

Submission  
from  
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EX 15.8.1

Porsche Cars Canada, Ltd.  
Porsche Training Centre Canada  
Porsche Centre North Toronto



Development Charge Complaint - 165 Yorkland Boulevard  
Date: May 24, 2016

## Executive Summary

- Porsche Cars Canada, Ltd. has partnered with Agellan Capital Partners Inc. to develop a new facility at the north east corner of highway 401 and highway 404 that will include a new Porsche Head Office, the first ever Canadian Porsche Training Centre and Porsche Centre North Toronto, the first ever corporate owned dealership in North America.
- With this new facility Porsche Cars Canada, Ltd. will move its current head office located in Mississauga to Toronto. In doing so it will relocate around 50 employees to Toronto. In addition, the opening of a new dealership will add up to 50 new employees. The facility is currently under construction and is expected to be completed in the spring of 2017.
- A City of Toronto Development Fee of \$682,382 has been paid under protest for this development in order to obtain the conditional building permit. This fee has been calculated based on a total ground floor area of 3,570 sq.m multiplied by \$191.09 per sq.m.
- The City of Toronto By-law No. 1347-2013 provides details on how the development fee is calculated, including provisions for exemptions. The By-law clearly states under section 415-6 B that "Industrial Uses" are to be excluded from the ground floor calculation.
- It is our opinion that a 95% share of the Parts Warehouse (228 sq.m.), 45% of the Workshop (454 sq.m) and 100% of the Training Centre (235 sq.m) should be classified as Industrial use as per the description provided in the By-law No. 1347-2013. This should result in a reduction of the Development Fee of \$175,229. It should be noted that if the function of these departments were located in a separate building onsite the fees would not apply
- Multiple letters have been submitted to the City of Toronto by Agellan Capital Partners Inc. outlining the industrial use work being completed in these areas and supporting classification descriptions from Ontario Health and Safety, Industry Canada and market descriptions of comparable spaces. Specific examples include:
  - o Ontario Health and Safety classification of automotive workshop and parts warehouse as industrial
  - o Lease and Sale Property descriptions
  - o Industry Canada differentiating Maintenance Services for Motor Vehicles as an entirely different industry than automotive retail services
- These examples clearly support that a portion of the main floor of the building being constructed is in fact industrial use as per the By-law definition. We request that the amount of \$175,229 as calculated above be refunded to Agellan Capital Partners Inc.

## Supporting Details

- City of Toronto By-law No. 1347-2013 Section 415-1 provides a detailed definition for “Industrial Uses” as follows: “Land, buildings or structures used or designed or intended for use for or in connection with manufacturing, producing or processing of goods, warehousing or bulk storage of goods, self-storage facility, distribution centre, truck terminal, research and development in connection with manufacturing, producing or processing of goods.
  
- **Ontario Health and Safety Personal Protective Equipment**
  - Ontario Health and Safety require that employers have an obligation to ensure that employees working in industrial spaces utilize appropriate PPE. The obligation is enforced through facilities inspections undertaken by inspectors. Industrial sectors where inspectors will focus are specifically identified on the Ministry’s website and include **vehicle sales and service buildings**
  - In order to comply with this obligation employees working in the dealership workshop and parts storage area are required to wear proper foot protection and in some cases eye protection in order to meet this very important safety directive and public access to these spaces is restricted. Similar obligations are mandated in insurance policies for dealerships. In light of this it is clear that these areas should be considered industrial and not retail in nature.
  
- **Ontario Ministry of Labour the Forklift and Lifting Devices Safety in Industrial Workplaces**
  - Ontario Ministry of Labour states that workplaces that operate lifting devices, including forklifts and personnel lifts, may expose workers to potentially serious physical hazards.
  - The Porsche Centre North Toronto workshop will contain fifteen vehicle lifting devices in the workshop and a forklift in the parts storage area. It is clear that the Ministry of Labour guideline applies to the workshop and parts storage area.
  - It is also important to note that they have classified such a space as industrial.
  - Employers have an obligation to ensure that they are taking various precautions to protect workers who are working in the area of forklifts and lifting devices
  
- **Lease and Sale Property Descriptions**
  - Descriptions of uses for properties for lease or sale being marketed as industrial commonly make reference to mechanic shops as a potential use. This indicates that not only are such spaces considered industrial from a safety compliance perspective they are commonly understood in the market to as such.
  
- **Industry Canada**
  - Industry Canada follows the North American Industry Classification System clearly differentiating Maintenance Services for Motor Vehicles as an entirely different industry (NAICS 8111) from Retail activities (NAICS 4411).