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Town of Aurora

Attachment 1

York Region Development Incentives Collaboration Policy

Finance

Contact: Financial Management

Approval Authority: Council

Effective: November 25, 2025

Revised: Nil

York Region Development Incentives Collaboration Policy

1 Purpose

To enable the Town to provide a financially feasible incentive offer equivalent to the applicable York Region development policy offering in a timely fashion, while ensuring compliance with provincial legislation such as the Development Charges Act, 1997, as required.

2 Scope

This policy applies to all aspects of the Town's collaboration with York Region in the offering of development incentives in support of targeted development.

3 Definitions

"Act" The *Development Charges Act, 1997*, 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 (DCs)" The Town's development charges collected under the authority of the Act and/or the Town's related Development Charges Bylaw, or area-specific development charges bylaw.

“Local Municipality” Any lower tier municipality located within York Region.

“Local participation” The offer by an applicable local municipality of a similar, if not better incentive for a proposed development to that offered under a York Region development incentive policy.

“Planning Act” The *Planning Act*, R.S.O. 1990, c. P.13, as amended, revised, re-enacted or consolidated from time to time, and any successor statute.

“Targeted Development” All residential developments including purpose-built rental and owned apartments, and all ground-related units (singles, semis, towns), as well as office and retail building developments and sustainable building design.

“Trigger Event” As defined under each individual development incentive agreement, but which may include:

- (a) a change in use of the proposed development.
- (b) the sale or transfer of ownership of the Lands.
- (c) failure to notify the Town within five (5) business days of a development first being occupied.
- (d) failure to make any payment required under an incentive agreement by a specified due date.

4 Policy

This policy outlines the guiding principles for the Town’s collaboration with York Region in the offering of development incentives in support of targeted development.

4.1 The Town must offer an equivalent development incentive, to that of York Region’s applicable policy, in as timely a manner as possible

To minimize delays to a targeted development, the Town should derive an equivalent incentive offering, confirm its eligibility under the applicable York Region policy, and provide the incentive to a participating developer in a timely manner as possible.

4.2 The Town will only offer development incentives that are financially feasible to itself

In the development of each incentive offering, the Town will firstly consider all applicable legislation and policies. Each considered incentive’s financial feasibility will be assessed based upon factors which may include the projected impact on municipal reserves, a cost-benefit analysis of the induced development, alignment with long-term capital plans, and the potential revenues derived from the increased assessment base.

The Town's development charge deferral incentive offerings will also be guided by the following principles:

- the offered development charge deferral period will align with the appropriate York Region policy offering, but will not exceed a maximum of 20 years; and
- the deferred development charge payable will be interest free; and
- the deferred development charge payable will be repayable in annual instalments over the duration of the deferral period.

4.3 Every development incentive offer will include the following terms

Any developer wishing to accept a development incentive offering from the Town must enter into an agreement with the Town and provide a form of security acceptable to the Town.

In most instances, the Town's development incentive will take the form of a development charge deferral. The following terms will be applicable to all development charge deferral incentives:

(i) *Development Incentives Agreement*

The developer must enter into a development charges deferral agreement with the Town.

(ii) *Duration of Deferral*

The duration of a deferral and any terms for repayment will be defined on a case-by-case basis as part of each specific incentive offering for eligible developments.

(iii) *Development Charge Rates*

The development charges rate will be the amount determined under the applicable Town development charges bylaw, or area-specific development charges bylaw, in accordance with the provincial legislation 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 an applicable development 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 application is deemed complete for:

- i. Applications submitted for approval of a development in a site plan control area under subsection 41 (4) of the Planning Act for an applicable development 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 the development 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.

(iv) Development Charges Payable

The amount of the development charges payable to the Town, as required under the Act, will be based on the rates determined under Term 'iii – Development Charge Rates' of this policy, multiplied by the number of dwelling units or gross floor area (depending upon nature of development), which will be determined on the day the developer enters into a development charges deferral agreement with the Town.

(v) Interest

The interest terms will be defined as part of each specific incentive offering for eligible developments.

(vi) Unpaid Development Charges

If any triggered development charges (including any interest) remain unpaid 15 business days immediately following notification of a trigger event, those development charges (including interest) will be added to the tax roll and collected in the same manner as taxes (in accordance with section 32 of the Act).

In the event unpaid development charges are added to the tax roll, interest will continue to accrue and be compounded until all outstanding total charges are fully paid (development charges plus interest).

(vii) Security

The Town will require a security in any instance where a deferred development charge is offered as an incentive.

The Town may accept the following as security:

- A form of security will be taken and registered against the title to the land upon the execution of the development charges deferral agreement with the Town.
- A Pay-On-Demand Surety Bond, subject to the Town's Surety Bond Policy, as amended, revised, re-enacted or consolidated from time to time; or
- A Letter of Credit, subject to the Town's Letter of Credit Policy, as amended, revised, re-enacted or consolidated from time to time.

4.4 Other Agreements Required

The developer of an eligible development may be required to enter into other supplementary agreements as deemed necessary by the Town.

4.5 Legal and Administrative Fees

The developer will pay all legal fees and expenses of both the developer and the Town, including any costs incurred by the Town to prepare and register any agreements as required by Legal Services, and any other associated administration fees.

4.6 Budget Monitoring and Reporting

Staff will report back to Council annually on all development incentive agreements executed by the Town under this policy.

5 Responsibilities

5.1 Director, Finance / Treasurer

- I. Administer this policy, including assisting stakeholders in determining if they qualify under this policy, the development charge rates to be applied, and the development charges and interest payable.
- II. Enforcement of this policy and its associated development incentive agreements.
- III. Collect all development charges when due.
- IV. Undertake any additional administrative obligations as determined through incentive agreements.

5.2 Legal Services

- I. Draft and prepare for execution development incentive agreements required under this policy.
- II. Draft and prepare for execution any supplemental agreements required under this policy.
- III. Registration of security on title.
- IV. Registration of any agreed upon covenants as part of an incentive agreement.
- V. Maintain copies of all executed development incentive and any supplemental agreements, as required.

5.3 Director, Planning and Development Services

- I. Support the application and enforcement of this policy, as appropriate.

6 Monitoring and Maintenance

The **Director, Finance / Treasurer**, shall ensure compliance with the Act, the Development Charges Bylaw, this policy and all other legislative requirements.

Immediately upon the occurrence of an executed incentive agreement's trigger event, the **Director Finance / Treasurer** will notify the owner of the property that development charges are due within 15 business days, the timing of which will begin with the mailing, by registered mail, of notice.

The **Director, Finance / Treasurer** will process any necessary draws upon a letter of credit or pay-on-demand surety bond.

7 References

- *The Development Charges Act, 1997, S.O. 1997, c.27, as amended*
- *The Planning Act, R.S.O. 1990, c. P.13, as amended*
- Town of Aurora DC Study and Bylaw
- York Region Development Incentives Web Site