



**THE CORPORATION OF
THE COUNTY OF WELLINGTON
DEVELOPMENT CHARGE INFORMATION**

Regarding: By-Law 5759-22

Approved: June 1, 2022

The information contained herein is intended only as a guide. Interested parties should review the approved by-law and consult with the County of Wellington Treasury Department staff to determine the applicable charges that may apply to specific development proposals.

PURPOSE OF DEVELOPMENT CHARGES

- Development Charges assist in financing capital projects required to meet the increased need for services resulting from growth and development. Development charge funds may only be used for the purpose for which they are collected.

BACKGROUND STUDY

The Development Charges Act, 1997 and Ontario Regulation 428/15 require that, prior to the passing of a by-law, a development charges background study be undertaken, with reference to:

- The forecasted amount, type and location of future development;
- The average service levels provided in the County 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 the infrastructure required to service the forecasted development.

Watson and Associates Economists Ltd. prepared an update to the study for the County dated March 25, 2022. The study served as the basis for the development charge rates approved by County Council on May 26, 2022 through by-law 5759-22.

Bill 23 Impact on Development Charge Rates

Bill 23, More Homes Built Faster Act, 2022 amends Section 5 Determination of Development Charges of the Development Charges Act, 1997 (Act). Section 5(7) of the Act states the phase in of development charges applies to those development charge by-laws passed on or after January 1, 2022. The County's Development Charges by-law was passed May 2022 and came into effect June 1, 2022. As such Section 5(8) applies resulting in development charges being phased in as follows:

1. A development charge imposed during the first year that the by-law is in force shall be reduced to 80 per cent of the development charge that would otherwise be imposed by the by-law.

2. A development charge imposed during the second year that the by-law is in force shall be reduced to 85 per cent of the development charge that would otherwise be imposed by the by-law.
3. A development charge imposed during the third year that the by-law is in force shall be reduced to 90 per cent of the development charge that would otherwise be imposed by the by-law.
4. A development charge imposed during the fourth year that the by-law is in force shall be reduced to 95 per cent of the development charge that would otherwise be imposed by the by-law.

The County's by-law spans June 1 – May 31. As such, the phase in of new development charge rates is 85% of the 2024 indexed rates Jan 1 – May 31 and 92% of the 2024 indexed rates June 1 – December 31. The residential and non-residential development charges effective January 1, 2024 and June 1, 2024 are set out in the attached schedule.

DEVELOPMENT CHARGES FOR THE COUNTY OF WELLINGTON: BY-LAW NO. 5759-22

- Residential development charges (calculated on the number and type of units) are imposed upon all lands within the County of Wellington.
- The development charge rates for 2023 set out below:

Development Type	Effective: Jan 1 2024 to May 31 2024 Rate (per unit)	Effective: Jun 1 2024 to December 31 2024 Rate (per unit)
Single Detached and Semi-Detached Dwelling	\$9,409	\$9,962
Apartments (2 or more bedrooms)	\$5,021	\$5,316
Apartments (1 bedroom or less)	\$4,094	\$4,335
Special Care / Special Dwelling Units	\$3,378	\$3,577
Other Multiples	\$7,105	\$7,523

- Non-residential development charges are imposed on all non-residential development within the County of Wellington:

Development Type	Effective: Jan 1 2024 to May 31 2024 Rate (per sq. ft. of gross floor area)	Effective: Jun 1 2024 to December 31 2024 Rate (per sq. ft. of gross floor area)
Commercial, Institutional and Industrial	\$2.61	\$2.76

INTEREST ON DEVELOPMENT CHARGES

- An interest charge is applicable when time lapses between the rate calculation and when payment is due. The rate is determined using the five-year historical average of the Statistics Canada Non-Residential Building Construction Price Index for Toronto year-over-year change as of September 30, but not to exceed the prime interest rate plus 1% as of October 15 of the previous year (Section 26.3 of the *Development Charges Act, 1997*).

The 2024 interest rate is 7.94%

TERM OF BY-LAWS

- By-law 5759-22 will remain in force until June 1, 2027 unless repealed at an earlier date.

INDEXING OF DEVELOPMENT CHARGES

- The development charges will be automatically adjusted annually on January 1st of each year, without amendment to the by-law, in accordance with the most recent annual change in the Statistics Canada Quarterly, "Building Construction Price Indexes."

SERVICES COVERED

Development charges have been imposed for the following categories of County 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
- Police Services
- Library Services
- Ambulance Services
- Child Care Services
- Provincial Offences Act
- Public Health Services
- Long-Term Care Services
- Waste Diversion Services
- Growth Studies

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 five years of the redevelopment of the property.

UNPAID CHARGES TO BE 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 County Treasurer is required to produce an annual statement showing 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

- This pamphlet is intended to give an overview of development charges. For more complete information, reference should be made to the County's annual development charges statement, the Development Charge Background Study, and by-law 5759-22, which are available on the County's website at www.wellington.ca, or in printed version in the County Clerk's office during regular office hours of 8:30am to 4:30pm, Monday to Friday.

For further information, please contact:

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