Finance

Development Charge Deferral Policy for Development on Lands without Municipal Servicing

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Branch: Capital and Development Finance

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1.0 Policy Statement

The Development Charge Deferral Policy for Development on Lands without Municipal Servicing establishes guidelines for the application, administration, and issuance of Development Charge (DC) deferrals to applicants when developing on land that is not serviced by municipal water and/or wastewater infrastructure.

2.0 Purpose

The purpose of this policy is to clarify the Town's approach to calculating and levying Development Charges on land that is not yet serviced by municipal water and/or wastewater infrastructure. It aims to facilitate Development throughout East Gwillimbury, while ensuring that the Town recovers the full cost of municipal infrastructure once services are extended.

Development Charges are calculated and collected pursuant to the Development Charges Act, 1997 and the Town of East Gwillimbury's Development Charge By-law. The timing of DC payment varies based on required planning approvals or type of Development proposed, however payment of DCs is a condition of building permit issuance.

The Town is permitted to enter into deferral agreements pursuant to subsection 27(1) of the Development Charges Act, 1997, which states: "*a municipality may enter into an agreement with a person who is required to pay a development charge providing for all or any part of a development charge to be paid before or after it would otherwise be payable*."

3.0 Scope

This policy will apply to all developers or owners of land that is not connected to municipal water and/or wastewater infrastructure (unserviced land) within the Town of East Gwillimbury. The Policy is intended to assist applicants to proceed with a proposed Development in situations where municipal and regional servicing infrastructure is not yet in place and interim private solutions are required.

This policy applies to Town-wide Development Charges, excludes area-specific charges, and shall not apply to Community Capital Contribution Charges when a Community Capital Contribution Charges By-Law is in effect.

This policy applies to all new applications for Development on unserviced land received and existing developments that are unserviced.

4.0 Definitions

Term	Definition
Act:	The Development Charges Act, 1997, S.O. 1997, c. 27, as amended, revised, re-enacted or consolidated from time to time, and any successor statute.
Development:	The construction, erection or placing of one or more buildings or structures on land or the making of an addition or alteration to a building or structure that has the effect of increasing the size or changing the use thereof from non-residential to residential or from residential to non-residential and includes redevelopment.
Development Charges:	Charges imposed under the Town's Development Charges By-law.
Development Charges Deferral Acknowledgement:	Document signed both by the Town and applicant acknowledging the conditions and timing of payment of any component of the Development Charge that is deferred beyond Building Permit Issuance, as described within this policy.
Town:	The Town of East Gwillimbury.

5.0 Description

The Town of East Gwillimbury has a significant amount of land that is not serviced by municipal and Regional water and wastewater infrastructure. Both the Town of East Gwillimbury and the Region of York have Water and Wastewater Master Plans in place, which lay out the expected timing of servicing infrastructure extensions throughout the Town. There are instances in which

an application for Development will be submitted for lands not yet serviced. In those cases, interim private servicing solutions may be permitted.

It is the Town's position that it would be premature to levy the water and/or wastewater components of the applicable Development Charges on land that is not serviced by such infrastructure. In these instances, the relevant component of the DC is payable upon connection to servicing, when it is made available to the property.

In order to defer the collection of the water and/or wastewater component of the Development Charge to the timing of connection to municipal servicing, rather than prior to building permit issuance, a Development Charge Deferral Acknowledgement is required.

Qualifying Criteria

Deferral of water and/or wastewater Development Charges will be granted, provided the following criteria are met:

- The application is for Development on land that is not yet serviced by municipal water and/or wastewater infrastructure. This policy will not apply to land that is serviced, but where applicants would prefer not to connect.
- The deferral applies only to the water and wastewater components of the Development Charges. Other components are payable as outlined in the Town's Development Charge By-law.
- The Development results in new or additional Gross Floor Area being added, either Residential or Non-Residential, or involves an existing Development connecting to municipal water and/or wastewater services for the first time.
- The applicant agrees to pay the DCs in force at the time of connection, which will be within 60 days from when servicing is made available.

Terms of the Deferral Policy

Prior to the issuance of a building permit, any developer or landowner that is eligible for the deferral of the water and/or wastewater component of the Town-wide Development Charges must confirm eligibility with Town staff.

The Town will require the following information to confirm eligibility:

- Evidence of compliance with criteria, as outlined in this policy; and,
- Drawing of the Development site plan, including location of nearest municipal servicing, and the proposed Development on the site.

The Town will assess whether the deferral is applicable based on the status of municipal services and the timing of infrastructure availability. A Development Charge Deferral

Acknowledgement will be signed, outlining the terms of the deferral, including the timing of payment and the conditions under which the deferral will be lifted.

Development Charges Deferral Acknowledgement

Any developer or applicant eligible to defer water and/or wastewater DCs for Development on lands not yet serviced by municipal infrastructure must sign a Development Charges Deferral Acknowledgement, which confirms the understanding that the outstanding components of the Development Charge will be due upon connection to municipal servicing.

A Development Charges Deferral Acknowledgement shall only be signed provided that the developer or applicant can imminently attain a building permit issued by the Town. The acknowledgement must be signed by both the applicant and the Town before any deferral is granted and prior to the issuance of a building permit. The document will include provisions related to the payment schedule and required timing and conditions of payment.

Development Charges Payable

Development Charges deferred under this policy will be payable in full upon connection to municipal water and/or wastewater infrastructure. Applicants agree through the acknowledgement that they will be expected to connect to servicing as soon as it is available, despite any interim servicing that may be in place at that time.

The amount of Development Charges payable to the Town, as required under the Act, shall be determined on the day that the connection permit is issued. Applicants will be given notice of the requirement to pay and will be given fifteen (15) days to provide payment, which will act as a condition of connection permit issuance.

6.0 Responsibilities

The Treasurer shall be responsible for:

- Exercising authority to sign Development Charge Deferral Acknowledgement on behalf of the Town, ensuring that all of the terms and conditions outlined in this policy, and in the Act and Town's Development Charge By-law are met.

The Capital and Development Finance branch shall be responsible for:

- Administration of and future updates to this policy.
- Evaluating permit applications and making recommendations to the Treasurer based on the provisions of this policy.

- Monitoring progress on municipal infrastructure development and notifying the applicant when municipal services are imminent and then when they are available.
- Monitoring compliance with the terms of this policy and facilitate the collection of the deferred charges once the property connects to municipal services.
- Tracking the status of approved Development Charge deferrals.

The Water Operations branch shall be responsible for:

- Notifying the Capital and Development Finance staff and applicants when a property is required to connect and Development Charges become payable.
- Confirming the availability of municipal water and/or wastewater servicing for deferred properties.
- Ensuring compliance with connection requirements and overseeing the connection process once municipal services become available.

Applicants (Landowners/Developers/Builders) shall be responsible for:

- Providing details about the proposed Development, current servicing status, and plans for future municipal connection to staff, as required.
- Agreeing to the terms outlined in the deferral acknowledgement, which will include provisions for payment once municipal services are extended to the property.