

Goodmans^{LLP}

Barristers & Solicitors

Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7Telephone: 416.979.2211
Facsimile: 416.979.1234
goodmans.caDirect Line: 416.597-5158
rhowe@goodmans.ca

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Our File No.: 15-3002

WITHOUT PREJUDICEMr. Robert Robinson, Solicitor
Ms. Jessica Braun, Solicitor
City of Toronto, Legal Services
Metro Hall, 55 John Street, 26th Floor
Toronto ON M5V 3C6

Dear Mr. Robinson and Ms. Braun:

**Re: City of Toronto Development Charge By-law No. 525-2015
Scarborough Subway Extension Development Charge
OMB Case No. DC150008**

Further to recent discussions between Steve Deveaux and Rob Hatton, our client has instructed us to write to you with an offer to settle its appeal of the above-referenced By-law. Our client would be prepared to settle its appeal in accordance with the following terms, to be set out in minutes of settlement executed by the parties:

1. The development charges imposed by By-law 525-2015 for the Scarborough Subway Extension will be reduced by 10%. The 10% reduction will apply to the rates for all types of Residential and Non-residential, and will apply to the rates in both Column 2 (Rates Effective August 1, 2015) and Column 3 (Rates Effective February 1, 2016), in Schedule D attached to the By-law. The parties will request the Board to amend the By-law by replacing Schedule D with a new Schedule D that reflects the reduced rates (see attached revised schedule).
2. The reduced rates will be presented in evidence to the Board on the basis of a revision to the calculation of the development charge in the Background Study by increasing the 2015 ridership estimate, resulting in an increased benefit to existing share, sufficient to achieve the 10% reduction in the development charge. The parties will mutually agree to the recalculation, which will be attached to the minutes of settlement.
3. BILD's agreement to the settlement does not constitute acceptance of the methodology, assumptions or calculations used to calculate the development charge, including the change to the calculation to achieve the reduced development charge.

4. The City's agreement to the settlement does not constitute acceptance of the change to the calculation to achieve the reduced development charge.
5. The settlement is without prejudice to any position that either of the parties may take in respect of any future development charge by-law enacted by the City or development charge calculation undertaken by the City.
6. Following the issuance of the Board order amending the By-law, the City shall issue rebates in respect of any development charges paid pursuant to the By-law prior to such order, in accordance with the requirements of the *Development Charges Act, 1997*.

We look forward to receiving the City's response to our client's settlement proposal.

Yours truly,

Goodmans LLP



Robert D. Howe

cc Client
Joseph Hoffman, Goodmans LLP

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**REVISED SCHEDULE D, ARTICLE I
DEVELOPMENT CHARGES RATES**

TRANSIT: ADDITIONAL CHARGE FOR SCARBOROUGH SUBWAY EXTENSION ⁽¹⁾

COLUMN 1	<u>Development Charges Rates ⁽²⁾</u>	
	<u>Column 2</u> Effective August 1, 2015	<u>Column 3</u> Effective February 1, 2016
<u>RESIDENTIAL (PER DWELLING UNIT OR DWELLING ROOM)</u>		
Singles & Semis	\$2,568	\$3,021
Multiples 2+ Bedrooms	\$2,162	\$2,544
Multiples 1 Bedroom and Bachelor	\$1,544	\$1,817
Apartments 2 Bedrooms and Larger	\$1,579	\$1,858
Apartments 1 Bedroom and Bachelor	\$1,099	\$1,292
Dwelling Room	\$686	\$807
<u>NON-RESIDENTIAL (PER SQUARE METRE)</u>	\$15.72	\$18.50

NOTES

- (1) The Scarborough Subway Extension development charges rate is considered part of the "Transit (balance)" service as designated by § 415-2 of this chapter.
- (2) The development charges described above shall be adjusted pursuant to § 415-11 of this chapter.