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The Regional Municipality of Durham Report

To: Committee of the Whole
From: Commissioner of Finance and Commissioner of Planning and Economic Development
Report: #2023-COW-38
Date: November 15, 2023

Subject:

Durham Region's response to the proposed GO Transit Station Funding Act, which is a section within Bill 131: Transportation for the Future Act, 2023

Recommendation:

That the Committee of the Whole recommends to Regional Council:

- A) That the letter from the Acting CAO to the Province of Ontario as contained in Attachment 2 to Report #2023-COW-38, be endorsed as Durham Region's response to Ontario's Regulatory Registry post regarding the proposed GO Transit Station Funding Act, 2023 which identifies the Region's strong support for this legislation and recommends that the Province consider the following amendments to the proposed legislation:
- i) That section 3(3) of the draft legislation be amended to allow for the Minister's discretion to determine the definition of "construction" to ensure that prescribed municipalities are able to recover costs related to a GO Transit station, that have been incurred prior to the passing of the by-law; and
 - ii) That a consequential amendment to the definition of applicable law under section 1.1.4.3.(1) of the Ontario Building Code be enacted by the Province to permit municipal Chief Building Officials from withholding building permits if the required Transit Station Charge has not been paid, pursuant to section 9 of the GO Transit Station Funding Act, 2023, consistent with other similar charges.

- B) That a copy of this report and Council resolution be sent to the Municipality of Clarington and the City of Oshawa.
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Report:

1. Purpose

- 1.1 The purpose of this report is to seek endorsement of Regional staff's submission to the province dated October 25, 2023, regarding the proposed GO Transit Station Funding Act 2023, which is a section within Bill 131: Transportation for the Future Act, 2023.
- 1.2 On September 25, 2023, the Province of Ontario introduced the proposed GO Transit Station Funding Act. If enacted, the legislation would enable both upper, single and lower-tier municipalities to support the delivery of new GO Stations by the collection of a Transit Station Charge generated from development projects being built surrounding Transit Oriented Communities.
- 1.3 The proposed Bill was posted for a 30-day comment period on the Ontario Regulatory Registry, which ended on October 25, 2023 ([23-MOI004](#)). As such, Regional staff had to submit preliminary comments in order to ensure that Durham Region's comments were received prior to the commenting deadline. Should Council wish to offer additional comments or alter the staff submission, a revised response to the Province will be submitted.

2. Background

- 2.1 The Region of Durham has been working with various provincial governments for over 30 years to expand GO train service to Bowmanville, which is a 20-kilometer extension involving four proposed new GO stations in the Municipality of Clarington and the City of Oshawa.
- 2.2 On December 7, 2017, Metrolinx awarded a Technical Advisor contract to Stantec to provide technical advisory, design, and construction support services for the Lakeshore GO East Extension to Bowmanville. The Technical Advisor has designed the Extension only and not the stations to approximately 50 per cent, in anticipation of awarding a Construction Manager at Risk contract to refine and bring the Extension to 100 per cent design and priced for construction.

- 2.3 In 2018, Metrolinx introduced its Market Driven Strategy (MDS). This strategy introduced the concept of “the benefiter pays”, where the Province would no longer pay for new GO stations. Instead, Metrolinx would leverage the value of the new transit service and would work with landowners adjacent to GO stations, (who stand to benefit the greatest from the introduction of the transit service), to pay for the station in exchange for the rapid transit service.
- 2.4 The MDS is based on the ability of a single developer to pay for and build a GO station in exchange for the increased land value associated with the new transit infrastructure.
- 2.5 Despite having carried out an engagement process to identify station partners, it has proven challenging for Metrolinx to secure developer agreements to pay for any of the four stations, underpinned by the following reasons:
- a. The fragmented land ownership around the proposed stations means that no single land parcel can generate enough land value uplift to support paying for stations; and
 - b. The land value uplift and Regional market conditions are not strong enough within the Durham context for any single developer to absorb the cost of a station while supporting a viable development.
- 2.6 On June 15, 2023, Metrolinx awarded the rail extension Construction Manager at Risk (CMAR) contract to Bowmanville Construction Partners which is a general partnership between Ledcor CMI Ltd. and Dragados Canada Inc. This consortium will advance the rail extension to 100 per cent design for Metrolinx and will be the preferred contractor to build the Extension. At present, the CMAR does not include the design or construction of the four proposed stations.

