Newmarket

Town of Newmarket
Council Information Package

Index of Attachments

Circulation Date: June 8, 2018

Note: If a Member of Council wishes to include any of the enclosed documents on a future Council or Committee of the Whole agenda, please email Legislative Services at clerks@newmarket.ca.

General Correspondence Items

1. **2018 Development Charge Background Study and Bylaw Amendment**
   Region of York
   May 18, 2018

2. **2018 Property Tax Capping**
   Region of York
   May 18, 2018

3. **Growth and Development Review 2017**
   Region of York
   May 18, 2018

4. **2017 Regional Centres and Corridors Update**
   Region of York
   May 18, 2018

5. **Meeting Growth Plan Infrastructure Demands and Financial Sustainability: 2018 Update**
   Region of York
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6. **Resolution re: Bill 16, Respecting Municipal Authority over Landfilling Sites**
   Town of Espanola
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7. **Resolution re: Bill 16, Respecting Municipal Authority over Landfilling Sites**
   City of Hamilton
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8. **Resolution re: Cannabis Grace Period Request**
City of Quinte West
May 28, 2018

9. **Town of Oakville's resolution regarding a Renewed Commitment to the Greenbelt**
City of Hamilton
May 31, 2018

Proclamations and Lighting Requests

There were no proclamations and lighting requests for this period.

York Region

Corporate Services
Regional Clerk's Office

May 18, 2018

LEGISLATIVE SERVICES
INCOMING MAIL | REF'D TO | COPY TO
JUN 06 2018

Ms. Lisa Lyons
Director of Legislative Services/Town Clerk
Town of Newmarket
395 Mulock Drive, P.O. Box 328
Newmarket, ON L3Y 4X7

Dear Ms. Lyons:

Re: 2018 Development Charge Background Study and Bylaw Amendment

This letter is to provide notice that the Council of The Regional Municipality of York passed Bylaw No. 2018-42 on May 17, 2018 under the *Development Charges Act, 1997* ("the Act").

Any person or organization may appeal the Bylaw to the Ontario Municipal Board under Section 14 of the Act by filing with the Regional Clerk a notice of appeal setting out the objection to the Bylaw and the reasons supporting the objection by no later than 4:30 p.m. on **June 26, 2018.**

A copy of the following is enclosed for your information:

- Clause 13 of Committee of the Whole Report No. 9
- Bylaw No. 2018-42

This material as well as the background study are also available online at york.ca or may be examined at the Office of the Regional Clerk at 17250 Yonge Street, Newmarket, ON L3Y 6Z1 during regular office hours.

Please contact Edward Hankins, Director, Treasury Office, at 1-877-464-9675 ext. 71644 if you have any questions with respect to this matter.

Sincerely,

Christopher Raynor
Regional Clerk

/C. Martin
Attachments

York Region

Clause 13 in Report No. 9 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on May 17, 2018.

13
2018 Development Charge Background Study and Bylaw Amendment

Committee of the Whole recommends:

1. Receipt of the communication from Leo Longo, Aird Berlis LLP on behalf of a number of car dealerships located in York Region, dated May 8, 2018.

2. Adoption of the following recommendations, as amended, in the report dated April 25, 2018 from the Commissioner of Finance:

    1. Council approve the 2018 Development Charge Bylaw amendment, with an effective date of July 1, 2018, that incorporates the rates as set out in the 2018 Development Charge Background Study and Bylaw (Attachment 1).

    2. Council approve the proposed changes and clarifications to the treatment of structured parking and retail motor vehicle establishments, as set out in the 2018 Development Charge Background Study and Bylaw.

    3. Council approve the amended policy to defer development charges on qualified open air motor vehicle storage structures in all of York Region, found in Attachment 2.

    4. Council determine that no further public meeting is required pursuant to the Development Charges Act, 1997.

    5. Notice of the passing of this bylaw be given as required under the Development Charges Act, 1997.

    6. Regional staff be authorized to attend the Local Planning Appeals Tribunal or the courts, as appropriate, to defend the Region's position if the 2018 Development Charge Bylaw amendment is appealed.

    7. The Regional Clerk circulate this report to the local municipalities and to the Building Industry and Land Development Association – York Chapter (BILD).

Report dated April 25, 2018 from the Commissioner of Finance now follows:

1. Recommendations

It is recommended that:

1. Council approve the 2018 Development Charge Bylaw amendment, with an effective date of July 1, 2018, that incorporates the rates as set out in the 2018 Development Charge Background Study and Bylaw (Attachment 1).

2. Council approve the proposed changes and clarifications to the treatment of structured parking and retail motor vehicle establishments, as set out in the 2018 Development Charge Background Study and Bylaw.

3. Council approve the policy to defer development charges on qualified open air motor vehicle storage structures, found in Attachment 2.

4. Council determine that no further public meeting is required pursuant to the *Development Charges Act, 1997*.

5. Notice of the passing of this bylaw be given as required under the *Development Charges Act, 1997*.

6. Regional staff be authorized to attend the Local Planning Appeals Tribunal or the courts, as appropriate, to defend the Region's position if the 2018 Development Charge Bylaw amendment is appealed.

7. The Regional Clerk circulate this report to the local municipalities and to the Building Industry and Land Development Association – York Chapter (BILD).

2. Purpose

This report seeks approval of the 2018 Development Charge Bylaw amendment and rates, taking into account consultations with the local municipalities and deputations made at the statutory public meeting.

3. Background and Previous Council Direction

The current Development Charge Bylaw came into force on June 17, 2017

Council passed the 2017 Development Charge Bylaw (No. 2017-35) on May 25, 2017, prior to the expiry of the five year statutory limit as prescribed by the

Development Charges Act, 1997 (the *"Act"*). The 2017 Development Charge Bylaw was supported by a background study describing the methodologies and assumptions that underpin the development charge rates.

The 2017 Development Charge Background Study anticipates $6.5 billion in infrastructure to support population and employment growth to 2031. The proportion that is eligible for recovery from development charges under this bylaw is $3.7 billion.

In addition, through the Bylaw, Council established a new hotel development charge rate class. Council also approved a policy to defer development charges on purpose-built high density rental buildings for 36 months.

Some capital projects were included in the 2017 Development Charge Bylaw on a contingent basis

The 2017 Development Charge Bylaw includes a two-part contingency schedule (Part A & B of Contingency Schedule G). A contingency schedule is a list of capital projects, with associated development charge rate increases, that would become part of the bylaw, should certain conditions be met (i.e., trigger event).

Part A of Contingency Schedule G includes assets for which the Region does not currently have responsibility, and that require agreements with other parties for the Region to assume responsibility. Examples of this type of project include capital works on Steeles Ave, which is owned by the City of Toronto.

Part B of Contingency Schedule G includes additional road projects that are in the Region's Transportation Master Plan. Under the 2017 Bylaw, these projects were subject to a five-part financial trigger.

The gross cost of the projects in Contingency Schedule G is summarized in Table 1 as follows:

Table 1
2017 Development Charge Bylaw: 'Two-Part' Contingency Schedule

Part	Trigger of development charge(s)	Service(s)	Total gross project costs ($ Million)
A	Assets the Region doesn't currently have responsibility for and that require agreements with other parties to assume responsibility	Water, Wastewater, Roads, and Senior Services	844
B	Road projects subject to a five-part financial trigger	56 road projects	1,488
Total			**2,332**

On May 25, 2017, Council also directed staff to bring back an amendment to the 2017 Development Charge Bylaw in the first quarter of 2018

When Council approved the 2017 Development Charge Bylaw, it also directed staff to bring back an amendment by March 31, 2018 that would add all 56 road projects in "Part B" of Contingency Schedule G of the 2017 Development Charge Bylaw into the rate calculation. A full list of the 56 projects, including project costs and calculation methodology, can be found in Table 7-7, on pages 96-98 of the 2017 Development Charge Background Study.

On February 15, 2018, staff tabled a draft 2018 Development Charge Background Study and Bylaw amendment

In order to amend a development charge bylaw, the *Act* requires a municipality to pass an amending bylaw, supported by a development charge background study that details the changes that are the subject of the amendment. On February 15, 2018, staff tabled the draft 2018 Development Charge Background Study and Bylaw.

The purpose of this amendment is two-fold:

1. To address Regional Council's direction to bring back a proposed bylaw amendment to add all 56 road projects from 'Part B' of Contingency Schedule G to the rate calculation

2. To review the development charge treatment of parking structures (including any associated sections in the Bylaw)

All other services will continue to be funded under the 2017 Development Charge Bylaw

The 2018 Development Charge Bylaw amends the 2017 Development Charge Bylaw as it pertains to the road capital program and the treatment of structured parking. The 2018 Development Charge Bylaw amendment does not repeal or replace the Region's 2017 Development Charge Bylaw. All other services will continue to be funded under the 2017 Development Charge Bylaw.

Inputs and assumptions from the 2017 Development Charge Bylaw will remain the same, including:

- Forecast horizon (2017 to 2031)
- Residential and non-residential growth forecasts
- Development charge calculation methodology
- Debt and reserves figures

In addition to this bylaw amendment, the finalization of the Steeles Avenue cost-sharing agreement with the City of Toronto will also trigger rate increases

It is expected that on June 14, 2018, the Commissioner of Transportation Services will bring forward a memo to Committee of the Whole providing an update on a cost-sharing agreement with the City of Toronto that includes four Steeles Avenue road projects. Regional and City of Toronto staff have been pursuing such an agreement.

These four projects are identified in "Part A" of Contingency Schedule G to the 2017 Development Charge Bylaw. Finalization of the cost-sharing agreement with the City of Toronto triggers the inclusion of these four projects in the 2017 Bylaw. The rate increases will take effect 30 days after the full execution of the cost-sharing agreement.

The Steeles Avenue projects have an estimated gross project cost of approximately $122 million, of which the Region's share is just over $41 million. As a result of the cost-sharing agreement, the Region's development charge rate will increase by approximately $266 for a single family dwelling. Further details on the rate impact of these projects can be found on pages 28-29 of the Region's 2017 Development Charge Bylaw.

An amended asset management plan has been prepared in accordance with the *Act*

The *Act* requires municipalities to prepare an asset management plan as part of their Background Study. The asset management plan must demonstrate that all assets proposed to be funded by the bylaw are financially sustainable over their lifecycle. The asset management plan can be found in Chapter 7 of the 2018 Development Charge Background Study (Attachment 1).

An asset management plan covering the amended project list was included in the 2018 Development Charge Background Study. It accounted for the full operating and capital requirements related to both existing and future assets, enabling an estimate of the impact of growth on both user rates and the tax levy.

Stakeholders were consulted during the development of the background study underpinning the amendment

Beginning in December 2017, staff consulted representatives from local municipalities and the Building Industry and Land Development Association – York Chapter (BILD). Staff met with representatives from the local municipalities on two occasions and the BILD working group on two occasions throughout the development of the bylaw amendment. Topics discussed include:

- Scope of the amendment
- Preliminary impact on rates
- Treatment of structured parking in the amended bylaw

A public meeting was held on March 22, 2018, and all prescribed timelines have been met

On March 22, 2018, the Region held a public meeting to seek feedback on the draft 2018 Development Charge Background Study and Bylaw amendment. At the public meeting Committee of the Whole requested that staff revisit the treatment of structured parking, specifically as it relates to open air structured parking. Staff's response was provided in a memorandum to Committee on April 12th. This feedback was considered during the preparation of Attachment 1 and Attachment 2 and is discussed further on pages 9 to 10 of this report.

In addition to the public meeting, the *Act* requires that other timelines be met to pass a development charge bylaw. Table 2 highlights key dates in the Region's development charge bylaw amendment process. All prescribed timelines have been met.

Table 2
Key Dates in Regional Bylaw Amendment Process

Deliverable	Date	Time elapsed	
Draft 2018 Background Study and Bylaw amendment publicly released with a report (includes recommendation authorizing public notice)	February 15, 2018	35 days	91 days*
Notice of public meeting published in all local Metroland newspapers	February 22, 2018		
Public meeting immediately prior to Committee of the Whole Week 2	March 22, 2018		
Memorandum to Committee of the Whole Week 2 on the development charge treatment of structured parking	April 12, 2018	56 days	
2018 Development Charge Bylaw amendment report to Committee of the Whole Week 2	May 10, 2018		
2018 Development Charge Bylaw amendment to Council for anticipated approval	May 17, 2018*		
2018 Development Charge Bylaw amendment and rates come into effect	July 1, 2018		

*Note: *The Development Charges Act, 1997* requires that a background study be available to the public at least 60 days prior to passing the Bylaw.

The Region must provide stakeholders with notice of passage of the Bylaw and of the appeal period

Once the bylaw is passed, the appeal period begins; the Region must provide notice to the public within 20 days of passing the bylaw. This notice will be given through publication in all local Metroland newspapers.

The appeal period for the 2018 Development Charge Bylaw will begin on May 18, 2018, one day after the amending bylaw is expected to be passed, and will end 40 days later, on June 27, 2018 at 4:30 pm. Anyone wishing to appeal the 2018 Development Charge Bylaw amendment must file the appeal with the Regional Clerk prior to that deadline.

4. Analysis and Implications

The 2018 Development Charge Bylaw amendment will increase the gross project costs for the road component of the 2017 Development Charge Bylaw from approximately $2.8 billion to $4.3 billion

Compared to the 2017 Background Study's main project list, including "Part B" of Contingency Schedule G will add $1.49 billion in gross project costs and $1.35 billion in development-charge-eligible costs to the rate calculation (Table 3). The difference will be a future tax levy pressure.

Table 3
Summary of Project Costs*

Gross Project Costs	2017 Background Study ($ Millions)	2018 Bylaw Amendment ($ Millions)	Total ($ Millions)
Roads Services	2,799	1,486	**4,284**
Roads Development Charge Eligible Costs (2017-2031)	1,945	1,348	**3,293**

*Note: Numbers may not add due to rounding

Most of the road projects being added through the amendment are for road widenings

Road widening projects (4 or 6 lane widenings) make up 61 per cent of the gross capital costs being added.

The 2018 Development Charge Bylaw amendment will also fund a variety of other road projects, including:

- new and improved interchanges
- rail grade separations
- new arterial corridors
  intersection improvements

Proposed changes to the treatment of structured parking

The 2018 Development Charge Bylaw amendment also proposes to change the treatment of structured parking

During the consultation process for the 2017 Development Charge Bylaw, some stakeholders expressed their concern about the treatment of car dealerships and structured parking. There were also two appeals of the 2017 Development Charge Bylaw related to automotive dealerships and parking structures (these are discussed further in the Private Memorandum to Council entitled, Development Charge Bylaw Amendment).

Staff's review of the treatment of structured parking and retail motor vehicle establishments (e.g., car dealerships) has resulted in the changes proposed in Table 4 below, with further detail being provided in Chapter 6 and Appendix C of Attachment 1.

Table 4
Summary of Changes to the Treatment of Retail Motor Vehicle Establishments and Structured Parking

Type of development	Change or clarification
Standalone structures used for vehicle storage	Recognize the warehousing nature and levy the industrial/office/institutional rate
Retail motor vehicle establishments	Strengthen the bylaw to treat all areas within a retail motor vehicle establishment as retail Introduce a blended rate treatment for motor vehicle establishments with 'significant' storage areas*
Structured parking accessory to shopping malls and hotels	Clarify their exempt status

*Note: 'Significant' is defined such that the gross floor area of the vehicle storage area (less any eligible employment/customer parking gross floor area) must be greater than two times the gross floor area of the retail motor vehicle establishment not used for vehicle storage area

In response to the feedback received at the March 22 public meeting, staff have proposed a deferral policy for qualified open air motor vehicle storage structures

At the public meeting for the 2018 Bylaw amendment, Committee asked staff to consider additional changes to the treatment of structured parking in the amending Bylaw. Specifically, Committee requested that staff consider amending the Bylaw such that open air structured parking facilities used to store vehicles prior to sale or lease be exempt from development charges. The rationale was to encourage more efficient use of land and encourage more compact storage solutions by making it cheaper for developers to build structured parking.

Staff reported back to Committee through a memorandum on April 12, 2018, entitled, "Development charge treatment of structured parking". The memo provided background information regarding structured parking in the Region, and indicated that a development charge deferral policy for qualified open air motor vehicle storage structures would accompany the Background Study and Bylaw being presented to Council in May for approval.

The rationale for deferring development charges on open air motor vehicle storage structures is twofold:

- Staff anticipate that due to the lack of climate control, open air motor vehicle storage areas are less likely to be used for other retail uses such as detailing, servicing and show room compared to their enclosed counterparts
- A deferral agreement protects the Region's interests and allows for the collection of deferred development charges should the facility become enclosed

Table 5 summarizes the main points of this policy. Details of the deferral policy are provided on Attachment 2. The proposed policy has been informed by consultations with local municipalities and car dealerships. If approved, the proposed policy would take effect on July 1, 2018.

Table 5

Key Components of a Policy to Defer Development Charges for Qualified Open Air Motor Vehicle Storage Structures

Term	Rationale
Applies to open air structures designed or intended to be used for motor vehicle storage only	Encourages more compact development, making better use of the land Lack of climate control makes it less likely that these structures will be used for other retail uses such as detailing, servicing and show rooms compared to their enclosed counterparts
Applies to developments within the Regional Centres and Regional Corridors	Targeted policy directed at areas where the Region envisions the greatest levels of intensification

Term	Rationale
Local municipal participation required	Ensures alignment of Regional and local policy

It is anticipated that the 2017 Development Charge Bylaw will be updated prior to its statutory five year expiration on June 16, 2022

The 2017 Development Charge Bylaw is set to expire on June 16, 2022 (five years after its effective date). The 2018 Development Charge Bylaw amendment does not affect the expiry date of the 2017 Development Charge Bylaw.

It is expected that the Region will update the 2017 Development Charge Bylaw after the Municipal Comprehensive Review has been completed and prior to the statutory maximum five year period.

5. Financial Considerations

As a result of this amendment, all residential development charge rates would increase by 19 per cent and non-residential development charge rates would increase between 18 and 28 per cent

Adding all 56 projects would result in a 19 per cent increase in development charge rates across all residential development types. Similarly, non-residential rates would increase by between 18 and 28 per cent as a result of the amendment. Table 6 summarizes the increases to the Region's development charge rates.

Table 6
Summary of Increases to Development Charge Rates

Residential Type	Current rates ($)* (as of May 9, 2018)	Proposed 2018 rates ($)**	Increase (%)
Single and Semi-Detached	48,330	57,525	19
Multiple Unit Dwelling	38,899	46,301	19
Apartments >=700 square feet	28,273	33,652	19
Apartments < 700 square feet	20,636	24,566	19
Non-Residential (per square foot)			

Residential Type	Current rates ($)* (as of May 9, 2018)	Proposed 2018 rates ($)**	Increase (%)
Retail	39.89	51.12	28
Industrial/Office/Institutional	17.90	21.19	18
Hotel	7.93	10.03	26

*Note: Does not include Nobleton wastewater rates. Rates are subject to indexing on July 1, 2018.
**Note: Rate changes subject to this amendment have had an inflationary factor of 2.4 per cent applied and will not be indexed on July 1, 2018, but will be indexed in future.

Rates imposed by the 2017 Development Charge Bylaw will be subject to indexing on July 1, 2018

Rates under 2018 Development Charge Bylaw amendment will not be indexed on July 1, 2018 as an inflationary factor has already been applied.

Rates imposed by the 2017 Bylaw will be indexed on July1, 2018. This includes the portion of the rates pertaining to roads services on the main list of the 2017 Development Charge Background Study.

The Region's indexing takes place on July 1, and uses Statistics Canada's Quarterly Construction Price Index, which will be published by Statistics Canada in May 2018. Over the past ten years, the annual index has averaged 2.4 per cent.

6. Local Municipal Impact

The 2018 Development Charge Bylaw amendment will help fund additional road projects to accommodate growth in the local municipalities

The 2018 Development Charge Bylaw amendment adds an additional $1.49 billion in growth-related roads infrastructure to the Region's 2017 Development Charge Bylaw. The associated 56 road projects will support growth across the Region's local municipalities by helping to fund projects like the construction of new grade separations, road widenings, new interchanges and new arterial corridors.

7. Conclusion

Section 10(1) of the *Act* requires that prior to passing a development charge bylaw, a municipality's Council must complete a development charge background study; Attachment 1 to this report, once finalized, satisfies this obligation.

Furthermore, having met all statutory timelines, and to collect development charges for the 56 road projects that are the subject of this amendment, it is recommended that Regional Council approve the adoption of the 2018 Development Charge Bylaw amendment, to come into effect on July 1, 2018.

For more information on this report, please contact Edward Hankins, Director, Treasury Office, at 1-877-464-9675 ext. 71644.

The Senior Management Group has reviewed this report

Recommended by:

Bill Hughes
Commissioner of Finance

Approved for Submission:

Bruce Macgregor
Chief Administrative Officer

April 25, 2018

Attachments (2) (Attachment 1 is available for viewing on york.ca)

8419566

Accessible formats or communication supports are available upon request

York Region

Status: **Final / Archived (select one)**
Approved By: **Council / CAO (select one)**

The Regional Municipality of York

Development Charge Deferral for Open Air Motor Vehicle Storage Structures

Policy No.:

Original Approval Date: May 17, 2018

Policy Last Updated: Not applicable

Policy Statement:

A policy governing the deferral of Regional development charges and area-specific development charges, as the case may be, for open air motor vehicle storage structures in the Regional Municipality of York.

Application (this policy applies to):

This policy is available for open air motor vehicle storage structures in the Regional Municipality of York, subject to the terms and conditions as set out in this policy and/or modified through the required deferral agreement.

For greater clarity, in order to be eligible, this development must be open air and applies to:

- conversions of existing surface parking to open air motor vehicle storage structures; and
- new open air motor vehicle storage structures.

The policy does not apply to solely below grade motor vehicle storage structures. If an above-grade open air motor vehicle storage structure includes below grade storage areas, those below grade storage area shall not be eligible for this deferral.

Purpose:

This policy establishes the conditions, duration, terms, and other requirements in order to defer Regional development charges, or area-specific development charges, as the case may be, for open air motor vehicle storage structures.

Definitions:

Act: The *Development Charges Act, 1997, S.O. 1997, c. 27*, as amended, revised, re-enacted or consolidated from time to time, and any successor statute

Development Charges: The Region's development charges, including area-specific development charges, as the case may be

Enclosure/enclosed: Includes the partial and/or complete enclosure of the part of the structure open to natural light and air

Motor vehicle storage: Includes, but not limited to, the storage or warehousing of motor vehicles prior to sale, lease, rental, servicing, or for long-term storage

Open air motor vehicle storage structure: Includes a building, structure, platform, station, or part of any of the foregoing, standalone or attached to another structure that is open to natural light and air and is used for motor vehicle storage.

Schedule 'I' Bank: As referenced in section 14(a) of the *Bank Act, 1991* (as at December 31, 2016 or as amended from time to time). These are domestic banks and are authorized under the *Bank Act, 1991* to accept deposits, which may be eligible for deposit insurance provided by the Canadian Deposit Insurance Corporation

Description:

Objectives of the deferral policy

This policy is intended to allow developers of open air motor vehicle storage structures to defer the Regional development charges owed, or area-specific charges owed, as the case may be, until the structure(s) becomes enclosed or converted to a different use.

The terms of this deferral policy are Council approved and are non-negotiable.

Terms of the deferral policy

A. Agreement

Any developer wishing to defer development charges for open air motor vehicle storage structures must enter into a development charge deferral agreement with the Region.

B. Covenants included in the development charge deferral agreement

Every deferral agreement shall include covenants on the part of the developer. These covenants shall include, but not be limited to:

- covenant, by the developer(s), that the structure shall only be an open air motor vehicle storage structure as defined in this policy
- covenant, by the developer(s), to permit Regional staff to visit and/or inspect the structure from time-to-time, in an agreed upon manner, to ensure the structure has not been enclosed and is being used for the intended purposes (i.e., motor vehicle storage)
- covenant, by the developer(s) that they will inform the Region if the facility is to be enclosed
- covenant, by the developer(s), that if the structure becomes enclosed, is subject to enclosure, or another trigger event occurs, as defined by this policy or accompanying agreement(s), development charges shall be made payable (including any interest)
- covenant, by the developer(s), that they will enter into any additional agreement(s), as determined to be required by the Regional Solicitor, in order to give full force and effect to the deferral agreement

C. Duration of the deferral

The deferral of development charges for open air motor vehicle storage structures shall be until the structure becomes enclosed, as defined in this policy and/or modified through the development charge deferral agreement.

The deferral period shall begin on the day of building permit issuance by the local municipality for the open air motor vehicle storage structure.

Development charges shall be payable within fifteen (15) business days immediately following notification of any of these trigger events:

- enclosure of the structure (as defined in this policy)
- sale, or transfer of ownership, of the property unless an assumption agreement is entered into
- any other material default as defined in the agreement(s)

Notification to the owner of the property on the tax roll shall occur immediately after the trigger event. The fifteen (15) business days shall begin with the mailing, by registered mail, of notice.

D. Development charge rates

The amount of the Regional development charges, or area-specific development charge payable to the Region, as required under the Act, shall be the amount determined under the applicable Regional development charge bylaw, or area-specific development charge bylaw, on the day that the building permit is issued for the construction of the open air motor vehicle structure by the local municipality.

E. Interest waiver

All interest shall be calculated using the development charges payable to the Region, as required under the Act, the amount of which is determined under the applicable Regional development charges bylaw, or area-specific development charge bylaw as the case may be, on the day the building permit for the structure is issued by the local municipality.

All deferred development charges shall bear interest at the prime commercial lending rate charged by an agreed upon 'Schedule I' commercial bank's on demand loans in Canadian funds to its most creditworthy customers plus two (2) per cent per annum. All interest shall accrue and be compounded.

The time period shall be calculated beginning with the date of issuance of the building permit for the proposed structure up to the date of the trigger event, as defined in section' C' of this policy.

The Region shall forgive all amounts due and owing on account of interest, provided that the Regional development charges, or area-specific development charges as the case may be, are paid to the Region at the time required (within fifteen (15) business days immediately following notification of a trigger event as defined in section 'C' of this policy).

F. Unpaid development charges

If any development charges (including any interest) are unpaid within fifteen (15) business days immediately following notification of a trigger event identified in section 'C' of this policy, those development charges (including interest) shall be added to the tax roll and collected in the same manner as taxes (in accordance with section 32 of the Act).

G. Redevelopment credits

In the situation of a redevelopment of a structure covered by a deferral agreement under this policy, no development charge credits will be available and the new structure will be subject to the full development charges on that structure.

H. Local participation

The Region will only enter into a deferral agreement if the local municipality has provided a similar, if not better, deferral, or exemption, for the proposed development.

It shall be up to the Region to decide what constitutes "similar, if not better", but this may be determined by looking at:

- whether or not there is a prescribed timeframe for the deferral
- whether or not interest is waived

I. Other agreements required

In addition to the requirement that the developer enter into a development charge deferral agreement with the Region, the developer shall enter into any other agreements as required by the Regional Solicitor.

J. Legal fees

All legal fees of the developer(s) and Region shall be borne by the developer.

K. Effective date

This policy shall take effect on July 1, 2018 and may be repealed by the Region at any time.

L. Report back to Council

Staff shall report back to Council on the number of deferral agreements, and the amounts deferred, executed as part of each update of the Region's development charge bylaw.

Responsibilities:

Regional Solicitor, Legal Services

- Draft and prepare for execution the deferral agreement between Region and the developer
- Draft and prepare for execution any additional agreements required

Director, Treasury Office, Finance Department

- Administer the deferral policy, including assisting stakeholders in determining if they qualify for the policy
- Enforce the deferral policy
- Maintain copies of all executed deferral agreements and other agreements as required

Director, Strategy and Transformation, Finance Department

- Collect all development charges when due
- Notify, through the Regional Treasurer, to the treasurer of the local municipality if development charges are not paid/received within the prescribed timeframe and to have said charges added to the tax roll of that municipality

- Undertake any additional administrative obligations as determined through the agreements

- Maintain copies of all executed deferral agreements and other agreements as required

Reference:

Legislative and other authorities

- Development Charges Act, 1997, S.O. 1997, c. 27

- Ontario Regulation 82/98

- The Regional Municipality of York - York Region Development Charges Bylaw - No. 2017-35

- Memorandum to Committee of the Whole, Development charge treatment of structured parking, April 12, 2018

- Council Report, 2018 Development Charge Background Study and Bylaw Amendment, May 17, 2018

- The Regional Municipality of York 2018 Development Charge Background Study – Bylaw Amendment, May 17, 2018

Keyword Search

- open air motor vehicle storage structure deferral,

- development charges, Development Charges Act

- deferral motor vehicle storage

Contact:

- Regional Solicitor, Legal Services, extension - 71417
- Director, Treasury Office, Finance Department, extension - 71644
- Director, Strategy and Transformation, Finance Department, extension - 77201

Approval Information:

(Remove the CAO approval section for policies approved by Regional Council)

CAO Signature: ______________________________

CAO Approval Date: ___________________________

(Remove the Committee/Council approval section for policies approved by CAO only)

Council Approval Date: May 17, 2018	**Committee Name:** Committee of the Whole
Council Minute No.:	**Report No.:**
Extract eDOCS #:	**Clause No.:**

Accessible formats or communication supports are available upon request.

THE REGIONAL MUNICIPALITY OF YORK

BYLAW NO. 2018-42

A bylaw to amend Bylaw 2017-35, being a bylaw to impose development charges against lands to pay for increased capital costs required because of increased needs for services arising from development within The Regional Municipality of York

WHEREAS Section 2 of the Development Charges Act, S.O. 1997, ch. 27 (the "Act") authorizes the Council of the Regional Corporation to enact a bylaw to impose development charges required because of increased needs for services arising from development;

WHEREAS Section 19 of the Act provides for amendments to development charge bylaws;

AND WHEREAS the Council of The Regional Municipality of York requires certain amendments to Bylaw No. 2017-35;

AND WHEREAS a background study dated February 15, 2018 required by Section 10 of the Act was presented to Regional Council along with a draft of this bylaw as then proposed on May 17, 2018 and was completed within a one-year period prior to the enactment of this bylaw;

AND WHEREAS Regional Council directed that the background study and draft proposed bylaw be made available to the public and such documents were made available to the public 60 days prior to the passage of the bylaw and at least two weeks prior to the public meeting required pursuant to Section 12 of the Act;

AND WHEREAS notice of the public meeting was provided in accordance with the requirements of Section 12 of the Act and in accordance with the Regulations under the Act, and such public meeting was held on March 22, 2018;

AND WHEREAS any person who attended the public meeting was afforded an opportunity to make representations and the public generally were afforded an opportunity to make written submissions relating to the proposed bylaw;

AND WHEREAS Regional Council resolved on May 17, 2018 that it is the intention of Regional Council to ensure that the increase in need for services identified in connection with the enactment of the bylaw will be met;

AND WHEREAS Regional Council resolved on May 17, 2018 that no further public meeting be required and that this bylaw be brought forward for enactment;

NOW THEREFORE, the Council of The Regional Municipality of York hereby enacts as follows:

1. Section 1.1 of Bylaw No. 2017-35 is amended by replacing the definition of gross floor area with the following definition:

   "gross floor area" means, in the case of a non-residential building or structure or the non-residential portion of a mixed-use building or structure, the aggregate of the areas of each floor, whether above or below grade, measured between the exterior faces of the exterior walls of the building or structure or from the centre line of a common wall separating a non-residential and a residential use, excluding, in the case of a building or structure containing an atrium, the sum of the areas of the atrium at the level of each floor surrounding the atrium above the floor level of the atrium, and excluding the sum of the areas of each floor used, or designed or intended for use for the parking of motor vehicles unless the building or structure, or any part thereof, is a retail motor vehicle establishment or a standalone motor vehicle storage facility or a commercial public parking structure, and, for the purposes of this definition, notwithstanding any other section of this bylaw, the non-residential portion of a mixed-use building is deemed to include one-half of any area common to the residential and non-residential portions of such mixed-use building or structure, and gross floor area shall not include the surface area of swimming pools or the playing surfaces of indoor sport fields including hockey arenas, and basketball courts;

2. Section 1.1 of Bylaw No. 2017-35 is amended by deleting the definition of parking structure.

3. Section 1.1 of Bylaw No. 2017-35 is amended by adding the following definition:

   "retail motor vehicle establishment" means a building or structure used or designed or intended to be used for the sale, rental or servicing of motor vehicles, or any other function associated with the sale, rental or servicing of motor vehicles including but not limited to detailing, leasing and brokerage of motor vehicles, and short or long-term storage of customer motor vehicles. For a retail motor vehicle establishment, gross floor area includes the sum of the areas of each floor used, or designed or intended for use for the parking or storage of motor vehicles, including customer and employee motor vehicles. An exemption may be granted to exclude the sum of the areas for customer and employee motor vehicles on terms and conditions to the satisfaction of the Region;

4. Section 1.1 of Bylaw No. 2017-35 is amended by adding the following definition:

   "standalone motor vehicle storage facility" means a building or structure used or designed or intended for use for the storage or warehousing of motor vehicles that is separate from a retail motor vehicle establishment. For a standalone motor vehicle storage facility, gross floor area includes the sum of the areas of each floor used, or designed or intended for use for the parking or storage of motor vehicles, including customer and employee motor vehicles. An exemption may be granted to exclude the sum of the areas for customer and employee motor vehicles on terms and conditions to the satisfaction of the Region;

5. Section 3.12 of Bylaw No. 2017-35 is amended by adding the following subsection (d):

   (d) Subsections 3.12 (a) and 3.12(b) do not apply to a retail motor vehicle establishment or a standalone motor vehicle storage facility. Where a retail motor vehicle establishment is one of multiple industrial/office/institutional uses and retail uses in a building or structure, the development charge payable shall be the retail charge. For a retail motor vehicle establishment, where the sum of the areas used, or designed or intended for use for the parking or storage of motor vehicles, excluding the sum of the areas for customer and employee motor vehicles, as determined by the Region, is more than two times greater than the remaining area, the retail rate shall be applied to two times the difference between the gross floor area of the entire retail motor vehicle establishment and the gross floor area of the area used for parking or storage, and any gross floor area above that shall be levied the industrial/office/institutional rate.

6. Schedule "B" of Bylaw No. 2017-35 is amended by adding to those rates, the increases set out Schedule "A" of this bylaw.

7. Schedule "F" of Bylaw No. 2017-35 is amended by adding to those rates, the increases set out in Schedule "B" of this bylaw.

8. Schedule "G" of Bylaw No. 2017-35 is amended by deleting Part B from the list of Contingent Residential and Non-Residential Development Charges.

This bylaw shall come into force on the 1st day of July, 2018

ENACTED AND PASSED on May 17, 2018.

CHRISTOPHER RAYNOR	WAYNE EMMERSON
Regional Clerk	Regional Chair

Authorized by Clause 13, Report 9 of the Committee of the Whole, adopted by Regional Council at its meeting on May 17, 2018

SCHEDULE "A"

Residential Development Charges Increase

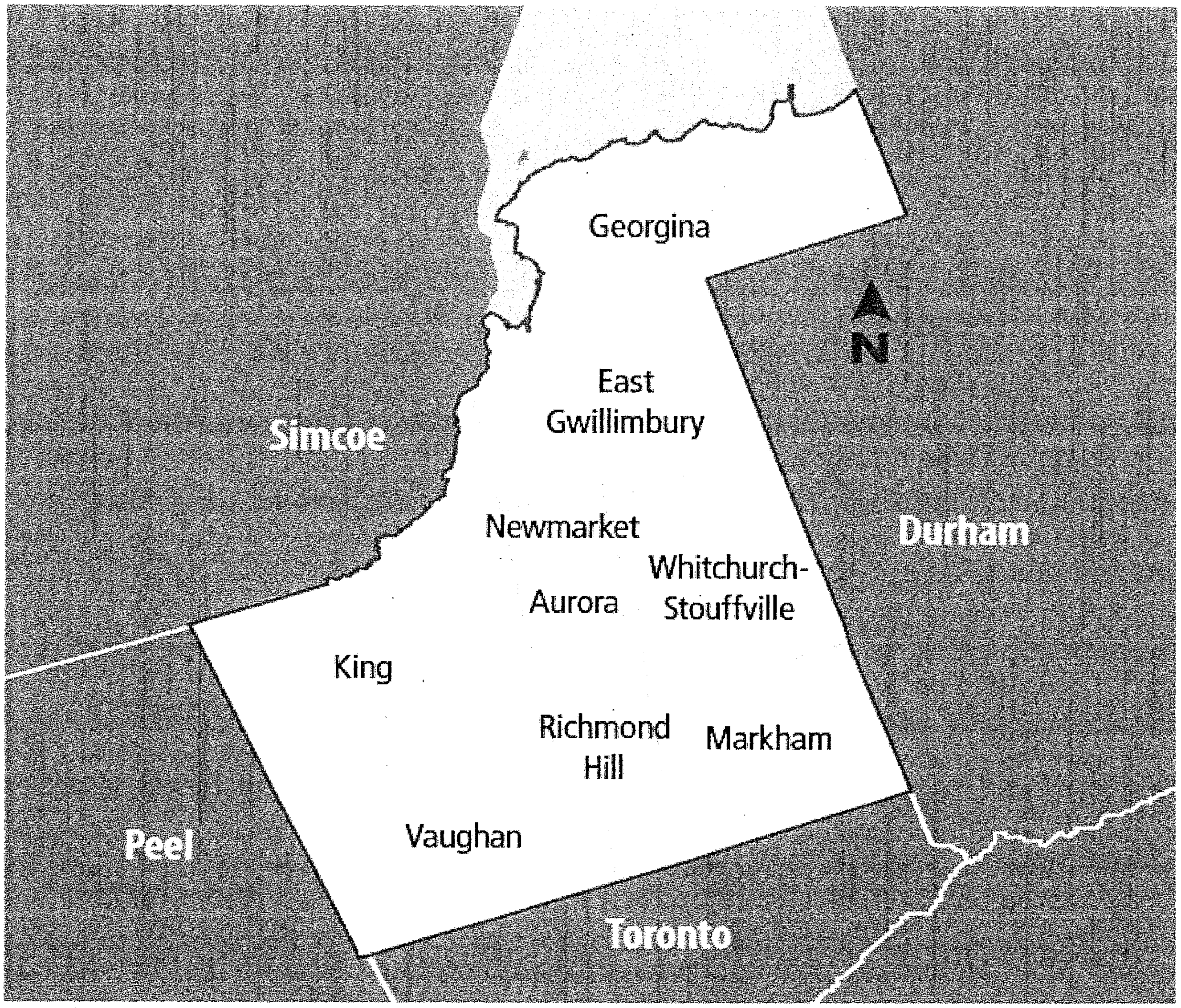
July 1, 2018 to June 16, 2022				
Service	Residential Development Charges Increase ($ per Unit)			
	Single & Semi-detached	Multiple Unit Dwelling	Apartments (>= 700 sqft)	Apartments (< 700 Sqft)
Roads	$9,195	$7,402	$5,379	$3,930

SCHEDULE "B"

Non-Residential Development Charges Increase

July 1, 2018 to June 16, 2022						
Service	**Non-residential Development Charges Increase ($ per Sqft)**			**Non-residential Development Charges Increase ($ per Sqm)**		
	Retail	**Industrial/Office/ Institutional**	**Hotel**	**Retail**	**Industrial/Office/ Institutional**	**Hotel**
Roads	$11.23	$3.29	$2.10	$120.90	$35.37	$22.57

The map below illustrates the location to which the Bylaw 2018-42 applies.



