

The Regional Municipality of York

Committee of the Whole
Finance and Administration
September 10, 2020

Report of the Commissioner of Finance

Sutton Prepaid Development Charge Credit Agreement Amendment

1. Recommendations

1. The Regional Chair and the Regional Clerk be authorized to amend the Sutton Prepaid Development Charge Credit Agreement to transfer credits from the lands owned by 711371 Ontario Corp. (“Oxford Homes”) to adjoining lands it purchased after the execution of the Sutton Prepaid Development Charge Credit Agreement, known as the “Foster Lands”, as indicated in Attachment 1.

2. Summary

The purpose of this report is to obtain approval to amend the Sutton Prepaid Development Charge Credit Agreement to include additional lands owned by Oxford Homes to the Agreement, and transfer wastewater development charge credits held by Oxford Homes to the Foster Lands.

Key Points:

- Oxford Homes had a total of 132 credits available under the Sutton Prepaid Development Charge Credit Agreement
- Oxford Homes used 115 credits under its plan of subdivision for 19T-90G33 and has 17 credits remaining
- Oxford Homes has no lands remaining under the Agreement to apply the remaining credits
- Oxford Homes is requesting that they be able to transfer some of these credits to the adjacent Foster Lands for which the Agreement does not apply
- Credits can be transferred with the consent of all the owners who are parties to the Agreement and with Council approval

3. Background

Region Council approved a Development Charge Credit Policy in 1996

At its May 9th and May 23rd, 1996 meetings, Regional Council approved a development charge Credit policy to reimburse developers for capital works undertaken by them in advance of the planned capital program (subsequently amended on June 18, 2007, as part of the passing of Regional DC By-law No.DC-0007-2007-040).

This policy allowed developers to provide funding for capital works and receive a dollar value credit based on the unit count of the associated subdivision. This allowed the value of the credit to end up increasing as the credit would eventually be given at the prevailing rate at the time of build-out of the subdivision.

A Prepaid Development Charge Credit Agreement advanced the construction of the Sutton Water Resource Recovery Facility

To proceed with the build-out of subdivisions in the Sutton Community, construction of the Sutton Water Resource Recovery Facility was required. On May 30, 2001, a Prepaid Development Charge Credit Agreement for the construction of the Sutton Water Resource Recovery Facility was executed with the Sutton Community Developer Group. The capacity created by the Sutton Water Resource Recovery Facility was assigned to the lands under a separate planning process administered by the Town of Georgina. This Agreement does not provide allocation for wastewater capacity (see Attachment 1). Landowners who are party to the Agreement are eligible for development charge credits to be applied against the wastewater component of Regional development charges at the time of registration of their plans of subdivision.

Oxford Homes is developing a six unit subdivision in the Sutton Community

Oxford Homes is planning to develop a six unit subdivision in Sutton on the Foster Lands consisting of four single residential lots and one semi-detached lot. These lands are adjacent to their existing subdivision which is now built out (see Attachment 1). The parcel is approximately half a hectare and fronts onto Black River road in Sutton.

The applications for the plan of subdivision and zoning were submitted in 2018 and Georgina issued a decision of approval for the subdivision on March 6, 2020. Georgina has reserved allocation for this site and will further confirm the allocation at the subdivision registration stage.

The Development Charge Credit Policy was revised after the 2012 update to the Development Charge By-law

On November 21, 2013, Council approved the changes to the Development Charge Credit Policy. The revised Development Charge Credit Policy contains provisions to protect the Region from potential financial risks associated with advancing infrastructure and providing development charge credits. The key changes to the policy was to shift the financial risk to

the developer and to collect development charges to fund Region wide costs without increasing development charge related debt.

The changes to the Development Charge Credit Policy stopped indexing on the credits and unit value credit. These provisions no longer allow for the balance development charge credits to be indexed or increased until they have been achieved at subdivision registration. Also, unit value credits were only used in Sutton once and have not been provided since. The current policy continues to prohibit unit value development charge credits.

