

## Purpose of Development Charges

Development charges help finance capital projects required to meet the increased need for services resulting from growth and development. Development Charges are fees and may only be used for the purpose for which they are collected.

## Background Study

The Development Charges Act, 1997, and Ontario Regulation 82/98 require that, prior to passing a by-law, a development charges background study be undertaken, that includes:

- A forecast of the amount, type and location of future development;
- The average service levels provided by the Township over the 10-year period immediately preceding the preparation of the background study;
- Capital cost calculations for each eligible development charge service;
- An examination of the long term capital and operating costs for infrastructure required to service the forecasted development;
- An asset management plan to demonstrate that all assets included in the study are financially sustainable over the full life cycle.

Watson & Associates Economists Ltd. prepared the Development Charges Background Study for the Township. The study, dated August 2, 2022, served as the basis for the development charge rates approved by Township Council on October 5, 2022 through By-law 2022-154. This By-law came into effect on October 6, 2022.

## Development Charge Rates

Type of Development	Development Charge Rate	
	Effective January 1, 2024	
<b>Residential (\$/unit)</b>		
	<u>Rural</u>	<u>Urban</u>
Single & Semi Detached Dwelling	\$8,417	\$17,490
Other Multiples	\$5,258	\$10,929
Apartments – 2 bedroom +	\$5,379	\$11,179
Apartments – Bachelor and 1 bedroom	\$3,593	\$7,461
<b>Non-Residential (\$/unit)</b>		
ICI (per sq ft of Gross Floor Area)	\$2.0528	\$6.2941
Wind Turbine (per turbine)	\$4,479	NA
Solar Farm (per 500 kw)	\$4,479	NA

A new Background Study and DC Rate By-law is anticipated to come into effect on or before October 5, 2027.

## Bill 23, More Homes Built Faster Act

Bill 23 came into effect on November 28, 2022. As a result, the development charge rates for the current period are limited to 85% of the amount required in By-law 2022-154.

The amount of each development charge per Single & Semi Detached Dwelling unit is allocated by Township service as follows:

Designated Service	% of Charge	
	<u>Rural</u>	<u>Urban</u>
Related to a Highway	38.3%	18.5%
Fire Protection	13.4%	6.4%
Parks and Recreation	34.0%	16.4%
Library	10.6%	5.1%
Waste Diversion	2.2%	1.0%
Growth Studies	1.5%	0.7%
Stormwater Drainage and Control	-	0.1%
Wastewater	-	18.3%
Water	-	33.5%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

## Redevelopment

A credit will be provided against development charges owing where buildings or structures have been demolished to permit the redevelopment of the property.

The eligibility for demolition credits is restricted to demolitions that occur within the last five years of the redevelopment of the property.

## **Term of By-law**

By-law 2022-154 will remain in force until October 6, 2027.

## **Indexing of Development Charges**

The development charges will be adjusted annually on January 1<sup>st</sup> of each year, commencing in 2023, without amendment to the by-law, in accordance with the most recent annual change in the Statistics Canada Quarterly, "Non-Residential Construction Price Statistics."

## **Services Covered**

Development charges have been imposed for the following categories of Township services in order to pay for the increased capital costs required as a result of increased needs for services arising from development:

- Services Related to a Highway
- Fire Protection Services
- Parks and Recreation Services
- Library Services
- Growth Studies
- Waste Diversion
- Stormwater Services
- Wastewater Services
- Water Services

## **Development Charge Collection**

Development charges are collected at the same time the building permit is issued.

## **Unpaid Charges added to Tax Roll**

Where a development charge or any part of it remains unpaid after it is payable, the amount unpaid will be added to the tax roll and will be collected in the same manner as taxes.

## **Statement of the Treasurer**

The Township's Treasurer is required to produce an annual statement showing the detailed information about each reserve fund established to account for development charge revenues.

The statement will document the continuity of each reserve fund, including the description of each service, opening and closing balances, details of any credit transactions, details of any borrowing from the reserve fund that may have occurred, the amount spent on growth related projects, the portion of each project that is funded from the reserve fund and the portion funded from other sources of financing.

## **Additional Information**

For further information, please contact:

The Township of Southgate  
185667 Grey County Road 9  
Dundalk, ON N0C 1B0  
Telephone: (519) 923-2110  
Toll Free: 1-888-560-6607  
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# **Township of Southgate**

## **Development Charges Information**

**As per By-Law 2022-154  
and Bill 23**

**(Indexed January 1, 2024)**

**This pamphlet summarizes  
the Development Charge  
By-law for the Township of  
Southgate**

**January 2024**

The information contained herein is intended only as a guide. Interested parties should review the approved by-laws and consult the Building Department at the Township of Southgate to determine the applicable charges that may apply to specific development proposals.