



EX30.3.2

January 19, 2018

By E-mail

Josephine Archbold
Executive Committee Administrator
City of Toronto
100 Queen Street West
10th Floor, West Tower
Toronto, ON M5H 2N2

sleisk@casselsbrock.com
tel: 416.869.5411
fax: 416.640.3218
file #1-2945

Attention: Members of the Executive Committee

Re: By-law to amend City of Toronto Municipal Code Chapter 415, Development of Land, by re-enacting Article I, Development Charges

We are the solicitors for the Governing Council of the University of Toronto. We are writing to express our client's strong objection to the draft 2018 development charges by-law (the "2018 By-law") which purports to revise section 415-6B(2) to impose development charges on colleges and universities for land used for "residential uses which includes a residential building or structure providing accommodations for students attending a college or university."

Pursuant to the *University of Toronto Act, 1971*, property owned, used or occupied by the University is exempt from all manner of taxes for municipal or school purposes. Governing jurisprudence from the Supreme Court of Canada and the Ontario Court of Appeal has confirmed that development charges are a form of tax and tax exemptions contained in special legislation, such as the *University of Toronto Act, 1971*, operate to exempt such bodies from development charges (See for example *Ontario Home Builders' Assn v. York Region Board of Education* and *Ontario Cancer Treatment & Research Foundation v. Ottawa (City)*). As such, the City has no authority to impose development charges on the University as it is purporting to do and the 2018 By-law as drafted is invalid. We note that the Background Study fails to contain any analysis of the proposed amendment to collect development charges from colleges and universities and does not consider whether the City of Toronto has any such authority. The Staff Report dated January 10, 2018, acknowledges that, "in some cases", the enabling legislation for a university or college provides a statutory exclusion from DCs. This is clearly the case with respect to the University of Toronto.

The University of Toronto is one of the top 10 non-government employers in Toronto, with approximately 8200 full time equivalent jobs, and contributes roughly \$12 billion of economic benefit to the Greater Toronto Area annually through salaries, benefits and expenditures. The University is experiencing significant demand for student housing. Current demand is projected at approximately 2,300 additional beds by 2020. The City has to date encouraged the University to deliver more student residences to meet this demand, to ensure affordability and to minimize impacts on surrounding neighbourhoods from the lack of student accommodations. The City's





actions regarding the 2018 By-law directly conflict with these common goals, and will prevent the development of student residences. There is no ability for the University to absorb these additional costs, and new student residences will not be constructed. This will have a significant negative impact on the ability of the University of Toronto to remain competitive, and generate the resulting economic benefits that the City currently enjoys. Precisely why the province intended for universities to be exempt from such taxes.

We hereby request that the City revise the 2018 By-law to delete the proposed amendment respecting colleges and universities and revert to the existing exemption.

Yours truly,

Cassels Brock & Blackwell LLP

A handwritten signature in blue ink, appearing to read "SL", is written over a faint, light blue circular watermark or stamp.

Signe Leisk
Partner
SL/nv