

Development Charges Deferral for Large Office Buildings Policy

Approved By: Council
Approved On: October 24, 2024

Policy Statement

A policy governing the deferral of Regional development charges and area-specific development charges for large office buildings that meet the policy criteria.

Application

Subject to the terms and conditions as set out in this policy, this policy is available for office buildings that meet the following criteria:

- Minimum four storeys above grade
- Minimum 75,000 square feet of gross floor area
- Located on Regional Centres and Corridors, MTSAs, or on Specific Local Centres for those local municipalities without lands on Regional Centres and Corridors

Specific Local Centres to which the policy applies are:

- Georgina: Glenwoods Urban Centre, Maskinonge Urban Centre, Uptown Keswick Urban Centre, as well as Mixed-Use Corridor 1 and 2
- King: Village Core and Mixed-Use areas of King City, Nobleton, and Schomberg
- Whitchurch-Stouffville: Western Approach Mixed-Use Area, Gateway Mixed Use Area, and Highway 48 Mixed-Use Corridor

Purpose

The purpose of this policy is to incentivize the development of new large office buildings on the Regional Centres and Corridors, MTSAs, or specific Local Centres to:

- Encourage ‘place-making’ through a mix of uses
- Promote live/work within Region
- Make better use of significant infrastructure investments made by the Region and local municipalities, including the two subways and transit
- Help alleviate north-south congestion on the roads network as residents have increased opportunities to work within Region

Definitions

Act: The *Development Charges Act, 1997*, S.O. 1997, c. 27, as amended, revised, re-enacted or consolidated from time to time, and any successor statute.

Development: The construction, erection or placing of one or more buildings or structures on land or the making of an addition or alteration to a building or structure that has the effect of increasing the size or changing the use thereof from non-residential to residential or from residential to non-residential and includes redevelopment.

Development Charges: The Region’s development charges, including any area-specific development charges.

Gross Floor Area: As defined in the Region’s Development Charges Bylaw No. 2022-31 or any successor development charges bylaw.

Local Centres: Specific Local Centres that qualify under this policy are:

- Georgina: Glenwoods Urban Centre, Maskinonge Urban Centre, Uptown Keswick Urban Centre, as well as Mixed-Use Corridor 1 and 2
- King: Village Core and Mixed-Use areas of King City, Nobleton, and Schomberg
- Whitchurch-Stouffville: Western Approach Mixed-Use Area, Gateway Mixed Use Area, and Highway 48 Mixed-Use Corridor

Major Transit Station Areas (MTSAs): As identified in Appendix A.

Office: As defined in the Region's Development Charges Bylaw No. 2022-31 or any successor development charges bylaw.

Regional Centres and Corridors: As depicted on Map 1 – Regional Structure, attached as Appendix B.

- Markham Centre (Highway 7 and Warden Avenue)
- Newmarket Centre (Yonge Street and Davis Drive)
- Richmond Hill/Langstaff Gateway (Highway 7 and Yonge Street)
- Vaughan Metropolitan Centre (Highway 7 and Jane Street)

Schedule 'I' Bank: As referenced in subsection 14(1)(a) of the *Bank Act*, S.C. 1991, c. 46. These are domestic banks authorized under the *Bank Act* to accept deposits, which may be eligible for deposit insurance provided by the Canadian Deposit Insurance Corporation.

Storey: A portion of a building that is above grade and is situated:

- (a) Between the top of any floor and the top of the floor next above it, or
- (b) Between the top of the floor and the ceiling above the floor, if there is no floor above it

Description

1. Development Charges Deferral Agreement

Any developer wishing to defer development charges for an office building covered under this policy must enter into a development charges deferral agreement with the Region.

A development charges deferral agreement will only be executed by the Region provided that the developer can immediately, upon execution of the agreement, attain building permit issuance by the local municipality.

2. Duration of the Deferral

a. Duration

The duration of the development charges deferral will vary based on the eligible gross floor area of the building in accordance with Table 1.

Table 1
Duration of Development Charges Deferral

Gross Floor Area Size Threshold	Duration of Development Charges deferral available on Regional Centres and Corridors, MTSAs, <u>or</u> on specific Local Centres
Between 75,000 square feet and less than 150,000 square feet	5 years*
Between 150,000 square feet and less than 250,000 square feet	10 years*
250,000 square feet and greater	20 years*

*Note: Once threshold is crossed, entirety of gross floor area in office building is deferred for this timeframe (or as it applies to Terms 12, 13, and 14 of this policy)

b. Start date

1. Development charges are deferred until 15 days immediately following the date that is 5 years, 10 years, or 20 years (as applicable) after the date that the building permit is issued by the local municipality, for:
 - Applications submitted for approval of a development in a site plan control area under subsection 41(4) of the Planning Act for an office building prior to January 1, 2020, or
 - Applications submitted for an amendment to a by-law passed under section 34 of the *Planning Act* prior to January 1, 2020
2. Development charges are deferred until 15 days immediately following the date that is 5 years, 10 years, or 20 years (as applicable) after the earlier of the date of issuance of a permit under the *Building Code Act, 1992*, authorizing occupation of the building or the date the building is first occupied, for:
 - Applications submitted for approval of a development in a site plan control area under subsection 41 (4) of the Planning Act for an office building including and after January 1, 2020, or
 - Applications submitted for an amendment to a by-law passed under section 34 of the Planning Act including and after January 1, 2020

If the occupation of the building is not authorized by a permit under the *Building Code Act, 1992*, the developer must notify the Region within five business days of the building first being occupied, whereupon the deferral period will begin. Failure to notify the Region within five business days of the building first being occupied will constitute a material default of the deferral agreement.

Development charges will be payable prior to the timeframe indicated in Table 1 should any of the following trigger events occur:

- Change of use from an office building
- Sale, or transfer of ownership, of the property unless an assumption agreement is entered into
- Any other material default as defined in the agreement(s)

Notification to the owner of the property on the tax roll will occur immediately after the trigger event. The 15 business days will begin with the mailing, by registered mail, of notice.

3. Development Charges Rates

The development charges rate will be the amount determined under the applicable development charges bylaw:

- a. Day of building permit issuance
 - i. Applications submitted for approval of a development in a site plan control area under subsection 41(4) of the Planning Act for an office building prior to January 1, 2020, or
 - ii. Applications submitted for an amendment to a bylaw passed under section 34 of the *Planning Act* prior to January 1, 2020

- OR -

- b. Day of application
 - i. Applications submitted for approval of a development in a site plan control area under subsection 41 (4) of the Planning Act for an office building including and after January 1, 2020, or
 - ii. Applications submitted for an amendment to a bylaw passed under section 34 of the Planning Act including and after January 1, 2020

For greater clarity, if clauses b(i) or b(ii) do not apply to an office building that is seeking to defer development charges, or in the event they do apply but the prescribed time under section 26.2(5) has lapsed, the development charges rate shall be determined on the day the development charges is payable in accordance with section 26 of the Act.

4. Development Charges Payable

The amount of development charges payable to the Region, as required under the Act, will be based on the rates determined under Term '3' of this policy multiplied by the gross floor area of the office building, which will be determined on the day that the developer enters into a development charges deferral agreement with the Region.

For greater clarity, the qualifying gross floor area will only be on a per building basis.

5. Interest Waiver

All interest will be calculated using the development charges payable in Term '4' to this policy until the date the development charges are fully paid.

All deferred development charges will bear interest at the prime commercial lending rate charged by an agreed-upon 'Schedule I' commercial bank on demand loans in Canadian funds to its most creditworthy customers plus 2% per annum. All interest will accrue and be compounded.

The time period will be calculated beginning on the date the local municipality issues the building permit for the proposed structure.

The Region will forgive all amounts due and owing on account of interest, provided the development charges are paid in full to the Region at the time required (within 15 business days immediately following notification of a trigger event as defined in Term '2' of this policy).

If unpaid development charges are added to the tax roll (Term '7'), interest will continue to accrue and be compounded until all outstanding charges are fully paid.

