



City of Hamilton 2024 Development Charges Background Study & By-laws

Public Meeting
February 22, 2024



Format for Public Meeting

- Opening Remarks
- Public Meeting Purpose
- Study Process and Timelines
- Development Charges Overview
- Presentation of the Proposed Charges and Policies
- Presentations by the Public
- Questions from Council
- Conclude Public Meeting

Public Meeting Purpose

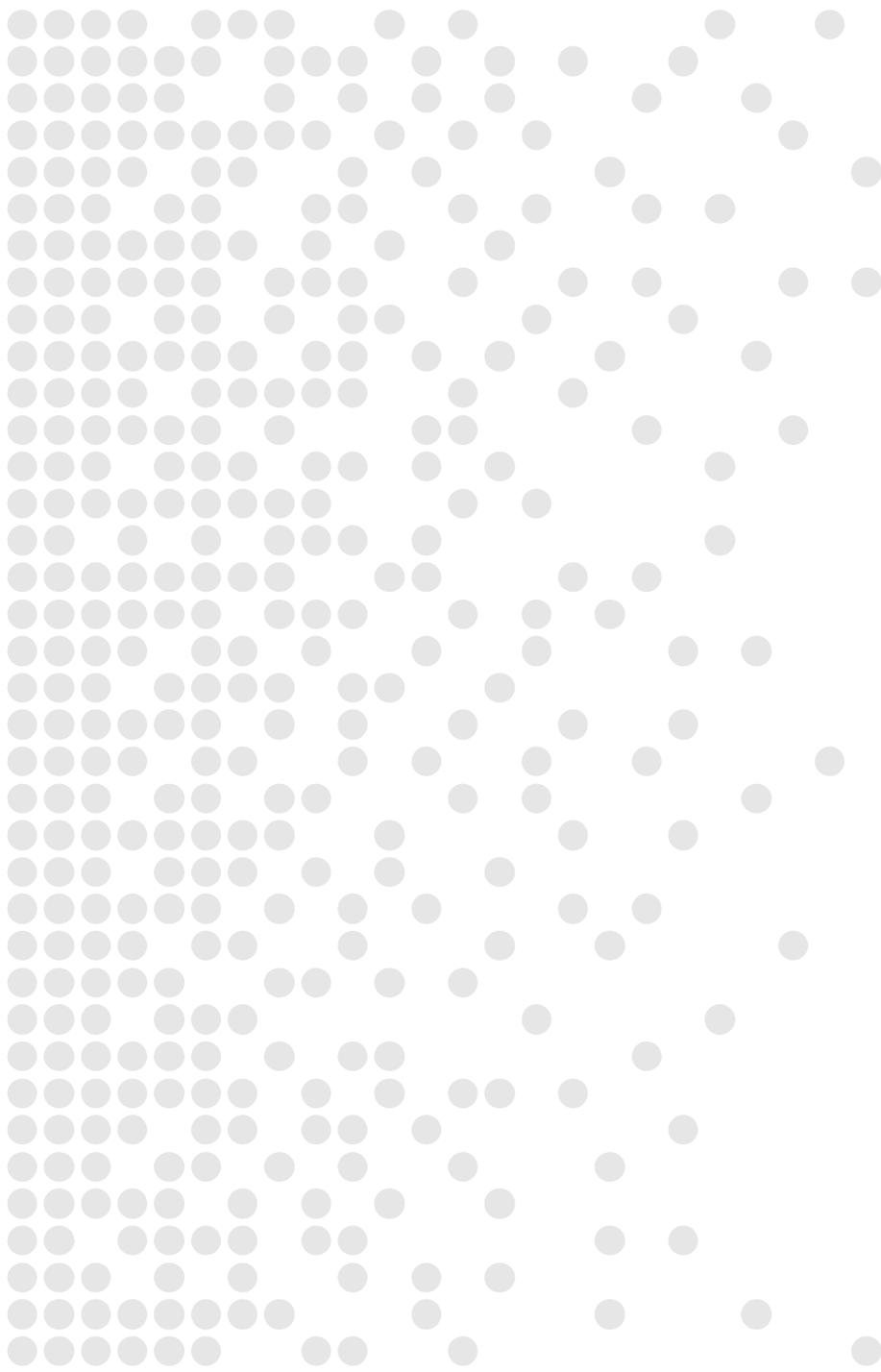


- The public meeting is to provide for a review of the D.C. background study and to receive public input on the proposed policies and charges
- The meeting is a mandatory requirement under the Development Charges Act (D.C.A.)
- Prior to Council's consideration of a by-law, a background study must be prepared and available to the public a minimum 60 days prior to the D.C. by-law passage