3. Previous Reports and Decisions

- 3.1 On May 6, 2022, the Commissioner of the Planning and Economic Development Department released Council Information Report #[2022-INFO-38](#), “Approval of the Lakeshore East GO Extension to Bowmanville”.
- 3.2 On March 29, 2023, Council considered and endorsed confidential staff report 2023-COW-11 containing information regarding the Bowmanville GO Extension station funding strategies.

4. GO Transit Station Funding Act, 2023, which is a section within Bill 131: The Transportation for the Future Act 2023

- 4.1 On September 25, 2023, the Province introduced new legislation, titled the [GO Transit Station Funding Act, 2023](#) which is a section within [Bill 131: the Transportation for the Future Act, 2023](#) (Attachment 1).
- 4.2 The GO Transit Station Funding Act, 2023 would allow municipalities in the Metrolinx service area, to upfront the cost of GO stations and recover this cost through a mandatory Transit Station Charge, to be paid by landowners developing their lands in an area prescribed around GO station stops. The Bill was subject to a 30-day review and comment period.
- 4.3 If passed, the GO Transit Station Funding Act legislation would:
- a. give municipalities the ability to pass a by-law to collect a Transit Station Charge to be levied on residential and non-residential development within a prescribed area around a proposed new GO station, provided a by-law is passed before the construction of the GO station begins;
 - b. require that the Transit Station Charge would only be to recover costs related to station design and construction, including interest costs;
 - c. make the charge payable upon the issuance of a building permit, with some provisions for earlier or later payments;
 - d. establish reporting requirements for participating municipalities and a recourse for unpaid charges;
 - e. require municipalities that choose to enact a Station Charge by-law to undertake a Study to set the rate of the Transit Station Charge, establish the land area where the charges will apply and illustrate any “municipal offsets” for the charge (such as reduced parking requirements). The by-law would be subject to public consultation and would need to be reviewed and approved by the Minister of Infrastructure before coming into effect; and
 - f. exempt school boards and post-secondary education institutions from paying the charge.

4.4 Regional staff have reviewed the proposed legislation and provide the following comments:

1. The proposed funding tool in the new legislation is a positive step forward and may be appropriate to use to ensure that all four of the new GO stations are delivered as part of the Metrolinx Bowmanville GO Extension project. Many of the implementing details for the tool will be determined in the Regulations, the drafting of which are underway by the Ministry of Infrastructure.
2. Under this legislation, the Region could, subject to Council approval, upfront the costs of the new GO Train stations and be paid back from the proceeds of the Transit Station Charge. If this approach is taken, an enabling by-law will need to be passed by the Region. If the Region were to consider use of the new legislation, certain amendments are recommended as set out below:
 - a. “Regional staff request that section 3(3) be amended to require by-laws be passed in relation to a GO Transit station only if construction of the station has not yet begun at the time the by-law has passed, or at the discretion of the Minister.”

The current language may preclude a prescribed municipality from recovering design and pre-construction costs as these costs are incurred prior to a by-law being passed. Further, the Bowmanville GO Extension is proceeding quickly, and there are concerns about timing of passage of the by-law before early work construction takes place. Hence, the request for the definition of construction to be added in the legislation to ensure that these station costs can be recovered.

- b. “A consequential amendment to the definition of applicable law under section 1.1.4.3.(1) of the Ontario Building Code is required to permit municipal Chief Building Officials from withholding building permits if a charge has not been paid, pursuant to section 9 of the *Go Transit Station Funding Act, 2023*, consistent with other similar charges.”

This amendment is critical to ensure that the landowner developing the property has fully paid the Transit Station Charge prior to a building permit being issued. This is designed to ensure that the prescribed municipalities revenue source is protected, and that the charge cannot be inadvertently downloaded to the consumer.

4.5 Attachment 2 is Regional staff’s formal submission to the province through the Ontario Regulatory Registry which was sent by staff on October 25, 2023.

5. Next Steps

- 5.1 The Region will continue to explore the use of the new legislation as a means to ensure GO station delivery for the Bowmanville GO Extension project by working with the Ministry of Infrastructure on the draft regulations, and report back to Council accordingly.