For greater clarity, this term has no effect on any interest charged in accordance with Region's Development Charge Interest Policy - Under sections 26.1, 26.2 and 26.3 of the Act, as may be amended by Regional Council from time to time.

6. Local Participation

The Region will only enter into a development charges deferral agreement if the local municipality has provided a similar, if not better, deferral, exemption, or other incentive, for the proposed building.

It will be up to the Commissioner of Finance and/or the Chief Administrative Officer, in consultation with the Commissioner of Corporate Services, to decide what constitutes “similar, if not better”, but this may be determined by looking at:

- Parameters and degree of financial incentives (e.g., whether there is a prescribed timeframe for the deferral, whether interest is waived)
- Other incentives that may be provided, be they financial or otherwise

7. Unpaid Development Charges

If any development charges (including any interest) are unpaid within 15 business days immediately following notification of a trigger event identified in Term ‘2’ of this policy, or at the end of the development charge deferral timeframe when payment has not been made, those development charges (including interest) will be added to the tax roll and collected in the same manner as taxes (in accordance with section 32 of the Act).

If unpaid development charges are added to the tax roll, interest will continue to accrue and be compounded until all outstanding total charges are fully paid (development charges + interest).

8. Security

A form of security will be taken and registered against the title to the property at the execution of the development charges deferral agreement with the Region. The Region’s security interest will always be, at minimum, *pari passu*, or of equal footing, to that of the local municipality offering a similar, if not better, deferral of development charges.

9. Other Agreements Required

To take advantage of this policy, the developer must enter into a development charges deferral agreement with the Region.

In addition, the developer will enter into other agreements as required by the Regional Solicitor. Those include, but may not be limited to:

- Charge

- Assignment of Rents
- Restrictive Covenant
- Pari Passu Agreement
- General Security Agreement
- Other agreement(s) as deemed necessary

10. Legal and Administration Fees

All legal fees of the developer(s) and Region, including any costs incurred by the Region to prepare any other agreements required by the Regional Solicitor, and other associated administration fees, will be borne by the developer.

11. Non-Applicability – 18-month Development Charges Deferral

For greater clarity, any Office Building that avails itself of the deferral under this policy is not eligible for the Region's 18-month development charges deferral for office buildings greater than four storeys.

12. Multiple Use Buildings or Developments

This policy does apply to office buildings, or uses, in a multiple use building or development.

However, for greater clarity, this policy does not apply to the non-office development charges due for any multiple use building or development, a portion of which is an office building, or use, that is a minimum of 75,000 square feet.

13. Mixed-Use Buildings or Developments

This policy does apply to office buildings, or uses, in a mixed-use building or development.

However, for greater clarity, this policy does not apply to the residential, development charges due for any mixed-use building or development, a portion of which is an office building, or use, that is a minimum of 75,000 square feet.

14. Multiple and Mixed-Use Buildings or Developments

This policy does apply to office buildings, or uses, in a multiple use and mixed-use building or development.

However, for greater clarity, this policy does not apply to the residential or non-office, development charges due in a multiple and mixed-use building or development, a portion of which is an office building, or use, that is a minimum of 75,000 square feet.

15. Report Back to Council

Staff will report back to Council annually on the uptake of this policy.

16. Effective Date

This policy will take effect the day it is passed by Regional Council and may be repealed by Council at any time

Responsibilities

Chief Administrative Officer, York Region

- Responsibilities as identified under the Terms of this policy
- Signing of security agreements

Commissioner of Finance, Finance Department

- Responsibilities as identified under the Terms of this policy
- Signing of security agreements

Regional Solicitor, Legal Services

- Draft and prepare for execution the deferral agreement between Region and the developer
- Draft and prepare for execution any additional agreements required
- Registration of security on title

Commissioner, Corporate Services

- Responsibilities as identified under the Terms of this policy

Director, Treasury Office, Finance Department

- Administer the deferral policy, including assisting stakeholders in determining if they qualify for the policy, the development charges rates to be applied, the amount of qualifying gross floor area and the development charges payable
- Enforce the deferral policy
- Collect all development charges when due

- Monitor timing of payment to ensure compliance with Term '5' of the policy
- Notify, through the Commissioner of Finance, to the treasurer of the local municipality if development charges are not paid/received within the prescribed timeframe and to have said charges added to the tax roll of that municipality
- Undertake any additional administrative obligations as determined through the agreements
- Maintain copies of all executed deferral and other agreements, as required

Director, Development Services, Corporate Services Department

- Assist in identifying structures as within Regional Centres and Corridors or MTSAs

Compliance

Immediately upon the occurrence of any of the trigger events identified in Term '2' of this policy, the **Director, Treasury Office** will notify the owner of the property on the tax roll that development charges are due within 15 business days, the timing of which will begin with the mailing, by registered mail, of notice.

The **Director, Treasury Office** will also monitor the payment of the development charges due to ensure interest is only forgiven (Term '5' of the policy) when the development charges are paid in full to the Region within 15 business days immediately following notification of a trigger event.

Reference

Legislative and other authorities

- [Development Charges Act, 1997, S.O. 1997, c. 27](#)
- [Ontario Regulation 82/98](#)
- [Planning Act, R.S.O. 1990, c. P.13](#)
- [York Region Development Charges Bylaw No. 2022-31](#)
- [Council Report, Large Office Financial Incentives – Recommendations, October 24, 2024](#)

Appendices

- [Appendix A - York Region Major Transit Station Areas \(MTSAs\)](#)
- [Appendix B - Map 1 - Regional Structure](#)

Contact

Title	Director, Treasury Office
Branch	Treasury Office
Department	Finance Department

Approval

Council Date: October 24, 2024	Committee Date: October 10, 2024
Council Minute Item: H.1	Committee Minute Item: I.2.2

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Accessible formats or communication supports are available upon request.

Appendix A - York Region Major Transit Station Areas



YORK REGION MAJOR TRANSIT STATION AREAS (MTSAs)

