

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 September 12, 2017, served as the basis for the development charge rates approved by Township Council on November 15, 2017 through By-law 2017-138. This By-law came into effect on November 16, 2017.

Development Charge Rates

Type of Development	Development Charge Rate	
	Effective January 1, 2022	
<u>Residential (\$/unit)</u>		
	<u>Rural</u>	<u>Urban</u>
Single & Semi Detached Dwelling	\$6,513	\$24,177
Apartments – 2 bedroom +	\$4,181	\$15,510
Apartments – Bachelor and 1 bedroom	\$2,695	\$9,978
Rows and Other Multiples	\$4,543	\$16,868
<u>Non-Residential (\$/unit)</u>		
Wind Turbine (per turbine)	\$3,673	NA
Solar Farm (per 500 kw)	\$3,673	NA
ICI (per sq ft of Gross Floor Area)	\$3.085	\$13.385

A new Background Study and DC Rate By-law is anticipated to come into effect on or before November 16, 2022.

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	46.0%	12.4%
Fire Protection	5.1%	1.4%
Parks and Recreation	39.0%	10.5%
Library	3.8%	1.0%
Administration	5.4%	1.4%
Waste Diversion	0.7%	0.2%
Stormwater Drainage and Control	-	2.0%
Wastewater	-	43.8%
Water	-	27.3%
Total	100.0%	100.0%

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 2017-138 will remain in force until November 16, 2022.

Indexing of Development Charges

The development charges will be adjusted annually on January 1st of each year, commencing in 2018, 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
- Administration
- Waste Diversion
- Stormwater Drainage and Control 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:

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Township of Southgate

Development Charges Information

By-Law 2017-138

(Indexed January 1, 2022)

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

January 2022

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.