



Monarch

2550 Victoria Park Ave., Suite 200
Toronto, Ontario M2J 5A9

July 2nd, 2013

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

We are writing to communicate our serious concerns with respect to the proposed Development Charges (DC) by-law and Background Study, to be considered at Toronto's Executive Committee on July 3rd, 2013. Monarch Corporation has a number of major high-rise condominium projects, at various stages of sales and development, located throughout the City of Toronto. Having now reviewed the Staff Report, proposed by-law, and Background Study, Monarch concludes that the proposed increases to the applicable Development Charges rates will have an overwhelming effect upon the total development costs of our projects. A near-doubling of Development Charges may threaten project viabilities, translate into adjustments that affect our purchasers, and/or bring about pricing impacts that diminish housing affordability.

Furthermore, we note:

- The rate calculation provisions set out in the current DC by-law (adopted in 2009) are set to expire in April 2014, and have been useful in forecasting Development Charges payments through to April 2014. We respectfully request that no new by-law imposes rate increases until that time.
- In implementing the current (2009) DC by-law, the City wisely allowed for transitional provisions and a "phasing-in" of new rates over a period of time. We are requesting that similar provisions be considered with the implementation of the DC by-law being brought forward at this time.
- With a number of planning and building permit applications in queue for projects at various stages of development (and sales), we respectfully request that new rates introduced by way of the proposed DC by-law are not applied to projects with active applications.
- Given the weight and substance of the proposed Development Charges by-law and the very significant impacts it will have, we believe that additional consultation with industry stakeholders (and further review of the Background Study) is warranted, and therefore, are requesting a deferral of this matter at the July 3rd 2013 Executive Committee meeting (to October 30th).

Thank you for your consideration of the requests outlined in this memo.

Best regards,

MONARCH CORPORATION

Anthony DeCarli
Director of Development, High-Rise Division