

Appendix I

Office Development Charges (DC) Incentive Program

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THE CITY OF BRAMPTON

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Program Overview

The Office Development Charges (DC) Incentive Program is designed to encourage office development in Brampton by providing Development Charges (DC) deferrals and waivers for eligible projects. The program aims to reduce upfront costs, attract high-value businesses, and support the growth of key economic sectors. The program will be reviewed periodically by Council, which may decide to amend or terminate it based on market conditions and uptake.

Program Details

Eligibility Criteria

i. Target Sectors

Eligible projects must align with one or more of the following sectors -

- Advanced Manufacturing
- Food & Beverage Processing
- Innovation & Technology
- Health & Life Sciences
- Professional Services

ii. Definitions

The following definitions are provided to ensure clarity and consistency.

“office use” means the use of land, buildings, or structures used primarily for, or intended for use primarily for, administrative, managerial, professional, business, or like activities, and where the chief product of labour within that use involves the processing and/or management of information, rather than the production or physical distribution of goods or services.”

“advanced manufacturing” is defined as businesses engaged in advanced manufacturing typically seeking locations in traditional employment areas, clustering with other sensitive land uses, and often prefer large lots to allow for future expansion, access to freight rail and/or highways.

“food & beverage processing” is defined as businesses that are generally engaged in food testing, processing and packaging as well as transportation, packaging design, equipment and refrigeration storage.

“innovation & technology” is defined as Companies engaged in the design, development, and introduction of new products, sometimes involving manufacturing processes. The sector includes both hard and soft tech businesses.

“**health & life sciences**” is defined as Companies engaged in the widest range of activities, with variable space needs and location preferences as a result. Business ranges from those engaged in pharmaceutical and equipment manufacturing to research and health services (e.g. physician offices, out- and in-patient care centres and hospitals).

“**professional services**” means firms that engage in activities in which human capital is the major input; specifically: legal services, accounting, specialized design services; computer systems design and related services; management; scientific and technical consulting services; scientific research and development services; and advertising, public relations, and related services; and medical office where healthcare professional provide outpatient medical, dental or mental health services.

iii. Ineligible Uses

The following uses are **not eligible** for the DC waiver:

- Uses classified as non-office including retail, service, hospitality, motor vehicle service, entertainment and recreational uses and commercial parking lot.
- Uses defined in the City's DC by-law as Industrial such as warehousing, logistics operations and industrial activities

Change of Use

- The program allows for the “change of use” within an existing industrial building, from an industrial use to commercial or office uses without requiring the payment of additional development charges for intended sectors (Innovation & Technology, Health & Life Sciences, Advanced Manufacturing, Food Processing and Professional Services).
- No refunds for previously paid Industrial DCs where the primary use of the building after the change is still Industrial.

Program administration

Development Charge Deferral Application Process

Applicants must complete an application with supporting documentation that will be reviewed by the City. The program will generally follow the below steps

Step 1: Application Submission

- Formal application submission with supporting documentation including letter of intent and Financial Contribution Form

Step 2: Application Review and Evaluation

- Staff review and evaluate the application and supporting documentation against eligibility requirements. Staff may request clarification or additional supporting documentation

Step 3: Deferral Approval

- Applicant must enter into a DC Deferral agreement
- A Letter of Credit or equivalent financial security will be required to ensure compliance.

Duration of deferral

- DC payments may be deferred for 3 years, starting from the date of occupancy permit issuance, not at the time of building permit issuance.
- The deferral covers the period between building permit issuance and 3 years after occupancy.
- The applicant may not be eligible for the program if a building permit is not obtained within 2 years of the site plan approval.

Development Charge Waiver Criteria

To qualify for the DC waiver, projects must meet the following criteria:

- The property must be used for office purposes as per the approved application.
- The property must not be in tax arrears or have outstanding municipal fees or penalties.
- The applicant must not have any unpaid liabilities with the City.
- The applicant must not be involved in any litigation with the City of Brampton that could affect their eligibility.
- The applicant must submit annual reports verifying compliance during the development charge deferral period.
- The City will conduct inspections to confirm compliance with program conditions. If an inspection fails, the waiver may be revoked or subject to penalties.

Monitoring and reporting requirements

The property owner must provide documentation and evidence to the City demonstrating that the building is operational and used as an office. These documents may include but are not limited to proof of tenancy (tenant lease agreements, business licenses etc.) and employment commitments.

Legal/Risk Considerations

- If a property fails to maintain intended office use, all deferred and waived DCs become immediately payable.

- A security in the amount of the development charges in the form of surety bonds, letter of credit or cash will be required prior to issuance of the building permit. A Letter of Credit, surety bond, or cash will be required to guarantee compliance.
- The City will have the right to inspect the property at any time during the development charge deferral period to ensure continued compliance with the office program during this period.

Program termination

- The program is being piloted to allow office development up to 40,000 sq. ft., with further expansion possible upon Council approval. Authority will be delegated to the CAO and Treasurer to respond by approving an expansion if demand exceeds the initial pilot scope.
- The program will be subject to review by the incoming Council, who will have the authority to amend, extend, or terminate it based on policy priorities and economic considerations.

Measuring program success

The program's success will be determined by its uptake, as higher participation will indicate its effectiveness in attracting office development and supporting employment growth.