1. **RECOMMENDATIONS**

   It is recommended that:

   1. Regional Council approve the adoption of a Development Charge Bylaw incorporating the policies and rates set out in the DC Background Study, as revised in this report, with an effective date of June 18, 2012.

   2. The existing area-specific sewer development charge continue to remain in effect for Nobleton and that the costs of sewer works in Nobleton be excluded from the calculation of the Region-wide sewer charges.

   3. The existing demolition and conversion redevelopment credit policy for residential buildings be revised to include a provision for “derelict structures” to be extended for an additional 72 months provided that the structure is deemed “derelict” by the relevant area municipal Council. Credits are to be provided on a declining basis as outlined in Table 1.
4. Regional Council endorse the proposed settlement based on the exchange of letters in Private Attachment 1 with Building Industry and Land Development Association (BILD) regarding the 2012 Development Charge Bylaw update, as outlined in this report with the following key elements:

   a. Regional Council approve the new option for the payment of hard service development charges for residential subdivisions in accordance with the terms and conditions outlined in this report and subject to execution of the minutes of settlement referred to in recommendation 6.

   b. Regional Council approve the new prepayment option for developers of residential in-fill, high-rise and non-residential developments as outlined in this report to take effect on May 17, 2012 and revoke the existing prepayment option effective June 18, 2012.

   c. The proposed threshold for large apartments of 700 square feet or more be in effect until June 17, 2014, with the threshold changing to 650 square feet or more for the remaining term of the bylaw.

   d. The new Development Charge credit policy be deferred and that staff report back to Regional Council in the fall of 2012 regarding the Development Charge credit policy and the existing Development Charge Credit Roadworks Policy in consultation with stakeholders.

5. Staff be authorized to take all necessary steps required to make adjustments to the Background Study to incorporate all the information and rates contained in this report.

6. Regional Council authorize the Regional Chair and the Regional Solicitor to execute the minutes of settlement between the Region and BILD substantially in the form attached as Private Attachment 2.

7. Regional Council determine that no further public meeting is required pursuant to the Development Charges Act, 1997.

8. The Regional Solicitor be directed to prepare the necessary bylaw for adoption at the May 17, 2012 Council meeting.

9. Notice of the adoption of this bylaw be given as required under the Development Charges Act, 1997.

10. This report be circulated to the area municipalities within York Region for information purposes.

11. Regional staff be authorized to attend at the Ontario Municipal Board or the courts, as appropriate, to defend the Region's position if the Development Charge Bylaw is appealed to either of those adjudicative bodies.
12. Regional Council authorize the execution of Minutes of Settlement by the Regional Chair and the Regional Solicitor, to resolve any appeals to the Development Charge Bylaw.

2. PURPOSE

The Region is currently in the final stages of a comprehensive review of the Region-wide Development Charge Bylaw. This report provides an update with respect to the status of the 2012 Development Charge Bylaw following the information received at the public meeting and requests Council approval of the recommended settlement with BILD. In addition, this report requests Regional Council’s approval of revised development charge rates in order to adopt the 2012 Development Charge Bylaw prior to the expiry of the current Development Charge Bylaw on June 17, 2012.

This report is being submitted in private as the subject matter involves legal advice with respect to potential appeals of the Development Charge Bylaw which is subject to solicitor-client privilege and asks Council to make a decision on a settlement offer that was made on a “without prejudice” basis. The report may be made public if Council accepts the proposed settlement.

3. BACKGROUND

2012 Development Charge Bylaw required to come into effect on or before June 18, 2012

The Development Charges Act, 1997 requires that municipalities prepare and pass a new Development Charge Bylaw within five years of the passing of their current Bylaw. Council adopted the current Development Charge Bylaw No. DC-0007-2007-040 on May 27, 2007, which came into effect on June 18, 2007. In accordance with the Development Charge Act, Council must pass a new Development Charge Bylaw to come into effect on or before June 18, 2012.

On June 24, 2010, the 2007 Development Charge Bylaw was amended for water, wastewater and road services to capture capital costs associated with Places to Grow forecasts and updated Regional infrastructure masterplans. Growth-related costs for all development charge eligible services have been updated as part of this 2012 Development Charge Bylaw process.