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York Region

Corporate Services
Regional Clerk's Office

May 18, 2018

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MAY 28 2018

Ms. Lisa Lyons
Director of Legislative Services/Town Clerk
Town of Newmarket
395 Mulock Drive, P.O. Box 328
Newmarket, ON L3Y 4X7

Dear Ms. Lyons:

Re: 2018 Property Tax Capping

Regional Council, at its meeting held on May 17, 2018, adopted the following recommendations of Committee of the Whole regarding "2018 Property Tax Capping":

1. The Regional Treasurer be authorized to determine the percentage of property tax decreases to be withheld to fund the cost of capping reassessment-related tax increases in the commercial and industrial classes for the 2018 taxation year.

2. Should the amount of property tax decreases available from any of the property classes be insufficient to fund the capping requirement, the Regional Treasurer be authorized to fund the Region's share of the resulting shortfall from the Tax Stabilization Reserve.

3. The Regional Clerk circulate the report to the local municipalities.

A copy of Clause 16 of Committee of the Whole Report No. 9 is enclosed for your information.

Please contact Edward Hankins, Director of the Treasury Office, at 1-877-464-9675 ext. 71644 if you have any questions with respect to this matter.

Sincerely,

Christopher Raynor
Regional Clerk

Attachments

Clause 16 in Report No. 9 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on May 17, 2018.

16
2018 Property Tax Capping

Committee of the Whole recommends adoption of the following recommendations contained in the report dated April 25, 2018 from the Commissioner of Finance:

1. The Regional Treasurer be authorized to determine the percentage of property tax decreases to be withheld to fund the cost of capping reassessment-related tax increases in the commercial and industrial classes for the 2018 taxation year.

2. Should the amount of property tax decreases available from any of the property classes be insufficient to fund the capping requirement, the Regional Treasurer be authorized to fund the Region’s share of the resulting shortfall from the Tax Stabilization Reserve.

3. The Regional Clerk circulate the report to the local municipalities.

Report dated April 25, 2018 from the Commissioner of Finance now follows:

1. Recommendations

It is recommended that:

1. The Regional Treasurer be authorized to determine the percentage of property tax decreases to be withheld to fund the cost of capping reassessment-related tax increases in the commercial and industrial classes for the 2018 taxation year.

2. Should the amount of property tax decreases available from any of the property classes be insufficient to fund the capping requirement, the Regional Treasurer be authorized to fund the Region’s share of the resulting shortfall from the Tax Stabilization Reserve.

3. The Regional Clerk circulate the report to the local municipalities

2. Purpose

This report seeks authorization for the Regional Treasurer to determine the percentage of tax decreases for properties in the commercial and industrial classes that must be withheld for the 2018 taxation year in order to fund shortfalls for properties whose taxes have been capped.

3. Background

The Province originally introduced the capping program to alleviate the impact of Current Value Assessment on the business property classes

The Province of Ontario introduced Current Value Assessment (CVA) in 1998, with the goal of improving the consistency and equity of the assessment process in Ontario. At that time, there was concern that taxpayers in the business property classes would have to absorb extraordinarily high property tax increases due to the change in their assessment valuation. To alleviate that impact, the Province enacted a number of transitional provisions through the *Fairness for Property Taxpayers Act,* the *Continued Protection for Property Taxpayers Act,* and various legislative amendments and regulatory provisions under the *Municipal Act* (‘the Act’).

Council has historically funded capping through clawback rates

Council has adopted a long-standing policy of funding the cost of capping protection by establishing “clawback” rates for each protected class. These rates must be set prior to the issuance of the final 2018 property tax bills by the local municipalities. The Act also requires the Region to ensure that the amount of decreases and increases is equalized across the lower tier municipalities through a process called bankering. Bankering is the inter-municipal transfer of additional tax levy funds raised from clawback properties to offset the underfunding received from the capped properties.

The capping and clawback program still creates inequities between business properties

There has been significant movement of properties to their Current Value Assessment level taxes since 1998. However, it is estimated that there are still 93 properties in the Region in 2018 that will continue to pay more than their Current Value Assessment level of taxes. This will be done to mitigate the effect of increases for an estimated total of 40 properties whose taxes have been capped.

In addition, the imbalance between the number and size of capped and clawed back properties may generate future funding shortfalls. A shortfall arises when the total capping protection afforded to a property class exceeds the decreases available for clawback in the property class in a given year.

Council has previously advocated for ending property tax capping. York Region has long held that capping entrenches inequities among taxpayers.

4. Analysis and Implications

Setting clawback rates requires delegation of authority

To allow local municipalities to proceed with their 2018 property tax billings in a timely manner, staff are requesting that Council delegate the authority to determine the final clawback rates to the Regional Treasurer. These clawback rates determine the level of property tax decreases that will need to be withheld in order to fund the cost of capping protection in the commercial and industrial property classes.

Table 1 illustrates the clawback percentages from 2012 to 2018.

Table 1
Clawback Percentages, 2012 to 2018

Year	Commercial Clawback Percentage	Industrial Clawback Percentage	Multi-residential Clawback Percentage
2018*	13.17	6.47	0.00
2017	16.64	19.07	0.00
2016	26.03	39.51	0.00
2015	45.64	54.17	0.00
2014	48.28	50.60	0.00
2013	49.67	62.72	0.00
2012	63.80	68.80	0.00

*2018 percentages are estimated and are subject to change pending finalization of upper and lower tier tax rates

The multi-residential clawback percentage is zero since multi-residential capped properties reached their Current Value Assessment level taxes in 2010.

Table 2 shows the distribution of capped, clawed back and at Current Value Assessment level properties as of April 5, 2018.

Table 2
Property Tax Capping Protection Summary, 2018
Estimated Number of Properties*

	Multi-Residential	Commercial	Industrial	Total
At CVA Level Taxes	291	22,977	2,527	**25,795**
Capped	0	33	7	**40**
Clawed Back	0	75	18	**93**
New construction/to class	0	109	12	**121**
Total	291	23,194	2,564	**26,049**

*As of April 5, 2018

The Online Property Tax Analysis system provides the basis for determining clawback percentages

The Region uses the Online Property Tax Analysis system to calculate the appropriate clawback percentages. Local municipalities also use the Online Property Tax Analysis system to prepare property tax billings for the capped properties.

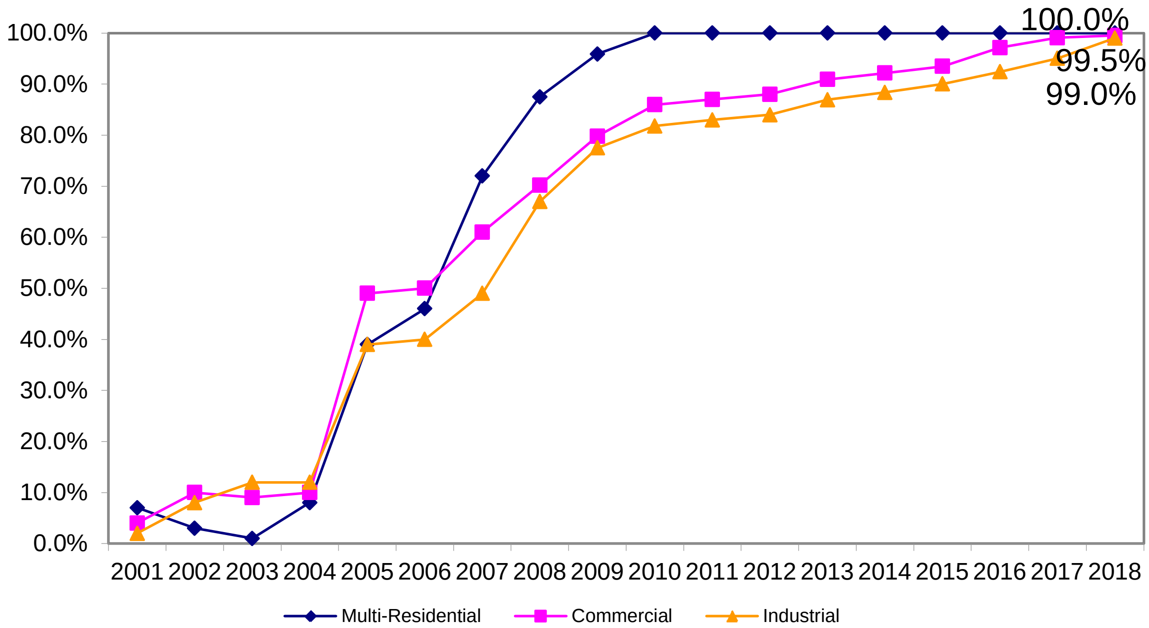
The Region and its local municipalities have agreed to request that the Ontario Property Tax Analysis system use an assessment update cut-off of January 1, 2018, as opposed to April as in prior years. However, changes to the percentages may still occur until both the Region and the local municipalities finalize their tax rates and enter them into the Online Property Tax Analysis system.

Using all capping options maximizes the number of properties moving to Current Value Assessment level taxes

Chart 1 displays the percentage of properties at Current Value Assessment level taxes each year since 2001. It is estimated that over 99 per cent of all business properties in the Region will be paying Current Value Assessment level taxes in 2018.

Chart 1

Percentage of Properties Paying Full CVA Value Assessment Level Taxes



Note: 2018 percentages are estimates of the Current Value Assessment level taxes for the commercial and industrial classes at the time of authoring the report

Capping options approved by Council in 2016 will result in all industrial properties moving to full CVA by 2020

Council approved the following options in 2016 to accelerate the movement of business properties to their Current Value Assessment level taxes:

1. Increased the maximum annual increase for capped properties from 5 per cent of the previous year's Current Value Assessment taxes to a new maximum of 10 per cent.

2. Properties for which tax increases have been capped (protected) but are within $500 of their full Current Value Assessment taxes will be moved to the Current Value Assessment tax level within the current taxation year (raised from a $250 threshold).

3. Properties for which tax decreases have been clawed back (retained) but are within $500 of their full Current Value Assessment taxes will be moved to the Current Value Assessment tax level within the current taxation year (raised from a $250 threshold).

4. For property classes with no capped properties that are under 50 per cent of their Current Value Assessment level taxes, all properties within that class will be eligible for a four-year phase-out of capping and clawback

As a result of all the capping options adopted by Council in 2016, the industrial class began capping phase-out in 2017, and will be fully phased out by 2020.

Capping for properties in the commercial class will be phased out by 2021

In 2017 Council also adopted the following new provincial options to further accelerate the movement of properties out of the capping program

1. Municipalities may exclude vacant properties from the phase-out eligibility criteria

2. Municipalities may limit capping protection only to reassessment-related changes prior to 2017

The provincial options adopted by Council have accelerated the movement of the commercial class out of the capping program. The commercial class is now eligible to begin capping phase-out in 2018, and will exit the capping program by 2021.

5. Financial Considerations

In recent years there has been no shortfall resulting from capping. Should a shortfall materialize, staff recommend that the Region's share be funded from the Tax Stabilization Reserve.

6. Local Municipal Impact

The Region acts as a banker to balance out any shortfalls in the business classes

The Act also requires the Region to distribute the impact of capping and clawback among local municipalities. Taxpayers eligible for tax reductions in a municipality may need to give up a portion of this reduction to fund tax protection for capped properties in other municipalities. The Region acts as a banker to facilitate the transfer of funds among the local municipalities. Table 3 shows the commercial and industrial bankering impact estimated for 2018.

Table 3
Estimated Bankering Adjustments for 2018

	Commercial Net Cap Impact ($)	Industrial Net Cap Impact ($)	Total Bankering Adjustment ($)
Vaughan	10,464	-2,831	7,633
Newmarket	282	0	282
Aurora	2,179	1,912	4,091
Richmond Hill	-17,561	223	-17,338
East Gwillimbury	6,490	0	6,490
Whitchurch-Stouffville	0	507	507
Georgina	-6,466	0	-6,466
King	0	0	0
Markham	4,613	-16	4,597
York Region	0	205	205**
Total*	**0**	**0**	**0**

*Total has a $1 discrepancy due to rounding
**A $205 shortfall has been estimated based on preliminary calculations performed by the Online Property Tax Analysis (OPTA) system at the time the report was prepared. The OPTA system will be updated once the Region and local municipalities pass their tax rate bylaws, at which time capping and clawback rates will be recalculated. In prior years, capping and clawback recalculations eliminated any minor shortfall.

An overall shortfall would be funded by the Region and local municipalities proportionately

Should a shortfall occur, local municipalities and the Region are required to fund the shortfall in the same proportion that they receive taxes for the property class(es) in which the shortfall occurs. The Province does not participate in the funding of any shortfall.

7. Conclusion

It is recommended that, consistent with past practice, Council authorize the Regional Treasurer to determine the percentage of the decreases to be withheld.

For more information on this report, please contact Edward Hankins, Director of the Treasury Office, at 1-877-464-9675 ext. 71644.

The Senior Management Group has reviewed this report.

April 25, 2018

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Accessible formats or communication supports are available upon request

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York Region

Regional Clerk's Office
Corporate Services

May 18, 2018

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MAY 28 2018		

Ms. Lisa Lyons
Director of Legislative Services/Town Clerk
Town of Newmarket
395 Mulock Drive, P.O. Box 328
Newmarket, ON L3Y 4X7

Dear Ms. Lyons:

Re: Growth and Development Review 2017

Regional Council, at its meeting held on May 17, 2018, adopted the following recommendation of Committee of the Whole regarding "Growth and Development Review 2017":

1. The Growth and Development Review 2017 be circulated by the Regional Clerk to the local municipalities for information.

A copy of Clause 3 of Committee of the Whole Report No. 9 is enclosed for your information.

Please contact Paul Bottomley, Manager, Policy, Research and Forecasting at 1-877-464-9675 ext. 71530 if you have any questions with respect to this matter.

Sincerely,

Christopher Raynor
Regional Clerk

/C. Martin
Attachments

Clause 3 in Report No. 9 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on May 17, 2018.

3
Growth and Development Review 2017

Committee of the Whole recommends:

1. Receipt of the presentation by Paul Bottomley, Manager, Policy, Research and Forecasting.

2. Adoption of the following recommendation contained in the report dated April 27, 2018 from the Commissioner of Corporate Services and Chief Planner:

    1. The Growth and Development Review 2017 be circulated by the Regional Clerk to the local municipalities for information.

Report dated April 27, 2018 from the Commissioner of Corporate Services and Chief Planner now follows:

1. Recommendation

It is recommended that:

1. The Growth and Development Review 2017 be circulated by the Regional Clerk to the local municipalities for information.

2. Purpose

The purpose of the Growth and Development Review, 2017 (Attachment 1) is to provide Council with key development and population indicators in York Region and report on the competitiveness of York Region's economy within the Greater Toronto and Hamilton Area (GTHA), the Province and Canada.

3. Background and Previous Council Direction

Annual Growth and Development Review report provides a broad perspective on important economic indicators

Since 1995, York Region has published a Growth and Development Review report each year. The report highlights a number of key economic indicators which illustrate general trends in the economy. The 2017 report includes information on:

- Economic outlook
- Population growth
- Residential market and building activity
- Industrial, Commercial and Institutional (ICI) market and building activity, and
- Overall construction value

Data for this review is sourced from Statistics Canada, the Canada Mortgage and Housing Corporation, the Toronto Real Estate Board and private firms which publish documents summarizing key trends within the GTHA and beyond. A thorough understanding of this information provides background for effective policy development, York Region Official Plan monitoring, and economic strategy initiatives.

4. Analysis and Implications

A strong U.S. economy benefits York Region businesses

In 2017 the Global economy recorded GDP growth of 3.7% compared to 3.2% in 2016. According to the International Monetary Fund (IMF), activity is projected to pick up pace in 2018, with Global GDP expected to rise to 3.9% and U.S. GDP anticipated to increase to 2.7% from 2.3% in 2017. Recent U.S. federal tax policy changes aimed at reducing personal and business income taxes are expected to stimulate economic activity leading to the increase in U.S. GDP.

Canada recorded GDP growth of 3% in 2017, the fastest growth rate in G7 economies. The IMF forecast for Canada is slower growth in 2018 of 2.3% and 2.0% in 2019, due to concerns regarding NAFTA negotiations and U.S. protectionism, eroding competitiveness given U.S. tax cuts, softening housing markets and higher interest rates.

York Region's economy is closely related to U.S. GDP growth, as there is a strong trade relationship between Canada and the United States and the Region is a key recipient of U.S foreign direct investment. York Region businesses export an average of $4 billion worth of goods and services annually and

Regional businesses directly benefit from increased trade activity. The U.S. has recorded a ninth consecutive year of GDP growth and confidence in the U.S. economy can increase demand for Canadian goods such as raw building materials and manufactured products and a lower Canadian dollar promotes exports with the U.S. (Figure 1).

Figure 1
10 Year Canadian Dollar (Daily Rate in U.S. Cents)
2008 - 2018

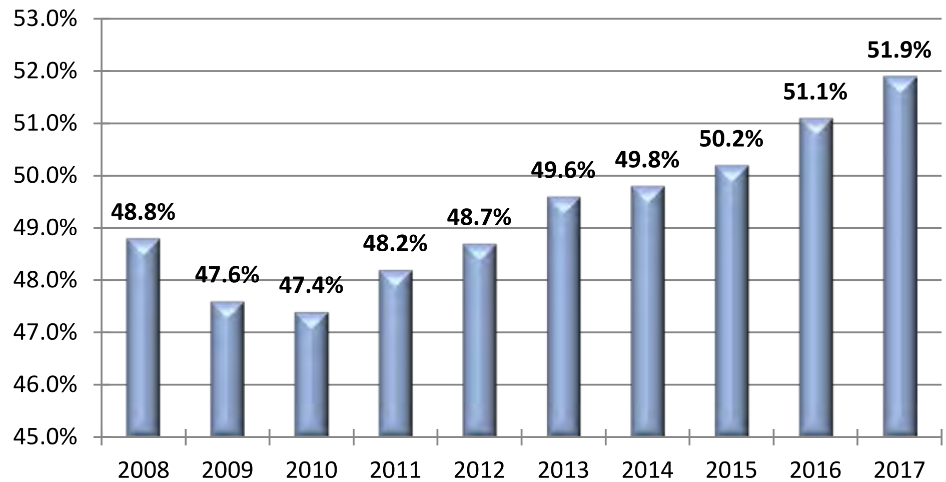
The Bank of Canada (BoC) has increased interest rates by three basis points during the past year to 1.25% and interest rates are expected to continue to remain low in 2018, by historical standards. The BoC Governor has indicated there may be an additional rate increase by year end 2018.

York Region's economy continues to create jobs, with total employment increasing steadily by approximately 3% annually over the past five years. As reported in the York Region Employment and Industry report to Council on February 8, 2018, from 2016 to 2017, there were approximately 19,780 jobs added for an estimated total of 620,530 jobs in York Region.

York Region's activity rate has been increasing since 2010

The activity rate is the ratio of total employment to total population which is different from the live work ratio that measures the percent of York Region's labour force that both live and work in the Region, as reported out in the York Region Official Plan Monitoring Report. One of the objectives of the Regional Official Plan is to create high-quality employment opportunities for residents, with a goal of 1 job for every 2 residents. Balanced growth in both population and employment contributes to a high standard and quality of life. An activity rate of 50% or a 2:1 ratio is consistent with the Regional Official Plan target. York Region's activity rate has been increasing since 2010, as shown on Figure 2, and is currently 51.9%.

Figure 2
York Region Activity Rate
2008 - 2017

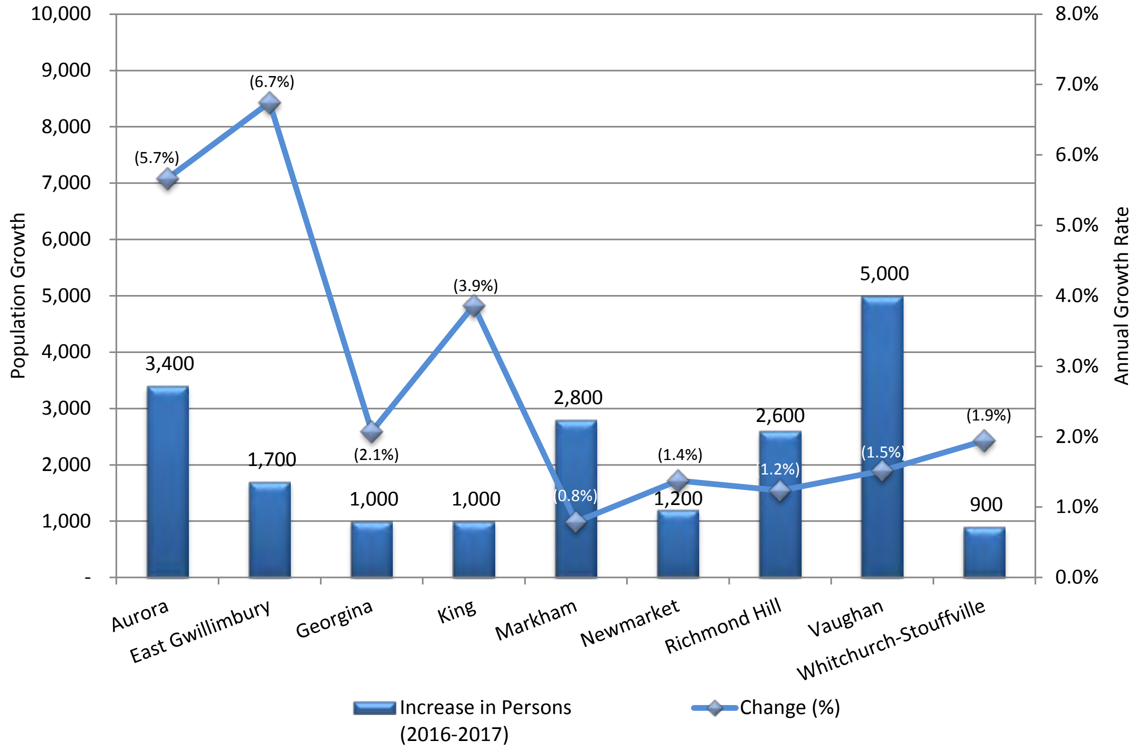


York Region's population grew by 19,600 in 2017, accounting for 15% of GTHA growth

It is estimated that York Region's population grew by 19,600 (1.7%) in 2017 to 1,206,500 people. The Growth Plan includes a forecasted population target of 1,590,000 in 2031 (mid-year). The Region was below forecast for 2017 by 28,000 people. Annual growth of 27,700 is required to reach the 2031 Growth Plan forecast. The Region's population estimate has not been adjusted to reflect the recent 2016 Census results. Staff will review the population figures once the undercount figure is released by Statistics Canada later in 2018. An undercount that typically ranges between 3% and 4% accounts for people missed during the Census.

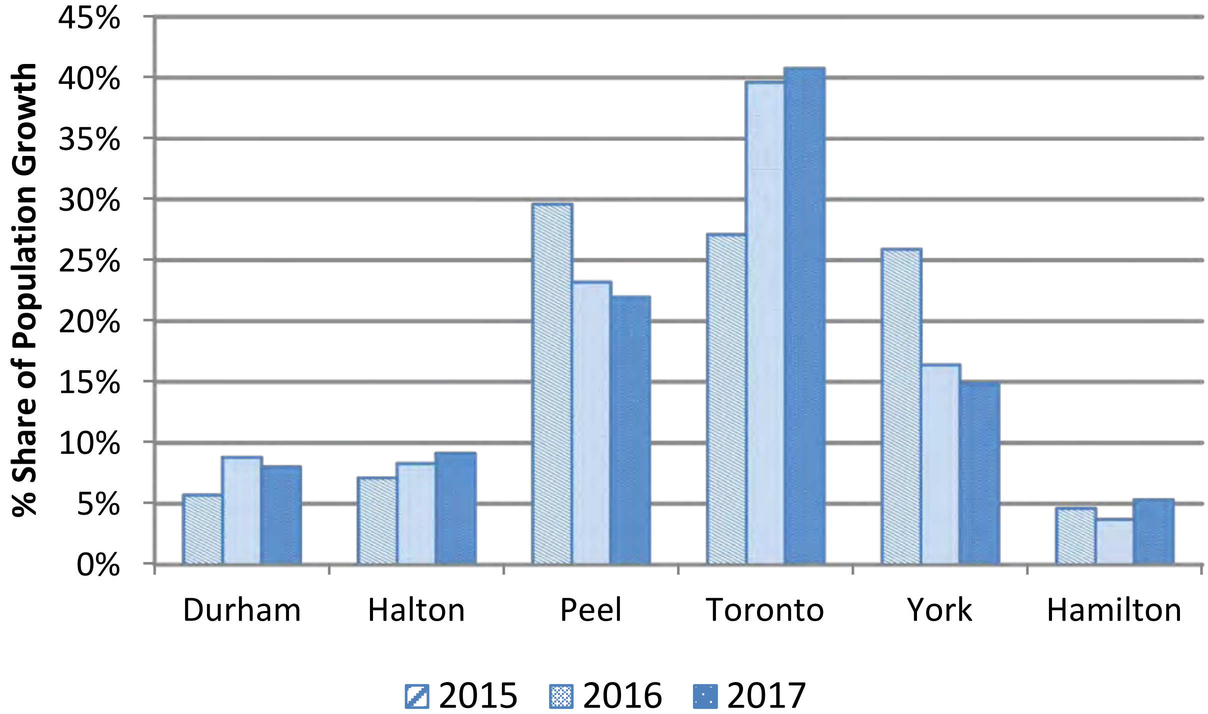
All municipalities within York Region experienced growth in 2017. Vaughan, Aurora and Markham recorded the greatest increases in population of approximately 5,000, 3,400 and 2,800 respectively (Figure 3). East Gwillimbury experienced the highest rate of growth in York Region for 2017 at 6.7%.

Figure 3
York Region 2017 Population Increase and Percentage Rate of Growth by Local Municipality



York Region's growth of 19,600 people represented a 14.8% share of GTHA growth in 2017 (Figure 4), which decreased from its 2016 share of 16.2%. The population growth shares for the 905 area either decreased or remained the same, while the City of Toronto's strong population growth continued with a share of 40.8% and 12,118 apartment completions recorded in 2017. York Region's share of the total GTHA population is approximately 16%.

Figure 4
Percentage Share of Population Growth by GTHA Municipality
2015 - 2017



Average housing prices for all resale units in York Region in 2017 exceeded $1 million for the first time

The residential resale housing market continues to be active within York Region. In 2017, there were 15,050 resale units sold, a decrease of 32% from 2016.

Housing prices across the GTHA continue to rise. In York Region, the average cost of a resale residential unit (all dwelling types) in 2017 was $1,061,271 (Table 1) while a resale single detached unit increased by 13.5% to $1,326,113 compared to $1,167,889 in 2016. York Region's average resale housing price (all dwelling types) is almost 29% higher than the Greater Toronto Area average of $822,681 (GTHA data not available). The first two months of 2018 have seen a slower start to sales and price growth in York Region with the overall average price dropping to $885,864 and 1,398 sales recorded to February 2018 compared to 2,523 sales by February 2017.

According to the Toronto Real Estate Board, the annual growth in average prices was driven by low listings during the first four months of the year. In the latter two-thirds of 2017, fewer sales combined with increased listings resulted in slower price growth. Home price growth in the second half of 2017 differed substantially depending on market segment.

The detached market segment – the most expensive on average – experienced the slowest pace of growth as many buyers looked to less expensive options. As a result, the condominium apartment segment experienced double-digit growth, as condominium sales accounted for a growing share of transactions.

Table 1

Total Number of Housing Resales and Average Housing Price in York Region, 2016 and 2017 (all dwelling types)

	Housing Resales		Average Housing Price	
	2016	2017	2016	2017
Aurora	1,406	962	$957,101	$1,088,206
East Gwillimbury	461	442	$783,680	$958,309
Georgina	1,300	1,063	$520,218	$647,174
King	480	386	$1,289,422	$1,611,873
Markham	6,136	3,958	$964,759	$1,070,241
Newmarket	2,007	1,428	$778,433	$914,679
Richmond Hill	4,409	2,669	$1,103,486	$1,173,061
Vaughan	4,968	3,479	$943,088	$1,093,272
Whitchurch-Stouffville	1,045	663	$967,210	$1,078,438
York Region Total	**22,212**	**15,050**	**$947,484**	**$1,061,271**

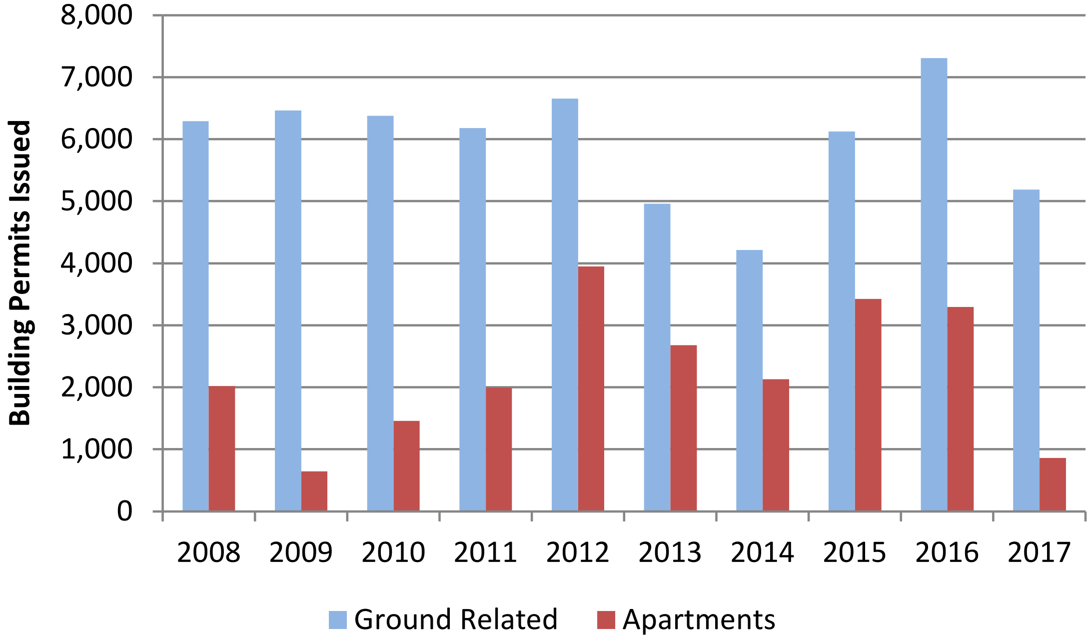
Lower residential building permits and housing completions were recorded in 2017

Trends in new housing activity can be assessed by looking at building permit activity and housing completions. Building permits show construction underway (or soon to be underway), while housing completions provide a record of units recently occupied, or ready to be occupied.

Across the GTHA, total building permits issued were down by 5.2% in 2017. In York Region, residential building permits were issued for 6,048 dwelling units in 2017, representing a 43% decrease from the 2016 total of 10,597 units. The decrease was represented across all unit types, but was most significant in apartments, where there were 3,292 units in 2016 compared to 859 in 2017.

There are more fluctuations in the apartment market from year to year compared to the ground related market, which impacts the total number of building permits issued annually. In 2017 there were 5,189 building permits issued for ground related units in York Region, whereas since 2008 the average number of permits issued was 6,060 (Figure 5). In 2017, there were only 859 apartment units with permits issued, well below the average of 2,245 during the last 10 years.

Figure 5
York Region Residential Building Permits by Unit Type
2008 - 2017



Vaughan, Richmond Hill and Markham accounted for approximately 62% of the total residential building permit activity in 2017 with 36%, 14% and 12% respectively.

The number of building permits issued in Whitchurch-Stouffville and Newmarket increased from 2016 levels by 261% and 145% respectively. The large increase in Whitchurch-Stouffville was due to a low number in 2016 and an increase in apartment units. In 2017, the number of building permits issued in all other municipalities decreased from 2016 levels.

Although housing completions in the Region decreased in 2017 by 15.5% to 6,535 (Figure 6) from the 2016 number of 7,738, York Region continues to be a strong contributor to GTHA development activity accounting for a 16% share of 2017 GTHA residential building permit activity (Figure 7), second only to the City of Toronto.

Figure 6
York Region Residential Building Permits and Housing Completions 2008 - 2017

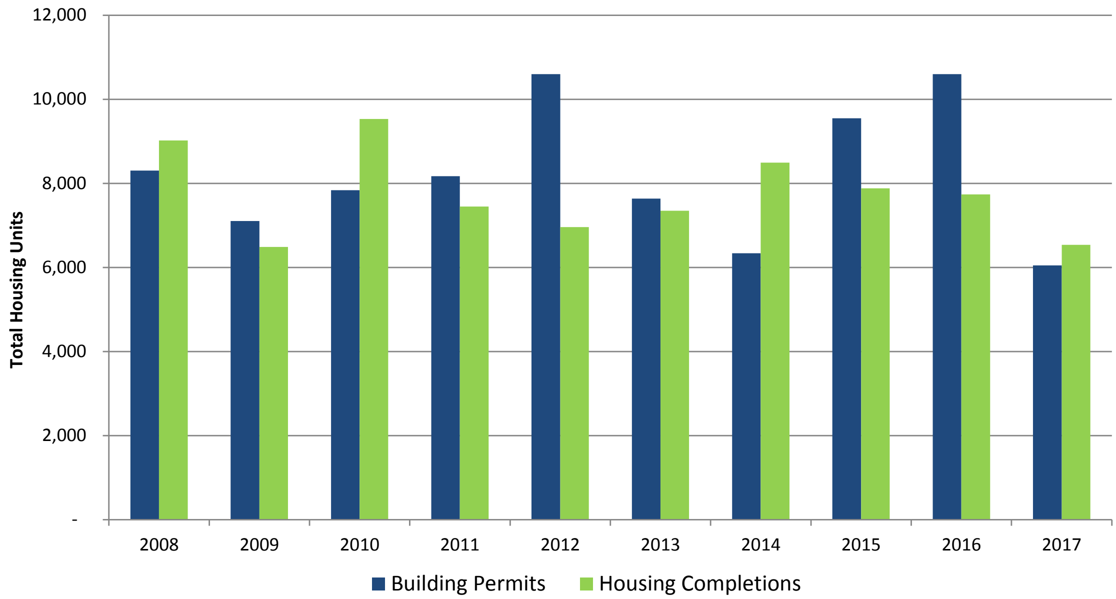
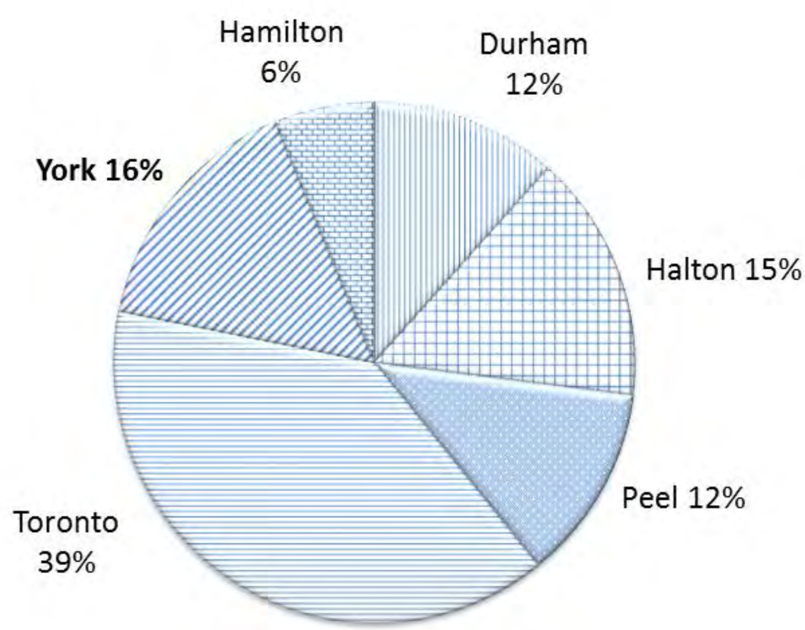
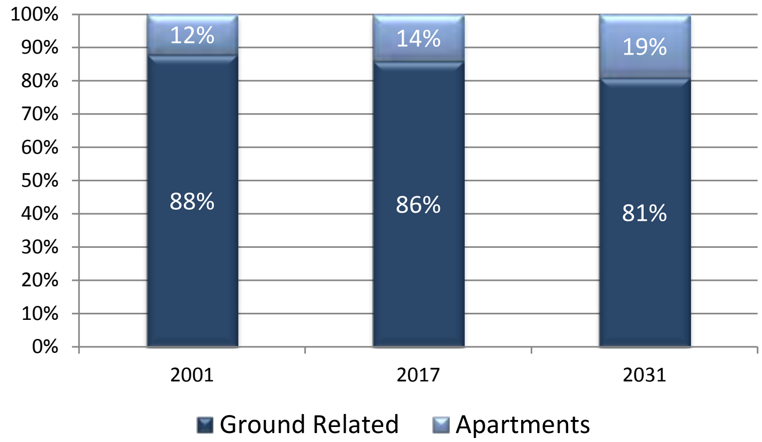


Figure 7
2017 GTHA Residential Building Permit Activity: Shares by Municipality



The 2017 breakdown of new residential building permits issued in York Region was 44% single-detached, 4% semi-detached, 38% row and 14% apartment units. York Region's housing mix for all unit types continues to diversify as the proportion of apartment unit dwellings has increased from 12% in 2001 to 14% in 2017, and is forecast to be 19% in 2031 (Figure 8).

