

## Development Charges Deferral for Retail Buildings Policy

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Approved By: Regional Council

Approved On: June 26, 2025

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### Policy Statement

A policy governing the deferral of Regional development charges and area-specific development charges for retail buildings.

### Application

This policy is available for retail buildings in York Region subject to the terms and conditions as set out in this policy.

### Purpose

The purpose of this policy is to establish the rules and practices for deferring development charges on retail buildings.

This policy also supports 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
- Support the development and attraction of retail businesses

### 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 thereof 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.

**Retail:** As defined under the Region's Development Charges Bylaw No. 2022-31, or any successor development charges bylaw.

## Description

### 1. Development Charges Deferral Agreement

Upon site plan approval and prior to building permit issuance, any developer wishing to defer development charges for a retail building must enter into a development charge deferral agreement with the Region and provide a form of security acceptable to the Region.

A development charges deferral agreement will only be executed by the Region provided that the developer can immediately upon execution of the agreement attain building permit issuance by the local municipality.

### 2. Duration of Deferral

The deferral of development charges for retail buildings will be in accordance with following schedule:

- First anniversary of building permit issuance: one-third drawn from letter of credit or pay-on-demand surety bond
- Second anniversary of building permit issuance: one-third drawn from letter of credit or pay-on-demand surety bond
- Third anniversary of building permit issuance: one-third drawn from letter of credit or pay-on-demand surety bond

For greater clarity, development charge payments are being deducted from the letter of credit through three equal annual payments beginning on the first anniversary of building permit issuance.

### 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 a retail 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 a retail 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 a retail 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 retail building, of which will be determined on the day that the developer enters into a development charges deferral agreement with the Region and provide a form of security.

### 5. Interest Waiver

No interest will be charged.

For greater clarity, this term has no effect on any interest charged in accordance with the 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 are unpaid within 15 business days immediately following the end of the development charges deferral timeframe, those development charges will be added to the tax roll and collected in the same manner as taxes (in accordance with section 32 of the Act).

## **7. Security**

The Region may accept the following as security:

- A Pay-On-Demand Surety Bond, subject to 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. 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.

## **10. 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

### **11. Report Back to Council**

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

### **12. 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 and Regional Treasurer**

- 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, at the point development charges are due

### **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

Council Date: <a href="#">June 26, 2025</a>	Committee Date: <a href="#">June 12, 2025</a>
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