

**City Council****Motion without Notice**

MM41.16	ACTION			Ward: 33
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**Parkway Forest – Development Charge Deferral for Rental Replacement Units - by Councillor Carroll, seconded by Councillor Jenkins**

*\* This Motion has been deemed urgent by the Chair. Council has added this Motion to the agenda for debate.*

**Recommendations**

Councillor Carroll, seconded by Councillor Jenkins, recommends that:

1. City Council authorize that, (with respect to the 332 Rental Replacement Units and Existing Rental Dwelling Units as identified in the Section 37 Agreements for the 100 Parkway Forest development site), the potential future reduction in development charges that, under the Development Charges By-law may otherwise be available to replacement buildings after the demolition of the Existing Rental Dwelling Units, be applied instead to issuance of building permits for the 332 Rental Replacement Units.
2. City Council authorize the Deputy City Manager and Chief Financial Officer to enter into a Development Charge Deferral Agreement (and any required amendment to the Section 37 Agreements) with the Owner, in a form satisfactory to the City Solicitor and the Deputy City Manager and Chief Financial Officer, to provide for the deferral of applicable development charges as set out in recommendation 1, subject to the following terms:
  - a. The agreement(s) shall be registered on title to all lands against which the Section 37 Agreements are now registered and the owner shall provide the City with such release, discharge, quit claim, or postponement of any interest as the City Solicitor may require to ensure priority of such of the agreement(s) as the City Solicitor, in consultation with the Chief Financial Officer, determines is appropriate, together with a title opinion satisfactory to the City Solicitor,
  - b. The deferral shall be for a period of three (3) years from the date of issuance of the building permits for the construction of the Rental Replacement Units, or such later date as the Deputy City Manager and Chief Financial Officer may agree to,

- c. The Owner will provide confirmation of the demolition of Existing Rental Dwelling Units within the aforementioned three (3) year period,
- d. In the event of Owner has not demolished the said Existing Rental Dwelling Units within the aforementioned three year period or has sought to have the development charge reduction applied against buildings other than the Rental Replacement Units,
  - i. the City may draw upon any financial security filed or to be filed by the Owner pursuant to the Section 37 Agreement(s) and/or other agreement(s) and the Owner shall forthwith provide any replacement financial security required by the City to secure any outstanding matters that had been secured by the said financial security,
  - ii. the Owner will forfeit its entitlement to and the City shall be authorized to withhold and retain development charge credits as the Owner may otherwise be entitled to receive as set out in Section 10 of the Section 37 Agreement – General dated March 1, 2008, and
  - iii. the City may add the amount of the development charges to the tax roll and collect the amount in the same manner as taxes,

all up to the amount of the development charges that remain unpaid in respect of the Rental Replacement Units.

## **Summary**

The Parkway Forest development comprises the construction of 332 Rental Replacement Units, 2,200 new residential units, 2,143 sq m of non-residential floor area, a community centre, and child care and community agency space over a number of phases. The Council approved phasing plan requires the construction of 220 of the proposed total 332 Rental Replacement Units in Phase 1, and the construction of the remaining 112 of the proposed total 332 Rental Replacement Units in Phase 3A. Section 2.3 of the Section 37 Agreement – Housing provides that “the Owner shall not be entitled to, and the Owner agrees it shall not require the issuance of a Demolition Permit to demolish any Existing Apartment Buildings or a Building Permit to construct any Buildings (other than Rental Replacement Buildings) on the Site until, in addition to any other requirements, the Rental Replacement Units for the Eligible Tenants in the Existing Apartment Buildings are ready and available for occupancy.” Section 2.4 provides that, “The Owner covenants and agrees that during the Rental Replacement Period it shall provide and maintain the Rental Replacement Units as Rental Dwelling Units in accordance with the terms of this Agreement.” The Rental Replacement Period is essentially 25 years. In addition, the Agreement also provides that all Eligible Tenants in the Existing Apartment Buildings are entitled to a right to occupy the Rental Replacement Units.

While the future demolition of the Existing Rental Dwelling Units may provide redevelopment reductions in development charges payable, the reductions would only be available after the

demolition occurs. As a result, applicable development charges that are due now upon issuance of building permits for the 332 Rental Replacement Units would not get the benefit of reductions that may later be available after the demolition of the Existing Rental Dwelling Units has occurred. This is of concern to the Owner who has requested that these potential future redevelopment reductions be instead recognized in advance and used to offset the development charges now payable for the construction of the 332 Rental Replacement Units.

(Submitted to City Council on October 26 and 27, 2009 at MM41.16)