Figure 8
Mix in Housing Stock in York Region
2001 - 2031



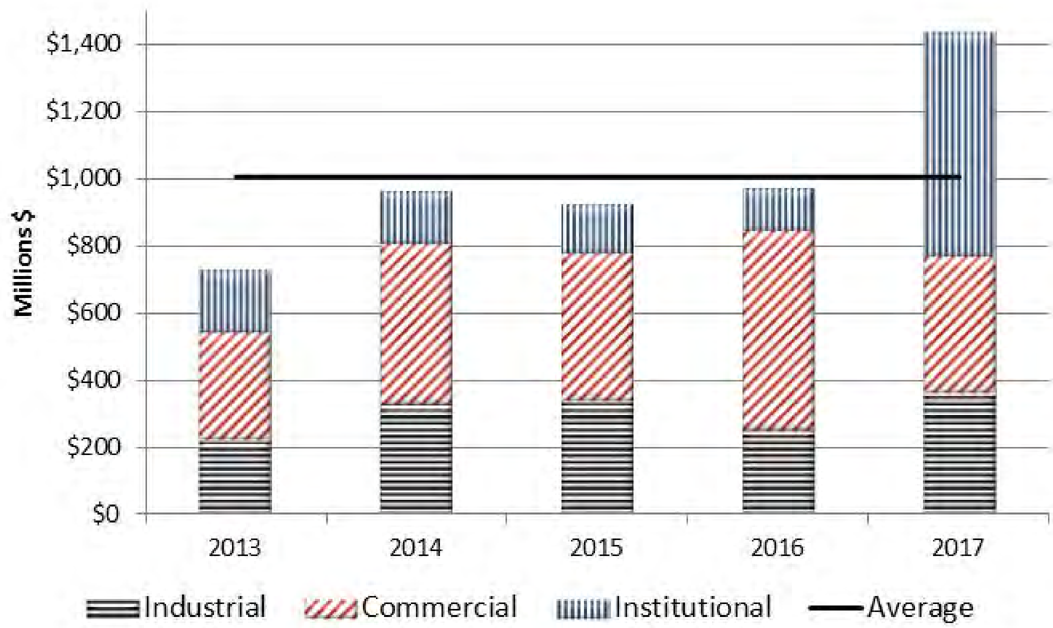
Residential development activity is projected to remain strong

As outlined in the 2017 Development Activity Summary report to Council on April 12, 2018, registration of plans of subdivision and plans of condominium for 2017 has remained strong. In total, 60 plans of subdivision and condominium were issued clearances for registration, for a total of 6,697 residential units in 2017, of which 1,165 (17.4%) are apartment units. As of December 31, 2017, regional staff estimate that there are over 40,000 dwelling units of all types that are registered unbuilt and draft approved. Therefore, it is anticipated that building permit and housing completion activity will remain strong over the next few years.

Total Industrial, Commercial and Institutional construction values increased by over 47% in 2017 to the highest level ever recorded

The total Industrial, Commercial, and Institutional (ICI) construction value for 2017 was $1.44 billion. This is well above the average ICI value of the last five years (Figure 9). Vaughan's share of ICI construction accounted for over 70% of the total value in 2017.

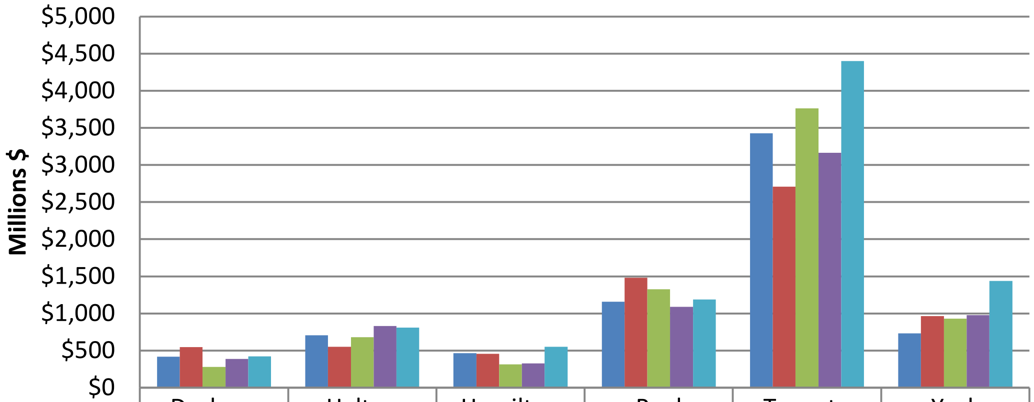
Figure 9
York Region Industrial, Commercial and Institutional Construction Values 2013 - 2017



A high-value building permit can result in large annual fluctuations in ICI building permit values. Notable ICI projects for which building permits were issued in 2017 and contributed to the strong overall ICI permit values included the $559 million Mackenzie Vaughan Hospital in Vaughan, a permit for an industrial complex in Vaughan's Glen-Huntington Business Park issued for $29 million, and a $28 million permit for an addition to the Upper Canada Mall in Newmarket.

Within the GTHA, York Region accounted for over 16% of the total ICI construction values for 2017 (Figure 10). Overall, the GTHA recorded a 30% increase in the value of ICI construction from 2016. Only Halton Region recorded a small decrease in total ICI construction, while the remaining GTHA regional municipalities and the City of Toronto experienced increases.

Figure 10
GTHA Industrial, Commercial and Institutional Construction Values 2013 - 2017



	Durham	Halton	Hamilton	Peel	Toronto	York
2013	$418	$707	$464	$1,157	$3,426	$731
2014	$545	$550	$454	$1,483	$2,706	$963
2015	$278	$682	$312	$1,325	$3,761	$927
2016	$386	$832	$329	$1,090	$3,165	$976
2017	$422	$810	$552	$1,188	$4,398	$1,438

As investment in new ICI development has occurred, so have employment opportunities within the Region. York Region's employment growth once again outpaced provincial (1.8%) and national (2.1%) averages in 2017, posting a gain of 3.3%.

York Region's economic activity and population growth continues to be a significant contributor to the provincial and national economies

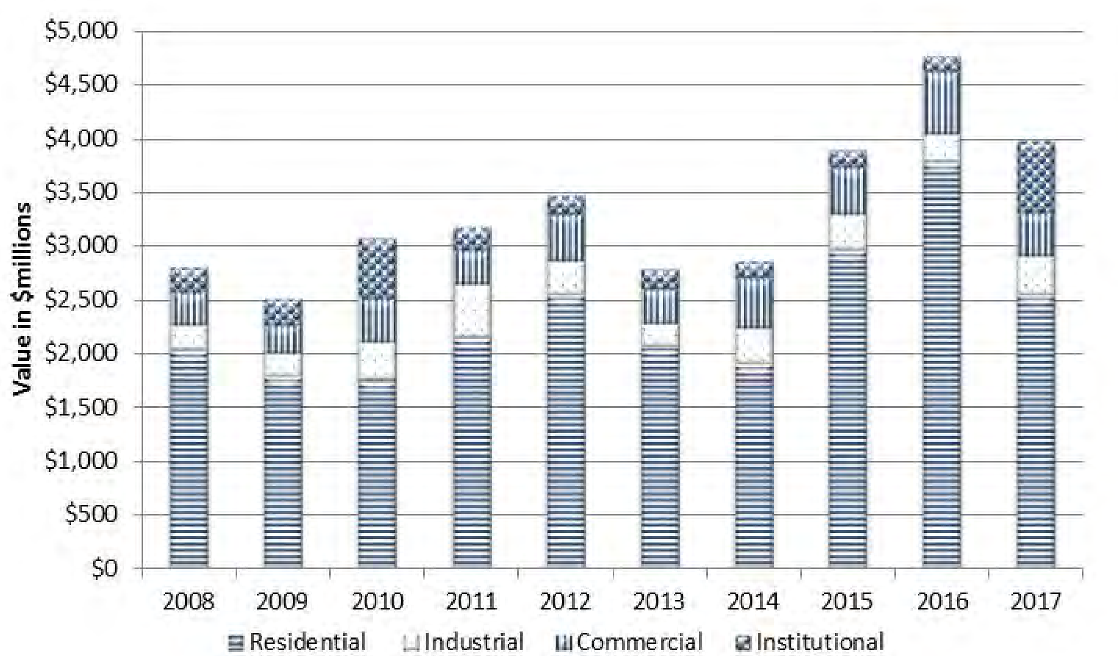
York Region ranked 6th in 2017 for the value of ICI construction across Canada, an increase from 7th the previous year. Within the GTHA, York Region ranked 2nd for the value of ICI construction behind Toronto, an increase from 3rd in 2016.

York Region continues to be one of Canada's fastest growing municipalities in terms of both population and employment. During 2017, employment in York Region grew by 3.3%, higher than Ontario's growth rate of 1.8%. The population growth rate for the Region was 1.7% compared to 1.6% for the entire Province. The Growth Plan forecasts indicate York Region is anticipated to accommodate the largest absolute amount of population and employment growth in all of Ontario between 2016 and 2041.

2017 total estimated value of construction of $3.98 billion is the second highest value on record for York Region

The total estimated value of construction in 2017 was approximately $3.98 billion, compared to $4.76 billion recorded in 2016, a decrease of 16.3%, but still the second highest value on record for the Region (Figure 11). Total construction value, including residential and non-residential values, is important as it is correlated with the new development component of tax assessment growth over subsequent years.

Figure 11
York Region Construction Value by Type 2008 - 2017



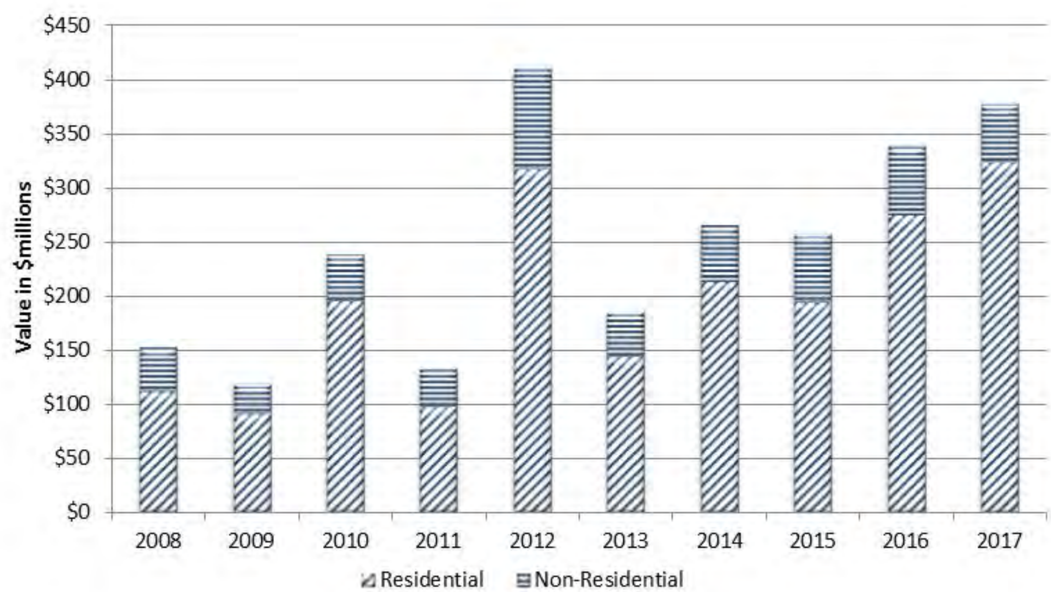
As noted above, York Region continues to experience job growth. According to a recent Cushman & Wakefield MarketBeat report, Ontario remains on track to be a growth leader in 2018, although rising interest rates, new home mortgage rules, and NAFTA uncertainty are likely to temper momentum. However, the U.S. economy is expected to remain strong, therefore the GTHA's industrial markets are expected to experience strong demand from the U.S. for goods and services, translating to further economic growth in 2018.

5. Financial Considerations

Development Charges (DCs) are a major source of funding for the Region's Capital Plan.

Regional DCs are collected when a plan of subdivision is registered and when a building permit is issued. The total Regional DCs collected in 2017 was $376.7 million compared to $338.5 million in 2016 (Figure 12).

Figure 12
York Region Development Charges Collected 2008 - 2017



The economic indicators presented in this report will assist Council to effectively monitor, evaluate and respond to variations in the Region's economic landscape.

6. Local Municipal Impact

Regional economic indicators are important for evaluating economic trends across the Region. The Growth and Development Review 2017 report provides local municipal economic development and planning officials with a summary of York Region's economy. The information is used as a basis for informing decision making, devising strategies, and attracting new businesses to the Region.

7. Conclusion

In 2017, York Region continued to demonstrate growth in population, employment, construction value and the housing market. York Region continues to exhibit growth in these key areas. The continued strength of the U.S. economy in 2018 should bode well for York Region businesses.

York Region continues to be a significant contributor to the provincial and national economies, ranking within the top ten municipalities in relation to:

- The Region’s contribution to Canada’s population
- Number of residential building permits issued
- Value of new industrial, commercial and institutional construction
- Value of total construction (ICI and residential combined)

The Growth and Development Review 2017 report monitors and reports on key performance measures and highlights York Region as a destination to live, work and play.

It is proposed that the attached Growth and Development Review 2017 report be posted on the Region’s website for use by municipalities and agencies, local chambers of commerce and board of trade and the public.

For more information on this report, please contact Paul Bottomley, Manager, Policy, Research and Forecasting at 1-877-464-9675 ext. 71530.

The Senior Management Group has reviewed this report.

April 27, 2018

Attachment (1)

#8419556

Accessible formats or communication supports are available upon request.

Attachment 1

2017 GROWTH AND DEVELOPMENT REVIEW

MAY 2018

York Region

TABLE of CONTENTS

2017 **GROWTH** AND **DEVELOPMENT** REVIEW

YORK REGION'S ECONOMY continues to create jobs. From 2016 to 2017 there were **19,800 jobs** added for a total of **620,500 jobs** in the Region.

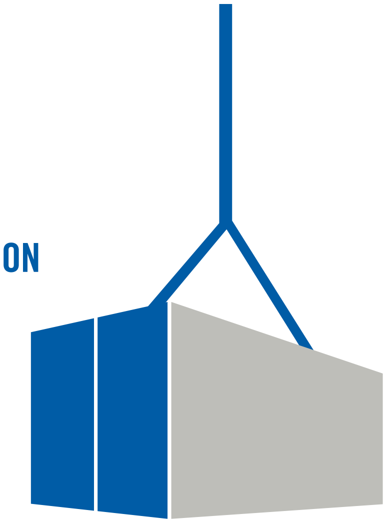
YORK REGION'S UNEMPLOYMENT RATE was **5.4 per cent** at year-end 2017, better than the Toronto Census Metropolitan Area (CMA) and Ontario.

THE REGION'S POPULATION increased by approximately **19,600 persons** in 2017 to a total population of **1,206,500.**

2017 HIGHLIGHTS

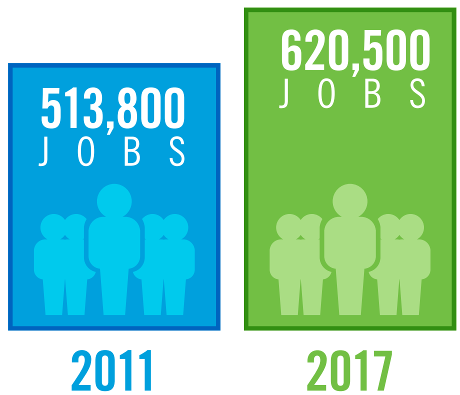
A STRONG U.S. ECONOMY BENEFITS YORK REGION BUSINESSES that EXPORT to the U.S. MARKET

The U.S. economy is anticipated to rise from 2.3 per cent in 2017 to 2.5 per cent in 2018.

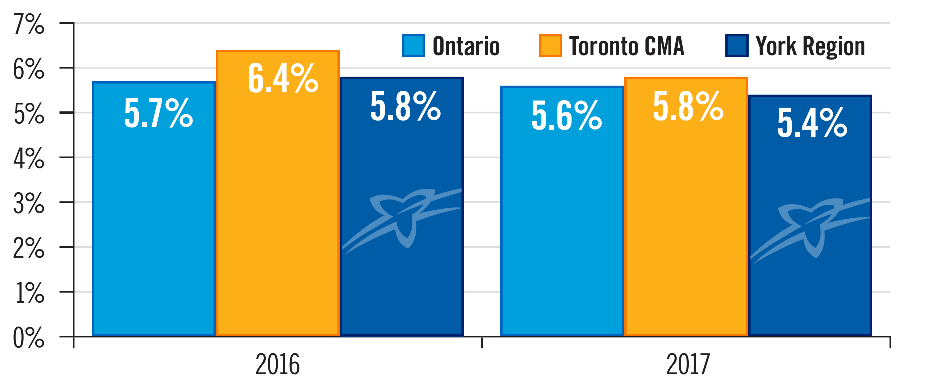


YORK REGION BUSINESSES EXPORT **$4 BILLION** **in GOODS and SERVICES** to the U.S. ANNUALLY

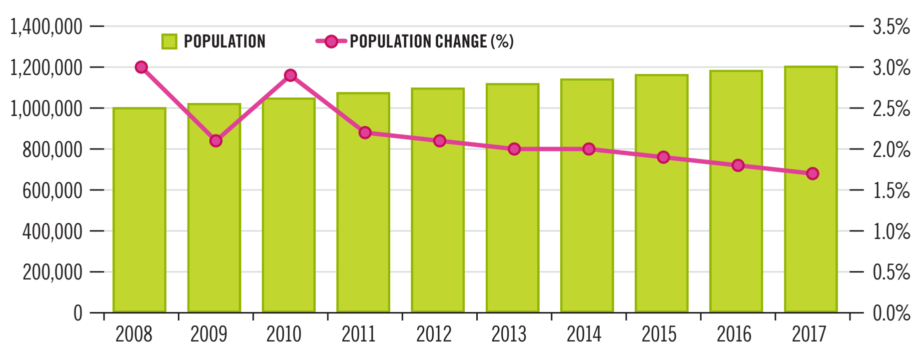
YORK REGION TOTAL EMPLOYMENT - 2011 and 2017



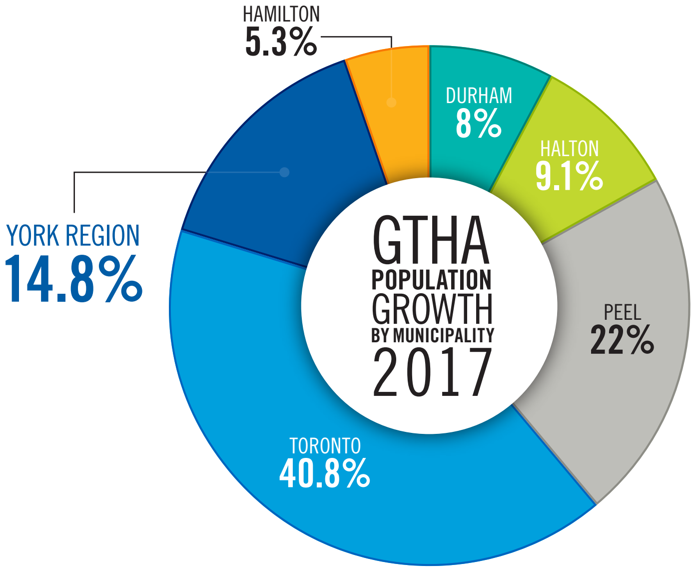
ONTARIO, TORONTO CMA and YORK REGION UNEMPLOYMENT RATES - 2016 and 2017



YORK REGION ANNUAL POPULATION GROWTH - 2008 to 2017

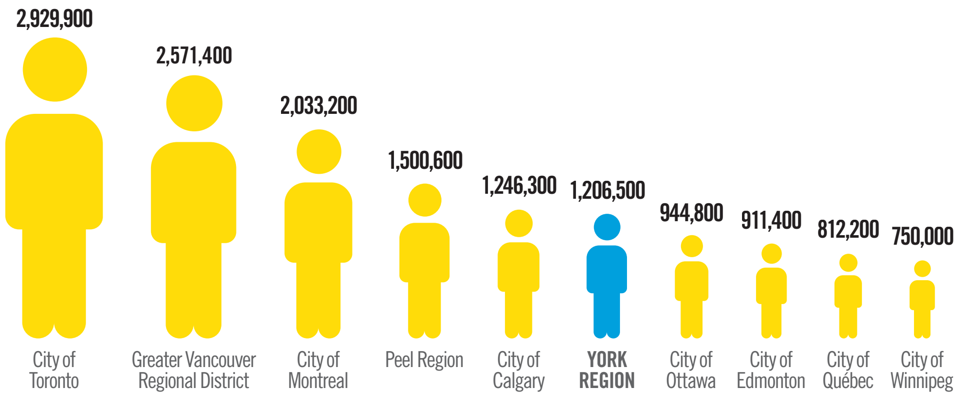


2017 **HIGHLIGHTS**



CANADA'S LARGEST MUNICIPALITIES BY POPULATION, 2017*

*2017 Population numbers are estimated



ACROSS the GTHA, there were 38,712 RESIDENTIAL BUILDING PERMITS ISSUED in 2017, a decline of 5.2 PER CENT

AVERAGE HOUSING PRICES FOR ALL RESALE UNITS **in YORK REGION EXCEEDED**

$1 MILLION

FOR THE FIRST TIME in 2017

2017 **GROWTH AND DEVELOPMENT** REVIEW

In 2017 York Region's share of the Greater Toronto and Hamilton Area (GTHA) population growth was **14.8 per cent.**

YORK REGION was the **sixth largest municipality** in Canada by population as of year-end 2017.

In 2017 a total of **6,048 new residential building permits** were issued in York Region, representing a decrease of **42.9 per cent** from the 2016 permit total of **10,597.** The decrease was represented by all unit types, but was most significant in apartments.

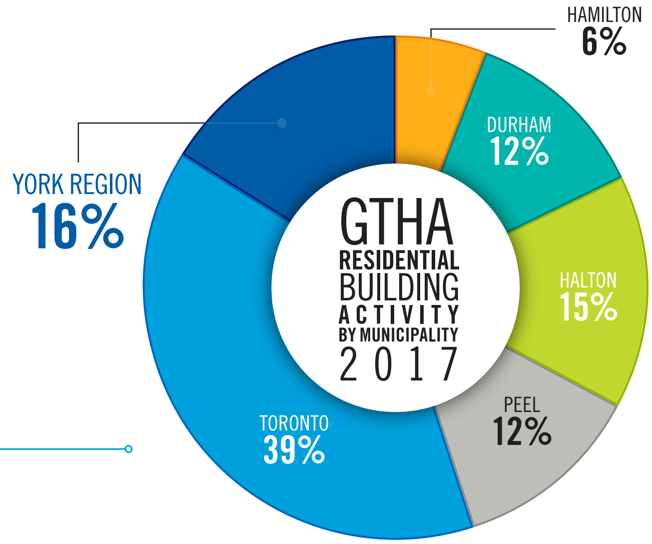
2017 **GROWTH** AND **DEVELOPMENT** REVIEW

YORK REGION continues to be a strong contributor to Greater Toronto and Hamilton Area (GTHA) development activity accounting for **16 per cent** of the GTHA's residential building permit activity, second to the City of Toronto's **39 per cent** share

YORK REGION'S total industrial, commercial and institutional construction values **increased** by over **47 per cent** in 2017 to the highest level ever recorded while total construction values were the second highest level ever recorded.

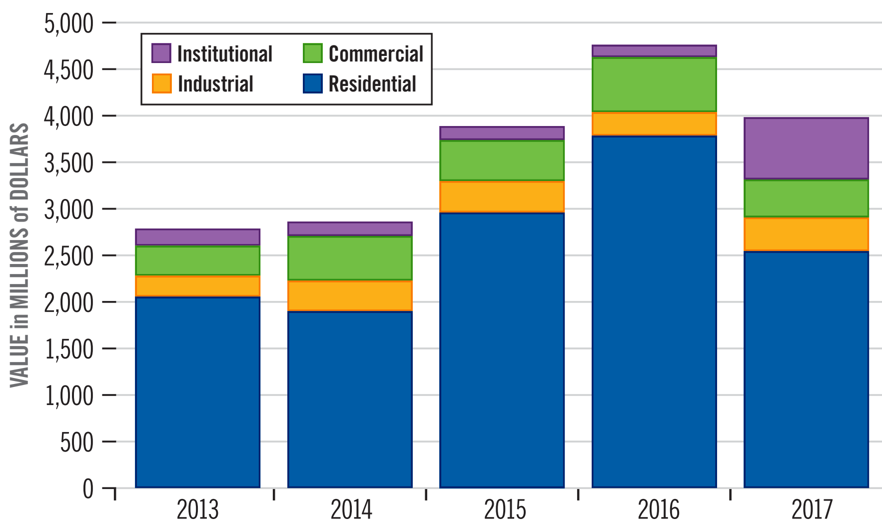
2017 **HIGHLIGHTS**

SHARE of GTHA RESIDENTIAL BUILDING ACTIVITY - 2017



$1.44 BILLION INDUSTRIAL COMMERCIAL & INSTITUTIONAL TOTAL CONSTRUCTION VALUES

YORK REGION CONSTRUCTION VALUE by TYPE - 2013 to 2017



$3.98 BILLION TOTAL CONSTRUCTION VALUE

YORK REGION continues to be a significant contributor to the provincial and national economies **ranking sixth** in 2017 for total construction value among Canadian municipalities, with a value of **$3.98 billion.**


9740
BUS
ONLY

ECONOMIC OUTLOOK

THE UNITED STATES has recorded a **ninth consecutive year** of GDP growth. U.S. GDP is anticipated to rise from **2.3 per cent** in 2017 to **2.5 per cent** for 2018. York Region's economy is related to U.S. GDP growth as York Region businesses export over **$4 billion** worth of goods and services annually.

GLOBAL and UNITED STATES GDP FORECAST to GROW in 2018

- Global economic activity is projected to rise from 3.7 per cent in 2017 to 3.9 per cent for both 2018 and 2019
- The U.S. economy is expected to grow to 2.7 per cent and 2.5 per cent for 2018 and 2019, up from 2.3 per cent in 2017
- Canada's growth output is expected to decrease from 3.0 per cent in 2017 to 2.3 per cent in 2018 and 2.0 per cent in 2019 due to concerns regarding NAFTA negotiations and U.S. protectionism, eroding competitiveness given U.S. tax cuts, softening housing markets and higher interest rates.

KEY EXTERNAL FACTORS influencing growth of the Canadian, Ontario, and York Region economies

U.S. ECONOMY (largest market for York Region businesses that export)

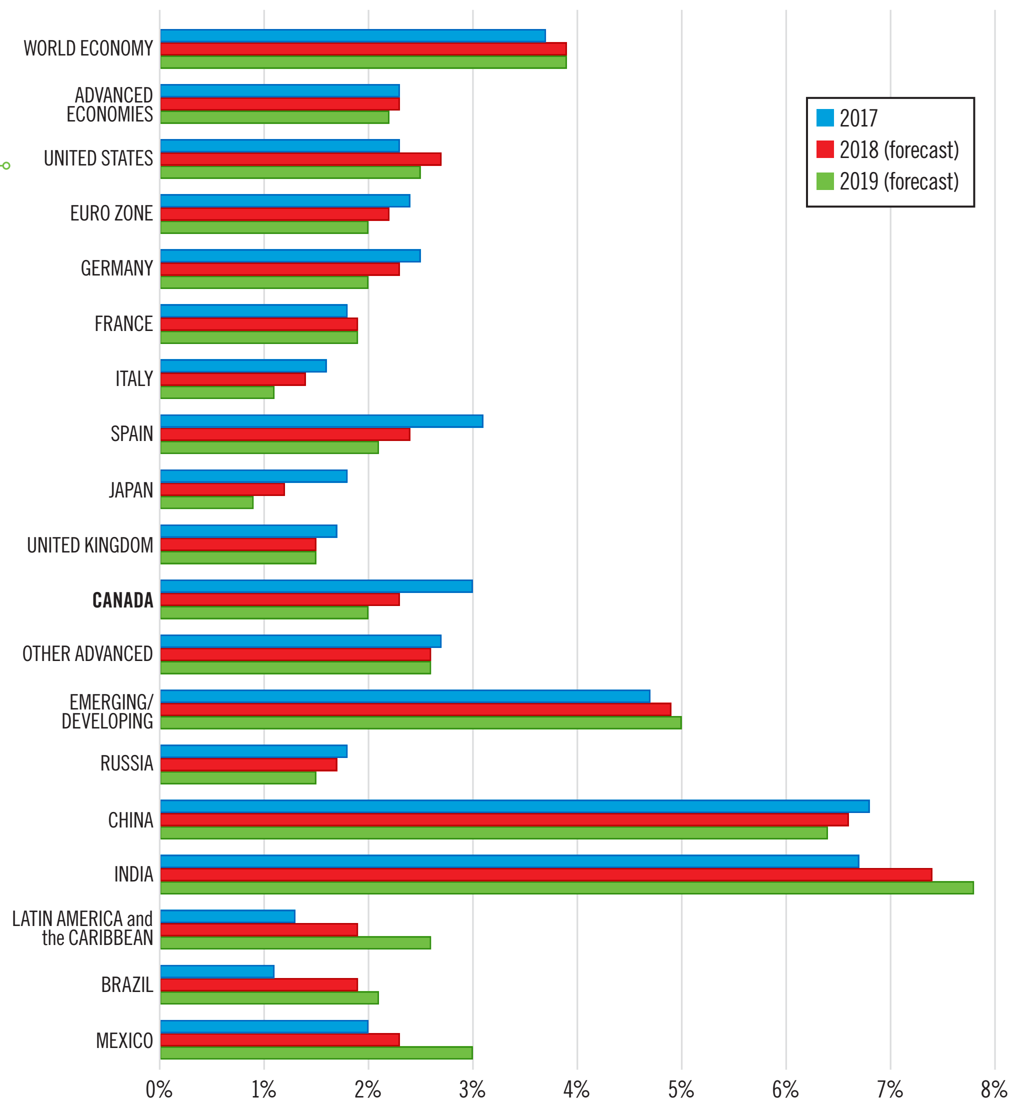
OIL PRICES

CANADIAN DOLLAR VALUE

The U.S. federal reserve raised short term interest rates in 2017 to 1.5 per cent. Rates are anticipated to remain low compared to historical levels.

The Bank of Canada raised interest rates to 1.25 per cent in 2017 and a further rate increase is anticipated by year-end 2018.

FIGURE 1.1: GLOBAL GROWTH FORECAST (%)

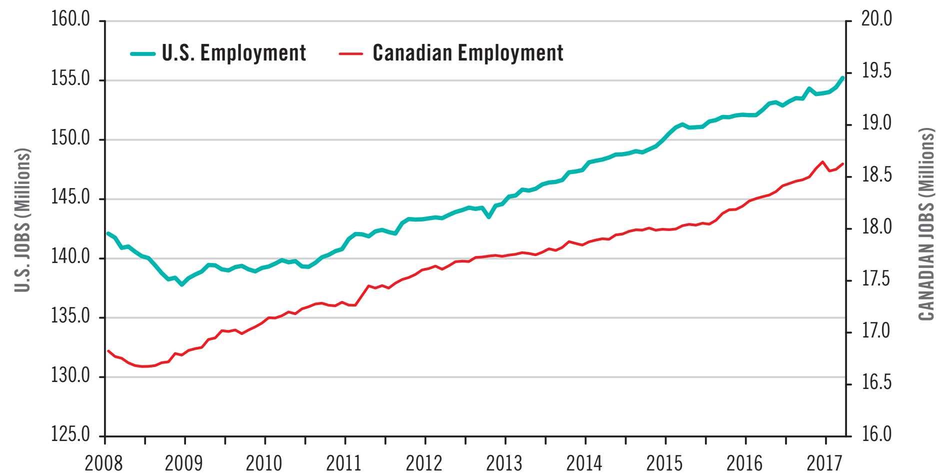


Source: World Economic Outlook (January 2017): International Monetary Fund

ECONOMIC OUTLOOK

- U.S. job numbers increased to 154 million, adding over 1.8 million jobs in 2017, while Canadian jobs increased by 423,000 during 2017 to 18.6 million (Figure 1.2)
- A strong U.S. economy bodes well for York Region businesses that export to the U.S. market

FIGURE 1.2: U.S. JOB GROWTH TRENDS, 2008-2017

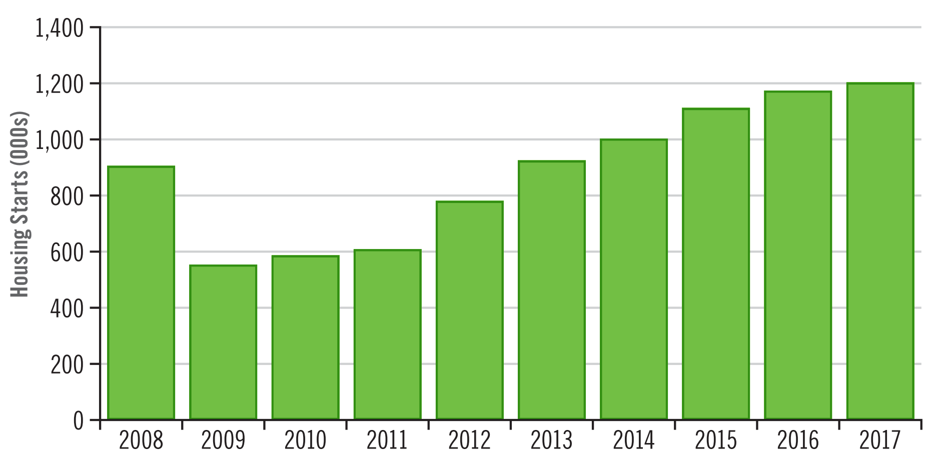


Source: U.S. Bureau of Economic Research and Statistics Canada

- Since 2011, U.S. job growth rates and annual housing starts have been showing positive growth
- U.S. housing starts recorded a 5.7 per cent increase over 2016, to a total of 1.2 million in 2017

U.S. HOME SALES reflect confidence in the U.S. economy and can increase demand for Canadian goods such as raw building materials and manufactured products.

FIGURE 1.3: U.S. ANNUAL HOUSING STARTS, 2008 to 2017



Source: U.S. Census Bureau - U.S. Department of Commerce

ECONOMIC OUTLOOK

YORK REGION BUSINESSES export an average of **$4 billion** worth of goods and services annually. Regional businesses directly benefit from increased trade activity.

STRONG TRADE RELATIONSHIP between CANADA and the U.S.

- A lower Canadian dollar promotes exports with the U.S. but impacts the import of U.S. goods and services

FIGURE 1.4: 10-YEAR CANADIAN DOLLAR (DAILY NOON RATE)

- The price of oil at the end of 2017 was $61.36 per barrel, compared to $52.62 in 2016 and $36.26 in December of 2015

OIL PRICES increased in 2017, but continue to remain well below **$100 per barrel,** last seen in August 2014

FIGURE 1.5: 10-YEAR CRUDE OIL PRICES (U.S DOLLARS per BARREL)

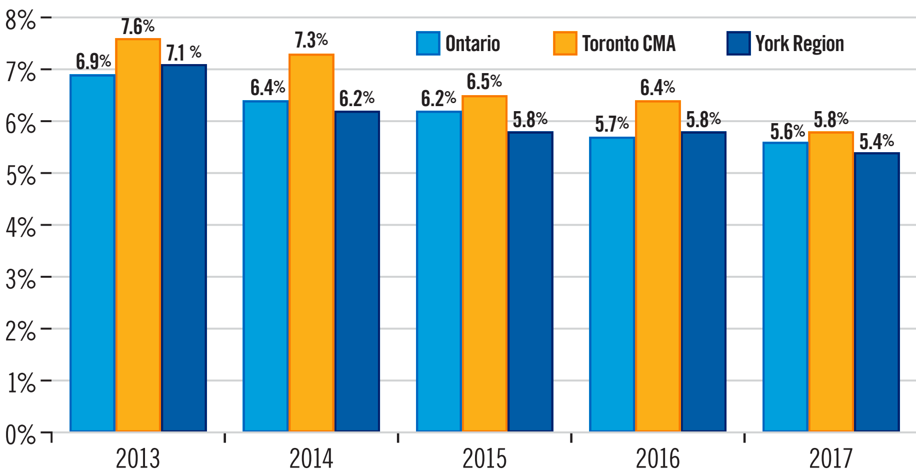
ECONOMIC OUTLOOK

ECONOMIC ACTIVITY in ONTARIO, the TORONTO CMA and YORK REGION

- The provincial unemployment rate has been decreasing steadily since 2013, from 6.9 per cent down to 5.6 per cent in 2017
- The unemployment rate in the Toronto Census Metropolitan Area (CMA) has also been decreasing since 2013, from 7.9 per cent to 5.8 per cent in 2017
- York Region's unemployment rate was 5.4 per cent at year-end 2017, lower than both the Toronto CMA and Ontario rates

ONTARIO'S ECONOMIC OUTLOOK
Ontario's economy increased by **2.7 per cent** in 2017. GDP growth is poised to slow to around **2 per cent** in 2018 and 2019.

