

REPORT TO: Mayor and Members of Council

PREPARED BY: Ralph D'Alessandro, Director of Finance/Treasurer

DEPARTMENT: Administration & Finance

DIVISION: Treasury

MEETING DATE: January 22, 2025

SUBJECT: 2025 Development Charges

PROPOSED MOTION

That Council receive for information the Amended Schedule “B” to By-law 58 of 2024.

STAFF RECOMMENDATION

That Council receive for information the indexed 2025 development charge rates in the attached Amended Schedule “B” to By-law 58 of 2024 as per the instructions provided by Watson and Associates Economists Ltd and their 2023 study.

EXECUTIVE SUMMARY

By-law 41 of 2022 and the Development Charges Act, and its regulations establishes the process for the setting and maintenance of development charges for the Municipality. In accordance with this by-law, By-law 58 of 2024 established rates based on the 2023 study conducted by Watson and Associates Economists Ltd. As By-law 41 of 2022 and the Development Charges Act and its regulations provide for the annual indexing of the rates based on the non-residential building construction price index, Schedule “B” has been amended to reflect the applicable indexing as directed by Watson and Associates Economists Ltd.

LINK TO STRATEGIC PRIORITIES

Leadership: To Create a Positive, Open Organizational Culture By Providing High Quality Public Services

Engages: To Encourage Community Participation That Helps Residents Feel Welcomed, Informed and Engaged By Providing Timely and Relevant Communication To Everyone

Plans: To Support Robust Industrial, Commercial and Residential Growth By Managing Growth And Land Use Wisely

Prosper: To Support Economic Strength, Foster Entrepreneurship And Attract Investment By Strengthening The Municipality's Long-Term Finances

BACKGROUND

The charging, collection and use of development charges are legislated through the Municipal Act, 2001, the Development Charges Act, 1997, and their relevant regulations. Following these legislations and regulations, North Middlesex has established by-laws and policies to administer a system of development charges that support the growth and prosperity of the municipality.

While the base of the development charge are the in-depth studies performed by a third-party consultant (Watson and Associates Economists Ltd.) that follows a public engagement process; there is allowance for recognizing the impact of inflation and other economic impacts through the practice of indexing the rates as per paragraph 10 of subsection 5(1) of the Development Charges Act, 1997 using the 'prescribed index'. Further the regulations of the Act state the following:

Prescribed Index

7. The Statistics Canada Non-residential Building Construction Price Index for Ottawa-Gatineau or for Toronto, as appropriate, is prescribed for the purposes of paragraph 10 of subsection 5 (1) of the Act

By-law 41 of 2022 establishes that the rates be indexed annual as of January 1st. Watson and Associates Economists Ltd. Have directed that be done utilizing the Q3 Non-residential Building Construction Price Index for Toronto from the prior year.

DISCUSSION

This is an established practice recommended by the consultant and followed by many other municipalities, including Middlesex Centre and other local municipalities.

FINANCIAL

Rates impact amounts collected and placed in the restricted fund which can only be utilized for specific development related capital projects.

2025 Opening Balance	Funds Dedicated to Date	Proposed Funding	Proposed Closing Balance
N/A	N/A	N/A	N/A

ATTACHMENT

Amended Schedule “B” to By-law 58 of 2024

Prepared By: Ralph D'Alessandro, Director of Finance /Treasurer

Reviewed By: Alan Bushell, Director of Corporate Services / Municipal Clerk

Approved By: Carolyn Tripp, Chief Administrative Officer