



Report to: General Committee

Meeting Date: April 21, 2026

SUBJECT: Development Charges Deferral – 8636 Reesor Road

PREPARED BY: Kevin Ross, Manager, Development Finance, ext. 2126

RECOMMENDATION:

- 1) That the report entitled “Development Charges Deferral – 8636 Reesor Road” be received;
- 2) That Council authorize staff to extend the current Development Charge Deferral for Varlese Brothers Limited for a farmworker accommodation building located at 8636 Reesor Road for an additional two-year period under the same terms and conditions, to expire on April 22, 2028;
- 3) That Council authorize the Mayor and City Clerk to execute an amendment to the existing agreement with Varlese Brothers Limited, pursuant to Section 27 of the *Development Charges Act, 1997, as amended*, to authorize the extension of the current Development Charge Deferral for two years, all to the satisfaction of the Treasurer and the City Solicitor, or their delegates;
- 4) That in the event that Provincial legislation is amended in the future to exempt farmworker accommodations while this development charge deferral is in effect, such exemption will be applied retroactively to the farmworker accommodation located at 8636 Reesor Road, provided that the premises comply with all provisions of the legislative amendment;
- 5) That Staff be authorized and directed to do all things necessary to give effect to this resolution.

EXECUTIVE SUMMARY:

N/A

PURPOSE:

The purpose of this report is to obtain Council’s authorization to provide Varlese Brothers Limited, the owners of Valleyview Gardens located at 8636 Reesor Road, with an extension of their current Development Charge Deferral for farmworker accommodation for another two years to expire on April 22, 2028, under the same terms and conditions and to amend the existing development charge deferral agreement to give effect to the extension.

BACKGROUND:

Varlese Brothers Limited (the “Owner”) constructed a farmworker housing building without the requisite approvals and the City was made aware of this in November 2022. The Owner subsequently applied for a building permit to regularize the construction of the structure, which was designed to house 14 persons, in March 2023. When the building permit was ready for issuance in September 2024 the City assessed development charges (“DCs”) for the City, Region and School Boards in accordance with the respective by-laws as follows:

Jurisdiction	Development Charges
City of Markham	\$ 74,787
Region of York **	\$ 54,755
School Boards	\$ 8,184
Total	\$ 137,726

** Regional development charges levied excluded the water/wastewater component as the property is serviced by a private well and septic.

The Owner objected to the assessment of the DCs on the basis that there were other (rural) municipalities that exempted farmworker accommodations and it desired the City to do the same. There is no exemption in the *Development Charges Act 1997, as amended* for farmworker accommodations, and the by-laws for the City, Region and School Boards also had no such exemptions, therefore the charge was levied as appropriate.

The Owner raised the case with Council on October 9, 2024 and following discussions Council authorized a six-month deferral of the development charges owing. The deferral was provided in order to allow additional time for the Ontario Federation of Agriculture to continue its lobbying efforts for the establishment of Provincial legislation to exempt farmworker accommodations in the *Development Charges Act 1997, as amended*.

In accordance with the October 9, 2024 Council Resolution, the Owner entered into a DC Deferral Agreement for the City Wide Hard and City Wide Soft development charges, to be effective from the date of building permit issuance, for a term of six months. The Regional and School Boards DCs were paid, and the building permit was issued on April 22, 2025. The deferred DCs were therefore due to be paid on or before October 22, 2025 as per the deferral agreement.

At the October 7, 2025 General Committee meeting, Council authorized an extension of the DC Deferral for another six months, with payment of the charges to be due by April 22, 2026. This was to allow for further efforts by the Ontario Federation of Agriculture to seek an amendment to the DC legislation to exempt farmworker accommodations. The resolution was approved by Council on October 8, 2025 and the owner subsequently executed an amending DC Deferral agreement with the City.

To date, there has been no Provincial legislation introduced to exempt farmworker accommodations and therefore the deferred DCs will be due and payable on April 22, 2026 in accordance with the DC Deferral Agreement.

OPTIONS/ DISCUSSION:

The Owner has again approached the City for an extension of the DC Deferral as they believe that Provincial legislation to exempt farmworker accommodations will be tabled in the future.

Staff are amenable to further extending the DC Deferral, in order to provide the Ontario Federation of Agriculture additional time to lobby the Province for a change in the treatment of farmworker accommodation in the *Development Charges Act 1997, as amended*.

The DC Deferral will be extended for a period of two years under the same terms and conditions as the existing agreement set to expire on April, 22, 2026, following which the payment of City-Wide Hard and City-Wide Soft DCs will become due and payable, subject to a change in legislation.

Should there be a change to the legislation to exempt farmworker accommodation within the two-year term of the DC Deferral, staff support the application of the exemption to this farmworker accommodation building retroactively, subject to compliance with all other provisions of the legislative amendment.

FINANCIAL CONSIDERATIONS

The deferral of development charges is essentially a cashflow issue which results in a delay in the receipt of the funds by the City. If Council agrees to extend the DC Deferral for an additional two-years, the charges will then become due at a later date as opposed to April 22, 2026 – the expiration date of the current agreement.

The Owner will be required to pay Legal fees plus HST for costs incurred to extend the agreement.

HUMAN RESOURCES CONSIDERATIONS

N/A

ALIGNMENT WITH STRATEGIC PRIORITIES:

N/A

BUSINESS UNITS CONSULTED AND AFFECTED:

The Legal Department has been consulted and their input has been incorporated in the report.

RECOMMENDED BY:

Trinela Cane, Commissioner,
Development Services and Corporate
Services

Joseph Silva, Treasurer

ATTACHMENTS:

N/A