

TOWN OF GEORGINA – OFFICE OF THE DCAO – FINANCIAL STRATEGY AND PLANNING

Subject: Development Charges Credit Policy	Authority, Ref. & Sec. Version 1			
Policy No.: DCAO-2025-DCC01	Page: Page 1 of 7	Year 2025	Month 11	Day 19
Approved by: Council	Contact Position for Inf. Senior Financial Analyst, Financial Strategy and Planning			

1. POLICY STATEMENT

- 1.1. The Town of Georgina requires a consistent framework for evaluating DC credit requests. The Development Charges Credit Policy (“Policy”) establishes cohesive guidelines for the administration, application and issuance of development charge (DC) credits.

2. APPLICATION

- 2.1. This Policy is applicable to developers who wish to accelerate the construction of development-related Town infrastructure, or developers who agree to construct works on behalf of the Town.

3. PURPOSE

- 3.1. This Policy allows for the construction of infrastructure while protecting the Town from the financial risk associated with infrastructure construction. This may apply to infrastructure being constructed ahead of the Town’s budgeted timeline.

4. DEFINITIONS

- 4.1. **Act:** means the Development Charges Act, 1997, as amended.
- 4.2. **DC Credit Agreement:** means a written agreement between the developer and the Town which identifies the Infrastructure to be constructed by the developer and the Development Charge Credit to be provided to the developer in exchange for constructing the infrastructure.
- 4.3. **Developer:** means a person responsible to pay a Development Charge or a person responsible to install municipal services pursuant to a Development Agreement.
- 4.4. **Development Agreement:** means the written agreement between the Town and a Developer outlining the terms and conditions for land development, and regulating the provision of on-site and municipal works required to service the land under development applications, including, but not limited to, Subdivision, Site Plan and Pre-Servicing.

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- 4.5. **Development:** means 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 usability thereof and includes redevelopment.
- 4.6. **Development charges:** means a charge imposed under the Town's Development Charges Bylaw.
- 4.7. **Municipal Works:** means Categories of Service covered in the Town's Development Charges Bylaw and includes, but not limited to, services related to roads, sewers, water systems, and Parks and Recreation facilities.
- 4.8. **Infrastructure:** means the design and construction of municipal works which will be eligible for DC credits upon completion of design and construction as applicable and as are identified in a DC Credit Agreement.
- 4.9. **Planning Act:** means the Planning Act, R.S.O. 1990, c. P.13, as amended.
- 4.10. **Redevelopment:** means the construction, erection or placing of one or more buildings or structures on land where all or part of a building or structure has previously been demolished on such land, or changing the use of a building or structure from a residential use to a non-residential use or from a non-residential use to a residential use, or changing a building or structure from one form of residential use to another form of residential use or from one form of non-residential use to another form of non-residential use.

5. POLICY

5.1. General Provisions

5.1.1. A developer seeking DC credits must submit a request to the Town and receive approval prior to constructing the Infrastructure.

5.1.1.1. The Town recognizes that there is a current development agreement that include references to DC credits, where the construction of Infrastructure may have started or could commence soon, and affirms that the DC credits related thereto will be grandfathered under this policy. The following project is considered

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grandfathered: Hedge Road Landing – 19CDM-06G01
- Black River Road Sidewalk.

5.1.2. If a developer begins construction of any Infrastructure prior to entering into a DC Credit Agreement, the Infrastructure will have been constructed at the developer’s own expense and risk.

5.1.3. The Town is under no obligation to provide, and the Town shall not provide, retroactive DC credits for the design and construction of Infrastructure previously undertaken by a developer unless Council or the Treasurer agree to grant retroactive DC credits and the developer and the Town have entered into a DC Credit Agreement related to such retroactive DC credits.

5.1.4. A DC Credit Agreement must be executed by the Town and the developer before any DC credits will be granted by the Town.

5.1.5. After execution of the DC Credit Agreement, and subject to the completion of the Infrastructure to the satisfaction of the Town, the DC credit will be processed as follows:

5.1.5.1. The component of the DC Credit will be applied against future development charges otherwise payable by the developer to the Town; and

5.1.5.2. In the event the costs are not fully recovered by the developer through the above clause, then the Town will reimburse as per section 5.4.

5.2. Eligibility Requirements

5.2.1. The Town may consider granting DC credits for the design and construction of Infrastructure according to criteria below.

5.2.2. A developer must enter into a DC Credit Agreement with the Town which identifies the Infrastructure to be constructed by the developer, as well as the terms and conditions of the construction to be undertaken and the value of the credits earned. The DC Credit Agreement may be attached as a schedule to a site plan or subdivision agreement where a single developer is undertaking the construction of the Infrastructure.

5.2.3. Where more than one developer or a developer group is constructing the Infrastructure, a trustee representing the interests of the developers will be required and the DC Credit

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Agreement (not attached to a site plan or subdivision agreement) shall be executed between the Town and the trustee.

5.2.4. Any Infrastructure, to be included within a DC Credit Agreement, must be included in the Town's most recent Development Charges Background Study that supports the Town's current Development Charges Bylaw.

5.2.5. All DC credits are limited to the applicable service component of the Town's Development Charges Bylaw (i.e. credits for a road project will be limited to the amount of the roads component DC). The amount of the DC credit is limited to the lesser of:

- 5.2.5.1. The stated cost of the project in the Town's most recent DC Background Study, indexed to present dollars (using the index the Town uses to index DC rates); or
- 5.2.5.2. The actual tender cost of the project, plus a provision for soft costs not to exceed 15 per cent of the actual tender cost, subject to the Town's review and approval.
- 5.2.5.3. If a change order is received after the issuance of the tender, the Town will consider the eligibility of the increased cost for DC credits. This consideration is subject to clauses 5.2.5.1 and 5.2.6.