4. Analysis

Wastewater development charge credits are available only to the Oxford Homes part of the development

In accordance with Section 8 (iii) of the Agreement, “credit shall only be available with respect to the Regional development charges imposed upon development of the lands subject to this Agreement, and not to any other lands owned by the Owners or any one of them.”

The Foster Lands are not included in the Agreement, therefore, the developer is not eligible to apply wastewater development charge credits to these lands.

Oxford Homes is requesting an amendment to the Agreement to include the Foster Lands

Under the Agreement, Oxford Homes is entitled to 132 units of wastewater development charge credits. Oxford Homes previously used 115 of its units under 19T-90G33 and has 17 units of development charge credits remaining. Currently, Oxford Homes has no remaining lands for which it can apply its remaining 17 units. Oxford Homes is eligible to receive sewer allocation from the Town of Georgina for the six units to be developed on the Foster Lands.

In 2016, Regional Council approved a similar amendment to permit Ballymore Homes to include lands not included in the agreement. Although this request is similar to Ballymore’s amendment request, Oxford Homes’ request is different. The key differences are that the proposed lands are attached to Oxford’s current lands and the lands were purchased in 2006 to complete a road for their subdivision.

An amendment to the Agreement requires consent of the participating landowners and Regional Council

According to Section 9 (ii) of the Agreement, the Owners of the land included in the Agreement may negotiate with non-participating landowners to include them in the Agreement with the approval of Regional Council and an amendment to the Agreement. The current participating landowners must all agree to amend the Agreement.

With consent of the landowners included in the Agreement, Regional Council may authorize an amendment to the Agreement to include the Foster Lands. Upon amendment of the

Agreement, Oxford Homes will be entitled to apply wastewater development charge credits to the Foster Lands. Oxford Homes is currently seeking agreement from the landowners to amend the Agreement.

If the amendment is not approved, Oxford Homes will be required to pay the prevailing development charge rates without any sewer development charges credits being applied.

All the members of the Sutton Developer Group have confirmed that they have no objection to the amending of the agreement.

Initiative supports strategic goal of the 2019 to 2023 Strategic Plan

The collection of development charges in accordance with Development Charge Bylaw policies, is an indicator of success for York Region's 2019 to 2023 Strategic Plan objective to practice sound fiscal management.

5. Financial

The Sutton Community Developer Group provided financing to advance construction timing of the Sutton Water Resource Recovery Facility.

Total wastewater development charge credits cannot exceed the amount contributed by each owner. The proposed amendment does not increase the total wastewater development charge credits for Oxford Homes. Under the Agreement, Oxford Homes currently has 17 wastewater development charge credits remaining. The amendment will permit Oxford Homes to achieve 6 of the 17 credits on these lands, which will then leave them with 11 credits to be achieved at a future date. The amendment will permit Oxford Homes to achieve 6 of the 17 credits on these lands, which will then leave them with 11 credits that could be achieved at a future date. The balance of the credits will either be achieved when they develop other lands or transfer these credits to other landowners within the agreement.

6. Local Impact

The proposed amendment to the development charge credit agreement permits Oxford Homes to proceed. It is the responsibility of the Town of Georgina to allocate sewer capacity to the Sutton Community. The Town of Georgina has no objection to amending the agreement.

7. Conclusion

This report outlines the proposed amendment to the Sutton Prepaid Development Charge Credit Agreement between the Regional Municipality of York and the Sutton Community Developer Group. The proposed amendment is to permit the lands known as Foster Lands to proceed and allow Oxford Homes to use wastewater development charge credits on these lands at the time of subdivision registration.

For more information on this report, please contact Ed Hankins, Director, Treasury Office and Deputy Regional Treasurer at 1-877-464-9675 ext. 71644. Accessible formats or communication supports are available upon request.

Recommended by: **Laura Mirabella, FCPA, FCA**
Commissioner of Finance and Regional Treasurer

Approved for Submission: **Bruce Macgregor**
Chief Administrative Officer

August 11, 2020
Attachments (1)
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