

Development Charges Deferral for Office Buildings Policy

Approved By: Regional Council

Approved On: June 26, 2025

Policy Statement

A policy governing the deferral of Regional development charges and area-specific development charges for office buildings that are a minimum of four storeys above grade.

Application

This policy is available for office buildings in York Region subject to the terms and conditions set out in this policy. To be eligible, the building must be a minimum of four storeys above grade.

Purpose

The purpose of this policy is to establish the rules and practices for deferring development charges on office buildings that are a minimum of four storeys above grade.

This policy will also support York Region's goal of building complete communities and will help achieve the following outcomes:

- Encourage 'place-making' through a mix of uses
- Promote live/work in the Region
- Make better use of significant infrastructure investments made by the Region and local municipalities, including transit
- Help to grow the Region's property assessment base both from the new office development and from the surrounding complementary development due to land use synergy (both residential and non-residential)

- Help to alleviate north-south congestion on the roads network as residents have increased opportunities to work within the Region

Definitions

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

Development: The construction, erection or placing of one or more buildings or structures on land or the making of an addition or alteration to a building or structure that has the effect of increasing the size or changing the use from non-residential to residential or from residential to non-residential and includes redevelopment.

Development charges: The Region's development charges, including any area-specific development charges.

Gross Floor Area: As defined under the Region's Development Charges Bylaw No. 2022-31 or any successor development charges bylaw.

Office: As defined under the Region's Development Charges Bylaw No. 2017-35, as amended by Regional Development Charges Bylaw No. 2018-42, or any successor development charges bylaw.

Storey: A portion of a building that is above grade and is situated:

- a) Between the top of any floor and the top of the floor next above it, or
- b) Between the top of the floor and the ceiling above the floor, if there is no floor above it

Description

1. Development Charges Deferral Agreement

Upon site plan approval and prior to building permit issuance, any developer wishing to defer development charges for office buildings that are a minimum of four storeys above grade must enter into a development charge deferral agreement with the Region and provide a form of security acceptable to the Region.

2. Duration of Deferral

The duration of the development charges deferral for an office building will begin the day of building permit issuance by the local municipality for the office building, and end 48 months later.

3. Development Charges Rates

The development charges rate will be the amount determined under the applicable Regional development charges bylaw, or area-specific development charges bylaw, on:

- a) Day of building permit issuance for:
 - i. Applications submitted for approval of a development in a site plan control area under subsection 41 (4) of the Planning Act for an office building prior to January 1, 2020, or
 - ii. Applications submitted for an amendment to a bylaw passed under section 34 of the *Planning Act* prior to January 1, 2020
- OR -
- b) Day of application for
 - i. Applications submitted for approval of a development in a site plan control area under subsection 41 (4) of the Planning Act for an office building including and after January 1, 2020, or
 - ii. Applications submitted for an amendment to a bylaw passed under section 34 of the *Planning Act* including and after January 1, 2020

For greater clarity, if clause b(i) or b(ii) does not apply to an office building that is seeking to defer development charges including and after January 1, 2020, the development charges rate is determined on the day the development charges are payable in accordance with section 26 of the Act.

4. Development Charges Payable

The amount of the development charges payable to the Region, as required under the Act, will be based on the rates determined under Term '3' of this policy multiplied by the gross floor area of the office building, of which will be determined on the day the developer enters into a development charges deferral agreement with the Region and provides a form of security acceptable to the Region.

5. Interest Waiver

All interest will be calculated using the development charges payable in Term '4' of this policy. The period for the interest calculation will begin on the date of issuance of the building permit for the proposed structure by the local municipality and continue until the date the development charges are fully paid.

All deferred development charges will bear interest at the prime commercial lending rate charged by an agreed upon 'Schedule I' commercial bank for on demand loans

in Canadian funds to its most creditworthy customers, plus two per cent per annum. All interest will accrue and be compounded.

The Region will forgive all amounts due and owing on account of interest, provided that the development charges are paid in full to the Region at the time required (within 15 business days immediately following the end of the deferral).

In the event unpaid development charges are added to the tax roll (Term '6'), interest will continue to accrue and be compounded until all outstanding charges are fully paid.

For greater clarity, this term has no effect on any interest charged in accordance with Region's Development Charge Interest Policy - Under sections 26.2 and 26.3 of the Act, as may be amended by Regional Council from time to time.