PMTSA: PROTECTED MAJOR TRANSIT STATION AREAS

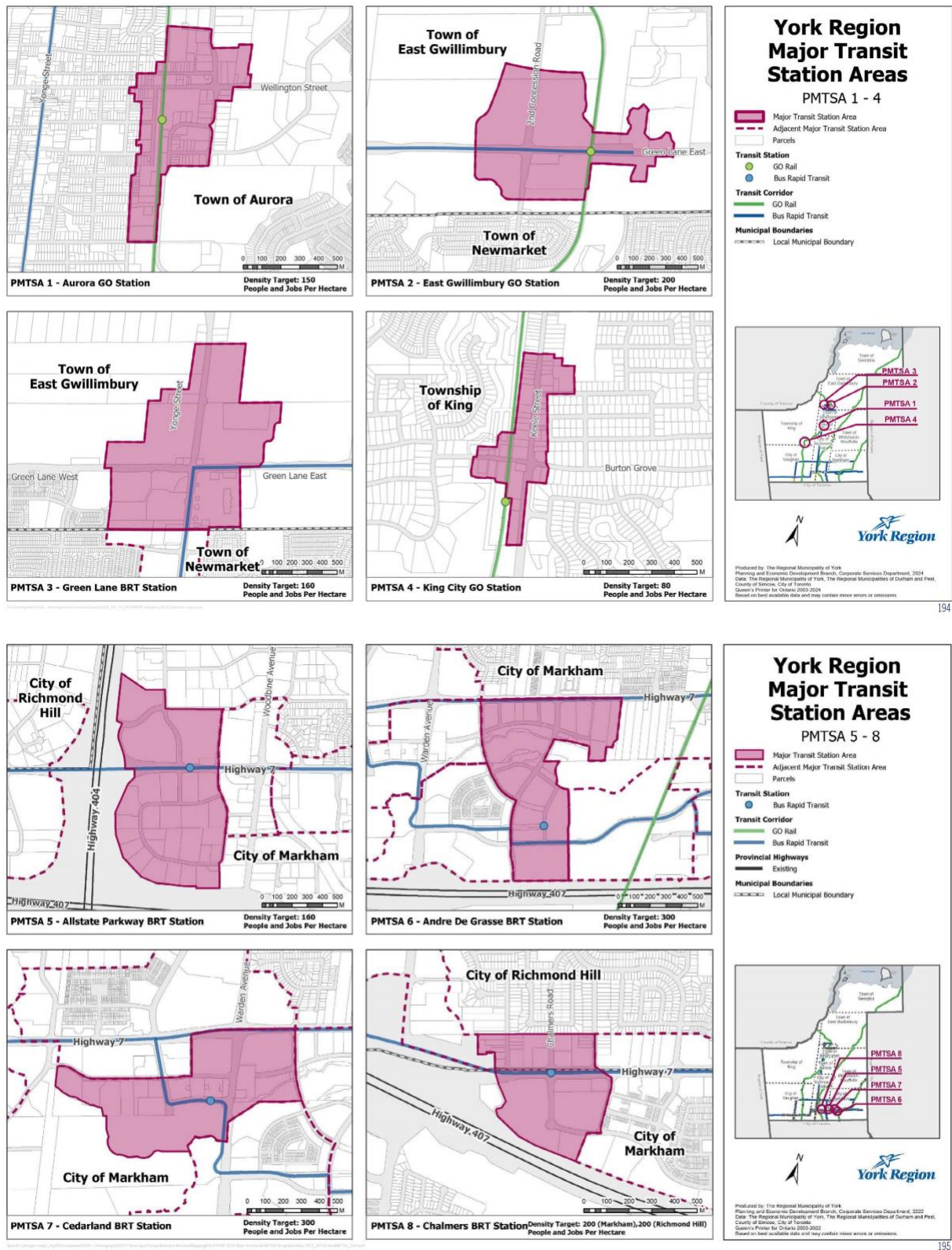
MTSA ID	STATION NAME	MUNICIPALITY	PROPOSED MINIMUM DENSITY TARGET
PMTSA 1	Aurora GO Station	Aurora	150 PEOPLE and JOBS/HA
PMTSA 2	East Gwillimbury GO Station	East Gwillimbury	200 PEOPLE and JOBS/HA
PMTSA 3	Green Lane BRT Station	East Gwillimbury	160 PEOPLE and JOBS/HA
PMTSA 4	King City GO Station	King	80 PEOPLE and JOBS/HA
PMTSA 5	Allstate Parkway BRT Station	Markham	160 PEOPLE and JOBS/HA
PMTSA 6	Andre De Grasse BRT Station	Markham	300 PEOPLE and JOBS/HA
PMTSA 7	Cedarland BRT Station	Markham	300 PEOPLE and JOBS/HA
PMTSA 8	Chalmers BRT Station	Markham	200 PEOPLE and JOBS/HA
PMTSA 9	Clark Subway Station	Markham	250 PEOPLE and JOBS/HA
PMTSA 10	Cornell BRT Station	Markham	200 PEOPLE and JOBS/HA
PMTSA 11	East Beaver Creek BRT Station	Markham	200 PEOPLE and JOBS/HA
PMTSA 12	Enterprise BRT Station	Markham	250 PEOPLE and JOBS/HA
PMTSA 13	Langstaff GO-Bridge Station	Markham	400 (PMTSA), 1,200 (TOC) PEOPLE and JOBS/HA
PMTSA 14	Leslie-Highway 7 BRT Station	Markham	200 PEOPLE and JOBS/HA
PMTSA 15	McCowan BRT Station	Markham	200 PEOPLE and JOBS/HA
PMTSA 16	Milliken GO Station	Markham	250 PEOPLE and JOBS/HA
PMTSA 17	Montgomery BRT Station	Markham	200 PEOPLE and JOBS/HA
PMTSA 18	Mount Joy GO Station	Markham	200 PEOPLE and JOBS/HA
PMTSA 19	Royal Orchard Subway Station	Markham	250 PEOPLE and JOBS/HA
PMTSA 20	Steeles Subway Station	Markham	300 PEOPLE and JOBS/HA
PMTSA 21	Town Centre BRT Station	Markham	200 PEOPLE and JOBS/HA
PMTSA 22	Unionville GO Station	Markham	300 PEOPLE and JOBS/HA
PMTSA 23	Valleymede BRT Station	Markham	250 PEOPLE and JOBS/HA
PMTSA 24	Warden BRT Station	Markham	300 PEOPLE and JOBS/HA
PMTSA 25	West Beaver Creek BRT Station	Markham	250 PEOPLE and JOBS/HA
PMTSA 26	Woodbine BRT Station	Markham	160 PEOPLE and JOBS/HA
PMTSA 27	Bonshaw BRT Station	Newmarket	160 PEOPLE and JOBS/HA
PMTSA 28	Eagle BRT Station	Newmarket	200 PEOPLE and JOBS/HA
PMTSA 29	Highway 404 BRT Station	Newmarket	160 PEOPLE and JOBS/HA
PMTSA 30	Huron Heights BRT Station	Newmarket	160 PEOPLE and JOBS/HA



