



May 13, 2024

Capital and Development Finance
Finance Division
2 Wellington Street West
Brampton, ON, L6Y 4R2

Attn: Raghu Kumar, Manager, Capital and Development Finance

Re: Development Charges Background Study & Development Charges By-law

Dear Mr. Kumar,

We appreciate the opportunity to provide comments on the Development Charges Background Study that has been prepared in support of a new Development Charges By-law that is to be considered for adoption by City Council on June 26th, 2024. We have summarized our comments below and would welcome an opportunity to meet with staff to discuss our comments in further detail prior to the approval of the new Development Charges By-law.

Major Office Development

We respectfully request that the City maintain the Major Office Development Charges Exemption for new office development and re-evaluate the exemption criteria to enable more office related development projects to qualify for the exemption. The current Development Charges By-law provides an exemption for major office development for office buildings at least two storeys in height with a minimum total floor area of 50,000 square feet. In April 2023, one of our major office development projects was approved to construct a new 51,720 square foot, single-storey office building on our property located at 7600 Financial Drive. Unfortunately, we did not qualify for the Major Office Exemption under the current Development Charges By-law (By-law 129-2019) since the building was not at least two storeys in height. On June 28, 2023, City Council approved a motion (Council Motion C166-2023) to defer payment of development charges for our office development at 7600 Financial Drive to allow an opportunity for staff to revise the Major Office Exemption criteria prior to the approval of a new DC By-law in 2024. The intent of the motion was for staff to re-evaluate the Major Office Exemption criteria to eliminate the minimum height requirement for major office development to ensure that our project would be exempt from the payment of DCs. We respectfully request that this Council Motion be addressed through the new DC By-law and that the Major Office Exemption criteria be revised accordingly.

We encourage the City to introduce revised criteria for the Major Office DC Exemption to incent office investment and allow for more projects to qualify for the exemption. The DC Background Study projects a major office DC rate of \$435.57 per square metre which represents a 161% increase. The City of Brampton and Region of Peel have struggled to attract major office investment over the course of the past decade and have implemented programs to subsidize





major office development in a joint effort to stimulate employment growth and attract highly skilled jobs. The City will need to simplify the criteria for the Major Office DC Exemption to offset the increase in development charges and reduce barriers that may be preventing certain office related projects from qualifying for the DC exemption.

Purpose-Built Rental Development

As builders and proponents of purpose-built rental housing, we encourage the City to further incent purpose-built rental development through the new Development Charges By-law. Municipal fees and levies are significant barriers to the development and construction of new purpose-built rental housing. It is our objective to maintain our presence within the City of Brampton as a purpose-built rental provider, developer, and builder. With that said, we rely on local municipalities as our partners to help address the shortage of new purpose-built rental housing and introduce fiscal policy and programs that will help to stimulate growth within the rental market.

Bill 23 introduced a development charge discount regime for purpose-built rental projects based on the number of bedrooms provided. We would encourage the City to consider a more aggressive development charges discount for purpose-built rental development to further stimulate rental housing growth and increase the market supply of purpose built rental housing. Furthermore, the City should consider an extended DC deferral program for purpose built rental projects that will defer payment of DC's in an effort to reduce front loaded capital costs incurred by the developer/builder.

We would welcome an opportunity to meet with staff to discuss our comments and would like to request that we be notified of any key milestones associated with the Development Charges Background Study and DC By-law moving forward.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin Freeman".

Kevin Freeman, MCIP, RPP

*Director of Planning & Development
Kaneff Group*

*On behalf of the Kaneff Leadership Team

