

Ministry of
Municipal Affairs
and Housing

Ministère des
Affaires municipales
et du Logement

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January 25, 2016

Bruce Macgregor, Chief Administrative Officer
Regional Municipality of York
17250 Yonge Street
Newmarket, Ontario L3Y 6Z1

Re: Development Charges: Steeles Avenue

Dear Mr. Macgregor,

Thank you for meeting with us last year regarding the ability for the Regional Municipality of York (the Region) to use development charges to help fund capital expenditures it proposes to make through an agreement with the City of Toronto (the City) in respect of improvements to Steeles Avenue.

I understand from information provided by the Region that while Steeles Avenue represents the boundary between the Region and the City, the entire road allowance is within the City. I also understand that staff from the Region and the City have been discussing a cost-sharing and implementation agreement for improvements to Steeles Avenue related to the Donald Cousens Parkway to Morningside Avenue Link that would contemplate the Region paying for a share of the capital costs of said improvements.

This letter is a response to your request for a statement of the position of Ministry of Municipal Affairs and Housing staff on the applicability of the *Development Charges Act, 1997* (the Act) in the above-described context.

The Act provides a framework for municipalities to recover the capital costs associated with providing services, whether inside or outside a municipality, due to the increased need for services due to new development in the municipality. Such services can include those provided through infrastructure under the jurisdiction of other municipalities. A municipality needs to be able to demonstrate that it will be experiencing development, that this development will create an increased need for services and that the costs associated with the provision of those services will comprise capital costs, as defined in paragraphs 1 through 7 of s. 5(3) of the Act.

Accordingly, it is the view of Ministry staff that the Region can recover capital costs for services (including highway services) provided outside the Region, including costs for infrastructure under the City's jurisdiction, where the increased need for those services (i.e., the increased capacity required) arises in part from development in the Region and where those capital costs are either incurred by the Region or incurred by the City on behalf of and as authorized by the Region, such as through an agreement between the City and the Region.

Please do not hesitate to contact me if you have any further questions in respect of this matter.

Best regards,



Oliver Jerschow
Director, Municipal Finance Policy Branch

C: John Livey, Deputy City Manager, City of Toronto