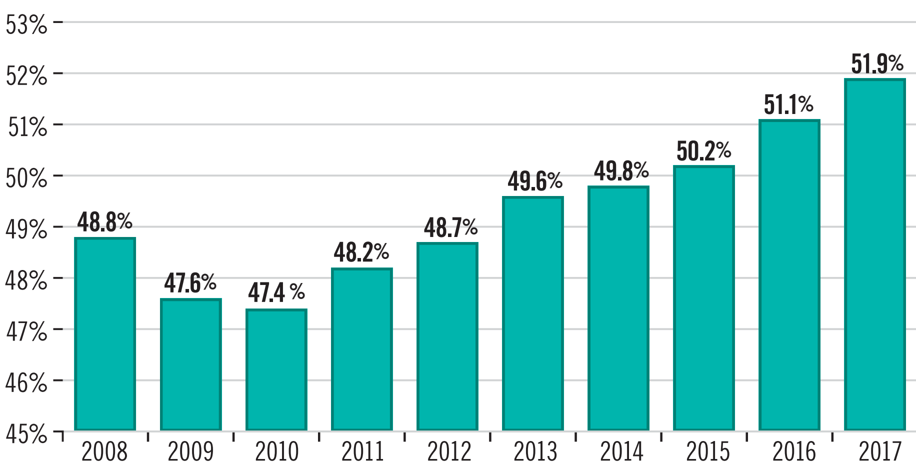
FIGURE 1.6: ONTARIO, TORONTO CMA and YORK REGION UNEMPLOYMENT RATES, 2013-2017



Source: Statistics Canada Note: Based on unadjusted 3-month moving averages

TOTAL ONTARIO EMPLOYMENT
In 2017, Statistics Canada recorded Ontario employment growth of **1.8 per cent** (130,000 jobs) compared to **1.2 per cent** in 2016, to reach a total of **7,172,900**

FIGURE 1.7: YORK REGION ACTIVITY RATE



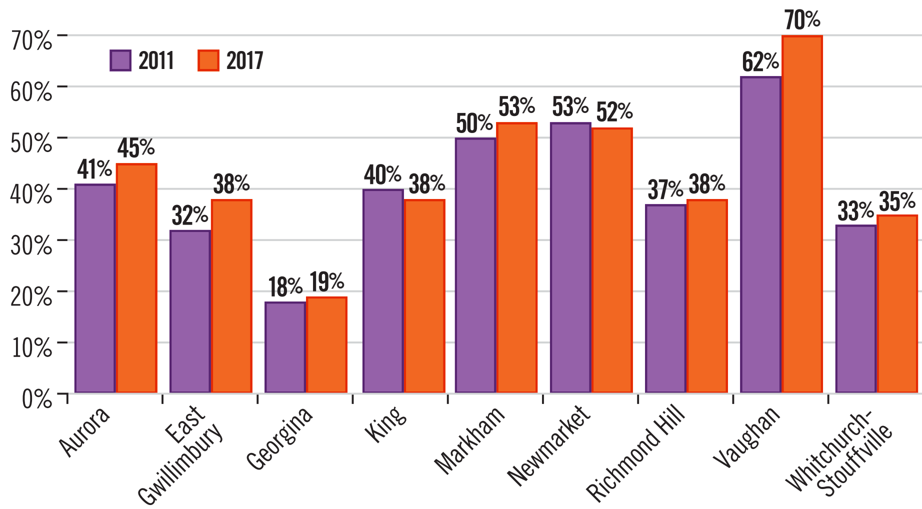
ACTIVITY RATE
The activity rate compares total employment to total population. One of York Region's Official Plan (ROP) objectives is to create high quality employment opportunities for residents, with a goal of one job for every two residents.

An activity rate of **50 per cent** is consistent with the ROP target.

York Region's activity rate has been increasing since 2010, as shown in Figure 1.6, and is currently **51.9 per cent.**

ECONOMIC OUTLOOK

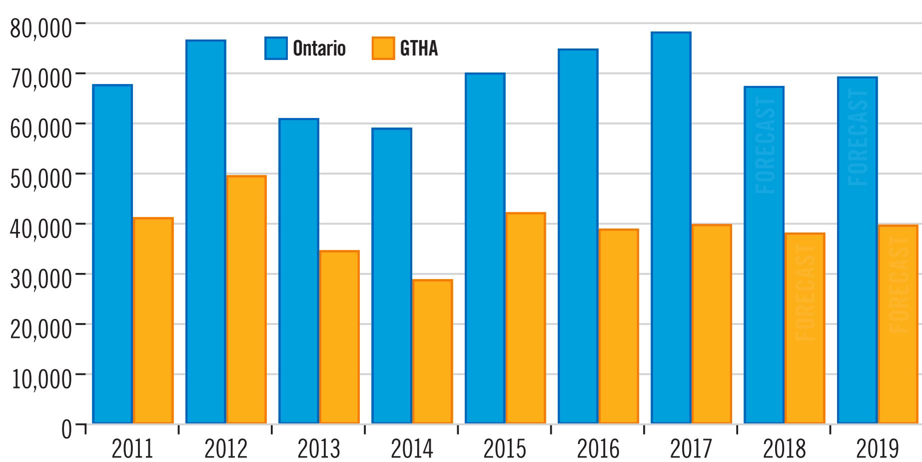
FIGURE 1.8: LOCAL MUNICIPALITY ACTIVITY RATES, 2011 and 2017



YORK REGION and LOCAL MUNICIPAL ACTIVITY RATES
Between 2011 and 2017, the majority of local municipalities within York Region recorded increased activity rates.

- According to the Canadian Mortgage and Housing Corporation (CMHC), housing starts in the Greater Toronto and Hamilton Area (GTHA) remained stable, increasing by 1.5 per cent in 2017, to 40,900
- CMHC predicts that GTHA housing starts will remain similar in 2018 and 2019

FIGURE 1.9: ONTARIO and GTHA HOUSING STARTS, 2011-2017



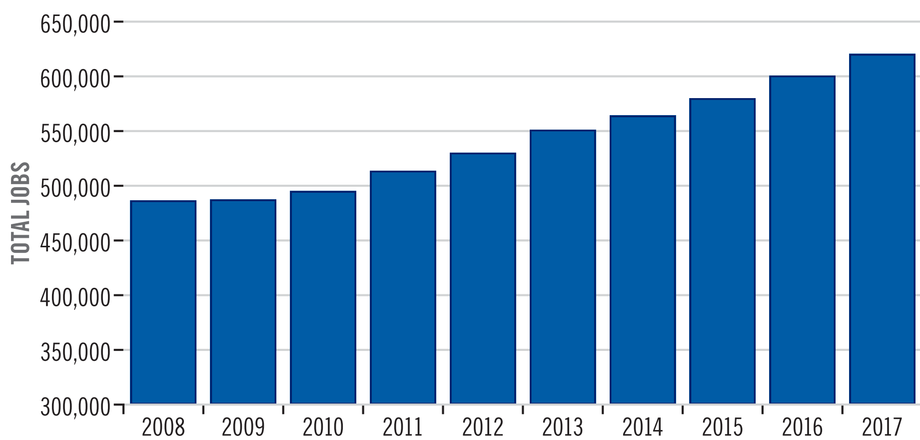
Source: Canada Mortgage and Housing Corporation

ECONOMIC OUTLOOK

YORK REGION'S ECONOMY CONTINUES to CREATE JOBS

- From 2016 to 2017, there were approximately 19,800 jobs added for an estimated total of 620,500 jobs in York Region
- Total employment within York Region continues to steadily increase, averaging a 3 per cent growth rate since 2011

FIGURE 1.10: YORK REGION TOTAL EMPLOYMENT, MID-YEAR 2008 to 2017



POPULATION GROWTH

2016 CENSUS POPULATION for YORK REGION

Statistics Canada recently released the 2016 Census population figure for York Region at **1,109,648.** This figure is not adjusted for the undercount, where approximately **3 per cent** to **4 per cent** of the population is missed.

Preliminary analysis indicates the Census population figure is lower than York Region's midyear 2016 population estimate (unadjusted for the undercount). An undercount study and revised population figure will be provided by Statistics Canada in 2018, after which time York Region will recalibrate the population figures.

YORK REGION'S POPULATION CONTINUES to RISE with 1.7 PER CENT GROWTH in 2017

- The Region's population increased by approximately 19,600 persons in 2017 to a total population of 1,206,500
- The 2017 annual growth rate decreased slightly from 1.8 per cent in 2016 to 1.7 per cent (Figure 2.1)

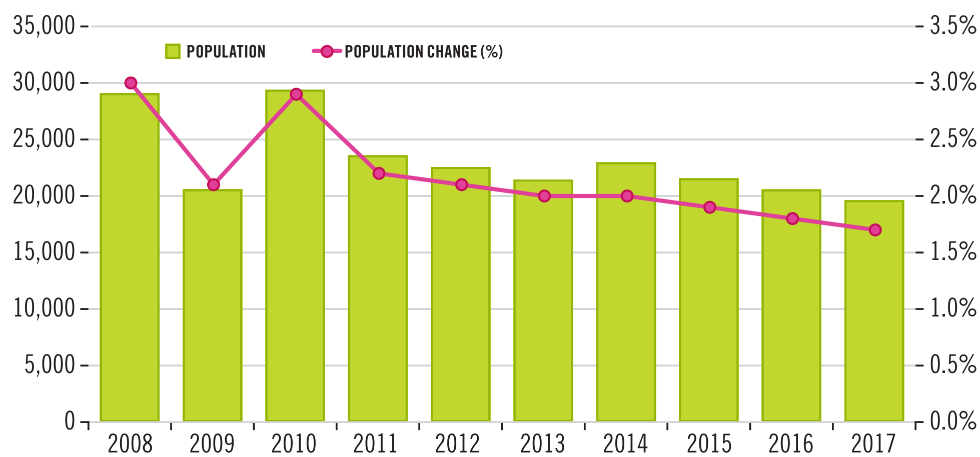
TABLE 2.1: YORK REGION POPULATION, 2016 and 2017

MUNICIPALITY	2016	2017	POPULATION GROWTH	CHANGE (%)
Aurora	60,000	63,400	3,400	5.7%
East Gwillimbury	25,200	26,900	1,700	6.7%
Georgina	48,200	49,200	1,000	2.1%
King	25,900	26,900	1,000	3.9%
Markham	353,900	356,700	2,800	0.8%
Newmarket	87,300	88,500	1,200	1.4%
Richmond Hill	210,600	213,200	2,600	1.2%
Vaughan	329,500	334,500	5,000	1.5%
Whitchurch-Stouffvillle	46,300	47,200	900	1.9%
York Region Total	**1,186,900**	**1,206,500**	**19,600**	**1.7%**

Source: York Region, Corporate Services, Long Range Planning Division, 2016 and 2017.
Note: Numerical data in this report has been rounded, some totals may be affected.

- Population growth within York Region has recorded slower but steady growth for the last several years averaging 1.9 per cent per year since 2011

FIGURE 2.1: YORK REGION ANNUAL POPULATION GROWTH, 2008-2017

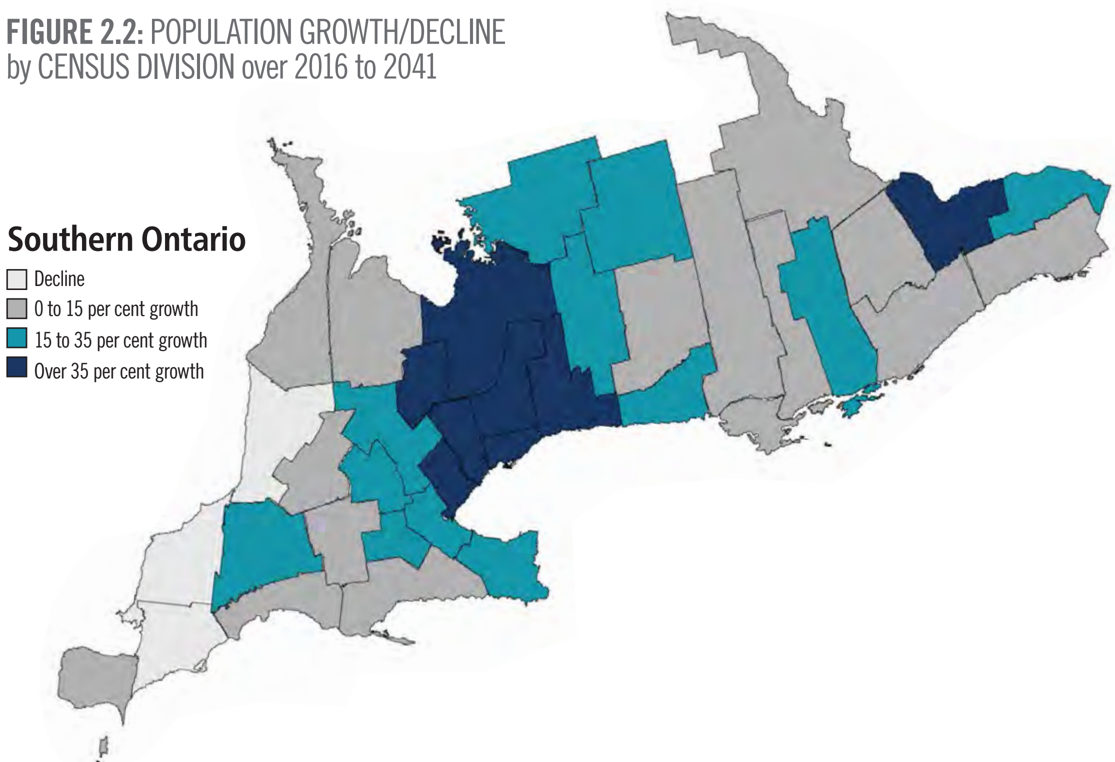


POPULATION GROWTH

ONTARIO MIGRATION PLAYS a LARGE PART in GTHA POPULATION GROWTH

- Ontario attracts the highest share of immigrants annually compared to any other province, typically in the 50 per cent to 55 per cent range
- Ministry of Finance forecasts to 2041 indicate the GTHA, Simcoe County and Ottawa region are projected to experience significant population growth of over 35 per cent, while other areas of the province are forecast to either remain stable or record a decline in population

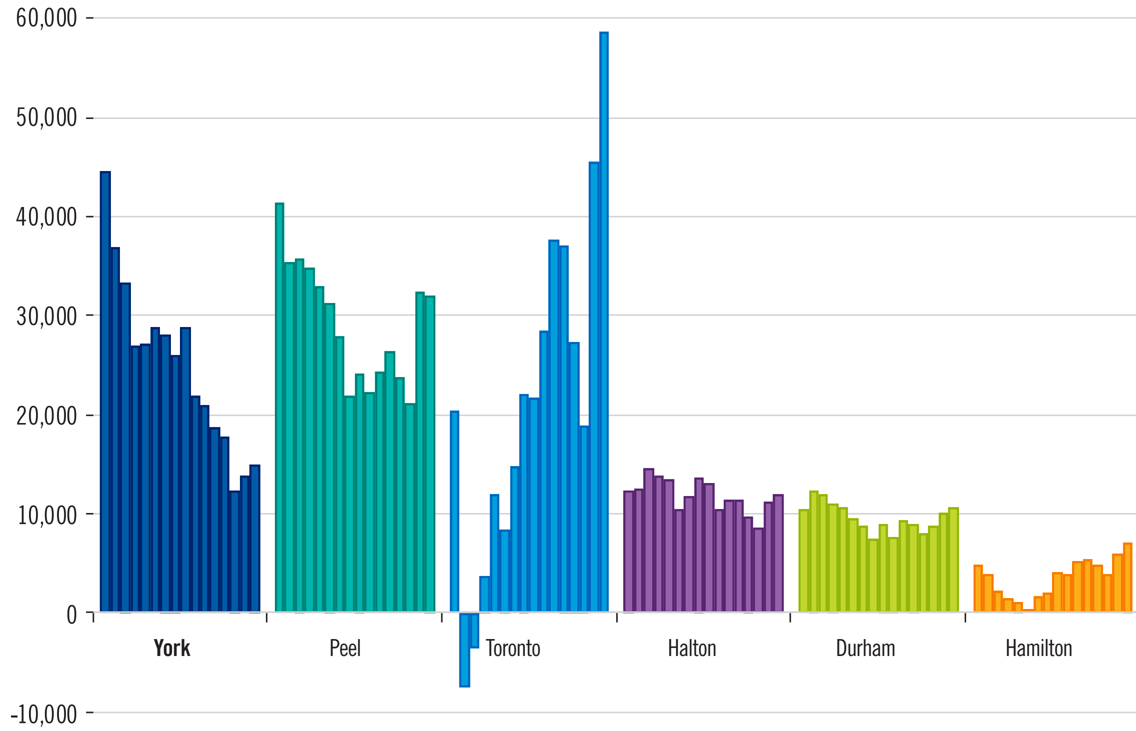
FIGURE 2.2: POPULATION GROWTH/DECLINE by CENSUS DIVISION over 2016 to 2041



- Population growth in the 905 area between 2011 and 2016 has been slower than the Growth Plan forecast by approximately 10 per cent
- Toronto captured a higher than expected share of population growth between 2011 and 2016 (36 per cent) when compared to the Provincial Growth Plan forecasts (27 per cent)

POPULATION GROWTH

FIGURE 2.3: ANNUAL POPULATION GROWTH by MUNICIPALITY in the GREATER TORONTO and HAMILTON AREA (GTHA), 2001 to 2017

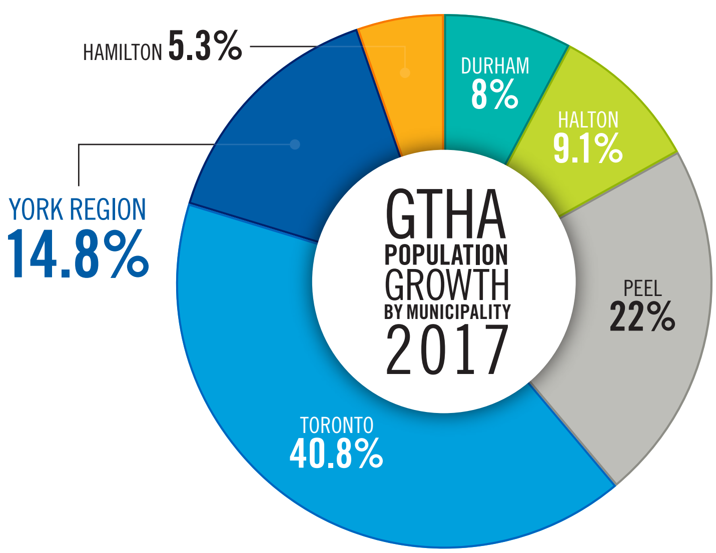


Source: Statistics Canada, CANSIM

YORK REGION'S CONTRIBUTION to GTHA GROWTH is SIGNIFICANT

- By the end of 2017, the GTHA population was estimated at 7.47 million people, an increase of approximately 132,000 or 1.8 per cent from 2016
- In 2017 York Region's share of the GTHA's population growth was 14.8 per cent

FIGURE 2.4: SHARE OF GTHA POPULATION GROWTH BY MUNICIPALITY, 2001 to 2017

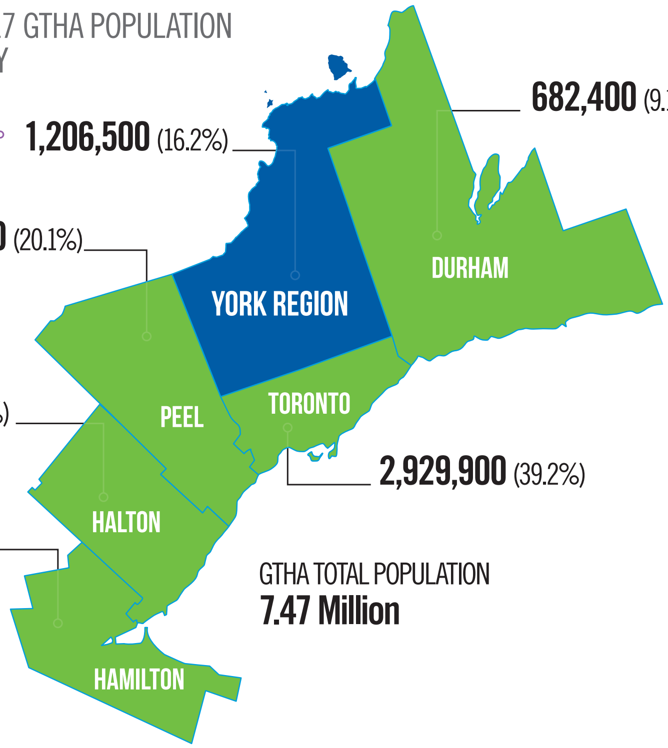


ALL YORK REGION municipalities experienced population growth. The top three municipalities by per cent change between 2016 and 2017 are:

· East Gwillimbury at **6.7 per cent**
· Aurora at **5.7 per cent**
· King at **3.9 percent**

POPULATION GROWTH

FIGURE 2.5: 2017 GTHA POPULATION by MUNICIPALITY



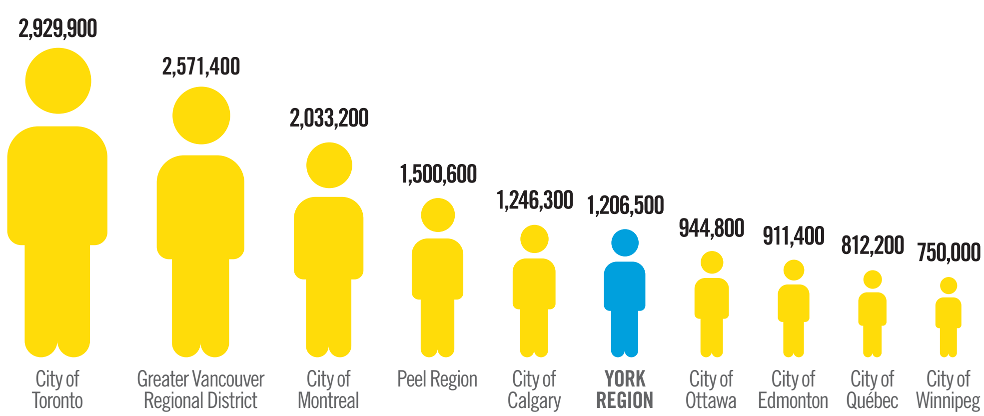
YORK REGION is part of the broader Greater Toronto and Hamilton Area (GTHA) Region encompassing over **7.4 million people**

An expanding transportation network, high quality of life, vibrant diversified economy and availability of serviced land all contribute to York Region being a major growth area in the GTHA

YORK REGION is ONE of the LARGEST MUNICIPALITIES in CANADA

- As of December 2017, York Region was the sixth largest municipality in Canada in population (Figure 2.6)

FIGURE 2.6: CANADA'S LARGEST MUNICIPALITIES by POPULATION, 2017*
*2017 Population numbers are estimated



Source: Various Municipalities, 2017. Note: Includes cities, Regions, and Regional Districts as defined locally.

POPULATION GROWTH

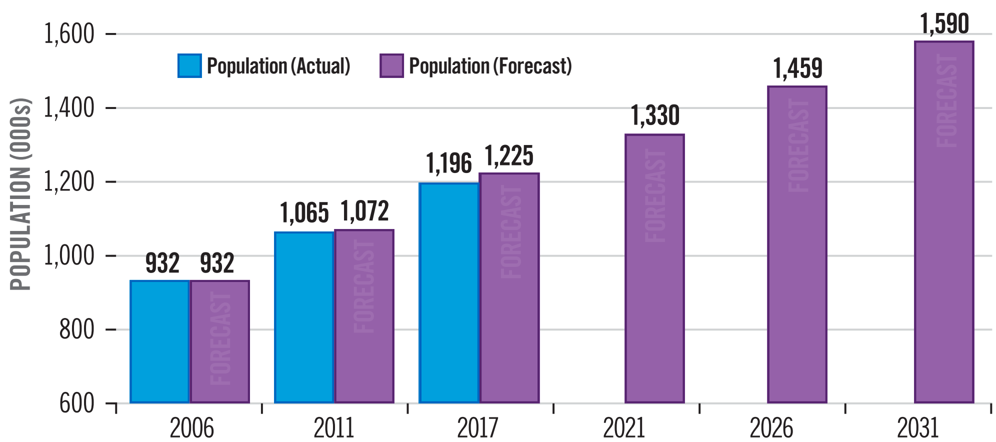
POPULATION and EMPLOYMENT FORECASTS

- York Region's mid year 2017 population was estimated to be 1,196,700, which is 2.3 per cent (28,500) lower than the Growth Plan forecast of 1,225,200
- Annual growth of 27,700 is required to reach the 2031 Growth Plan forecast of 1,590,000

POPULATION and EMPLOYMENT FORECASTS

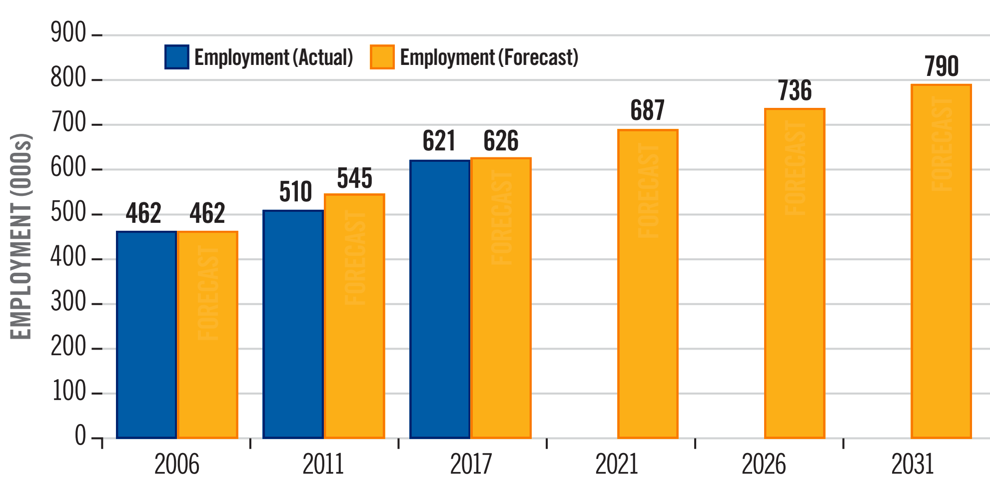
Population and employment growth forecasts form the basis for determining urban land needs, infrastructure and service planning, financial planning, and determining development charges.

FIGURE 2.7: POPULATION GROWTH (Actual and Forecast), 2006-2031



- In 2017, York Region's employment was approximately 620,500 compared to the 2017 Growth Plan forecast of 626,200, a 5,700 difference
- Annual employment growth of 12,000 is required to meet the 2031 Growth Plan employment forecast. The Region has been growing by approximately 18,000 jobs per year during the past 5 years

FIGURE 2.8: EMPLOYMENT GROWTH (Actual and Forecast), 2006-2031



RESIDENTIAL MARKET and BUILDING ACTIVITY

RESALE HOMES generate significant economic activity

Use of professional services including: real estate agents, lawyers, appraisers and surveyors

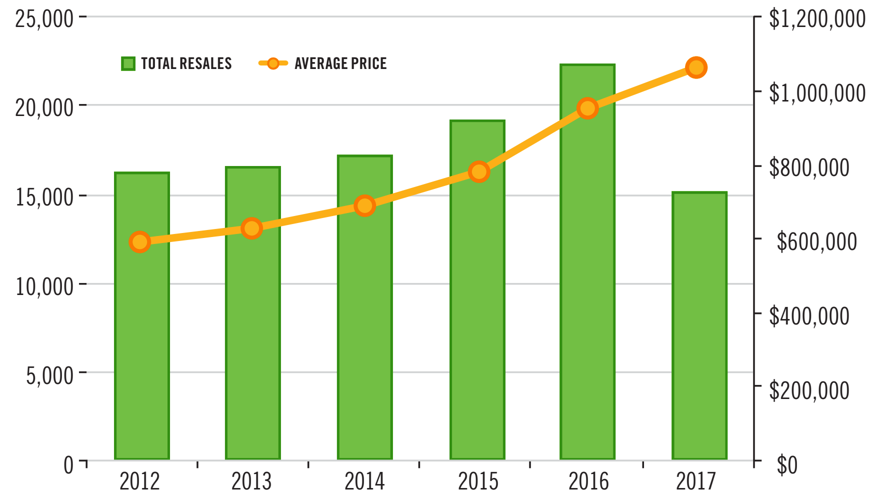
Generate taxes and fees

Generate associated spending on appliances, furniture, fixtures etc.

NUMBER of RESIDENTIAL RESALES DECREASED by 32.2 PER CENT in 2017, while HOUSING PRICES CONTINUE to RISE

- The number of residential resales in York Region during 2017 totalled 15,050 dwelling units (Figure 3.1), a decrease of 32.2 per cent (7,162 units) from 2016
- Total value of all York Region residential resales in 2017 was approximately $15.97 billion – down from $21.1 billion in 2016

FIGURE 3.1: YORK REGION TOTAL RESALES and AVERAGE PRICE, 2012 to 2017



Source: Toronto Real Estate Board, Market Watch 2012-2017.

TABLE 3.1: TOTAL NUMBER of RESALES and AVERAGE PRICE (all dwelling types) by LOCAL MUNICIPALITY, 2016 and 2017

MUNICIPALITY	SALES		AVERAGE PRICE ($)	
	2016	2017	2016	2017
Aurora	1,406	962	$957,101	$1,088,206
East Gwillimbury	461	442	$783,680	$958,309
Georgina	1,300	1,063	$520,218	$647,174
King	480	386	$1,289,422	$1,611,873
Markham	6,136	3,958	$964,759	$1,070,241
Newmarket	2,007	1,428	$778,433	$914,679
Richmond Hill	4,409	2,669	$1,103,486	$1,173,061
Vaughan	4,968	3,479	$943,088	$1,093,272
Whitchurch-Stouffville	1,045	633	$967,210	$1,078,438
York Region Total	**22,212**	**15,050**	**$947,484**	**$1,061,271**

Source: Toronto Real Estate Board, Market Watch 2016, 2017.

KEY 2017 YORK REGION RESALE HOME FACTS

Accounted for **16.3 per cent** of total number of Greater Toronto Area (GTA) resales

Accounted for **21 per cent** of total GTA resale value

Average number of days a residential dwelling was on the market - **18 days**

Average selling price - **104 per cent** of list price

RESIDENTIAL MARKET and **BUILDING** ACTIVITY

TOTAL SALES in the Greater Toronto Area's (GTA) residential resale market decreased by **22.4 per cent** in 2017 (92,394) compared to 113,133 in 2016

Average resale price (all dwelling types) in the GTA was **$822,681,** an increase of **11.3 per cent** in comparison to the average of $729,922 in 2016

TABLE 3.2: 2017 RESALES and AVERAGE PRICES by LOCAL MUNICIPALITY and DWELLING TYPE ($1,000s)

MUNICIPALITY	DETACHED		SEMI-DETACHED		TOWN/ROW/ATTACH		CONDO/APT	
	Sales	Avg Price	Sales	Avg Price	Sales	Avg Price	Sales	Avg Price
Aurora	580	$1,332	81	$805	251	$724	50	$547
East Gwillimbury	379	$1,013	10	$704	51	$628	2	$291
Georgina	957	$664	26	$547	72	$506	8	$268
King	329	$1,757	1	$930	33	$975	23	$486
Markham	1,984	$1,468	261	$922	744	$822	969	$486
Newmarket	946	$1,045	182	$697	242	$683	58	$439
Richmond Hill	1,420	$1,631	84	$934	482	$889	683	$450
Vaughan	1,876	$1,437	295	$869	592	$824	716	$507
Whitchurch-Stouffville	480	$1,222	39	$770	137	$690	7	$573
York Region	**8,951**	**$1,326**	**979**	**$837**	**2,604**	**$795**	**2,516**	**$482**

Source: Toronto Real Estate Board, Market Watch, 2017.

- Region wide, the average price of a resale unit increased by 12 per cent for all unit types, from $947,484 in 2016 to $1,061,271 in 2017 (Table 3.1)
- The average price of single detached units increased by 13.5 per cent, from $1,167,889 in 2016 to $1,326,113 in 2017

TABLE 3.3: YORK REGION 2017 NEW HOME PRICES ($1,000s)

MUNICIPALITY	DETACHED	SEMI-DETACHED	ROW	CONDO/APT
Aurora	$1.1M-$7.3M	n/a	$849-$1.27M	n/a
East Gwillimbury	$861-$1.5M	$612-$835	$598-$651	n/a
Georgina	$829-$900	n/a	$429-$730	$294-$866
King	$3.1M-$4.0M	n/a	n/a	n/a
Markham	$1.5M-$2.6M	n/a	$669-$1.8M	$319-$2.31M
Newmarket	$1.2M-$3.7M	n/a	$1.1M-$1.4M	$540-$999
Richmond Hill	$1.7M-$2.8M	$1.3M-$1.53M	$789-$1.8M	$389-$987
Vaughan	$909-$4.72M	$949-$1.6M	$579-$1.85M	$334-$1.8M
Whitchurch-Stouffville	$1.08M-$1.52M	n/a	n/a	$434-$1.03M
York Region	**$829-$7.3M**	**$612-$1.6M**	**$429-$1.85M**	**$294-$2.31M**

Source: RealNet, March 2018

Note: New home data only provides a snapshot of projects currently for sale with the range of prices asked. Some municipalities may only have one or two projects contributing to the data.

2018 SALES FIGURES

The first two months of 2018 have seen a slower start to sales and price growth in York Region with the overall average price dropping to **$885,864** and **1,398 sales** were recorded to February 2018 compared to **2,523 sales** by February 2017.

- New prices for single-detached homes range from $829,000 in the Town of Georgina to $7.3 million in the Town of Aurora

RESIDENTIAL MARKET and BUILDING ACTIVITY

RESIDENTIAL BUILDING PERMITS are DOWN 43 PER CENT from 2016

- A total of 6,048 new residential building permits were issued in York Region in 2017, representing a 43 per cent decrease from the 2016 permit total of 10,597
- All unit types experienced a decline from 2016 levels, however apartment units decreased significantly, from 3,292 in 2016 to 859 in 2017
- There are more fluctuations in the apartment market from year to year compared to the ground related market, which impacts the total number of building permits issued annually

Building permit activity is an essential yardstick used to measure local investments and economic performance

TABLE 3.4: NEW RESIDENTIAL UNITS with PERMITS ISSUED in YORK REGION, 2016 and 2017

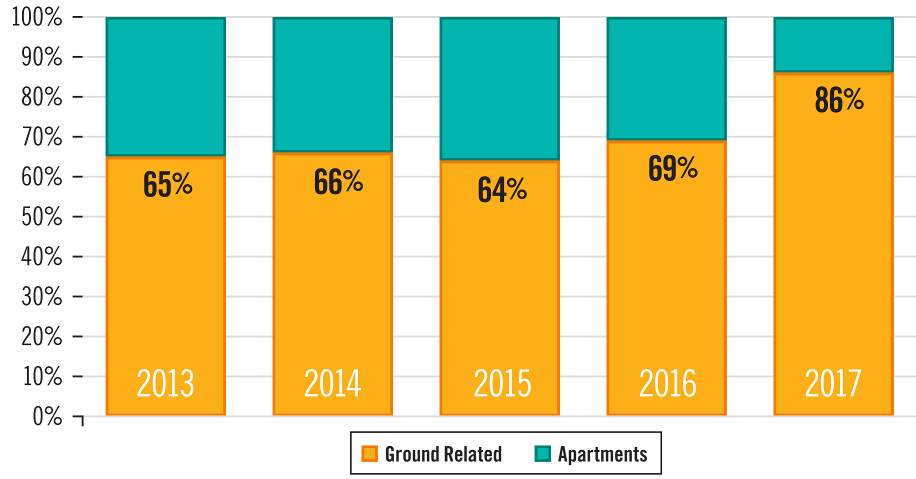
MUNICIPALITY	2016	2017	% CHANGE
Aurora	1,485	384	-74%
East Gwillimbury	1,674	950	-43%
Georgina	250	101	-60%
King	354	174	-51%
Markham	2,560	712	-72%
Newmarket	172	422	145%
Richmond Hill	2,087	876	-58%
Vaughan	1.948	2,187	12%
Whitchurch-Stouffville	67	242	261%
York Region Total	**10,597**	**6,048**	**-43%**

Source: Local Municipal Building Permit Reports, 2016 and 2017; York Region Corporate Services, Long Range Planning Division, 2017.

- In 2017, apartment dwellings and townhouses accounted for 52 per cent of new residential permits issued, an indication of York Region's progress towards creating a more diversified housing stock
- Markham, Richmond Hill and Vaughan accounted for approximately 62 per cent of the total residential building permit activity in 2017 (36 per cent, 14 per cent and 12 per cent respectively)

RESIDENTIAL MARKET and BUILDING ACTIVITY

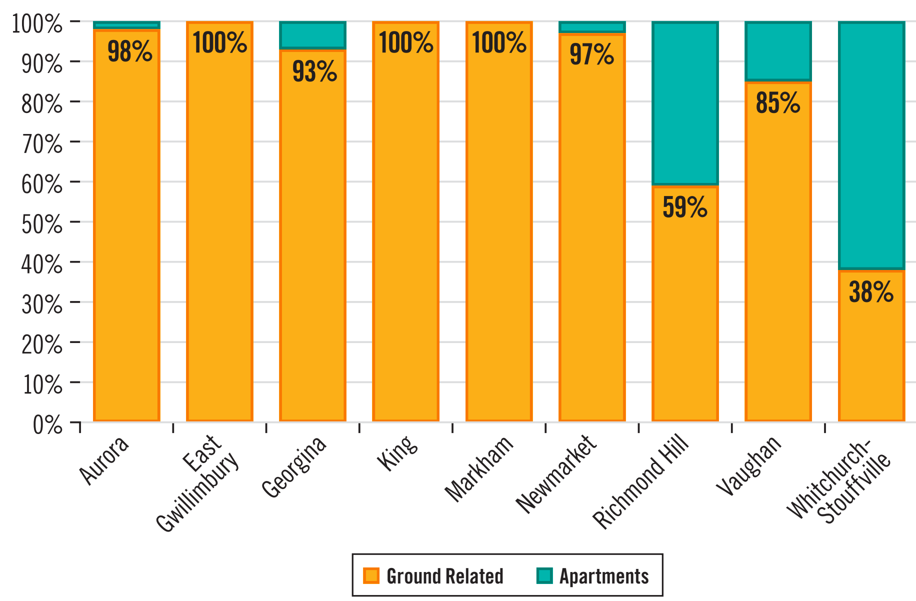
FIGURE 3.2: YORK REGION RESIDENTIAL BUILDING PERMIT MIX 2013 to 2017



Source: Local Municipal Building Permit Reports, 2016 and 2017; York Region Corporate Services, Long Range Planning Division, 2017. Note: Ground Related refers to single detached, semis and row housing.

