

Attachment 1

October 10th, 2017

City Clerk
City of Toronto
100 Queen St W, 13th Floor
Toronto, On
M5H 2N2

**RE: 1383, 1385, 1389, 1399 and 1403 Military Trail (the “Subject Properties”)
Complaint pursuant to Subsection 20 (1) (a) of the *Development Charges Act***

The purpose of this letter is to make a complaint to City of Toronto Council pursuant to subsection 20(1)(a) of the *Development Charges Act* on behalf of Military Trail Development Corporation (“Military Trail”), the owner of the Subject Properties. Specifically, in determining the development charges payable for the redevelopment of the Subject Properties, the City failed to reduce the amount based on the number of existing dwelling units to be demolished, in accordance with Section 415-7(C)(1)(a) of the City’s Development Charges By-law No. 1347-2013 (the “DC By-law”).

Background

The Subject Properties consist of five pre-existing lots, each with one detached dwelling. Military Trail is in the process of redeveloping the Subject Properties by subdividing them into a total of 12 building lots, with one two-storey dwelling being constructed on each of the 12 lots.

The former owner of the Subject Properties applied for and was issued demolition permits for each of the existing dwellings, as follows:

1383 Military Trail - 12 261724 DEM
1385 Military Trail - 12 261741 DEM
1389 Military Trail - 12 261746 DEM
1399 Military Trail - 12 261752 DEM
1403 Military Trail - 12 261753 DEM

In accordance with City By-law No. 1009-200, Community Council approved the demolition of these dwellings and all five demolition permits were issued on January 29, 2013.

When Military Trail purchased the lots on September 1, 2015, the dwellings had yet to be demolished. In January 2016, the demolition permits were transferred to Military Trail. The Building Division Inspection Manager extended the demolition permits initially on January 19, 2016 until June of 2016 and again on July 12, 2016 until August of 2017



after Military Trail paid the fee to defer revocation of the permits. A copy of the Manager's email granting the extension is attached for reference.

The demolition of the dwellings commenced in December of 2016 and was completed in January of 2017. Military Trail submitted building permit applications on June 16, 2017, and received notice of permit issuance pending payment of various charges on August 16, 2017. Military Trail was charged \$40,067 in development charges and \$1,493 in education development charges for each of the twelve lots, for a total of \$480,804 and \$17,916, respectively. These charges were paid on August 17, 2017.

Application of the DC By-law

Section 415-7(C)(1)(a) of the DC By-law requires that, in the case of a proposed redevelopment, the amount of development charges that would otherwise be payable be reduced based on the number of dwelling units that have been demolished. The provision reads as follows:

(a) In the case of a residential building or structure, or the residential uses in a mixed-use building or structure, which is being redeveloped for residential or non-residential purposes, the development charges payable will be reduced by an amount calculated by multiplying the applicable development charge under Subsection A by the number of dwelling units or dwelling rooms that have been or will be demolished or converted to another type of residential use or non-residential use, and according to the type of dwelling unit or dwelling room so demolished or converted.

Section 415-7(C)(1) states that this reduction will apply where a demolition permit has been issued within the 36-month period immediately prior to the date of submission of a complete building permit application with respect to the same land. Although in this case the initial demolition permits were issued on January 29, 2013, the Subject Properties were subsequently sold and the redevelopment redesigned, which required an application for minor variances. This process delayed the demolition itself until January of 2017. The City extended the demolition permits on two occasions, in January 2016 and July 2016, both more than 36 months from the time of the initial issuance of the demolition permits.

In our view, the intention of Section 415-7(C)(1)(a) of the DC By-law is to reduce the development charges payable where an applicant is proposing to replace existing buildings and applies for a building permit within 36 months of demolishing the existing buildings. In this case, the demolition permits were granted, but the demolition itself was delayed to facilitate a redesign of the redevelopment. The City permitted this delay by extending the permits and received payment for this extension. The existing buildings remained on the Subject Properties throughout this time.

Had Military Trail known at the time that the City would take the position that Section 415-7(C)(1)(a) did not apply, it could have cancelled the original demolition permits and



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applied for new ones, thereby restarting the 36-month timeframe. This would have made no practical difference. It would simply have created additional administrative burden for City staff.

Correct application of section 415-7(C)(1)(a) would have reduced the overall development charges payable for the redevelopment to \$280,469 for development charges and \$10,451 for education development charges.

Conclusion

Military Trail applied for and received building permits to replace the existing dwellings within nine months of the demolition itself. As such, the spirit and intent of Section 415(C)(1)(a) has clearly been met and a reduction in development charges is warranted. The City's failure to apply it is based on a technicality and is inappropriate. We therefore ask that City Council apply Section 415(C)(1)(a) and reimburse Military Trail for the amount that the development charges should have been reduced based on the demolition of existing dwellings, being \$200,335 for development charges and \$7,465 for education development charges.

Please confirm receipt of this complaint, and do not hesitate to contact me should you require anything further.

Yours Very Truly,

Shauna Dudding, P.Eng, Senior Vice President Geranium Corporation
Military Trail Development Corporation

- cc. Will Johnston, Acting Chief Building Official, Toronto Building
Bill Stamatopoulos, Acting Director, Scarborough District
Robert Hatton, Director, Strategic & Intergovernmental Initiatives