



**TOWN OF AURORA  
ADDITIONAL ITEMS  
FOR SPECIAL COUNCIL – PUBLIC PLANNING  
MEETING**

**Wednesday, March 26, 2014  
7 p.m.  
Council Chambers**

- **Item 4 - Correspondence received from Emery Investments regarding Town of Aurora 2014 Non-Residential Development Charge Review  
Re: Item 1 – CFS14-010 – Update to Development Charges By-law**

**RECOMMENDED:**

THAT the correspondence received from Emery Investments regarding Town of Aurora 2014 Non-Residential Development Charge Review be received for information.



COMMERCIAL AND INDUSTRIAL LEASING

DESIGN TURNKEY CONSTRUCTION

620 WILSON AVENUE, SUITE 401 TORONTO, ONTARIO M3K 1Z3

TEL: 416-630-6927 FAX: 416-630-8997 EMAIL: info@emeryinvestments.com

WEBSITE: www.emeryinvestments.com

March 21, 2014

Mr. Dan Elliot  
Director of Corporate & Financial Services – Treasurer  
Town of Aurora  
100 John West Way, Box 1000  
Aurora, Ontario L4G 6J1

**Re: Town of Aurora 2014 Non-Residential Development Charge Review**

Dear Mr. Elliot:

Emery Investments has been participating in the Town's 2014 Development Charge Review. We appreciate the opportunity to provide input into the process. With this letter, we ask the Town to consider some options to incent non-residential development.

Our suggestion to consider incentives is in light of the robust forecasts of employment included in the 2014 DC Background Study in the context of a continuing competitive and challenging economic environment to attract industrial and office development. In this regard, attached please find a memo from IBI Group outlining some of the review and rationale.

Emery Investments requests that the Town consider the following:

- A differentiated non-residential development charge aligned with the Regional approach which differentiates on the basis of retail and non-retail development. This approach would provide for a lower industrial and office DC rate. This in turn would put the Town in a favourable light relative to competing municipalities in York Region and the GTA.
- In addition to a differentiated non-residential development charge, we request that you further discount new industrial development by 20%. A discount would further incent industrial development to locate in Aurora. Given the Town's industrial dominated employment forecast, a discount would possibly provide an additional attractive attribute for industry seeking new locations.

As a prime industrial landowner/developer in the Town, we would appreciate your serious consideration of our requests as your development charge review continues to unfold and proceeds to Committee and Council.

Yours truly,  
**EMERY INVESTMENTS**

Richard Goldberg, CPA, C.A.

cc: Aurora 2C West Landowners (via Don Given, MGP)

Attached: Memo from IBI Group



IBI Group  
5th Floor—230 Richmond Street West  
Toronto ON M5V 1V6 Canada  
tel 416 596 1930  
fax 416 596 0644

## Memorandum

**To/Attention** Mai Somermaa **Date** March 21, 2014  
**From** Audrey Jacob, Andrea Renney **Project No** 36021  
**cc** Aurora 2C West Landowners (via **Steno** ahj  
Don Given, MGP), Jeannette  
Gillezeau  
**Subject** Town of Aurora DC - Review - Phase 2

This memo outlines a review of the Town of Aurora DC and includes a rationale for supporting a differentiated non-residential rate and an opportunity for a discount for non-retail non-residential development. As well, the review provides additional information on the Parks service category in the draft background study, providing comparables of other area municipalities both within York Region as well as other GTA area municipalities.

### Current and Proposed Non-Residential Rate

1. The non-residential DC in Aurora is proposed to increase from \$2.43/sf to \$3.41/sf, an increase of 40%. When combined with the EDC and the Region of York DC, the overall increase since 2009 is significant as summarized in the table below.

	Non-Residential				
	Office/Retail/Inst		Industrial		
	2009	2014	%	2014	%
Town of Aurora	2.43	3.41	40%	3.41	40%
Region of York	7.43	19.41	161%	12.43	67%
EDC	0.26	0.52	100%	0.52	100%
Total	10.12	23.34	131%	16.36	62%

### Employment Forecasts

2. The forecasts included in the 2014 DCBS are consistent with the Region of York targets. The 2031 population is estimated to be 70,200, with 34,200 jobs, which are the same estimates found in the Town of Aurora Official Plan, listing York Region as the source.
3. The historic, currently estimated and forecast employment for Aurora are found within the 2014 draft Development Charges Background Study (DCBS).