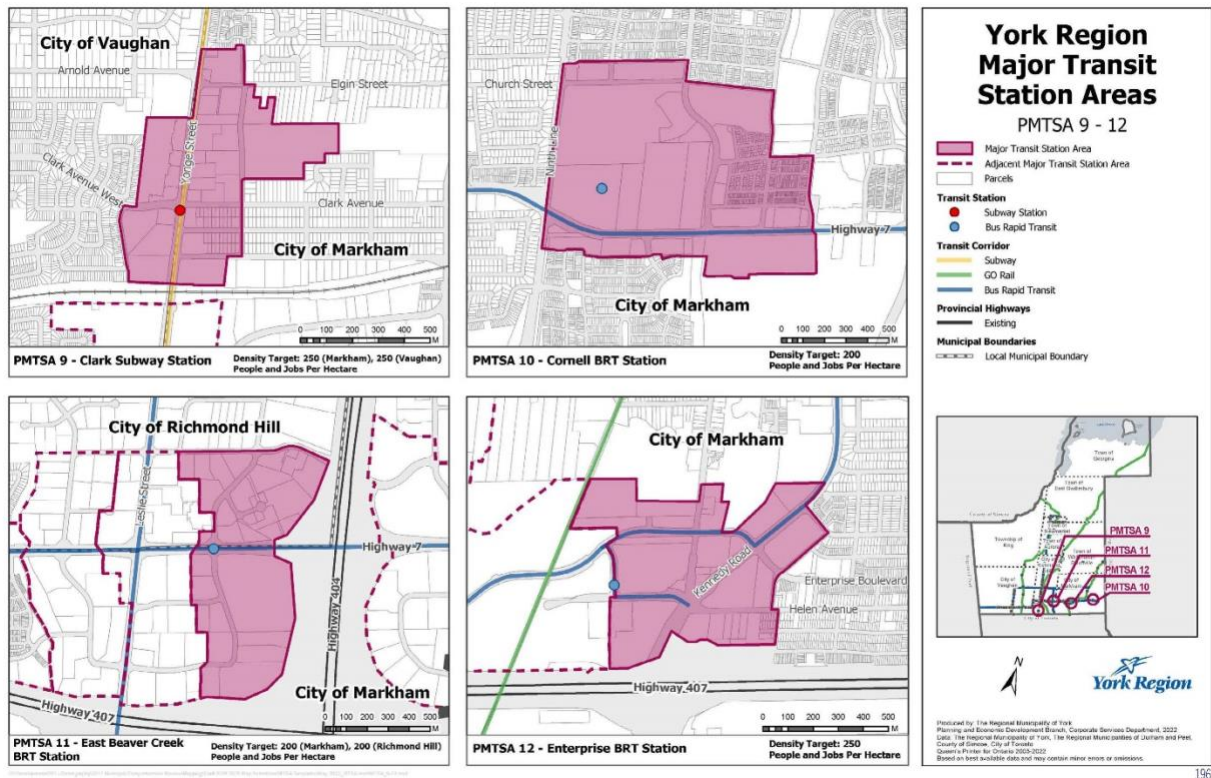
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PMTSA 31	Leslie-Davis BRT Station	Newmarket	160 PEOPLE and JOBS/HA
PMTSA 32	Longford BRT Station	Newmarket	200 PEOPLE and JOBS/HA
PMTSA 33	Main BRT Station	Newmarket	160 PEOPLE and JOBS/HA
PMTSA 34	Mulock BRT Station	Newmarket	160 PEOPLE and JOBS/HA
Future MTSA 35	Mulock GO Station	Newmarket	
PMTSA 36	Savage-Sawmill BRT Station	Newmarket	160 PEOPLE and JOBS/HA
PMTSA 37	Southlake BRT Station	Newmarket	200 PEOPLE and JOBS/HA
PMTSA 38	Yonge-Davis BRT Station	Newmarket	250 PEOPLE and JOBS/HA
PMTSA 39	16th-Carrville BRT Station	Richmond Hill	300 PEOPLE and JOBS/HA
PMTSA 40	19th-Gamble BRT Station	Richmond Hill	160 PEOPLE and JOBS/HA
PMTSA 41	Bantry-Scott BRT Station	Richmond Hill	200 PEOPLE and JOBS/HA
PTMSA 42	Bathurst-Highway 7 BRT Station	Richmond Hill	160 PEOPLE and JOBS/HA
PMTSA 43	Bayview BRT Station	Richmond Hill	160 PEOPLE and JOBS/HA
PMTSA 44	Bernard BRT Station	Richmond Hill	200 PEOPLE and JOBS/HA
PMTSA 8	Chalmers BRT Station	Richmond Hill	200 PEOPLE and JOBS/HA
PMTSA 45	Crosby BRT Station	Richmond Hill	160 PEOPLE and JOBS/HA
PMTSA 11	East Beaver Creek BRT Station	Richmond Hill	200 PEOPLE and JOBS/HA
PMTSA 46	Elgin Mills BRT Station	Richmond Hill	160 PEOPLE and JOBS/HA
PMTSA 14	Leslie-Highway 7 BRT Station	Richmond Hill	200 PEOPLE and JOBS/HA
PMTSA 48	Major Mackenzie BRT Station	Richmond Hill	160 PEOPLE and JOBS/HA
PMTSA 49	Richmond Hill Centre Subway Station	Richmond Hill	400 (PTMSA), 1,400 (TOC) PEOPLE and JOBS/HA
PMTSA 50	Richmond Hill GO Station	Richmond Hill	150 PEOPLE and JOBS/HA
PMTSA 23	Valleymede BRT Station	Richmond Hill	250 PEOPLE and JOBS/HA
PMTSA 51	Weldrick BRT Station	Richmond Hill	200 PEOPLE and JOBS/HA
PMTSA 25	West Beaver Creek BRT Station	Richmond Hill	160 PEOPLE and JOBS/HA
PMTSA 52	Anslsey Grove BRT Station	Vaughan	200 PEOPLE and JOBS/HA
PMTSA 53	Atkinson BRT Station	Vaughan	160 PEOPLE and JOBS/HA
PMTSA 9	Clark Subway Station	Vaughan	250 PEOPLE and JOBS/HA
PMTSA 54	Commerce BRT Station	Vaughan	350 PEOPLE and JOBS/HA
PMTSA 55	Concord Station BRT Station	Vaughan	160 PEOPLE and JOBS/HA
PMTSA 56	Creditstone BRT Station	Vaughan	300 PEOPLE and JOBS/HA
PMTSA 57	Disera-Promenade BRT Station	Vaughan	200 PEOPLE and JOBS/HA
PMTSA 58	Dufferin BRT Station	Vaughan	160 PEOPLE and JOBS/HA
PMTSA 59	Highway 407 Subway Station	Vaughan	0 PEOPLE and JOBS/HA
PMTSA 60	Keele BRT Station	Vaughan	160 PEOPLE and JOBS/HA
Future MTSA 61	Kirby GO Station	Vaughan	
PMTSA 62	Maple GO Station	Vaughan	150 PEOPLE and JOBS/HA
PMTSA 63	Pine Valley BRT Station	Vaughan	160 PEOPLE and JOBS/HA
PMTSA 64	Pioneer Village Subway Station	Vaughan	200 PEOPLE and JOBS/HA
PMTSA 19	Royal Orchard Subway Station	Vaughan	200 PEOPLE and JOBS/HA
PMTSA 65	Rutherford GO Station	Vaughan	100 PEOPLE and JOBS/HA
PMTSA 20	Steeles Subway Station	Vaughan	300 PEOPLE and JOBS/HA
PMTSA 66	Taiga BRT Station	Vaughan	160 PEOPLE and JOBS/HA
PMTSA 67	Vaughan Metropolitan Centre Subway Station	Vaughan	400 PEOPLE and JOBS/HA
PMTSA 68	Weston BRT Station	Vaughan	250 PEOPLE and JOBS/HA
PMTSA 69	Wigwoss-Helen BRT Station	Vaughan	160 PEOPLE and JOBS/HA
PMTSA 70	Old Elm GO Station	Whitchurch-Stouffville	150 PEOPLE and JOBS/HA
PMTSA 71	Stouffville GO Station	Whitchurch-Stouffville	150 PEOPLE and JOBS/HA
Future MTSA 72	Langstaff BRT Station	Vaughan	
Future MTSA 73	Major Mackenzie BRT Station	Vaughan	
Future MTSA 74	Norwood BRT Station	Vaughan	
Future MTSA 75	Pennsylvania BRT Station	Vaughan	
Future MTSA 76	Springside BRT Station	Vaughan	
Future MTSA 77	Vaughan Mills BRT Station	Vaughan	

