



Report to: General Committee

Report Date: December 2, 2013

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**SUBJECT:** Development Charges Indexing – January 1, 2014  
**PREPARED BY:** Kevin Ross, extension 2126

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**RECOMMENDATION:**

- 1) That the report titled “Development Charges Indexing – January 1, 2014” be received;
- 2) That Council approve an increase in development charges of 0.3%, effective January 1, 2014;
- 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, 2014, in accordance with the Statistics Canada Quarterly, Construction Price Statistic 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).

The City passed new Development Charge by-laws in May 2013 and as a result no indexing was recommended on July 1<sup>st</sup>, 2013. Seeing that the new development charge rates were calculated utilizing costs available in the 4<sup>th</sup> quarter of 2012, staff recommend that the two semi-annual indexing be enforced to keep pace with changing costs.

It is recommended that the development charges be indexed up by 0.3%. This represents the increase in the Statistics Canada Quarterly, Construction Price Statistic for non-residential buildings in Toronto for the fourth quarter of 2012 and the first quarter of 2013 as well as the second and third quarters of 2013. This follows an increase of 0.7% on January 1, 2013.

Based on the recommended increase, the new development charge rates effective January 1, 2014 are shown below.

Residential Charge Per Unit	City Wide Hard		City Wide Soft	
	Before Indexing	After Indexing	Before Indexing	After Indexing
Single/Semi	\$10,092	\$10,122	\$12,265	\$12,302
Townhouse	\$7,829	\$7,852	\$9,515	\$9,544
Apartment:				
Large > or = 700 sq ft	\$6,624	\$6,644	\$8,048	\$8,072
Small < 700 sq ft	\$4,927	\$4,942	\$5,986	\$6,004

Non-Residential		
Town Wide Soft (per square metre)	Before Indexing	After Indexing
Industrial/ Office/ Institutional	\$11.11	\$11.14
Retail	\$12.09	\$12.13
Mixed Use	\$7.55	\$7.57
Town Wide Hard (per net hectare)		
Retail/ Industrial/ Office/ Institutional	\$220,450	\$221,111

Area Specific Development Charge (per net hectare)			
Area	Description	Before Indexing	After Indexing
1B	Yonge Steeles Corridor	\$1,131,819	\$1,135,214
4	Don Mills / Browns Comer	\$150,174	\$150,625
5	Armadale	\$9,855	\$9,885
7	Armadale NE	\$11,658	\$11,693
8	Milliken Mills	\$154,577	\$155,041
9	PD 1-7	\$741,093	\$743,316
17	Rodick / Miller Road Planning District	\$220,363	\$221,024
18	Buttonville Airport	\$611,580	\$613,415
23	Mount Joy	\$47,705	\$47,848
42A-1	South Unionville - Helen Avenue	\$1,663,067	\$1,668,056
42B	Markham Centre	\$6,769	\$6,789
42B-2	Markham Centre - Clegg	\$92,779	\$93,057
42B-4	Markham Centre - Hotel	\$884,900	\$887,555
42B-6	Markham Centre - South Hwy 7	\$1,042,471	\$1,045,598
42B-8	Markham Centre - Sciberras	\$302,546	\$303,454
42B-9	Markham Centre - East Precinct	\$3,079,743	\$3,088,982
45A	Wismer	\$9,688	\$9,717
46	Cathedral	\$23,776	\$23,847
47B	York Downs	\$24,629	\$24,703
49	404 North Employment Lands	\$42,565	\$42,693

### **FINANCIAL CONSIDERATIONS**

The Non-Residential 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 Construction Price Index increased mainly as a result of a slight increase in building costs. 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:**

26/11/2013

X 

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Joel Lustig  
Treasurer

26/11/2013

X 

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Trinela Cane  
Commissioner, Corporate Services