Study Process and Timelines



- 1** **September 2022 to November 2023**
Data collection, staff review, D.C. calculations and policy work
- 2** **April 13, September 18, and November 9, 2023**
Development Charges Stakeholders Sub-Committee Meeting
- 3** **December 21, 2023**
Release of Background Study and draft by-laws
- 4** **January 23/24, 2024**
Public open house sessions
- 5** **February 22, 2024**
Public Meeting at Audit, Finance & Administration Committee
- 6** **April/May 2024**
Audit, Finance & Administration Committee considers passage of by-laws
- 7** **June 1, 2024**
New D.C. By-laws in Effect
- 8** **June 12, 2024**
Expiry of Existing D.C. By-law (note: existing by-law will be repealed at the time the new by-laws come into effect)



Development Charges Overview

City of Hamilton 2024 Development Charges
Background Study & By-laws

Development Charges (D.C.s)



Purpose:

- To recover the capital costs associated with residential and non-residential growth within a municipality
- The capital costs are in addition to what costs would normally be constructed as part of a subdivision (i.e., internal roads, sewers, watermains, sidewalks, streetlights, etc.)
- Municipalities are empowered to impose these charges via the Development Charges Act (D.C.A.)

D.C. Eligible Services



1. **Water**
2. **Wastewater**
3. **Storm water drainage**
4. **Services related to a highway**
5. Electrical power services.
6. Toronto-York subway extension.
7. **Transit**
8. **Waste diversion**
9. **Policing Services**
10. **Fire protection**
11. **Ambulance**
12. **Library**
13. **Long-term Care**
14. **Parks and Recreation**
15. **Public Health services**
16. **Childcare and early years services**
17. **Provincial Offences Act**
18. Emergency Preparedness
19. Airports (Waterloo Region only)

Blue highlight denotes services included in 2024 D.C.

Note: Public works is included in the D.C. calculation as a class of service

Changes to D.C. Legislation – Overview



- There were a number of changes to the D.C.A. since the passage of the City’s 2019 D.C. By-law which were detailed in the City’s 2021 D.C. Update Study. These changes were provided through:
 - Bill 108: *More Homes, More Choice Act, 2019*
 - Bill 138: *Plan to Build Ontario Together Act, 2019*
 - Bill 197: *COVID-19 Economic Recovery Act, 2020*
 - Bill 213: *Better for People, Smarter for Business Act, 2020*
- Since the completion of the D.C. Update Study in 2021, further legislative changes have been made to the D.C.A. through:
 - Bill 109: *More Homes for Everyone Act, 2022* – provides additional reporting requirements as part of Treasurer’s Statement
 - Bill 23: *More Homes Built Faster Act, 2022* – discussed in further detail in subsequent slides
 - Bill 134: *Affordable Homes and Good Jobs Act, 2023* – provides for changes to the definition for affordable residential units (discussed in subsequent slides)

Bill 23 Overview



- The Province passed Bill 23: *More Homes Built Faster Act, 2022* on November 28, 2022
- This Bill amends a number of pieces of legislation, including the *Development Charges Act (D.C.A.)*, and the *Planning Act*
 - These changes impact development charges (D.C.s), community benefits charges (C.B.C.s), and parkland dedication
- The changes provided through Bill 23 negatively impact the City's ability to collect revenues to fund growth-related capital expenditures

Changes to the D.C.A.

Bill 23



Additional D.C. Exemptions:

Currently in Force:

- **Inclusionary Zoning Units:** Affordable housing units required under inclusionary zoning by-laws
- **Non-Profit Housing:** Non-profit housing units are exempt from D.C. installment. Outstanding installment payments due after this section comes into force will also be exempt from payment of D.C.s.
- **Additional Residential Unit Exemptions:** units in existing rental buildings, 2nd and 3rd units in existing and new singles, semis, and rowhouses

Currently Not in Force (additional details provided on next slide):

- **Affordable Rental Unit**
- **Affordable Owned Unit**
- **Attainable Unit**

Changes to the D.C.A. – Affordable/Attainable Definitions

Bill 23/Bill 134



Definitions for “affordable” under the D.C.A. were updated by Bill 134, which received Royal Assent on December 4, 2023:

