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By E-Mail Only to exc@toronto.ca

Ms. Kelly McCarthy
Committee Administrator, Executive Committee
Toronto City Hall, 100 Queen Street West
10th floor, West Tower
Toronto, ON M5H 2N2

Dear Ms. McCarthy:

**Re: Parc Downsview Park Inc. & Canada Lands Company
New Development Charges
Input re Downsview Lands Secondary Plan Area**

We represent Parc Downsview Park Inc. and Canada Lands Company ("PDP/CLC") in connection with the City of Toronto's (the "City") proposed new development charges ("DC") Bylaw and write to provide input to the Executive Committee.

PDP/CLC, along with Bombardier Inc. and Build Toronto, are stakeholders in the Downsview Lands Secondary Plan Area ("DLSPA"), which covers approximately 297 hectares or 1123 acres and provides for a variety of land use permissions for residential, mixed use, employment, and recreation. The development of the DLSPA represents a special opportunity for the expansion of new services and infrastructure that will benefit the Downsview community and the City as a whole.

New infrastructure required for the development of the DLSPA includes:

1. Transit Road
2. Perimeter Road
3. New Street A on Build Toronto lands
4. Associated grade bridges or grade separations to cross CN Rail tracks and Allen Road
5. Watermains
6. Sanitary Sewers



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PDP/CLC had discussions with senior staff at the City regarding the need for clarification and certainty for this future infrastructure so it can be adequately reflected in the City's new DC Bylaw. Likewise, a portion of these costs, if front ended or the subject of a service in-lieu agreement will be eligible for DC credits and reimbursement from DC income.

Recently, a staff report entitled, "Collaborating for Competitiveness: Aeronautics Campus Cluster", was submitted to your Economic Development Committee and Council. The report provided an overview of the aerospace cluster in the City and surrounding region and the proposed development of an aerospace industry campus within Downsview Park. At page 10, the Report highlights that some of the infrastructure for the DLSPA "may serve both a local and regional function and therefore could be eligible for partial funding from Development Charges." In our view, it is appropriate to move forward on this now.

The Executive Committee and Council should be aware that the build-out for the DLSPA is likely to extend beyond the 10 year planning horizon of the capital program in the DC Background Study, 2013-2022. As a result, it may be necessary to recognize this in possible future agreements with the City and any of the stakeholders.

Additionally, we wish to comment on the draft Local Service Policy and Guidelines and are of the view that it inappropriately defines certain infrastructure by its location rather than by the function it serves, which results in the unnecessary exclusion of otherwise eligible capital projects. For example, "roads internal to a development" irrespective of the type of road are deemed not to be DC eligible and are considered to be a direct developer responsibility. With respect to Downsview Park, the Transportation Master Plan for the area includes new roads which will fill in gaps in the road network for this area and will benefit future development across the City. As a result, we suggest that the definition be restated and appropriately tied to the function of the road or infrastructure. If any new roads serve the City beyond the development, a portion of the capital cost should be eligible for DC credits and suitable service in-lieu agreements.

We also note that the Local Service Policy and Guidelines for water/sanitary sewers appears to only allow for oversizing pipe costs and does not allow for the additional capital costs associated with installing the pipes at a deeper depth. Infrastructure improvements for sanitary sewers and watermains have specifically been identified as requirements for the redevelopment of Downsview Park. The increased level of capacity from these works have been planned to provide a wider benefit to the City's infrastructure as a whole. The entire oversizing cost, including



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the marginal cost and the cost of installing the pipes, should be eligible for DC credits and not treated as a local service.

We wish to note that we are pleased that the Transit Road EA (Road Project 1.5.14) required for the development of the DLSPA has already been identified in the DC Background Study.

In order to remove any uncertainty about eligibility for DC credits, we ask that the projects identified above be specifically included in the DC Background Study. This will not necessarily require any change in the quantum of the DC as currently calculated in the DC Background Study, since it may be possible to accommodate these projects from the "Unallocated Improvements" category.

We are prepared to continue to work with staff and your Committee to ensure the planned infrastructure is included in the DC Background Study to encompass the future growth of the DLSPA.

Yours sincerely,
DAVIES HOWE PARTNERS LLP

FOR: Jeffrey L. Davies
JLD:AJS

copy Client