



Town of Niagara-on-the-Lake

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REPORT #: CS-22-041 **COMMITTEE DATE:** 2022-12-13
DUE IN COUNCIL: 2022-12-20
REPORT TO: Committee of the Whole - General
SUBJECT: **Proposed 2023 Development Charges Indexing**

1. RECOMMENDATION

It is respectfully recommended that:

- 1.1 Council approves the annual indexing of Development Charge fees, with a fee increase of 15.6%, effective January 1, 2023, as detailed in **Appendix I**, attached to this report.

2. EXECUTIVE SUMMARY

- The Town's Development Charge by-law requires annual indexing of fees charged for Development Charges.
- The non-res construction price index has increased by 15.6% for the third quarter of 2022.
- Therefore, effective January 1, 2023, development charges applicable for a single-family residential dwelling will be \$14,972.
- Annually indexing the Town's Development Charges ensures that inflation and market changes are captured within the Town's rates and can sustain future infrastructure development.

3. PURPOSE

The purpose of this report is to confirm the annual indexing of the Town's Development Charge by-laws as detailed in Appendix I attached to this report.

4. BACKGROUND

The development charges (DC) background study was completed in 2018, resulting in the approval of a by-law governing development charges for the next five years. By-law No. 5072-18 is associated with Town related residential and non-residential development charges.

5. DISCUSSION / ANALYSIS

The Town's Development Charge by-law requires an annual indexing of fees charged for Development Charges. Indexing is to be done every January for the duration of the by-law. The prescribed index to be used is the "Statistics Canada, Non-Res Construction Price Index."

The non-res construction price index has increased by 15.6% for the third quarter of 2022. Therefore, effective January 1, 2023, development charges applicable for a single-family

residential dwelling, located within the urban area, will increase by \$2,019 from \$12,953 (2022) to \$14,972.

6. STRATEGIC PLAN

N/A

7. OPTIONS

- 7.1 **Option 1:** Council approve the proposed 2023 Development Charges indexing as per By-law 5072-18 (**As Recommended**)
- 7.2 **Option 2:** Continue with the current Development Charges fee schedule approved on December 20, 2021. (*Not Recommended*)

8. FINANCIAL IMPLICATIONS

The attached schedule, Appendix I, details the proposed fees for 2023 Development Charges.

9. ENVIRONMENTAL IMPLICATIONS

N/A

10. COMMUNICATIONS

If approved by Town Council, the revised fee schedule will be posted on the Town's website and made available at the Town's Customer Experience counters.

11. CONCLUSION

The annual indexing of Development Charge fees shall be updated every January in accordance with the Statistics Canada Non-Res Construction Price Index. This report confirms the 2023 rates to be effective January 1, 2023.

12. APPENDICES

- **Appendix I** – 2023 Schedule of Development Charges

Prepared by:



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Recommended by:



Nick Alaimo, CPA, CMA
Manager of Finance/Deputy Treasurer

Recommended by:

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Kyle Freeborn, CPA, CMA

Director of Corporate Services/Treasurer

Submitted by:

A handwritten signature in black ink, appearing to read 'M. Cluckie'.

Marnie Cluckie, MS.LOD, B.ARCH, B.ES
Chief Administrative Officer