



Report to: General Committee

Date Report Authored: November 24, 2014

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

RECOMMENDATION:

- 1) That the report titled “Development Charges Indexing – January 1, 2015” be received;
- 2) That Council approve an increase in development charges of 0.9%, effective January 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 January 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 0.9%. This represents the increase in the Statistics Canada Quarterly, *Construction Price Statistics* for non-residential buildings in Toronto for the second and third quarters of 2014. This follows an increase of 0.6% on July 1, 2014.

Based on the recommended increase, the new development charge rates effective January 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	\$10,183	\$10,275	\$12,376	\$12,487
Townhouse	\$7,900	\$7,971	\$9,601	\$9,687
Apartment:				
Large > or = 650 sq ft	\$6,684	\$6,744	\$8,121	\$8,194
Small < 650 sq ft	\$4,971	\$5,016	\$6,040	\$6,094

Non-Residential		
Town Wide Soft (per square metre)	Before Indexing	After Indexing
Industrial/ Office/ Institutional	\$11.21	\$11.31
Retail	\$12.20	\$12.31
Mixed Use	\$7.62	\$7.69
Town Wide Hard (per net hectare)		
Retail/ Industrial/ Office/ Institutional	\$222,438	\$224,440

Area Specific Development Charge (per net hectare)			
Area	Description	Before Indexing	After Indexing
1B	Yonge Steeles Corridor	\$1,142,026	\$1,152,304
4	Don Mills / Browns Comer	\$151,528	\$152,892
5	Armadale	\$9,944	\$10,033
7	Armadale NE	\$11,763	\$11,869
8	Milliken Mills	\$155,971	\$157,375
9	PD 1-7	\$747,776	\$754,506
17	Rodick / Miller Road Planning District	\$222,350	\$224,351
18	Buttonville Airport	\$617,095	\$622,649
23	Mount Joy	\$48,135	\$48,568
42A-1	South Unionville - Helen Avenue	\$1,678,065	\$1,693,168
42B	Markham Centre	\$6,830	\$6,891
42B-2	Markham Centre - Clegg	\$93,616	\$94,459
42B-4	Markham Centre - Hotel	\$892,880	\$900,916
42B-6	Markham Centre - South Hwy 7	\$1,051,872	\$1,061,339
42B-8	Markham Centre - Sciberras	\$305,274	\$308,021
42B-9	Markham Centre - East Precinct	\$3,107,516	\$3,135,484
45A	Wismer	\$9,775	\$9,863
46	Cathedral	\$23,990	\$24,206
47B	York Downs	\$24,851	\$25,075
49	404 North Employment Lands	\$42,949	\$43,336

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 a slight increase in the price of materials. 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:

01/12/2014

X 

Joel Lustig
Treasurer

01/12/2014

X 

Trinela Cane
Commissioner, Corporate Services