Additional background information is noted in the report entitled “2012 Development Charge Bylaw” included on the public agenda for Finance and Administration Committee’s meeting of May 3, 2012.
4. **ANALYSIS AND OPTIONS**

**It is proposed that the existing Nobleton Area Specific Sewer Development Charge Bylaw continue to be in effect**

The Nobleton Area-Specific Development Charge Bylaw No. DC-0006-2006-090 was first adopted on September 21, 2006. On September 21, 2011, this area-specific Development Charge Bylaw was updated and is set to expire on September 21, 2016. These development charges provide a major source of funding for the Nobleton Water Pollution Control Plant, pumping station, forcemain and trunk sewer, and will facilitate the build-out of plans of subdivisions within Nobleton.

In an effort to move back to a region-wide development charge rate for all Regional services, it was proposed in the report to Finance and Administration Committee of March 1, 2012 that the Nobleton area-specific Development Charge Bylaw be repealed and that the Region-wide development charge rates apply to this area. On this issue, Finance and Administration Committee directed staff to have further discussions with Township of King staff regarding the inclusion of Nobleton sewage servicing costs in the Region-wide bylaw and report back to the Committee’s meeting of May 3, 2012.

An area specific sewer bylaw was enacted for Nobleton in 2006 in recognition of the higher costs of sewer development as compared to the Region-wide rate at that time. This difference in cost has decreased over time and eventually reversed, with current sewer development charges in Nobleton being less than the Region-wide rates ($9,438 per single & semi-detached home in Nobleton, $11,976 under the Region-wide bylaw). Incorporating Nobleton into the Region-wide bylaw would result in a significant rate increase for Nobleton developers, and given that sewer Development Charge rates in Nobleton were charged at higher levels than the Region-wide rate for several years, it is recommended that the existing area specific sewer bylaw be continued.

**Demolition and Conversion redevelopment credit policy is proposed to be extended for an additional 72 months for “derelict” residential buildings**

The Region’s current demolition and conversion redevelopment credit policy is that where demolition or conversion from one principal use to another occurs within 48 months prior to the payment of development charges with respect to the redevelopment, the development charges otherwise payable shall be reduced by the notional development charge payable on the space demolished or converted.

York Region received requests from the Town of Georgina and the Town of East Gwillimbury to extend the 48 month redevelopment period to 10 years. The Town of East Gwillimbury referenced extending the redevelopment credit to 10 years for buildings within the Official Plan Settlement area only, and their exemption would include “derelict” buildings. The Town of Georgina specifically referenced extending the
redevelopment eligibility to ten years in the case of derelict buildings. The Town’s Development Charge Bylaw provides for a five year interval that can be extended to 10 years, where Council deems a property to contain a derelict building and when it is in the best interest of the community for it to be demolished.

The Town of Georgina is endeavouring to encourage the demolition of such buildings at the earliest possible time, rather than having landowners wait until they are within four or five years of the commencement of redevelopment.

Further discussions between regional and area municipal staff on this issue have taken place and it is recommended that to continue to encourage timely redevelopment, the policy be extended for an additional 72 months provided that the structure be deemed derelict by the relevant area municipal Council.

For these specific types of redevelopments deemed “derelict”, it is proposed that credits be calculated and provided to applicants as outlined in Table 1 below.

### Table 1
Calculation of Credits provided to Residential Derelict Buildings

<table>
<thead>
<tr>
<th># Months from date of Demolition permit to date of Building permit issuance</th>
<th>Credit Provided *</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to and including 48 months</td>
<td>100%</td>
</tr>
<tr>
<td>Greater than 48 months up to and including 72 months</td>
<td>75%</td>
</tr>
<tr>
<td>Greater than 72 months up to and including 96 months</td>
<td>50%</td>
</tr>
<tr>
<td>Greater than 96 months up to and including 120 months</td>
<td>25%</td>
</tr>
<tr>
<td>Greater than 120 months</td>
<td>0%</td>
</tr>
</tbody>
</table>

* Credits are calculated as a percentage of the prevailing development charge rates for the type of dwelling demolished.
Development charge rates have been revised from those presented in the 2012 Development Charge Background Study

Since the Background Study was tabled at Finance and Administration Committee on March 1, 2012, the proposed development charge rates have been revised to reflect changes in the following areas:

