



**MEMO to
Development Services Committee**

TO: Mayor & Members of Council

C. Andy Taylor, CAO
Trinela Cane, Commissioner, Corporate Services
Joel Lustig, Treasurer

FROM: Arvin Prasad, Commissioner, Development Services

PREPARED BY: Brian Lee, Director, Engineering, x7507
Biju Karumanchery, Director, Planning & Urban Design, x2970

DATE: June 29, 2020

Re: July 1, 2020 Development Charge Rate Indexing

Recommendations

1. That the staff memo entitled “July 1, 2020 Development Charge Rate Indexing” be received;
2. That staff bring forward a report to the July 14, 2020 Council meeting to determine the best approach to suspend the Development Charge Indexing rate increase of 1.2% effective July 1, 2020 for the balance of this calendar year and adding the July 1, 2020 indexing rate to the January 1, 2021 rate; and
3. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

Background

Due to the COVID-19 pandemic, Council is providing a number of financial relief measures.

At its March 27, 2020 meeting, Council approved financial relief by amending by-laws related to:

- Water Rate
- Municipal Accommodation Tax
- Stormwater Fees
- User Fees

At its May 12, 2020 meeting, Council also approved fee deferrals under:

- *Tariff of Fees for Processing of Planning Applications* in By-law 211-83 as amended by By-law 2019-137,
- *Fees or Charges for Servicing or Activities Provided or Done by the City* in By-law 2002-276.

Discussion

The City of Markham is responsible for collecting three types of Development Charges (DC): Residential City-wide DC, Non-Residential City-wide DC and Area-Specific DC. The Development Charge Rates are indexed every 6 months on January 1 and July 1 of each year.

The City has two City-wide DC by-laws, By-law Nos. 2017-116 and 2017-117, and nineteen (19) Area-Specific Development Charges (ASDC), By-law Nos. 2017-118 to 2017-136, all of which are scheduled to be indexed at 1.2% effective July 1, 2020.

At the request of the development industry, to provide financial relief due to the COVID-19 pandemic, Staff is recommending that a review be undertaken to determine the best approach to suspending the July 1, 2020 DC rate indexing for the balance of the calendar year and adding it to the indexation rates for January 1, 2021.

Financial Considerations

Based on previous years' activity, by not indexing the DC rates on July 1, 2020, the estimated lost income for Markham will be approximately \$200,000 for the six month period.