

Corporation of the Town of Petawawa

By-law 1474/22

**Being a By-law to Adopt a Development Charge Interest Policy
for the Town of Petawawa**

Whereas Section 26.1(7) and 26.2(3) of the *Development Charges Act*, 1997, S.O. 1997, c.27, as amended, states that a municipality may charge interest on the annual development charge installments due and payable for specified types of developments;

And Whereas the *Municipal Act*, 2001, S.O. 2001, c.25, as amended, provides that a municipal power shall be exercised by by-law;

And Whereas the Town of Petawawa wishes to establish a policy for the management of those interest charges;

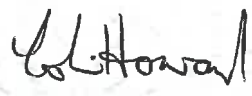
Now Therefore the Council of the Corporation of the Town of Petawawa enacts as follows:

1. That the "Development Charge Interest Policy" attached hereto as Schedule "A", be and is hereby adopted.
2. That Schedule "A" is deemed to form part of this by-law.
3. That this by-law shall come into force and take effect following third reading.

By-law read a first and second time this 17th day of January, 2022.

By-law read a third time and passed this 17th day of January, 2022.


Signature of the Mayor


Signature of the Clerk

Schedule "A" to By-law 1474/22



Corporation of the Town of Petawawa Development Charge Interest Policy

Purpose:

The purpose of this policy is to establish a framework for determining the interest rate that can be applied to Development Charges, as permitted under sections 26.1 and 26.2 of the *Development Charges Act, 1997*, S.O. 1997, c. 27, as amended (DCA). This policy will support the Town of Petawawa's ability to build growth-related infrastructure in a fiscally responsible manner and to ensure that there is compensating interest income to fund the lost development charges that will result from the DC rate freeze and deferred payment requirements.

Definitions:

Municipality, means the Town of Petawawa.

Treasurer, means the individual appointed by Municipal Council in accordance with the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended.

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.

Policy:

The following approach establishes the Policy for Development Charge Interest:

1. The interest rate will be established based on the average annual change in the Statistics Canada Non-residential Building Construction Price Index (Ottawa series), calculated for the five years immediately preceding the latest Second Quarter index i.e., a year will run from second quarter to second quarter.

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.
3. For applications eligible for development charge freezing under section 26.2 of the DCA, interest will be calculated from the date of site plan or zoning amendment application to the first day of the month in which a building permit is issued.
4. Interest accruing on the unpaid balance and the development charge freeze period of the Development Charge shall be compounded annually.
5. The Treasurer, or designate is authorized to execute the administrative actions necessary to implement the Development Charges interest rate.
6. The Treasurer, or designate shall review, and if necessary, update this policy in conjunction with the Town's Development Charges By-law review.