6. Relationship to Strategic Plan

- 6.1 The Extension will improve mobility and travel options, supports transit-oriented development and in particular, housing, and aligns with/addresses the following strategic goals and priorities in the Durham Region Strategic Plan:
- a. Goal 1 Environmental Sustainability: Objective 1.5: Expand sustainable and active transportation.
 - b. Goal 2 Community Vitality: Objective 2.1: Revitalize existing neighbourhoods and build complete communities that are walkable, well-connected, and have a mix of attainable housing.
 - c. Goal 3 Economic Prosperity: Objective 3.3: Enhance communications and transportation networks to better connect people and move goods efficiently.
 - d. Goal 4 Social Investment: Objective 4.1: Revitalize community housing and improve housing choice, affordability, and sustainability.

7. Conclusion

- 7.1 The province introduced the GO Transit Station Funding Act, 2023, which is a section within Bill 131: Transportation for the Future Act.
- 7.2 It is recommended that this Report and its recommendations be endorsed as Durham Region's response to the new provincial legislation intended to support the design and construction of new GO stations in the Metrolinx service area.
- 7.3 This report has been prepared in consultation with the CAO's office and Corporate Services – Legal Services Department.

8. Attachments

Attachment 1: Bill 131: the Transportation for the Future Act, 2023

Attachment 2: Region of Durham Submission to the Ontario Regulatory Registry, commenting on Bill 131: the Transportation for the Future Act, 2023

Respectfully submitted,

Original signed by

Brian Bridgeman, MCIP, RPP, PLE
Commissioner of Planning and
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Original signed by

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Legislative
Assembly
of Ontario



Assemblée
législative
de l'Ontario

1ST SESSION, 43RD LEGISLATURE, ONTARIO
2 CHARLES III, 2023

Bill 131

An Act to enact the GO Transit Station Funding Act, 2023 and to amend the City of Toronto Act, 2006

The Hon. K. Surma
Minister of Infrastructure

Government Bill

1st Reading September 25, 2023
2nd Reading
3rd Reading
Royal Assent



EXPLANATORY NOTE

SCHEDULE 1 CITY OF TORONTO ACT, 2006

The *City of Toronto Act, 2006* is amended to provide that the TTC may enter into an agreement with a municipality or local board authorizing the municipality or local board to operate, maintain or both operate and maintain part of a local passenger transportation system within the City.

SCHEDULE 2 GO TRANSIT STATION FUNDING ACT, 2023

The Schedule enacts the *GO Transit Station Funding Act, 2023*.

The Act will apply to municipalities that are prescribed by regulation. (Section 2)

The council of a municipality may, by by-law, impose transit station charges on development to pay for costs related to the construction of a new GO transit station. Certain objectives of the by-law, which the council must be guided by, are set out. Charges may be imposed only for certain types of development. (Section 3)

A transit station charge by-law must include a map of the area where charges may be imposed and rules for determining if a charge is payable and the amount of the charge. (Section 4)

Before passing a transit station charge by-law, the council of a municipality must complete a background study, give notice of and consult on the study and proposed by-law, pass a resolution requesting the Minister's consent and obtain such consent. (Section 6)

A transit station charge is payable when a building permit is issued. Some exceptions are provided for including agreements with the municipality for charges to be payable at a different time. A municipality may charge interest on unpaid charges and an unpaid charge may be collected in the same manner as taxes. (Sections 7 to 11)

Transit station charges may be used to pay only the costs the charges were imposed for, interest on amounts a municipality borrows to pay such costs and any other amounts provided for in the transit station charge by-law. (Section 12)

Miscellaneous provisions provide for the registration of by-laws against land, provisions relating to tiered municipalities, certain financial matters and the making of regulations by the Lieutenant Governor in Council. (Sections 13 to 19)

Consequential amendments are made to the *City of Toronto Act, 2006* and the *Municipal Act, 2001*. (Sections 20 and 21)

**An Act to enact the GO Transit Station Funding Act, 2023
and to amend the City of Toronto Act, 2006**

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Schedule 1	City of Toronto Act, 2006
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His Majesty, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

Contents of this Act

1 This Act consists of this section, sections 2 and 3 and the Schedules to this Act.

Commencement

2 (1) Except as otherwise provided in this section, this Act comes into force on the day it receives Royal Assent.

(2) The Schedules to this Act come into force as provided in each Schedule.

