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April 2, 2018

Ms. Barbara McEwan
Office of the City Clerk
Vaughan City Hall, Level 100
2141 Major Mackenzie Drive
Vaughan, ON L6A 1T1

Dear Ms. McEwan:

**Re: 2018 City-Wide and Area Specific Development Charge
Background Study and By-Laws Review Highlight Report**

I am counsel to The Milani Group, the owner of various landholdings in the City of Vaughan.

On behalf of The Milani Group, I am writing to object to the proposed City-Wide Development Charge By-Law (the "DCBL"), in its current form. Importantly, the proposed DCBL is premised on unreasonable assumptions and allocations relating to interest rates, post-period benefits, and benefits to existing, as set out in the Background Study prepared by Hemson Consulting Ltd. ("Hemson"), dated March 9, 2018.

In its determination of development charge rates reflecting borrowing and earnings necessary to support the net growth-related funding requirement, Hemson made certain assumptions for inflation rate and interest rate; however, the interest rate assumptions, particularly in early years, are inaccurate and unreasonably high. Furthermore, the proposed interest rate assumptions cannot be reconciled with the Region of York's previous work and position on this matter.

In addition, Hemson does not attribute sufficient, if any, post-period benefit and/or benefit to existing for a number of City-wide engineering projects. We submit that this position is untenable and unreasonable.

Lastly, The Milani Group would like to discuss the potential to enter into agreement(s) with the City pursuant to sections 27 and/or 38 of the *Development Charges Act, 1997*, in relation to its intended construction of the future Kirby Road Extension, following the completion of the Environmental Assessment. As such, we request a meeting with staff in advance of City Council's consideration of the proposed DCBL.

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COMMUNICATION
FAA - April 3/2018
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Please forward this correspondence to the Finance, Administration and Audit Committee, in advance of its consideration of this item on April 3, 2018, and subsequently to City Council. Please provide notice of all municipal decisions relating to this matter to the undersigned.

Please feel free to contact the undersigned if you require any further information.

Yours truly,

DI VONA LAW PROFESSIONAL CORPORATION

Matthew A. Di Vona

copy: Client

A. Steedman, Schaeffers & Associates Ltd.