

Clause 28 in Report No. 12 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on September 21, 2017.

28

Deferral of Development Charges for the YMCA Centre of  
Community in the Vaughan Metropolitan Centre

Committee of the Whole recommends adoption of the following recommendation contained in the report dated August 2, 2017 from the Commissioner of Finance:

1. Council authorize staff to execute an agreement with Penguin-Calloway (Vaughan) Inc. to defer the payment of development charges for the proposed YMCA Centre of Community located in the Vaughan Metropolitan Centre for a period of three years or until the space is designated a Municipal Capital Facility, whichever comes first.

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Report dated August 2, 2017 from the Commissioner of Finance now follows:

1. Recommendations

It is recommended that:

1. Council authorize staff to execute an agreement with Penguin-Calloway (Vaughan) Inc. to defer the payment of development charges for the proposed YMCA Centre of Community located in the Vaughan Metropolitan Centre for a period of three years or until the space is designated a Municipal Capital Facility, whichever comes first.

2. Purpose

The purpose of this report is to obtain Council's approval to defer the collection of development charges for a proposed YMCA Centre of Community located in the City of Vaughan.

### 3. Background

Penguin-Calloway is constructing a mixed use building that will be shared with the City of Vaughan

Penguin-Calloway (Vaughan) Inc. is constructing a mixed use building in the Vaughan Metropolitan Centre. The proposed structure will consist of office space that will be retained by Penguin-Calloway and the YMCA Centre of Community. Once construction is complete, the YMCA will lease a portion of their space to the City of Vaughan to be used as a City library and recreation facility.

On September 20, 2016, City of Vaughan Council authorized their staff to execute an agreement for the deferral of development charges for the proposed space associated with the YMCA Centre of Community. It is intended that the YMCA space will be designated as a Municipal Capital Facility by the City of Vaughan and will therefore be exempt from development charges and property taxes. Penguin-Calloway (Vaughan) Inc. has requested that the Region defer the payment of development charges for the portion of the structure that will be eventually owned by the YMCA.

### 4. Analysis and Implications

Non-profits are usually exempt from development charges

The Region's Development Charge Bylaw authorizes staff to defer development charges for a building or structure for community use that is owned by a non-profit corporation and where the area municipality in which it is located has provided a similar exemption.

As the proposed structure is being delivered by Penguin-Calloway (Vaughan) Inc., a for-profit corporation, the bylaw and its associated policies do not allow staff to waive or exempt the development charges. However, if the City of Vaughan or another non-profit corporation were to build this structure, they would not be required to pay development charges.

In the absence of a deferral agreement, Penguin-Calloway (Vaughan) Inc. would be required to pay development charges for the entire structure at building permit issuance.

## Deferral of Development Charges for the YMCA Centre of Community in the Vaughan Metropolitan Centre

Penguin-Calloway (Vaughan) has requested deferral of development charges until the transfer of title to the YMCA has taken place

To provide relief for the portion of the structure that the YMCA is expected to own and operate, staff recommend that the Region enter into a development charge deferral agreement with Penguin-Calloway (Vaughan) Inc. for the construction period. The agreement would provide that development charges would not be payable as long as the space is transferred to the YMCA upon completion of construction, at which time the City would designate it as a Municipal Capital Facility. Should title not be transferred to the YMCA, Penguin-Calloway (Vaughan) Inc. would be required to pay the development charges. In addition, the Region will register a mortgage on title to secure the applicable development charges.

The deferral of development charges would be for a period of up to three years following the execution of the deferral agreement, or until such time as the space is designated a Municipal Capital Facility by the City, whichever is earlier.

Link to key Council-approved plans

The collection of development charges in accordance with the policies of the Development Charges Bylaw is an indicator of success for York Region's *2015 to 2019 Strategic Plan* objective to practice sound fiscal management.

### 5. Financial Considerations

The amount of Regional development charges associated with the entire structure is \$4.4 million and the portion to be deferred is approximately \$2 million. However, when and if the YMCA takes ownership and the City of Vaughan designates the space as a Municipal Capital Facility no Regional development charges would be payable.

### 6. Local Municipal Impact

The City of Vaughan has approved the deferral of the payment of the development charges for the proposed space associated with the YMCA Centre of Community. The development supports the City's sustainability initiatives.

## Deferral of Development Charges for the YMCA Centre of Community in the Vaughan Metropolitan Centre

### 7. Conclusion

It is recommended that the Regional enter into an agreement with Penguin-Calloway (Vaughan) Inc. to defer Regional development charges for the proposed spaced associated with the YMCA Centre of Community.

For more information on this report, please contact Ed Hankins, Director, Treasury Office, at 1-877-464-9675 ext. 71644.

The Senior Management Group has reviewed this report.

August 2, 2017

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