1. Adjustments to the Roads capital program including the removal of 19th Avenue/Gamble Road - Highway 404 Interchange project (now included in contingency list) and revised cost estimates for Active Transportation Programs and Studies, Masterplans and Transportation Planning Studies.
2. Application of a 15% post period benefit (PPB) on roads projects that did not previously have PPB allocations. PPB for these projects is only applied to expenditures occurring between 2022 and 2031.
3. Application of 100% PPB on the Newmarket Pumping Station Forcemain.
4. Financing costs revised to incorporate adjusted borrowing rates along with a decrease in the spread between financing costs and financing revenues.
5. Exclusion of Nobleton sewer costs from the calculation of Region-wide rates. Nobleton sewer costs will continue to be recovered via an area-specific development charge as noted above.

These changes necessitated revisions to several tables included in the Background Study that outlined the development charge calculation. A revised Background Study including the revised tables reflecting the changes outlined above will be posted on the Region’s website.

Discussions with BILD led to resolution on 2012 Development Charge Bylaw

BILD outlined various concerns with the Region’s 2012 Development Charge Background Study, as noted in its letter dated February 28, 2012. BILD representatives and senior staff met with a common goal of resolving these issues. These discussions focused on policy, assumptions and methodology changes proposed in the Development Charge Background Study.

Highlights and terms of the proposed BILD Settlement

By way of exchange of letters, BILD has provided written confirmation that subject to Regional Council approval, they have agreed to the terms of the settlement. Staff are recommending to Regional Council that the terms of the settlement be approved.
The highlights and terms of the BILD settlement are as follows:

- Adjustments to the rate calculation were made that resulted in a reduction of approximately 5% for residential and non-retail rates and approximately 7% for retail rates compared to the proposed 2012 Development Charge Bylaw.

- Deferral of the new Development Charge Credit Policy with staff to report back to Council in the fall of 2012 regarding the Development Charge Credit Policy and the existing Development Charge Credit Roadworks Policy in consultation with stakeholders. BILD agrees not to challenge those policies before the OMB or the courts. BILD will be provided with an opportunity to make a deputation to the Region’s Finance and Administration Committee and Council with regard to these policies, if necessary.

- Residential greenfields developments will be allowed to pay the hard services component of their development charges at the current rates provided that they have a signed and dated M-Plan, an administrative fee of $1,500.00 and are registered by December 17, 2012. An executed agreement plus non-refundable development charges are payable 30 calendar days after receipt of an agreement.

   In the case of residential low rise developments proceeding through the site plan approval process, developers will be allowed to pay the hard services component of their development charges at the current rates provided that they have a signed and dated M-plan, a draft Reference plan, pay an administrative fee of $1,500.00 and have site plan approval by December 17, 2012. An executed agreement, along with non-refundable development charge payments, must be provided 30 calendar days after receipt of an agreement.

- Infill developments, high-rise and non-residential developments will have the option to enter into a nine month non-refundable prepaid agreement at current rates for their hard services provided that their building permit is issued within nine months from the effective date of their agreement and no later than March 17, 2013. This is in addition to an existing six month refundable option to prepay all services. Only the nine month non-refundable prepayment option will remain in effect after June 17, 2012.

- The threshold for large apartments is identified as 700 square feet or larger. The 700 square foot threshold will be in effect until June 18, 2014. The threshold will be reduced to 650 square feet or larger on June 19, 2014. The 650 square foot threshold shall be in effect for the remainder of the term of the proposed Development Charge Bylaw. Staff agrees to undertake an analysis of the relationship between area and occupancy in apartments in the Region and will
use the analysis to inform the threshold in the next bylaw. The Region will consult with BILD in establishing the methodology for the analysis.

- BILD agrees not to appeal the bylaw and to advise the Ontario Municipal Board of its support of the bylaw if the bylaw is appealed.

- BILD agrees that all issues raised in its February 28, 2012 letter are considered resolved.

Minutes of Settlement have been developed and are ready for execution. The above terms have been incorporated into the terms of the Minutes of Settlement as detailed in Private Attachment 2. BILD is in receipt of the Minutes of Settlement and is in the process of executing them. Subject to Council approval on May 17, 2012, the Minutes of Settlement will be executed by the Region.

