

**SULLIVAN | MAHONEY** LLP  
LAWYERS

July 7, 2025

Reply to St. Catharines Office  
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Town of Niagara-on-the-Lake  
P.O. Box 100  
1593 Four Mile Creek Road  
Virgil, ON L0S 1T0

**Attention: Lord Mayor Gary Zalepa and Members of Council, Town-of-Niagara-on-the-Lake**

Dear Lord Mayor Zalepa and Members of Council:

**Re: Two Sisters Resorts Corp. re: Parliament Oak  
Our File No.: 136000**

We act as solicitors for Two Sisters Resorts Corp. with respect to the redevelopment of property located at 325 King Street, Niagara-on-the-Lake for the purpose of a hotel.

As you are aware, Council has granted certain planning approvals for this project. The Site Plan process is also underway and is nearing completion. Our client, prudently, is now addressing the matter of development charges to be paid upon application for the building permit.

The purpose of this correspondence is to seek the assistance of the Council of the Town of Niagara-on-the-Lake in addressing Regional development charges.

We are informed by the Chief Building Official that the Town development charges on this project will be \$989,393.00.

The Regional development charges on this project will be \$4,784,992.00.

The Town of Niagara-on-the-Lake Development Charge By-law does not include, in its calculation of “*gross floor area*”, floor area which is below grade. Conversely, the Regional Development Charge By-law does include, in its calculation of “*gross floor area*”, all floor area below grade.

**Client Committed. Community Minded.**

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In this case, this project will include two levels of underground parking.

Given the nature of the area and the site, one level of underground parking was proposed by Two Sisters from the outset of the project, an approach which the Town both supported and desired in order to increase the green and landscaped open space. However, the second level of underground parking was necessitated by the wishes of the Town to add 43 additional parking spaces while keeping all parking below grade. Those wishes of the Town directly result in the need for our client to construct a second level of underground parking, resulting in an additional construction cost of \$857,840.00 as well as an additional \$804,573.00 of Regional development charges.

Our client is seeking the support of Town Council in a request to the Region to waive the sum of \$804,573.00, being the Regional development charges incurred as a result of the second level of underground parking. The reasons for our request and for seeking the Town's support are set out below.

Two Sisters and the Town disagreed over the number of parking spaces needed for this development. Ultimately, and notwithstanding its own expert report which was peer reviewed, Two Sisters accepted the Town's position and agreed to construct the additional 43 parking spaces.

In order to provide the landscaped open space being proposed, which again Council will be aware is a key component of this development, the additional parking had to be accommodated underground, by way of an additional level of parking.

The Town's requirement for additional parking, which in turn results in the additional parking level, did not trigger any additional Town development charges for the reason expressed above, namely that the Town's Development Charge By-law does not include underground construction in its calculation of "*gross floor area*". However, the Town's requirement to include the additional parking spaces has triggered a substantial increase in both the construction cost and in the Regional development charges. In fact, the additional Regional development charges are only slightly less than the total development charges being charged by the Town.

The removal of all on-grade parking, save for the accessible parking, resulted in lot coverage of 25% where the General Commercial Zone permits 50%. Further, the proposed development will provide 65% landscaped area rather than 20% landscaped area permitted in the General Commercial Zone. In short, the fact that all parking will be constructed below-grade results in a more beneficial development than the standard Zoning By-law requirements. However, the additional parking and having all parking below-grade results in not only additional constructions costs, but also higher Regional development charges.

In closing, on behalf of Two Sisters Resorts Corp., we hereby respectfully ask the Council of the Town of Niagara-on-the-Lake to support of our request to be made to the Regional Council to reduce the Regional development charges with respect to the proposed hotel development at 325 King Street, Niagara-on-the-Lake by the sum of \$804,573.00.

We would welcome an opportunity to address Town Council on this matter.

Yours very truly,

**SULLIVAN, MAHONEY LLP**

**Per:**



**Thomas A. Richardson, C.S.**  
Thomas Richardson Legal  
Professional Corporation

TAR:th

CC: Bruce Zvaniga, Chief Administrative Officer  
Grant Bivol, Manager of Legislative Services/Town Clerk  
Kyle Freeborn, Director of Corporate Services/Treasurer