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COMMUNICATION
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February 8, 2013

Ms. Barbara Cribbett  
Commissioner of Finance and City Treasurer  
City of Vaughan  
City Hall  
2141 major Mackenzie Drive  
Vaughan, ON L4A 1T1

Dear Ms. Cribbett:

Thank you again for providing us with the information on the proposed City of Vaughan Development Charges By-law to be renewed in June 2013 and the opportunity to voice our comments and concerns on the proposal.

We urge the City of Vaughan to consider policies under the implementation of the development charge by-law that will encourage office development in the VMC. The VMC is poised to be the most important Urban Growth Node within the Province due to the significant infrastructure investment for the Spadina York Subway Extension. VMC is projected to be home to over 25,000 residents and 12,000 jobs in the coming decades. The development opportunities presented by the arrival of the subway in Vaughan cannot be overstated; however, even with this consideration, there are significant financial challenges that make corporate office developments in the VMC less competitive when comparing them to opportunities in other GTA municipalities.

The urban nature of the proposed VMC development, in conjunction with the utilization of various modes of rapid transit, are both reasons we feel the City of Vaughan should give consideration to unique DC policies for the VMC. The form and function of development within the VMC will be significantly different from development in other parts of Vaughan. We do not feel that the background study adequately takes this into consideration.

When analyzing current market rents for office buildings in Vaughan in conjunction with consideration of the cost of construction (including significant development charges) in the VMC, it will be extremely challenging to achieve a positive return from office development in the VMC. It is to be noted that unlike residential models, whereby DCs are passed onto the buyer, office developments models are structured such that development charges are a cost absorbed by the project and cannot be passed onto commercial tenants, thus diminishing the success and viability of a project.

We respectfully request that you explore other policies within the development charge by-law that will attract office tenants to the VMC as opposed to the proposed development charge by-law which will be an almost insurmountable barrier to attracting major office tenants to Vaughan's exciting new downtown.

Sincerely,

  
Paula Bustard  
Senior Director, Land Development

c.c Mayor Maurizio Bevilacqua and Council