

**EDC Amendment**

**Prepared for**  
**TORONTO CATHOLIC DISTRICT SCHOOL BOARD**  
May 8, 2015



Enhancing Our Living and  
Learning Communities



**TORONTO CATHOLIC DISTRICT SCHOOL BOARD**  
**PROPOSED EDC BY-LAW AMENDMENT 2015**

**Background**

Education Development Charges are a primary source of revenue available to the Board to fund site acquisition/site development needs related to projected enrolment growth. Under the *Education Act*, a Board may pass a by-law amending a current education development charge by-law. A Board can only amend a by-law once in a one year period if the amendment would cause any of the following:

- Increase the amount of an EDC;
- Remove or reduce the scope of an exemption;
- Extend the term of the by-law.

According to the legislation, a Board must give notice of a proposed amendment to its EDC by-law. This notice must contain:

1. A statement that the Board proposes to amend the EDC;
2. An explanation of the EDC imposed by the EDC by-law on residential and non-residential development;
3. An explanation of the proposed amending by-law;
4. A description of the land to which the EDC by-law applies;
5. A key map showing the lands or an explanation as to why a map is not provided;
6. An explanation of where and when persons may examine a copy of the proposed amending by-law.

If the Board passes an amending by-law, notice must also be given of the passage and include:

1. A statement that the board has passed a by-law amending the EDC by-law;
2. A statement setting out when the amending by-law was passed and the amending by-law number;
3. A statement that any person or organization may appeal the amending by-law to the OMB by filing with the Secretary of the Board a notice of appeal setting out the objection to the amending by-law;
4. A statement setting out the last date of appeal;
5. A statement that an appeal may not raise an issue that could have been raised in an appeal of the existing EDC by-law.

Notice should be given in a newspaper of sufficient circulation and should also be provided to the Clerk of the City of Toronto, co-terminous Boards and the Ministry of Education. Ministerial approval is not required to pass an EDC by-law amendment. A public meeting is also not a requirement of the amendment process; however, Boards are encouraged to hold a public meeting to inform the community of their intent. If the Board decides to hold a public meeting, notice should be given at least 20 days in advance of the meeting.

### **Process**

On June 6, 2013 the Toronto Catholic District School Board (TCDSB) passed an Education Development Charge (EDC) By-law that is applicable to development that occurs in the City of Toronto (with the exception of certain exempted lands). The 2013 EDC charge for the TCDSB was \$1,309 per residential dwelling unit and \$0.94 per square foot of non-residential gross floor area. This was based on 75% of the charge allocated to residential development and 25% to non-residential development. The Board agreed to phase in this EDC over a period of 5 years given that the Board had been unable to secure the required growth-related lands since the original by-law inception in 2001, due to the complexity of land assembly in the City of Toronto. As such, the Board had an EDC account surplus in the order of \$40.6 million at the time of by-law passage.

During by-law passage, the Board asked staff to bring forward a report detailing the EDC account balance and make any recommendations respecting any proposed increase or decrease in the charge, prior to the July 1<sup>st</sup> phase in dates each year of the 5-year phase-in period. Staff reports have been presented to Trustees each Spring, with the result that there has been no change to the phase-in provisions to date.

The agreed to phase-in rates contained in the 2013 EDC By-law are set out below.

<b>RESIDENTIAL CHARGE – Section 8</b>		
<b>By-law Period</b>		<b>Education Development Charge Per Dwelling Unit</b>
Year 1	July 1, 2013 to June 30, 2014	\$693
Year 2	July 1, 2014 to June 30, 2015	\$841
Year 3	July 1, 2015 to June 30, 2016	\$990
Year 4	July 1, 2016 to June 30, 2017	\$1,150
Year 5	July 1, 2017 to June 30, 2018	\$1,309

<b>NON-RESIDENTIAL CHARGE – Section 11</b>		
<b>By-law Period</b>		<b>Education Development Charge Per Square Foot of Gross Floor Area of Non-Residential Development</b>
Year 1	July 1, 2013 to June 30, 2014	\$0.62
Year 2	July 1, 2014 to June 30, 2015	\$0.67
Year 3	July 1, 2015 to June 30, 2016	\$0.71
Year 4	July 1, 2016 to June 30, 2017	\$0.83
Year 5	July 1, 2017 to June 30, 2018	\$0.94

The purpose of this proposed EDC By-law amendment is twofold:

Since the inception of the 2013 by-law, the Board has acquired site parcels and incurred additional site preparation costs resulting in the 2013 surplus of \$40,641,656 in the EDC Account being reduced by 41% to \$23,928,542 as of April 2015. The existing balance in the EDC Account recognizes expenditure transactions and revenue collections occurring since July 1, 2013 to April 2015. Given this rapid reduction in the 2013 opening balance surplus and the anticipated EDC-eligible expenditures to be incurred in 2015, the Board estimates being in a deficit position in the EDC account.

Moreover, an internal review has determined that the Board has little or no ability to fund an EDC account deficit from existing working capital. Therefore, there is a need to secure outside financing should there be a deficit in the account.

