Water Management	$1,006.96	$3,716	$3,071	$1,541	$2,175	$1,420	$1,007	4.2%
Subtotal Engineered Services	**$9,155.22**	**$33,784**	**$27,923**	**$14,008**	**$19,775**	**$12,909**	**$9,154**	**38.2%**
TOTAL CHARGE PER UNIT	**$23,953.86**	**$88,391**	**$73,058**	**$36,650**	**$51,740**	**$33,775**	**$23,954**	**100.0%**
(1) Based on Persons Per Unit Of:		3.69	3.05	1.53	2.16	1.41	1.00	

Calculated Non-residential DC Rates by Service

Service	Adjusted Charge per Employee	Non-Residential Charge By Type (1)		Percentage of Charge
		Industrial	Non-Industrial	
Spadina Subway Extension	$531.09	$7.10	$16.70	3.7%
Transit (balance)	$5,689.14	$76.06	$178.90	39.8%
Parks and Recreation	$266.08	$3.56	$8.37	1.9%
Library	$46.69	$0.62	$1.47	0.3%
Subsidized Housing	$0.00	$0.00	$0.00	0.0%
Shelter	$0.00	$0.00	$0.00	0.0%
Police	$214.85	$2.87	$6.76	1.5%
Fire	$89.02	$1.19	$2.80	0.6%
Paramedic Services	$99.72	$1.33	$3.14	0.7%
Development-related Studies	$101.68	$1.36	$3.20	0.7%
Civic Improvements	$48.70	$0.65	$1.53	0.3%
Child Care	$152.71	$2.04	$4.80	1.1%
Health	$1.69	$0.02	$0.05	0.0%
Pedestrian Infrastructure	$96.76	$1.29	$3.04	0.7%
Subtotal General Services	**$7,338.11**	**$98.09**	**$230.76**	**51.4%**
Roads and Related	$3,066.07	$40.99	$96.42	21.5%
Water	$1,516.02	$20.27	$47.67	10.6%
Sanitary Sewer	$1,608.00	$21.50	$50.57	11.3%
Storm Water Management	$751.08	$10.04	$23.62	5.3%
Subtotal Engineered Services	**$6,941.17**	**$92.80**	**$218.28**	**48.6%**
TOTAL CHARGE PER SQUARE METRE	**$14,279.28**	**$190.89**	**$449.04**	**100.0%**
(1) Based on Floor Space Per Worker (FSW)		74.8	31.8	

DC Study Capital Program and Deductions by Service

	Service	Development-Related Capital Program 2018-2027			
		Gross Project Cost	Grants/ Subsidies/Other Recoveries	Net Costs	Share of Net Costs
1	Spadina Subway extension	$3,184,168.5	$2,276,999.9	$907,168.6	4.3%
2	Transit (balance)	$21,484,166.7	$9,988,262.1	$11,495,904.6	54.6%
3	Roads and Related	$2,172,751.2	$376,314.6	$1,796,436.5	8.5%
4	Water	$1,370,338.5	$1,627.3	$1,368,711.2	6.5%
5	Sanitary Sewer	$443,344.9	$24,557.2	$418,787.7	2.0%
6	Storm Water Management	$0.0	$0.0	$0.0	0.0%
7	Parks and Recreation	$3,638,054.7	$483,180.4	$3,154,874.3	15.0%
8	Library	$486,702.0	$2,829.0	$483,873.0	2.3%
9	Shelter	$68,130.2	$0.0	$68,130.2	0.3%
10	Subsidized housing	$755,557.0	$0.0	$755,557.0	3.6%
11	Police	$219,131.0	$0.0	$219,131.0	1.0%
12	Fire	$43,264.4	$0.0	$43,264.4	0.2%
13	Paramedic Services	$151,260.0	$56,250.0	$95,010.0	0.5%
14	Development-related studies	$74,264.2	$21,893.0	$52,371.2	0.2%
15	Civic improvements	$60,533.1	$0.0	$60,533.1	0.3%
16	Child Care	$80,870.0	$0.0	$80,870.0	0.4%
17	Public Health	$800.0	$0.0	$800.0	0.0%
18	Pedestrian Infrastructure	$61,124.6	$365.0	$60,759.6	0.3%
TOTAL		**$34,294,460.9**	**$13,232,278.5**	**$21,062,182.4**	**100.0%**