(3) If a Schedule to this Act provides that any of its provisions are to come into force on a day to be named by proclamation of the Lieutenant Governor, a proclamation may apply to one or more of those provisions, and proclamations may be issued at different times with respect to any of those provisions.

Short title

3 The short title of this Act is the *Transportation for the Future Act, 2023*.

**SCHEDULE 1
CITY OF TORONTO ACT, 2006**

1 (1) Section 395 of the *City of Toronto Act, 2006* is amended by adding the following subsection:

Agreements with municipality or local board

(5) Despite subsection (1), the TTC may enter into an agreement with a municipality or local board authorizing the municipality or local board to operate, maintain or both operate and maintain, within the City, part of the municipality's or local board's local passenger transportation system on the conditions specified in the agreement.

(2) Section 395 of the Act is amended by adding the following subsection:

Same

(6) Where an agreement is made pursuant to subsection (5) for the purpose of integrating the services of the local passenger transportation system with those of the system operated by the TTC, the agreement is not a sale or transfer or deemed sale or transfer of the operation or part of the operation of the TTC under the *Labour Relations Act, 1995*.

(3) Section 395 of the Act is amended by adding the following subsection:

Same

(7) Where an agreement is made pursuant to subsection (5) for the purpose of integrating the services of the local passenger transportation system with those of the system operated by the TTC, the agreement does not constitute contracting out for the purposes of,

- (a) any collective agreement to which the TTC is a party, including any collective agreement in operation on the day subsection 1 (3) of Schedule 1 to the *Transportation for the Future Act, 2023* comes into force; and
- (b) any terms and conditions of employment of the collective agreement that continue to apply following the expiry of the collective agreement.

Plan to Build Act (Budget Measures), 2022

2 Schedule 1 to the *Plan to Build Act (Budget Measures), 2022* is repealed.

Commencement

3 (1) Except as otherwise provided in this section, this Schedule comes into force on the day the *Transportation for the Future Act, 2023* receives Royal Assent.

(2) Subsections 1 (2) and (3) come into force on a day to be named by proclamation of the Lieutenant Governor.

**SCHEDULE 2
GO TRANSIT STATION FUNDING ACT, 2023**

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DEFINITIONS AND APPLICATION

Definitions

1 In this Act,

“development” includes redevelopment; (“aménagement”)

“GO Transit station” means a station that is part of the GO Transit system as defined in the *Metrolinx Act, 2006*; (“station du réseau GO”)

“Minister” means the Minister of Infrastructure or such other member of the Executive Council to whom responsibility for the administration of this Act may be assigned or transferred under the *Executive Council Act*; (“ministre”)

“prescribed” means prescribed by the regulations; (“prescrit”)

“regulations” means the regulations made under this Act; (“règlements”)

“transit station charge” means a charge imposed by a transit station charge by-law; (“redevances relatives aux stations de transport en commun”)

“transit station charge by-law” means a by-law made under section 3. (“règlement municipal sur les redevances relatives aux stations de transport en commun”)

Application

2 This Act applies only with respect to prescribed municipalities.

TRANSIT STATION CHARGE BY-LAWS

Transit station charge by-laws

3 (1) The council of a municipality may, subject to the requirements of section 6, by by-law impose a transit station charge against land to pay for costs related to the construction of a GO Transit station that the municipality has agreed to pay.

Guidance for council

(2) In considering whether to pass a by-law, the council shall be guided by the principle that the objective of the by-law should be,

- (a) to support the creation of local and regional transit connections;
- (b) to encourage the creation and growth of transit-oriented communities near the GO Transit station; and
- (c) to recover costs related to the construction of the GO Transit station in a reasonable, transparent and fair manner.

Limitation — only to new stations

(3) A by-law may be passed in relation to a GO Transit station only if construction of the station has not yet begun at the time the by-law is passed.

Same

(4) Subsection (3) does not apply to,

- (a) the amendment of a transit station charge by-law; or
- (b) the passing of a new transit station charge by-law after a previous transit station charge by-law is repealed.

Limitation — type of development

(5) A transit station charge may be imposed only for development that requires,

- (a) the passing of a zoning by-law or of an amendment to a zoning by-law under section 34 of the *Planning Act*;
- (b) the approval of a minor variance under section 45 of the *Planning Act*;
- (c) a conveyance of land to which a by-law passed under subsection 50 (7) of the *Planning Act* applies;
- (d) the approval of a plan of subdivision under section 51 of the *Planning Act*;
- (e) a consent under section 53 of the *Planning Act*;
- (f) the approval of a description under section 9 of the *Condominium Act, 1998*; or
- (g) the issuing of a permit under the *Building Code Act, 1992* in relation to a building or structure.

