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Sophia Harris,  
Board Recording Secretary  
Toronto Catholic District School Board  
80 Sheppard Avenue East  
Toronto, Ontario

May 30<sup>th</sup> 2018

Dear Ms. Harris

***Re: Education Development Charges Policy Review***

The Real Property Association of Canada ("REALPAC") is Canada's senior industry association for owners and managers of investment real estate. Our members include publicly traded real estate companies, real estate investment trusts ("REIT"s), private companies, pension funds, banks, and life insurance companies with assets each in excess of \$100 million. The association is further supported by large owner/occupiers and pension fund advisors as well as individually selected investment dealers and real estate brokerages.

Our members develop, build and own the offices, apartments, industrial warehouses, homes, and retail facilities Canadians rely on to live, work, shop and play in Toronto and throughout Canada.

We have recently become aware of the proposal by the TCDSB to raise Education Development Charges in the City of Toronto, potentially by some 800%. This proposal has surprised many of our GTA-based members and has caused significant concern about the attractiveness of the Toronto development environment. Given how late this study and plan has come to be revealed, without revision, it will once again increase the cost of living and doing business in the City of Toronto.

We recognize that the Toronto District School Board has a mandate to provide the sufficient capacity that would accommodate increasing enrolments. However, the scale of the proposed increase is punitive and will make many marginal development opportunities uneconomic and unlikely to move forward. The It will financially punish those housing providers and development groups who already have land positions, established and completed pro-formas and related plans to develop, but no building permit in hand. Some may not be able to bear the burden of increased costs brought on by this proposal, and therefore would need to carefully re-evaluate whether to proceed with a development proposal in its entirety.

We respectfully would ask the TCDSB to consider the context within which it seeks to dramatically increase taxes in the City of Toronto. The City is rapidly becoming unaffordable for entities seeking to provide the much-needed homes, offices and retail premises vital to our local and provincial economy. Some of this has to do with tax push, some with continued demand, and some with constrained supply. The industry has been dramatically encumbered with negative regulatory changes such as: expanded rent control, the elimination of the Ontario Vacant Unit Rebate, dual provincial and municipal Land Transfer Taxes in the City of Toronto, inclusionary zoning requirements on the near horizon, heavy Business Education Taxes, and other hidden regulatory and financial pressures within the current development regime.

With respect, we believe the proposal for the TCDSB to raise development charges by a factor of 8 works at cross purposes with the City's initiative to promote employment growth in office and industrial areas. The City of Toronto has made it abundantly clear through various policy roadmaps, that the City's economic competitiveness will to a large degree depend on building more capacity to house jobs in the commercial and industrial sectors. Any proposal which would affect commercial development (as this proposal would), would in our estimation, negatively impact the City's aforementioned objective.



While the background report itself states that it follows the appropriate methodology, REALPAC does not recognize any attempt to adjust local enrolments or school area boundaries to meet current needs of Toronto families, no attempt at mitigation, and no creative solutions to a situation where there clearly is a mismatch between excess capacity in some schools and a shortage in others. We encourage the TCDSB to consider alternative methods to addressing these capacity-related challenges before resorting to a heavy-handed financial exaction like that which has been proposed.

Developers typically plan projects out three or four years. There is no phasing plan included in the Board's proposal. A proposal which would impose development charges increases immediately not only fails to consider the nature of development as a multi-year proposition, but also does little to consider fundamental questions of fairness for those entities who are actively partnering with government in City-building.

Accordingly, we oppose this drastic increase. We would however be prepared to work with the TCDSB on adaptation and a more modest approach to satisfying the capacity and accommodation needs as they related to statutory requirements set out in the legislation.

Yours very truly,

A handwritten signature in black ink, appearing to be "Michael Brooks", written over a large, loopy, circular flourish.

Michael Brooks  
CEO  
REALPAC