



Corporate Policy

Finance-Budget

Development Charges Payment

Approved by:	Council	on	June 9, 2014
Report No.:	F-21-14	Effective:	July 1, 2014
Reviewed:	June 2016	Amended:	
Next Review:	June 2019	Note(s):	

Purpose:

Development charges are a way of recovering that net cost of capital expenditures attributable to growth.

Policy Statement:

Subject to section 32 to 34 of the By-law, payment of development charges shall be by cash or certified cheque.

Notwithstanding section 32 to 34 of the By-law, a building permit may be issued prior to the payment of the development charges with respect to residential development if the owner of such development has entered into an agreement with the City under section 27 of the Act, to provide:

Residential

Notwithstanding section 32 to 34 of the By-law, a building permit may be issued prior to the payment of the development charges with respect to residential development if the owner of such development has entered into an agreement with the City under section 27 of the Act, to provide:

- a) In respect of a residential building or structure containing less than 75 dwelling units:
 - i) Payment of the development charges within 90 days of the issuance of the building permit; and
 - ii) Security in the form of an irrevocable letter of credit acceptable to the Director of Finance or equivalent in the amount of 100% of the development charges payable under this by-law.



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- b) In respect of a residential building or structure containing 75 or more dwelling units;
 - i) Payments to be deferred up to 365 days, with the first payment to be made six months after the building permit issuance and the final payment to be made one year (365 days) after the issuance of the building permit; and
 - ii) Payments are to be amortized over a period not to exceed 365 days from the date of the building permit issuance with interest at the City's bank prime lending rate plus 1%; and
 - iii) Security in the form of an irrevocable letter of credit acceptable to the Director of Finance in the amount of 100% of the development charges payable under this by-law or registration of the agreement on title at the applicant's expense.

Non Residential

Notwithstanding section 32 to 34 of the By-law, a building permit may be issued prior to the payment of the development charges with respect to non-residential development if the owner of such development has entered into an agreement with the City under section 27 of the Act as follows:

- i) Payments deferred for up to ten (10) years, with the first payment to be made one year after the issuance of the building permit; and
- ii) Payments to be amortized over a period not to exceed ten (10) years from the date of the building permit issuance with interest at the prime lending rate of the City's bank; and
- iii) Security in the form of an irrevocable letter of credit acceptable to the Director of Finance in the amount of 100% of the development charges payable under this by-law or registration of the agreement on title at the applicants expense

Accounting for Development Charges

Monies received for the payment of development charges shall be deposited in the development charges reserve funds based on the following service allocation of the development charges

Table 1 – Development Charges Table

% Allocation



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	Residential	Non-Retail	Retail
Transportation	66.19%	93.12%	89.24%
Storm Drainage	6.17%	2.56%	4.00%
Fire Protection	0.65%	0.67	1.04%
Transit	2.12%	2.17	3.40%
Parks and Recreation	22.97%	0.78	1.22%
Library	1.27%	0.04%	0.07%
Development Related Studies	0.63%	0.66%	1.03%

Scope:

All development charges.

Definitions:

For the purpose of this policy, unless otherwise stated, the following definitions shall apply:

Term	Definition
Act	the Development Charges Act, 1997, or successor statute
By-law	the City of Burlington Development Charges By-law
City	the Corporation of the City of Burlington

Roles:

Accountable:

The Coordinator of Financial Strategies & Business Consulting is answerable for the timely review, updating and dissemination of the policy in the functional area.

Responsible:

Financial Analysts perform the work to achieve the task.