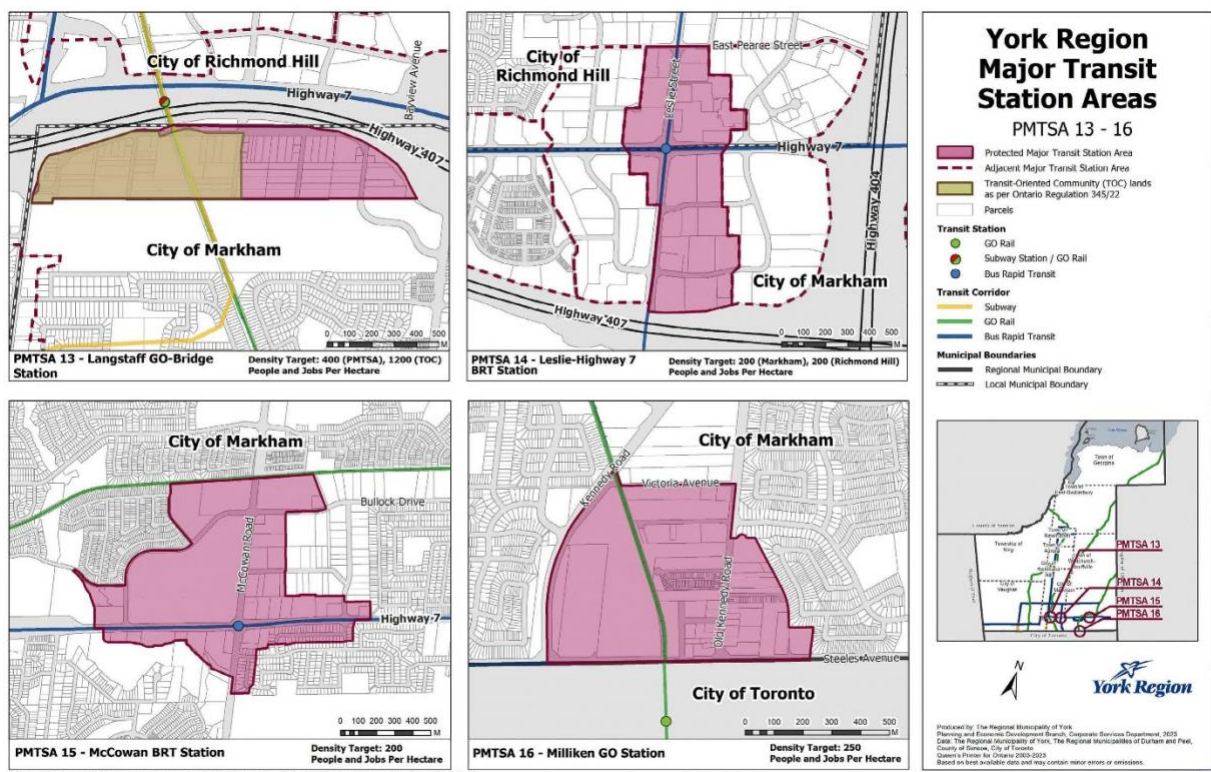
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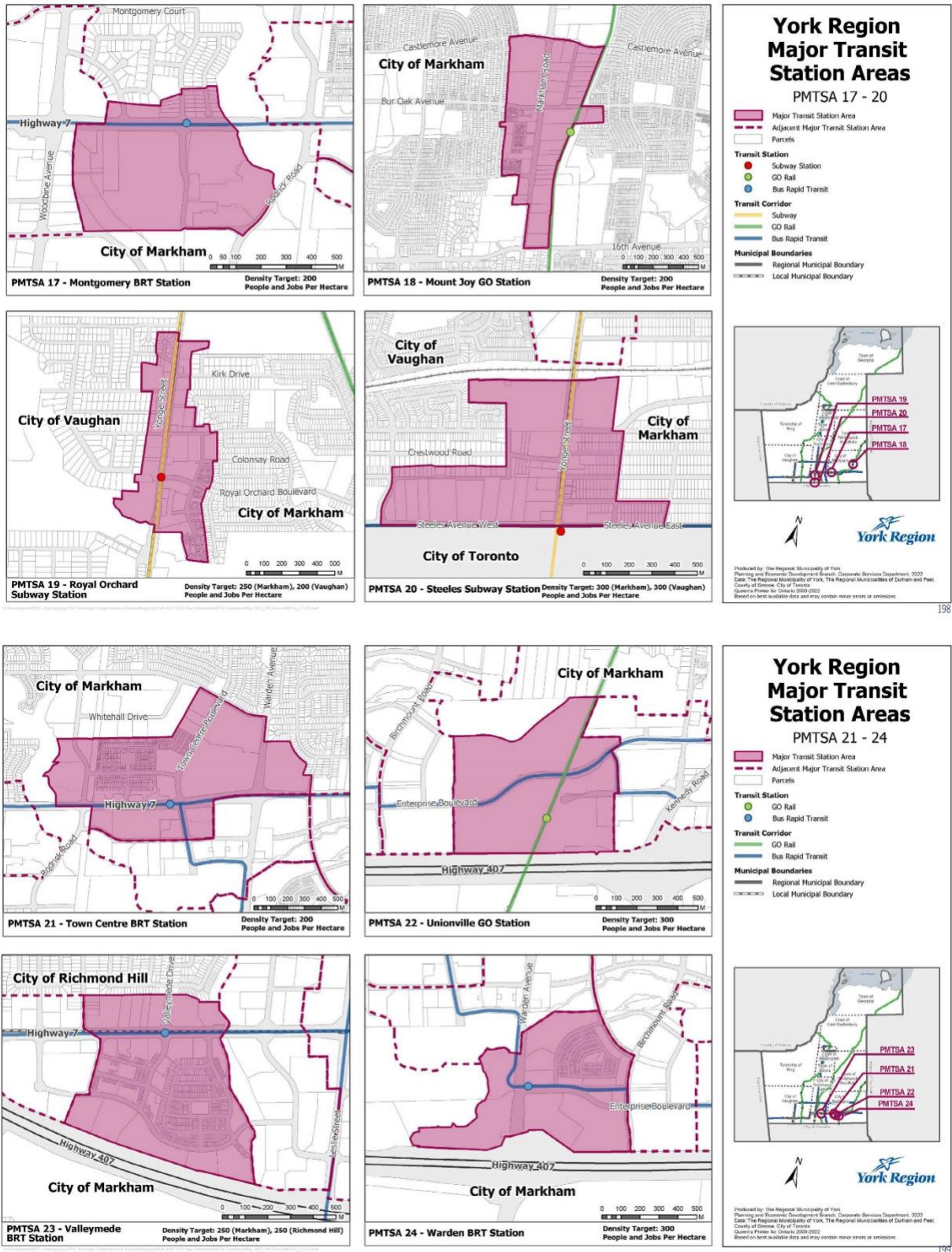


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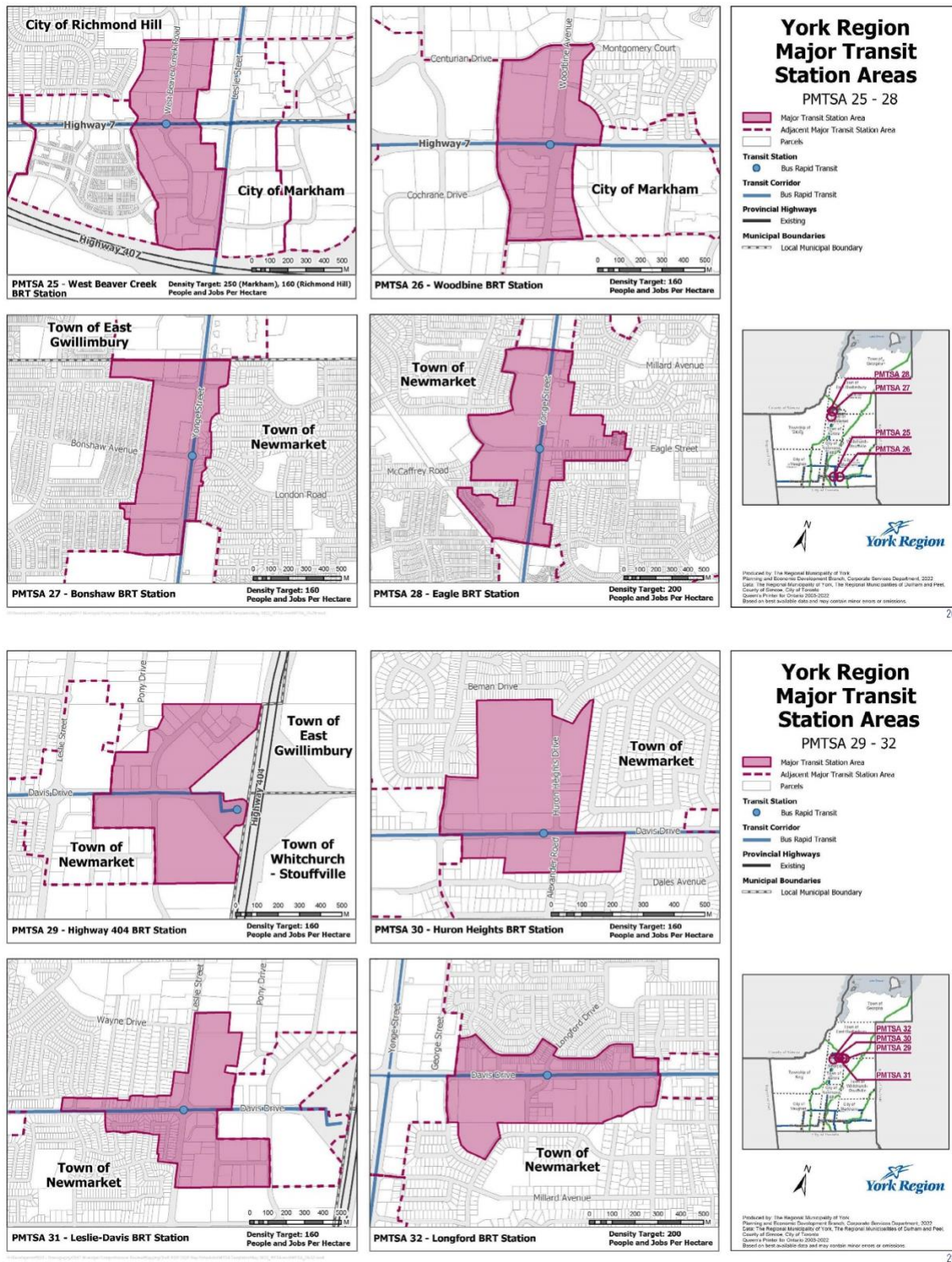


