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BY EMAIL: regionalclerk@york.ca

Chair & Council Members
York Region ("Council")
17250 Yonge Street
1st Floor, Room 12000
Newmarket, Ontario
L3Y6Z1

Attention: Mr. Christopher Raynor, Regional Clerk

Dear Chair & Council Members:

**Re: 2017 York Region Development Charges Background Study and
York Region Proposed 2017 Development Charges By-law
(the "Proposed DC By-law")**

And Re: Proposed DC By-Law - Public Meeting - April 20, 2017

We have been retained on behalf of Weins Canada Inc. ("Weins"), the owner of seven car dealerships located in the Greater Toronto Area, five of which are located in York Region, being known as Don Valley North Toyota, Don Valley North Lexus, Don Valley North Hyundai, Markville Toyota and Lexus of Richmond Hill. In addition to its current facilities, Weins is in the process of securing planning approvals in connection with the development of a new corporate head office and dealership facility at 7200 Victoria Park Avenue in Markham, Ontario (the "New Facility"). Weins has been a "driving" force in the York Region community since 1974 and through its dealership network, employs over 718 employees in York Region.

This letter shall serve as notice to Council of our client's objection to the Proposed DC By-law based on its application to car dealerships in York Region, making such facilities uneconomical to build. We wish to provide the following submissions for your consideration:

CONTEXT:

The typical car dealership has evolved over the years and houses a number of activities including, the warehousing/storage of vehicles, sales and leasing of cars, ancillary offices, sales and administrative offices, repair and service bays, automobile storage, parts and supply storage. A significant amount of space is utilized for repairs and servicing of cars, including warranty and or manufacturer recall work, for both vehicles sold at the dealership as well as for vehicles sold or leased elsewhere. For many users of Weins repair, maintenance, warranty and recall work services, the facility is simply and solely a "repair" and "maintenance" facility.

To adequately serve its facilities, Weins, like any car dealership, requires ample parking for employees, customers as well as to provide space to warehouse/store new and used vehicles. Many GTA facilities have off-site parking arrangements which require the frequent shuttling of vehicles from location to location. The increasing costs, security and manpower required for such transportation has made off-site parking financially prohibitive, causing dealers to try and find parking solutions on-site.

If surface parking were provided on-site for the warehousing or inventory of its vehicular inventory, there would be NO Development Charges (“DCs”) levied for such parking area or spaces. However, if such parking requirements were consolidated in whole or in part in a structure, such structure would be subject to payment of DCs under the Proposed DC By-law. The imposition of DCs on such parking structures, undermines the financial model of any dealership development and poses a serious restraint on the business of Weins and other dealerships in the Region.

It is noteworthy, and serves to emphasize the financial prejudice of charging DCs against dealership parking structures, that to our knowledge, no stand-alone parking structure has been erected in York Region and been subject to the DC regime and that the nearby and bordering municipalities do not impose DCs on such parking structures.

ANALYSIS:

1. Parking in a Structure:

The imposition of DCs against the space to be used for parking of vehicles in the structure of the dealership or within a separate structure should not attract DCs where such parking either satisfies and/or exceeds the required parking space ratios for the subject municipality.

There is no material increase in the capital costs required to meet the needs for Regional services arising from parking of cars in a “structure” versus doing so on the surface, where in the latter case, NO such DCs are payable. Given the “distinction without a difference”, the imposition of a development charge, whether at the full retail rate or otherwise at a lower industrial rate, is punitive and highly prejudicial to the operations of a car dealership that is then forced to either provide vast surface parking on-site or find, as many presently do, off-site surface parking alternatives. The result is far from good planning and does not encourage efficient use of land.

Proposed Amendment #1: We respectfully submit that the Proposed DC By-law be amended to exclude from the imposition of DCs that area proposed for the parking of motor vehicles to support a car dealership operation, where such parking either satisfies and/or exceeds the required parking space ratios for the subject municipality, in all or in any part of a structure. This exclusion could be achieved by way of a revision to the definition of “gross floor area” (that already excludes certain parking areas) or in the definition of a “Parking Structure”. We are of course not proposing an exemption of a typical parking structure where the public are charged fees for parking of vehicles.

2. Repair/Service Bays & Areas:

As set out above, Weins and other dealers have a significant amount of space set aside in their dealerships for the servicing and repair of vehicles. This function is NOT “retail” in nature and should not attract retail DCs. The servicing and repair function is open to the general public and not limited to customers who have purchased or leased a vehicle from Weins and its dealerships.

Whether it be by way of a repair, warranty item or industry recall, the paying public are seeking the services of a repair and maintenance facility, with highly skilled, industrially trained staff that they would encounter at many reputable vehicle repair and/or body shops. Such latter facilities, would typically be characterized as “industrial” and would not be subject to the “Retail” DCs. Again, we respectfully submit that the Proposed DC By-law, while treating the classic repair and body shop as industrial, creates a “distinction without a difference” to those service and repair facilities that are located in or at the dealership. The latter does not impose any further capital costs to meet the increased need for Regional services, in fact our client’s experience would support the contrary, where combining the uses on site with the car dealership poses a far more efficient use and/or demand for services than does a stand-alone facility.

Proposed Amendment #2: We respectfully submit that the Proposed DC By-law be amended to provide that the area of a car dealership that is used for the repair, inspection, servicing and/or maintenance (by warranty or recall) of motor vehicles be charged at the lower “industrial” rate (and not “retail”) to properly reflect the character of its industrial use.

We do not expect to be in attendance at the public meeting scheduled for April 20th, 2017, but would ask that these comments be provided to the appropriate staff at the Region for their consideration. We would appreciate the opportunity to review these issues with such Region staff at their earliest opportunity and before any passage of the Proposed DC By-law. In the interim, please provide the undersigned with notice of any decisions relating to the Proposed DC By-law.

Yours truly,



Neil M. Smiley

NMS:kh

Cc: Bill Hughes, Commissioner of Finance [via email: William.hughes@york.ca]

Weins Canada Inc.

Mike Everard, Augusta National Inc.