

Purpose of Development Charges

Development charges help finance capital projects required to meet the increased need for services resulting from growth and development. Development Charges are fees and may only be used for the purpose for which they are collected.

Background Study

The Development Charges Act, 1997, and Ontario Regulation 82/98 require that, prior to passing a by-law, a development charges background study be undertaken, that includes:

- A forecast of the amount, type and location of future development;
- The average service levels provided by the Township over the 10-year period immediately preceding the preparation of the background study;
- Capital cost calculations for each eligible development charge service;
- An examination of the long term capital and operating costs for infrastructure required to service the forecasted development;
- An asset management plan to demonstrate that all assets included in the study are financially sustainable over the full life cycle.

Watson & Associates Economists Ltd. prepared the Development Charges Background Study for the Township. The study, dated August 2, 2022, served as the basis for the development charge rates approved by Township Council on October 5, 2022 through By-law 2022-154. This By-law came into effect on October 6, 2022.

Development Charge Rates (indexed)

Type of Development	Development Charges Rate Effective January 1 to December 31, 2026	
	Rural	Urban
Residential (\$/unit)		
Single & Semi Detached Dwelling	\$10,657	\$22,147
Other Multiples	\$ 6,658	\$13,838
Apartments - 2 bedroom+	\$ 6,811	\$14,155
Apartments - Bachelor and 1 bedroom	\$ 4,548	\$ 9,447
Non-Residential (\$/unit)		
ICI (per sq ft of Gross Floor Area)	\$2.5996	\$7.9705
Wind Turbine (per turbine)	\$ 5,671	N/A
Solar Farm (per 500 kw)	\$ 5,671	N/A

A new Background Study and DC Rate By-law is in progress and is anticipated to come into effect some time in 2026.

Bill 185, Cutting Red Tape to Build More Homes Act, 2024

Effective June 6, 2024, the Province removed the requirement to reduce the charges within by-law 2022-154. As such, all charges are now in full effect.

The amount of each development charge per Single & Semi Detached Dwelling unit is allocated by Township service as follows:

Designated Service	% of Charge	
	Rural	Urban
Related to a Highway	38.3%	18.5%
Fire Protection	13.4%	6.4%
Parks and Recreation	34.0%	16.4%
Library	10.6%	5.1%
Waste Diversion	2.2%	1.0%
Growth Studies	1.5%	0.7%
Stormwater Drainage and Control	0%	0.1%
Wastewater	0%	18.3%
Water	0%	33.5%
Total	100.0%	100.0%

Redevelopment

A credit will be provided against development charges owing where buildings or structures have been demolished to permit the redevelopment of the property.

The eligibility for demolition credits is restricted to demolitions that occur within the last five years of the redevelopment of the property.

Term of By-law

By-law 2022-154 will remain in force until October 6, 2027.

Indexing of Development Charges

The development charges will be adjusted annually on January 1st of each year, commencing in 2023, without amendment to the by-law, in accordance with the most recent annual change in the Statistics Canada Quarterly, "Non-Residential Construction Price Statistics."

Services Covered

Development charges have been imposed for the following categories of Township services in order to pay for the increased capital costs required as a result of increased needs for services arising from development:

- Services Related to a Highway
- Fire Protection Services
- Parks and Recreation Services
- Library Services
- Growth Studies
- Waste Diversion
- Stormwater Services
- Wastewater Services
- Water Services

Development Charge Collection

Development charges are collected at the same time the building permit is issued. Effective November 3, 2025, Bill 17 (Protect Ontario by Building Faster and Smarter Act, 2025) has made changes to the timing of the collection of DCs. For homeowners and builders, DCs are required to be paid in full before the occupancy permit can be issued and before the building is first occupied.

Non-rental residential DCs are now payable at occupancy rather than at building permit issuance, unless the builder/homeowner elects to pay them earlier. For all other non-residential development, payment is at time of building permit issuance.

Unpaid Charges added to Tax Roll

Where a development charge or any part of it remains unpaid after it is payable, the amount unpaid will be added to the tax roll and will be collected in the same manner as taxes.

Statement of the Treasurer

The Township's Treasurer is required to produce an annual statement showing the detailed information about each reserve fund established to account for development charge revenues.

The statement will document the continuity of each reserve fund, including the description of each service, opening and closing balances, details of any credit transactions, details of any borrowing from the reserve fund that may have occurred, the amount spent on growth related projects, the portion of each project that is funded from the reserve fund and the portion funded from other sources of financing.

Additional Information

For further information, please contact:
The Township of Southgate
185667 Grey County Road 9
Dundalk, ON N0C 1B0
Telephone: (519) 923-2110
Toll Free: 1-888-560-6607
Facsimile: (519) 923-9262
Email – info@southgate.ca



Township of Southgate

Development Charges Information

**As per By-Law 2022-154
and Bill 23
(Indexed January 1, 2026)**

**This pamphlet summarizes
the Development Charge
By-law for the Township of
Southgate
January 2026**

The information contained herein is intended only as a guide. Interested parties should review the approved by-laws and consult the Building Department at the Township of Southgate to determine the applicable charges that may apply to specific development proposals.