- The 2017 breakdown of residential building permits was 41 per cent single detached, 3 per cent semi-detached, 25 per cent row and 31 per cent apartment

FIGURE 3.3: NEW RESIDENTIAL BUILDING PERMIT MIX by LOCAL MUNICIPALITY

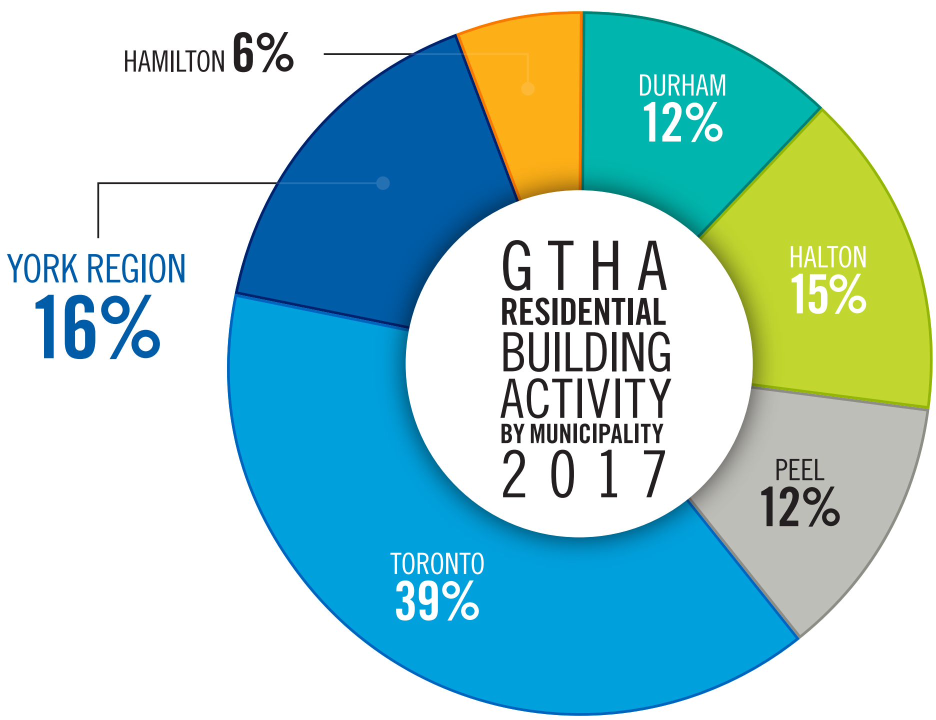


RESIDENTIAL MARKET and BUILDING ACTIVITY

YORK REGION CONTINUES to CONTRIBUTE SIGNIFICANTLY to RESIDENTIAL BUILDING PERMIT ACTIVITY in the GTHA

- In 2017, 38,712 building permits were issued for new residential units across the GTHA, a decrease from 40,822 in 2016 of approximately 5.2 per cent
- Only York Region and Peel Region experienced decreases in the total number of building permits issued in 2017
- York Region accounted for 16 per cent of the GTHA's residential building permit activity, second to the City of Toronto's 39 per cent share

FIGURE 3.4: GTHA RESIDENTIAL BUILDING ACTIVITY 2017: SHARES by MUNICIPALITY



Source: Local Municipal Building Permit Reports, 2016; Statistics Canada Table 32.2 (unpublished) 2017.

RESIDENTIAL MARKET and BUILDING ACTIVITY

YORK REGION RECORDED the 7th LARGEST NUMBER of RESIDENTIAL BUILDING PERMITS ISSUED in CANADA

- York Region continues to be a major contributor of new residential development in Canada, ranking 7th for building permits issued, declining from 5th in 2016

TABLE 3.5: CROSS CANADA COMPARISON 2017: RESIDENTIAL BUILDING PERMITS

RANK	MUNICIPALITY	NUMBER of PERMITS	% CHANGE from 2016
1	Greater Vancouver Regional District	26,058	17.0%
2	City of Toronto	15,091	11.2%
3	City of Edmonton	12,270	5.1%
4	City of Montréal	11,924	77.1%
5	City of Calgary	10,699	-8.2%
6	City of Ottawa	6,711	-4.0%
7	**York Region**	**6,048**	**-42.9%**
8	Halton Region	5,948	50.2%
9	City of Winnipeg	5,179	58.4%
10	Simcoe County	4,847	2.5%

Source: Statistics Canada Building Permit Reports and Table 32.2 (unpublished), 2017; York Region Corporate Services, Long Range Planning Division, 2017

RESIDENTIAL COMPLETIONS DECREASED FOR 2017

- Housing completions in the Region decreased by 15.5 per cent since 2016
- The mix of housing completions in 2017 was 56 per cent (3,666) single detached, 2 per cent (170) semi-detached units, 22 per cent (1,415) row houses and 20 per cent (1,284) apartments

TABLE 3.6: YORK REGION RESIDENTIAL COMPLETIONS 2016 and 2017

MUNICIPALITY	2016	2017	% CHANGE
Aurora	790	1,099	39%
East Gwillimbury	189	543	187%
Georgina	349	365	5%
King	334	349	4%
Markham	1,645	987	-40%
Newmarket	391	466	19%
Richmond Hill	1,534	784	-49%
Vaughan	2,122	1,561	-26%
Whitchurch-Stouffville	384	381	-1%
York Region Total	**7,738**	**6,535**	**-15.5%**

Source: CMHC, 2017

RESIDENTIAL MARKET and BUILDING ACTIVITY

FIGURE 3.5: BUILDING PERMIT and HOUSING COMPLETIONS, 2008 to 2017

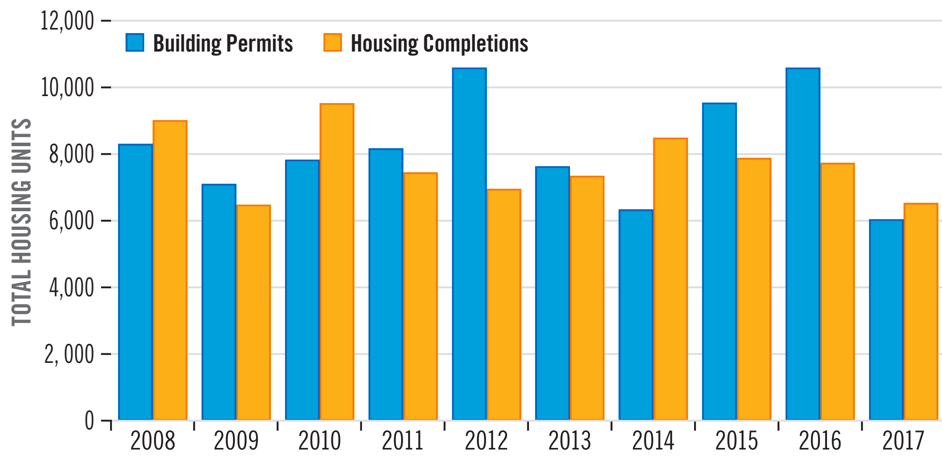
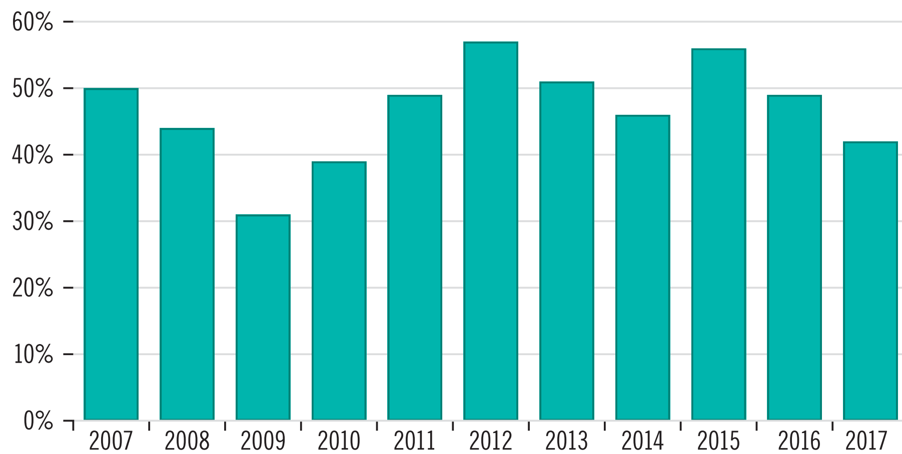


FIGURE 3.6: INTENSIFICATION within the BUILT-UP AREA, YORK REGION, 2007 to 2017



Source: Statistics Canada Building Permit Reports, 2017; York Region Corporate Services, Long Range Planning Division, 2017

- York Region's intensification share within the built up area has ranged from 31 per cent to 61 per cent over the last 11 years, and was 42 per cent in 2017
- The continuing development of the Region's Centres and Corridors and other intensification areas will contribute to achieving the minimum 40 per cent intensification target in the Regional Official Plan

RESIDENTIAL MARKET and BUILDING ACTIVITY

THE TOTAL HOUSING SUPPLY CONTINUES to DIVERSIFY

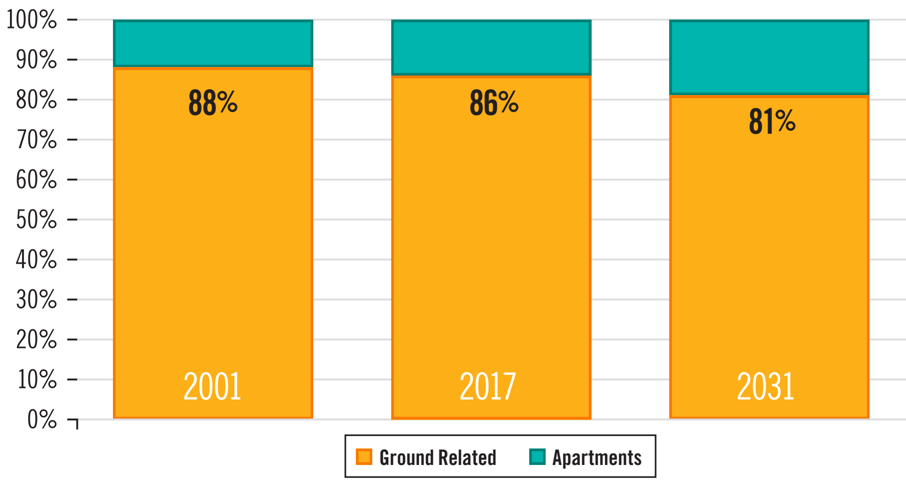
A more diversified housing stock provides more choice in the market for both existing and future residents

Diversified housing is important for:

- providing affordable options
- housing residents at different stages in their lives
- reaching the Region's intensification targets
- creating more compact, transit supportive development

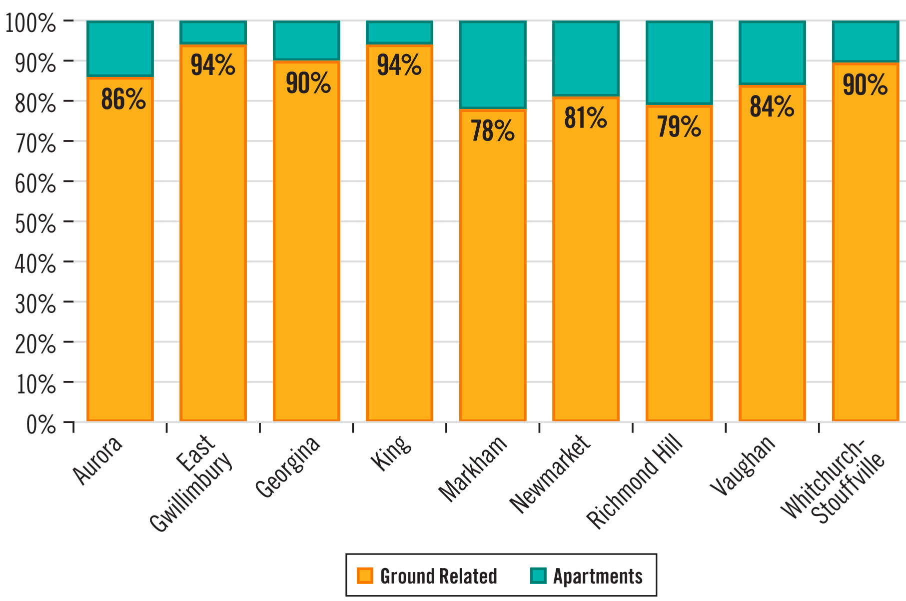
- While the Region's new housing stock becomes increasingly diversified over time, the existing housing stock is composed primarily of ground related dwellings
- The proportion of apartment unit dwellings in the Region's housing stock increased from 12 per cent in 2001 to 14 per cent in 2017
- The proportion of apartment unit dwellings is forecasted to be 19 per cent by 2031

FIGURE 3.7: MIX of HOUSING STOCK in YORK REGION



- The overall housing stock in 2017 was composed of 68 per cent single detached dwellings, 6 per cent semi-detached units, 12 per cent row house units and 14 per cent apartment units

FIGURE 3.8: MIX of TOTAL HOUSING STOCK by LOCAL MUNICIPALITY 2017



INDUSTRIAL, COMMERCIAL and **INSTITUTIONAL MARKET** and **BUILDING** ACTIVITIES

INDUSTRIAL and COMMERCIAL PROPERTY MARKET

- A low Canadian dollar value relative to the U.S. dollar, continuing low interest rates and a strong demand from the U.S economy should help businesses in Ontario to continue to grow
- Industrial development was most active in Vaughan in 2017 with 2,787,000 square feet of new supply under construction

TABLE 4.1: YORK REGION and GTA INDUSTRIAL MARKET OVERVIEW, 2017

MUNICIPALITY	VACANCY RATE	AVERAGE NET RENT	AVERAGE SALE PRICE
Aurora	1.3%	$7.64	$108.00
East Gwillimbury	0.3%	$9.00	$89.00
King	0.6%	$6.00	$202.00
Markham	1.9%	$7.30	$183.00
Newmarket	0.8%	$6.20	$568.00
Richmond Hill	1.7%	$8.58	$151.00
Vaughan	3.3%	$6.64	$166.00
York Region	**3.0%**	**$6.84**	**$210.00**
Greater Toronto Area	**2.5%**	**$6.61**	**$129.00**

Source: Costar 2017 Note: All dollar figures are Per Square Foot.
Note: Data not available for all nine York Region local municipalities.

- York Region's vacancy rate at the end of 2017 was 3 per cent, lower than the 5 year average of 3.3 per cent
- The Region's average industrial rent prices per square foot were $6.84 at year-end 2017 compared to the 5 year average of $6.08

INDUSTRIAL, COMMERCIAL and **INSTITUTIONAL MARKET** and **BUILDING** ACTIVITIES

TABLE 4.2: YORK REGION and GTA OFFICE MARKET OVERVIEW, 2017

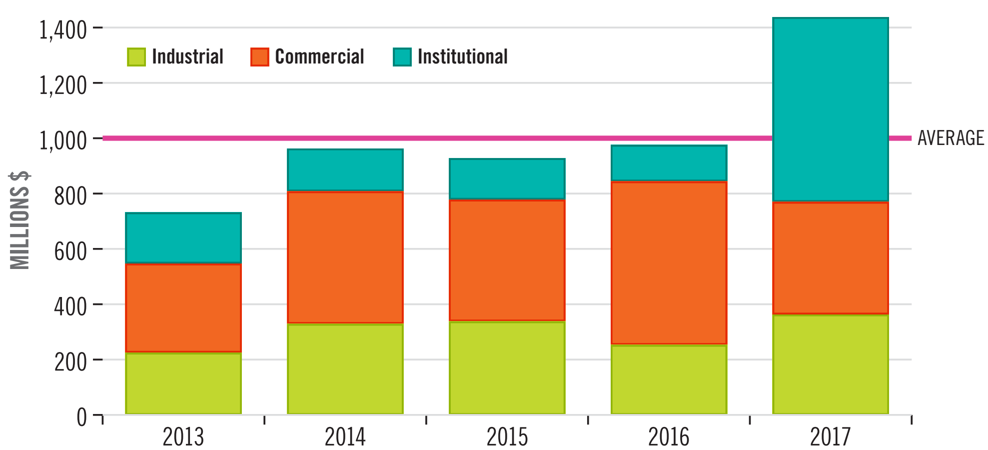
MUNICIPALITY	TOTAL INVENTORY	TOTAL VACANCY RATE	AVERAGE NET RENT
Aurora	1,573,073	0.6%	$18.78
Markham	15,758,152	7.5%	$17.69
Newmarket	2,913,211	2.4%	$17.21
Richmond Hill	3,757,501	4.1%	$16.66
Vaughan	5,944,902	4.0%	$16.92
Whitchurch-Stouffville	333,193	1.7%	$20.14
York Region	**29,560,032**	**3.4%**	**$17.90**
Greater Toronto Area	**265,669,469**	**6.1%**	**$18.35**

Source: Costar 2017 Note: Data not available for all nine York Region local municipalities.

INSTITUTIONAL, COMMERCIAL and INDUSTRIAL BUILDING ACTIVITY in YORK REGION INCREASED in 2017 to the HIGHEST LEVEL EVER RECORDED

- Total ICI construction in 2017 had a combined construction value of $1.44 billion, an increase from the 2016 value of $976 million (Figure 4.1)
- The Region's ICI market increased for 2017 when compared to the 2016 values and the five year average, primarily due to the Mackenzie Vaughan Hospital construction value of $585 million
- Institutional and industrial construction values increased from 2016 levels by 407 per cent and 43 per cent respectively, while commercial values decreased by 31 per cent

FIGURE 4.1: YORK REGION ICI CONSTRUCTION VALUES 2013 to 2017



INDUSTRIAL, COMMERCIAL and INSTITUTIONAL MARKET and BUILDING ACTIVITIES

TABLE 4.3: YORK REGION INDUSTRIAL BUILDING PERMITS with 10 HIGHEST CONSTRUCTION VALUES, 2017

PROJECT	VALUE $000s	MUNICIPALITY
Industrial General (100 Gibraltar Road)	$28,480	Vaughan
Warehouse/Storage (7245 Hwy 50)	$25,728	Vaughan
Multi-Use Industrial (300 Zenway Boulevard)	$25,000	Vaughan
Industrial General (1 Century Place)	$22,071	Vaughan
Multi-Use Industrial (150 New Huntington Road)	$20,908	Vaughan
Costco Warehouse	$17,556	Vaughan
Utility Building (3150 Major Mackenzie Drive)	$15,930	Vaughan
Industrial General (220 Hunter's Valley Road)	$14,177	Vaughan
Warehouse/Storage (155 Mostar Street)	$10,000	Whitchurch-Stouffville
Warehouse/Storage (2 Westmeath Lane)	$9,455	Markham

Source: Local Municipal Building Permit Reports, 2017; Statistics Canada Building Permit Reports, 2017.

TABLE 4.4: YORK REGION COMMERCIAL BUILDING PERMITS with 10 HIGHEST CONSTRUCTION VALUES, 2017

PROJECT	VALUE $000s	MUNICIPALITY
Upper Canada Mall - Expansion	$28,000	Newmarket
Pfaff Porsche	$16,000	Vaughan
Grand & Toy	$16,000	Vaughan
Markville Shopping Centre	$14,176	Markham
Movati Athletic	$14,000	Richmond Hill
Commercial (21 Eric T Smith Way)	$12,274	Aurora
Commercial (6262 Hwy 7)	$11,749	Vaughan
Microtel Inn & Suites - Aurora	$9,585	Aurora
Holy Cross Catholic Cemetery & Funeral Home	$6,685	Markham
Markville Shopping Centre	$5,358	Markham

Source: Local Municipal Building Permit Reports, 2017; Statistics Canada Building Permit Reports, 2017.

INDUSTRIAL, COMMERCIAL and INSTITUTIONAL MARKET and BUILDING ACTIVITIES

TABLE 4.5: YORK REGION INSTITUTIONAL BUILDING PERMITS with 10 HIGHEST CONSTRUCTION VALUES, 2017

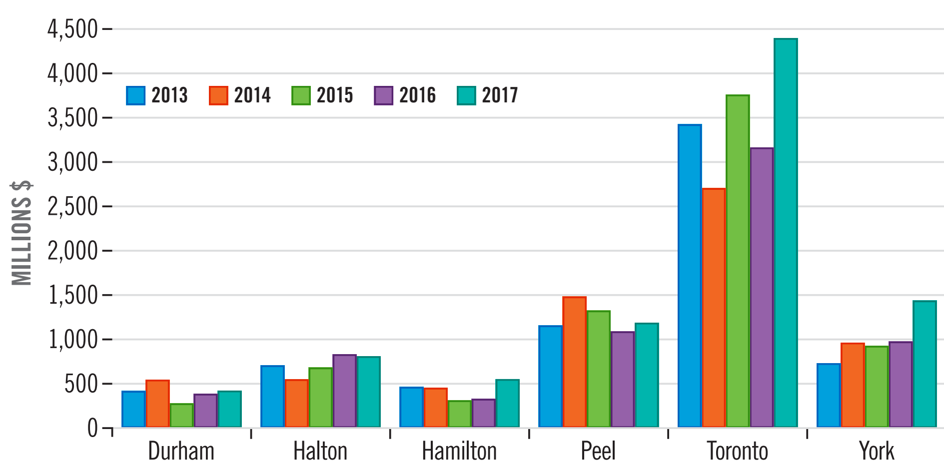
PROJECT	VALUE $000s	MUNICIPALITY
Mackenzie Vaughan Hospital	$558,822	Vaughan
King Township Municipal Office	$13,000	King
Victoria Square Elementary School	$11,500	Markham
Kingsway Arms Aurora Retirement Residence	$7,960	Aurora
Aaniin Community Centre	$5,200	Markham
Charles Howitt Public School	$4,500	Richmond Hill
Ed Sackfield Arena and Fitness Studio	$4,000	Richmond Hill
Chabad Romano Centre	$3,816	Vaughan
Ontario Provincial Police Detachment Station	$3,548	Vaughan
Markham Wesley Centre	$3,336	Markham

Source: Local Municipal Building Permit Reports, 2017; Statistics Canada Building Permit Reports, 2017.

GREATER TORONTO and HAMILTON AREA (GTHA) CONSTRUCTION

- York Region accounted for 16.3 per cent of the GTHA's total ICI construction value in 2017, an increase from 14.4 per cent in 2016

FIGURE 4.2: GTHA ICI CONSTRUCTION VALUES by MUNICIPALITY 2013 to 2017



INDUSTRIAL, COMMERCIAL and **INSTITUTIONAL MARKET** and **BUILDING** ACTIVITIES

- Overall, the GTHA recorded a 30 per cent increase in the value of ICI construction from 2016
- York, Durham, Hamilton, Toronto and Peel all recorded increases in total ICI construction, while only Halton experienced a small decrease
- York Region ranked sixth across Canada for the value of its ICI construction in 2017 (Table 4.6). This is an improved ranking from seventh position in 2016

TABLE 4.6: 2017 CROSS CANADA COMPARISON: VALUES of ICI CONSTRUCTION ($MILLIONS)

RANK	MUNICIPALITY	TOTAL VALUE	% CHANGE FROM 2016
1	City of Toronto	$4,398	38.9%
2	Greater Vancouver Regional District	$2,633	29.8%
3	City of Montréal	$2,503	23.1%
4	City of Calgary	$2,489	4.8%
5	City of Edmonton	$1,869	-13.4%
6	**York Region**	**$1,438**	**47.4%**
7	Peel Region	$1,188	8.9%
8	City of Ottawa	$858	-10.1%
9	City of Winnipeg	$855	-10.5%
10	Halton Region	$810	-2.7%

Source: Local Municipal Building Permit Reports, 2017; Statistics Canada Building Permit Reports, 2017.
Note: List includes cities, Regions, and Regional Districts as defined locally.

OVERALL **CONSTRUCTION VALUE** in YORK REGION

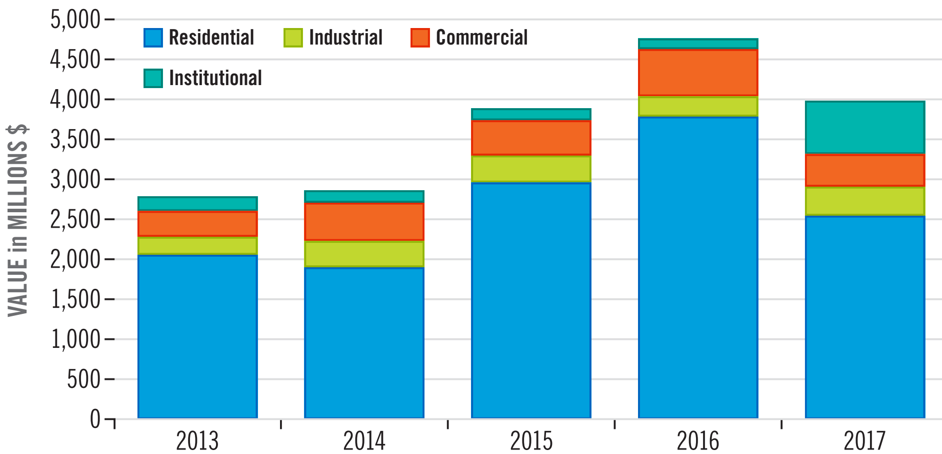
An ICI share of total construction value within the range of 30 per cent means that job opportunities continue to be provided to match the growth in the Region's labour force

In 2017, York Region's ICI share of total construction value was 36 per cent

The 5 year ICI share average for York Region is 28 per cent

- Total estimated value of construction in 2017 was approximately $3.98 billion, compared to $4.76 billion recorded in 2016, a decrease of 16.3 per cent
- The 2017 total construction value of $3.98 billion is the second highest ever recorded value for York Region

FIGURE 5.1: YORK REGION CONSTRUCTION VALUE by TYPE, 2013 to 2017



Source: Local Municipal Building Permit Reports, 2013- 2017
Note: *Agricultural permits are included under the industrial category

- Overall construction value is important as it is correlated with the new development component of tax assessment growth over subsequent years

TABLE 5.1: ESTIMATED VALUE of TOTAL CONSTRUCTION (RESIDENTIAL and ICI) by LOCAL MUNICIPALITY 2016 and 2017 ($MILLIONS)

MUNICIPALITY	2016	2017	% CHANGE
Aurora	$1,047	$280	-73%
East Gwillimbury	$436	$268	-39%
Georgina	$94	$53	-43%
King	$334	$213	-36%
Markham	$807	$492	-39%
Newmarket	$263	$259	-2%
Richmond Hill	$613	$364	-41%
Vaughan	$1,122	$1,961	75%
Whitchurch-Stouffville	$43	$91	111%
York Region Total	**$4,760**	**$3,983**	**-16.3%**

Source: Local Municipal Building Permit Reports, 2016 and 2017; Corporate Services, Long Range Planning Division, 2017

OVERALL **CONSTRUCTION VALUE** in YORK REGION

TABLE 5.2: ESTIMATE of VALUE (in $MILLIONS) of CONSTRUCTION*
by LOCAL MUNICIPALITY 2016 and 2017

	RESIDENTIAL		INDUSTRIAL**		COMMERCIAL		INSTITUTIONAL		TOTAL	
MUNICIPALITY	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
Aurora	$1,003	$214	$18	$14	$25	$43	$1	$9	$1,047	$280
East Gwillimbury	$409	$259	$8	$5	$8	$3	$12	$0	$436	$268
Georgina	$80	$46	$10	$2	$3	$5	$1	$1	$94	$53
King	$254	$179	$8	$2	$11	$17	$61	$15	$334	$213
Markham	$571	$358	$27	$32	$201	$77	$8	$24	$807	$492
Newmarket	$50	$187	$11	$10	$13	$52	$188	$11	$263	$259
Richmond Hill	$515	$297	$60	$9	$22	$40	$17	$19	$613	$364
Vaughan	$868	$940	$119	$268	$116	$165	$19	$587	$1,122	$1,961
Whitchurch-Stouffville	$34	$64	$2	$21	$5	$5	$2	$1	$43	$91
York Region Total	**$3,785**	**$2,545**	**$263**	**$363**	**$404**	**$407**	**$308**	**$668**	**$4,760**	**$3,983**

Source: Local Municipal Building Permits Reports, 2016 & 2017; Statistics Canada Building Permits Reports, 2016 & 2017; York Region Corporate Services, Long Range Planning Division, 2017. Note: *Estimated values of construction include additions, demolitions, renovations, temporary structures and new construction **Agricultural permits are included under the industrial category

CONSTRUCTION ACTIVITY - NATIONAL COMPARISONS

- York Region ranked sixth in total construction value among Canadian municipalities, with a value of $3.98 billion (Table 5.3)

TABLE 5.3: CROSS CANADA COMPARISON 2017: VALUES of TOTAL CONSTRUCTION ($MILLIONS)

RANK	MUNICIPALITY	TOTAL VALUE	% CHANGE FROM 2016
1	Greater Vancouver Regional District	$9,351	15.2%
2	City of Toronto	$8,835	21.8%
3	City of Calgary	$5,762	1.0%
4	City of Edmonton	$5,179	-5.1%
5	City of Montréal	$5,080	41.9%
6	**York Region**	**$3,983**	**-16.3%**
7	Halton Region	$3,052	42.5%
8	Peel Region	$2,839	-18.8%
9	City of Ottawa	$2,649	1.7%
10	City of Winnipeg	$2,000	11.4%

Source: Local Municipal Building Permit Reports, 2017; Statistics Canada Building Permit Reports, 2017.
Note: List includes cities, Regions, and Regional Districts as defined locally.

CONCLUSION

The Growth and Development Review provides a snapshot of key development and population indicators in York Region and reports on the competitiveness of York Region's economy within the Greater Toronto and Hamilton Area (GTHA), the Province and Canada.

In 2017, there were an estimated 620,530 jobs and 1,206,500 residents in the Region.

York Region is one of Canada's fastest-growing large urban municipalities and is forecast to reach a population of 1.79 million and employment of 900,000 by 2041. The Region is an attractive location to live and invest and is committed to attracting and retaining employers and residents, as well as making significant infrastructure investments to support growth.

2017 GROWTH AND DEVELOPMENT REVIEW

For more information on growth and
development in York Region please contact:

PLANNING SERVICES

1-877-464-9675 Extension 71508

York Region

A16.1005

York Region

Regional Clerk's Office
Corporate Services

May 18, 2018

LEGISLATIVE SERVICES

INCOMING MAIL	REF'D TO	COPY TO
MAY 28 2018		

Ms. Lisa Lyons
Director of Legislative Services/Town Clerk
Town of Newmarket
395 Mulock Drive, P.O. Box 328
Newmarket, ON L3Y 4X7

Dear Ms. Lyons:

Re: 2017 Regional Centres and Corridors Update

Regional Council, at its meeting held on May 17, 2018, adopted the following recommendations of Committee of the Whole regarding "2017 Regional Centres and Corridors Update":

1. Council continue to seek Federal and Provincial assistance to provide critical infrastructure for the Yonge Subway Extension, required to support levels of growth and intensification within Regional centres and corridors forecasted by the Provincial Growth Plan.

2. The Regional Chair forward this report to the Provincial Minister of Municipal Affairs and Housing and York Region Members of Federal and Provincial Parliament as an example of the Region's continued commitment to focusing growth within centres and corridors.

3. The Regional Clerk forward this report to the local municipalities for information.

A copy of Clause 4 of Committee of the Whole Report No. 9 is enclosed for your information.

Please contact Jeff Hignett, Senior Planner at 1-877-464-9675 ext. 71515 if you have any questions with respect to this matter.

Sincerely,

Christopher Raynor
Regional Clerk

Attachments

Clause 4 in Report No. 9 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on May 17, 2018.

4

2017 Regional Centres and Corridors Update

Committee of the Whole recommends:

1. Receipt of the presentation by Paul Bottomley, Manager, Policy, Research and Forecasting.

2. Adoption of the following recommendations contained in the report dated April 27, 2018 from the Commissioner of Corporate Services and Chief Planner:

    1. Council continue to seek Federal and Provincial assistance to provide critical infrastructure for the Yonge Subway Extension, required to support levels of growth and intensification within Regional centres and corridors forecasted by the Provincial Growth Plan.

    2. The Regional Chair forward this report to the Provincial Minister of Municipal Affairs and Housing and York Region Members of Federal and Provincial Parliament as an example of the Region's continued commitment to focusing growth within centres and corridors.

    3. The Regional Clerk forward this report to the local municipalities for information.

Report dated April 27, 2018 from the Commissioner of Corporate Services and Chief Planner now follows:

1. Recommendations

It is recommended that:

1. Council continue to seek Federal and Provincial assistance to provide critical infrastructure for the Yonge Subway Extension, required to support levels of growth and intensification within Regional centres and corridors forecasted by the Provincial Growth Plan.

2. The Regional Chair forward this report to the Provincial Minister of Municipal Affairs and Housing and York Region Members of Federal and Provincial Parliament as an example of the Region's continued commitment to focusing growth within centres and corridors.

3. The Regional Clerk forward this report to the local municipalities for information.

2. Purpose

This report provides an annual update on development activity and transit investments that occurred within the Regional centres and corridors in 2017. It highlights ongoing initiatives that continue to drive the Region's city building initiatives forward and emphasizes Council's commitment to planning for transit oriented complete communities.

3. Background

Centres and Corridors are the focus of York Region's city building initiatives

Beginning with York Region's first Official Plan in 1994, a system of Regional centres and corridors was established to guide transit investment and provide a focus for residential and commercial growth.

The Region's centres and corridors help implement the Growth Plan's goal of focusing growth in urban areas. The Provincial Growth Plan designates York Region's four Regional Centres as Provincial Urban Growth Centres:

- Newmarket Centre (Yonge Street and Davis Drive)
- Markham Centre (Highway 7 and Warden Avenue)
- Richmond Hill/Langstaff Gateway (Highway 7 and Yonge Street)
- Vaughan Metropolitan Centre (Highway 7 and Jane Street)

Urban Growth Centres are planned for the highest, most intense concentrations of development within the Region and are expected to accommodate a significant share of the Region's future population and employment growth. Together with the Regional corridors (Yonge Street, Highway 7, portions of Davis Drive and Green Lane), these areas are transforming into highly active urban areas, serviced by rapid transit.

Figure 1
York Region Centres and Corridors

4. Analysis and Implications

The planned vision for transit oriented development in the centres and corridors is being realized

Centres and corridors continue to evolve into highly active areas serviced by rapid transit. One area that has experienced rapid growth is the Richmond Hill Yonge Street Corridor. Between 2010 and 2016 over 1,800 units were added to the Yonge Street corridor in Richmond Hill. Figure 2 illustrates how the Yonge Street corridor is transforming into a high-density, mixed use, transit-oriented corridor.

Figure 2
Richmond Hill Yonge Street Corridor

This figure shows Yonge Street, looking south from Harding Boulevard toward Richmond Hill Centre.

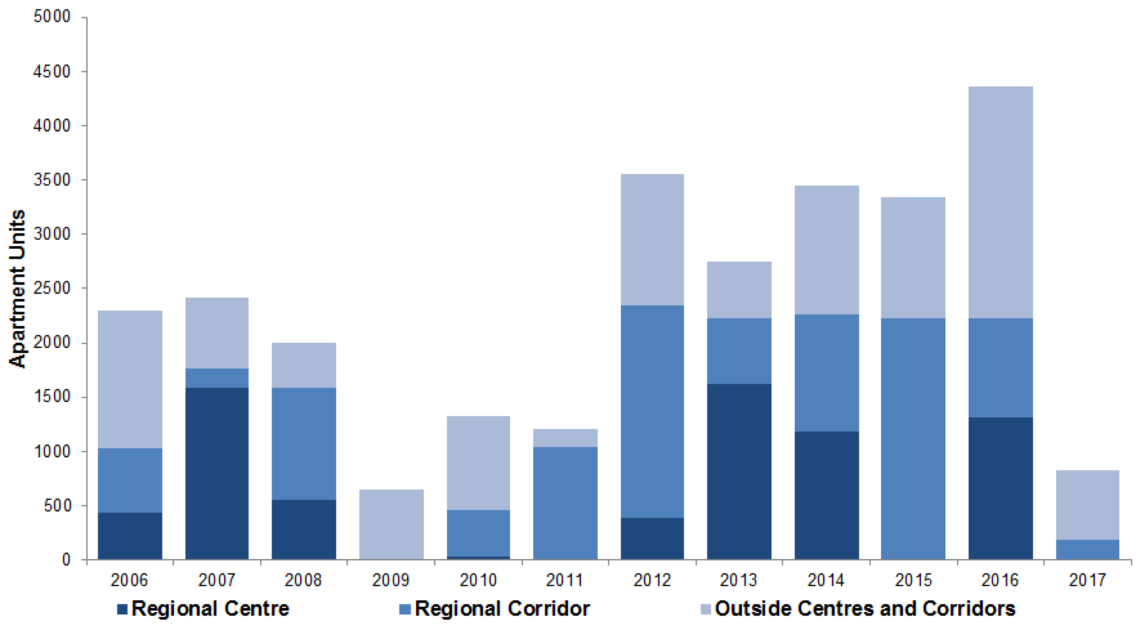
New residential development has been predominantly high density in centres and corridors

Over the past five years, 91.7% of new development in the centres and corridors has been condominium/apartment building units. Over the same period, townhouse units in centres and corridors have accounted for 8%. Figure 3 shows the percentage of new units in the centres and corridors by unit type from 2013 to 2017. This trend indicates that the centres and corridors remain the focus for high density residential development in the Region.

Figure 3
New Units in Centres and Corridors by Type
2012 to 2017

Building permit activity in 2017 shows that approximately 35% (190 units) of all new high density residential units in York Region were located within Regional centres and corridors. This is in contrast to 2016 where high density residential in centres and corridors accounted for 51% (2,230 units) of total apartment units in York Region. Yearly fluctuation is more commonly observed in apartments than in other housing types as they can take a longer time to build and are tied to individual projects. Figure 4 shows the number of building permits for 2017 multi-storey apartment units in the Regional centres and corridors and all other areas of the Region.

Figure 4
2006-2017 Multi-Storey Apartment Permits in York Region



In 2017, 9% of all residential building permits in York Region were located in centres and corridors. New high density residential permits (860 units) were lower than the past 5 year average (2,000 to 2,500 units) across the Region as a whole (Figure 4). The majority of growth in the centres and corridors in 2017 was in townhouse units, accounting for 65% (354 units) of all new residential units in centres and corridors, compared to 11% (261 units) in 2016.

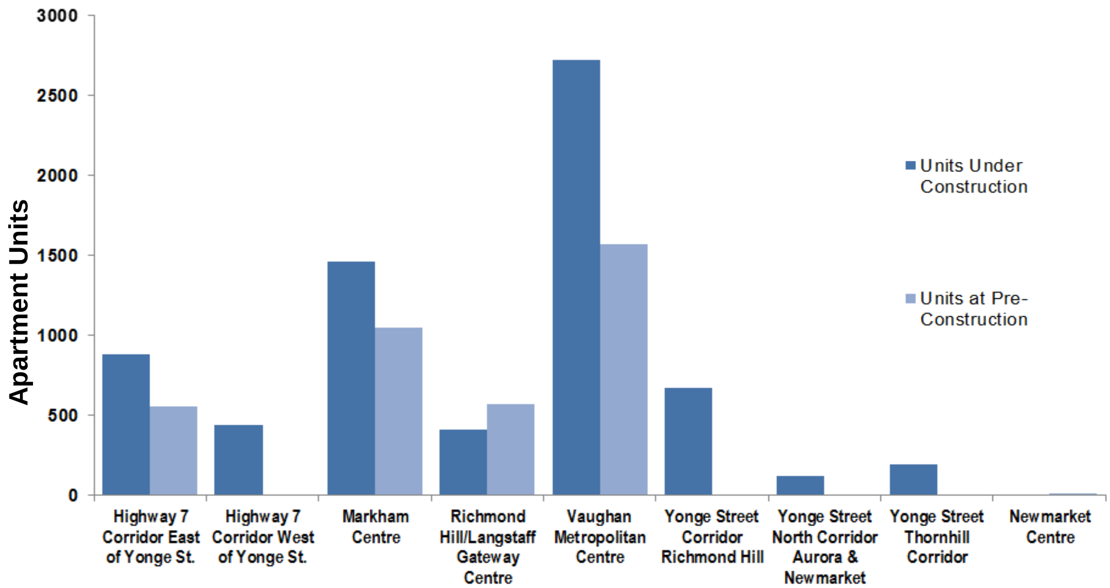
26 multi-storey residential and mixed-use buildings are currently under construction in the centres and corridors

Despite a low year for building permits in 2017, current and future residential development remains strong. There are currently 26 multi-storey residential and mixed-use buildings under construction in the Region's centres and corridors. This represents 77% (6,900 units) of all 2017 high-rise building activity in the Region, of which 98% of the units are sold. Another 14 multi-storey buildings (3,770 units) are also at the pre-construction stage of development, of which 80% (3,020 units) have been sold (Source: Altus Group Data Solutions Inc.). This shows current and upcoming construction activity remains strong, and a clear sign of increasing growth in the centres and corridors.

