



MEMORANDUM

TO: Mayor Bonnette and Members of Council

FROM: Wendy O'Donnell, CPA, CGA
Deputy Treasurer/Senior Manager of Revenue

DATE: February 7, 2020

MEMORANDUM NO.: MEM-CORPSERV-2020-0001

RE: Annual Development Charges Indexing

PURPOSE OF THE MEMORANDUM:

The purpose of this memorandum is to advise Council of the annual index adjustment for Development Charges (DCs) as permitted.

BACKGROUND:

Development Charges are collected for the Town under By-law 2017-0049 as amended. Section 13 of the Town of Halton Hills' By-law permits the Treasurer to make annual adjustments (indexing) to the approved charges on April 1 of each year without amending the By-law.

COMMENTS:

The adjustments are made based on the most recent twelve month change in the Statistics Canada Quarterly "Construction Price Statistics". The index has increased by 3.0% from the 4th Quarter 2018 to 4th Quarter 2019.

Nationally, non-residential building construction costs rose 3.5% in 2019, while residential construction costs were up 2.9%.

The building construction price indexes are quarterly series that measure change over time in the prices that contractors charge to construct a range of new commercial, institutional, industrial and residential buildings in 11 census metropolitan areas: St. John's, Halifax, Moncton, Montréal, Ottawa–Gatineau (Ontario part), Toronto, Winnipeg, Saskatoon, Calgary, Edmonton and Vancouver. The contractor's price reflects the value of all materials, labour, equipment, overhead and profit to construct a new building. It excludes value added taxes and real estate fees and any costs for land, land assembly, building design and land development.

Schedule "A" reflects the 3.0% increase applied to the charges for the various residential dwelling and non-residential categories.

Schedule "B" indicates the Development Charge Fee Schedule effective April 1, 2020. The fees for the Halton Region are preliminary and subject to change. The fees for the Halton Public School Board and the Halton Separate School Board remain unchanged at this time.

A Front-ending Recovery Payment applies to Regional residential development in addition to development charges noted in Schedule 'B'. Attached Schedule "C" outlines these charges.

CONCLUSION:

The Region of Halton, the City of Burlington and the Towns of Oakville and Milton are expected to index their respective DC rates on April 1, 2020 using an annual indexing rate of 3.0%.

Reviewed and approved by,

A handwritten signature in cursive script that reads "Jane Diamanti".

Jane Diamanti, Commissioner of Corporate Services

A handwritten signature in cursive script that reads "Brent Marshall".

Brent Marshall, Chief Administrative Officer