	Service	Development-Related Capital Program 2018-2041			
		Gross Project Cost	Grants/ Subsidies/Other Recoveries	Net Costs	Share of Net Costs
1	Roads and Related	$1,077,274.6	$145,187.9	$932,086.6	11.2%
2	Water	$764,754.2	$106,522.6	$658,231.6	7.9%
3	Sanitary Sewer	$5,754,566.9	$29,478.7	$5,725,088.2	68.8%
4	Storm Water Management	$1,624,972.7	$621,000.0	$1,003,972.6	12.1%
TOTAL		**$9,221,568.3**	**$902,189.2**	**$8,319,379.1**	**100.0%**

TOTAL 2018-2027 and 2018-2041	**$43,516,029.2**	**$14,134,467.8**	**$29,381,561.4**	

DC Study Capital Program and Deductions by Service (Continued)

	Service	Development-Related Capital Program 2018-2027						
		Net Project Cost	Replacement & BTE Shares	Required Service Discount	Prior Growth	Available DC Reserves	Post-Period Benefit	Total DC Eligible Costs for Recovery
1	Spadina Subway extension	$907,168.6	$362,255.7	$0.0	$0.0	$0.0	$339,730.5	$205,182.4
2	Transit (balance)	$11,495,904.6	$5,991,239.0	$0.0	$98,503.5	$0.0	$2,893,192.8	$2,512,969.3
3	Roads and Related	$1,796,436.5	$625,727.2	$0.0	$7,506.7	$74,697.8	$25,000.0	$1,063,504.9
4	Water	$1,368,711.2	$844,748.8	$0.0	$0.0	$0.0	$0.0	$523,962.4
5	Sanitary Sewer	$418,787.7	$273,262.6	$0.0	$15,520.0	$0.0	$0.0	$130,005.1
6	Storm Water Management	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
7	Parks and Recreation	$3,154,874.3	$232,470.4	$292,240.4	$5,868.0	$0.0	$1,944,870.0	$679,425.5
8	Library	$483,873.0	$342,612.8	$14,126.0	$0.0	$0.0	$0.0	$127,134.2
9	Shelter	$68,130.2	$600.0	$6,753.0	$0.0	$0.0	$0.0	$60,777.1
10	Subsidized housing	$755,557.0	$228,506.0	$52,705.1	$0.0	$0.0	$0.0	$474,345.9
11	Police	$219,131.0	$119,416.0	$0.0	$0.0	$0.0	$0.0	$99,715.0
12	Fire	$43,264.4	$2,500.0	$0.0	$0.0	$0.0	$0.0	$40,764.4
13	Paramedic Services	$95,010.0	$1,750.0	$9,326.0	$0.0	$0.0	$36,669.7	$47,264.3
14	Development-related studies	$52,371.2	$1,415.0	$5,095.6	$0.0	$0.0	$0.0	$45,860.5
15	Civic improvements	$60,533.1	$4,391.0	$5,614.2	$0.0	$0.0	$27,090.9	$23,437.0
16	Child Care	$80,870.0	$7,046.7	$7,382.3	$0.0	$0.0	$0.0	$66,441.0
17	Public Health	$800.0	$0.0	$80.0	$0.0	$0.0	$0.0	$720.0
18	Pedestrian Infrastructure	$60,759.6	$24,755.0	$3,600.5	$0.0	$0.0	$16,725.5	$15,678.6
TOTAL		**$21,062,182.4**	**$9,062,696.1**	**$396,923.1**	**$127,398.3**	**$74,697.8**	**$5,283,279.5**	**$6,117,187.6**

	Service	Development-Related Capital Program 2018-2041						
		Net Project Cost	Replacement & BTE Shares	Required Service Discount	Prior Growth	Available DC Reserves	Post-Period Benefit	Total DC Eligible Costs for Recovery
1	Roads and Related	$1,077,274.6	$5,896.2	$0.0	$0.0	$0.0	$84,115.7	$987,262.7
2	Water	$658,231.6	$222,855.5	$0.0	$0.0	$111,106.5	$2,857.1	$321,412.6
3	Sanitary Sewer	$5,725,088.2	$4,459,649.6	$0.0	$0.0	$87,741.1	$2,857.1	$1,174,840.4
4	Storm Water Management	$1,003,972.6	$247,554.1	$0.0	$7,200.0	$21,178.9	$30,524.0	$697,515.6
TOTAL		**$8,464,567.0**	**$4,935,955.3**	**$0.0**	**$7,200.0**	**$220,026.6**	**$120,353.9**	**$3,181,031.2**
TOTAL 2018-2027 and 2018-2041		**$29,526,749.4**	**$13,998,651.4**	**$396,923.1**	**$134,598.3**	**$294,724.4**	**$5,403,633.3**	**$9,298,218.8**

Appendix 4
City of Toronto 2018 Development Charges Background Study

Provided under separate cover