

LIBERTY for all

May 10, 2013

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Item # $\frac{1}{18}$ (SP Cw) (Fap) Report No. $\frac{18}{18}$ (SP Cw) (Fap) Council - May 14/13

Vaughan City Hall Level 100, 2141 Major Mackenzie Drive Vaughan L6A 1T1

Dear City Clerk:

RE: 2013 City of Vaughan Development Charges Background Study and By-law Public Meeting April 23, 2013

AND RE: VMC Special Area Charges Meeting May 9, 2013

We are writing in our capacity at Liberty Development Corporation for project owners and projects we have under management or development. We have reviewed the proposed Development Charges Background Study and By-law, and hereby indicate, for our affected landowners, that we have some concerns for the support of the proposed Bylaw and related changes to the development charges regime proposed by the City. While details can be provided in due course, the salient points of difference can be accounted for in the following points:

A. Calculation of Office Charges

We have previously advised, including in prior By-law reviews, that if the Region genuinely wishes to have an established and successful Centres and Corridors development, and transit oriented developments, that an adequate mix of products among residential and office is necessary. In order for office to proceed, there cannot exist disincentives. Since DC rates for Office have risen nearly 700% since 2004, the pace of office has decreased in proportion to other products. It may be that office development has stagnated because of this large charge being a major factor, despite the offsetting revenue the municipalities would garner by its assessment base increasing. The DC charges, existing and proposed, are too high and will impede the proper and effective development of 'true mixed-use' in the Centres and Corridors, and Key Development Areas, especially the city centre of Vaughan, the VMC.

B. VMC Special Area Charges

When we agreed with our landowners to help develop property in the VMC it was always our understanding that the VMC was the 'city centre' of Vaughan. In such case, over the past year, the Special Area Charges for certain components in the VMC have gone from 'city wide' to SAC, while at the same time SAC developments are paying for infrastructure that is well outside of their geographic jurisdiction, such as road widening and water expansions. However, in an effort to maintain cooperativeness with the City, but clearly with an eye to ensure the developments can proceed, we have to repeat as we have in initial comments on the DC review that the Benefit to Existing should be further reviewed to ensure that any improvements that benefit existing users pay their fair share. For example, for the Stormwater Management and Floodplain Improvement construction and land acquisitions associated with the Black Creek Channel process would appear to benefit all 800 hectares of the Regional Floodplain catchment area so perhaps those costs should be spread over local improvement charges or other taxes among the entire larger area and not just the small new VMC developments who are proposing to go vertical on otherwise existing historical asphalt based development. Consideration for Regional support in its own financing for water crossing on Hwy. 7 might also be considered.

C. General Magnitude Increase

As you know, the proposed increase to Transit Oriented Development and Centres and Corridors housing, the precise type of development you are asking to be developed to facilitate growth in the Region under Places to Grow requirements, is slated to jump by a double digit figure again. We do not believe that new buyers can continue to absorb an increase of double digits each time the by-law is reviewed. If we wish to have an effective, competitive York Region and City of Vaughan, the only municipality with a Subway outside of Toronto, and attract employers who believe that they can have access to nearby employees who can afford housing (of varying product types), then we must do something to slow the rate of these increases.

For our project land owners, we respectfully reserve our right to modify or supplement these comments.

Sincerely. Fred Darvish

.cc Barb Cribbett, Commissioner of Finance Lloyd Norhona and Andrew Pearce