



May 4, 2015

Roberto Rossini, Deputy City Manager & Chief Financial Officer
City of Toronto
City Hall, 100 Queen St. W.
Toronto, Ontario
M5H 2N2

Dear Mr. Rossini,

RE: City of Toronto's proposed Development Charges By-law Amendment for the Scarborough Subway Extension

On behalf of the members of the Building Industry and Land Development Association (BILD), we submit the following comments with respect to the proposed Scarborough Subway Amendment to the City of Toronto's Development Charges By-law (the "Amendment").

We acknowledge that the proposed Amendment may increase the development charges by an additional 10% for residential and 11% for non-residential development.

In principle, it is imperative to note that our industry is 100% committed and legislated to paying its fair share of growth. This includes critical infrastructure such as subways. In this case, the industry's share of the costs associated with this Amendment is \$451.6 million.

The industry does not challenge these needs. However, the industry does challenge the fairness of this Amendment, as we remain concerned by the rationale for its methodology and the speed at which this proposal has made its way to City Council. This is primarily due to the fact that this Amendment has been expeditiously brought forward, while the industry is still operating in the negotiated transition period from the previous by-law review. This Amendment adds an additional and unaccounted layer of taxation onto the new homeowners and businesses of Toronto.

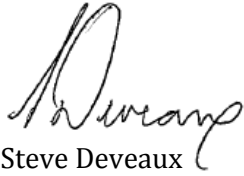
We appreciated that Toronto's Executive Committee members recognized this disparity at its April 22nd meeting and directed Corporate Finance to consult with our industry for an appropriate transition policy. As you know, BILD representatives met with Corporate Finance staff on April 29th to discuss a transition policy.

At this meeting, City staff proposed a new transition policy. This transition policy would mean that 50% of the increase would come into effect on August 1, 2015 and the remaining 50% of the increase would come into effect on February 1, 2016. While we continue to disagree with the Amendment, if the newly proposed transition policy were approved by City Council, than BILD will not appeal the Amendment.

Please be advised that this does not preclude our individual members from exercising their own rights of appeal.

Thank you for the opportunity to submit comments with respect to the City of Toronto's proposed Development Charges By-law Amendment for the Scarborough Subway Extension. Please contact the undersigned if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Deveaux". The signature is fluid and cursive, with a large initial "S" and "D".

Steve Deveaux
BILD Chairman

*CC: Joe Farag, Executive Director, Corporate Finance, City of Toronto
Chris Phibbs, Senior Advisor, Office of Mayor John Tory, City of Toronto
Gary Switzer, BILD Chapter Chair
Paula Tenuta, Vice-President, Policy and Government Relations, BILD
Danielle Chin, Senior Manager, Policy and Government Relations, BILD*