A memo from the Regional Solicitor describing the legal implications of this settlement is included in Private Attachment 3.

**Staff examined the possibility of discounting water conservation measures in high-rise developments**

One of the appeals to the 2010 Development Charge Bylaw amendment, by Times Developments, was settled by the Region agreeing to examine whether high rise developments participating in the Sustainable Development through LEED program should be given a discount on Regional Development Charges as a result of water conservation measures they have undertaken. Times Developments, in turn, agreed to withdraw its appeal of the 2010 Development Charge Bylaw amendment. Regional staff examined this issue as part of the 2012 Development Charge Bylaw update. There is only one high-rise building in York Region that is participating in the Sustainable Development through LEED program that has been built. Regional staff have determined that there is insufficient data upon which to determine the question, based on the low number of built and occupied high-rise developments in the Region that are using the Sustainable Development through LEED program.

**Revised 2012 Development Charge rates have increased by approximately 26% for residential, 37% for non-retail and 41% for retail**

After incorporating the changes noted above, it is estimated that $6.7 billion of regional infrastructure will be required to facilitate growth within York Region to 2031. This compares to $6.5 billion in estimated costs included in the background studies of 2007 and 2010 to calculate the current Development Charge Bylaw rates.

Table 2 summarizes the current and proposed 2012 residential development charge rates after incorporating the changes noted above.
Table 2
Residential Development Charge Rates

<table>
<thead>
<tr>
<th></th>
<th>Current Development Charge Bylaw Rates</th>
<th>Proposed 2012 Development Charge Bylaw Rates REVISED</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Single &amp; Semi-Detached</td>
<td>Multiple Unit Dwelling</td>
</tr>
<tr>
<td>Water</td>
<td>$7,584</td>
<td>$6,285</td>
</tr>
<tr>
<td>Wastewater</td>
<td>11,976</td>
<td>9,924</td>
</tr>
<tr>
<td>Roads</td>
<td>9,529</td>
<td>7,897</td>
</tr>
<tr>
<td>Subtotal</td>
<td>$29,089</td>
<td>$24,106</td>
</tr>
<tr>
<td>Transit</td>
<td>456</td>
<td>364</td>
</tr>
<tr>
<td>Subway</td>
<td>1,413</td>
<td>1,172</td>
</tr>
<tr>
<td>General</td>
<td>728</td>
<td>585</td>
</tr>
<tr>
<td>GO Transit</td>
<td>314</td>
<td>247</td>
</tr>
<tr>
<td>Total</td>
<td>$32,000</td>
<td>$26,474</td>
</tr>
<tr>
<td>Nobleton Sewer**</td>
<td>$9,438</td>
<td>$8,461</td>
</tr>
</tbody>
</table>

* The large apartment threshold will be reduced to 650 square feet or greater on June 19, 2014.
** The Nobleton Community has a separate rate for the wastewater component

Table 3 summarizes the current and proposed 2012 non-residential development charge rates after incorporating the changes noted above.
Table 3
Non-Residential Development Charge Rates

<table>
<thead>
<tr>
<th></th>
<th>Current Development Charge Bylaw Rates</th>
<th>Proposed 2012 Development Charge Bylaw Rates REVISED</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Per Square Foot of Gross Floor Area</td>
<td>Per Square Metre of Gross Floor Area</td>
</tr>
<tr>
<td></td>
<td>Industrial / Office / Institutional</td>
<td>Retail</td>
</tr>
<tr>
<td></td>
<td>Retail</td>
<td>Per Square Foot of Gross Floor Area</td>
</tr>
<tr>
<td></td>
<td>Retail</td>
<td>Per Square Metre of Gross Floor Area</td>
</tr>
<tr>
<td>Water</td>
<td>$3.33</td>
<td>$3.59</td>
</tr>
<tr>
<td>Wastewater</td>
<td>5.64</td>
<td>6.17</td>
</tr>
<tr>
<td>Roads</td>
<td>3.97</td>
<td>13.75</td>
</tr>
<tr>
<td>Transit</td>
<td>0.21</td>
<td>0.68</td>
</tr>
<tr>
<td>Subway</td>
<td>0.64</td>
<td>2.18</td>
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<tr>
<td>General</td>
<td>0.26</td>
<td>0.37</td>
</tr>
<tr>
<td>Total</td>
<td>$14.05</td>
<td>$26.74</td>
</tr>
<tr>
<td>Nobleton Sewer*</td>
<td>$5.47</td>
<td>$5.47</td>
</tr>
</tbody>
</table>

* The Nobleton Community has a separate rate for the wastewater component

Link to Key Council–approved Plans

This report is consistent with the 2011 to 2015 Strategic Plan Objectives to expand the Region’s strategic financial management capability and practice sound fiscal management.

