

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.

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.

Definitions

Municipality: means the Municipality of Middlesex Centre.

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

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.

D.C.A.: *Development Charges Act*, 1997 S.O. 1997, c.27, as amended.

Development Charge freeze period: the time between Site Plan or Zoning By-law Amendment application and building permit issuance.

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 (Toronto series), calculated for the five years immediately preceding the latest Third Quarter index.

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 D.C.A., 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.