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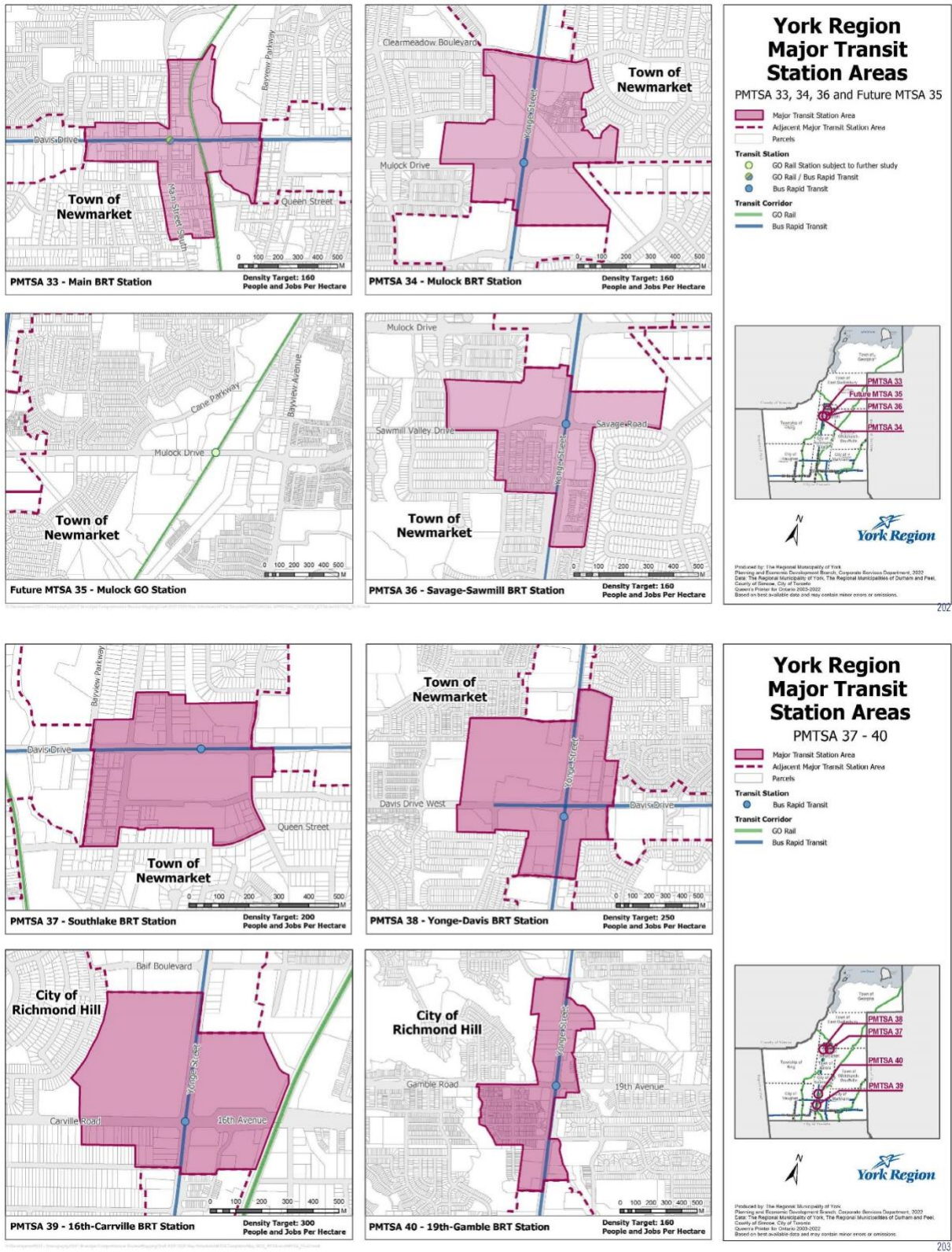
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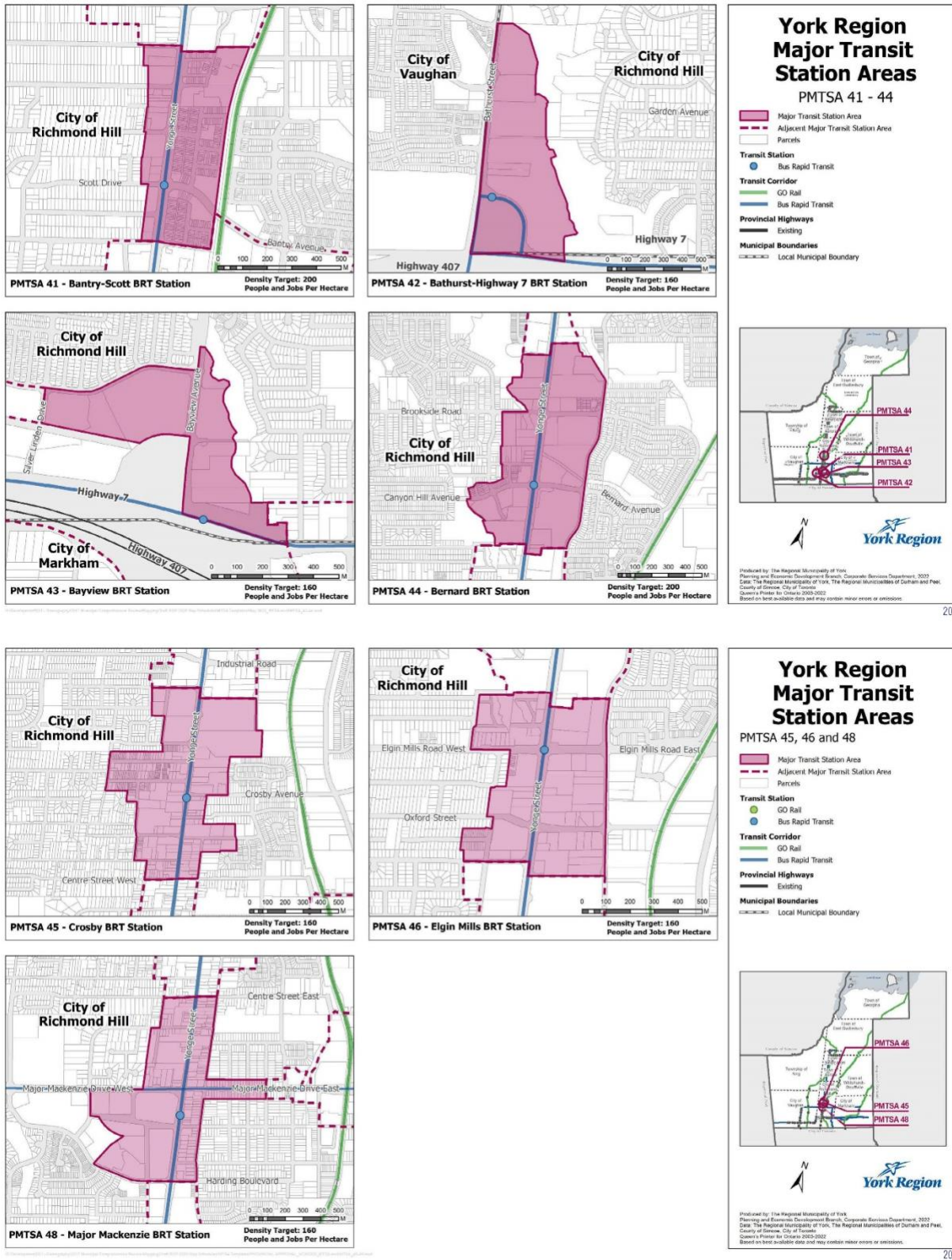
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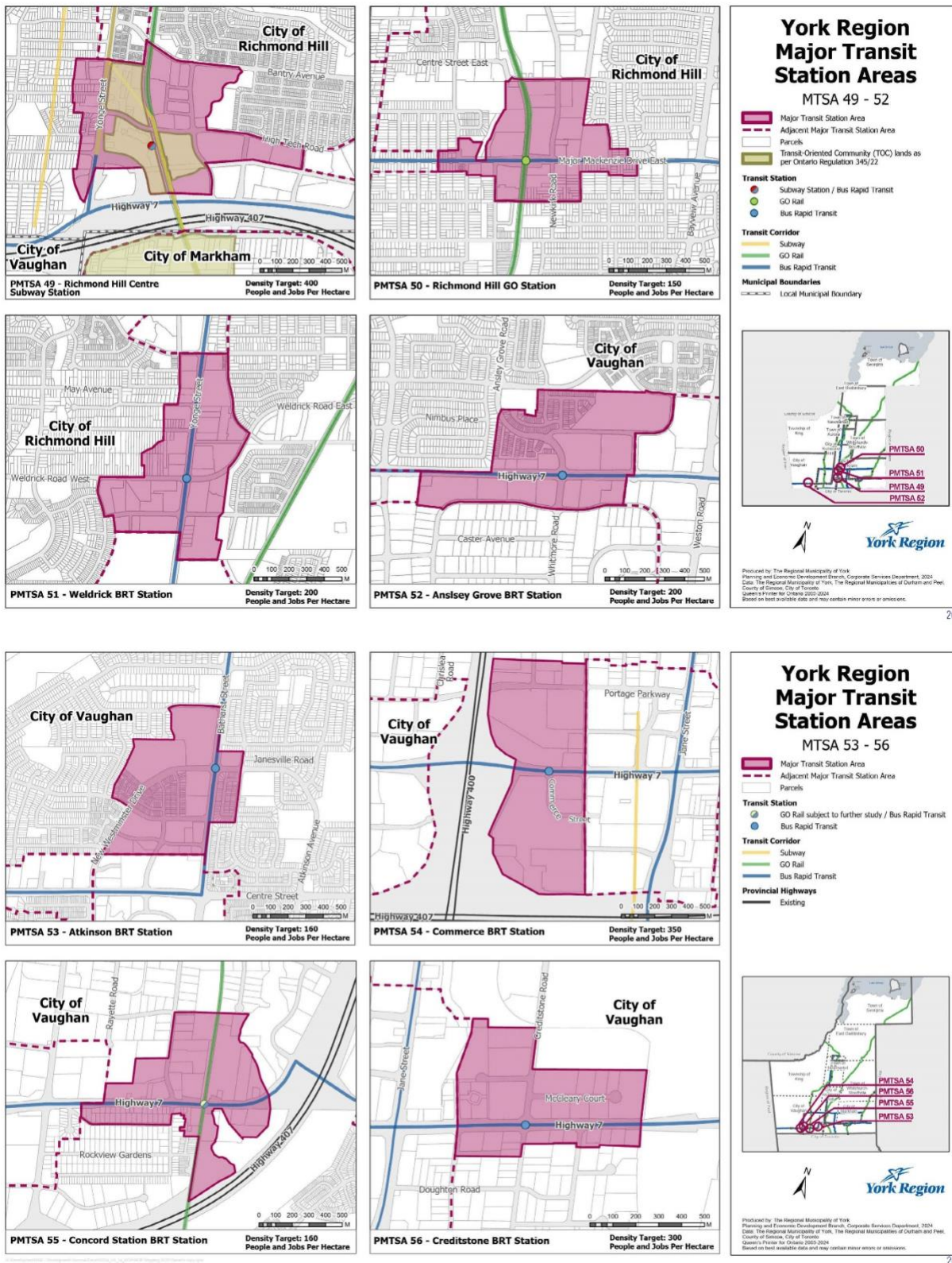