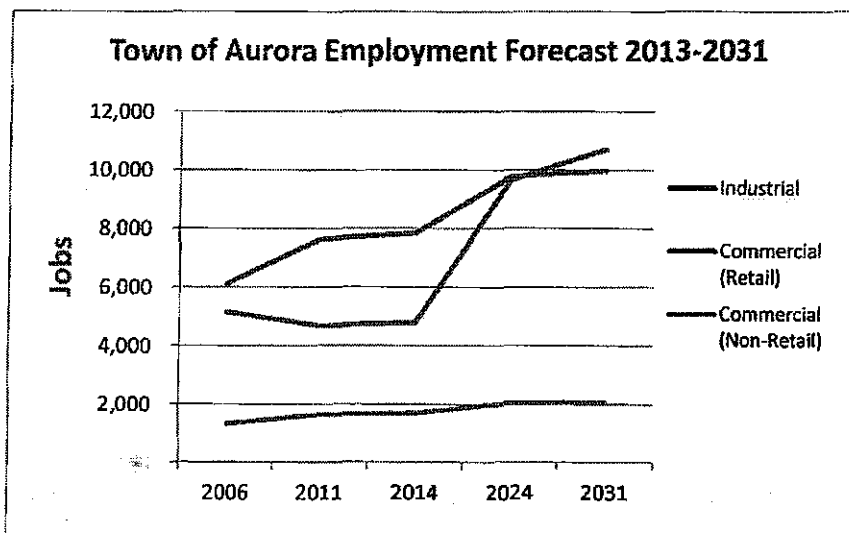
Maï Somermaa – March 21, 2014

	2006	2011	2014	2024	2031	Growth 2006-2014	Projected 2014-2031
Primary	95	100	120	120	120	25	-
Work at Home	2,415	2,410	2,481	2,548	2,520	66	39
Industrial	5,153	4,675	4,791	9,650	10,704	(362)	5,913
Commercial (Retail)	6,115	7,623	7,826	9,768	9,975	1,711	2,149
Commercial (Non-Retail)	1,328	1,642	1,682	2,048	2,085	354	404
Institutional	4,455	5,845	5,917	6,027	6,041	1,462	124
No Fixed Place of Work	2,345	2,700	2,779	2,773	2,790	434	11
<b>Total</b>	<b>21,906</b>	<b>24,995</b>	<b>25,696</b>	<b>32,934</b>	<b>34,236</b>	<b>3,690</b>	<b>8,640</b>

The above chart taken from the 2014 DCBS shows actual employment growth from 2006 – 2014, and projected employment growth from 2014 – 2031.

According to the 2014 DCBS, industrial employment in the Town fell from 5,153 in 2006 to 4,675 in 2011, reaching 4,791 by 2014, a drop of 362 over the period. Over the same period 1,711 retail jobs were added, while office employment grew by 354 jobs. In total employment grew by 3,690 from 2006 - 2014.

In order to reach the Region's target of 34,200 jobs by 2031, the Town will need to grow by 8,640 jobs. Despite the recent loss of industrial jobs, the Town of Aurora is projecting a substantial increase in this employment category going forward. Close to 6,000 industrial jobs are projected for Aurora to 2031, of which 4,859 are to be realized by 2024. Overall the industrial category is by far the largest employment growth 'sector'.



The DCBS employment projection is illustrated graphically above. The sharp spike in the blue line represents the increase in industrial employment required to meet the 2031 targets.

The prior DCBS issued in 2009 included a forecast of employment from 2009 – 2014. Employment land employment, generally industrial employment, grew at rate much slower than anticipated. This is evidence of the tendency to overestimate industrial growth.

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*Employment Forecast Hemson - 2009 DCBS*

	2009	2010	2011	2012	2013	Projected	Actual
						Growth 2011-2014	Growth 2011-2014
Employment Land	582	606	641	490	507	1,638	116
Major Office	133	138	146	111	115	643	354
Population Related	285	296	313	239	248	1,361	1,711
<b>Total</b>						<b>3,662</b>	<b>2,181</b>

Of interest, the 2009 DCBS estimated growth of 1,638 jobs over the 2011 to 2014 timeframe. This contrasts to the 2014 DCBS 'actuals' showing only a slight increase of some 116 industrial jobs over the same timeframe, indicating actual growth was lower than forecast.

