LIBERTY

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LIBERTY *for all*

February 21, 2012

Mr. Bill Hughes
Commissioner of Finance and Treasurer
17250 Yonge Street
Newmarket, ON L3Y 6Z1
Fax: 1-905-836-0299

Dear Mr. Hughes:

RE: 2012 York Region Development Charges Background Study and By-law Public Meeting of the Finance and Administration Committee - March 1st

I am writing in my capacity undersigned at Liberty Development Corporation for project owners and projects we have under management or development. I am writing to advise I am in receipt of the proposed Development Charges Background Study and By-law, and would like, by way of copy of this letter to Denis Kelly, to reserve an opportunity to make a deputation at offer the following comments in advance of the March 1st Public Meeting of the Finance and Administration Committee.

I have participated in the 2012 DC Review Process over the past year, and provided various comments orally and in writing. Some of my letters have not been responded to prior to the issuance of the Background Study nor to date, and hence, my issues have not been explored or addressed adequately if I may say with due respect to your hard working staff.

There are four major points I will be making, and reserve my right to further supplement my points at the deputation or subsequently in writing.

A. Calculation of DC Charges for Unit Sizes.

I had originally had long discussions with staff, followed up by written correspondence, suggesting that all products should be charged DC's on a square foot basis, so there can be a more effective spreading of capital costs among varying product types needed by the Region (as in Vancouver). This was turned into a proposed methodology change only to charge apartments based on their sizes being either Small or Large and where the Region's arbitrary cut-off was established at 650 s.f. We have provided evidence demonstrating that the cut-off should be 750 s.f.

B. Calculation of Office Charges

I have advised consistently, including in prior By-law reviews, that if the Region genuinely wishes to have an established and successful Centres and Corridors development, and transit oriented developments, that an adequate mix of products among residential and office is necessary. In order for office to proceed, there cannot exist disincentives. I have not been shown that since the Regional rates for Office have risen from $3 per square foot in the 2004 by-law to the proposed $20.26 per square foot (a 575% per cent increase) that the pace of office has also increased. It is likely true that office development has stagnated because of this large charge being a major factor, despite the offsetting revenue the municipalities would garner by increased an assessment base increasing. The DC charges, existing and proposed, are too high and will impede the proper and effective development of 'true mixed-use' in the Centres and Corridors.

C. Subway and Transit/BRT BFE

The Benefit to Existing (BFE) apportioned to Subway and Transit is not proportionately distributed to the additional units we have added since the last by-law. If we have added more development then the BFE must increase. It is not possible that as a city develops that the existing population base does not use transit and subway as infrequently as the Region's numbers suggest. If that is the case, then perhaps the expansion of roads needs to be reviewed in conjunction with BFE numbers for transit/BRT and subway before roads are widened from four lanes to six lanes.

D. General Magnitude Increase

As you know, the proposed increase to Transit Oriented Development and Centres and Corridors housing, the precise type of development you are asking to be developed to facilitate growth in the Region under Places to Grow requirements, is slated to jump by 40%. I personally do not think that new buyers can continue to absorb an increase of double digits each type the by-law is reviewed. If we wish to have an effective, competitive York Region, and attract employers who believe that they can have access to nearby employees who can afford housing (of varying product types), then we must do something to slow the rate of these increases each time the by-law is reviewed.

I respectfully submit these points in anticipation of a deputation before the Region on March 1, 2012 and I reserve my right to modify or supplement these comments.

Sincerely,

M. Filice

M. Filice
Sr. V.P. & General Counsel
Liberty Development Corporation
For itself and on behalf of certain projects
Under management and development

.cc Denis Kelly, Regional Clerk