Development charge collections are an important component in determining York Region’s Annual Repayment Limit.

5. FINANCIAL IMPLICATIONS

Development charges are the primary source of funding for growth-related capital costs

Development charges are collected to recover a significant portion of the growth-related capital costs associated with the residential and non-residential development that creates the need for the capital works. The 2012 Development Charge Bylaw rates are based on population and employment forecasts and related capital infrastructure costs to 2031.

The Development Charge Bylaw is designed to ensure that growth-related capital costs are borne by the development creating the need for the infrastructure. If these costs were
not recovered through development charges, tax levy/user rate increases would be needed or the capital program would need to be delayed.

6. LOCAL MUNICIPAL IMPACT

Development charges provide a major source of financing for Regional capital works that will facilitate the coordinated build-out of proposed developments within York Region and local municipalities. A majority of the development charges for residential hard services for low-rise residential developments are collected when subdivision agreements are registered and the balance is collected by the local municipalities when building permits are issued. All non-residential development charges are collected by the local municipalities when building permits are issued. Local municipal staff continue to be York Region’s agent in the day-to-day administration of the Development Charge Bylaw.

Regional staff are committed to continue working with local municipal staff to provide optimal service for all industry stakeholders in the development industry. With these same objectives in mind, Regional staff will notify local municipal staff of all changes related to the 2012 Development Charge Bylaw upon its approval and will provide support as required.

7. CONCLUSION

It is recommended that Regional Council approve the adoption of a Development Charge Bylaw to establish revised development charge rates incorporating the policies and rates outlined in the Background Study, as amended by this report, with an effective date of June 18, 2012.

This report outlines the terms of a proposed settlement with BILD including revised rates, additional payment options, a revised large apartment square footage threshold and a commitment to defer the Development Charge Credit Policy. In exchange, BILD has agreed not to appeal the 2012 Development Charge Bylaw and has agreed that the issues raised at the public meeting and in their February 28, 2012 letter have been resolved.

In addition to the BILD settlement, it is also recommended that the existing area-specific sewer development charge continues to remain in effect for Nobleton. As well, it is proposed that the existing demolition and conversion redevelopment credit policy for residential buildings be revised to include a provision for “derelict structures” to be extended for an additional 72 months.

It is anticipated that Regional Council will pass the new Development Charge Bylaw on May 17, 2012. As required under the Development Charges Act, 1997, the Region must give notice of the passage of a Development Charge Bylaw no later than 20 days after bylaw passage being no later than June 6, 2012.
For more information on this report, please contact Kelly Strueby, Director, Business Planning & Budgets at Ext. 1611.

(The attachment referred to in this clause is attached to this report.)

(Report No. 6 of the Finance and Administration Committee was adopted without amendment, by the Council of The Regional Municipality of York at its meeting on May 17, 2012.)

Respectfully submitted,

May 3, 2012
Newmarket, Ontario

D. Barrow
Chair
Regional Municipality of York  
(the “Region”)  

- and -

The Building Industry and Land Development Association  
(“BILD”)  

WHEREAS the Region adopted a by-law for the collection of development charges (“DC’s”) in accordance with the Development Charges Act (“DC Act”) on June 18, 2007, and the term of that bylaw expires on June 17, 2012. (the “2007 DC Bylaw”)  

AND WHEREAS the Region amended the 2007 DC Bylaw in 2010 and Regional Council adopted certain policies in 2010 regarding the pre-payment of certain categories of DC’s;  

AND WHEREAS BILD represents land developers, home builders and the professional renovation industry throughout the greater Toronto area, and specifically within the Region;  

