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COMMUNICATION
CW - DEC 3/19
ITEM - DEP. 1

DATE: November 26, 2019

TO: Hon. Mayor and Members of Council

FROM: Michael Coroneos, Deputy City Manager, Corporate Services, City Treasurer and CFO

RE: Committee of the Whole (1), December 3, 2019
Development Charge (DC) deferral for the approved development at 9111 Keele St.

Purpose

To provide additional information further to the Committee of the Whole (1) Deputation of December 3, 2019, by Mr. Kurt Franklin from Weston Consulting, who is requesting a DC deferral for the approved development at 9111 Keele St. on behalf of the Rivers of Life Fellowship Association Inc.

Background

Further to the response letter from the City to the applicant dated October 29, 2019, there has been follow up correspondence between Financial Planning and Development Finance staff and the applicant. The City received two additional letters from the applicant dated November 13, 2019 in which the City provided a further response, attached hereto as Attachments 1 and 2.

The applicant has requested a deferral of 100% of the City-wide development charges and has referenced a comparison to two recent DC deferrals. The City's policy and past practice has allowed for DC deferrals on space that provides a service or use similar to that of the City or the Region. The City has also approved deferrals for services that receive funding from the Province such as Hospice Vaughan and the Vitanova Foundation as these were found to be in the spirit of the deferral policy. There has also been a previous DC deferral for community use space within a place of worship, but it was not for 100% of the development but only the gross floor area that was provided as community use.

Conclusion

The City's current position with respect to the site development for Rivers of Life Fellowship Association at 9111 Keele St., is to defer development charges on 2,873 square metres of the master plan build, which is approximately 42% of the entire development.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Michael Coroneos".

Michael Coroneos
Deputy City Manager, Corporate Services, City Treasurer and CFO

A handwritten signature in blue ink, appearing to read "M. Marchetti".

Michael Marchetti
Director, Financial Planning and Development Finance

Attachments

1. Letter from Rivers of Life Fellowship Association dated November 13, 2019
2. Response letter from The City dated November 19, 2019



Rivers of Life Fellowship Association Inc.

9111 Keele Street, Vaughan, Ontario, L4K 2N1
Tel. 416-637-9762 www.riversoflife.ca
Not for profit corporation - Incorporated Ontario laws October 28, 1997 No. 1259294
Charity Business Number Registration 86890 8369 RR0001

Nov 13th, 2019

Michael Marchetti, MBA, CPA, CMA
Director of Financial Planning & Development Finance
Michael.Marchetti@vaughan.ca
City of Vaughan
2141 Major Mackenzie Drive, Vaughan ON L6A 1T1
905-832-8510 ext. 8271

RE. Building Permit 19-2079 / DC
City of Vaughan file: DA16.061

Dear Mr. Marchetti

After a lengthy 5 years dealing with the city of Vaughan, York Region and the Toronto Region conservation authority, Finally we applied for building permit on Nov 1st and the whole congregation is excited to start the project ASAP.

August 7th 2019 we requested a DC deferral complying with the 2005 City Wide DCs Deferral Policy for our proposed Place of worship that acts as a community center in its nature and services/uses, it offer key services to the general public by providing different Spiritual services in the spiritual needs area to the general public, While this is not a service performed by the municipality, it still contributes to the sustainability of key social and health services to Vaughan residents that match the spirit of the policy suggesting that such services should be considered for DC deferrals, therefore we are recommending that a specific exception to the policy be approved and to execute a DC Deferral Agreement with Rivers of Life and the City of Vaughan to defer the City of Vaughan's development charges in a form satisfactory to the deputy city manager, Legal and human Resources.

Rivers of life received a letter from Mr. Coroneos dated Oct 29, 2019, stating that the city is able to provide deferral on a portion of the development as it relates to community use, that is available to the general public and is similar to a service provided by the City. The portion of our site would consist of the lower level, including the gym, multi-purpose rooms and kids activity rooms. The city's position the remaining main and upper level are not available to the general public and is not related to service normally provided by the city or Region and therefore do not meet the criteria of the policy.

Mr. Marchetti our building is used for a community use and the land and the building are owned by a non-profit corporation, our main and upper level that have the main sanctuary and



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the mezzanine and the prayer chapel are mainly for general public, The services provided by the Fellowship at the new facility support and enhance the social and community services available in the City of Vaughan.