Excluded development

(6) A transit station charge does not apply with respect to prescribed development.

Limited exemption

(7) No land, except land owned by and used for the purposes of a municipality or a board as defined in subsection 1 (1) of the *Education Act*, is exempt from a transit station charge by reason only that it is exempt from taxation under section 3 of the *Assessment Act*.

Requirements for by-law

4 A transit station charge by-law shall include the following:

- 1. A map of the area within which transit station charges may be imposed.
- 2. The rules to determine if a transit station charge is payable in any particular case and to determine the amount of the charge.
- 3. Anything required by the regulations.

Commencement

5 A transit station charge by-law or a by-law amending it comes into force on the later of the day it is passed and the day specified in the by-law, if any.

Preconditions to passing of by-law

6 (1) Before a council may pass a transit station charge by-law, the council must, in accordance with this section,

- (a) complete a background study that includes the prescribed information and meets any other prescribed requirements;
- (b) give notice of the background study and the proposed by-law to the public in such manner as the municipality considers appropriate and consult with such persons, public bodies and communities as the municipality considers appropriate;
- (c) pass a resolution requesting that the Minister consent to the passing of the by-law; and
- (d) obtain the Minister's consent to pass the by-law, subject to any modifications that the Minister may specify.

Resolution requirements

- (2) A resolution under clause (1) (c) shall,
- (a) identify the area to which the proposed by-law would apply; and
 - (b) include a draft of the proposed by-law.

Forwarding to Minister

- (3) No later than 15 days after the resolution is passed, the municipality shall forward to the Minister,
- (a) a copy of the resolution and background study;
 - (b) a description of the consultation undertaken under clause (1) (b); and
 - (c) any prescribed information and material.

Other information

- (4) The Minister may require the municipality to provide such other information or material that the Minister considers necessary for the purposes of this Act.

Consent

- (5) The Minister may give consent to the municipality to,
- (a) pass the proposed by-law; or
 - (b) pass the proposed by-law with such modifications as the Minister may specify.

Application to amendments

- (6) This section applies, with necessary modifications, to an amendment of a transit station charge by-law.

TRANSIT STATION CHARGES**When charge is payable**

- 7 (1) A transit station charge is payable for a development upon a building permit being issued for the development.

Multiple building permits

- (2) If a development consists of one building that requires more than one building permit, the transit station charge for the development is payable upon the first building permit being issued.

Multiple phases

- (3) If a development consists of two or more phases that will not be constructed concurrently and are anticipated to be completed in different years, each phase of the development is deemed to be a separate development for the purposes of this section.

Rental housing development, institutional development

- (4) The regulations may provide for transit station charges for rental housing development and institutional development to be payable as set out in the regulations.

Agreement, early or late payment

- 8 (1) A municipality may enter into an agreement with a person who is required to pay a transit station charge providing for all or any part of a charge to be paid before or after it would otherwise be payable.

Amount of charge payable

- (2) The total amount of a transit station charge payable under an agreement under this section is the amount of the charge that would be determined under the transit station charge by-law on the day specified in the agreement or, if no such day is specified, at the earlier of,
- (a) the time the charge or any part of it is payable under the agreement; and
 - (b) the time the charge would have been payable in the absence of the agreement.

Interest on late payments

- (3) An agreement under this section may allow the municipality to charge interest, at a rate stipulated in the agreement, on that part of the transit station charge paid after it would otherwise be payable.

Withholding of building permit if charge due but not paid

- 9 Despite any other Act, a municipality is not required to issue a building permit for development to which a transit station charge applies if the charge or any part of it is payable but has not been paid.

Interest on unpaid charges

10 (1) A municipality may charge interest on any transit station charge or part of such a charge that is not paid when it is payable.

