

INFORMATION REPORT

TO:	Chair and Members Development Charges Stakeholders Sub-Committee
COMMITTEE DATE:	March 25, 2019
SUBJECT/REPORT NO:	Development Charges By-law Policy - 2019 Development Charges Academic Comparators (FCS18062(d)) (City Wide)
WARD(S) AFFECTED:	City Wide
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SIGNATURE:	

COUNCIL DIRECTION

N/A

INFORMATION

The draft 2019 Development Charges (DC) By-law does not provide a DC exemption for Academic Space. As additional information, staff has prepared the following summary of how Academic Space is treated in the DC By-laws of some comparator municipalities as well as a summary of how the Payment-in-lieu (PIL) of Taxes on Colleges, Universities, Correctional Facilities and Hospitals ("Heads and Beds") revenue has decreased in value since the Province implemented the current per unit rate in 1987.

Table 1 summarizes the exemptions related to academic space for the identified Ontario municipalities. The practices below do not apply to Crown agents which, through case law, are eligible to receive a mandatory DC exemption for academic space.

Table 1
Academic DC Exemption in Comparator Municipalities

Municipality	Treatment of Academic Space in DC By-Law
City of Toronto	DCs exempt for buildings used for teaching
City of Kingston	No Exemption
Region of Waterloo	No Exemption
City of Waterloo	DCs exemption for academic space within the “academic” zones in the official plan – industrial, research, commercial uses not exempt
City of Windsor	DCs exempt for academic space
City of Ottawa	No Exemption
City of London	Only until replaced by a CIPA program - 50% exemption of “City Services” (excludes W/WW/Storm) where established pursuant to the <i>Ministry of Colleges and Universities Act</i> .
Niagara Region	No Exemption
City of Mississauga	DCs exempted for “purpose of university established by an Act of the Legislative Assembly of Ontario”
City of Guelph	DCs exempt for university related purposes within university defined area

Several municipalities in Ontario have long requested that the Province correct the inequity of the “heads and beds” levy paid in lieu of property taxes by colleges, universities, correctional facilities and hospitals. The current \$75 per “head” for colleges / universities and “bed” for hospitals / correctional facilities, has not only been frozen since 1987 but it grossly understates the escalating costs of providing municipal services.

The PIL received by municipalities based on the prescribed \$75 per head / bed is significantly less than if the legislated per head / bed amount had been indexed for inflation. Table 2 shows how the prescribed \$75 per head / bed has changed in value due to the amount remaining static for the past 31 years and what the per head / bed rate would be in 2018 if it had been indexed for inflation.

Table 2
Heads and Beds Per Unit Rate Information

Heads and Beds per unit rate in 1987	\$75.00
Value of \$75 in 1987 stated in 2018	\$39.13
Calculated Heads and Beds per unit rate if the 1987 rate had been indexed with CPI to 2018	\$143.75

Appendices and Schedules Attached

None

LG/dt