6. Unpaid Development Charges

If any development charges (including any interest) are unpaid within 15 business days immediately following the end of the development charges deferral timeframe, those development charges (including interest) at a rate described in Term '5', will be added to the tax roll and collected in the same manner as taxes (in accordance with section 32 of the Act).

If unpaid development charges are added to the tax roll, interest will continue to accrue and be compounded until all outstanding total charges are fully paid (development charges plus interest).

7. Security - Letter of Credit

The Region may accept the following as security, at the Region's discretion:

- A form of security will be taken and registered against the title to the land at the execution of the development charges deferral agreement with the Region. The Region's security interest will always be, at minimum, *pari passu*, or of equal footing, to that of the local municipality offering a similar, if not better, deferral of development charges; or
- A Pay-On-Demand Surety Bond, subject to the Region's Surety Bond Policy, as amended, revised, re-enacted or consolidated from time to time; or
- A Letter of Credit, subject to the Region's Letter of Credit Policy, as amended, revised, re-enacted or consolidated from time to time.

8. Mixed-Use Buildings or Developments

In the case of a mixed-use building, this policy will apply as follows:

- a) Each component of the structure will be deferred in accordance with the applicable policy:
 - i. Satisfying the separate security requirements, and
 - ii. Satisfying the need for a separate development charges deferral agreement, or
- b) The entirety of the building may be deferred based on the predominant residential use and in accordance with the applicable residential policy which shall not include the development charges deferral option for non-luxury rental buildings.

9. Other Agreements Required

To take advantage of this policy, the developer must enter into a development charges deferral agreement with the Region.

In addition, the developer will enter into other agreements as required by the Regional Solicitor and General Counsel, if a Letter of Credit or Pay-on-Demand Surety Bond is not used. Those include, but are not limited to:

- Charge
- Assignment of Rents
- Restrictive Covenant
- Pari Passu Agreement
- General Security Agreement
- Other agreement(s) as deemed necessary

10. Legal and Administration Fees

The developer will pay all legal fees of the developer and Region, including any costs incurred by the Region to prepare and register any other agreements required by the Regional Solicitor, and other associated administration fees.

11. Local Participation

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

It will be up to the Commissioner of Finance and/or the Chief Administrative Officer, in consultation with the Commissioner of Corporate Services, to decide what constitutes “similar, if not better”, and this includes, but is not limited to:

- Whether there is a prescribed timeframe for incentive, and what that is
- Whether interest is waived for any deferral
- Other incentives that may be provided, be they financial or otherwise

12. Report Back to Council

Staff will report back to Council annually on the uptake of this policy.

13. Effective Date

This policy will take effect the day it is passed by Regional Council and may be repealed by the Region at any time.

Responsibilities

Chief Administrative Officer, York Region

- Responsibilities as identified under the Terms of this policy
- Signing of agreements

Commissioner of Finance, Finance Department

- Responsibilities as identified under the Terms of this policy
- Signing of agreements

Regional Solicitor and General Counsel

- Draft and prepare for execution the deferral agreement between the Region and the developer
- Draft and prepare for execution any additional agreements required
- Registration of security on title

Commissioner of Corporate Services

- Responsibilities as identified under the terms of this policy

Director, Treasury Office, Finance Department

- Administer and enforce the deferral policy, including assisting stakeholders in determining if they qualify for the policy, the development charges rates to be applied, and the development charges payable
- Collect all development charges when due

Director, Corporate Shared Financial Services, Finance Department

- Process the draw upon the letter of credit or pay-on-demand surety bond

Delegation of responsibilities

- As appropriate, and as permitted, some responsibilities identified in this policy may be delegated to a designate(s)

Compliance

The **Director, Treasury Office**, shall ensure compliance with the Act, the development charges bylaw, this policy and all other legislative requirements.

Reference

Legislative and other authorities

- [Development Charges Act, 1997, S.O. 1997, c. 27](#)
- [Ontario Regulation 82/98](#)
- [Council Report, 2026 Development Charges Bylaw – Update, June 26, 2025](#)
- [Letter of Credit Policy, February 23, 2023](#)
- [Surety Bond Policy, June 26, 2025](#)
- [Fees and Charges for Services and Activities Bylaw 2020-04](#)

Contact

Title	Director, Treasury Office
Branch	Treasury Office
Department	Finance Department

Approval

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