

January 23, 2018

Our File No.: 150261

Via Email

Executive Committee
10th floor, West Tower, City Hall
100 Queen Street West
Toronto, ON M5H 2N2

Attention: Members of Executive Committee and Josephine Archbold, Secretary

Dear Sirs/Mesdames:

**Re: Development Charges Bylaw Review – Agenda No. Ex30.3
RioCan REIT and related entities.**

We are solicitors for RioCan REIT, RioCan Management Inc., and its related entities (collectively “**RioCan**”). RioCan is the owner of, or a development partner in, numerous commercial and mixed use properties in the City of Toronto (the “**City**”). A number of RioCan projects are currently proceeding through the *Planning Act* approvals process including significant revitalization projects at:

- 440, 444, 450 and 462 Front Street West; 425, 439, 441 and 443 Wellington Street West; 6-18 Spadina Ave. and 1 and 19 Draper Street (“**the Well**”);
- 660 Eglinton Avenue East (“**Sunnybrook Plaza**”);
- 815-845 Eglinton Avenue East (“**Leaside Centre**”);
- 740 Dupont Street (“**740 Dupont**”), and
- 4841-4881 Yonge Street, 2 and 50 Sheppard Avenue East and 2, 4, and 6 Forest Laneway (the “**Sheppard Centre**”).

RioCan is a member of the Building Industry and Land Development Association (“**BILD**”). RioCan supports the submissions made by BILD in consultation with other development industry groups in regard to the proposed Development Charges By-law (the “**By-law**”).

The By-Law: Industry and RioCan Concerns:

In addition to the concerns in regard to the By-law raised by BILD, including the quantum of the development charge increases and the speed at which the By-law is being brought forward, RioCan would like to highlight three key items of specific concern being:

- the lack of transition provisions;
- the appropriate implementation date; and
- the timing of development charge payments.

Transition and Implementation:

As noted in the Staff Report entitled “Development Charges Review By-law” dated January 10, 2018 (the “**Report**”), the proposed By-law does not include transition provisions. The Report proposes that transition provisions will be considered pending input from public meetings and stakeholder discussions. RioCan, like many members of BILD, has a significant number of projects in the development pipeline. These projects include mixed use development in close proximity to existing or under construction higher order transit stations all in various stages of the *Planning Act* approval and building permit processes.

Transition provisions are a key element in creating a fair implementation process, particularly in the case where:

- such a large increase in calculated rates is proposed (currently 110% for large residential apartments and 116% for commercial or retail developments);
- the mixed use intensification projects at issue are implementing provincial policy; and
- the projects have already proceeded a significant way through the development pipeline based on the planning and financial framework in place at the time and could not have anticipated such a significant increase.

In addition, the City took a similar position in regard to transition in 2013 and as the Report notes a two year phase-in transition was provided in the 2013 Development Charge By-law “as a result of the large increase in the calculated rates (71%)”.

In regard to a specific transition proposal, RioCan supports the transition proposed by BILD. Further, an appropriate implementation date should be set that is no earlier than the expiry of the existing by-law.

Timing of Development Charge Payments:

Finally, the 2016 amendments to the *Development Charges Act* appropriately govern the timing of the payment of development charges (“DC”). The City’s current practice of requiring DC

deferral agreements when developers seek conditional below grade permits is problematic in regard to both the Act, as the DCs are not being paid at the time of the first building permit, and for the development, as the inconsistency creates unnecessary cost uncertainty, all of which can be remedied by making the By-law and City practice consistent with the Act.

If there are any questions or comments please feel free to contact me. In addition, we would appreciate receiving notice of any decisions regarding the By-law.

Yours truly,

Goodmans LLP

A handwritten signature in black ink, appearing to read 'AB', with a long horizontal stroke extending to the right.

Anne Benedetti

AKB/

Encl.

cc: Melissa Bruzzese, RioCan