Finance Department
Commissioner's Office

MEMORANDUM

TO: York Region Council

FROM: Lloyd Russell
Commissioner of Finance

DATE: May 17, 2007

RE: **Supplemental Information Requested at May 3, 2007 Finance and Administration Committee**

Please find attached the supplemental information requested during the May 3, 2007 Finance and Administration Committee meeting regarding development charges. This information includes the foregone revenues associated with the various phase-in options. Information regarding the tax levy impact will follow.

LR/mtc

Attachment

Copy to: Bruce Macgregor, CAO
Tony Haddad, Director, Business Planning & Budgets

e-docs #416594

2007 DEVELOPMENT CHARGE BY-LAW
SUPPLEMENTAL INFORMATION

FOREGONE REVENUES

Foregone Revenues - Residential

Option 1 – Full Cost Recovery	**$0 Million**
Option 2 – 10% Increase in June, balance for Single / Semi Sept. 17, 2007, Apartments Dec. 17, 2007	**$9.1 Million**
Option 3 – 10% Increase in June, ½ subway charge; Full rates for Single / Semi Sept. 17, 2007, Apartments services Dec. 17, 2007	**$11.2 Million**
Option 4 - 10% Increase on Hard Services, 10% increase on Soft Services on June 18, 2007. (Results in subway charge of approximately 70% of the full amount on June 18) Full rates for Single / Semi Sept. 17, 2007, Apartments services Dec. 17, 2007	**$13.4 million**

Foregone Revenues – Non-residential

Summary – Options:

Option 1	Equal Phase-In To Full Cost Recovery Over 5 Years
Option 2	10% Increase For 6 Months; Equal Phase-In To Full Cost Recovery Over 4.5 Years
Option 3	10% Increase for 6 months; Equal Phase-In To Increased Recovery (90%) Over 4.5 Years; Full Cost Recovery Rates for Roads at Phase 5, Water/Sewer 90% Recovery. Rates increase by 10% in Phase 1, equal increases afterward
Option 4	10% Increase For 6 Months; Equal Phase-In To Full Cost Recovery Over 3.5 Years

Revenue – Non-Residential Foregone over 5 year the term of the by-law			
Option:	Non-Retail	Retail	**Total**
1	$80.7 Million	$41.6 Million	**$122.3 Million**
2	$89.3 Million	$45.7 Million	**$135.0 Million**
3	$120.0 Million	$55.4 Million	**$175.4 Million**
4	$75.1 Million	$38.4 Million	**$113.6 Million**

If the second step for the non-residential Phase-in is nine months after the first phase comes into effect, the foregone revenue over the 5 year term of the by-law for Option 4 is as follows:

	Non-Retail	Retail	**Total**
Option 4 – 9 month phase-in	$77.5 Million	$39.7 Million	**$117.5 Million**

The foregone revenue of phasing in the subway rate over a six month period is $1.9 million.

If the nine-month phase-in applies to the subway charge as well, the foregone revenue is $2.8 million for the subway component.