

June 13, 2023

By E-Mail Only to clerks@durham.ca

Mr. Alexander Harras, Regional Clerk
Regional Municipality of Durham
605 Rossland Road East
Whitby, ON L1N 6A3

Dear Mr. Harras,

**Re: Proposed Region of Durham Development Charges By-law
June 14, 2023 Regional Council Meeting**

We are counsel to 2310068 Ontario Ltd., which is developing certain lands in the Region of Durham (the “**Region**”). We are writing to express our client’s objections to the proposed Development Charges By-law, which we understand is being considered by Regional Council at its meeting scheduled for June 14, 2023.

In addition to adopting the comments and concerns raised in memorandums from Daryl Keleher, Senior Director, Altus Group Economic Consulting, dated April 24, 2023 and May 2, 2023 and submitted to the Region, we make the following submissions:

1. The Region’s 2023 Development Charge Background Study (the “**Background Study**”) is flawed because it assumes all the Region’s growth will be fulfilled by new households. As a result, increased capital costs are allocated entirely to new housing. The reality is however, that the Region has seen an increase in multi-generation housing and people using recreational housing year-round. As a result, there exists an imbalance resulting from the increased use of municipal services and infrastructure from existing households being proposed to be funded through development charges imposed on new households. Simply put, the Background Study has incorrectly allocated BTE (benefit to existing) for various services.
2. We question whether the capital cost increases and contingency costs identified by the Region are reasonable. We would note that many contingencies appear to be layered and compounded resulting in inflated figures. In response to questions from Mr. Keleher asking for greater detail, the Region simply responded with: “Given the nature of the question, more time is required to extract the data. We will provide the requested information as soon as possible.”

3. Directly related to the point above, we note that timelines employed by the Region in conducting the Background Study were the bare minimum. As a result, the Background Study was released prior to an opportunity to address many of the issues raised by Mr. Keleher, and others. In our view, more time should be permitted prior to the passage of a new Development Charges By-law to allow for many of the legitimate concerns to be addressed.
4. Finally, the proposed increase in development charges is dramatic, and even while being phased in, will have a detrimental impact on the financial viability of our client's development projects.

Please add us to the Region's list of persons requesting notice of all further matters concerning the proposed Development Charges By-law. Should you have any questions or concerns, kindly contact the undersigned.

Kind regards,
DAVIES HOWE LLP



Michael Cook

MC:mc

copy: Client