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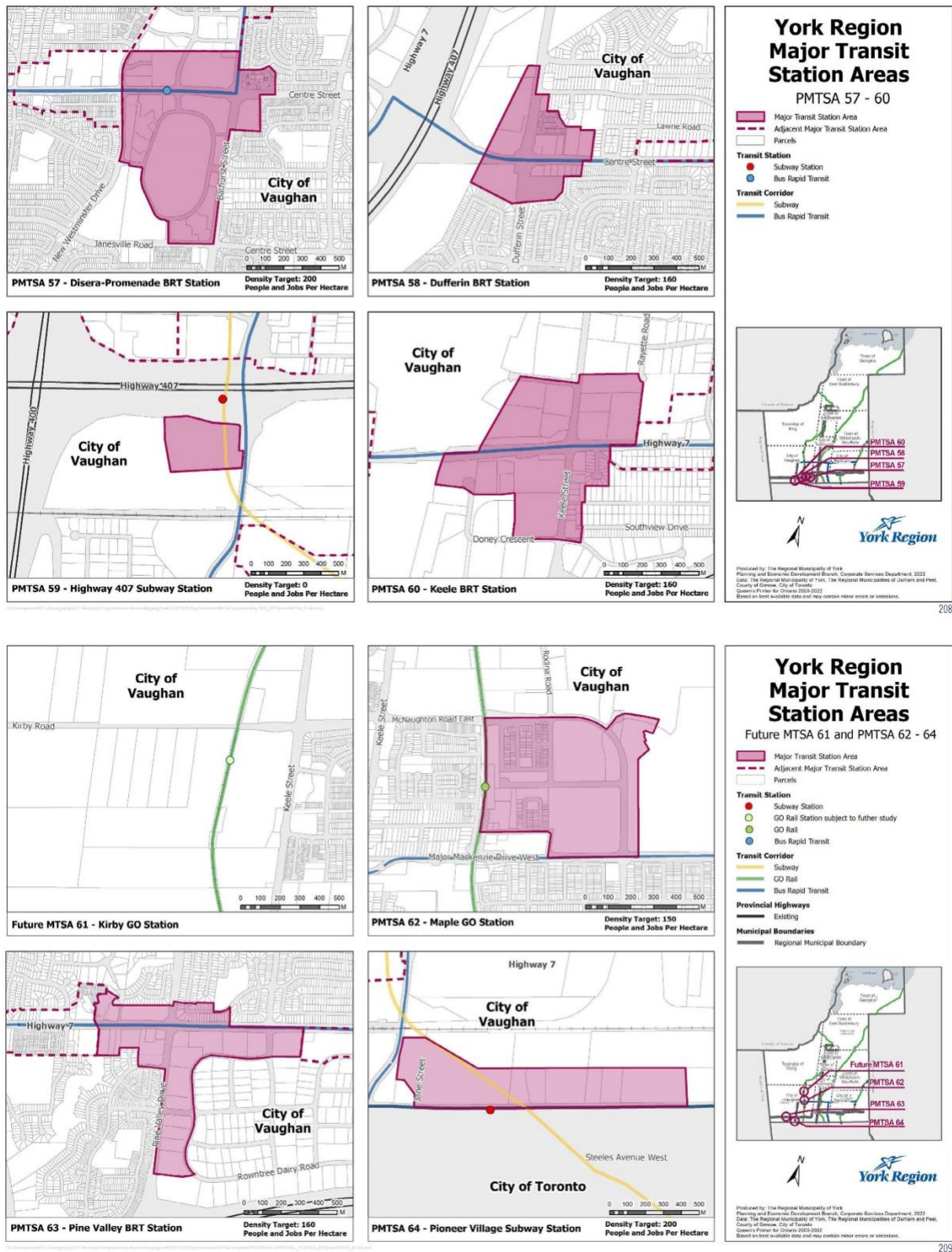


