

**TOWN OF INGERSOLL
Clerk's Report**

Development Charges Indexing

March 24, 2009

Background

Historically, Development Charges (DC) have been adjusted in accordance with the Construction Price Statistics utilizing the residential index in Ingersoll.

It has been recommended that the non-residential Construction Price Statistics of 9.15% be used effective April 1, 2009. The Canadian residential rate is 3.4% and the City of London is 3.5%. In past, the Town has implemented annually on April 1, 2009 the Canadian residential rate or for 2009 the 3.4%.

The DC By-law provides that the charges may be adjusted as shown in the extrapolated section of the by-law:

BY-LAW INDEXING

15. The development charges set out in Schedule "B" to this by-law may be adjusted annually on April 1 of each year, without amendment to this by-law, in accordance with the most recent twelve month change in the Statistics Canada Quarterly, "Construction Price Statistics".

Current Status

The County has accepted the recommendation to adjust the County Development Charges by 9.15%.

The County and local area municipalities are working on a new DC By-law that is proposed to be effective August 1, 2009 with new rates being proposed.

Since there are several options available, Administration is seeking Council's direction:

1. Adjust the DC rates as historically calculated on the residential index.
2. Adjust the DC rates as recommended by the County and Hemson at 9.15%
3. Maintain the 2008 DC rates pending the adoption of the new DC By-law.