Further analysis of recent non-residential developments was undertaken to ascertain employment gains made in the community. Between 2006 and 2012, 2,346 jobs were generated on employment lands. The jobs were predominantly office, with flex office/industrial space comprising the majority of development. Of this total job growth on employment lands, some 1,200 are attributed to State Farm office jobs and 450 jobs at the York Region Police Campus.

Employment District/ Parcel I.D.	Use	Address	Jobs	Office	Industrial	Employment Uses
<b>404-Wellington</b>						
Parcel 12	Office	333 First Commerce Drive	1,200	1,200		State Farm Insurance
Parcel 22C	Industrial	66 Don Hillcock Drive	20		20	NCI Marketing - Plumbing and Heating Distribution
Parcel 22G	Industrial	190 Don Hillcock Drive	35		35	Videa-Furniture International
Parcel 22H	Industrial	224 Don Hillcock Drive				
Parcel 22K-M	Office	47 Don Hillcock Drive	450	450		York Region Police
Parcel 22N	Flex Industrial/Office	125 Don Hillcock Drive	67	34	34	Industrial/Office Complex - 18 Units
Parcel 22O	Flex Industrial/Office	159 Don Hillcock Drive	45	23	23	Edinburgh Design, Audio Video Metals
<b>Subtotal</b>			<b>1,817</b>	<b>1,708</b>	<b>111</b>	
<b>Aurora East</b>						
Parcel 2	Industrial	33 Isaacson Crescent	25		25	KTI - Distributor of natural gas products
Parcel 3	Office	258 Earl Stewart Drive	26	26		Medical Services Building
Parcel 15	Industrial	189 Earl Stewart Drive	48		48	Mid-Point International
Parcel 16	Office	372 Holland/Lew Trail	96	96		Medical Services Building
<b>Subtotal</b>			<b>195</b>	<b>122</b>	<b>73</b>	
<b>Industrial North</b>						
Parcel 4	Office	245 Industrial Parkway North	60	60		Professional services office building
Parcel 9	Industrial	205 Industrial Parkway North	100		100	Commercial printing company
Parcel 14	Office/Industrial	188 Industrial Parkway North				Office/warehouse
Parcel 91	Office	16 Industrial Parkway South	42	42		Office Suites
<b>Subtotal</b>			<b>202</b>	<b>102</b>	<b>100</b>	
<b>Industrial South</b>						
Parcel 21	Industrial	145 Industrial Parkway South	52		52	Weiss Realty
Parcel 34	Industrial/Office	235 Industrial Parkway South	80		80	Industrial/Office Complex
Parcel 51	Industrial/Office	1 Vela Court				Industrial/Office Complex
<b>Subtotal</b>			<b>132</b>		<b>132</b>	
<b>Total</b>			<b>2,346</b>	<b>1,930</b>	<b>416</b>	

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The two sources of information regarding employment growth suggest industrial development is lagging. Census data combined with current estimates has shown industrial employment falling by 362 jobs since 2006. An analysis of developments on the ground also suggest industrial job growth is occurring at a slow rate.

Since this survey was conducted, there has been additional non-retail commercial development in Aurora. Bulk Barn opened in 2013, bringing 300 office and warehousing jobs. Presumably a portion of the anticipated industrial employment will be generated by non-retail commercial.

#### **Differentiated Non-Residential Rates and Discounts**

4. A survey of municipalities in the Regions of York, Peel, Halton and Durham outlines that there are various policy approaches to the non-residential DC. For example in York Region, the Region imposes a differentiated non-residential DC on the basis of retail and non-retail (i.e., industrial and office). In Peel Region their approach differentiates between industrial and non-industrial. Similarly, area municipalities can adopt differentiated non-residential DCs. In the case of Vaughan, they have followed the Region's lead and impose a differentiated DC on the basis of retail and non-retail. Currently Aurora imposes an undifferentiated DC across the non-residential sector.
5. Similarly, another approach to incenting non-residential development is to provide a discount to potential uses that are viewed as being most desirable and in accordance with planning and economic development objectives. In this regard, it is suggested that the Town allow for a discount for office and industrial development. Some municipalities have an aggressive approach to incentivizing some categories of non-residential development. In the case of the City of Toronto, the City exempts industrial development entirely from DCs; further, the City only imposes a DC on the ground floor of non-residential developments. So in the case of a multi-storey office/retail development, a DC is payable on the ground floor GFA only. Similarly, the City of Oshawa exempts industrial development from DC payment. These are only a few examples.
6. The final chart shows a comparison of parks costs amongst municipalities in the Region of York and other select municipalities in the context of 'level of service'. The cost per acre is shown by component: parkland, amenities, trails and vehicles/equipment. In order to ensure comparability, passive open space was taken out of the calculation for parkland. The Town of Aurora has the highest cost per acre amongst all of the municipalities surveyed. Of particular note, the amenities included in the parkland standard are very high compared to other adjacent municipalities. This warrants review.