Same

(2) The maximum interest rate that a municipality may charge shall be determined in accordance with the following rules:

1. A base rate of interest shall be determined for each adjustment date and shall be equal to the average prime rate on,
 - i. October 15 of the previous year, if the adjustment date is January 1,
 - ii. January 15 of the same year, if the adjustment date is April 1,
 - iii. April 15 of the same year, if the adjustment date is July 1, and
 - iv. July 15 of the same year, if the adjustment date is October 1.
2. The base rate of interest in effect on a particular date shall be,
 - i. the base rate for the particular date, if the particular date is an adjustment date, and
 - ii. the base rate for the last adjustment date before the particular date, otherwise.
3. The maximum rate of interest that may be charged shall be an annual interest rate that is one percentage point higher than the base rate of interest in effect for that day.

Maximum interest rate

(3) In this section,

“adjustment date” means January 1, April 1, July 1 or October 1; (“date de rajustement”)

“average prime rate”, on a particular date, means the mean, rounded to the nearest hundredth of a percentage point, of the annual rates of interest announced by each of the Royal Bank of Canada, The Bank of Nova Scotia, the Canadian Imperial Bank of Commerce, the Bank of Montreal and The Toronto-Dominion Bank to be its prime or reference rate of interest in effect on that date for determining interest rates on Canadian dollar commercial loans by that bank in Canada. (“taux préférentiel moyen”)

Unpaid charges added to tax roll

11 (1) If a transit station charge or any part of it remains unpaid after it is payable, the unpaid amount including any interest payable in respect of it in accordance with this Act shall be added to the tax roll and collected in the same manner as taxes.

Treasurer to certify unpaid amount

(2) If a transit station charge or any part of it imposed by an upper-tier municipality remains unpaid after it is payable, the treasurer of the upper-tier municipality shall certify to the treasurer of the lower-tier municipality in which the land is located the amount that is unpaid.

Use of charges

12 Transit station charges may be used to pay only the following:

1. The costs for which the charges were imposed.
2. Interest the municipality pays on any debt incurred by the municipality to pay any costs for which the charges were imposed.
3. Any other amount provided for in the transit station charge by-law.

MISCELLANEOUS

Registration of by-law

13 A municipality that has passed a transit station charge by-law may register the by-law or a certified copy of it against the land to which it applies.

Upper-tier municipalities, transit station charges

14 If a transit station charge is imposed by an upper-tier municipality on a development in a lower-tier municipality, the following apply:

1. The treasurer of the upper-tier municipality shall certify to the treasurer of the lower-tier municipality that the charge has been imposed, the amount of the charge, the manner in which the charge is to be paid and when the charge is payable.

2. The treasurer of the lower-tier municipality shall collect the charge when it is payable and shall, unless otherwise agreed by the upper-tier municipality, pay the charge to the treasurer of the upper-tier municipality on or before the 25th day of the month following the month in which the charge is received by the lower-tier municipality.
3. If the charge is collected by the upper-tier municipality, the treasurer of the upper-tier municipality shall certify to the treasurer of the lower-tier municipality that the charge has been collected.

If upper-tier issues building permits

15 If an upper-tier municipality issues building permits, the treasurer of each lower-tier municipality within the upper-tier municipality shall, when all transit station charges are paid with respect to a development in the lower-tier municipality, certify to the chief building official of the upper-tier municipality that those charges have been paid.

Agreement, upper-tier to collect charges

16 (1) If building permits are issued by an upper-tier municipality, the upper-tier municipality may agree with a lower-tier municipality to collect all the transit station charges on development in the lower-tier municipality.

Application of ss. 14 and 15

(2) If an agreement is made under this section, sections 14 and 15 do not apply with respect to development in the lower-tier municipality.

Statement of treasurer

- 17** (1) The treasurer of a municipality that has passed a transit station charge by-law shall, each year, give the council,
- (a) a financial statement relating to the by-law that includes, for the preceding year, the amount of costs related to the construction of the GO Transit station that have been funded by transit station charges and the amount of such costs that are to be funded by transit station charges that remain unfunded; and
 - (b) any other information that may be prescribed.

Statement available to public

- (2) The council shall ensure that the statement is made available to the public,
- (a) by posting the statement on the website of the municipality or, if there is no such website, in the municipal office; and
 - (b) in such other manner and in accordance with such other requirements as may be prescribed.

Copy to Minister

(3) The treasurer shall give a copy of the financial statement to the Minister on request.

Incurring debt, issuing debentures, etc.

18 Paying costs referred to in subsection 3 (1) is a municipal purpose for the purposes of section 401 of the *Municipal Act, 2001*.