Figure 5 identifies both under construction and pre-construction units by Regional centre and corridor, based on data from Altus Group Data Solutions. Preconstruction units are defined as development that is approved or under site plan application that has not started construction, but is close to coming to market.

Figure 5

Current Multi-Storey Residential Units Under Construction and at Pre-Construction Phase By Centre and Corridor



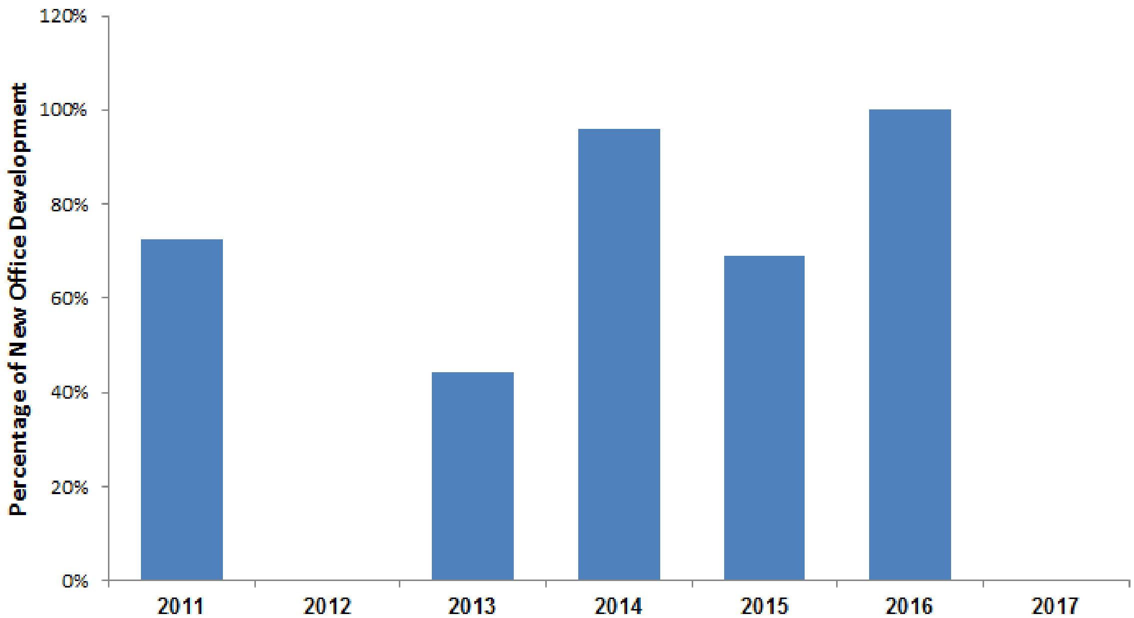
Source: Altus Group Data Solutions Inc.

Vaughan Metropolitan Centre currently has the most development activity with 2,700 units under construction and 1,570 units at pre-construction (Figure 5). This is followed by Markham Centre with 1,500 units under construction and 1,050 units at pre-construction. The Richmond Hill/Langstaff Gateway Centre and Yonge Street Corridor Richmond Hill are close behind Markham Centre in construction activity with a combined 1,100 units under construction. This demonstrates that intensification is continuing to evolve in the Region's centres and corridors.

York Region remains successful in attracting new office activity in the centres and corridors

While there were no building permits issued for new office buildings in 2017 (Figure 6), a number of new companies moved into existing office space in the centres and corridors. There are also a number of active development applications in the centres and corridors with 980,000 sq. ft. of proposed office/commercial space, including 860,000 sq. ft. of proposed office/commercial space in Vaughan Metropolitan Centre alone. Since 2013, building permits have been issued for approximately 1.29 million sq. ft. of office space in the Region's centres and corridors.

Figure 6
2011-2017 Percent of York Region New Office Building Permits Located In Centres and Corridors*



*Yearly fluctuation is commonly observed in office development

Key current office development applications include:

- York University Campus in Markham Centre (Figure 7)
  - Site plan application for 400,000 sq. ft. 10-storey office building

- Oskar Group - 514 Davis Drive in Newmarket Centre
  - Site plan application for 100,000 sq. ft. 5-storey office building

- Transit City – Vaughan Metropolitan Centre
  - Site Plan application for a 9-storey building including office, YMCA, Library, and daycare adjacent to three 55 storey Transit City residential buildings also at the Site Plan stage

Figure 7
Future York University Campus in Markham Centre

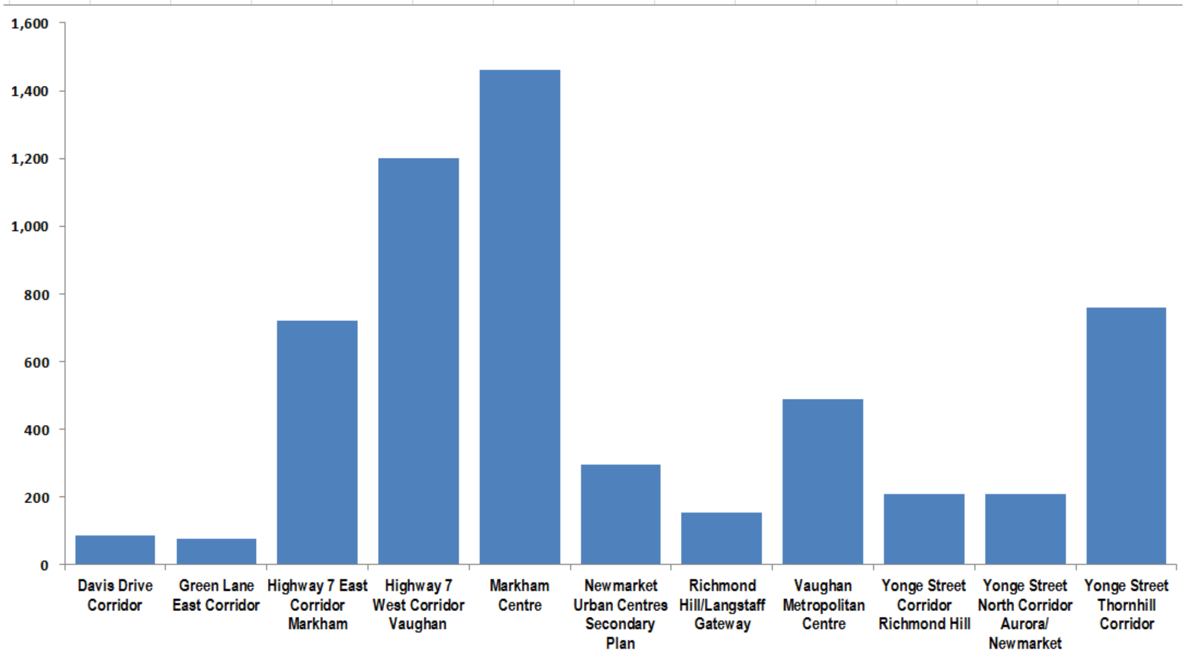
Source: York University

Employment in centres and corridors grew by 4.3 percent (5,350 jobs) in 2017

Surveyed employment shows 123,200 jobs exist in the centres and corridors. Including 2017, employment has grown in the centres and corridors by 17,410 jobs in the past 5 years, an increase of 16.5% over that time period. From mid-year 2016 to mid-year 2017, 5,350 new jobs were added in the centres and corridors. This represents an increase of 4.3%, and higher than the 3.3% job increase observed Region-wide. Employment in centres and corridors now accounts for 20% of all jobs in York Region.

Markham Centre experienced the greatest amount of growth (1,460 new jobs) in 2017. Aviva Insurance, Under Armour Canada, and Morneau Sheppell all opened new offices in Markham Centre last year. The Highway 7 West Corridor in Vaughan experienced the second-highest increase (1,202 jobs). This was aided in part by the opening of the new Telecon office in this corridor. Figure 8 shows the distribution of new jobs by centre and corridor.

Figure 8
Total Job Increase in Centres and Corridors
2016-2017



York University campus in Markham Centre is expected to open in 2021

In 2015, the Province announced Markham Centre as the location for a new post-secondary education campus supporting over 4,000 students. A site plan application has been submitted for the first phase of the York University Markham Campus and will include construction of a 10 storey office building (400,000 square feet) at Enterprise Boulevard and Rivis Road. It is expected to open in September 2021 (Figure 7).

Marketing through York Link continues to facilitate attraction of office employers in York Region

Since the beginning of the York Link office attraction campaign in 2016, the centres and corridors program has continued to promote the relationship between city building and economic development through the marketing and communications strategy.

The centres and corridors program has continued its partnership with the York Link website at www.yorklink.ca/citybuilding and the York Link economic development marketing strategy. Updates in 2017 included interactive mapping that showcased activities in and around the centres and corridors, and directions to navigate by transit.

Subway service in Vaughan Metropolitan Centre has been transformational

The Toronto-York Spadina Subway officially opened in December 2017 and provides key connections to:

- Vaughan Metropolitan Centre Vivastation on Highway 7
- York Region Transit's Smartcentres Place Bus Terminal (opening later this year) (Figure 9)
- Highway 407 Bus Terminal

Figure 9
York Region Transit Smartcentres Place Bus Terminal

York Region Transit Smartcentres Place Bus Terminal

Investment in transit is having a positive impact on growth and development in the Vaughan Metropolitan Centre (VMC). The opening of the subway extension to the VMC, has resulted in a significant increase in development proposals (Figure 10). Current proposed, approved, and built residential development applications in the Vaughan Metropolitan Centre represent 94% (23,600) of the 2031 population target of 25,000 people.

Figure 10
Construction activity in the Vaughan Metropolitan Centre, April 2018

Yonge Subway Extension remains a critical missing link needed to connect to the Richmond Hill/Langstaff Gateway Centre

The Yonge Subway Extension remains the number one rapid transit priority for York Region. The project proposes 5 subway stations extending from Finch Station in the City of Toronto to Richmond Hill/Langstaff Gateway Centre north of Highway 7.

The increase in development proposals in the Vaughan Metropolitan Centre (VMC) resulting from the Toronto-York Spadina subway extension shows how subway expansion can significantly stimulate development of an Urban Growth Centre. To help realize similar development potential, achieve the planned vision of the Richmond Hill/Langstaff Gateway Centre and provide a critical transit link, the Yonge Subway extension is needed.

In 2016, the Yonge Subway extension received $91 million in funding from the Province of Ontario ($55 million) and the Government of Canada ($36 million) to proceed with the preliminary design and engineering phase of the subway extension. The further development and subsequent delivery of the Yonge Subway extension builds on the $3.4 billion investment made to date by senior governments in York Region's rapid transit and aligns with Federal, Provincial and Municipal priorities to stimulate the economy, reduce greenhouse gas emissions, and realize the full development potential within the Richmond

Hill/Langstaff Gateway Urban Growth Centre (Figure 11). Further Federal and Provincial investment in rapid transit infrastructure will be required to support the Region's complete, healthy, transit oriented communities.

Figure 11
Future Richmond Hill/Langstaff Gateway Centre

VivaNext rapidway construction continues to expand rapid transit infrastructure

Ongoing planning and delivery of further rapid transit infrastructure will support York Region's city building strategy.

- VivaNext bus rapidways are currently under construction in the Yonge Street North Corridor in Newmarket from Savage-Sawmill to Davis Drive and along Yonge Street in Richmond Hill from Richmond Hill Centre to 19th Avenue – Gamble Road

- Construction also continues along the Highway 7 West Corridor in Vaughan from Wigwoss-Helen to Vaughan Metropolitan Centre, and from Dufferin Street in Vaughan to Richmond Hill Centre.

Viva rapid transit service has shown to be a positive effect on high rise development. Following the opening of Viva service in the centres and corridors from December 2005 to January 2006, the Region observed an increase in development activity. From 2006 to 2010 building permits were issued for almost 5,000 high rise residential units in centres and corridors, more than double the number of permits issued (2,400 high rise residential units) in the previous five years. Annual growth has averaged 1,300 high rise residential units every year along Viva BRT routes, compared to 490 units per year prior to the opening of Viva BRT transit service.

Figure 12
Town Centre Boulevard Vivastation, Markham

Other Activities and Initiatives

The Region's Municipal Comprehensive Review will build on current city building initiatives

Following the release of final Provincial Plans in May 2017, the Region resumed the Municipal Comprehensive Review (MCR). The 2017 Growth Plan has identified new density targets assigned to Major Transit Station Areas. New minimum density targets are:

- 200 combined residents and jobs per hectare for subway stations
- 160 combined residents and jobs per hectare for Bus Rapid Transit / Light Rail Transit stops
- 150 combined residents and jobs per hectare for GO rail stations

The results of the Municipal Comprehensive Review studies will be reported to Council as part of the MCR over the next 2 years.

Staff continue to inform residents and promote the vision for centres and corridors through public events

Planning and Economic Development staff continue to attend events in York Region communities throughout the year to educate and inform residents about the Region's city building initiatives and Centres and Corridors program. Through these community events (Aurora Street Festival and Taste of Richmond Hill), staff engage in discussions about city planning, intensification, transit, and growth with York Region residents.

The Centres and Corridors update monitors development activity to ensure the goals and objectives of Vision 2051 and the Official Plan are being met

The 2017 Regional Centres and Corridors Update report highlights development activity, ongoing initiatives, and transit investment that occurred over the past year. Continued development activity in centres and corridors supports the Region's Strategic Plan objectives of "encouraging growth along Regional centres and corridors" and "focusing on networks and systems that connect people, goods, and services" by ensuring we plan for complete communities where people can live, work, and play.

Vision 2051 recognizes that centres and corridors will help maintain economic competitiveness by encouraging major office, institutional, cultural, and entertainment facilities with a goal of achieving a balance of employment and residential opportunities. The activities and initiatives of the centres and corridors program support the Vision 2051 goal of creating livable cities and complete communities.

5. Financial Considerations

Growth and development in centres and corridors promotes economic development and optimizes infrastructure investment

Urban development and growth within the centres and corridors optimizes investment in capital infrastructure. The strong policy support provided by the Province, Region, and local municipalities to encourage growth and development in the centres and corridors is providing economic growth and employment opportunities in these areas supported by transit.

6. Local Municipal Impact

Regional staff continue to be actively engaged with our local municipal partners in planning initiatives and programs to support implementation and development of centres and corridors. Local municipal staff are actively engaged in planning efforts to support the Regional Municipal Comprehensive Review and city building initiatives.

7. Conclusion

Development of the Region’s centres and corridors is a long-term strategy to drive intensification and city-building efforts forward in York Region. The centres and corridors form the foundation of York Region’s city building initiatives.

Centres and corridors continue to evolve into highly active areas serviced by rapid transit. Despite a low year for high rise building permits in 2017, residential development remains strong in the centres and corridors with 26 multi storey residential and mixed-use buildings (6,900 units) currently under construction in the centres and corridors, more than twice as many than the rest of York Region combined. Another 14 multi storey buildings (3,770 units) are in the pre-construction phase. Current development applications include close to 1 million sq. ft. of office space.

A balance of population and jobs is now being realized as the centres and corridors continue to evolve. Employment levels in the centres and corridors increased by 4.3% in 2017 with 5,350 added jobs, the highest in the past 5 years at nearly 2,000 more than the 5-year annual average.

The continued investment in rapid transit infrastructure is enabling intensification opportunities in the centres and corridors. The opening of the Toronto-York Spadina Subway in December 2017 had a positive impact on development in the Vaughan Metropolitan Centre. The Yonge Subway extension is needed to help realize similar development potential and achieve the planned vision of the Richmond Hill/Langstaff Gateway Centre. This subway extension is the number one rapid transit priority for York Region. Further Federal and Provincial investment to construct the Yonge Subway extension will be required to support the Region’s mixed-use, healthy, vibrant, compact, complete, transit oriented communities.

For more information on this report, please contact Jeff Hignett, Senior Planner at 1-877-464-9675 ext. 71515.

The Senior Management Group has reviewed this report.

April 27, 2018

Attachment (1)

#8419557

Accessible formats or communication supports are available upon request

City Building in York Region

Centres & Corridors Program Results Bulletin | May 2018

York Region's Centres and Corridors Program is a city-building initiative and the foundation of York Region's planned urban structure. It combines the planning for urban pedestrian friendly/ walkable communities with construction of new rapid transit corridors and stations that connect York Region and the Greater Toronto Area. The Centres and Corridors urban structure is defined by the York Region Official Plan. Key goals are to provide travel options, conserve resources, and create lively sustainable communities within walking distance of transit and other services. It is also about choice by providing a range of housing options, places to work, and ways to get there.

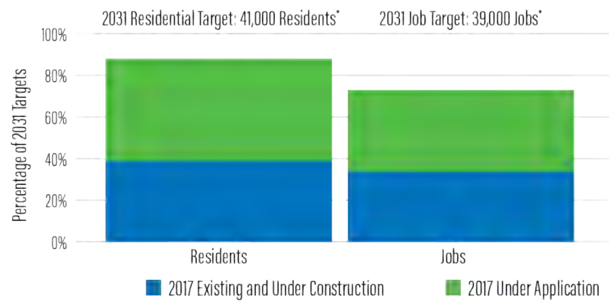
Progress towards the planned population and job targets for each of the four Regional Centres continues to support Regional priorities to encourage growth in Regional Centres and Corridors. By the end of 2017, subway service on the TTC Spadina line had begun in York Region providing a key connection to other transit service at the Vaughan Metropolitan Centre. 26 multi-storey residential apartment buildings were also under construction in the Centres and Corridors accounting for 77 per cent of high rise units under construction in all of York Region in 2017. Over the five year period from 2012 to 2017 92 per cent of all new units built in the Centres and Corridors have been condominium or rental apartment units. This trend indicates that the Centres and Corridors remain the focus for high density residential development in the Region.

What are the BENEFITS of PLANNING for CENTRES and CORRIDORS?

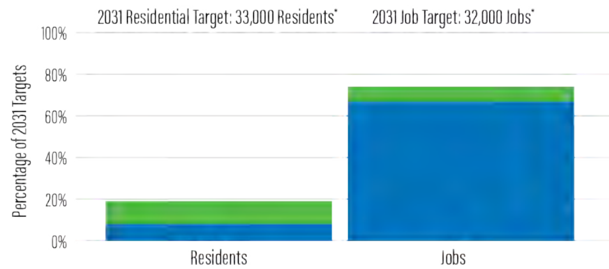
- A variety of housing options for all ages and incomes
- Walkable transit oriented communities promote active and healthy lifestyles
- Improved access to jobs to support a highly skilled workforce
- More high quality public spaces
- Preserves natural features and agricultural land in the Region and beyond
- Growing smarter by redeveloping land with existing infrastructure
- Convenient access to rapid transit services to connect people with where they want to go

Progress Towards Growth Targets in the Regional Centres

Markham Centre

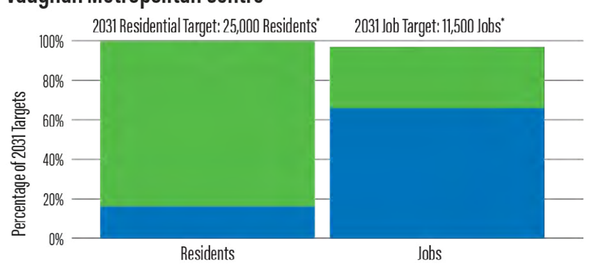


Newmarket Centre Secondary Plan



Richmond Hill/Langstaff Gateway

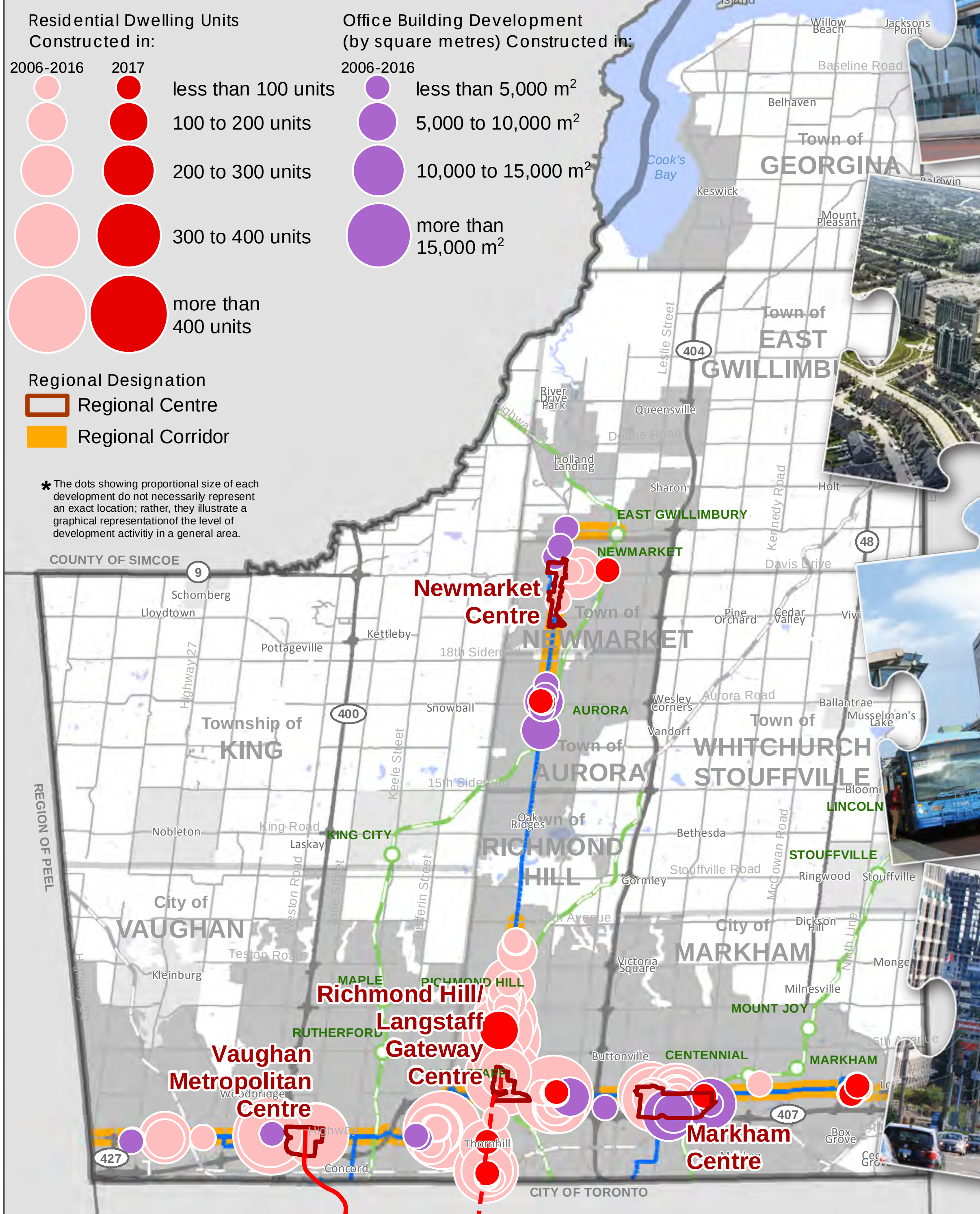
Vaughan Metropolitan Centre



* Population and employment targets subject to Secondary Plan approvals in Markham, Newmarket, Richmond Hill and Vaughan

YORK REGION

RESIDENTIAL & OFFICE DEVELOPMENT ACTIVITY WITHIN CENTRES & CORRIDORS



BASE MAP INFORMATION

- 400 Provincial Freeway
- 9 Provincial Highway
- Road
- Railway
- GO Rail Commuter Line
- Subway
- Proposed Subway Extension
- York Viva Bus Rapid Transit System
- Municipal Boundary
- Regional Boundary
- Town or Village
- Urban Area

0 1 2 3 4 5 Km

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York Region

Produced by:
The Regional Municipality of York
Planning and Economic Development Branch
Corporate Services Department
April 2018

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See York.ca for disclaimer information.

YORK LINK

WHERE TALENT AND OPPORTUNITY INTERSECT

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York Region

Corporate Services
Regional Clerk's Office

May 18, 2018

LEGISLATIVE SERVICES
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MAY 28 2018

Ms. Lisa Lyons
Director of Legislative Services/Town Clerk
Town of Newmarket
395 Mulock Drive, P.O. Box 328
Newmarket, ON L3Y 4X7

Dear Ms. Lyons:

Re: Meeting Growth Plan Infrastructure Demands and Financial Sustainability: 2018 Update

Regional Council, at its meeting held on May 17, 2018, adopted the following recommendations of Committee of the Whole regarding “Meeting Growth Plan Infrastructure Demands and Financial Sustainability: 2018 Update”:

1. Council endorse the principle that the infrastructure required to meet Provincial Growth Plan directions requires that the revenue-raising powers currently only available to the City of Toronto be extended to York Region.

2. The Chairman, once again, appeal to the Province regarding the continued need for City of Toronto Act, 2006 revenue-raising powers.

3. The Regional Clerk circulate this report to:

    (a) The local municipalities

    (b) The Association of Municipalities of Ontario (AMO), Mayors and Regional Chairs of Ontario (MARCO), the Large Urban Mayors Caucus of Ontario (LUMCO), and the Municipal Finance Officers' Association of Ontario (MFOA)

    (c) The Minister of Finance and the Minister of Municipal Affairs

    (d) The local Members of Provincial Parliament

    (e) The Building Industry and Land Development Association (BILD)

    (f) All upper and single tier municipalities covered by the Provincial Growth Plan

Clause 7 in Report No. 9 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on May 17, 2018.

7

Meeting Growth Plan Infrastructure Demands and Financial Sustainability: 2018 Update

Committee of the Whole recommends:

1. Receipt of the presentation by Bill Hughes, Commissioner of Finance.

2. Adoption of the following recommendations, as amended, in the report dated April 27, 2018 from the Commissioner of Finance:

    1. Council endorse the principle that the infrastructure required to meet Provincial Growth Plan directions requires that the revenue-raising powers currently only available to the City of Toronto be extended to York Region.

    2. The Chairman, once again, appeal to the Province regarding the continued need for City of Toronto Act, 2006 revenue-raising powers.

    3. The Regional Clerk circulate this report to:

        (a) The local municipalities

        (b) The Association of Municipalities of Ontario (AMO), Mayors and Regional Chairs of Ontario (MARCO), the Large Urban Mayors Caucus of Ontario (LUMCO), and the Municipal Finance Officers' Association of Ontario (MFOA)

        (c) The Minister of Finance and the Minister of Municipal Affairs

        (d) The local Members of Provincial Parliament

        (e) The Building Industry and Land Development Association (BILD)

        (f) All upper and single tier municipalities covered by the Provincial Growth Plan

---

Report dated April 27, 2018 from the Commissioner of Finance now follows:

1. Recommendations

It is recommended that:

1. Council endorse the principle that the infrastructure required to meet Provincial Growth Plan directions requires that the revenue-raising powers currently only available to the City of Toronto be extended to York Region and other Growth Plan municipalities who request it.

2. The Chairman, once again, appeal to the Province regarding the continued need for *City of Toronto Act, 2006* revenue-raising powers.

3. The Regional Clerk circulate this report to:

    a. The local municipalities

    b. The Association of Municipalities of Ontario (AMO), Mayors and Regional Chairs of Ontario (MARCO), the Large Urban Mayors Caucus of Ontario (LUMCO), and the Municipal Finance Officers' Association of Ontario (MFOA)

    c. The Minister of Finance and the Minister of Municipal Affairs

    d. The local Members of Provincial Parliament

    e. The Building Industry and Land Development Association (BILD)

    f. All upper and single tier municipalities covered by the Provincial Growth Plan

2. Purpose

This report provides an update to Council on the fiscal pressures facing the Region, and the inability of current revenue sources to resolve these pressures. It also summarizes the revenue potential of *City of Toronto Act, 2006* revenue-raising powers and how those revenues could be used.

3. Background

Council has set three broad fiscal objectives that are consistent with financial sustainability objectives

Achieving financial sustainability is mostly about managing service levels and infrastructure. It requires taking the necessary steps to manage both short and long-term risks. In short, financial sustainability is about the stewardship of the long-term.

York Region will be in a financially sustainable position if it can offer a level of service that can accommodate the needs of growth and keep infrastructure in a state of good repair, while respecting Council's willingness to tax and residents' ability to pay (Table 1).

Table 1
Financial Sustainability in the York Region Context

Growth can be accommodated without unacceptable tax levy, user rate or debt increases
Infrastructure can be kept in a state of good repair and replaced at the right time
Service levels can be increased as the Region urbanizes
Service levels can be maintained in the face of changes in economic conditions
Financial responsibility is fairly shared between current and future residents (inter-generational equity)

In recent years, Council has set three broad fiscal objectives that underpin the Region's approach to achieving financial sustainability:

- Keep annual tax levy increases below three per cent per year
- Reduce reliance on debt
- Save for asset management needs

The Region has taken steps towards financial sustainability

York Region is committed to achieving financial sustainability, guided by a long range vision (Vision 2051) and a Strategic Plan that corresponds with the term of Council. Council decisions that contribute to financial sustainability include:

- An annually reviewed Fiscal Strategy that reduces the Region's reliance on debt, increases savings for capital asset replacement and ensures active management of the Region's ten-year capital plan, with consideration to inter-generational equity;
- A Financial Sustainability Plan for water and wastewater with rate increases that will enable the Region to achieve full cost recovery for water and wastewater in 2021; and

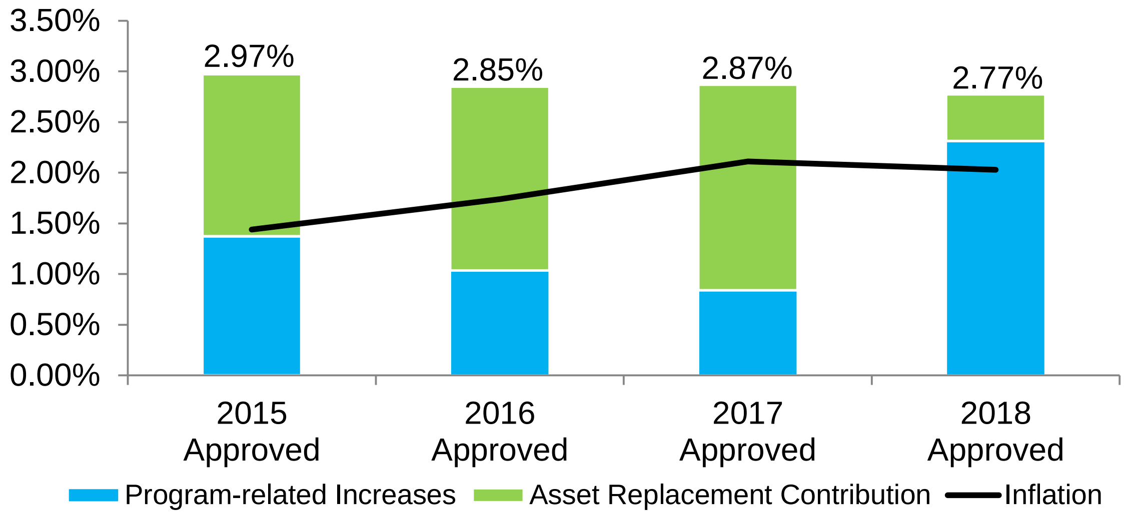
- Multi-year budgeting with a four-year cycle, also linked to the term of Council. This practice has helped the Region improve fiscal discipline, provide a longer-term outlook for service planning, and reduce uncertainly about future tax levies.

Regional spending is well-controlled

Over the course of the Region's first multi-year budget, annual tax levy increases averaged 2.87 per cent (Figure 1). These increases included contributions to capital asset replacement as well as program-related increases.

Program-related increases tracked well below the rate of inflation from 2015 to 2017, with a small catch-up in 2018. This allowed the Region to increase its contributions to asset replacement reserves.

Figure 1
Program Spending and Asset Replacement Contributions (2015 – 2018)



Ontario municipalities have limited revenue-raising options

The *Municipal Act, 2001*, prescribes a limited set of revenue sources for Ontario municipalities, other than the City of Toronto. The revenue sources available to municipalities in Ontario are detailed in the table below.

Table 2
Current Revenue Powers for Ontario Municipalities

Revenue power	Relevant legislation
Property taxes, including the Vacant Unit Tax[1]	*Municipal Act, 2001* *Assessment Act, 1990*
User fees and charges (including fees and charges, permits and rents)	*Municipal Act, 2001*
Development charges	*Development Charges Act, 1997* *Municipal Act, 2001*
Fines and penalties	*Municipal Act, 2001* *Provincial Offences Act, 1990*
Investment income	*Municipal Act, 2001*
Road tolls[2]	*Municipal Act, 2001*
Municipal Accommodation Tax (Hotel Tax)	*Municipal Act, 2001*

[1] Vacant Unit Tax is available to both upper-tier and lower-tier municipalities. In order to levy a Vacant Unit Tax a municipality first has to request it be 'designated' by the Minister of Finance. Once requested and approved, a regulation would be issued by the Province.
[2] Under the *Municipal Act, 2001,* municipalities can levy tolls on roads they own, but they must apply to the Province for an enabling regulation. To date no municipality other than Toronto has made this request. Toronto's request was rejected by the Province.

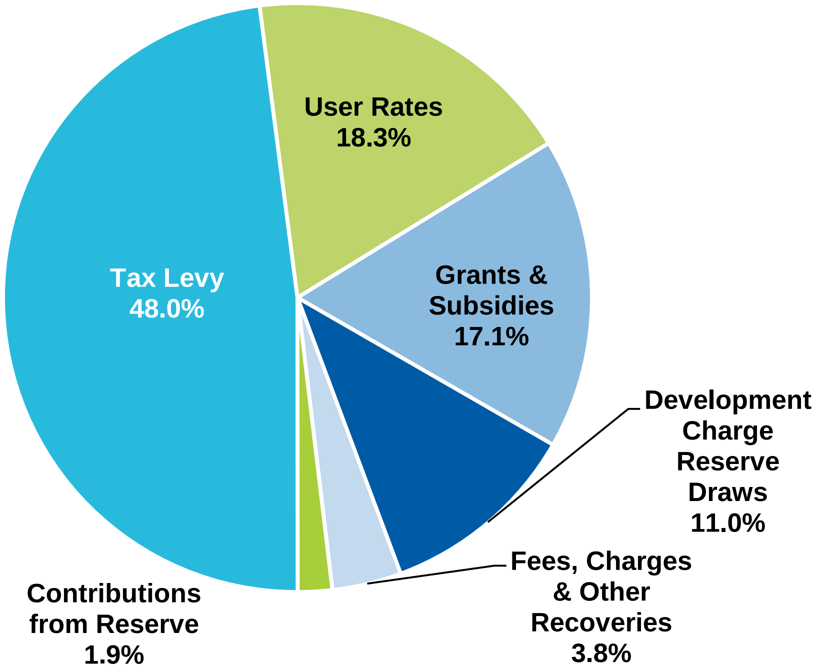
Property taxation is the largest source of revenue for York Region

Property taxation is the only major field of taxation available to most municipalities in Canada. It is a major source of revenue for the Region, and is used to fund the bulk of programs and services that York Region delivers (except for water and wastewater). Programs and services that are supported through property tax revenues include police, paramedics, road maintenance, and transit.

In 2018, the Region expects to raise approximately $1.07 billion through property taxation, which is approximately 48 per cent of the Region's total revenue requirements.

Figure 2

2018 Total Revenue -
$2,232 Million

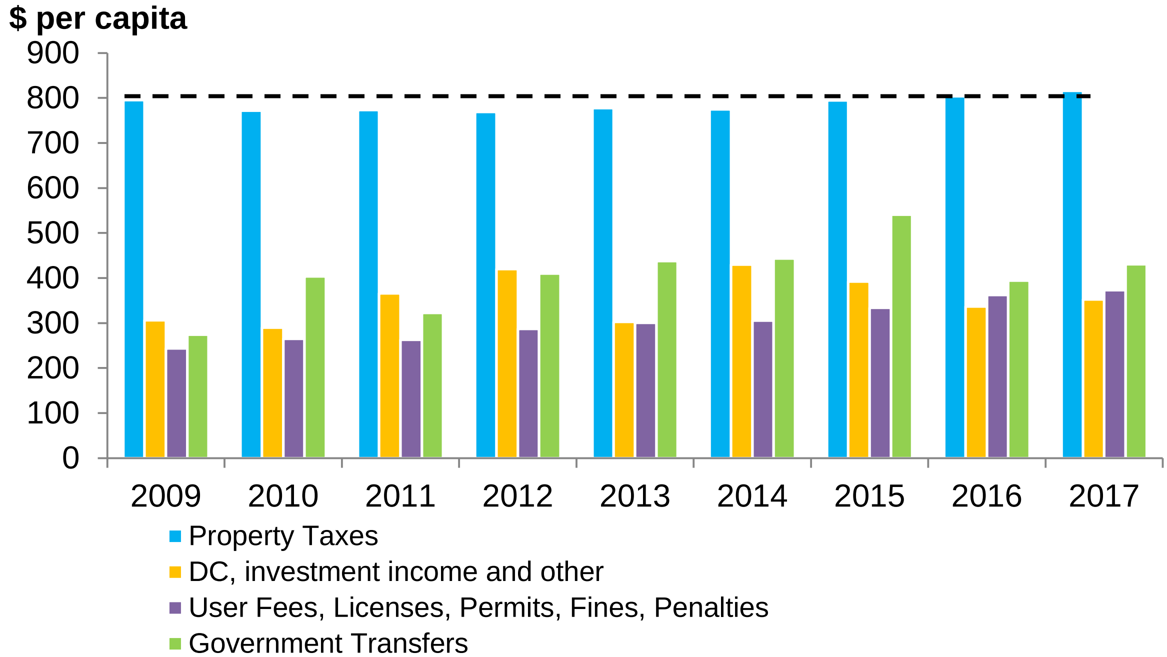


Regional property tax increases have stayed almost flat on a real per capita basis

From 2010 to 2016, Regional property tax revenues increased by 3.89 per cent annually (Figure 4). However, when adjusted for population growth and inflation, annual regional property tax revenue has remained relatively constant (Figure 3).

