



Report to: General Committee

Report Date: November 19, 2012

SUBJECT: Development Charges Indexing – January 1, 2013
PREPARED BY: Kevin Ross, extension 2126

RECOMMENDATION:

- 1) That the report titled “Development Charges Indexing – January 1, 2013” be received;
- 2) That Council approve an increase in development charges of 0.7%, effective January 1, 2013;
- 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, 2013, 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).

In accordance with the by-law it is recommended that the development charges be indexed up by 0.7%. This represents the increase in the Statistics Canada Quarterly, Construction Price Statistic for non-residential buildings in Toronto for the second and third quarters of 2012. This follows an increase of 1.1% on July 1, 2012.

Based on the recommended increase, the new development charge rates effective January 1, 2013 are shown below.

Residential Charge Per Unit	Town Wide Hard		Town Wide Soft	
	Before Indexing	After Indexing	Before Indexing	After Indexing
Single/Semi	\$9,063	\$9,126	\$10,427	\$10,500
Townhouse	\$7,132	\$7,182	\$8,185	\$8,242
Apartment:				
Large > 750 sq ft	\$5,609	\$5,648	\$6,445	\$6,490
Small < or = 750 sq ft	\$3,371	\$3,395	\$3,870	\$3,897

Non-Residential		
Town Wide Soft (per square metre)	Before Indexing	After Indexing
Industrial/ Office/ Institutional	\$8.58	\$8.64
Retail	\$9.32	\$9.39
Mixed Use	\$5.88	\$5.92
Town Wide Hard (per net hectare)		
Retail/ Industrial/ Office/ Institutional	\$189,914	\$191,243

Area Specific Development Charge (per net hectare)			
Area	Description	Before Indexing	After Indexing
4	Don Mills / Browns Corner	\$33,100	\$33,332
5	Armadale	\$12,052	\$12,136
7	Armadale NE	\$15,679	\$15,789
8	Milliken Mills	\$221,214	\$222,762
9	PD 1-7	\$572,958	\$576,969
17	Rodick / Miller Road Planning District	\$330,449	\$332,762
42A	South Unionville	\$61,731	\$62,163
42A-1	South Unionville - Helen Avenue	\$867,843	\$873,918
42B	Markham Centre	\$54,512	\$54,894
42B-2	Markham Centre - Clegg	\$72,130	\$72,635
42B-4	Markham Centre - Hotel	\$956,547	\$963,243
42B-6	Markham Centre - South Hwy 7	\$362,593	\$365,131
42B-8	Markham Centre - Sciberras	\$610,383	\$614,656
42B-9	Markham Centre - East Precinct	\$591,479	\$595,619
44A	Rouge North East	\$7,768	\$7,822
45A	Wismer	\$7,490	\$7,542
46	Cathedral	\$3,500	\$3,525
47B	York Downs	\$27,245	\$27,436
49	404 North Employment Lands	\$19,416	\$19,552

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 for the second and third quarters of 2012 increased mainly as a result of a slight increase in construction 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:

29/11/2012

X 

Joel Lustig
Treasurer

30/11/2012

X 

Trinela Cane
Commissioner, Corporate Services