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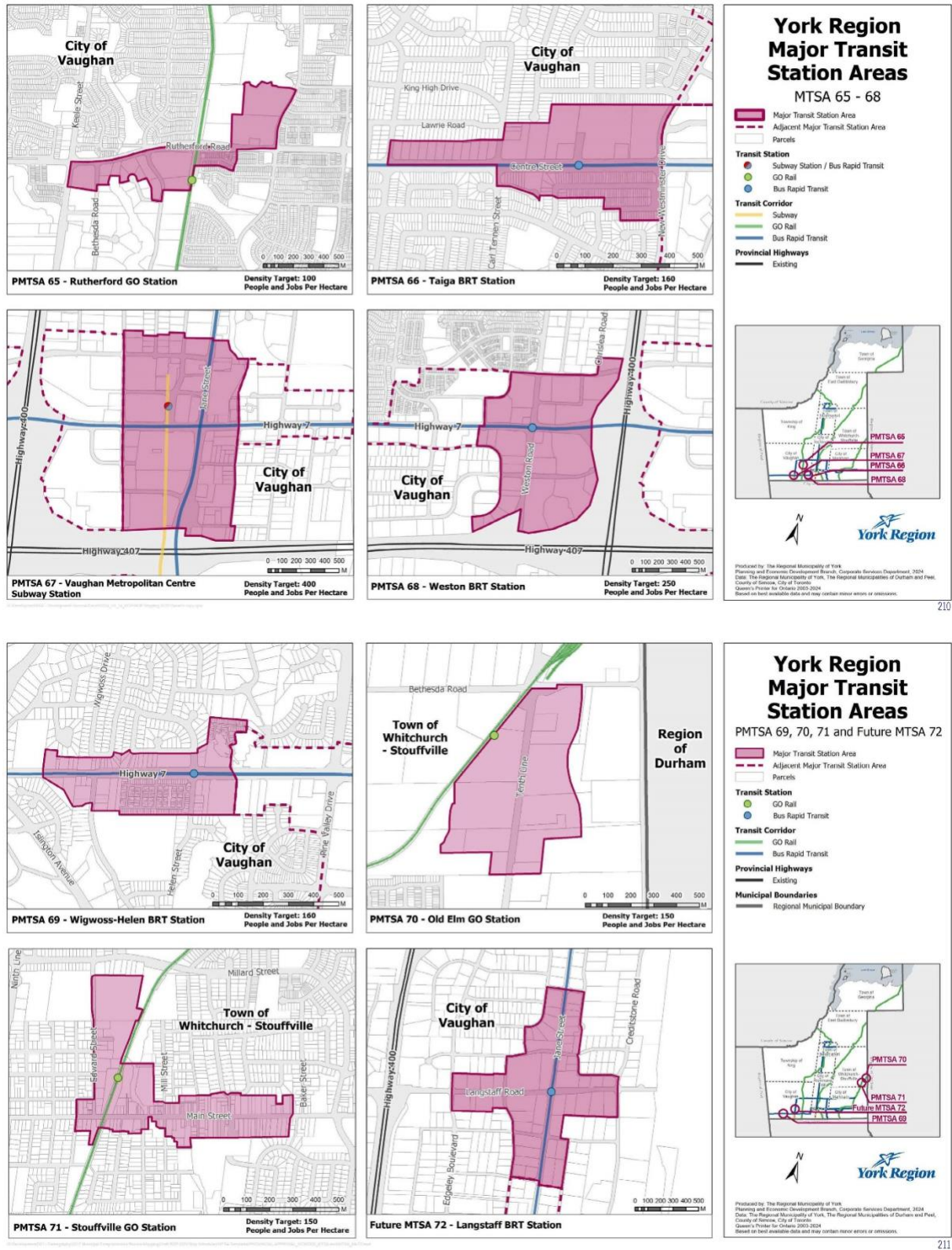




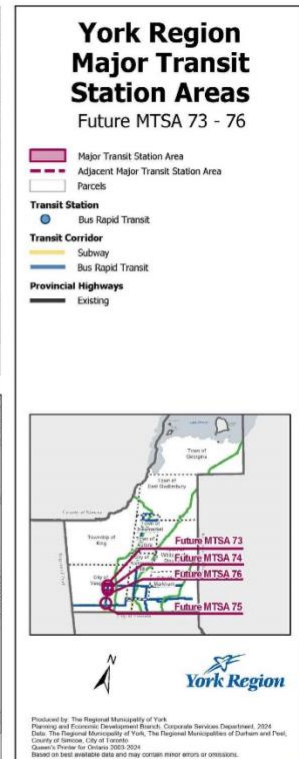
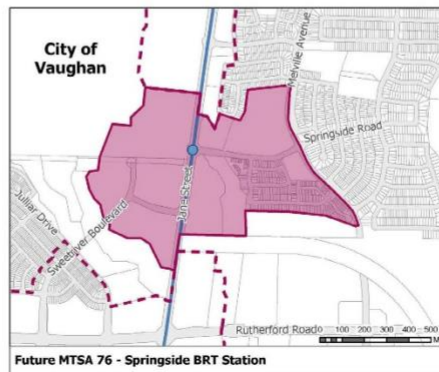
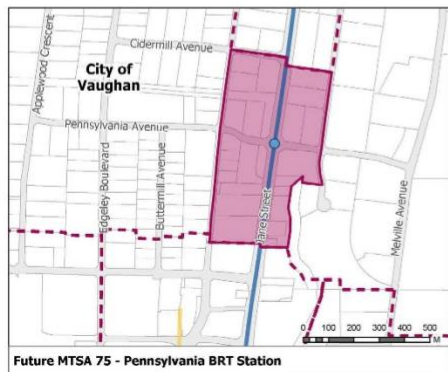
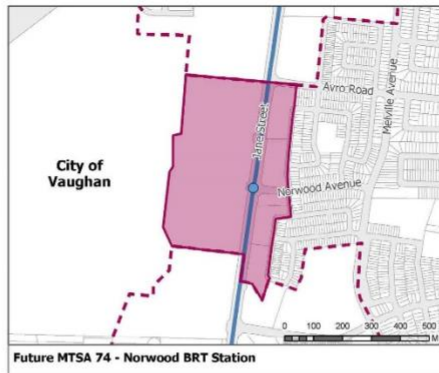
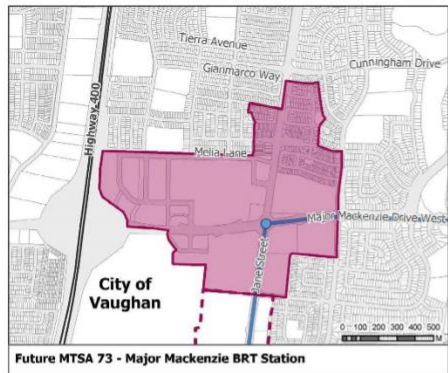
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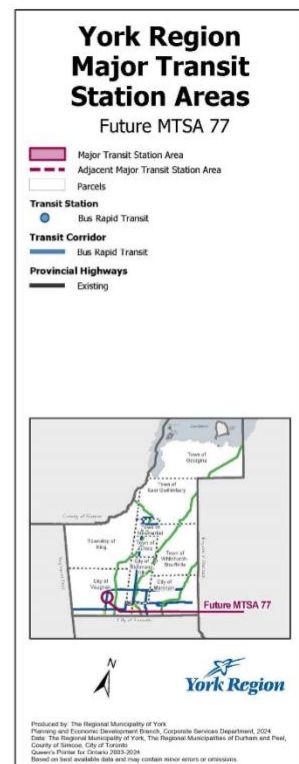
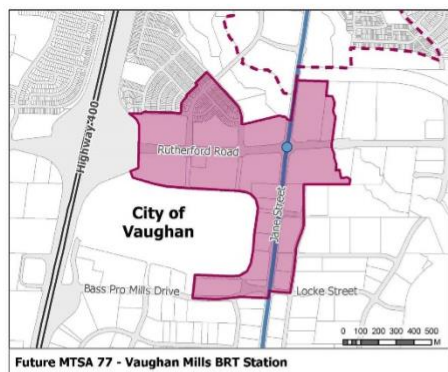
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Appendix B - Map 1 – Regional Structure

