

Wayne Emmerson
Chairman and CEO



The Regional Municipality of York
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June 25, 2020

The Hon. Rod Phillips, Minister of Finance
7 Queens Park Crescent, 7th Floor
Toronto, ON M7A 1Y7
rod.phillips@pc.ola.org

The Hon. Caroline Mulroney, Minister of Transportation
777 Bay Street, 5th Floor
Toronto, ON M7A 1Z8
Caroline.mulroney@pc.ola.ca

Dear Ministers,

We are reaching out to you on behalf of our 1.2 million residents and over 50,000 businesses, seeking your help in addressing the long-term fiscal sustainability of York Region.

On April 10, 2019, the Ontario government committed to building four subways for a total expected cost of \$28.5 billion, including the Yonge Subway Extension. Expected to be completed by 2029-2030, this project is a vital piece of infrastructure as its completion is embedded in the Province's Growth Plan population and employment targets for our communities.

Last month, our governments entered into the Ontario-York Region Transit Partnership Preliminary Agreement, signifying our mutual commitment to working in partnership to get this critical project built. Included in this agreement is a commitment from the province to continue working with York Region to identify any legislative changes that would allow the Region to fund our share of the project capital costs in a fiscally sustainable manner.

York Regional Council endorsed the [attached report](#) on June 25, 2020, highlighting capital-related fiscal pressures. Among the challenges currently faced by the Region is the pro-rated 26% municipal share of the total capital construction costs of the Yonge Subway Extension.

Changes to the *Development Charges Act* and *Municipal Act* are required to pay for York Region's share of the subway in a fiscally sustainable manner.

Under the *Development Charges Act* the Yonge Subway Extension is considered "transit" meaning its planning horizon for each bylaw is limited to 10 years. Regulatory changes are required to treat the subway as a discrete service – something previously established, for example, for the Spadina subway extension.

Compounding the issue for York Region is recent changes to the *Development Charges Act* which introduced the ability for developers to freeze their development charge rates before the subway is added to the bylaw. This change creates a significant disconnect between those who benefit from the subway and those who pay for it and runs counter to your expressed desire to maximize private sector funding.

Your expedience in enacting a Regulation to treat the subway as a discrete service with no specified time limit to the planning horizon, and an exemption from freezing and phasing provisions in the *Act*, would ensure those who benefit from the subway are also paying for it.

Non-growth related costs associated with the construction of the Yonge Subway Extension would be the responsibility of York Region's residents and businesses and could require unsustainable tax levy increases.

To fund the non-growth costs in a fiscally sustainable way, Regional Council also requests the province provide the Region with new revenue-raising powers. These could include revenue tools enjoyed by the City of Toronto (through the *City of Toronto Act, 2006*) such as a municipal land transfer tax and a vehicle registration tax.

Growth in our diverse communities has a track record of contributing to Provincial revenues at a rate well in excess of the provincial average. We are seeking your help to enact changes to both the *Development Charges Act* and the *Municipal Act* to ensure our municipalities have the ability to raise revenues for capital construction projects that help sustain the prosperity we all enjoy.

Sincerely,



Wayne Emmerson
Chairman and CEO



Mayor Frank Scarpitti
City of Markham



Mayor Maurizio Bevilacqua
City of Vaughan



Mayor Dave Barrow
City of Richmond Hill

cc Hon. Christine Elliott, MPP – Newmarket-Aurora
Hon. Stephen Lecce – MPP – King - Vaughan
Hon. Paul Calandra, MPP – Markham-Stouffville
Hon. Michael Tibollo, MPP – Vaughan Woodbridge
Gila Martow, MPP – Thornhill
Logan Kanapathi, MPP – Markham-Thornhill
Billy Pang, MPP – Markham-Unionville
Michael Parsa, MPP – Oak Ridges – Richmond Hill
Daisy Wai, MPP – Richmond Hill

Attachment: Fiscal Sustainability: 2020 Update



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