

Randy M. Grimes Enterprises Ltd.

10 Kingsgrove Blvd.

Toronto, ON M8X 1N3

416.543.2234

randygrimes47@gmail.com

City Clerk

City of Richmond Hill

225 Beaver Creek Rd.

Richmond Hill, ON L4V 3P4

Via email: clerks@richmondhill.ca

Dear Sir/Madam,

**Re: City of Richmond Hill Public Council Meeting February 13, 2024
Draft Development Charges Background Study December 23, 2023
Watson & Associates Economists Ltd.**

Randy M. Grimes Enterprises Ltd. represents the DG Group, the owners of various lands with the City of Richmond Hill.

On behalf of the DG Group, I have attended either in person or by video conference call, all of the extensive stakeholder sessions held by the City of Richmond Hill staff following the adoption of the previous Development Charge By-law in 2019. We very much appreciated the opportunity to participate in these meetings and wish to thank City staff and Watson & Associates for their co-operation.

Notwithstanding the process, my clients are surprised at the increase in the DC quantum. For example, the rate to be applied to single/semi-detached residential units will increase by some 54.4% from \$29,110/unit to \$44,950/unit – similar increases are proposed for the other residential and non-residential uses.

Throughout the process we submitted various letters/correspondence seeking clarification of some of the assumptions. The historical level of service calculation sets the maximum allowable spending envelope for various soft services including library, and parks and recreation. Unfortunately, we have not received a complete rationale for the large increase in the replacement value of many of the existing indoor recreation and library buildings as an example.

The library charge for residential single/semi-detached units is proposed to increase from \$1,964/unit to \$3,169/unit – 61.4% increase. The Parks and Recreation charge/single-semi is to increase 66.7% from \$13,648 to \$22,750/unit.

In our preliminary review of the information, we note that, in almost all the cases, the 2023 building replacement value - \$/sf, shows a dramatic increase from comparable 2019 \$ data which formed the basis of the 2019 DC By-law – Increases in building replacement in many cases were more than 100% higher and in some cases as much as 200% higher. The DC Index rose by 42% in comparison.

As example:

Recreation Facilities

Rouge Woods/Elgin West Community Centres/Langstaff Discovery Centre – all show 2023 building replacement values (excluding land) of \$1300/sf, dramatically higher than the 2019 building replacement costs of \$424-\$450/sf

Bayview Hill/Elgin West/Richvale Pools - \$1190/sf in 2023 vs \$414-\$450/sf in 2019

Library Facilities

All 4 library buildings - \$1,105/sf in 2023 vs \$430-\$573/sf in 2019

Central/Richvale/Oak Ridges/Richmond Green

These examples are by no means all of the facilities which show dramatic increases in replacement costs from 2019, far exceeding the DC index increase (42%). In addition, we note the use of, in many cases, generic replacement costs rather than the more appropriate facility specific replacement costs.

This use of inflated replacement value of existing buildings explains a large part of the increase in the DC quantum for library and parks and recreation services.

I am not able to attend the Public Meeting on February 13, 2024 as I am out of the country, but hope the issues raised in this letter will be fully considered.

Yours sincerely,

Randy M. Grimes

President

Randy M. Grimes Enterprises Ltd.