

City Council

Motion without Notice

MM24.26	ACTION			Ward: 6
---------	--------	--	--	---------

30 Tippet Road - Development Charges Early Payment Agreement - by Councillor James Pasternak, seconded by Councillor Ana Bailao

** Notice of this Motion has not been given. A two-thirds vote is required to waive notice.*
** This Motion is subject to referral to the Executive Committee. A two-thirds vote is required to waive referral.*
** This Motion has been deemed urgent by the Chair.*

Recommendations

Councillor James Pasternak, seconded by Councillor Ana Bailao, 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 to allow for development charges for the project located at 30 Tippet Road to be calculated, payable and collected as of the date of the issuance of the first conditional building permit, which is the foundation permit in respect of this project; the agreement to be in a form acceptable 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 the appropriate City staff to take the necessary action to give effect to City Council's decision.

Summary

On December 16, 2019, the Lieutenant Governor of Ontario posted notice that certain changes to the Development Charges Act, 1997 would come into effect on January 1, 2020. These changes included a requirement that development charges for rental housing development be deferred to the date of first occupancy and collected in six equal annual installments over five years, instead of being payable at the time of building permit issuance.

The City is in receipt of a building permit application for a project located 30 Tippet Road. The project proposes to construct a new mixed-use building consisting of two towers and podiums with a shared three level below grade garage. A total of 177 rental housing units are

proposed, with 50 units that are affordable rental housing. A standalone shoring and excavation permit (19 115879 BLD 00 BA) was issued on January 30, 2020. City staff have now completed the reviews for the conditional foundation building permit.

The developer wishes to pay the applicable development charges at time of issuance of the first conditional permit for the project, which is the foundation permit (19-156908 FND 00 CP), rather than deferring the payment to occupancy and payment in instalment.

Development charges for the market rental component of the project that is otherwise subject to the mandatory development charges deferral to occupancy totals approximately \$600,000 (estimated on the City of Toronto's deferral interest rate of prime plus 1 percent, and cost of Letter of Credit at 1.75 percent, to be confirmed with the City of Toronto's Finance Division).

This Motion is urgent due to the proximity of the October City Council meeting to the upcoming Development Charge increases in early November 2020.

Background Information (City Council)

Member Motion MM24.26