Regulations

- 19** (1) The Lieutenant Governor in Council may make regulations,
- (a) respecting anything that, in this Act, is referred to as being prescribed or that may or must be done by the regulations;
 - (b) clarifying when construction of a GO Transit station begins for the purposes of subsection 3 (3);
 - (c) governing and modifying the application of subsection 3 (5) including providing for a clause of that subsection to not apply or to apply with specified modifications or prescribing other development for which a transit station charge may be imposed;
 - (d) governing transit station charge by-laws including governing the rules referred to in paragraph 2 of section 4;
 - (e) defining “rental housing development” and “institutional development” for the purposes of subsection 7 (4);
 - (f) requiring a municipality to establish a reserve fund for transit station charges collected by the municipality and governing such a fund;
 - (g) requiring a municipality to keep records in respect of transit station charges collected by the municipality, including records for any reserve fund established by the municipality, and governing such records;
 - (h) prohibiting or limiting a person who incurs or pays a transit station charge for development on land from passing on the cost of that charge to a subsequent purchaser of that land and prohibiting or governing communication, by any person to a purchaser or potential purchaser of land, related to transit station charge fees paid or payable for development on the land.

Communication — clarification

(2) For greater certainty, the communication in respect of which a regulation may be made under clause (1) (h) includes invoices, receipts, signage, displays or listings of prices, fees, costs or charges, and advertisements in any medium.

AMENDMENTS TO OTHER ACTS

City of Toronto Act, 2006

20 (1) Paragraph 6 of subsection 22 (1) of the *City of Toronto Act, 2006* is amended by striking out “252 (3), (6) and (7)” at the end and substituting “252 (3), (6), (7) and (7.1)”.

(2) Subsection 252 (1) of the Act is amended by adding the following paragraph:

5. Transit station charges exemptions as provided for in subsection (7.1).

(3) Section 252 of the Act is amended by adding the following subsection:

Transit station charges exemption

(7.1) Despite the *GO Transit Station Funding Act, 2023*, the City may exempt from the payment of all or part of the transit station charges imposed by the City under that Act land or a portion of it on which municipal capital facilities are or will be located that,

- (a) is the subject of an agreement under subsection (1);
- (b) is owned or leased by a person who has entered an agreement to provide facilities under subsection (1); and
- (c) is entirely occupied and used or intended for use for a service or function that may be provided by the City.

(4) Subsection 252 (9) of the Act is amended by striking out “subsections (3), (6) and (7)” in the portion before clause (a) and substituting “subsections (3), (6), (7) and (7.1)”.

(5) Subsection 252 (16) of the Act is amended by striking out “subsection (6) or (7)” and substituting “subsection (6), (7) or (7.1)”.

(6) Clause 257 (e) of the Act is repealed and the following substituted:

- (e) prescribing eligible municipal capital facilities for which the City may and may not grant tax exemptions under subsection 252 (6), development charges exemptions under subsection 252 (7) or transit station charges exemptions under subsection 252 (7.1);

Municipal Act, 2001

21 (1) Paragraph 6 of subsection 23.3 (1) of the *Municipal Act, 2001* is amended by striking out “110 (3), (6) and (7)” at the end and substituting “110 (3), (6), (7) and (7.1)”.

(2) Subsection 110 (1) of the Act is amended by adding the following paragraph:

5. Transit station charges exemptions as provided for in subsection (7.1).

(3) Section 110 of the Act is amended by adding the following subsection:

Transit station charges exemption

(7.1) Despite the *GO Transit Station Funding Act, 2023*, the council of a municipality may exempt from the payment of all or part of the transit station charges imposed by the municipality under that Act land or a portion of it on which municipal capital facilities are or will be located that,

- (a) is the subject of an agreement under subsection (1);
- (b) is owned or leased by a person who has entered an agreement to provide facilities under subsection (1); and
- (c) is entirely occupied and used or intended for use for a service or function that may be provided by a municipality.

(4) Subsection 110 (9) of the Act is amended by striking out “subsections (3), (6) and (7)” in the portion before clause (a) and substituting “subsections (3), (6), (7) and (7.1)”.

(5) Subsection 110 (16) of the Act is amended by striking out “subsection (6) or (7)” and substituting “subsection (6), (7) or (7.1)”.

