



## REPORT N° FIN2020-036

<b>Date</b>	13/11/2020
<b>Submitted by</b>	Frédéric Desnoyers
<b>Subject</b>	Development Charges Indexed 2021
<b>File N°</b>	N/A

1) **NATURE/GOAL :**

Pursuant to the Development Charge legislation, the City is authorized to adjust the Development Charge annually to account for inflation.

2) **DIRECTIVE/PREVIOUS POLICY :**

By-Law 2015-13 : Previous By-Law currently use to charge Discounted Services including : Library Services, Parks and Recreation, By-Law Enforcement and General Government

By-Law 2019-85: For the charge of Non-Discounted Services including : Fire protection, Public Works, Roads and Related, Waterworks & Sanitary Charge.

3) **DEPARTMENT'S RECOMMENDATION :**

**WHEREAS** Section 10 of By-law No. 2019-85 & By-law No. 2015-13 provides that the development charges established may be adjusted annually without amending the by-law;

**BE IT RESOLVED THAT** Council approve that the Development Charges rates be increased by 2.9% commencing January 1st, 2021 to reflect the increase in the Construction Price Index as reflected in Appendix 3 for residential and Appendix 4 for non-residential development charges, of Report No. FIN2020-036.

**ATTENDU QUE** l'article 10 du Règlement No. 2019-85 et le Règlement No. 2015-13 stipule que les frais de développement mis en place peuvent être rajustés annuellement sans modifier ledit règlement;

**QU'IL SOIT RÉSOLU QUE** le Conseil approuve que les taux pour les redevances d'aménagement soient augmentés de 2.9% effectif le 1 janvier 2021 pour refléter l'augmentation de l'Indice des prix de la construction tel que présenté dans l'Annexe 3 pour le résidentiel et l'Annexe 4 pour les redevances d'aménagement non résidentiel, du rapport No. FIN2020-036

4) **BACKGROUND :**

The Development charges are now being increase annually to reflect the increase in the Construction price Index.

5) **DISCUSSION :**

Development Charge rates can be indexed to account for inflation. Most Development Charges By-laws call for annual indexing. The Development Charges Act, 1997 (s.5 (1) (10)) and O.Reg. (82/98 (s.7) prescribe one index for adjusting development charge rates for inflation: Construction Price Statistics, Catalogue No. 62-007-XPB, Statistics Canada Quarterly. It is recommended to index development charge rates in order to sustain the projects already establish in the development charge study.

This index has increased 2.9% and therefore staff recommends that the development charges be increased accordingly. This represents an increase of \$585 for a single detached residential unit.

Russell an Ottawa are both following the same index for increasing their development charge rate yearly.

Now that the new development charges regulation has been finalized, in spring 2021, staff will be working on updating the By-Law for discounted services. The result of the new regulation is essentially a revert to the prior DC regulation at the time of By-Law 2015-13 without the mandatory 10% discount.

6) **CONSULTATION:**

N/A

7) **RECOMMENDATIONS OR COMMENTS FROM COMMITTEE/ OTHER DEPARTMENTS :**

N/A

8) **FINANCIAL IMPACT (expenses/material/etc.):**

Residential and non-residential development charges to be increased by 2.9% starting January 1, 2021 in accordance with prescribed Statistics Canada rates.

9) **LEGAL IMPLICATIONS :**

N/A

10) **RISK MANAGEMENT :**

The increase of the development charges rates will allow the City to fund the inflation in the construction prices of all projects included in the development charges initial study. Without this increase, the City wouldn't collect enough revenues to fund all the projects included in the study.

11) **STRATEGIC IMPLICATIONS :**

N/A

12) **SUPPORTING DOCUMENTS:**

2015-13 Clarence Rockland DC By-Law – Discounted services

2019-85 Clarence Rockland DC By-Law – Non-discounted services

Appendix 1 -Schedule "B" – Residential Development Charges –  
Effective February 02, 2020

Appendix 2 -Schedule "B" – Non-Residential Development Charges –  
Effective February 02, 2020

Appendix 3 -Schedule "B" Amended – Residential Development  
Charges – Effective January 1, 2021

Appendix 4 -Schedule "B" Amended – Non-Residential Development  
Charges – Effective January 1, 2021

Appendix 5 – DC indexing sheet