

THE CORPORATION OF THE
CITY OF WHITE ROCK
CORPORATE REPORT



DATE: November 27, 2023

TO: Mayor and Council

FROM: Candice Gartry, Director, Financial Services

SUBJECT: Latecomer Interest Rate Bylaw, 2015, No 2088, Amendment No. 5, 2023, No. 2483

RECOMMENDATIONS

THAT Council:

1. Receive the November 27, 2023, corporate report from the Director of Financial Services, titled "Latecomer Interest Rate Bylaw, 2015, No. 2088, Amendment No. 5, 2023, No. 2483;" and
 2. Give first, second and third reading to "Latecomer Interest Rate Bylaw, 2015, No. 2088, Amendment No. 5, 2023, No. 2483."
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EXECUTIVE SUMMARY

This corporate report introduces the Latecomer Interest Rate Bylaw, 2015, No 2088, Amendment No 5, 2023 No. 2483 (Appendix B).

INTRODUCTION/BACKGROUND

Latecomer agreements are development finance agreements between municipalities and property developers. These agreements specify off-site capital works infrastructure necessary for development to proceed.

Latecomer agreements also set the terms by which developers can recover costs for excess infrastructure capacity beyond what is required for the initial development.

As part of the latecomer agreement, the municipality and property developer must determine what portion of the excess infrastructure capacity will benefit the future development that will subsequently be serviced by the initial capital works. In order to connect to these capital works, a future developer of the parcels must pay a latecomer charge to the municipality based on the terms of the latecomer agreement. One of the terms of the latecomer agreement is the interest that will be applied to the latecomer charge. This interest rate must be set by bylaw.

This bylaw amendment is a housekeeping item to alter the bylaw to ensure the interest rate is in line with current market conditions. Staff have used the Municipal Finance Authority (MFA) indicative market long-term lending rate of 4.99% (Appendix A) to determine the interest rate for this bylaw update. The fifteen (15) year rate ties to the maximum term of the latecomer agreements.

OPTIONS / RISKS / ALTERNATIVES

Should Council decide not to adopt the Bylaw amendment, the interest rate for latecomer charges will remain at 4.58%.

CONCLUSION

This proposed bylaw amendment is a housekeeping item to amend the bylaw to ensure the interest rate is in line with current market conditions. Following review, staff recommend that Council give first, second and third reading to "Latecomer Interest Rate Bylaw, 2015, No. 2088, Amendment No. 5, 2023, No. 2483."

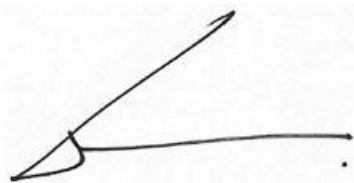
Respectfully submitted,



Candice Gartry
Director, Financial Services

Comments from the Chief Administrative Officer

I concur with the recommendations of this corporate report.



Guillermo Ferrero
Chief Administrative Officer

Appendix A: 2023 MFA Long Term Lending Rates

Appendix B: Latecomer Interest Rate Bylaw, 2015, No 2088, Amendment No. 5, 2023
No. 2483