

## City Council

### Motion without Notice

MM23.32	ACTION			Ward: 11
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**440, 444, 450 and 462 Front Street West; 425, 439, 441 and 443 Wellington Street West; 6 - 18 Spadina Avenue and 1 and 19 Draper Street - Development Charge Early Payment Agreement - by Councillor Joe Cressy, seconded by Councillor Mike Layton**

*\* This Motion has been deemed urgent by the Chair.*

*\* This Motion is not subject to a vote to waive referral. This Motion has been added to the agenda and is before Council for debate.*

### Recommendations

Councillor Joe Cressy, seconded by Councillor Mike Layton, recommends that:

1. City Council authorize the Chief Building Official and Executive Director, Toronto Building, in consultation with the Chief Financial Officer and Treasurer, to enter into a Development Charges Early Payment Agreement pursuant to Section 27 of the Development Charges Act, 1997, to provide for the early payment of development charges respecting the rental portion of the development at 440, 444, 450 and 462 Front Street West; 425, 439, 441 and 443 Wellington Street West; 6 - 18 Spadina Avenue and 1 and 19 Draper Street to be calculated based on the date of issuance of the first building permit, being July 24, 2020, and payable and collected on or before August 15, 2020; the agreement to be in a form satisfactory to the Chief Financial Officer and Treasurer and the City Solicitor.
2. City Council authorize the Chief Building Official and Executive Director, Toronto Building, in consultation with the Chief Financial Officer and Treasurer and the City Solicitor, to include any provisions in the agreement, as deemed appropriate, to protect the City's financial interests related to this project.
3. City Council direct and authorize appropriate City staff to take the necessary action to give effect thereto.

### Summary

At its meeting of January 31, 2017, Toronto City Council adopted Item TE20.7, thereby approving the recommendations in the report from the Director, Community Planning, Toronto and East York District to enact a proposed Zoning By-law amendment for the lands at 440, 444, 450 and 462 Front Street West; 425, 439, 441 and 443 Wellington Street West; 6 - 18 Spadina Avenue and 1 and 19 Draper Street to permit a large-scale mixed-use development ("The Well"). The comprehensive redevelopment proposal provides for seven mixed-use

buildings with residential, office and retail uses, as well as public parkland and privately-owned publicly-accessible open space. Overall, 1,537 dwelling units are proposed, with a mix of residential tenure including rental and ownership housing, as well as 105,364 square metres of office space and 44,824 square metres of retail space.

The partnership for The Well includes a residential building partner, which is currently seeking building permits for two rental components of the project, known as Tower A and Tower B.

With the changes to the Development Charges Act, 1997 which came into force on January 1, 2020, pursuant to the amended section 26.1 of the Act, developers of rental housing are required to pay development charges by instalments over a period of five years, beginning at the time of occupancy. Previously, such development would typically require payment of development charges at the issuance of first building permit. The Act also provides an option for developers and the municipality to enter into an agreement pursuant to section 27 of the Act which allows for the charges to be paid at an earlier or later date.

A request has been made by the residential building partner to pay its development charges for Tower A and Tower B at the time of the first above grade building permit. This would allow the developer to gain certainty in its financing arrangements, while also providing the City with resources at an earlier point in the process.

The first building permit for the project, being also the first above grade permit, was issued on July 24, 2020. This is the date the charges would have otherwise been payable to the City prior to the legislative changes coming into effect on January 1, 2020. With the changes, development charges for the market rental component of the project, in the amount of approximately \$12.3 million, are subject to the mandatory development deferral to the time of occupancy and collected over the five year instalment period.

Given that the building permit has been issued already, the recommendations in this Motion provides staff with the authority to enter into an agreement with the developer to collect the charges as soon as reasonably possible (e.g. on or before August 15, 2020). This timeline would allow for the agreement terms to be discussed between the developer and staff, and for the agreement to be prepared and executed.

This Motion is urgent in order to permit the City to receive the development charges payment over the summer.

### **Background Information (City Council)**

Member Motion MM23.