The City has provided deferrals to other organizations over the past several years, even when the service being provided is not specifically provided by the City or Region. These include:

- **Hospice Vaughan:** City Council approved a request to defer DC's for Hospice Vaughan. While Hospice services are not provided by the City or Region, as per the DC deferral policy, Council and staff agreed that the social service provided by Hospice Vaughan was beneficial to the Community and worthy of Councils support;

- **Vitanova Foundation:** Similar to above, City staff supported, and Council approved, a request by the Vitanova Foundation to defer development charges. As noted in the staff report, the Vitanova Foundation provides "shelter and addiction services to individuals and families". While these services are not provided by the Municipality, both City staff and Council determined that they were worthy of support

Mr. Marchetti, we would like our development to be 100% deferred from the development charges, The Rivers of Life Fellowship provides place of worship and community support services that are also worthy of the City's support. As discussed above, the Fellowship augments services already provided in the community while also expanding community services into areas not normally provided by the City. The breadth of services provided by the Fellowship "contribute directly to the health and social wellbeing of communities" (Policy 7.2.1).

Yours sincerely

Rafik Lotfi

Project Manager

www.riversoflife.ca

416-564-7146



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Nov 13th, 2019

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Director of Financial Planning & Development Finance
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Dear Mr. Marchetti

After a lengthy 5 years dealing with the city of Vaughan, York Region and the Toronto Region conservation authority, finally we applied for building permit on Nov 1st and the whole congregation is excited to start the project ASAP.

We understand that in order for the building permit to be issued all Development charges has to be deferred or paid.

As we are still finalizing the DC deferral with the city and we are waiting for a council meeting on Dec 3rd, 2019 we were informed that it will be a lengthy process,

We would like to consider our project similar to projects located within the VMC area and be eligible not for an 18-month deferral on DC payment but only 6-month subject to a letter of credit being supplied to the City for the entire deferral amount. Once the DC payment is finalized, the payment will be deducted from the letter of credit in full, 6 months after the building permit is issued.

Yours truly

Rafik Lotfi
Project Manager
www.riversoflife.ca
416-564-7146



ATTACHMENT 2

November 19, 2019

Attn: Rafik Lotfi
Rivers of Life Fellowship Association Inc.
9111 Keele St
Vaughan ON
L4K 2N1

RE: Rivers of Life Fellowship Association Inc. – Application for Deferral of Development Charges; 9111 Keele St. City of Vaughan

Dear Mr. Lotfi:

In response to your two letters dated November 13, 2019 and follow-up to a meeting between yourself, Nelson Pereira, Manager Development Finance and Michael Marchetti, Director Financial Planning and Development Finance, you requested that City of Vaughan:

1. Re-review the deferral request based on the latest drawing layouts.
2. Confirm whether the City would accept a security in advance of the DC deferral in order to expedite building permit issuance.

In reviewing similar types of developments in which a DC deferral was provided, the areas where the predominate or permanent use was as a place of worship or sanctuary were not considered for the deferral. Areas that were made available to the general public and offered programming and services similar to those of a City community centre were available to be deferred. In reviewing the latest set of drawing layouts, the total gross floor area recommended for the DC deferral is 2,873 square metres for your master plan build, as this area consists of space used for services and programming available to the general public and consistent with those provided by the City. This is an increase from the original DC deferral recommendation of 2,624 square metres due to a reclassification of space. Under Phase 1, the amount available for deferral would be 1,353 square metres. This deferral would be for the City's portion of development charges. The Region would assess for their own deferral.

In regard to the request of accepting a security in lieu of payment of development charges, the recommendation would be that you provide us a certified cheque as a cash security in the total amount of the City's development charges which would constitute as a security. Once the DC deferral is finalized, the City would return the certified cheque to you and you would provide us with a new cheque in the amount of the actual development charges payable. The security would only be for the Phase 1 area of 3,605.4 square metres. At this time there is no mechanism or policy that would allow the City to accept a letter of credit in lieu of development charges. Also the City does not have any precedent set in allowing this type of transaction.

I understand that you are looking for 100% deferral of development charges, however based on our current policy and previous deferrals for similar uses, the City cannot recommend 100% deferral. We are currently proposing to defer 42% of your development.

Please contact Nelson Pereira (ext. 8393) or Michael Marchetti (ext. 8271) should you have any questions.



Regards,

A handwritten signature in blue ink, appearing to read "M. Coroneos", with the text "(For M. Coroneos)" written in smaller blue ink to the right.

Michael Coroneos, CPA, CMA
Chief Financial Officer & City Treasurer City of Vaughan

Copy: Wendy Law, City Solicitor, City of Vaughan
Michael Marchetti, Director, Financial Planning & Development Finance, City of Vaughan
Nelson Pereira, Manager, Development Finance, City of Vaughan
Rose Paolone, Development Clerk, City of Vaughan