The Region has been able to do this while increasing spending on a real per capita basis due to growth in non-tax revenue.

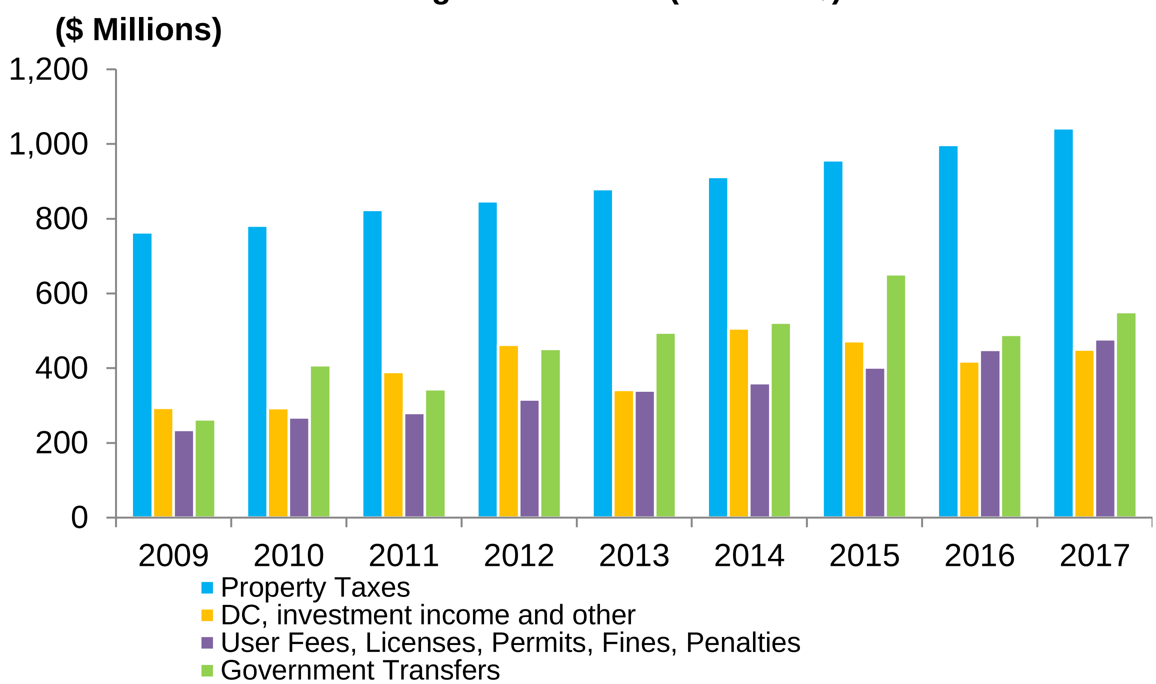
Figure 3
York Region Revenues, real per capita (2011 $ per capita)



Source: Financial Information Returns, CANSIM Tables 051-0062 and 362-0021

Note: 2017 Figures are draft

Figure 4
York Region Revenues (Nominal $)



Source: Financial Information Returns

Note: 2017 Figures are draft

In 2017, Council endorsed a recommendation to seek *City of Toronto Act*, *2006* revenue-raising powers

In May 2017, Council endorsed a staff report on Financial Sustainability. This report discussed the fiscal pressures facing the Region, the inadequacy of current revenue sources, and a potential path for achieving financial sustainability.

The *City of Toronto Act*, *2006* gives the City of Toronto additional revenue-raising powers beyond those available to other municipalities (Table 3).

In June 2017, at the direction of Regional Council, Chair Emmerson wrote to Premier Wynne, requesting that the Province extend the revenue-raising powers under the *City of Toronto Act, 2006* to York Region during the Fall 2017 session of the legislature.

Table 3
City of Toronto Act, 2006 **- Revenue Raising Powers**

Revenue raising power	Status in Toronto
Revenue-raising powers specific to the City of Toronto	
Municipal Land Transfer Tax (MLTT)	Implemented as of February 1, 2008
Vehicle Registration tax (VRT)	Implemented on September 1, 2008 and later repealed on January 1, 2011
Third Party Sign Tax (Billboard Tax)	Implemented on April 6, 2010
Alcohol Tax; Entertainment and Amusement Tax; Parking Levy; Tobacco Tax;	Not implemented
Revenue-raising powers also available to other municipalities	
Municipal Accommodation Tax (Hotels Tax)	Implemented on all hotel accommodation as of April 1, 2018[1]
Vacant Unit Tax	Under consideration
Road tolls[2]	Not implemented

[1] Tax on short-term rentals to be implemented on or after June1, 2018, pending the enactment of the short-term rental bylaw.
[2] In December 2016, Toronto Council voted to explore the option of imposing road tolls on the Gardiner Expressway and the Don Valley Parkway, both of which are owned by the City. In rejecting the City of Toronto's request to levy toll roads, the Province noted that because there were no adequate public transit alternatives to the Don Valley Parkway and Gardiner Expressway, road tolls would have had a disproportionate effect on the most vulnerable in society.

Implementing revenue measures similar to those that already exist in Toronto could generate significant revenue for York Region. Staff estimate that a Municipal Land Transfer Tax and a Vehicle Registration Tax could generate in the order of $400 million to $500 million per year.

Recent amendments to the *Municipal Act, 2001* provided municipalities with new revenue-raising powers, though none address the Region's fiscal pressures

In 2017, the Provincial government passed two bills: *Bill 127*, *Stronger, Healthier Ontario Act (Budget Measures), 2017* and *Bill 68, Modernizing Ontario's Municipal Legislation Act, 2016*. Through these measures, the Province provided additional revenue powers to qualified Ontario municipalities. These new powers include the ability to invest using the Prudent Investor Standard, the potential to levy a Vacant Unit Tax (by way of designation), and the power to levy a Municipal Accommodation Tax (Hotel Tax). Table 4 provides a summary of these new powers.

Table 4
New Municipal Revenue Powers Granted by the Province

Power	Detail	Considerations
Prudent Investor	Ability to invest using the Prudent Investor Standard extended to all qualifying municipalities Would allow the Region to diversify its portfolio more broadly, improving its ability to manage risk and invest in financial instruments with the potential for higher returns	Governance structure as proposed needs to be assessed to determine applicability to the Region
Vacant Unit Tax	Designated municipalities be granted authority to levy a vacant unit tax on residential development to discourage speculators who do not occupy the homes, or who leave them vacant for a prescribed period	Administrative costs and data collection challenges may limit positive revenue impact of the tax Revenue stream will likely decline over time
Municipal Accommodation Tax – MAT (Hotels Tax)	Single and lower tier municipalities have the power to levy a MAT	The MAT was not extended to upper tier municipalities

While these were welcome changes, they do not address the Region's fiscal pressures. Firstly, the Province requires that qualifying municipalities wishing to invest using the Prudent Investor Standard must establish an investment board and delegate to it the control and management of the municipality's day-to day investing. A thorough analysis is needed to determine if the additional cost of establishing an investment board could be recovered through a potential incremental increase in returns realized by investing using the prudent investor standard.

Secondly, the Vacant Unit Tax is intended to address affordable housing challenges. The revenue potential of this tax depends on a number of factors including how "vacancy" is defined, the tax rate, enforcement mechanisms, and the assessment value of homes that are deemed vacant. In addition, the vacant unit tax is likely to be a declining source of revenue, as homeowners are expected to occupy or rent out their homes to avoid the tax. In the City of Vancouver, where a vacant unit tax is levied (Empty Homes Tax), the initial implementation costs were $7.5 million (which increased from their preliminary estimate of $4.7 million) with operating costs in 2018 of $2.5 million. Initially the City forecast gross annual revenues of $2.2 million (and $700,000 net of administrative costs). However since implementation, that forecast has increased to $30 million in gross revenues for 2018. As of April 24, 2018 no Ontario municipalities have sought Provincial designation to levy the tax.

Finally, the Municipal Accommodation Tax is a tax on hotels and other short-term rental accommodations. This power is only available to single-tier and local municipalities. The revenue potential for this tax is also expected to be small.

The Association of Municipalities of Ontario launched a campaign urging the Province to increase the sales tax by one percentage point and dedicate it to municipal governments

In August 2017, the Association of Municipalities of Ontario launched the 'Local Share' campaign. It proposed that revenues from a one percentage point increase in the Provincial share of the Harmonized Sales Tax be dedicated to municipal governments to fund infrastructure needs. The Association of Municipalities of Ontario estimates that this could raise $2.5 billion annually for distribution province-wide.

Soon after the Association of Municipalities of Ontario launched this campaign at their annual conference, Premier Kathleen Wynne, NDP Leader Andrea Horwath, and former PC Leader Patrick Brown rejected the proposal.

In 2017, the Province announced an enhancement to the Provincial gas tax program

Currently, Ontario's gas tax program provides eligible municipalities with two cents per litre of Provincial gas tax revenues. This revenue can be used to fund transit-related operating and capital expenses. In 2017, the Province committed to increasing the municipal share from two cents to four cents a litre by 2021-22. This will be done gradually – with an increase to 2.5 cents per litre in 2019-20, three cents in 2020-21 and finally four cents in 2021-22.

The Provincial gas tax transfer is allocated to eligible municipalities through a formula based 70 per cent on ridership and 30 per cent on population. For the 2017-18 Provincial fiscal year, York Region is eligible to receive $16.4 million.

Assuming York Region's share remains at 4.6 per cent of the total province-wide allocation (calculated based on York Region's estimated 2017-18 share), the Region would see its estimated Provincial gas tax allotment increase from $16.4 million in 2017-18 to approximately $29.5 million by 2021-22 (Table 5).

Table 5
Estimated Annual Provincial Gas Tax Share for York Region
($ Millions)

	2019-20	2020-21	2021-22
Estimated funding	401.3	481.5	642.0
York Region's Share	18.4	22.1	29.5

The 2018 Federal and Provincial budgets did not include substantial new grant funding for municipalities

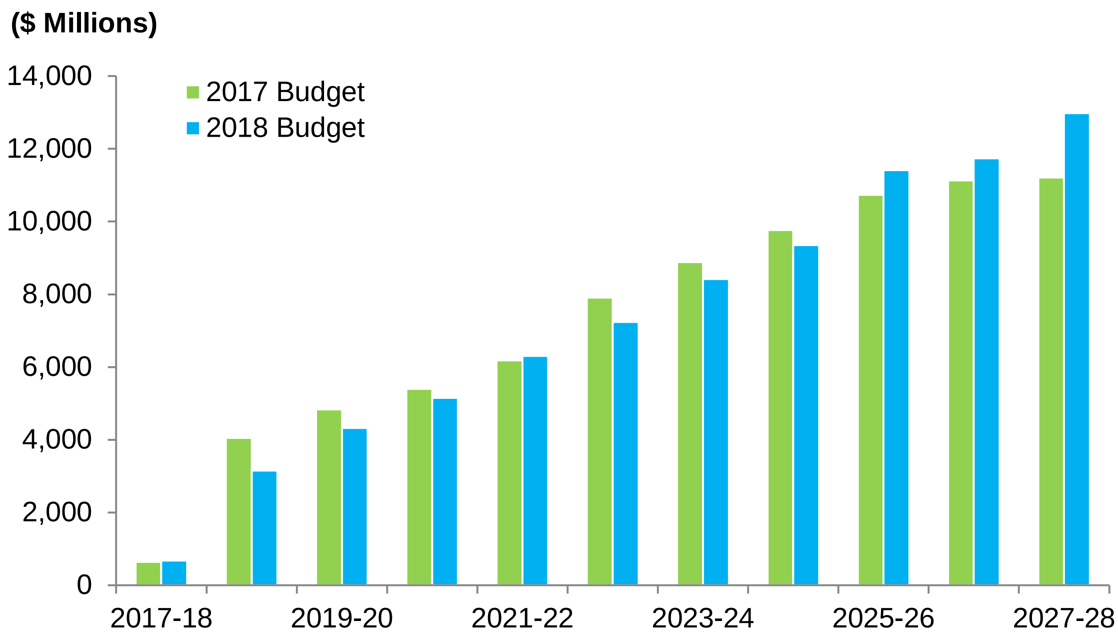
Investing in Canada is a long-term Federal funding commitment that spans multiple terms of government. Through its 2018 budget, the Federal government affirmed its commitment to the $180 billion Investing in Canada Plan, but re-profiled that funding and pre-2016 (also known as "legacy") infrastructure programs to later years.

Figure 5 below shows the re-profiling under Phase II of the Investing in Canada Plan. The majority of re-profiling occurs in the Public Transit and Green Infrastructure streams. As a result of re-profiling, approximately $3 billion of spending has been moved from the first eight years to the last three years.

The Ontario government released its budget on March 28, 2018. The budget outlined new programs and initiatives for health care and child care. It did not include any substantial new funding for municipal infrastructure.

Figure 5

Investing in Canada Plan Phase II – Allocation Re-profile



4. Analysis and Implications

The most significant risk to the Region's future financial sustainability is capital related

Despite the steps that Council has taken towards financial sustainability, the Region continues to face two significant financial risks:

1. Inability to fund all of the needed growth-related investments to support the level of growth envisioned in the Provincial Growth Plan
2. Inadequate funding to meet future asset management needs

The challenge of funding needed growth-related investment stems from three main sources:

- A potential disconnect between actual growth and Growth Plan population forecast
- The limitations of development charges as the principal source of revenue for funding growth-related infrastructure

- Rising capital intensity and complexity associated with large infrastructure projects, such as the Yonge Subway Extension, Upper York Sewage Solutions, and the related unpredictable escalation of costs through environmental assessment and other approval processes.

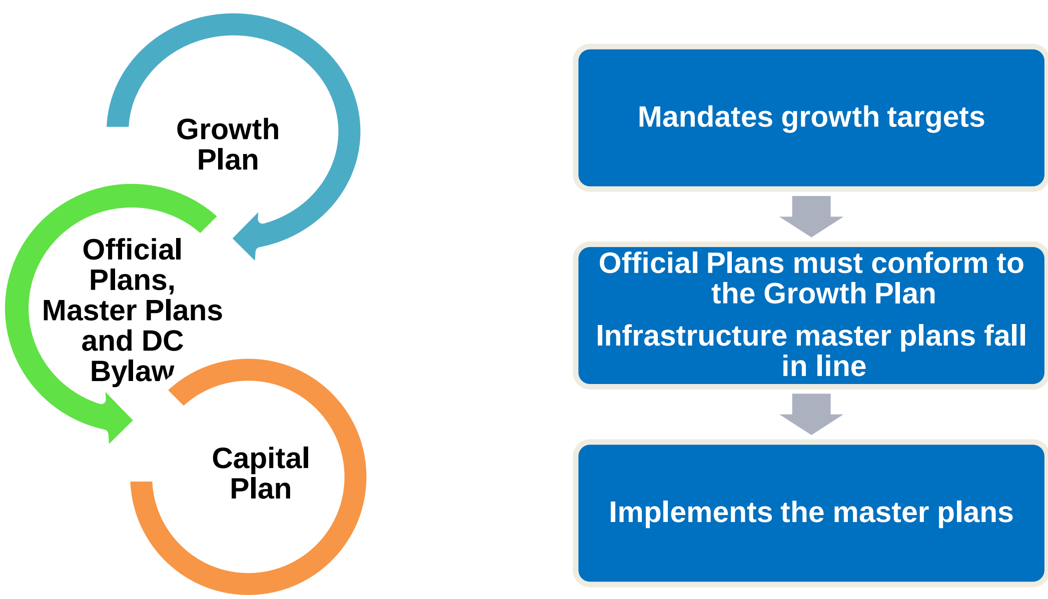
In addition, the Region has a large asset base, which has been growing faster than the rate of population growth. As the asset base ages, it will require major rehabilitation and ultimately replacement. Over this term of Council, the Region has substantially increased contributions to its asset replacement reserves as part of the Regional Fiscal Strategy. Contribution to these reserves will need to continue to grow.

Infrastructure is being built to support the population targets embodied by the Provincial Growth Plan

Municipalities in the Greater Golden Horseshoe are required to conform to the growth targets set out by the Provincial Growth Plan. Due to this legislative regime, there is a cascading effect that has financial implications (Figure 6).

York Region's Official Plan must conform to the Growth Plan, and infrastructure master plans generally include infrastructure needed for the mandated population growth. If the growth contemplated by the Growth Plan does not materialize, municipalities face the risk of stranded debt and under-used infrastructure.

Figure 6
How the growth plan informs the capital plan

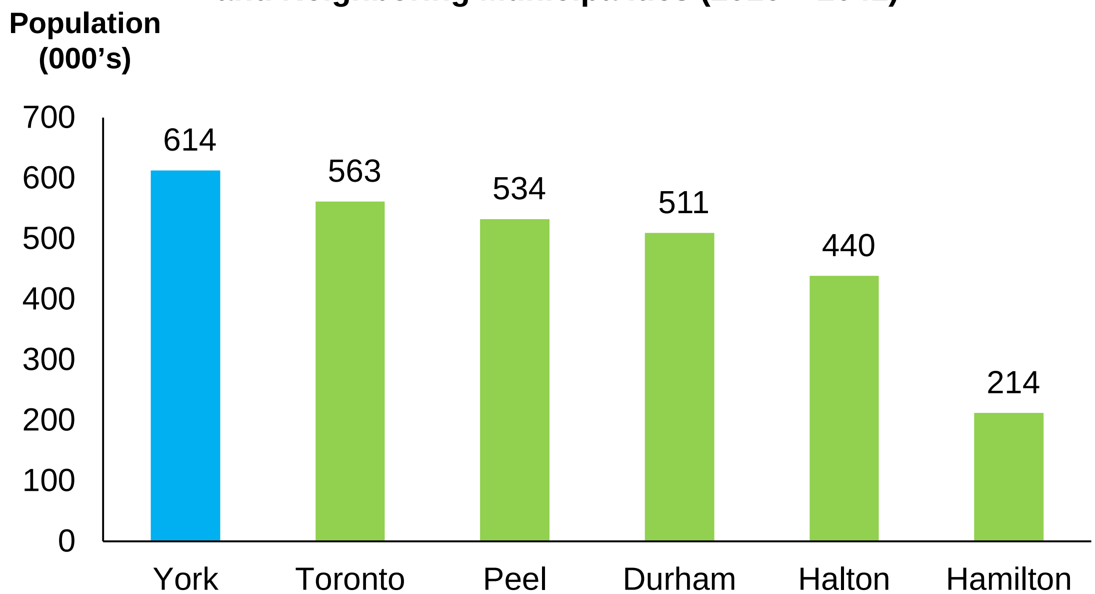


Growth creates opportunities to achieve financial sustainability. High-growth municipalities like York Region tend to have a more robust revenue base and greater fiscal capacity. However, growth also necessitates significant infrastructure investments.

The Growth Plan mandates that the Region grow by 716,000 people and 358,000 jobs from 2011 to 2041. This is the highest level of growth anticipated in the GTHA for any upper or single-tier municipality (Figure 7).

Figure 7

Growth Plan Amendment II Population Growth Projections for York Region and Neighboring Municipalities (2016 – 2041)



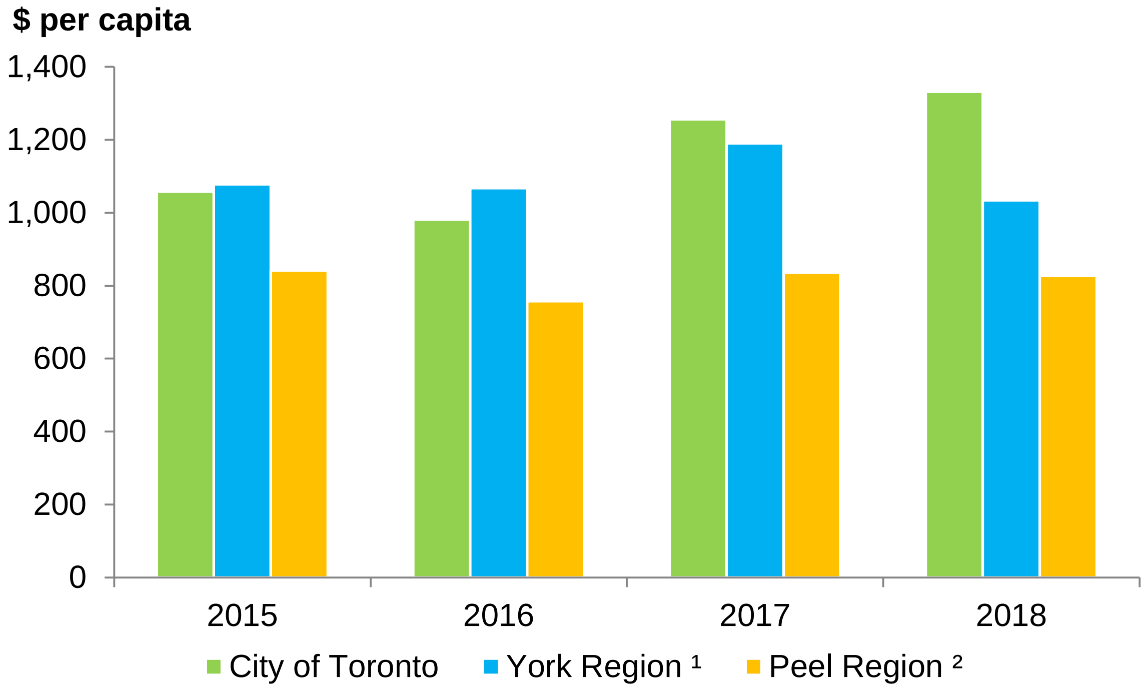
Data Source: Growth Plan Amendment II technical addendum, Hemson Consulting Ltd.

On a per capita basis, York Region's capital budget is similar to that of the City of Toronto

Meeting the needs of growth requires significant capital investment. From 2015 to 2018, on a real per capita basis, York Region and the nine local municipalities' average annual capital budget is approximately 94 per cent of the City of Toronto's and 1.3 times that of Peel Region (upper and lower tier total) (Figure 8). For the budget years 2015 to 2018, approximately 67 per cent of the Region's total capital budget is attributable to the upper tier level.

A municipality's capital budget does not necessarily match its actual capital spending. York Region's (upper tier portion only) capital delivery rate has been improving over the years, and averaged over 80 per cent between 2015 and 2017. According to a 2018 City of Toronto staff report, the spending rate on the city's capital and rate supported budget has consistently averaged 62 per cent.

Figure 8
2015-2018 Real Capital Budget per Capita (2017 $)



Source: York Region and local municipal budgets, City of Toronto Long Term Financial Plan, Ontario Ministry of Finance, CANSIM Tables 051-0062, 326-0021 and 327-0043

[1] Deflated using a mix of Toronto CMA NRBCPI (80%) and CPI (20%) figures. 2018 inflation calculated using average of previous years. 2018 population figures are Ontario Ministry of Finance forecasts.

[2] Includes local municipal capital budgets.

Compared to the City of Toronto, York Region's capital budget is more heavily focused on growth-related investments. At the upper tier level, 61 per cent of York Region's 2018 ten-year capital plan is for growth, versus 17 per cent in the City of Toronto's 2018-2027 capital plan[1].

As shown in Table 6 below, York Region's 2018 ten-year capital plan is among the largest in the 905 municipalities.

[1] The City of Toronto divides its capital plan into five categories: growth-related, state of good repair, service improvement, legislated, and health and safety. These additional categories related to service improvement, legislated, and health and safety are significant and may include spending that meets the needs of growth, but is not officially considered 'growth-related' by the City in its budget.

Table 6

2018 Approved Ten-Year Capital Plans among Neighbouring 905 Municipalities

Municipality	Capital Plan (Upper tier only) ($ Billions)
Peel Region	7.2
York Region	**5.9**
Durham Region	4.5
Halton Region	4.2

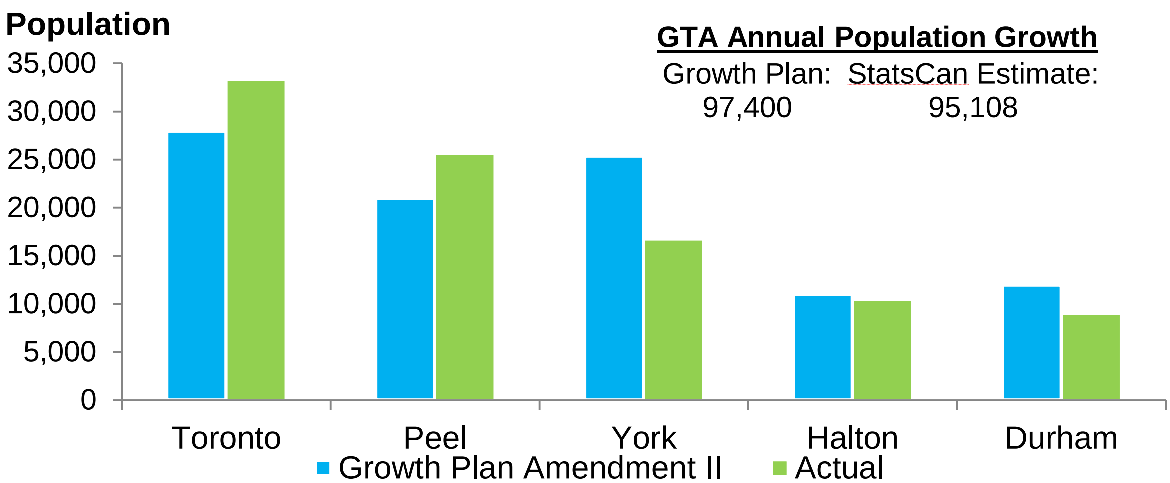
There is a potential disconnect between Growth Plan projections and actual population growth

While the Region has experienced significant grown, the rate of growth has slowed in recent years. From 2011 to 2016, population growth for the Region was only 67 per cent of its Growth Plan target.

From 2011 to 2016, the overall growth for the Greater Toronto Area was modestly less than what was expected by the Growth Plan. However, the distribution of that growth was not what was in the plan (Figure 9). Toronto and Peel have grown at levels exceeding the Growth Plan forecasts, while York, Halton and Durham have been growing more slowly than projected

Figure 9

Annual Average Population Growth Comparison, 2011-2016



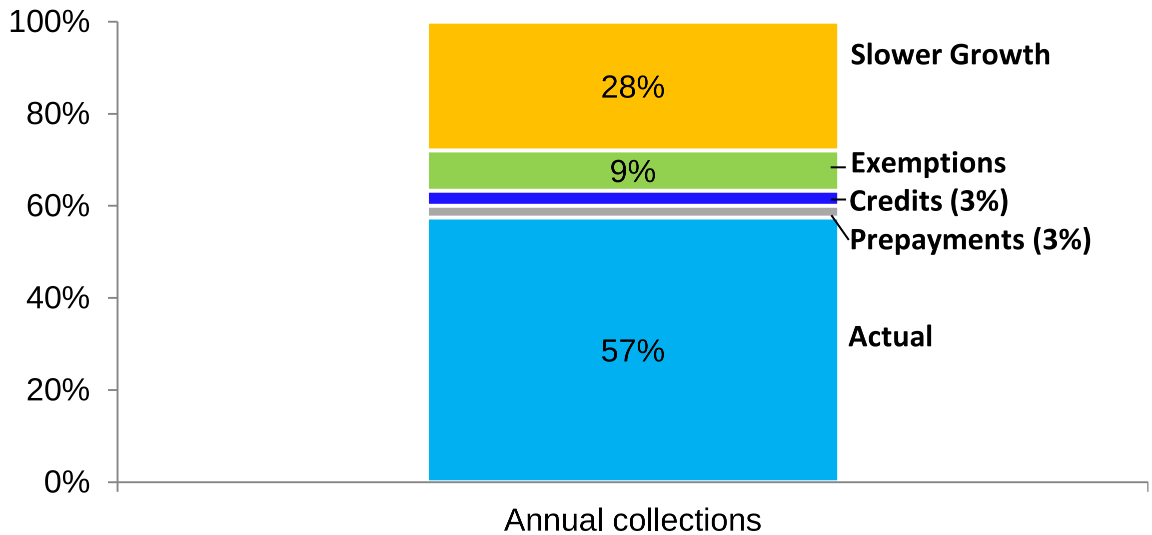
Source: Growth Plan Amendment II, CANSIM 051-0062 (Updated February 21, 2018)

Lower-than-expected growth results in lower-than-expected development charge collections

Development charge collections are highly dependent on the pace of growth. Firstly, the anticipated level of growth is a fundamental input into the development charge rate calculation. In the 2017 and 2018 Development Charge Background Studies, the level of projected growth is consistent with the targets set out by the Growth Plan. In other words, the Region's development charge rates are determined on the assumption that the growth targets set out by the Growth Plan will be realized. Secondly, actual annual development charge collections are a direct function of actual growth as measured by the number of housing units and the total square footage of non-residential development.

From mid-2012 to mid-2017 when the 2012 Development Charge Bylaw was in effect, the Region collected approximately $1.6 billion in development charges, or approximately 57 per cent of the amount projected in the 2012 Background Study. Slower-than-expected growth is the largest contributor to the shortfall in development charge collections (Figure 10).

Figure 10
York Region Development Charge Collections
2012 background study forecast vs. actuals
(mid 2012 to mid 2017)

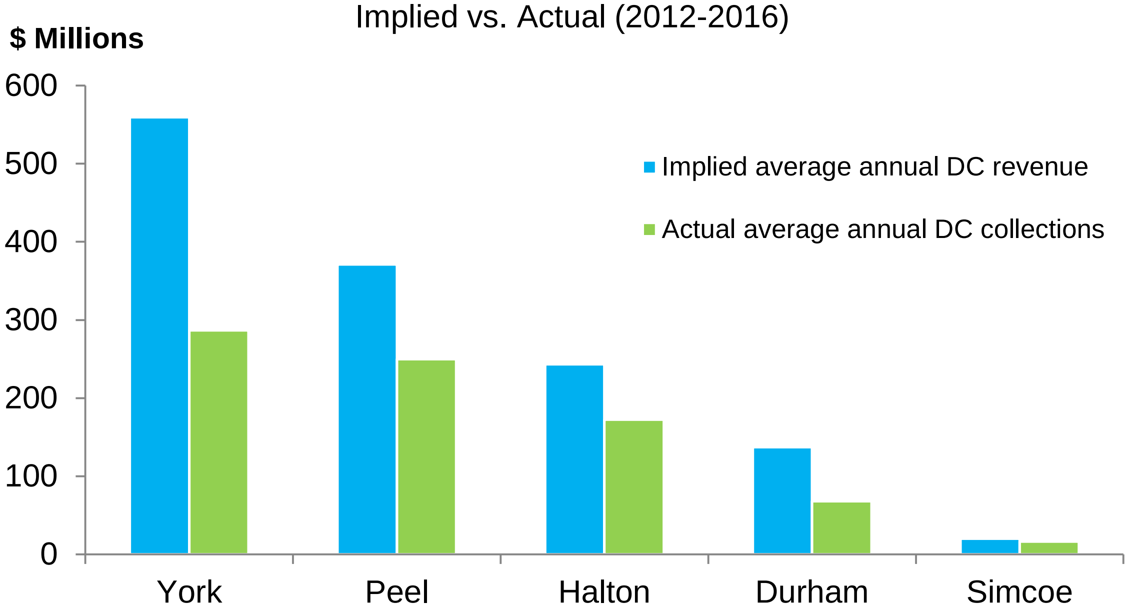


Staff estimate that slower-than-expected growth in residential and non-residential development accounted for nearly 30 per cent, or about $800 million of the approximate $1.2 billion in unrealized development charges over the mid-2012 to mid-2017 period. The remaining $400 million of the $1.2 billion collection shortfall can be explained by exemptions, prepayments and credits.

York Region is not alone in experiencing development charge collection shortfalls (Figure 11). Other municipalities face similar challenges.

Figure 11

Average Annual Development Charge Revenue
Implied vs. Actual (2012-2016)



Even if growth occurs at anticipated levels, development charges cannot fully recover the cost of growth-related infrastructure

Development charges are the primary tool that a municipality uses to pay for growth-related infrastructure. However, the *Development Charges Act, 1997* limits and delays cost recovery through a number of statutory deductions (Table 7).

Due to these limitations, growth-related projects funded through development charges have a direct impact on debt, tax levy and user rates (Table 7). Non-development- charge-recoverable costs create a direct tax levy and user rate pressure, while any deductions that delay cost recovery create a debt pressure.

In addition, development charges only fund the initial capital costs of growth-related infrastructure. The lifecycle and operating costs associated with growth-related infrastructure must be funded through the tax levy and user rates.

Table 7
Limitations of Development Charges

Non-Development Charge Recoverable Costs	Delayed Recovery of Development Charges	Asset Management Costs	Operating Costs of New Infrastructure
• Ineligible services • 10% statutory deduction (for some services) • Benefit to existing deduction • Exemptions	• Post-period benefit • Level of service deductions (for some services) • Development charge deferrals • Exemptions	• Rehabilitation and replacement costs	• Operating and maintenance costs
Impact on:			
Tax levy and user rates	**Debt**	**Tax levy and user rates**	**Tax levy and user rates**

The Region has turned the corner on debt, although debt levels continue to remain high

Prior to the 2014 fiscal strategy, the Region's peak outstanding debt was anticipated to be over $5.0 billion by 2020. However, as a result of the measures adopted over the last four budget cycles, the total outstanding debt peaked at $2.9 billion in 2017 and is now falling.

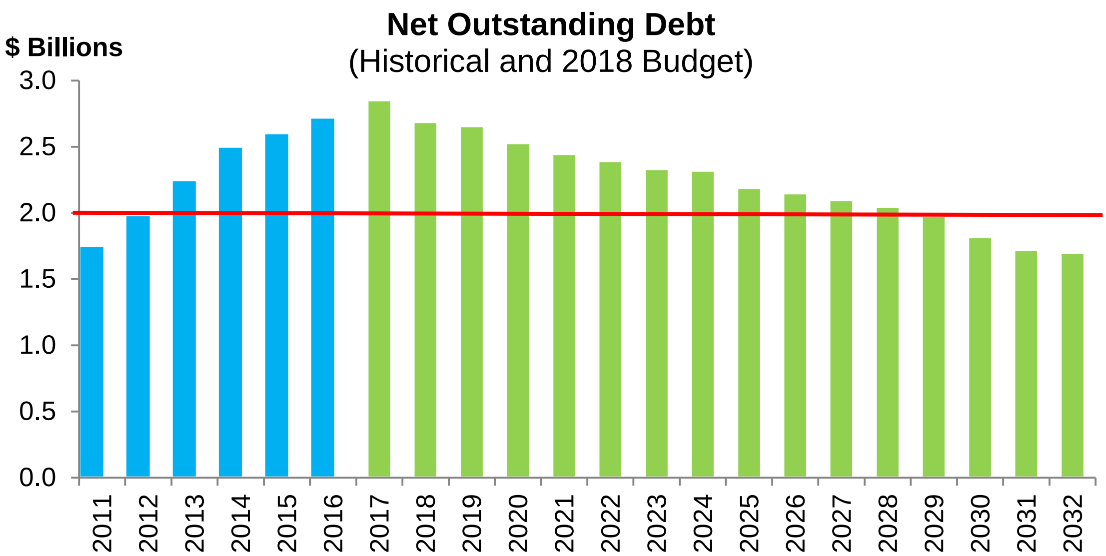
Figure 12 below shows the debt forecast from the 2018 budget. Although debt peaked at $2.9 billion in 2017, the reduction in debt after 2017 will not be as rapid as had been anticipated in previous budget years, primarily due to a downward revision in forecast development charge revenue.

A decreasing debt profile is important because:

- It reduces the Region's overall financial risk
- It frees up funding that can be spent directly on infrastructure, rather than on debt servicing

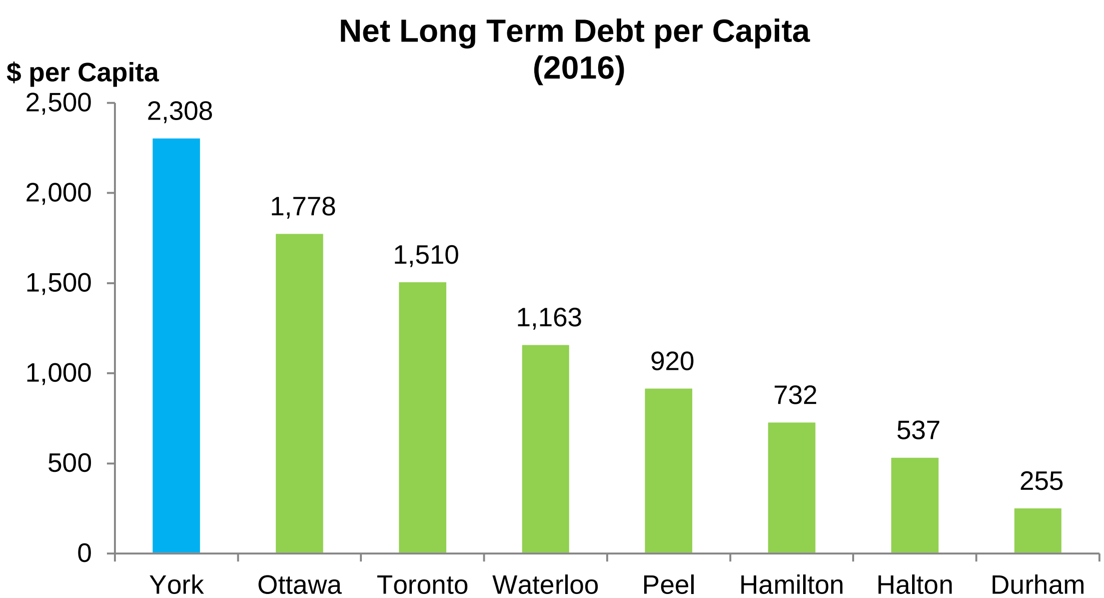
- It is a metric of financial sustainability – credit rating agencies have said that "greater-than-forecast debt" could lead to a potential rating downgrade
- It is expected to help the Region regain a triple A credit rating with S&P Global Ratings
- The Region must comply with the Province's annual debt repayment limit

Figure 12



While the fiscal strategy has been effective at reducing debt levels, the Region's overall debt still remains high compared to its peers (Figure 13).

