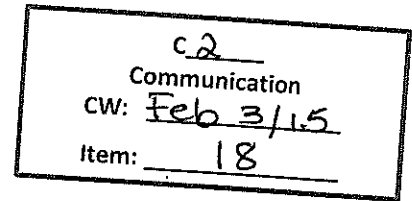


LIBERTY *for all*



November 18, 2014

WITHOUT PREJUDICE

Ms. Claudia Storto  
City Solicitor  
Vaughan City Hall  
2141 Major Mackenzie Drive  
Vaughan, ON L6a 1T1

Dear Ms. Storto:

**Re: VMC Mediation – Section 37, PL 111184**

We are writing on behalf of 1834371 Ontario Inc. and we would like to provide our comments in response to the Section 37 draft Implementation Guidelines put forward by the City.

**Land Value Matrix**

It is our understanding that the land value matrix is being put in place to give developers more certainty when preparing their pro-formas. As this matrix is to be updated annually and the numbers most likely changing, the “certainty” of what numbers a developer should use when developing their pro-forma is compromised. The creation and updating of the matrix will be a costly endeavor and will only be used for the most basic type of development. Site specific appraisals will most likely be the process that will be requested by developers and the City in order to come up with the most accurate land value. Therefore we question the need for the land value matrix.

**Maximum Section 37 Contribution**

The City is proposing that the section 37 contribution be 20 – 35% of the uptick in land value resulting from the increase in density. Again, this does not provide “certainty” to the developer in terms of what a contribution might be. We believe the contribution should be a firm percentage of the uptick in the land value resulting from the increase in density as opposed to a range. And, as we have stated in previous correspondence the current range being proposed is far too high.

### **Section 37 for Increase in Height**

It is our position that there should be no requirement by the City for the developer to make a Section 37 contribution if there is no increase in density, but only an increase in permitted height. Clearly Section 37 funds are used for community benefits consisting of various services, facilities etc that may be "strained" as a result of added density. If in fact, the density of a project conforms to the approved Official Plan, the developer should not be penalized for a site plan design issue, such as building a point tower, as opposed to a slab building.

### **Timing of Execution of the Section 37 Agreement**

The City is proposing that the Section 37 Agreement be executed prior to the enactment of the zoning by-law amendment. As we have stated previously, the approval process for zoning and OPA's is already very lengthy. Developers typically do not go to market with a project until their zoning by-law has been passed by City Council. If zoning by-laws are now held up pending execution of a Section 37 Agreement, this could add many more months to the approval process and have a negative impact on the development. We would suggest that Council could enact a zoning by-law which would contain a "hold" not to be lifted until the Section 37 Agreement is executed. The City is still protected as the zoning by-law is not in full force or effect until the hold is lifted, and at the same time it allows the developer to go to market with a by-law that has been passed by Council.

### **Provision of Office Component**

It is our opinion that the provision of a substantial office component within a true mixed use development should be seen as a community benefit and thus be considered a Section 37 contribution. Providing jobs in a live/work environment has many benefits of which we are all aware. It could be an incentive for developers, especially in the VMC to provide office development.

We would be pleased to discuss our comments with you in detail at your convenience. If you have any questions, or require any additional information from us, please do not hesitate to give us a call.

Yours truly,

  
Fred Daryish

c.c. Ana Scilia  
Mr. Barry Horosko