

The Regional Municipality of York

Development Charge Deferral for Open Air Motor Vehicle Storage Structures

Policy No.: 8445604

Original Approval Date: May 17, 2018

Policy Last Updated: Not applicable

Policy Statement:

A policy governing the deferral of Regional development charges and area-specific development charges, as the case may be, for open air motor vehicle storage structures in the Regional Municipality of York.

Application (this policy applies to):

This policy is available for open air motor vehicle storage structures in the Regional Municipality of York, subject to the terms and conditions as set out in this policy and/or modified through the required deferral agreement.

For greater clarity, in order to be eligible, this development must be open air and applies to:

- conversions of existing surface parking to open air motor vehicle storage structures; and
- new open air motor vehicle storage structures.

The policy does not apply to solely below grade motor vehicle storage structures. If an above-grade open air motor vehicle storage structure includes below grade storage areas, those below grade storage area shall not be eligible for this deferral.

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Purpose:

This policy establishes the conditions, duration, terms, and other requirements in order to defer Regional development charges, or area-specific development charges, as the case may be, for open air motor vehicle storage structures.

Definitions:

Act: The *Development Charges Act, 1997, S.O. 1997, c. 27*, as amended, revised, re-enacted or consolidated from time to time, and any successor statute

Development Charges: The Region's development charges, including area-specific development charges, as the case may be

Enclosure/enclosed: Includes the partial and/or complete enclosure of the part of the structure open to natural light and air

Motor vehicle storage: Includes, but not limited to, the storage or warehousing of motor vehicles prior to sale, lease, rental, servicing, or for long-term storage

Open air motor vehicle storage structure: Includes a building, structure, platform, station, or part of any of the foregoing, standalone or attached to another structure that is open to natural light and air and is used for motor vehicle storage.

Schedule 'I' Bank: As referenced in section 14(a) of the *Bank Act, 1991* (as at December 31, 2016 or as amended from time to time). These are domestic banks and are authorized under the *Bank Act, 1991* to accept deposits, which may be eligible for deposit insurance provided by the Canadian Deposit Insurance Corporation

Description:

Objectives of the deferral policy

This policy is intended to allow developers of open air motor vehicle storage structures to defer the Regional development charges owed, or area-specific charges owed, as the case may be, until the structure(s) becomes enclosed or converted to a different use.

The terms of this deferral policy are Council approved and are non-negotiable.

Terms of the deferral policy

A. Agreement

Any developer wishing to defer development charges for open air motor vehicle storage structures must enter into a development charge deferral agreement with the Region.

B. Covenants included in the development charge deferral agreement

Every deferral agreement shall include covenants on the part of the developer. These covenants shall include, but not be limited to:

- covenant, by the developer(s), that the structure shall only be an open air motor vehicle storage structure as defined in this policy
- covenant, by the developer(s), to permit Regional staff to visit and/or inspect the structure from time-to-time, in an agreed upon manner, to ensure the structure has not been enclosed and is being used for the intended purposes (i.e., motor vehicle storage)
- covenant, by the developer(s) that they will inform the Region if the facility is to be enclosed
- covenant, by the developer(s), that if the structure becomes enclosed, is subject to enclosure, or another trigger event occurs, as defined by this policy or accompanying agreement(s), development charges shall be made payable (including any interest)
- covenant, by the developer(s), that they will enter into any additional agreement(s), as determined to be required by the Regional Solicitor, in order to give full force and effect to the deferral agreement

C. Duration of the deferral

The deferral of development charges for open air motor vehicle storage structures shall be until the structure becomes enclosed, as defined in this policy and/or modified through the development charge deferral agreement.

The deferral period shall begin on the day of building permit issuance by the local municipality for the open air motor vehicle storage structure.

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Development charges shall be payable within fifteen (15) business days immediately following notification of any of these trigger events:

- enclosure of the structure (as defined in this policy)
- sale, or transfer of ownership, of the property unless an assumption agreement is entered into
- any other material default as defined in the agreement(s)

Notification to the owner of the property on the tax roll shall occur immediately after the trigger event. The fifteen (15) business days shall begin with the mailing, by registered mail, of notice.

