



MEMORANDUM

TO: Chair and Members of Development Services Committee

FROM: Brian Lee, P. Eng.
Acting Commissioner of Development Services

DATE: April 3, 2018

SUBJECT: Authorization to Execute a Development Charge Prepayment Agreement with Kylemore Communities (Yorkton) Ltd.
9350 to 9392 Kennedy Road
Ward 6

SUGGESTED RESOLUTION:

- 1) That the Staff memorandum dated April 3, 2018, regarding “Authorization to Execute a Development Charge Prepayment Agreement with Kylemore Communities (Yorkton) Ltd.” be received;
- 2) And that the Mayor and Clerk be authorized to execute the prepayment agreement as described herein’;
- 3) And that Staff be authorized and directed to do all things necessary to give effect to this resolution.

BACKGROUND:

The City’s Development Charge By-laws were updated and approved by Council on December 12, 2017 with immediate effect subject to the following transition provision:

Development Charges will be calculated in accordance with the 2013 by-law rates, subject to indexing, where:

- a) a **Building Permit** application, which includes a conditional **Building Permit** application issued in accordance with s. 8(3) of the *Building Code Act*, meeting the requirements of Section 4 set out in the City of Markham Building By-law 2016-148, or any successor By-law, as determined by the City’s Chief Building Official, that is filed prior to 12:01pm on December 29, 2017; and
- b) a permit under s. 8(2) of the *Building Code Act* has been issued prior to March 31, 2018.

The City is empowered to enter into Development Charge Pre-payment agreements by Section 27(1) of the *Development Charges Act, 1997, as amended*, which provides as follows:

“A municipality may enter into an agreement with a person who is required to pay a development charge providing for all or any part of a development charge to be paid before or after it would otherwise be payable.”

Development Application

Kylemore’s subdivision, to create 3 residential blocks for a 132 unit townhouse development, a park block and an open space block and public roads was Draft Approved in early 2017 and has not yet been registered. The Subdivision Agreement was executed on February 15, 2018. . In order for the subdivision to be registered, among other issues, the Yorkton Boulevard road alignment needs to be finalized to create the appropriate alignment with the road network in York Downs to the north.

The Site Plan for this proposal was endorsed on October 18, 2017. In order for the Site Plan to be approved, the subdivision needs to be registered, and a Site Plan agreement executed. (This is a tri-party agreement that requires York Region conditions to be provided).

Building Permits

A total of 69 Building Permit applications for townhouses were received by the Building Department prior to 12:01 pm on December 29, 2017. These permits have not yet been issued and are awaiting registration of the subdivision and Site Plan approval.

Financial Considerations

By pre-paying development charges (“DCs”) on 69 townhouse units prior to the March 29, 2018 DC by-law transition provision deadline and executing the prepayment agreement, Kylemore will not be required to pay the incremental charges based on the new 2017 DC by-law rates.

Having already paid \$595,470 for City Wide Hard DCs through the subdivision agreement executed in February 2018, Kylemore will be required to pay an additional amount of \$639,354 for City Wide Soft DCs based on the 2013 DC by-law rates (indexed to January 2018). This will satisfy the payment of DCs for the 69 townhouse units, which under the terms of the proposed pre-payment agreement, will be crystallized as long as the terms of the agreement are complied with. The total DCs to be pre-paid is \$1,234,824 as shown in the chart below.

Type of DC	Transition Rates	Total DCs Under Transition Rates	New DC Rates	Total DCs Under New Rates	Differential Transition vs New Rates
City Wide Hard	\$ 8,630	\$ 595,470	\$ 14,310	\$ 987,390	\$ 391,920
City Wide Soft	\$ 9,266	\$ 639,354	\$ 11,453	\$ 790,257	\$ 150,903
Total		\$ 1,234,824		\$ 1,777,647	\$ 542,823

If the pre-payment proposal is approved by Council, and the agreement is executed on behalf of the City, Kylemore will not be required to pay incremental DCs totaling \$542,823.

CONCLUSION:

If Development Services Committee sees merit in authorizing the prepayment of the Development Charges, Development Services Committee should recommend to Council that the Mayor and Clerk be authorized to execute the repayment agreement with Kylemore.