



## **City of Brandon Development Charges FAQs**

Residential, commercial and industrial growth requires municipal infrastructure. Development Charges are one way to pay for this new infrastructure. Development Charges are levied against new development and increased residential units on a property.

### **What are Development Charges?**

Development Charges are fees applied to new development (residential and non-residential) and increased residential units on a property. The purpose of Development Charges are to recover the growth-related costs associated with the capital infrastructure needed to service new development and redevelopment within the City.

### **Why does Brandon need Development Charges?**

The City of Brandon requires new municipal services to grow the population and economy. These services include off-site improvements (external to a development) to the transportation, water, wastewater and storm water facilities and networks. Development Charges provide a consistent, fair and transparent method of funding the construction of these services.

### **Do Development Charges help the City of Brandon's infrastructure deficit?**

Development charges will not help the City's existing infrastructure deficit. Funds collected would only be used to construct new improvements (roads, pipes, etc) to service new growth. The existing infrastructure deficit remains the burden of all property tax payers to maintain and renew existing infrastructure.

### **Will Development Charges impact housing and commercial growth?**

The establishment of a Development Charge policy often requires an acceptable balance between two competing realities:

- The first is that high non-residential Development Charges can, to some degree, represent a barrier to increased economic activity and sustained industrial/commercial growth, particularly for capital-intensive uses. Also, in many cases, residential Development Charges can

ultimately be expected to be recovered via higher housing prices and can impact project feasibility in some cases (i.e. rental apartments).

- On the other hand, growth cannot occur without new infrastructure. The City must find funding sources to build the infrastructure required for new homes and businesses. A Development Charge places the cost on the new houses and new businesses rather than on all existing houses and business. The idea being that existing homes and businesses have already paid the capital costs of the infrastructure they enjoy and now pay property taxes to maintain, renew, and replace it when necessary.

### **Will Development Charges affect first time homebuyers?**

Should a first time homebuyer choose to build a new home, the building permit applicant would be required to pay a Development Charge at the time the building permit is issued. Development Charges would not be applied to existing homes.

### **Which services are supported by Development Charges?**

The City provides a wide range of services to its residents and has the ability to collect for the many services it provides through property taxes. Capital works included in the Development Charge calculation are:

- Transportation Network
- Storm water (drainage) Network
- Water Treatment and Network
- Wastewater Treatment and Network

### **How are Development Charge rates calculated?**

The charge to development is determined by calculating two primary values:

1. the total cost of funding the new services (transportation, storm water, water, and wastewater) required to service designated lands (residential, commercial, institutional, industrial) in the City of Brandon (with reductions for grants and benefits to existing areas), which is then divided by
2. the total number of homes and businesses that will benefit from the new infrastructure. The residential rate is calculated as a charge per dwelling unit and the commercial/industrial rate is calculated as a charge per square footage. The growth plan for the City of Brandon describes the new development that will require services. The City anticipates almost 23,000 new residents and over 10,000 new \ employees over the life of the current plan. This translates into 9,450 new residential \ units and 672 hectares of non-residential development.

### **How are Development Charges adjusted each year?**

The Development Services undertakes a fee review each year and adjusts Development Charges in accordance with the previous year's Consumer Price Index (Manitoba) between September 1<sup>st</sup> of the current year and September 1<sup>st</sup> of the previous year.

### **Who will have to pay Development Charges?**

Those applying for the construction of brand new buildings would pay Development Charges on a per unit basis for residential or square metre basis for non-residential. This would not include replacement buildings with no net increase impact on infrastructure.

### **How will Development Charges be applied?**

The funds collected by the Development Charge will be used to construct growth related transportation, water, wastewater and storm water improvements identified in the 10-year capital budget. The City will time the works to meet the anticipated demands of development identified in adopted City plans, such as the Brandon and Area Development Plan, Brandon Area Road Network Plan and Secondary Plans.

Funds would be collected under the Development Charge Reserve Fund Policy. All money collected into a reserve fund for a specific service must be invested in the particular service for which the money was originally collected.

### **Where are Development Charges applied?**

Development Charges are applied to the Established Growth Area and the Emerging Growth Area.

Development Charges are not applied to public land, school reserves, public and/or private roads, land for municipal services and land not suitable for building sites as per The Planning Act. Development Charges also do not apply to residential accessory buildings.

### **What is the Established Growth Area?**

The Established Growth Area is the area of the City that services are pre-existing. Refer to our Development Charge Map to see the defined area.

### **What is the Emerging Growth Area?**

The Emerging Growth Area is the area of the City that has no existing services. These services include water, wastewater, transportation and storm water. Refer to our Development Charge Map to see the defined area.

### **When are Development Charges paid?**

Development Charges in the Established Growth Area are calculated and paid at the time of a building permit and cover costs associated with water treatment and wastewater treatment.

Development Charges in the Emerging Growth Area are calculated and paid prior to a subdivision or rezoning (Net Developable Area) application and building permit and cover costs associated with the following:

- Water treatment and wastewater treatment
- Transportation, water, wastewater and storm water network

### **What is Net Developable Area?**

Net Developable Area is bare land that is being intensified (non –residential) or densified (residential) because of a rezoning or subdivision application. Net Developable Area is found on the provisional plan of subdivision, site plan, or application form submitted with the land use application.

The Net Developable Area is applied at the time of rezoning or subdivision application and is paid with the Development Agreement.

### **What is a Reduction?**

A Reduction is a decrease in Development Charges on either a previous development agreement or previous use.

### **When is a Reduction based on a previous development agreement applied?**

Reductions based upon a previous development agreement will only apply after **December 31, 2021** where:

- the development agreement is registered on the certificate of title, and

- contribution(s) taken in the development agreement were for development charge infrastructure, and contribution(s) taken in the development agreement exceed the Net Hectare Development Charge as per the Fee Schedule for that applicable year.

### **When is a Reduction based on a previous use applied?**

Reductions may be available at the time of building permit for new development where a building, in whole or in part, was demolished or converted from non-residential to residential or vice versa no more than sixty (60) months (5 years) prior to the date of payment of Development Charges.

For previous residential use, the reduction will be based upon previous units. To determine this a recent tax assessment will be required at the time of submission to determine the reduction.

For previous non-residential use, the reduction will be based upon square footage.

For mixed use, the reduction will be based upon the sum of the two.

### **Can I appeal my Development Charges?**

Yes, Development Charges can be appealed.

**For Development Agreements:** Appeals for Development Charges on a development agreement at subdivision and/or rezoning may be appealed to City Council prior to the subdivision being approved.

**Building Permits:** Appeals for a Development Charge imposed on a building permit must be made in writing to the Land Development Administrator with the following information:

- The building permit number,
- address of property
- property owner information
- Reason for the appeal.

The Land Development Administrator will schedule the appeal to be heard by the Planning Commission. At least 14 days prior to the hearing, a notice of the hearing will be sent.

Upon the decision, Legislative Services will prepare a notice of decision by The Planning Commission. The notice will be issued prior to the issuance of a building permit.

For further questions, please contact the Land Development Administrator at (204) 729-2218.