



Report to: General Committee

Report Date: May 13, 2015

SUBJECT: Development Charges Indexing – July 1, 2015
PREPARED BY: Kevin Ross, Manager, Development Finance (ext. 2126)

RECOMMENDATION:

- 1) That the report titled “Development Charges Indexing – July 1, 2015” be received;
- 2) That Council approve an increase in development charges of 1.2%, effective July 1, 2015;
- 3) And that staff be directed to do all things necessary to give effect to this report.

PURPOSE:

The purpose of this report is to recommend the indexing of development charges, effective July 1, 2015, in accordance with the Statistics Canada Quarterly, *Construction Price Statistics* for non-residential buildings in Toronto.

Indexing the City’s development charges helps to partially mitigate the impact of inflationary increases on future growth-related costs.

BACKGROUND:

Section 15 of the City’s Development Charge by-laws state that the charges referred to in the “Schedule of Development Charges” shall be adjusted semi-annually without an amendment to the by-laws, on the first day of January and the first day of July, of each year, in accordance with the most recent change in the Statistics Canada Quarterly, *Construction Price Statistics* (Catalogue No. 62-007).

In accordance with the by-law it is recommended that the development charges be indexed up by 1.2%. This represents the increase in the Statistics Canada Quarterly, *Construction Price Statistics* for non-residential buildings in Toronto for the fourth quarter of 2014 and the first quarter of 2015. This follows an increase of 0.9% on January 1, 2015.

Based on the recommended increase, the new development charge rates effective July 1, 2015 are shown below.

Residential Charge Per Unit	City Wide Hard		City Wide Soft	
	Before Indexing	After Indexing	Before Indexing	After Indexing
Single/Semi	\$10,275	\$10,398	\$12,487	\$12,637
Townhouse	\$7,971	\$8,067	\$9,687	\$9,803
Apartment:				
Large > or = 650 sq ft	\$6,744	\$6,825	\$8,194	\$8,292
Small < 650 sq ft	\$5,016	\$5,076	\$6,094	\$6,167

Non-Residential		
Town Wide Soft (per square metre)	Before Indexing	After Indexing
Industrial/ Office/ Institutional	\$11.31	\$11.45
Retail	\$12.31	\$12.46
Mixed Use	\$7.69	\$7.78
Town Wide Hard (per net hectare)		
Retail/ Industrial/ Office/ Institutional	\$224,440	\$227,133

Area Specific Development Charge (per net hectare)			
Area	Description	Before Indexing	After Indexing
1B	Yonge Steeles Corridor	\$1,152,304	\$1,166,132
4	Don Mills / Browns Corner	\$152,892	\$154,726
5	Armadale	\$10,033	\$10,154
7	Armadale NE	\$11,869	\$12,011
8	Milliken Mills	\$157,375	\$159,263
9	PD 1-7	\$754,506	\$763,560
17	Rodick / Miller Road Planning District	\$224,351	\$227,043
18	Buttonville Airport	\$622,649	\$630,121
23	Mount Joy	\$48,568	\$49,151
42A-1	South Unionville - Helen Avenue	\$1,693,168	\$1,713,486
42B	Markham Centre	\$6,891	\$6,974
42B-2	Markham Centre - Clegg	\$94,459	\$95,592
42B-4	Markham Centre - Hotel	\$900,916	\$911,727
42B-6	Markham Centre - South Hwy 7	\$1,061,339	\$1,074,075
42B-8	Markham Centre - Sciberras	\$308,021	\$311,718
42B-9	Markham Centre - East Precinct	\$3,135,484	\$3,173,109
45A	Wismer	\$9,863	\$9,981
46	Cathedral	\$24,206	\$24,496
47B	York Downs	\$25,075	\$25,376
49	404 North Employment Lands	\$43,336	\$43,856

FINANCIAL CONSIDERATIONS

The Non-Residential Building Construction Price Index includes costs associated with the construction of industrial, commercial and institutional buildings which more closely aligns with the costs incurred by the City of Markham. The Non-Residential Building Construction Price Index increased mainly as a result of higher material prices. The City will continue to monitor the changes in the index to see whether development charge revenues are keeping pace with the costs of development-related projects.

RECOMMENDED BY:

21/05/2015

X 

Joel Lustig
Treasurer

21/05/2015

X 

Trinela Cane
Commissioner, Corporate Services