

Bill No. 116
2020

By-law No. CPOL.-_____ - _____

A by-law to adopt a new Council Policy entitled
“Development Charge Interest Rate Policy”.

WHEREAS section 5(3) of the *Municipal Act, 2001*, S.O. 2001, C.25, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 9 of the *Municipal Act, 2001*, S.O. 2001, C.25, as amended, provides a municipality with the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority;

AND WHEREAS the *Development Charges Act, 1997* S.O. 1997, c.27, as amended authorizes the council of a municipality to pass a by-law to impose Development Charges against land to pay for increased capital costs required because of increased needs for services arising from development of the area to which the by-law applies;

AND WHEREAS the Council of The Corporation of the City of London wishes to enact a new Council Policy entitled “Development Charge Interest Rate Policy”;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. The policy entitled “Development Charge Interest Rate Policy”, attached as Schedule “A” to this by-law is hereby adopted.
2. This by-law shall come into force and effect on the day it is passed.

PASSED in Open Council on March 24, 2020

Jesse Helmer
Deputy Mayor

Catharine Saunders
City Clerk

First Reading – March 24, 2020
Second Reading – March 24, 2020
Third Reading – March 24, 2020

SCHEDULE "A"

Policy Name: Development Charge Interest Rate Policy

Legislative History: Enacted March 24, 2020 (By-law No. CPOL.-_____)

Last Review Date: March 9, 2020

Service Area Lead: Director, Development Finance

1. Policy Statement

The purpose of this Policy is to establish a framework for determining the interest rate that can be applied to Development Charges for certain development types.

2. Definitions

2.1 City: means the Corporation of the City of London.

2.2 City Treasurer: means the individual appointed by Municipal Council in accordance with the *Municipal Act, 2001*.

2.3 Development Charge: means any Development Charge that may be imposed pursuant to a By-law enacted under the authority of the *Development Charges Act, 1997 S.O. 1997, c.27*, as amended.

3. Applicability

This Policy applies only to Development Charges administered in compliance with the current Development Charges By-law enacted under the authority of the *Development Charges Act* that are subject to interest charges.

4. The Policy

The following approach establishes the Policy for Development Charge Interest:

4.1 The average annual historical five year Statistics Canada Non-residential Building Construction Price Index for Toronto year over year change as of September 30th shall be the financial mechanism used as the foundation for establishing the interest rate.

4.2 The interest rate shall be established at the earlier of when the Development Charge is calculated or when the first payment is due. The established interest rate shall remain in effect until the final payment is received.

4.3 Interest accruing on the unpaid balance of the Development Charge shall be compounded annually.

4.4 The City Treasurer, or designate is authorized to execute the administrative actions necessary to implement the Development Charges interest rate.