This position will be exacerbated if the Board continues to phase in the calculated EDC rate over the remaining term of the existing 5-year EDC by-law. As such, it is the Board's position that the

provision for the 5-year phase in of the charge leading to the full adoption of the calculated EDC of \$1,309 per Residential Unit and \$0.94 per sq. ft. of Non-Residential Gross Floor Area be removed.

Further, Board staff have continued to monitor the impact of actual EDC Expenditures as compared to the estimated expenditures set out in the 2013 EDC Background Study. Upon examination of actual expenditures incurred in the acquisition of EDC-eligible school sites since July 1, 2013, the 2013 EDC has been recalculated to adjust for site acquisition costs being higher than the appraised values provided in 2013. There were four land parcels in particular that prompted the Board to discuss a proposed amendment to its EDC By-law. These sites have been highlighted in the attached Table 1.

### **Methodology**

The first step in a Board's process to amend an EDC by-law is to determine the reason for amendment. In the case of the TCDSB, the amendment is related to an increase in the purchase price of four of its EDC sites compared to the appraised values in the EDC Background Study. Only sites which have been purchased have had revisions made to reflect the actual per acre purchase price in the amendment process. All other sites contained in the 2013 EDC Background Study have remained unchanged.

All assumptions and calculations, exclusive of the aforementioned costs, have remained unchanged from the 2013 EDC Background Study.

Form H1 outlines the actual growth-related net education land costs the Board is eligible to collect as well as the residential/non-residential allocations and the actual chargeable rates. As a result of the revisions, the total growth-related net education land costs for which the Board is eligible to collect EDCs have increased. The total growth-related net education land costs in the 2013 by-law were \$268.4 million. The proposed amended growth-related net education land costs are \$319.1 million, an increase of \$50.7 million or almost 18.9%.

The increase in land costs has resulted in an increased Education Development Charge. The resulting proposed charge is \$1,556 per residential unit, an increase of \$247 (18.9%) from the

existing calculated 2013 charge without the phase in provisions of \$1,309 per unit. For non-residential development, the charge increased from the current 2013 charge of \$0.94 per square foot without the phase in provisions to \$1.12 per square foot, an increase of \$0.18 (18.9%) per square foot.

It is the Toronto Catholic District School Board's intention to consider the proposed amendment at its May 21, 2015 Board Meeting with proposed implementation date of July 1, 2015. If on May 21, 2015 the Board proceeds with the adoption of the amendment, the official notice of the proposed amendment will contain all required information.



