

Purpose of Development Charges

The Township of Guelph/Eramosa collects development charges under the authority of the Development Charges Act, 1997. Development charges are fees imposed on new development to pay for increased capital costs arising from residential and non-residential growth within a municipality.

Background Study and Public Meeting

The Development Charges Act, 1997 requires that, prior to the passing of a development charge by-law, a background study be undertaken which includes:

- The forecasted amount, type, and location of future development
- The average service levels provided in the municipality over the 15-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
- An asset management to demonstrate that all assets included in the study are financially sustainable over their full life cycle

Watson & Associates Economists Ltd. prepared the Development Charges Background Study dated March 7, 2023. A Public Meeting of Council was held on April 3, 2023, to obtain public input on the background study and draft by-laws.

Passage and Term of Development Charge By-laws

By-law Number	Municipal Service
By-law 24/2023	Fire Protection
By-law 25/2023	Parks and Recreation
By-law 26/2023	Highway Services
By-law 27/2023	Wastewater Services
By-law 28/2023	Water Services

This table summarizes the by-law number which imposes development charges for each Township service.

The Development Charge By-laws were passed and became effective on May 8, 2023. They will remain in force until May 7, 2033.

Affected Lands

By-laws 24/2023 to 26/2023 apply to all lands in the geographic area of the Township. By-laws 27/2023 and 28/2023 impose additional development charges related to wastewater and water services and apply only against those lands within the Township where the service(s) is available.

Treasurer's Statement

As required by the Development Charges Act, 1997, the Treasurer for the Township of Guelph/Eramosa must prepare an annual financial statement reporting on the status and transactions related to the development charge reserve funds for the previous year. This statement is presented to Township Council for their review.

Additional Information

The Township's annual development charges statements, the Development Charges Background Study, and By-laws 24/2023 to 28/2023 are available on the Township's website or in printed version in the office of Township Clerk during regular office hours of 8:30 a.m. to 4:00 p.m., Monday to Friday.

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Township of Guelph/Eramosa

Development Charges Information

By-law 24/2023

By-law 25/2023

By-law 26/2023

By-law 27/2023

By-law 28/2023

These Development Charge By-laws are effective May 8, 2023 to May 7, 2033

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

Updated to reflect rates effective January 1, 2024

Exemptions and Charge Reductions

The following uses are **exempt** from development charges under the by-laws:

- Lands owned and/or used by a municipality, local board thereof, board of education, university, place of worship, or cemetery/burial ground
- The enlargement of an existing residential dwelling unit, or the creation of one or two additional units where specific conditions are met
- The enlargement of 50% or less of the gross floor area of an existing industrial building
- The development of non-residential farm buildings
- Affordable housing units required pursuant to the Planning Act and non-profit housing

Development charges will be **reduced** by 15% to 25% for rental housing developments (for profit) based on the number of bedrooms in each unit.

Development charges will be **reduced** if, within 48 months, buildings or structures have been demolished or converted from one principal use to another to permit the redevelopment of the property.

Mandatory Phase-in

As required by legislation, the new development charge rates will be phased in annually over the first five years the by-laws are in force, as follows (subject to indexing):

- Year 1 – 80% of the charge
- Year 2 – 85% of the charge
- Year 3 – 90% of the charge
- Year 4 – 95% of the charge
- Year 5 to expiry – 100% of the charge

Annual Indexing of Development Charges

Development charges will be adjusted annually on January 1 each year, starting in 2024, using the Statistics Canada Quarterly Construction Price Statistics.

Development Charge Rates Effective January 1, 2024 to May 7, 2024

The development charge rates below reflect the mandatory Year 1 phase in value of 80%, indexed for 2024.

Service/Class of Service	Residential					Non-Residential
	Single and Semi-Detached Dwelling	Other Multiples	Apartments: 2+ Bedrooms	Apartments: Bachelor and 1 Bedroom	Special Care/ Special Dwelling Units	(per sq. ft. of Gross Floor Area)
Township Wide Services						
Fire Protection	\$1,018.24	\$682.24	\$598.67	\$383.76	\$359.88	\$0.31
Parks and Recreation	\$12,541.28	\$8,398.37	\$7,370.75	\$4,731.33	\$4,432.85	\$0.22
Highway Services	\$755.58	\$505.71	\$444.31	\$284.84	\$266.93	\$0.22
Total Twp Wide Services	\$14,315.10	\$9,586.32	\$8,413.73	\$5,399.93	\$5,059.66	\$0.75
Urban Services						
Wastewater Services	\$9,274.20	\$6,210.94	\$5,451.10	\$3,499.04	\$3,278.16	\$6.88
Water Services	\$5,447.69	\$3,648.28	\$3,201.41	\$2,055.25	\$1,925.62	\$4.03
Total Urban Services	\$14,721.89	\$9,859.22	\$8,652.51	\$5,554.29	\$5,203.78	\$10.91
Grand Total Rural Area	\$14,315.10	\$9,586.32	\$8,413.73	\$5,399.93	\$5,059.66	\$0.75
Grand Total Urban Area	\$29,036.99	\$19,445.54	\$17,066.24	\$10,954.22	\$10,263.44	\$11.66

Timing of Charge Calculation and Payment

In most situations, development charges are calculated and payable upon issuance of the first building permit with respect to each dwelling unit, building, or structure.

If the development results from the approval of a site plan or zoning by-law amendment, a rate freeze may apply.

Charges for rental housing and institutional developments are due in 6 annual payments beginning when the first occupancy permit is granted or the date of first occupancy.

Please refer to the development charge by-laws, Township website, or consult Township staff for further information about rate freezes and instalment payments.

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, in accordance with the Development Charges Act, 1997.

Other Development Charges

In addition to the charges imposed by the Township, the County of Wellington and the English Public and English Separate School Boards also impose development charges.