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development

LIBERTY *for all*

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April 29, 2010

Regional Municipality of York
17250 Yonge Street, 4th Fl.
Newmarket, ON L3Y 6Z1
Attn: Lloyd Russell, Commissioner of Finance and Treasurer
e-mail: Lloyd.Russell@york.ca
Fax: +1-905-895-3031

Regional Municipality of York
17250 Yonge Street, 4th Fl.
Newmarket, ON L3Y 6Z1
Attn: Regional Clerk, Denis Kelly
e-mail: regional.clerk@york.ca
Fax: +1-905-895-3031

Dear Sirs/Mesdames:

Re: York Region Development Charges By-law

I am writing on behalf of Liberty Development Corporation, a development manager for several developments in York Region, including mixed-use and transit-oriented developments. I am writing further to my letters dated April 7, 2010 regarding items on the April 8, 2010 agenda.

We are surprised with the out of the ordinary increases in the DC rates on the product we wish to deliver, and are delivering, in the Region, including, without limitation, the office (I/C/I) product.

We appreciate the challenges faced by the Region in delivering the infrastructure required to help the Region house people and attract businesses. However, the proposed DC increases do not appear to help satisfy Places to Grow goals of mixed-use intensification in centres and corridors (i.e. including multi-level office). This is an absurd observation given that the Region (and lower-tier municipality) receives a rate of 2:1 assessment dollars for every square foot of office built compared to any stand-alone residential, and an even greater rate when receipts are considered on a per acre basis in a true mixed-use development. This is even more difficult to understand since the Region's own consultant report (Watson, April, 2008; supported in

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Markham/Watson February, 2010) demonstrated that intensification costs less on an operating basis and actually results in significant assessment surpluses (for all levels of government).

Interestingly, one Regional municipality has legislated an innovative mixed-use DC rate to incent intensification with office by providing a 50% discount, recognizing that the 'in-perpetuity' office assessment return is more valuable than the upfront increase of office DCs.

The costs of increasing office DC's will come at the loss of perpetual assessment revenue and operating savings for the Region for every square foot of office that is not developed in the Region, since office cannot absorb these rates of increases, that will not be offset by any increase in the office DC.

Nonetheless, we continue to welcome communication with finance and other staff to discuss this concern further and have hope that we can come up with some creative suggestions to help devise some financial policies in the DC review that will not result in further disincentives for office development (and loss of assessment revenue) and mixed-use and intensification oriented residential/non-residential product in the Region.

In the meantime, we are left with no choice, at this time, to write this letter to preserve the rights of the landowners we represent in York Region, including: (a) 1541677 Ontario Inc.; (b) 1612072 Ontario Inc.; (c) 1691126 Ontario Inc.

Sincerely,

M. Filice

M. Filice
B.E.S., LL.B., M.B.A.
Vice-President & Counsel