Figure 13



Source: 2016 Financial Information Return

Approximately 90 per cent of the Region's outstanding debt will be serviced and repaid through development charges. This debt has enabled the construction of the infrastructure needed to support growth. The Region invested approximately $1.85 billion in water and wastewater infrastructure from 2012 to 2016. This large investment increased debt by 27 per cent during this period. In addition, the higher debt level is a result of the pace of growth in the Region being slower than anticipated, resulting in less development charge collections that could have been used to pay for capital projects directly.

The Region's debt burden constrains spending on growth-related infrastructure

Using current revenue sources, funding growth-related projects above and beyond the Region's ten-year capital plan would mean more debt and could reverse the planned downward trajectory of outstanding debt.

The greatest risk to the capital plan lies with development charge collections, which is an uncertain and variable source of revenue. If development charge collections are significantly less than forecast, the Region may need to reduce or defer planned projects to stay within its debt and tax levy constraints. The Region needs to continue to manage its debt levels, and therefore its capital spending.

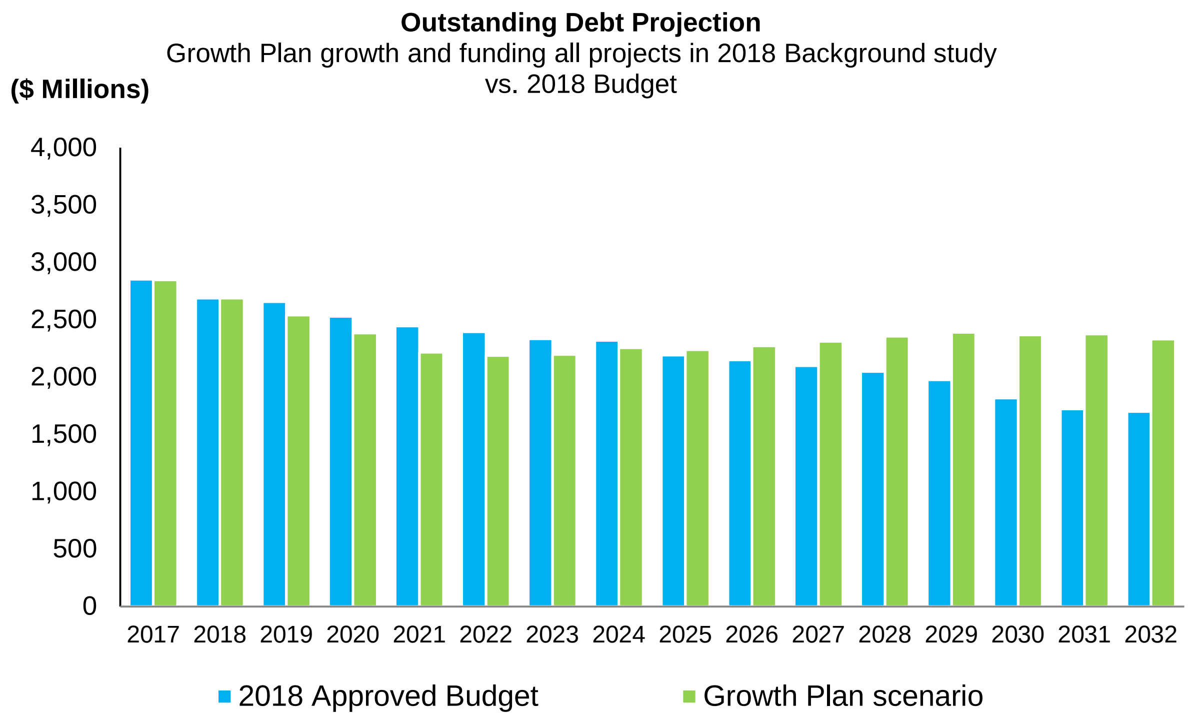
The Region's ability to reduce development charge debt while funding additional projects is contingent on achieving the level of growth envisaged by the Growth Plan

Development charge collections service existing development charge debt, and help avoid future debt. From 2013 to 2017 development charge servicing costs averaged approximately $230 million per year, while development charge collections over the same period averaged $285 million per year. The amounts above what is needed to pay annual debt servicing costs can be used to fund growth-related infrastructure in the ten-year capital plan without issuing new debt.

The Region has experienced a period of lower-than-expected growth and lower-than-expected collections. For the purpose of developing the capital budget, staff developed a growth projection that is more in line with historic actuals, which is lower than projections in the Growth Plan and the Development Charge Background Study. If the Region achieves the level of growth envisaged by the Provincial Growth Plan, development charge collections are forecast to be $850 million higher over the next 20 years (2018-2037) compared to what was projected for the Region's 2018 budget.

However, even if the Provincial Growth Plan forecast comes to fruition, the Region will still be financially constrained to fund all of the projects in the 2018 Development Charge Background Study, which includes an additional $1.5 billion of growth-related road projects compared to the 2017 Bylaw. As Figure 14 shows, the Region's outstanding debt projection, after incorporating the additional roads projects, is still higher than what was expected in the 2018 budget.

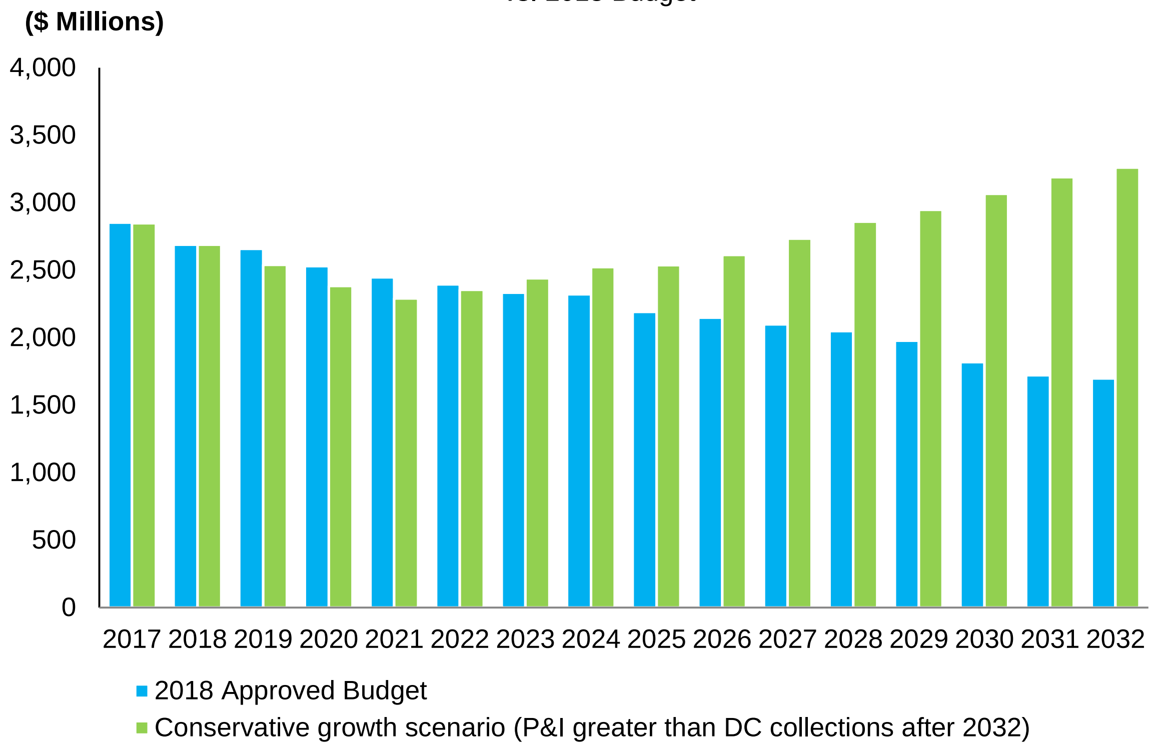
Figure 14



Furthermore, if growth proves to be less than forecast, there will be little to no opportunity to fund additional growth projects without increasing the outstanding debt profile. Figure 15 shows the Region's outstanding debt projection using more conservative growth estimates. The debt projection in this case exceeds what was anticipated in the 2018 budget after 2023, financially restricting the Region's ability to add further development charge funded projects.

Figure 15

Outstanding Debt Projection
Conservative growth and funding all projects in the 2018 Background Study vs. 2018 Budget



Under this scenario, development charge collections would be less than the amount needed for the annual principal and interest payments on development charge debt after 2032. The implication is that the shortfall would have to be drawn from the development charge reserve contingency previously established by Council. On average, the debt servicing costs exceed the development charge collections by roughly $65 million per year after 2032. This situation results in consecutive development charge reserve draws that eventually deplete the development charge reserve of all its funds around 2037-2038.

An estimated $60 million annual contribution to a Development Charge Debt Reduction reserve would be required to offset the development charge debt pressure of additional growth-related projects

Staff are exploring the possibility of creating a Development Charge Debt Reduction Reserve that will have similar characteristics to the Region’s Debt Reduction Reserve. The reserve could be used to fund growth projects temporarily to avoid taking on additional development charge debt. Future development charge collections would be used to replenish this reserve with accrued interest.

A preliminary estimate indicates that the Development Charge Debt Reduction Reserve would require contributions of approximately $60 million per year. Funds received from new revenue sources could fund this reserve.

The cost of growth-related projects not eligible to be recovered through development charges results in a fiscal pressure of approximately $69 million per year

Although the majority of the initial capital costs related to growth projects are eligible to be recovered through development charges, there are still substantial costs that are not. Table 8 outlines the municipal costs that are not eligible to be recovered through development charges. These costs consist of both benefit-to-existing development and 10 per cent statutory deduction components of the 2018 Development Charge Bylaw Amendment.

Table 8
Non-Development Charge Eligible Capital Costs, Excluding Water & Wastewater

($ Millions)	2018 Budget with Development Charge Main List	Full Contingent List B	Total
Total Non-Development Charge Eligible Costs	900	138	1,038
Average Annual Amount	**60**	**9**	**69**

Note: Numbers may not add due to rounding

While tax levy increases of three per cent are sufficient to fund increases in the operating budget, including those related to growth assets, they are not sufficient to pay for these non-development charge eligible initial capital costs.

The Region's asset base is growing much faster than its population

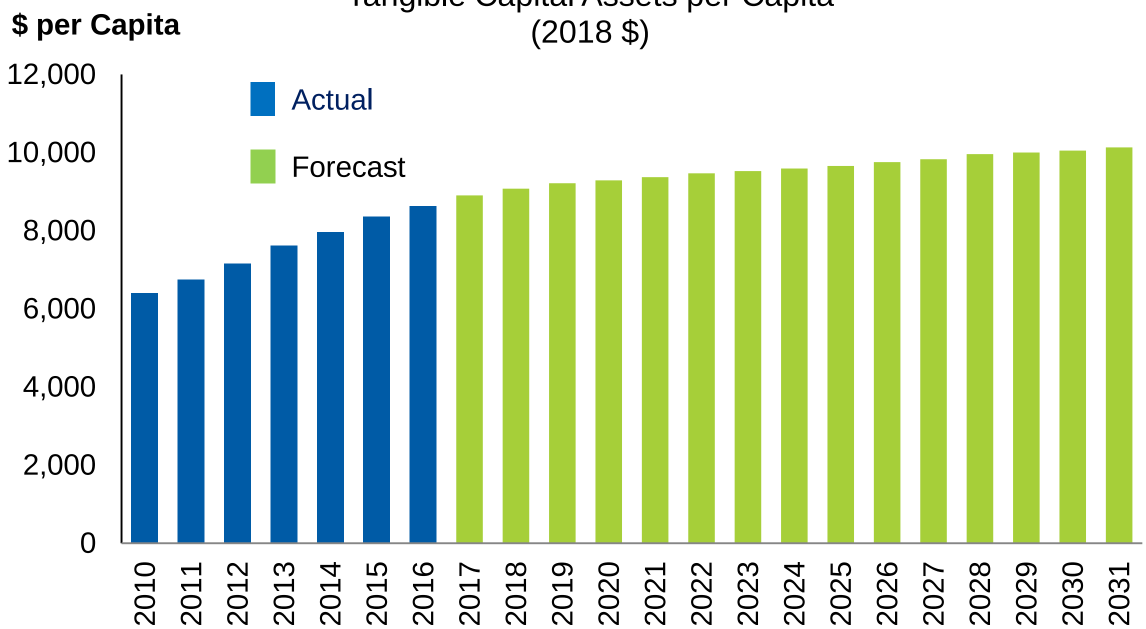
As of December 31, 2016, the Region owns and operates tangible capital assets with a net book value of more than $7 billion and an estimated replacement value over $12.3 billion (including Housing York Inc.). This includes $6.0 billion in water and wastewater assets, $4.1 billion in transportation assets and $2.2 billion in other assets.

The Region's asset base is expected to continue to grow significantly as new infrastructure is built to meet the needs of current and future residents. On a per capita basis, the asset base is expected to grow from roughly $8,600 per capita in 2016 to $10,100 per capita by 2031 (Figure 16).

Figure 16

Historic and Projected Asset Base per Capita

Tangible Capital Assets per Capita
(2018 $)



The growth of the asset base is partially a result of the need to invest in major infrastructure, such as water and wastewater infrastructure, well in advance of population growth occurring. Fully funding the asset management needs of large and growing asset base will be a challenge. Staff are developing a Corporate Asset Management Plan, which is expected to be complete in 2018.

Fully funding asset management needs will put pressure on the tax levy

The Government of Ontario recently enacted a regulation (O. Reg. 588/17: Asset Management Planning for Municipal Infrastructure) that requires municipalities to prepare asset management plans. One component of the regulation is that municipalities must identify any funding shortfalls, as defined by the difference between available funding and the cost of delivering proposed levels of service. The Province is providing some funding to small rural and northern municipalities to address funding shortfalls. However, York Region does not meet the eligibility criteria, and staff do not expect the Region to receive a funding provision.

Through the user rates that were approved by Council in 2015, it is anticipated that the asset management needs for water and wastewater infrastructure can be fully funded by user rate reserves.

For the Region's other assets, current estimates suggest that an annual average of $222 million will be required each year from 2019 to 2031 (Table 9) to maintain a state of good repair. It is estimated, however, that an average annual expenditures of $202 million over the same period can be supported by tax levy increases capped at three per cent, creating a shortfall of approximately $19 million per year (Table 9). The Region is continuing to develop its asset management plans and refine its estimates of the related financial requirements.

If all of the Contingency List B projects were to be added to the Region's capital plan, the gap in asset management funding would increase further. While development charges are expected to recover approximately 91 per cent of the initial capital costs of these projects, all of the asset management costs would have to be raised through alternative means. It is currently estimated that $3 million annually would be required to fully fund the asset management needs of these projects alone, in addition to the $9 million in initial costs shown in Table 8 above.

Table 9
Summary of the Tax Levy Shortfall Related to Asset Management
(Annual Average Amount)

($ Millions)	2018 Budget with 2017 Development Charge Main List	Full Contingent List B	Total
Full asset management needs	222	3	224
Needs supported by tax levy increases capped at three percent	202	0	202
Average Annual Shortfall	**19**	**3**	**22**

Note: Numbers may not add due to rounding.
The full asset management needs incorporate current estimates of asset management requirements for existing assets and growth assets.

As the Region grows, it will require larger and more complex infrastructure that is both expensive and challenging to manage

As the Region continues to urbanize, infrastructure requirements become more complex, often requiring increasingly demanding conditions of Ministerial approval or tri-party agreements. These large infrastructure projects cannot be accommodated through own-source revenues and require third-party funding. Table 10 provides some examples of these future large infrastructure projects.

Table 10
Examples of Large Infrastructure Projects

Project	Estimated cost ($ Million)
Yonge Subway Extension (construction)	5,100[1]
Bus Rapid Transit Plan (Metrolinx 2041 Regional Transportation Plan) • Highway 7 West BRT Extension (Highway 50 – Helen St.) • Yonge BRT (Richmond Hill, Aurora, Newmarket (19th Ave. – Mulock Dr.) • Highway 7 East BRT Extension (Unionville GO – Donald Cousens Pkwy.) • Jane North BRT/LRT (Highway 7 – Major Mackenzie Dr.) • Steeles BRT/LRT (Jane St. – McCowan Rd.) • Leslie North BRT/LRT (Highway 7 – Major Mackenzie Dr.) • Major Mackenzie BRT/LRT (Jane St. – Leslie St.) • Major Mackenzie West Priority Bus (Highway 427 – Jane St.) • Major Mackenzie East Priority Bus (Leslie St. – Mount Joy GO) • Green Lane Priority Bus (Davis Dr. – East Gwillimbury GO) • Woodbine Ave. – Steeles Ave. to Major Mackenzie	5,350[2]
Langstaff Road Extension (crossing the Macmillan CN rail yard)	620

[1] Project costs are as of September 2017. 75 per cent of the Yonge Subway Extension lies in York Region, while 25 per cent lies in the City of Toronto. $5.1 billion is the current estimate, adjusted to future dollars for the expected years of construction.

[2] Other than the Yonge BRT (Richmond Hill, Aurora, Newmarket (19th Ave. – Mulock Dr.) and the Highway 7 East BRT Extension (Unionville GO – Donald Cousens Pkwy.) all projects are in 2017 dollars.

The Region is challenged to fund new rapid transit priorities, including the Yonge Subway Extension and the Bus Rapid Transit Plan

While Metrolinx's 2041 Regional Transportation Plan acknowledges the Region's key transit projects, including Yonge Subway Extension and the Bus Rapid Transit Plan, funding details are vague. In the past, bus rapid transit projects in the Region have been fully funded by the Province. However, the Region contributed to the Toronto York Spadina Subway Extension.

The Yonge Subway Extension project is expected to require a Regional contribution along with funding from other levels of government. York Region's share could be well over a billion dollars (Table 11).

Table 11

Yonge Subway Extension Cost Share Scenarios

($ Billions)	York Region's Contribution Assuming Toronto is NOT paying for its portion	York Region's Contribution Assuming Toronto is paying for its portion
York pays for 33%	1.70	1.28
York pays for 27%	1.38	1.03

Funding a regional contribution from existing revenue sources would put significant pressures on development charge debt and the tax levy.

Federal and provincial infrastructure programs will not likely be enough to address the Region's fiscal challenges

Through its budgets from 2016 to 2018, the federal government committed to invest more than $180 billion in infrastructure over twelve years. While Phase I investments were focused on near-term projects, Phase II investments will focus on projects with a longer horizon. The federal government has recently finalized a bilateral agreement with Ontario to deliver Phase II infrastructure funding for public transit, green infrastructure, community, culture and recreation infrastructure, and rural and northern communities.

Of the $81.2 billion Phase II commitment, the Public Transit Stream makes up a significant portion - $20.1 billion. However, as a result of a ridership-based allocation formula, the Region, with a newer transit system, will receive less than other municipalities with more mature transit systems such as Toronto. The Region will receive a total of $372 million ($204 billion from the federal government, with 33 per cent matching funding or $168 million from the Province), while Toronto will receive a total of $8.9 billion. The $372 million in transit funding from the federal and provincial governments would fund about three per cent of the Region's unfunded large transit projects.

To realize these funding opportunities, the Region will be required to contribute the remaining 27 per cent of the funding (i.e., between $125 million and $137 million depending on the types of projects to be funded). In the absence of the ability to generate new revenues, the Region will be required to come up with options to fund its contribution such as capital reductions or increases in development charges and tax rates.

The Association of Municipalities of Ontario 'Local Share' campaign is not likely to generate sufficient revenue to address the Region's fiscal gap

The Association of Municipalities of Ontario is advocating the allocation of revenues from a one per cent increase in the Harmonized Sales Tax to municipalities on a per dwelling unit basis at rates that decline with size of the municipality. This allocation methodology favours smaller municipalities, and does not recognize the infrastructure needs of rapidly growing municipalities. It also disadvantages municipalities with larger household sizes.

Under this methodology, York Region municipalities would receive $160.6 million annually, or 6.4 per cent of the estimated provincial total. Of this amount, $82.8 million per year would be for York Region, while $77.8 million per year would be for the local municipalities. York Region's overall allocation is approximately $145 per person. This is the 3rd lowest among the 202 single and upper tier municipalities in the province.

The Association of Municipalities of Ontario represents 444 municipalities across Ontario with differing structures, differing levels of responsibility and at different stages of growth. Having a 'one size fits all solution' like the "Local Share" does not address the different financial responsibilities that municipalities face.

The Province is unlikely to cede major fields of revenues to municipalities

Provincial legislation and regulations control the expenditure responsibilities and revenue-generating authorities of municipal governments.

The Province has its own challenges when it comes to program expenditures. Real per capita provincial spending has been declining in most program areas over the past five years. In addition, the Province is facing significant pressures on health care expenditures, particularly as the baby boom generation ages. Staff anticipate that the Province will be reluctant to cede its big revenue generators to municipalities, and that any new revenue-raising powers will require municipal accountability.

Advocating for *City of Toronto Act, 2006* revenue-raising powers may require consistent efforts over a number of years

Staff have consulted with the City of Toronto to better understand the process for advocating for their revenue powers under the *City of Toronto Act, 2006*. The process is likely to take considerable time, and require a consistent and concerted effort. It will also entail several touch points with the Province, Council, local municipalities, neighbouring municipalities, and other stakeholders (including the Building Industry and Land Development Association – York

Chapter, as well as local residents and business owners). The table below summarizes potential touchpoints with Council.

Table 12
Future Touchpoints with Council

Timeframe[1]	Touchpoint
Q4 2018	Council transition documents
2019	As part of the multi-year budget process Financial Sustainability update (Council report) As part of the Municipal Comprehensive Review
2020	As part of the 2020 Development Charge Background Study (update)

[1] Timeframe is tentative and subject to change

It is recommended that *City of Toronto Act, 2006* revenue-raising powers be used to address the capital-related fiscal gap

Building growth-related infrastructure to meet the population and employment targets contemplated by the Growth Plan has created capital-related fiscal pressures for the Region. These pressures are three-fold:

- Debt, tax levy and user rate pressures resulting from the upfront costs of building growth-related infrastructure, and the inability of development charges to fully fund those costs
- The inability to fully fund the ongoing lifecycle costs of growth-related assets and existing assets to ensure that they remain in a state of good repair while keeping tax levy increases below three per cent
- The Regional contributions to Federal-Provincial infrastructure projects

Unlike the City of Toronto, which uses revenue-raising powers like the Municipal Land Transfer Tax to help fund its operating budget[2] , staff recommend the Region direct any new revenues derived from *City of Toronto Act, 2006* revenue-raising powers to address its capital-related fiscal gap.

[2] In the City of Toronto's "Long Term Financial Plan", released in March 2018, one of the recommendations was to reduce the cyclical risk of the Municipal Land Transfer Tax by allocating an appropriate portion of the revenue to capital reserves.

5. Financial Considerations

The Region is facing a capital-related fiscal gap of over $220 million per year

Preliminary estimates of the fiscal gap indicate that the Region needs additional revenue of over $220 million annually to achieve financial sustainability (Table 13). Overcoming this fiscal gap will require new revenue sources. The fiscal gap can be categorized into three groups:

- $60 million in annual contribution to a Development Charge Debt Reduction Reserve
- $91 million in annual estimated tax levy shortfall/fiscal gap related to non-development charge recoverable costs and unfunded asset management costs
- $69 million to $113 million annually for a regional contribution to Federal-Provincial infrastructure projects, such as the Yonge Subway Extension

Table 13
Annual Fiscal Gap

	($ Millions)
Annual contribution to development charge debt reduction reserve	**60**
Tax levy shortfall/fiscal gap	
Unfunded asset management costs	**22**
Non- development charge eligible costs	**69**
Regional contribution to Federal-Provincial infrastructure projects	**69 to 113**
Annual requirement for long-term financial sustainability	**220 to 264**

The non-development charge eligible capital costs and unfunded asset management costs currently represent one of the greatest financial constraints to the Region. While Council has significantly increased contributions to asset replacement reserves in recent years, additional revenue is required to fully fund these needs in a manner that is consistent with the fiscal strategy, while simultaneously keeping tax levy increases under three per cent per year.

In addition, cost sharing associated with large Federal-Provincial infrastructure projects is expected to put significant debt and tax levy pressures on the Region. In the case of Yonge Subway Extension project, York Region's share could range between $69 million and $113 million per year depending on Toronto's commitment. This is equivalent to an 8.5 per cent to 14 per cent increase to the Region's 2018 capital budget.

A municipal land transfer tax could raise $350 to $430 million per year for York Region and the nine local municipalities

In the City of Toronto, a municipal land transfer tax is imposed on properties purchased in the City and on unregistered dispositions of a beneficial interest in land. Using current City of Toronto municipal land transfer tax rates (which are the same as the Ontario rates), a municipal land transfer tax in York Region could generate $350 to $430 million in revenues. This is approximately half of the amount that the City of Toronto has budgeted for its municipal land transfer tax revenue in 2017 ($716 million).

The majority of the land transfer tax revenue in York Region would be from residential property transactions. Using Toronto Real Estate Board and RealNet data, staff estimate that almost 90 per cent of total property sales value in 2017 involve residential property (land or buildings).

These revenue estimates do not account for the potential impact of a first-time home buyers' rebate. In the City of Toronto, first- time home buyers are eligible to receive a rebate of up to $4,475 if the property was purchased after March 1, 2017 or $3,725 if it was purchased before this date. This rebate reduces the revenue potential from a Municipal Land Transfer Tax. Staff estimate that a first time home buyer rebate could reduce annual revenues by approximately $5 million, assuming a program similar to the City of Toronto's.

A Vehicle Registration Tax could generate an additional $65 to $80 million per year depending on the fee

The revenue potential for a vehicle registration tax was estimated by applying an assumed vehicle registration fee of $100 to $120 per vehicle per year to the total number of private vehicles registered in York Region on an annual basis. Using this assumption, and applying an administrative fee approximating three per cent of revenue (City of Toronto's administrative costs in 2010), a vehicle registration tax could generate approximately $65 to $80 million annually. This amount is expected to grow each year, as vehicle registrations increase at an average rate of 1.6 per cent a year.

6. Local Municipal Impact

New revenues could be shared with local municipalities

Revenues generated from *City of Toronto Act, 2006* revenue-raising powers, could be shared with local municipalities to address their infrastructure priorities. For example, the amount of revenue shared could be based on the size of capital budget, the value of capital assets owned by the Region and each of the local municipalities, or past capital expenditures.

7. Conclusion

City of Toronto Act, 2006 revenue-raising powers are needed to enable the Region to grow in a financially sustainable way

In order to for the Region to continue to build the infrastructure required for growth and address that infrastructure's asset management costs in a financially sustainable way, new revenue sources are needed.

It is recommended that Council continue to advocate for all *City of Toronto Act, 2006* revenue-raising powers, including a municipal land transfer tax and a vehicle registration tax.

For more information on this report, please contact Edward Hankins, Director, Treasury Office, at 1-877-464-9675 ext. 71644.

The Senior Management Group has reviewed this report.

April 27, 2018

8422731

Accessible formats or communication supports are available upon request

Espanola

The Corporation of the Town of Espanola
100 Tudhope Street • Suite 2, Espanola, Ontario P5E 1S6
Telephone: (705) 869-1540 • Facsimile: (705) 869-0083
Website: www.espanola.ca

May 24, 2018

Ernie Hardeman
12 Perry St.
Woodstock, ON
N4S 3C2

Dear Mr. Hardeman,

Please be advised that during the Regular Meeting of Council of May 22, 2018 the following resolution was adopted:

"Be It Resolved That: The Town of Espanola support the Municipality of East Ferris' resolution #2018-165 regarding the right to approve landfill projects in their communities."

Sincerely,

Paula Roque

Paula Roque
Clerk

Encl.

Cc: All Ontario Municipalities

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390 HIGHWAY 94, CORBEIL, ONTARIO P0H 1K0
TEL.: (705) 752-2740 FAX.: (705) 752-2452
Email: municipality@eastferris.ca

REGULAR COUNCIL MEETING
HELD
May 8th, 2018

No. 2018-165

Moved by Councillor Kelly

Seconded by Councillor Voyer

WHEREAS municipal governments in Ontario do not have the right to approve landfill projects in their communities, but have authority for making decisions on all other types of development;

AND WHEREAS this out-dated policy allows private landfill operators to consult with local residents and municipal Councils, but essentially ignore them;

AND WHEREAS municipalities already have exclusive rights for approving casinos and nuclear waste facilities with their communities; AND FURTHER that the province has recognized the value of municipal approval for the siting of power generations facilities;

AND WHEREAS the recent report from Ontario's Environmental Commissioner has found that Ontario has a garbage problem, particularly from Industrial, Commercial and Institutional waste generated within the City of Toronto, where diversion rates as low as 15%;

AND WHEREAS municipalities across Ontario are quietly being identified and targeted as potential landfill sites;

AND WHEREAS municipalities should be considered experts in waste management, as they are responsible for this within their own communities, and often have decades' worth of in-house expertise in managing waste, recycling, and diversion programs;

AND WHEREAS municipalities should have the right to approve or reject these projects and assess whether the potential economic benefits are of sufficient value to offset any negative impacts and environmental concerns;

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Email: municipality@eastferris.ca

REGULAR COUNCIL MEETING
HELD
May 8th, 2018

THEREFORE BE IT RESOLVED that the Municipality of East Ferris supports Bill 16, *Respecting Municipal Authority over Landfilling Sites Act* introduced by MPP Ernie Hardeman and call upon the Government of Ontario, and all political parties, to formally grant municipalities the authority to approve landfill projects in or adjacent to their communities;

AND FURTHER that the Municipality of East Ferris send copies of this resolution to MPP Ernie Hardeman and all municipalities.

Carried Mayor Vrebosch

CERTIFIED to be a true copy of
Resolution No. 2018-165 passed by the
Council of the Municipality of East Ferris
on the 8th day of May, 2018.

Monica L. Hawkins, AMCT
Clerk

OFFICE OF THE MAYOR
CITY OF HAMILTON

May 24, 2018

The Honourable Kathleen Wynne
Premier of Ontario
Legislative Building
Queen's Park
Toronto, ON M7A 1A1

Mr. Doug Ford
Leader, Progressive Conservative Party of Ontario
Room 381, Main Legislative Building
Queen's Park
Toronto, Ontario M7A 1A8

Ms. Andrea Horwath
Leader, New Democratic Party of Ontario
Room 115, Main Legislative Building
Queen's Park
Toronto, Ontario M7A 1A5

Dear Premier Wynne, Provincial Party Leaders Ford and Horwath:

On May 23, 2018, Hamilton City Council approved Item 4 of Planning Committee Report 18-008 which reads as follow:

4. Municipalities call on the Province for the "Right to Approve" Landfill Developments (Item 6.1)

WHEREAS municipal governments in Ontario do not have the right to approve landfill projects in their communities, but have authority for making decisions on all other types of development;

WHEREAS, this out-dated policy allows private landfill operators to consult with local residents and municipal Councils, but essentially ignore them;

WHEREAS, proposed Ontario legislation (Bill 139) will grant municipalities additional authority and autonomy to make decisions for their communities;

WHEREAS, municipalities already have exclusive rights for approving casinos and nuclear waste facilities within their communities, and the Province has recognized the value of municipal approval for the siting of power generation facilities;

71 MAIN STREET WEST, 2ND FLOOR, HAMILTON, ONTARIO L8P 4Y5 PHONE 905.546.4200 FAX: 905.546.2340

WHEREAS, the recent report from Ontario's Environmental Commissioner has found that Ontario has a garbage problem, particularly from Industrial, Commercial and Institutional (ICI) waste generated within the City of Toronto, where diversion rates are as low as 15% and, unless significant efforts are made to increase recycling and diversion rates, a new home for this Toronto garbage will need to be found, as landfill space is filling up quickly;

WHEREAS, municipalities across Ontario are quietly being identified and targeted as potential landfill sites for future Toronto garbage by private landfill operators;

WHEREAS, other communities should not be forced to take Toronto waste, as landfills can contaminate local watersheds, air quality, dramatically increase heavy truck traffic on community roads, and reduce the quality of life for local residents;

WHEREAS, municipalities should be considered experts in waste management, as they are responsible for this within their own communities, and often have decades' worth of in-house expertise in managing waste, recycling, and diversion programs; and

WHEREAS, municipalities should have the exclusive right to approve or reject these projects, and assess whether the potential economic benefits are of sufficient value to offset any negative impacts and environmental concerns;

THEREFORE, BE IT RESOLVED:

(a) That the City of Hamilton calls upon the Government of Ontario, and all political parties, to formally grant municipalities the authority to approve landfill projects in, or adjacent to their communities, prior to June 2018;

(b) That in the case of a two-tier municipality, the approval be required at both the upper-tier and affected lower-tier municipalities;

(c) That the City of Hamilton encourages all other municipalities in Ontario to consider this motion calling for immediate Provincial action;

(d) That copies of this resolution be forwarded to the Association of Municipalities of Ontario (AMO), the Ontario Good Roads Association and the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA).

We respectfully request your timely response to this very important matter.

Sincerely,

Fred Eisenberger
Mayor

Copies to:

Association of Municipalities of Ontario (AMO)
Ontario Good Roads Association
Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA)
Municipalities of Ontario

CITY OF QUINTE WEST

Office of the Mayor
Jim Harrison

P.O. Box 490
Trenton, Ontario, K8V 5R6

TEL: (613) 392-2841
FAX: (613) 392-5608

May 28, 2018

Ms. Lynn Dollin, President
Association of Municipalities of Ontario
200 University Ave, Suite 801
Toronto, ON M5H 3C6

RE: Resolution – Cannabis Grace Period Request

Dear: Ms. Lynn Dollin,

This letter will serve to advise that at a meeting of City of Quinte West Council held on May 22, 2018 Council passed the following resolution:

> "That the Council of the City of Quinte West requests that once the cannabis legislation is passed that a six month grace period be enacted to ensure that municipal law enforcement officers and the Ontario Provincial Police are adequately trained to enforce the said legislation;
>
> And further that this resolution be circulated to the local MP, MPP, AMO, and other municipalities. **Carried**"

We trust that you will give favourable consideration to this request.

Sincerely,

CITY OF QUINTE WEST

Jim Harrison
Mayor

cc: MP Neil Ellis, Bay of Quinte
cc: MPP Lou Rinaldi, Northumberland-Quinte West

LEGISLATIVE SERVICES
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JUN 04 2018

OFFICE OF THE MAYOR
CITY OF HAMILTON

May 31, 2018

The Honourable Kathleen Wynne
Premier of Ontario
795 Eglinton Avenue East, Suite 101
Toronto, ON M4G 4E4

Dear Premier Kathleen Wynne:

Re: Town of Oakville's resolution regarding a Renewed Commitment to the Greenbelt

At its meeting of May 23, 2018, City Council supported the Town of Oakville's resolution (attached) dated May 7, 2018 respecting Renewed Commitment to the Greenbelt.

Sincerely,

Mayor Fred Eisenberger

cc. Vicki Tytaneck, Town Clerk, Town of Oavkille
Andrea Horwath, Leader, New Democratic Party of Ontario
Doug Ford, Leader, Progressive Conservative Party of Ontario
Mike Schreiner, Leader, Green Party of Ontario
Bill Mauro, Minister of Municipal Affairs
Greater Golden Horseshoe Municipalities
Association of Municipalities of Ontario
Environmental Defence
Friends of the Greenbelt Foundation
Municipal Leaders for the Greenbelt

File C18-010
(5.11)

71 MAIN STREET WEST, 2ND FLOOR, HAMILTON, ONTARIO L8P 4Y5 PHONE 905.546.4200 FAX: 905.546.2340

OAKVILLE

May 7, 2018

Subject: In Consideration of a Renewed Commitment to the Greenbelt

At its meeting on April 30, 2018, Oakville Town Council approved the following motion:

> ***WHEREAS, the Greenbelt is an integral component of land use planning that complements the Growth Plan to encourage smart planning, the reduction of sprawl, protection of natural and hydrological features and agricultural lands; and***
>
> ***WHEREAS, the Greenbelt has protected 1.8 million acres of farmland, local food supplies, the headwaters of our rivers and important forests and wildlife habitat for over 12 years; and***
>
> ***WHEREAS, a permanent Greenbelt is an important part of the planning for sustainable communities; and***
>
> ***WHEREAS, there is a tremendous amount of land already planned and available in excess of the development needs of the GTA without weakening the protections provided by the Greenbelt; and***
>
> ***WHEREAS, efforts to open the Greenbelt create the opportunity for land speculators to build expansive homes, at immense profits, in remote areas; and***
>
> ***WHEREAS, opening the Greenbelt will move the urban boundary thus creating more sprawl and increased traffic; and***
>
> ***WHEREAS, the costs of sprawl result in increased taxes, because 25% of the costs of sprawl are downloaded to existing property tax payers; and***
>
> ***WHEREAS programs like the proposed inclusionary zoning regulations will assist municipalities in advancing the supply of affordable housing stock without the need to expand the built boundary;***
>
> ***WHEREAS the Town of Oakville was the originator of the Urban River Valley designation;***

Town of Oakville | 1225 Trafalgar Road, Oakville, Ontario L6H 0H3 | 905-845-6601 | www.oakville.ca

THEREFORE BE IT RESOLVED,

THAT the Town of Oakville stand with its municipal neighbours to undertake continued action to maintain and grow the current Greenbelt; and

THAT the province be strongly urged to extend Greenbelt protection to include the appropriate whitebelt lands within the inner ring, lands that are the most immediately vulnerable to development in the province; and

THAT this resolution be distributed to the leaders of all parties represented in the Legislature, the Minister of Municipal Affairs, all Greater Golden Horseshoe municipalities, the Association of Municipalities of Ontario, Environmental Defence, Friends of the Greenbelt Foundation and members of Municipal Leaders for the Greenbelt.

Should you have any questions regarding this matter or should you require any additional information, please contact me at 905-845-6601, extension 2003, or email vicki.tytaneck@oakville.ca.

Yours truly,

Vicki Tytaneck
Town Clerk

c: Andrea Horwath, Leader, New Democratic Party of Ontario
Doug Ford, Leader, Progressive Conservative Party of Ontario
Kathleen Wynne, Leader, Ontario Liberal Party
Mike Schreiner, Leader, Green Party of Ontario
Bill Mauro, Minister of Municipal Affairs
Greater Golden Horseshoe Municipalities
Association of Municipalities of Ontario
Environmental Defence
Friends of the Greenbelt Foundation
Municipal Leaders for the Greenbelt