5.2.6. At the Town's discretion, if the actual project cost is greater than the cost stated in the Town's most recent DC Background Study (after consideration for indexing), the Town may include, at its sole option, the higher cost in the next DC Background Study.

5.2.7. DC credits shall not be issued if credit issuance will result in a negative balance in the consolidated DC reserve funds.

5.2.8. Proceeding with the Infrastructure cannot result in a negative impact to the Town's forecasted internal Annual Repayment Limit.

5.3. Approval

5.3.1. The Town Treasurer has the authority to enter into a DC Credit Agreement if the following applies:

- 5.3.1.1. Council already approved the Infrastructure to be undertaken by the developer in the subdivision agreement, budget, or any other council report.

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5.3.1.2. The capital cost does not exceed the amount included in the DC Background Study, subject to regular indexing or as approved in a budget.

5.4. Reimbursement

5.4.1. Where the DC Credit value exceeds the DCs payable by the developer, reimbursement will be paid in accordance with the DC Credit Agreement. A Developer will be reimbursed by one of the following methods which will be prescribed in the DC Credit Agreement:

5.4.1.1. For projects with Town-wide benefits, as determined by the Town, the Developer will be reimbursed at a minimum, once per year, according to the Town-wide Development Charges collected for the applicable service component.

5.4.1.2. For works with benefitting areas, as determined by the Town, the Developer will be reimbursed at a minimum, once per year, according to the Development Charges collected from within a delineated benefitting area for the applicable service component.

5.4.1.3. Reimbursement may be provided from the Town DC reserve, provided sufficient funds are available as determined by the Town Treasurer.

5.4.2. Reimbursement is subject to the availability of funds consolidated in all DC reserve funds. For clarity, the collective sum of all DC Reserve Funds must be in a positive position before any reimbursement is provided.

5.4.3. In order to avoid undue pressure on Town taxpayers and ratepayers, developers will fund 100 per cent of the cost of the capital works. Non-growth capital costs, which are non-DC funded cost components such as the benefit-to-existing and replacement shares of a project, are normally funded through tax and user rates. Under a DC Credit Agreement, non-growth costs will be reimbursed based on the project's timing in the Town's approved Capital Plan. The amount reimbursed shall be the lesser of:

5.4.3.1. The stated non-growth capital cost of the project in the Town's most recent DC Background Study; or

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5.4.3.2. A percentage of the project's actual capital cost, based on the project's non-growth cost share as stated in the DC Background Study.

5.5. Security

5.5.1. The Town may, at its discretion, require the following as security, with respect to design and construction of Infrastructure subject to DC credits:

5.5.1.1. A Pay-On-Demand Surety Bond, subject to the Town's Surety Bond Policy, as amended, revised, re-enacted or consolidated from time to time; or

5.5.1.2. A Letter of Credit, subject to the Town's Letter of Credit Policy, as amended, revised, re-enacted or consolidated from time to time

5.5.2. The requirements and conditions of the security will be prescribed in the DC Credit Agreement prior to the commencement of any work for which a DC credit may be claimed.

5.5.3. The security will be held until the Infrastructure has been completed to the satisfaction of the Town.

5.6. Termination or Amendment

5.6.1. Non-compliance with this Policy will result in the Town not entering into a DC Credit Agreement or not disbursing any DC Credits. The Town Treasurer will have the authority to approve the termination or amendment of a DC Credit Agreement, subject to the terms of the Agreement, where:

5.6.1.1. The Development Charges Bylaw on which the credits are based has been repealed;

5.6.1.2. The developer agrees to forego further credits; and/or

5.6.1.3. The terms on which the credits are to be disbursed has changed.

5.7. Legal and Administrative Fees

5.7.1. All legal fees of the developer and Town including any costs incurred by the Town to prepare any agreements required by the Town's Solicitor, and other associated administration fees as outlined in Bylaw #2021-0019 (BU-1), as amended, will be secured by, and paid by, the Developer.

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6. ROLE AND RESPONSIBILITIES

6.1. Town Treasurer:

6.1.1. Responsibilities as identified under the Terms of this policy

6.1.2. Signing of security agreements

6.2. Office of the Deputy Chief Administrative Officer

6.2.1. Maintain and update this policy

6.2.2. Support administration of this policy

6.3. Town Solicitor

6.3.1. Draft and prepare for execution any credit agreements required

6.3.2. Prepares Development agreements containing provisions related to eligible Development Charge Works and reimbursement or credit provisions.

6.4. Development Services Department

6.4.1. Authorizes reimbursements or credits after the completion of review, verification of inspections and as-built construction costs.

6.4.2. Reviews as-built drawings and prepares reimbursement payment memos.

6.4.3. Enforce the policy

6.4.4. Prepares reimbursement payments as requested

6.4.5. Prepares credit reconciliation statements as requested

6.4.6. Undertake any additional administrative obligations as determined through the agreements

6.4.7. Maintain copies of all executed agreements and other agreements as required

6.5. Delegation of responsibilities

6.5.1. As appropriate, and as permitted, some responsibilities identified in this policy may be delegated to a designate(s)

7. EFFECTIVE DATE

7.1. This policy will take effect on November 19th, 2025, and may be repealed by the Town at any time. This policy will only apply to new development agreements after the effective day of this policy.