

Committee of the Whole (2) Report

DATE: Tuesday, April 13, 2021

WARD(S): ALL

**TITLE: 2018 DEVELOPMENT CHARGE PRE-PAYMENT AGREEMENTS
– REQUEST TO FURTHER AMEND DATES**

FROM:

Michael Coroneos, Deputy City Manager, Corporate Services, City Treasurer and Chief Financial Officer

ACTION: DECISION

Purpose

To seek authorization from Council to amend the current Development Charge (DC) Pre-Payment Agreements which were entered into pursuant to the Council resolution of May 23, 2018, as amended on December 19, 2019 to further extend the existing expiry dates.

Report Highlights

- Two requests have been received to further extend the 2018 DC Pre-Payment Agreement as a result of the current COVID-19 pandemic.
- Staff are recommending an extension of the DC Pre-Payment Agreement for an additional period of six months, with an expiry of June 30, 2022.
- Applicants are required to provide a work plan to ensure that the proposed Pre-Payment Agreement expiry date can be achieved.

Recommendations

1. That the Deputy City Manager, Corporate Services, City Treasurer and Chief Financial Officer, and the Deputy City Manager, Administrative Services and City Solicitor be delegated joint authority to execute Amending Development Charge Pre-Payment Agreements, pursuant to Section 27 of the *Development Charges Act* and in accordance with the criteria set out in this report, and any additional administrative and legal criteria deemed necessary, and that such authority be limited to the period beginning April 20, 2021 and ending June 30, 2021;

2. That the date for which a building permit be issued be amended to require that a building permit be issued on or before the earlier of June 30, 2022 or the day before the date that the next City-Wide DC By-law comes into effect; and
3. That the expiry date established in the amended Pre-Payment Agreements be further amended to align with the dates referenced in Recommendation 2 above.

Background

On May 23, 2018, Council approved the updated 2018 DC Background Study and associated By-Laws and transitional measures. One transitional measure permitted the development industry and landowners to enter into DC Pre-Payment Agreements to pre-pay DCs at the rate that was in effect at the time, thereby allowing land owners to avoid an increase in DC rates that would come into effect on September 21, 2018.

On December 17, 2019, Council approved the request from the development industry to permit amendment to the original DC Pre-payment Agreements to realign and extend the various dates to December 31, 2021. A significant portion of the original DC Pre-Payment Agreements were extended to the new date.

On March 17, 2020, the Province declared a state of emergency due to the COVID-19 pandemic and as a result the progress of various development applications slowed down considerably.

On December 3, 2020, the City received a request to consider a further extension of the 2018 DC Pre-Payment Agreements resulting from the current COVID-19 pandemic and state of emergency.

On February 4, 2021, the City received a second request to extend the expiry dates of the agreements, in order to shift the applicant's resources to address the COVID-19 pandemic by ensuring the health and well-being of their staff and keeping senior residents safe.

Previous Reports/Authority

http://www.vaughan.ca/council/minutes_agendas/AgendaItems/Finance_0507_18_2.pdf
<https://pub-v Vaughan.escribemeetings.com/filestream.ashx?DocumentId=43801>

Analysis and Options

As noted above, the City has formally received two requests to further extend the timelines of the 2018 DC Pre-Payment Agreements as a result of the ongoing COVID-19 pandemic. In consideration of these requests, Staff have determined that an extension is appropriate and accordingly recommend an extension to the earlier of June

30, 2022 or the day before the date that the next City-Wide DC By-law comes into effect (“Proposed Extension Date”), subject to two qualifications:

1. To qualify for the Proposed Extension Date, all applicants must provide a reasonable workplan to demonstrate that the objectives of the DC Pre-Payment Agreements can be achieved by the new expiry date. This workplan will be reviewed with and approved by appropriate Development Finance and Planning and Growth Management staff to ensure feasibility prior to execution of any amendments; and
2. The Proposed Extension Date should represent the last Council-approved extension in respect of the current DC Pre-Payment Agreements. Staff believe that it would not be appropriate to provide an extension leading into the next municipal election or exceeding the current term of Council. Continuing to further extend the timelines also further delays the collection of DCs at current rates, which are needed to fund future growth-related infrastructure.

The Proposed Extension Date will be offered to the development industry and landowners who have current and/or active DC Pre-Payments Agreements. This allows for a fair and transparent process. Staff note that not all current DC Pre-Payment Agreements may need to be extended since some proposed developments continue to work under the current timelines.

Financial Impact

For those developments that would have otherwise been unable to achieve the milestone dates contained within their existing agreements, the City would miss the opportunity to collect additional DCs at the time of building permit issuance.

An analysis of the current active DC Pre-Payment Agreements illustrates that there are approximately 42 such agreements that may receive requests for extension. Originally, 64 DC Pre-Payment agreements were executed and 54 of those took advantage of the initial extension provided in December 2019. The projected 42 agreements are worth \$95.4 million in DCs, an equivalent of \$220.4 million in current DC dollars.

Broader Regional Impacts/Considerations

There are no broader regional impacts or considerations associated with this report as the Regional DCs are not subject to our pre-payment agreements.

Conclusion

Staff are recommending that the remaining DC Pre-Payment Agreements be permitted to be amended one more time only to reflect the Proposed Extension Date. In addition, each applicant is required to submit a workplan to the City to demonstrate that the conditions of the DC Pre-Payment Agreements will be satisfied prior to the Proposed Extension Date. Staff are also recommending that this is the final extension of these agreements so that there are no impacts on the next term of Council and the City's ability to collect DCs to fund the required growth-related infrastructure.

For more information, please contact Michael Marchetti, Director Financial Planning and Development Finance.

Attachments

N/A

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Approved by



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Corporate Services, City
Treasurer and CFO

Reviewed by



Jim Harnum, City Manager