



Attachment 1: General Terms and Conditions of the Development Charges Instalment Payments with Financial Security

1. General Terms and Conditions

Application and Agreement

- a. The owner must provide financial security and must enter into an agreement with the City under Section 27 of the *Development Charges Act, 1997*.

Development Charges

- b. The amount of the development charges will be determined on the basis of the prevailing rules in accordance with Sections 26, 26.1, and 26.2 of the Development Charges Act, 1997, as amended.

Instalment Payments

- c. Development charges instalment payments will be determined on the basis of the prevailing rules in accordance with Section 26.1 of the Development Charges Act, 1997, as amended.

Financial Security

- d. Financial security must be provided to the City before occupancy, in a form satisfactory to the Chief Financial Officer and Treasurer, such as a letter of credit, and with a value equal to the amount of the development charges instalment payments outstanding, less the value of the first instalment payment. The financial security shall be reduced as instalment payments are made.

Interest

- e. Where financial security is provided, interest charges shall be applicable on the instalments based on the City's cost of capital plus 0.5 percent, with rates updated on the first day of every quarter, and calculated from the date of building permit issuance under Section 26 of the Development Charges Act, 1997 to the date of payment.
- f. Should Section 26.2 of the Development Charges Act, 1997 pertaining to the freeze in the rates at planning application have applied to the development absent an agreement, the owner agrees to pay applicable interest on the development charges, in accordance with Council policy, as may be amended from time to time.

Administrative Amendments

- g. The Chief Building Official in consultation with the Chief Financial Officer and Treasurer and City Solicitor, shall be authorized to make administrative amendments to this program and include any additional terms and conditions as may be deemed necessary to protect the City's financial interests and administer the program.