

**REQUEST TO DEFER ALL CHARGES REQUIRED AT THE TIME
OF SIGNING THE SUBDIVISION AGREEMENT/REGISTRATION
TO THE ISSUANCE OF THE BUILDING PERMIT**

Recommendation

The City Manager and the Commissioner of Finance & Corporate Services recommend:

That given Council's direction with respect to deferrals, the request to defer the payment of all City charges required at the time of registering the subdivision agreement to the time of building permit issuance not be granted.

Economic Impact

Engineering services are paid at the site plan stage or in the case of a subdivision at registration on the basis that engineering infrastructure such as roads and bridges should be put in place in advance of growth. On that basis the engineering services development charges are collected early in the development process. The applicant has estimated engineering DC's to be approximately \$3,979,350. The request is to defer the collection of these and all other charges to the date of issuing the building permit. A full economic impact can't be determined at this time since it is uncertain how the deferral would impact cash flows for funding engineering projects and potentially the timing of payments from other developments.

Purpose

The purpose of this report is to bring to Council the request for the deferral of all City charges payable at signing the subdivision agreement/registration to the issuance of the building permit.

Background - Analysis and Options

The attached request to defer all the charges to the issuance of the building permit was received from the Weston Consulting Group Inc. on behalf of their client Frank Carinci (c/o Royal Empress Gardens Ltd.). Royal Empress Gardens has recently finalized a Master Plan for the subject property, consisting of 1,850 residential units and 43,811 square feet of commercial ground floor area in the form of six towers, which will be achieved through a draft plan of subdivision.

Engineering Services development charges are the primary charge that is paid at registration of the subdivision agreement. The applicant has estimated that total development charges for the entire project will be approximately \$41m. These funds will be paid to the City, Region and School Boards. There are some corrections required to the applicants calculations, however based on the applicants calculations the City's portion is approximately \$14.2m. Of this amount \$3.9m is required to be paid at the time of registering the subdivision agreement. This amount may be lower once the calculations are corrected. It represents the payment of the engineering services component of the DC which funds capital works such as the road network which is often installed in advance of development. Previously the payments at registration (Engineering Services) were not deferred. What had been deferred were DC payments due at building permit issuance. These previous developments were constructed under a site plan which is in contrast to this request, where construction is under a subdivision agreement.

In 1998 Council passed the following motion "That no further deferrals of development charges be granted as of January 1, 1999."

The request for a deferral for a specific development raises concerns regarding bonusing and the consistent treatment of other development applications. Prior to Council's previous direction, the deferral of City DC payments was for those amounts due at building permit issuance and bonusing and other concerns were addressed through the creation of a policy. Among other requirements the policy required interest on unpaid amounts, security to be posted, no significant funds required to be spent on the part of the City relating to the development and an agreement be executed between the applicant and the City.

Relationship to Vaughan Vision 2007

Not applicable.

Conclusion

Given Council's previous direction and the potential of bonusing and other issues the deferral request should not be granted.

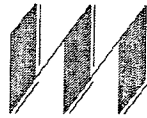
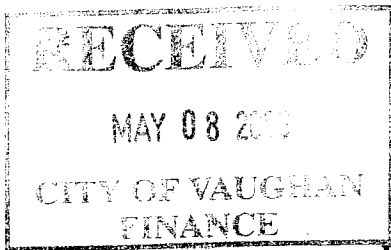
Attachments

Attachment 1 - Letter of Deferral from Weston Consulting Group

Respectfully submitted,

Michael DeAngelis
City Manager

Clayton D. Harris, CA
Commissioner of Finance & Corporate Services



WESTON CONSULTING GROUP INC.

PLANNING CONSULTANTS



May 8, 2006
WCGI File: 3939

City of Vaughan
City of Vaughan Civic Centre
2121 Major Mackenzie Drive
Vaughan, ON L6A 1T1

**ATTENTION: Clayton Harris, Commissioner of Finance & Corporate Services
Michael DeAngelis, City Manager
John Zipay, Commissioner of Planning
Bill Robinson, Commissioner of Engineering**

Dear Sirs:

**Re: Proposed Deferral of Engineering Services Development Charge
Block B (Two Towers, 761 Residential Units, 1,688 sm of Commercial)
Highway 7 & Creditstone Road, Vaughan Corporate Centre
Lot 6, Concession 4, City of Vaughan**

Weston Consulting Group Inc. (WCGI) is the planning consultant for Frank Carinci (c/o Royal Empress Gardens Ltd.), the landowner of the 8.5-acre property located on the north side of Highway 7, west of Creditstone Road, in the City of Vaughan Corporate Centre.