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		A	B	C	D	E=A+B	F=A+B+C+D	
	Total Acres	Parkland	Amenities (includes Building / Facilities)	Trails	Vehicles and Equipment	Subtotal (Parkland and Amenities)	Total	Comments
<b>2013 DC STUDIES / Older DC studies with indexing</b>								
East Gwillimbury (Draft - March 18th, 2014)	188	\$50,000	\$76,859	\$420	\$7,342	\$136,859	\$144,622	The overall per acre standard has increased from \$85,040 to \$144,622
Aurora (2014 DC STUDY)	310	\$101,850	\$142,462	\$5,439	\$4,873	\$244,311	\$255,624	Passive Open Space Removed
Bradford - West Gwillimbury (2009 DC Study) - Indexed to 2013	101	\$20,123	\$63,652	\$4,968	\$13,033	\$83,775	\$101,757	
Georgina (2011 DC Study) - Indexed to 2013	276	\$134,289	\$12,709			\$146,999	\$146,999	
Milton (2010 DC Study) - Indexed to 2013	906	\$83,088	\$50,565	\$5,837		\$133,653	\$139,490	
Newmarket (2009 DC Study) - Indexed to 2013	487	\$124,149	\$63,875	\$41,572		\$188,024	\$229,596	
Oakville (2013 DC STUDY)	3,197	\$63,097	\$53,035	\$26	\$5,897	\$116,132	\$122,055	
Pickering (2013 DC Study)	1,752	\$85,276		\$2,052		\$85,276	\$87,328	
Richmond Hill (2009 DC Study) - Indexed to 2013	1,290	\$106,739	\$44,446	\$13,978	\$5,258	\$151,189	\$170,421	
Whitchurch-Stouffville (2013)	185	\$58,740	\$18,083		\$5,375	\$76,823	\$83,198	
<b>Older DC Studies</b>								
East Gwillimbury (2009 DC Study)	178	\$54,163	\$23,440	\$2,545	\$4,892	\$77,603	\$85,040	
Aurora (2009 DC STUDY) - Indexed to 2013	820	\$22,266	\$32,306		\$2,121	\$54,572	\$56,693	
Bradford - West Gwillimbury (2009 DC Study)	101	\$18,661	\$59,661	\$4,647	\$12,216	\$78,522	\$95,365	
Georgina (2011 DC Study)	276	\$130,925	\$12,351			\$143,316	\$143,316	
Milton (2010 DC Study)	906	\$77,823	\$47,351	\$5,468		\$125,184	\$130,651	
Newmarket (2009 DC Study)	487	\$115,364	\$59,870	\$38,965		\$178,234	\$215,199	
Oakville (2009 DC Study)	3197	\$56,134	\$25,019			\$81,153	\$81,153	Excludes Harbors and Park buildings
Pickering (2009 DC Study)	1752	\$83,437		\$1,903		\$83,437	\$85,340	
Richmond Hill (2009 DC Study)	1290	\$100,048	\$41,659	\$13,101	\$4,929	\$141,705	\$159,735	
Whitchurch-Stouffville (2009 DC Study)	165.2	\$54,819	\$50,559		\$12,144	\$105,378	\$117,522	

Note: The Amenities category includes all costs other than Parkland, Trails, Vehicles and Equipment

Note: Indexing values based on the Non-residential Construction Price Index.

Indexing 2009 to 2013	6.7%
Indexing 2010 to 2013	6.8%
Indexing 2011 to 2013	2.6%

**Recommendations**

- A differentiated non-residential development charge can provide incentive to particular types of development. In the case of Aurora, it has been able to attract strong development in the retail sector but significantly less in the area of industrial and office development. Given the employment forecast and the economic development objectives of the Town, a differentiated non-residential rate would be of assistance to achieve the industrial and office employment targets. Given the Region's differentiated non-residential DC for retail and non-retail, it would be appropriate for the Town to adopt a similar approach to non-residential DCs.
- Further, given the level of industrial employment forecast in the DC, combined with recent industrial employment trends in the Town and the competitive environment, a discount for industrial development is warranted.