

**CHADWIN AND COMPANY
LIMITED**

10 Vanessa Road
Unionville, Ontario
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July 2, 2013

DELIVERED VIA E-MAIL

WITHOUT PREJUDICE

His Worship Mayor Robert Ford and Members of the
Executive Committee of Council
The Corporation of the City of Toronto
10th Floor, West Tower
100 Queen Street West
Toronto, Ontario,
M5H 2N2

**RE Proposed New Development Charges Bylaw and Development
Charges, City of Toronto
Proposed Condominium Apartment Development
North East Corner of Kingston Road and HWY 2A
Lot 107 Registrar's Compiled Plan 9887
City of Toronto (Formerly City of Scarborough)
Known Municipally as 6039 Kingston Road
("the Lill Developments Lands")
Lill Developments Inc. ("Lill Developments")**

AND;

**Proposed Common Element Condominium
Infill Townhouse Development
Part of Block Q Registered Plan 1834
Municipally known as 3360 Kingston Road
0.187 hectares (0.46 acres) ("the Mainbram II Lands")
Mainbram Scarborough II Developments Ltd.
("Mainbram II Developments")**

Dear Mayor Ford and Members of the Executive Committee of City Council:

We are the Land Use Planning Consultants for Lill Developments Inc. ("Lill Developments") and Mainbram Scarborough II Developments Ltd. ("Mainbram II Developments") the respective Owners of the Lill Developments Lands and the Mainbram II Lands and are writing to you on behalf of these Owners to offer our comments as input to Council and to outline our request to Council with respect to this matter.

This letter is provided as input to the July, 3, 2013 Public Meeting with respect to a proposed new development charges bylaw for the City of Toronto.

By way of background, Lill Developments and Mainbram II Developments are in the process of finalizing development approvals including, *inter alia*, the completion of condominium approvals and issuance of building permits for the above respective residential developments located on the Lill Developments Lands and the Mainbram II Lands.

The Lill Developments Lands are zoned for their intended purpose and Site Plan Approved to permit thirty (30) apartment units with related surface parking and landscaped areas to be developed and owned in condominium ownership tenure.

The Mainbram II Lands are zoned as an infill residential development comprising ten (10) three (3) storey townhouse dwellings on a private road in a common Element condominium tenure.

As Committee and Council are aware the City of Toronto boasts among the lowest Development Charges in the Greater Toronto Area.

In our view, the current City of Toronto Development Charges represent a considerable competitive advantage to the City of Toronto in attracting real estate development to the City with its inherent benefits that *inter alia* include the revitalization of neighborhoods and municipal services, the provision of new housing stock and the resulting economic activity and vibrancy that results from new construction and development in a city.

However, it should be noted that the City of Toronto also implements certain taxation initiatives, notably its own land transfer tax program, that, in our view and experience, can have the effect of offsetting the benefits and advantages stemming from the City's current Development Charges.

In addition, it should also be recognized that the real estate development approvals process can be lengthy, with the acquisition of land and the economics associated with a project sometimes occurring years in advance of final development approval.

Under this situation and scenario dramatic increases in municipal fees and charges, including in particular development charges, can have a significant impact upon the viability of certain projects.

In this regard, we have serious concerns with respect to the quantum and basis of the development charges being proposed by City Staff in its Report dated June 18, 2013 and their implications with respect to the competitive advantage enjoyed by the City of Toronto and the economic and city building benefits that flow from a healthy and active real estate development industry.

Accordingly, we would urge Executive Committee and City Council to instruct City staff to modify the current Draft Development Charge Bylaw to *inter alia* provide for the following modifications:

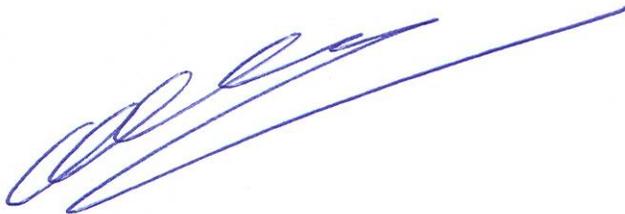
1. Eliminate or, to the greatest extent possible, reduce increases in development charges beyond those that currently exist.
2. As proposed by staff, should new higher development charges be imposed they should be implemented on a “phase in” basis over an extended period of time or, more preferably, be subject to a one year delayed implementation period.
3. Include a transitional provision that recognizes projects well advanced in the approval process and provides for “grand parenting” and/or “pre-payment” of the current Development Charges at first permit issuance such as foundation or shoring permits or the payment of the current Development Charges as long as building permits are issued within a specified period from the enactment of a new development charge bylaw that contains higher development charges.

We wish to thank Committee and Council for its kind consideration of our input to this process.

By copy of this letter to the Clerk’s department we are requesting notice of future meetings with respect to this matter and the enactment of any new development charges bylaw.

Yours, very truly,

CHADWIN AND COMPANY LIMITED



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c.c. Mr. Michael Deli-Benedetti Lill Developments and Mainbram II
Developments
City Clerk, Attention Kelly McCarthy, Committee Administrator