TABLE 1

Description of Growth-related Site Acquisition Needs:	Site Status	Proposed Year of Acquisition	NGRPP Requirements	Proposed School Capacity	% of Capacity Attributable to NGRPP Requirements	Total # of Acres Required	EDC Eligible Acres	Cost per Acre	Education Land Costs	Eligible Site Preparation Costs	Land Escalation Costs	Site Preparation Escalation Costs	Less Previously Financed from Predecessor By-law	Financing Costs	Total Education Land Costs
CE01 Lakeshore Grounds elementary school (2.16 acre site) (site leased from City of Toronto for \$1 per annum in perpetuity)	leased	0	51	536	9.5%	2.16	6.00	\$ -	\$ -	\$ 1,909,035	\$ -	\$ -	\$ 20,035	\$ -	\$ 1,889,000
CE01 New school site in NE portion of South Etobicoke to serve Bloor Dundas development	partially acquired	2015	595	525	100.0%	6.90	6.90	\$ 3,588,922	\$ 24,763,560	\$ 553,035	\$ -	\$ 69,411	\$ -	\$ -	\$ 25,386,006
CE02 New site in central portion of Central Etobicoke		2016	520	475	100.0%	5.75	5.75	\$ 2,300,000	\$ 13,225,000	\$ 460,863	\$ -	\$ 73,404	\$ -	\$ -	\$ 13,759,266
CE05 Expansion of St. John The Evangelist ( temporarily relocated pupils to St. Josephat in anticipation of this strategy)	partially acquired	2013	235	0	100.0%	2.70	2.70	\$ 6,339,482	\$ 17,132,449	\$ 216,605	\$ -	\$ 13,192	\$ 21,274	\$ -	\$ 17,340,972
CE06 New elementary school to serve Downsview and York		2018	454	425	100.0%	5.75	5.75	\$ 1,750,000	\$ 10,062,500	\$ 460,863	\$ 2,327,925	\$ 105,941	\$ -	\$ 2,620,701	\$ 15,577,929
CE06 St. Simon (included in EDC account reconciliation)															
CE07 New school site in West Donlands (Former Duke of York)	partially acquired	2013	619	550	100.0%	6.90	6.90	\$ 6,472,862	\$ 44,662,745	\$ 1,553,035	\$ -	\$ 301,370	\$ -	\$ -	\$ 46,517,150
CE08 Yonge corridor south of Hwy 401 site		2024	379	425	89.2%	7.80	6.96	\$ 2,431,364	\$ 16,911,996	\$ 557,505	\$ -	\$ 261,209	\$ -	\$ 3,586,175	\$ 21,316,885
CE08 New Lawrence Heights elementary school		2024	373	425	87.8%	5.75	5.05	\$ 3,000,000	\$ 15,139,412	\$ 404,475	\$ -	\$ 189,510	\$ -	\$ 3,182,203	\$ 18,915,600
CE09 Expansion of St. Norbert site	owned	2013	359	359	100.0%	2.85	2.85	\$ 4,485,000	\$ 12,782,250	\$ 228,428	\$ -	\$ 13,912	\$ 31,648	\$ -	\$ 12,992,941
CE10 Expansion of St. John site		2013	222	222	100.0%	2.55	2.55	\$ 4,225,000	\$ 10,786,425	\$ 1,674,623	\$ -	\$ 101,984	\$ -	\$ -	\$ 12,563,032
CE12 New school site in central portion of review area		2015	549	525	100.0%	6.90	6.90	\$ 3,750,000	\$ 25,875,000	\$ 553,035	\$ -	\$ 69,411	\$ -	\$ -	\$ 26,497,446
CE13 New St. Cyril site		2019	184	425	43.3%	5.75	2.78	\$ 2,547,573	\$ 7,082,253	\$ 222,817	\$ -	\$ 59,441	\$ -	\$ 1,489,530	\$ 8,854,041
CE13 Expansion of St. Antoine Daniel site		2016	419	419	100.0%	2.12	2.12	\$ 4,106,347	\$ 8,705,456	\$ 162,220	\$ -	\$ 25,838	\$ -	\$ -	\$ 8,893,514
CE13 Concord Adex (Cdn Tire) site		2014	294	294	100.0%	1.80	1.80	\$ 8,083,571	\$ 14,550,428	\$ 1,614,270	\$ -	\$ 149,686	\$ 1,302	\$ -	\$ 16,313,082
CE14 Expansion of St. Boniface site	owned	2014	152	152	100.0%	2.89	2.89	\$ 4,330,677	\$ 12,515,657	\$ 231,634	\$ -	\$ 21,479	\$ -	\$ -	\$ 12,768,769
CE14 Port Union site (included in EDC account analysis)															
CE15 New site to serve Scarborough Town Centre development		2022	341	425	80.2%	5.75	4.61	\$ 3,750,000	\$ 17,300,735	\$ 1,839,774	\$ -	\$ 706,904	\$ -	\$ 4,014,295	\$ 23,861,709
CS01 Father John Redmond (previously funded from EDCs)															
CS02 Dante Alighieri replacement with enrolment growth	subject of on-going land assembly strategy	2022	437	1,300	100.0%	6.62	6.62	\$ 4,640,000	\$ 30,735,360	\$ 530,914	\$ -	\$ 203,995	\$ 3,266	\$ 6,364,449	\$ 37,831,452
CS02 Waterfront secondary school (assumed above grade leasehold of 130,000 sq. ft.) based on the NPV of a 20-year lease at \$25.00 per sq. ft.		2025	226	1,000	22.6%	2.71	2.71	\$ 341,592	\$ 936,396	\$ 3,279,867	\$ -	\$ 1,881,226	\$ -	\$ 1,190,791	\$ 7,078,280
CS03 Permanent location for St. Joseph Morrow Park	P&S agreement in place	2013	669	1,350	49.5%	7.93	7.93	\$ 4,597,155	\$ 29,421,791	\$ 2,962,960	\$ -	\$ 180,444	\$ 12,830	\$ -	\$ 32,552,365



**Toronto Catholic District School Board  
Education Development Charges Submission 2013  
Form H1 - EDC Calculation - Uniform Residential and Non-Residential  
AS AMENDED - MAY 2015**

**Determination of Total Growth-Related Net Education Land Costs**

Total:	Education Land Costs (Form G)	\$ 359,037,837
Add:	EDC Financial Obligations (Form A2)	
<b>Subtotal:</b>	<b>Net Education Land Costs</b>	<b>\$ 359,037,837</b>
Less:	Operating Budget Savings	\$ -
	Positive EDC Account Balance	\$ 40,641,656
<b>Subtotal:</b>	<b>Growth-Related Net Education Land Costs</b>	<b>\$ 318,396,181</b>
Add:	EDC Study Costs	\$ 700,000
<b>Total:</b>	<b>Growth-Related Net Education Land Costs</b>	<b>\$ 319,096,181</b>

**Apportionment of Total Growth-Related Net Education Land Costs**

Total Growth-Related Net Education Land Costs to be Attributed to Non-Residential Development (Maximum 40%)	25%	\$ 79,774,045
Total Growth-Related Net Education Land Costs to be Attributed to Residential Development	75%	\$ 239,322,136

**Calculation of Uniform Residential Charge**

Residential Growth-Related Net Education Land Costs	\$ 239,322,136
Net New Dwelling Units (Form C)	153,806
Uniform Residential EDC per Dwelling Unit	\$ 1,556

**Calculation of Non-Residential Charge - Use Either Board Determined GFA or Declared Value**

Non-Residential Growth-Related Net Education Land Costs	\$ 79,774,045
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	Non-Exempt Board-Determined GFA (Form D)	71,485,290
GFA Method:	Non-Residential EDC per Square Foot of GFA	\$ 1.12