D. Development charge rates

The amount of the Regional development charges, or area-specific development charge payable to the Region, as required under the Act, shall be the amount determined under the applicable Regional development charge bylaw, or area-specific development charge bylaw, on the day that the building permit is issued for the construction of the open air motor vehicle structure by the local municipality.

E. Interest waiver

All interest shall be calculated using the development charges payable to the Region, as required under the Act, the amount of which is determined under the applicable Regional development charges bylaw, or area-specific development charge bylaw as the case may be, on the day the building permit for the structure is issued by the local municipality.

All deferred development charges shall bear interest at the prime commercial lending rate charged by an agreed upon 'Schedule I' commercial bank's on demand loans in Canadian funds to its most creditworthy customers plus two (2) per cent per annum. All interest shall accrue and be compounded.

The time period shall be calculated beginning with the date of issuance of the building permit for the proposed structure up to the date of the trigger event, as defined in section 'C' of this policy.

The Region shall forgive all amounts due and owing on account of interest, provided that the Regional development charges, or area-specific development charges as the case may be, are paid to the Region at the time required (within fifteen (15)

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business days immediately following notification of a trigger event as defined in section 'C' of this policy).

F. Unpaid development charges

If any development charges (including any interest) are unpaid within fifteen (15) business days immediately following notification of a trigger event identified in section 'C' of this policy, those development charges (including interest) shall be added to the tax roll and collected in the same manner as taxes (in accordance with section 32 of the Act).

G. Redevelopment credits

In the situation of a redevelopment of a structure covered by a deferral agreement under this policy, no development charge credits will be available and the new structure will be subject to the full development charges on that structure.

H. Local participation

The Region will only enter into a deferral agreement if the local municipality has provided a similar, if not better, deferral, or exemption, for the proposed development.

It shall be up to the Region to decide what constitutes "similar, if not better", but this may be determined by looking at:

- whether or not there is a prescribed timeframe for the deferral
- whether or not interest is waived

I. Other agreements required

In addition to the requirement that the developer enter into a development charge deferral agreement with the Region, the developer shall enter into any other agreements as required by the Regional Solicitor.

J. Legal fees

All legal fees of the developer(s) and Region shall be borne by the developer.

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K. Effective date

This policy shall take effect on July 1, 2018 and may be repealed by the Region at any time.

L. Report back to Council

Staff shall report back to Council on the number of deferral agreements, and the amounts deferred, executed as part of each update of the Region's development charge bylaw.

Responsibilities:

Regional Solicitor, Legal Services

- Draft and prepare for execution the deferral agreement between Region and the developer
- Draft and prepare for execution any additional agreements required

Director, Treasury Office, Finance Department

- Administer the deferral policy, including assisting stakeholders in determining if they qualify for the policy
- Enforce the deferral policy
- Maintain copies of all executed deferral agreements and other agreements as required

Director, Strategy and Transformation, Finance Department

- Collect all development charges when due
- Notify, through the Regional Treasurer, to the treasurer of the local municipality if development charges are not paid/received within the prescribed timeframe and to have said charges added to the tax roll of that municipality

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- Undertake any additional administrative obligations as determined through the agreements
- Maintain copies of all executed deferral agreements and other agreements as required

Reference:

Legislative and other authorities

- [Development Charges Act, 1997, S.O. 1997, c. 27](#)
- [Ontario Regulation 82/98](#)
- [The Regional Municipality of York - York Region Development Charges Bylaw - No. 2017-35](#)
- [Memorandum to Committee of the Whole, Development charge treatment of structured parking, April 12, 2018](#)
- [Council Report, 2018 Development Charge Background Study and Bylaw Amendment, May 17, 2018](#)
- [The Regional Municipality of York 2018 Development Charge Background Study – Bylaw Amendment, May 17, 2018](#)

Keyword Search

- open air motor vehicle storage structure deferral,
- development charges, Development Charges Act
- deferral motor vehicle storage

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