AND WHEREAS the Region and BILD engaged in an extensive consultation process throughout 2011 and 2012 in anticipation of the adoption of a DC bylaw by the Region as a result of the scheduled expiration of the term of the 2007 DC bylaw;  

AND WHEREAS in accordance with the DC Act, the Region provided a background study (the “Background Study”) and proposed DC bylaw (the “Proposed Bylaw”) to the public on February 14, 2012, and both documents were received by Regional Council on March 22, 2012;  

AND WHEREAS Regional staff shall recommend the adoption of a new DC Bylaw to the Region’s Finance and Administration Committee at its meeting on May 3, 2012 and to Regional Council at its meeting on May 17, 2012, which bylaw (the “2012 DC Bylaw”) shall be effective on June 18, 2012, subsequent to the expiration of the term of the 2007 DC Bylaw;  

AND WHEREAS BILD, through its consultations with the Region prior to the release of the Background Study and based on its review of the Background Study and the DC bylaw raised a series of issues with the Region regarding the Background Study and the DC Bylaw;  

AND WHEREAS the Region and BILD support the following terms of settlement with regard to all of BILD’s issues regarding the 2012 DC Bylaw and the Background Study;
NOW THEREFORE in consideration of the sum of two dollars ($2.00) and other good and valuable consideration given by each of the parties to the other, the receipt and sufficiency of which are hereby acknowledged, the Region and BILD agree as follows:

1. The recitals to these Minutes of Settlement are true and correct.

2. The 2012 DC By-law or 2012 Background Study, as appropriate, shall include the requirements of section 3 and 4 of these Minutes of Settlement.

3. The residential DC rate in the 2012 DC Bylaw shall be $40,421.00, for a single detached unit, representing an approximate decrease of two thousand dollars ($2000.00) from the residential DC rate for a single detached unit that was set out in the Proposed Bylaw and the Background Study. The DC rates for all other categories of development in the 2012 DC Bylaw shall be reduced by a corresponding amount from the rates set out in the Proposed Bylaw and the Background Study. Schedule “A”, attached, provides the reductions in the hard services component by category of development.

4. The 2012 DC Bylaw shall not include the proposed Development Charge Credit Policy described in section 12.5 of the Background Study (the “DC Credit Policy”).

5. Regional Staff shall report to Regional Council in the fall of 2012 regarding the DC Credit Policy, including potential revisions to the existing Development Charge Credit road works policy. BILD shall not challenge the DC Credit Policy or any other development charge credit policy or any development charge policy adopted by Regional Council before the Ontario Municipal Board (“OMB”) or the courts on any ground, including but not limited to, alleging that the DC Credit Policy or any other development charge credit policy or development charge policy was adopted outside the public process legislated by the DC Act. BILD will be provided with an opportunity to make a deputation to the Region’s Finance and Administration Committee and Council with regard to the DC Credit Policy and any other development charge credit policy or development charge policy. For greater clarity, all development charge credit policies that formed part of the background study to the 2007 DC Bylaw (the “2007 Policies”) shall remain in effect in the 2012 DC Bylaw and the Background Study until the adoption of a new development charge credit policy by Regional Council. Upon adoption of the new development charge credit policy by Regional Council, the 2007 Policies shall be read in conjunction with the new DC Credit Policy and any other development charge credit policy and development charge policy adopted by Regional Council.

6. The Region shall expand its current options regarding the payment of Regional development charges under the DC rates in the 2007 DC Bylaw, as amended, as follows:
The Region shall accept regional DC’s for the hard services component, for residential subdivisions, being the water, wastewater and roads components, at the 2007 DC Bylaw rate, as amended, provided that:

1) The owner of any residential subdivision which has four or more lots, submits to the Region a dated M-Plan, signed by both the owner and the owner’s surveyor, and a $1,500 non-refundable administrative fee, in certified funds, on or before 4 p.m. June 15, 2012.

2) Within 30 calendar days of the receipt of a Regional Development Charge Agreement from the Region, the owner of the subdivision shall execute and return that agreement and pay the hard services component of the development charges at the rate stipulated in that agreement.

3) The Region agrees to work diligently to provide a Regional Development Charge Agreement after the submission of the signed and dated M-Plan described in Paragraph 1, of this Section 6.