Royal Empress Gardens Ltd. has recently finalized a Master Plan for the subject property, consisting of a 1,850 residential units and 43,811 square feet of commercial ground floor area in the form of six towers, which will be achieved through draft plan of subdivision. As agreed to at our March 29, 2006 meeting, Stage 1 (Phase 1) of the proposed subdivision will include one of the Block B towers and the proposed ring-road and Barnes Court connection (see attached Master Plan for details).

In said meeting, we also discussed the City of Vaughan development charges associated with this project. In consideration of our discussion at said meeting, on behalf of Royal Empress Gardens Ltd. we are requesting the deferral of payment of the engineering services component of the City of Vaughan development charges (for the 1,850 proposed units), and all other charges required at the time of signing the Subdivision Agreement or at the time of registration, to the time of building permit issuance. We believe this project is unique to the City of Vaughan in context with the goals and objectives for the Corporate Centre. As the first major mixed-use development within the Corporate Centre, we believe there is great potential for this property to be a landmark site and the catalyst for subsequent development in the area.

Background

These lands were subject to an Ontario Municipal Board Decision (No. 1124, dated July 13, 2001), which rezoned the lands from *EMI Prestige Employment Area* to *C9(H) Corporate Centre*, permitting a mix of corporate centres uses, such as institutional, commercial, and residential uses. In addition, the OMB order approved a Draft Plan of Subdivision for these lands. We are currently working with the landowner to clear the conditions for the original Zoning By-Law Amendment and the Draft Plan of Subdivision approvals.

In recent months, we have been working with City staff to finalize the development Master Plan for the subject property. The result includes an increase to 1,850 residential units and allows for 43,811 square feet of commercial ground floor area in the form of six towers. In support of this proposed development, we will be submitting the following applications in the coming days:

1. **Official Plan Amendment:** For the removal of the Barnes Court extension to the west of the ring-road, which is required in OPA 500 and 528.
2. **Zoning By-Law Amendment:** To allow for unlimited height throughout the property, the increase in residential units, and for the rezoning of blocks (e.g., OS2 in the northwestern corner).
3. **By-Law to Lift Holding Symbol (H):** For permission to proceed with the development of up to 1,071 units.
4. **Amendment to the approved Draft Plan of Subdivision:** The Draft Plan will be modified to reflect the final Master Plan.
5. **Site Plan Application:** A Stage 1 (Phase 1) Site Plan application will be submitted for Block B. The two towers in Block B will be built out in two phases.

With these applications, Royal Empress Gardens Ltd. looks forward playing a significant role in what we believe will be the most prolific development period in the history of the City of Vaughan.

Vaughan Corporate Centre

The City of Vaughan continues to plan for the Corporate Centre, a new downtown for the city which envisions walkable streets defined by more than six million square feet of attractive high density residential buildings, successful businesses, and state of the art entertainment and cultural facilities. The area is made up of approximately 607 hectares (50-hectare core) and extends eastward from Highway 400 to Creditstone Road. It is estimated that the Corporate Centre area will provide 30,000 jobs and inhabit in excess of 5,000 people.

This vision for Vaughan's Corporate Centre has been bolstered by the recent news that the Province plans to extend the subway into Vaughan's new downtown. Over the next 20 years, this area looks to assume a significant portion of Vaughan's anticipated growth, thereby creating an urban destination for the city and for the Region.

Demonstration Site

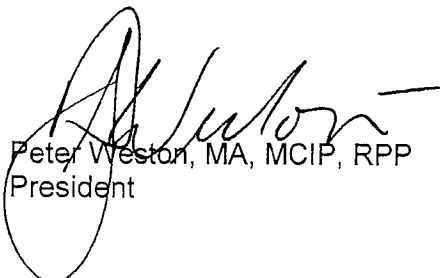
The Royal Empress Gardens Ltd.'s planned 1,850 residential units and 43,811 square feet of commercial ground floor area represents an enormous opportunity for the City of Vaughan. This site will act as a pre-eminent landmark for Vaughan's new downtown, and as a Gateway site it will provide an important first impression for those moving westerly through the Corporate Centre area. The development of new housing and commercial space will help realize the City's ambitious objectives for the Corporate Centre, and encourage other nearby landowners to follow with their respective development plans.

This opportunity for the City of Vaughan represents a considerable investment by Royal Empress Gardens Ltd. The attached development charges charts provide a detailed list of the required levies by agency, which equates to a total of more than \$41.5 million (\$17.5 million for Phase 1). Of this total, \$14,245,819.53 is to be paid to the City of Vaughan upon issuance of the building permit. Common practice dictates that the engineering services portion of the City's development charges (\$3,979,350) is to be paid at the time of registration of the draft plan of subdivision (which will be staged), with the balance paid out at the time of building permit issuance. Recognizing the City's opportunity and the landowner's investment in this particular development, we believe that the deferral of the engineering services portion of the City's development charges (for 1,850 proposed units), and all other charges required at the time of signing the Subdivision Agreement or at the time of registration, to the time of building permit issuance is a reasonable and appropriate request. We ask that you give this request your full consideration.

