

Development Charges

Special Area Charges Speaking Points

Good morning Madame Chair and Committee Members

I am Steve Spicer, Development Manager of Multi-Area Developments

With me today in the audience is our Principal Aldo DeSantis

Earlier this week, Aldo DeSantis wrote you a letter outlining our position on Special Area Charges, in particular the Binbrook SAC.

There is nothing mysterious or principally unfair about the Binbrook SAC. It is simply a matter of local development interests wanting to advance the development of their lands. At that time, the position of the Region was that the Binbrook Village development was premature. The SAC was added to the DC bylaw in order to repay BAY AREA for the infrastructure which they installed. The debt was scheduled to be paid out through the SAC over 25 years. The Binbrook builders are doing well. In less than half the original time frame for payout, they have reduced the from \$8M to about \$1.5M still owed to Bay Area and the City which at the current absorption rate will be paid out during the term of the proposed bylaw. They have continued to buy land knowing that the charge is there.

Every development land has its issues. The policy today would be that the developer would have to front end the installation of the infrastructure through its own financing and collect back from the City out of the DC reserves when the money is available. And you never get it all back. We estimate that recovery is only about 80% on average for our developments. It's a cost of doing Business.

Referring to the June 9th Public Meeting with regard to the Home Builders' position on this matter, not an issue that I would have brought had it not been brought up at the previous Public Meeting, neither Mr. Irani or I are members of the Board any longer. Mr. Irani's position is that of a consultant hired by the association for technical review of the background study, not to present a position of the Board. It is my understanding that the Board has chosen not to take a position on this issue. The Board of the HHHBA most certainly did not endorse the Development Council recommendation to merge the DC.

I am here to answer any questions that you may have.