4) The subdivision that is shown on the M-Plan described in Paragraph 1, herein, shall have to be registered on or before December 17, 2012, and this requirement shall be part of the Regional Development Charge Agreement. The Region shall use reasonable best efforts to release for registration any subdivision that is the subject of a Regional Development Charge Agreement, and governed by the requirements of paragraph 1, of this Section 6.

5) Any development charges provided to the Region through the process described in paragraphs 1 to 4, inclusive, in this Section 6 are non-refundable.

6) If the owner of a subdivision for which an M-Plan is submitted, in accordance with paragraph 1 of this Section 6, does not execute the Regional Development Charge Agreement applicable to that subdivision and does not pay the hard services component (being the roads, water, and wastewater components) of the Regional development charge, that subdivision shall be required to pay the prevailing development charge rates in accordance with the 2012 DC Bylaw, as may be amended from time to time, or any successor thereto, at
the time of subdivision registration, or building permit issuance, as applicable.

7) The owner of a subdivision for which an M-Plan is submitted in accordance with paragraph 1, herein, shall register that subdivision by December 17, 2012, regardless of when the owner is provided the Regional Development Charge Agreement by the Region. If the owner of that subdivision does not register that subdivision by December 17, 2012, any DC's paid by such owner shall be augmented by paying the difference between the amount paid under the Regional Development Charge Agreement applicable to the subdivision, and the prevailing rates in effect at the time of the registration of the subdivision, or building permit issuance, as applicable.

8) The Region may, in exceptional circumstances, and at its sole discretion, consider relief measures from the requirements of paragraph 7, of this Section 6.

7. The six month pre-payment policy option adopted by Regional Council on April 22, 2010, for residential in-fill development (being development of three lots or less), high-rise residential development and non-residential development remain in effect until June 17, 2012, the end of the term of the 2007 DC Bylaw. After the end of the term of the 2007 DC Bylaw, the nine month prepayment option described in Section 8, herein, will be the only prepayment option available for residential in-fill, high rise residential and non-residential developments and may be utilized in the event of subsequent amendments to the 2012 DC Bylaw. Mixed use high-rise development prepayment options remain unchanged.

8. As of the date of these Minutes of Settlement, the hard services component of Regional DC-s may also be paid in accordance with the rates of the 2007 DC Bylaw, as amended, for residential in-fill development, high rise residential development, and non-residential development on the following terms and conditions:

1) Any landowner who qualifies for the six month prepayment policy option described in Section 7, may make full payment of the hard services component of the Regional development charges upon execution of a Regional Development Charge Prepayment Agreement from May 17, 2012 until June 15, 2012 before 4:00pm.
2) The building permit for the development that is the subject of an agreement entered into in accordance with paragraph 1 of this section 8 must be issued within 9 months of the execution date of that agreement.

3) Any development charges provided to the Region through the process described in paragraphs 1 and 2 of this Section 8 are non-refundable.

4) If a building permit for the development that is the subject of an agreement entered into in accordance with paragraph 1 of this section 8 is not issued within 9 months of the execution date of that agreement, the hard services component of the Regional development charge paid in accordance with that agreement shall be augmented to reflect the difference between the hard services component of the Regional development charge paid in accordance with that agreement and the prevailing rate of the hard services component of the development charge at building permit issuance.

9. The Region agrees that the proposed threshold for large apartments in the 2012 DC Bylaw shall be 700 square feet, so that large apartments are defined as 700 square feet or larger and small apartments are defined as less than 700 square feet. The 700 square foot threshold shall be in effect until June 18, 2014. The threshold shall be reduced to 650 square feet on June 19, 2014, so that, as of that date, large apartments shall be defined as 650 square feet or larger and small apartments shall be defined as less than 650 square feet. The 650 square foot threshold shall be in effect for the remainder of the term of the 2012 DC Bylaw, as may be amended from time to time. BILD agrees that this change in threshold after two years shall also be included in the 2012 DC Bylaw to be put before Regional Council for approval on May 17, 2012 and that an amendment to the 2012 DC Bylaw will not be required.