(6) Clause 110 (20) (c) of the Act is repealed and the following substituted:

- (c) prescribing eligible municipal capital facilities for which municipalities may and may not grant tax exemptions under subsection (6), development charges exemptions under subsection (7) or transit station charges exemptions under subsection (7.1);

COMMENCEMENT AND SHORT TITLE**Commencement**

22 The Act set out in this Schedule comes into force on the day the *Transportation for the Future Act, 2023* receives Royal Assent.

Short title

23 The short title of the Act set out in this Schedule is the *GO Transit Station Funding Act, 2023*.



Sent Via Ontario Regulatory Registry

October 25, 2023

The Honourable Kinga Surma
Minister of Infrastructure
Transit Oriented Communities Policy & Delivery Branch
College Park
777 Bay Street, 4th Floor, Suite 425
Toronto, ON M5G 2E5

**The Regional
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Elaine Baxter-Trahair
Chief Administrative
Officer

**RE: GO Transit Station Funding Act, 2023 Ontario Regulatory
Registry Proposal No. 23MOI004**

Dear Minister Surma,

On behalf of Region of Durham, please accept the following staff commentary in response to the proposed *Go Transit Station Funding Act, 2023*, pursuant to Bill 131: *Transportation for the Future Act, 2023*. Please note that due to the commenting period on the Ontario Regulatory Registry, regional staff will be seeking endorsement of this letter at its Regional Council meeting on November 29, 2023. Should any modifications be made by Regional Council, I will immediately advise your office.

Regional staff are extremely supportive of the introduction of the *Go Transit Station Funding Act, 2023* and the establishment of a new funding tool to enable municipalities to support the construction of critical new GO stations. Regional staff views these matters as advancing the development of transit-oriented communities and the delivery of a broad range of housing to meet the Province's housing targets.

As you know, Metrolinx is actively working to extend Lakeshore East GO Rail services through the Region to Bowmanville. As part of this expansion of the GO Rail network, four new GO stations, being Thornton's Corners East, Ritson, Courtice and Bowmanville, are to be located within the Region.

The Region has similarly recognized the Bowmanville Expansion as being a critical investment in region-building and community economic vitality. The Region believes the Bowmanville Extension will serve as a catalyst for redevelopment, community improvement, place-making and an important opportunity for additional housing, including affordable housing.



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Work continues on the Bowmanville Expansion with the recent selection of a construction manager and the recent public review of the Environmental Project Report Addendum. However, given the Regional market area and fragmented land ownership, delivery of the Bowmanville Expansion GO Stations through the traditional Metrolinx Transit-Oriented Communities Program is a challenge and the Region is concerned with potential delays to the delivery of the much needed stations.

Regional staff expects that a Transit Station Charge presents a solution to ensure timely delivery of GO expansion projects, including the Bowmanville Expansion GO Stations. Regional staff are of the view that reasonable Transit Station Charges imposed on development applications that will benefit from the significant transit investment, together with appropriate permissions to offset costs, will encourage the creation and growth of transit-oriented communities in accordance with the guiding principles.

As the Province moves forward to finalize the legislation and enabling regulations, Regional staff offer the following additional comments for consideration:

1. Regional staff support the Province in ensuring that a Transit Station Charge can only be applied to new GO Stations; however, it believes that the current language in section 3(3) of the *Go Transit Station Funding Act, 2023* may preclude application of Transit Station Charge By-laws for certain design and pre-construction works, as such works may take place prior to a by-law being passed. To that end, Regional staff request that section 3(3) be amended to provide some discretion by the Minister on the requirement that by-laws be passed in relation to a GO Transit station only if construction of the station has not yet begun.
2. A consequential amendment to the definition of applicable law under section 1.1.4.3.(1) of the Ontario Building Code is required to permit municipal Chief Building Officials from withholding building permits if a charge has not been paid, pursuant to section 9 of the *Go Transit Station Funding Act, 2023*, consistent with other similar charges.



Regional staff welcome the opportunity to further discuss the *GO Transit Station Funding Act, 2023* and participate in the establishment of the applicable implementing regulations to support this much needed funding tool to advance the delivery of new GO stations across the Region.

Sincerely,

**The Regional
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Chief Administrative
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Original Signed By

Nancy Taylor, Commissioner of Finance, BBA, CPA, CA
Acting on behalf of Elaine Baxter-Trahair
Chief Administrative Officer
Regional Municipality of Durham