



November 24, 2021

Sent via email

City of Mississauga
300 City Centre Drive
Mississauga, Ontario
L5B 3C1

Attention: Shahada Khan
Manager, Development Financing & Reserve Management

RE: Mississauga Parkland/DC/CBC Review

We are part owners of the YMCA Mississauga property located at 325 Burnhamthorpe Road West in the Downtown Core.

As you may be aware, the Downtown Core is intended to contain the highest densities, tallest buildings, and greatest mix of uses than anywhere else in the City. There are no limitations on height or density.

It is expected, based on the Region of Peel's draft 2051 population allocation of 995,000 residents for the City of Mississauga, that the majority of growth will be directed to the Downtown Core. As such, the Downtown Core will remain a fundamentally important area of the City to meet the growth demands that are expected.

We are submitting this letter in response to the November 10th industry stakeholder consultation session in which the City's consultant, Hemson Consulting ("Hemson"), introduced the draft proposed development charge rates, the draft proposed parkland rates, and also provided an update regarding the community benefits charge strategy.

Draft Development Charges

Hemson is proposing to increase the current rate substantially from \$26,730 to \$34,579 per apartment unit, resulting in an increase of 29%. The majority of the increase appears to be related to Transit Services and Roads and Related Infrastructure.

This increase will make the City of Mississauga one of the most expensive municipalities in Ontario to develop apartment units.

The City should review and reconsider the timing of its major capital projects as well as other funding sources to contribute towards the cost.

Draft Parkland Charges

Hemson is proposing to increase the current capped per unit rate of \$11,040 to a maximum capped rate between \$29,000 and \$36,000 per unit, resulting in an increase of 163% to 226%.

Hemson's rationale for this substantial increase is that residential land values for medium and high-density properties have appreciated 10% to 12% per annum over the past 5-years.

It should be noted that land values continue to increase due to a tremendous lack of supply of new homes to support the demand. This lack of supply, as it relates to condominium apartment units, is primarily due to the length of time it takes to obtain the necessary approvals in order to launch for sales, the length of time to achieve 70% sales for financing purposes, and the length of time to construct the building(s) up to and including occupancy. This process typically takes 5 to 7 years depending on the size and scale of the development.

The City is suggesting that there is a need for 28.4 ha (70.3 ac) of parkland required to support the Downtown Core and Major Nodes.

Parks in downtown areas are typically smaller passive recreational areas that fit the urban character of the area they exist within while larger "destination parks" are typically located outside of the downtown areas and include sports fields/complexes.

It is unnecessary to plan for such a large area of parkland within the Downtown Core and Major Nodes based on the passive recreational need and appropriateness within an urban area and given the fact that every residential development within the Downtown Core and Major Nodes will provide sufficient private amenity spaces for the residents.

Community Benefits Charge Strategy

The Community Benefits Charge ("CBC") replaces Section 37 of the Planning Act to allow "bonus zoning".

It is understood that the City is proposing a CBC charge based on 4% of the assessed land value. This CBC charge will be applied to all new residential developments in the City that have 10 units or more or five storeys or more.

Since lands within the Downtown Core have no limitation on height or density, they are also exempt from Section 37 of the Planning Act. As such, it is unreasonable for the City to impose a CBC charge on new residential developments within the Downtown Core. Instead, the CBC charge should only be applied to residential developments where Section 37 of the Planning Act could have been applied.

Summary and Recommendations

The City is seeking to increase its development charges and parkland charges while introducing a new community benefits charge that will negatively impact all new residential developments in the Downtown Core.

As I am sure you are aware, these charges are ultimately paid for by the purchasers of new residential units; therefore, increasing the cost of housing and worsening affordability in the City.

We respectfully request that the City consider the following:

1. Review and reconsider its capital projects along with the timing and funding of each to lessen the development charge increase being contemplated.

2. Review and reconsider the need for parks in the Downtown Core and Major Nodes to lessen the parkland charge increase being contemplated.
3. Exempt new developments within the Downtown Core from paying community benefits charges since they are exempt from Section 37 of the Planning Act.

We look forward to continued dialogue with the City.

Sincerely,

Pemberton



Barry Stern
Vice-President of Planning & Development

cc. Shari Lichterman, Commissioner of Corporate Services & CFO
Paul Mitcham, City Manager & CAO