We look forward to continuing our work with you, City staff, and other pertinent agencies, as we move closer to realizing the potential for Vaughan's Corporate Centre. When we receive your response to the above request, we will look forward to submitting the development applications immediately.

Should you wish to discuss this matter in greater detail, please contact me.

Yours truly,
Weston Consulting Group Inc.
Per:



Peter Weston, MA, MCIP, RPP
President

cc. Frank Carinci, Royal Empress Gardens Ltd.

Royal Empress Gardens Ltd. - Highway 7 & Creditstone

STAGE 1 (Two Phases) - Development Charges

Description: Block B (737 Tower Units; 24 Podium Units; 18,166 sf / 1,688 sm of Retail)

City of Vaughan	Type	Details	Engineering Services	General Portion	Total
	Residential Multiples	373 units (tower 1)	\$802,323 (\$2,151 / unit)	\$2,059,333 (\$5,521 / unit)	\$2,861,656
		368 units (tower 2)	\$791,568 (\$2,151 / unit)	\$2,031,728 (\$5,521 / unit)	\$2,823,296
	Commercial	1,688 sm	NA	\$26,147.12 (\$15.49 / sm)	\$26,147.12
	TOTAL				
Region of York	Type	Details	Engineering Services	General Portion	Total
	Residential Multiples	373 units (tower 1)	NA	\$4,820,279 (\$12,923 / unit)	\$4,820,279
		368 units (tower 2)	NA	\$4,755,664 (\$12,923 / unit)	\$4,755,664
	Commercial	1,688 sm	NA	\$134,280.40 (\$79.55 / sm)	\$134,280.40
	TOTAL				
Public School Board	Type	Details	Engineering Services	General Portion	Total
	Residential Multiples	373 units (tower 1)	NA	\$444,989 (\$1,193 / unit)	\$444,989
		368 units (tower 2)	NA	\$439,024 (\$1,193 / unit)	\$439,024
	Commercial	1,688 sm	NA	\$3,460.40 (\$2.05 / sm)	\$3,460.40
	TOTAL				
Separate School Board	Type	Details	Engineering Services	General Portion	Total
	Residential Multiples	373 units (tower 1)	NA	\$177,921 (\$477 / unit)	\$177,921
		368 units (tower 2)	NA	\$175,536 (\$477 / unit)	\$175,536
	Commercial	1,688 sm	NA	\$1,266 (\$0.75 / sm)	\$1,266
	TOTAL				
TOTAL - PHASE 1	Type	Details	Engineering Services	General Portion	Total
	Residential Multiples	373 units (tower 1)	\$802,323	\$7,502,522	\$8,304,845
		368 units (tower 2)	\$791,568	\$7,401,952	\$8,193,520
	Commercial	1,688 sm	NA	\$165,154	\$165,154
	TOTAL				

Royal Empress Gardens Ltd. - Highway 7 & Creditstone

TOTAL Development Charges

Description: Blocks A,B, C, D (1,850 Multiple Units; 43,811 sf / 4,070 sm of Retail)

City of Vaughan	Type	Details	Engineering Services	General Portion	Total
	Residential Multiples	1,850 units	\$3,979,350 (\$2,151 / unit)	\$10,213,850 (\$5,521 / unit)	\$14,193,200
	Commercial	4,070 sm	NA	\$63,044.30 (\$15.49 / sm)	\$63,044.30
	TOTAL				\$14,256,244.30
Region of York	Type	Details	Engineering Services	General Portion	Total
	Residential Multiples	1,850 units	NA	\$23,907,550 (\$12,923 / unit)	\$23,907,550
	Commercial	4,070 sm	NA	\$323,768.50 (\$79.55 / sm)	\$323,768.50
	TOTAL				\$24,231,318.50
Public School Board	Type	Details	Engineering Services	General Portion	Total
	Residential Multiples	1,850 units	NA	\$2,207,050 (\$1,193 / unit)	\$2,207,050
	Commercial	4,070 sm	NA	\$8,343.50 (\$2.05 / sm)	\$8,343.50
	TOTAL				\$2,215,393.50
Separate School Board	Type	Details	Engineering Services	General Portion	Total
	Residential Multiples	1,850 units	NA	\$882,450 (\$477 / unit)	\$882,450
	Commercial	4,070 sm	NA	\$3,052.50 (\$0.75 / sm)	\$3,053
	TOTAL				\$885,502.50
TOTAL - PHASE 1	Type	Details	Engineering Services	General Portion	Total
	Residential Multiples	1,850 units	\$3,979,350	\$41,190,250	\$41,190,250
	Commercial	4,070 sm	NA	\$398,209	\$398,209
	TOTAL				\$41,588,458.80