



REPORT TO

REGULAR BOARD

EDUCATION DEVELOPMENT CHARGES (EDC) STATUS REPORT AND AMENDMENT TO BY- LAW TO INCREASE CHARGES

Proverbs 22:9

A generous man will himself be blessed, for he shares his food with the poor.

Created, Draft	First Tabling	Review
April 17, 2015	April 23, 2015	
D. Bilenduke; Senior Coordinator, Finance J. Ruscitti; Senior Manager, Planning Services J. Volek; Senior Coordinator of Planning, Accountability and Admissions P. De Cock; Comptroller, Business Services		
INFORMATION REPORT		

Vision:

At Toronto Catholic we transform the world through witness, faith, innovation and action.

Mission:

The Toronto Catholic District School Board is an inclusive learning community rooted in the love of Christ. We educate students to grow in grace and knowledge and to lead lives of faith, hope and charity



G. Poole

Associate Director of Academic Affairs

A. Sangiorgio

Associate Director of Planning and Facilities

Angela Gauthier

Director of Education

A. EXECUTIVE SUMMARY

This report provides an update on the status of the EDC Reserve. The report also informs the Board of the need to consider amending the EDC By-law to increase the charge to help offset any future deficit in the EDC account as a result of the anticipated increase in EDC obligations when compared to future EDC revenue. This will be the subject of a further report to the Board at the regular meeting of May 21, 2015.

B. PURPOSE

When approving EDC By-law #178 at its meeting on June 6, 2013 the Board of Trustees requested the following:

*“EDC By-law with a term of 5 years (staff to prepare **a status report** to the Board each May for the term of the By-law on the EDC account and **a recommendation** on whether or not to amend the Bylaw);”*

C. EVIDENCE/RESEARCH/ANALYSIS

1. Attached as *Appendix ‘A’* is a summary report of activity in the EDC reserve since its inception in 2001. Over this time, the Board has collected over \$129M in revenues while spending over \$103M on property acquisitions.
2. In the current fiscal year the TCDSB has collected \$5.7M in revenues and has spent \$15.9M on property acquisitions, leaving an unencumbered balance in the reserve of \$23,928,542.
3. Expenses are various legal and due diligence costs in administering the By-law and purchasing properties. Interest revenue on the reserve is calculated annually in August for the whole year.
4. TCDSB continues to receive monthly remittances from the City of Toronto of the charges it has collected on behalf of the Board.
5. The current rates are \$841 per dwelling unit and \$0.67 per square foot of gross floor area (GFA) for non-residential development. Over the term of the current By-law, the charge will increase from \$693 per dwelling unit (as of July 1, 2013) to \$1309 per dwelling unit (as of July 1, 2017), and from \$0.62 to \$0.94 per square foot of gross floor area for non-residential development over that same period.

6. Upon expiry of the By-law, the Board qualifies and becomes eligible to adopt a new by-law if it has a deficit in the EDC account, or has more students than capacity in either the elementary or secondary panel. If the Board fails to qualify based on the enrolment/capacity criterion, but its EDC account is in a deficit position, the Board would be eligible to adopt a new By-law.
7. An accelerated site acquisition program of the sites identified in the EDC Background Study will lead to a deficit in the EDC account. Also contributing to the deficit are site expenditures which have been higher than originally estimated for the By-law. The estimated EDC deficit, following committed acquisitions, is approximately \$60M.
8. Fiscal prudence requires that the Board monitor the EDC account balance and associated expenditure commitments against the account to ensure that the deficit remains manageable for the Board.
9. Under the legislation, the Board has the opportunity to amend the By-law to increase the charge beyond the phase-in rates should the deficit become too large.
10. The Board approved increase in the charge is to be phased in annually over the five year term of the By-law. The annual increase in the charge is shown below.

Current charge on residential development:

By-Law Period	Period	Residential Charge
	Charge to June 30, 2013	\$ 544
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	\$ 1150
Year 5	July 1, 2017 to June 30, 2018	\$ 1309

Current charge on non-residential development:

By-Law Period	Period	Non-Residential Charge
	Charge to June 30, 2013	\$ 0.58
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

11. A further report will be prepared for the consideration of Trustees at the regularly scheduled meeting of the Board on May 21, 2015. The report will present the amendment to be considered for passage by the Board. The proposed amendment will rescind the phase-in rates and expedite an increase in the charge in order to delay an anticipated EDC deficit as a result of EDC obligations which are likely to outpace future EDC revenues. The Board would be required to borrow externally to fund any deficit in the EDC account. The proposed amendment will also increase the charge to offset any site expenditures to date that were higher than originally estimated. More specifically, instead of a charge of \$990 per dwelling unit and \$0.71 per square foot of gross floor area for non-residential development effective for July 1, 2015, the respective charges would be at least \$1,309 and \$0.94. Based on rescinding the phase-in rates alone, there is the potential for the Board to realize an annual increase in EDC revenue estimated at \$12M, assuming the level of residential and non-residential building permits is consistent with 2014. This would be an additional \$36M over the remaining three years left in the term of the By-law.
12. An amendment to the EDC By-law requires a 20 day notification period followed by a public meeting. Consideration of an amendment by Trustees at the May 21st Board meeting would satisfy the 20 day notification period and the public meeting could be conducted as part of the Board meeting.

D. METRICS AND ACCOUNTABILITY

1. The Planning Department will continually reassess the revenue requirements against anticipated land acquisition costs as identified in the By-law.
2. A similar report will be prepared for the Board's consideration in April 2016.

E. CONCLUDING STATEMENT

This report is presented for the consideration of the Board.