10. The Region agrees that, during the term of the 2012 DC Bylaw, it will undertake an analysis of the relationship between area and occupancy in apartments in the Region and that it will use that analysis to inform the delineation between large and small apartments in the successor to the 2012 DC bylaw, upon the conclusion of the term of the 2012 DC Bylaw, and no sooner than June 19, 2017. The Region further agrees that it will consult with BILD before establishing the methodology for the analysis.

11. BILD agrees that it shall not appeal the 2012 DC Bylaw, or any part thereof, to the OMB or to the courts, or support any such appeal of same in whole or in part. BILD further agrees to support the 2012 DC Bylaw with respect to the process for the development of the 2012 DC Bylaw, and associated public consultation, steps, assumptions, methodologies and calculations used in determining the rates in the 2012 DC Bylaw, the rates in the 2012 DC Bylaw, and the matters addressed in
this settlement, and to advise the OMB and the courts of its support if the 2012 DC Bylaw is appealed to either of those adjudicative bodies.

12. BILD agrees that all the items identified in their February 28, 2012 letter, attached as schedule “B” hereto, and all preceding correspondence are considered to be resolved for the purposes of this settlement, without prejudice to BILD’s ability to raise these and similar issues in future development charge bylaw updates.

13. The Region may file these Minutes of Settlement with the OMB or the courts, as appropriate, if the 2012 DC Bylaw is appealed to either of those adjudicative bodies.

14. The Region and BILD agree that they are contractually bound by these Minutes of Settlement and that the provisions of these Minutes of Settlement are immediately enforceable by civil action should either the Region or BILD be in breach thereof.

15. These Minutes of Settlement and all other documents to be executed and delivered pursuant to these Minutes of Settlement, constitute the entire agreement between the Region and BILD as to matters dealt with herein and supersede all prior negotiation and understandings. Any amendment or waiver of any provision of these Minutes of Settlement must be executed or acknowledged by the Region and BILD.

16. If any provision of these Minutes of Settlement is determined by any adjudicative body of competent jurisdiction to be unenforceable, such provision shall be severed from these Minutes of Settlement and the remainder of these Minutes of Settlement shall continue in full force and effect. The Region and BILD agree that they shall not question the jurisdiction of either party to these Minutes of Settlement to enter into these Minutes of Settlement, nor question the legality of any portion hereof, nor question the legality of any obligation created hereunder.

17. These Minutes of Settlement may be executed in one or more counterparts and executed counterparts may be delivered by BILD and the Region to each other by electronic transmission.

18. These Minutes of Settlement shall be binding and enure to the benefit of the Region and BILD, and their successors, assigns and successors in title.

19. Neither party shall seek costs against each other.

20. These Minutes of Settlement shall be interpreted under and be governed by the laws of the Province of Ontario.

IN WITNESS WHEREOF the parties have executed these Minutes of Settlement.
The Regional Municipality of York

Name: Bill Fisch
Title: Regional Chair

Name: Joy Hulton
Title: Regional Solicitor

I/We have authority to bind the corporation

The Building Industry and Land Development Association

Name: Joe Vaccaro
Title: President

I have authority to bind the association
### Schedule "A"

**Summary of Rates - Hard Services Component**  
*Background Study vs. Revised Proposal*

<table>
<thead>
<tr>
<th>Development Type</th>
<th>Background Study</th>
<th>Revised Proposal</th>
<th>Change $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Residential ($/Unit)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single &amp; Semi-Detached</td>
<td>$39,171</td>
<td>$37,139</td>
<td>-$2,032</td>
</tr>
<tr>
<td>Multiple Unit Dwelling</td>
<td>$34,370</td>
<td>$32,587</td>
<td>-$1,783</td>
</tr>
<tr>
<td>Apartments &lt;650 sq. ft.</td>
<td>$16,476</td>
<td>$15,621</td>
<td>-$855</td>
</tr>
<tr>
<td>Apartments ≥650 sq. ft.</td>
<td>$24,332</td>
<td>$23,069</td>
<td>-$1,263</td>
</tr>
<tr>
<td><strong>Non-Residential ($/Sg.ft. GFA)</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Industrial / Office / Institutional</td>
<td>$19.12</td>
<td>$18.13</td>
<td>-$0.99</td>
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<tr>
<td>Retail</td>
<td>$37.49</td>
<td>$34.61</td>
<td>-$2.88</td>
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