



Finance Department  
**MEMORANDUM**  
 Office of the Commissioner

TO: Regional Chair and Members of Regional Council

FROM: Mark Scinocca, Commissioner, Finance and Regional Treasurer

DATE: August 11, 2017

RE: **Cost of Growth in Halton Region**

The Development Charges Act (DCA), as amended, creates a significant financial challenge for municipalities, as it does not satisfy the “growth pays for growth” principle by not allowing municipalities to recover the full cost of growth.

During the 2017 DC Update, staff provided the annual cost of growth that cannot be collected under the current legislation to the Region of \$14.1 million. Subsequently, Council requested a review of the cost of growth as it pertains to all municipalities within Halton Region including the school boards. This memo is to provide a summary of these costs.

Below is a summary of the estimated annual funding gap under the current legislations. In Halton Region, including the Region, local municipalities and the school boards, the cost of growth is estimated at \$87.7 million per year based on the “growth pays for growth” principle.

	Annual Cost of Growth (\$000's)						
	Halton Region	Burlington	Oakville	Milton	Halton Hills	Halton School Boards <sup>2</sup>	Total
Capital							
Exempt Services <sup>1</sup>	\$ 4,693	\$ 1,414	\$ 4,540	\$ 4,163	\$ 489	\$ 35,717	\$ 51,016
Service Level Calculations	5,082	418	10,254	3,361	5,990	-	25,105
10% Discount	1,417	132	714	2,571	980	-	5,814
Mandatory Exemptions	2,884	650	702	1,312	238	-	5,786
<b>Total</b>	<b>\$ 14,076</b>	<b>\$ 2,614</b>	<b>\$ 16,210</b>	<b>\$ 11,407</b>	<b>\$ 7,697</b>	<b>\$ 35,717</b>	<b>\$ 87,721</b>

1. Exempt services for local municipalities include Hospitals.

2. Halton School Boards include the Halton District School Board (HDSB) and the Halton Catholic District School Board (HCDSB). The annual funding gap has been estimated by Watson & Associates Economists Ltd. based on 2013 HDSB and HCDSB EDC bylaws, as amended.

A handwritten signature in black ink, appearing to read "Mark Scinocca". The signature is fluid and cursive, with a prominent dot above the "i" in "Scinocca".

Mark Scinocca  
Commissioner, Finance and Regional Treasurer