

# Who Pays For Growth?

With changes to development charges, YOU could be paying more



Development charges are fees collected on new development and are currently the primary funding source for infrastructure needed to service growth.



If you're a growing municipality, chances are your community needs new infrastructure to accommodate new residents and businesses.

That's because when most infrastructure was originally built, no one could predict the way communities would grow.

For example, a pipeline meant for a population of 10,000 can't handle more people without upgrading or building new infrastructure.

**These changes cost money.**

## How is growth-related infrastructure paid for?

### PRE-1980s

### PRESENT

### POSSIBLE FUTURE



Primarily funded by federal and provincial governments

Primarily funded from growth

**With low development charges:**  
Primarily funded from existing taxpayers and business owners

In the past, the provincial and federal governments paid for infrastructure upgrades.

However, in the late 1990s, the province changed legislation which transferred **20%** of the cost of growth-related infrastructure to existing residents with **80%** coming from developers.\*

Now the province is exploring changes to legislation. If these changes lead to lower development charges, then existing residents and businesses will pay for growth through **higher** property taxes and utility rates.

\*Watson & Associates' 2010 study, "Long-term Fiscal Impact Assessment of Growth: 2011-2021," for the Town of Milton.

# Reducing development charges does not make housing more affordable.

Instead, it would be:



Someone has to pay for infrastructure if growth is going to occur.

# The question is who?