Bill 23 Definitions

Affordable Rental Unit: where rent is no more than 80% of the average market rent, as defined by a new Bulletin*

Affordable Owned Unit: where the price of the unit is no more than 80% of the average purchase price, as defined by a new Bulletin*

Bill 134 Definitions

Affordable Rental Unit: rent is less than 30% of the 60th percentile of income for rental households or average market rent set out in a new Bulletin*

Affordable Owned Unit: cost is less than 30% of the 60th percentile of income for households in the municipality or 90% of the average purchase price as defined in a new Bulletin*

Attainable Unit: yet to be defined by legislation

*Bulletin to be published by the Ministry of Municipal Affairs and Housing

Changes to the D.C.A.

Bill 23



D.C. Discounts:

- Rental Housing Discount (based on number of bedrooms – 15%-25%)

D.C. Revenue Reduction:

- Removal of Housing as an Eligible D.C. Service
- Capital Cost Amendments (restrictions to remove studies and possible future removal of land)
- Historical Levels of Service from 10 years to 15 years
- Mandatory Phase-In of D.C. (Maximum charge of 80%, 85%, 90%, 95%, 100% for first 5 Years of the by-law) - These rules apply to a D.C. by-law passed on or after January 1, 2022

D.C. Administration:

- Maximum Interest Rate for Installments and D.C. Freeze (maximum interest rate would be set at the average prime rate plus 1%)
- Requirement to Allocate 60% of the monies in the reserve funds for Water, Wastewater, and Services Related to a Highway
- D.C. by-law expiry extended to 10 years

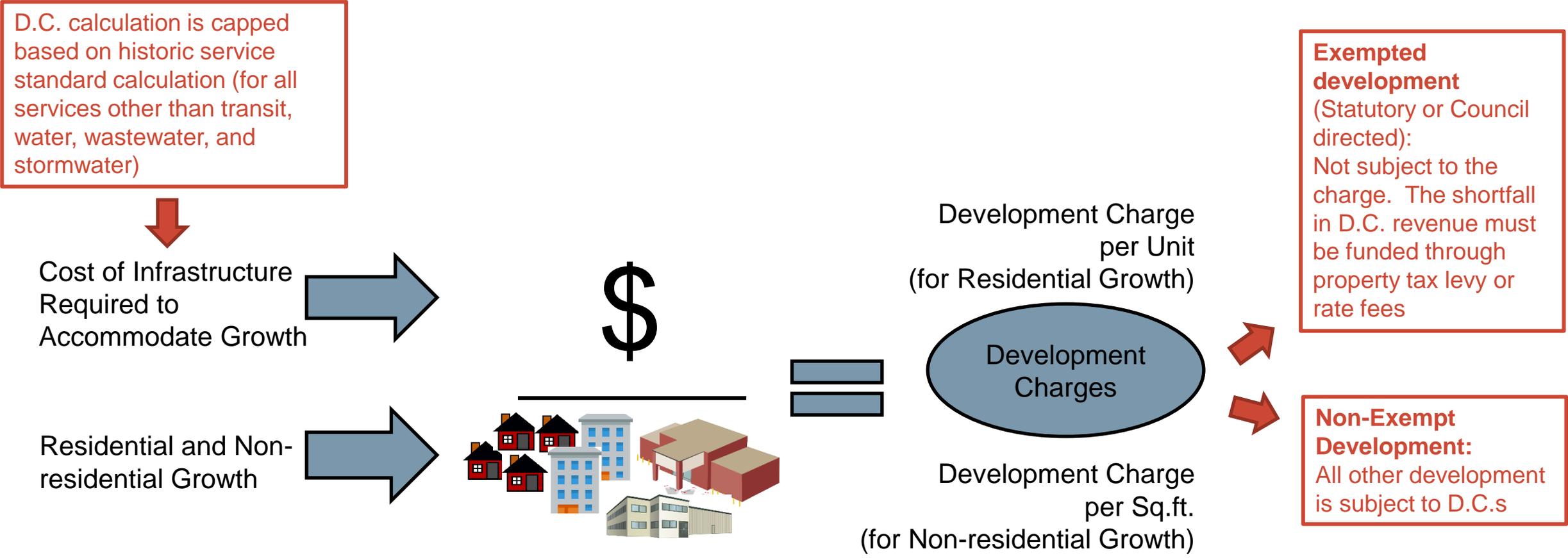
D.C. Methodology



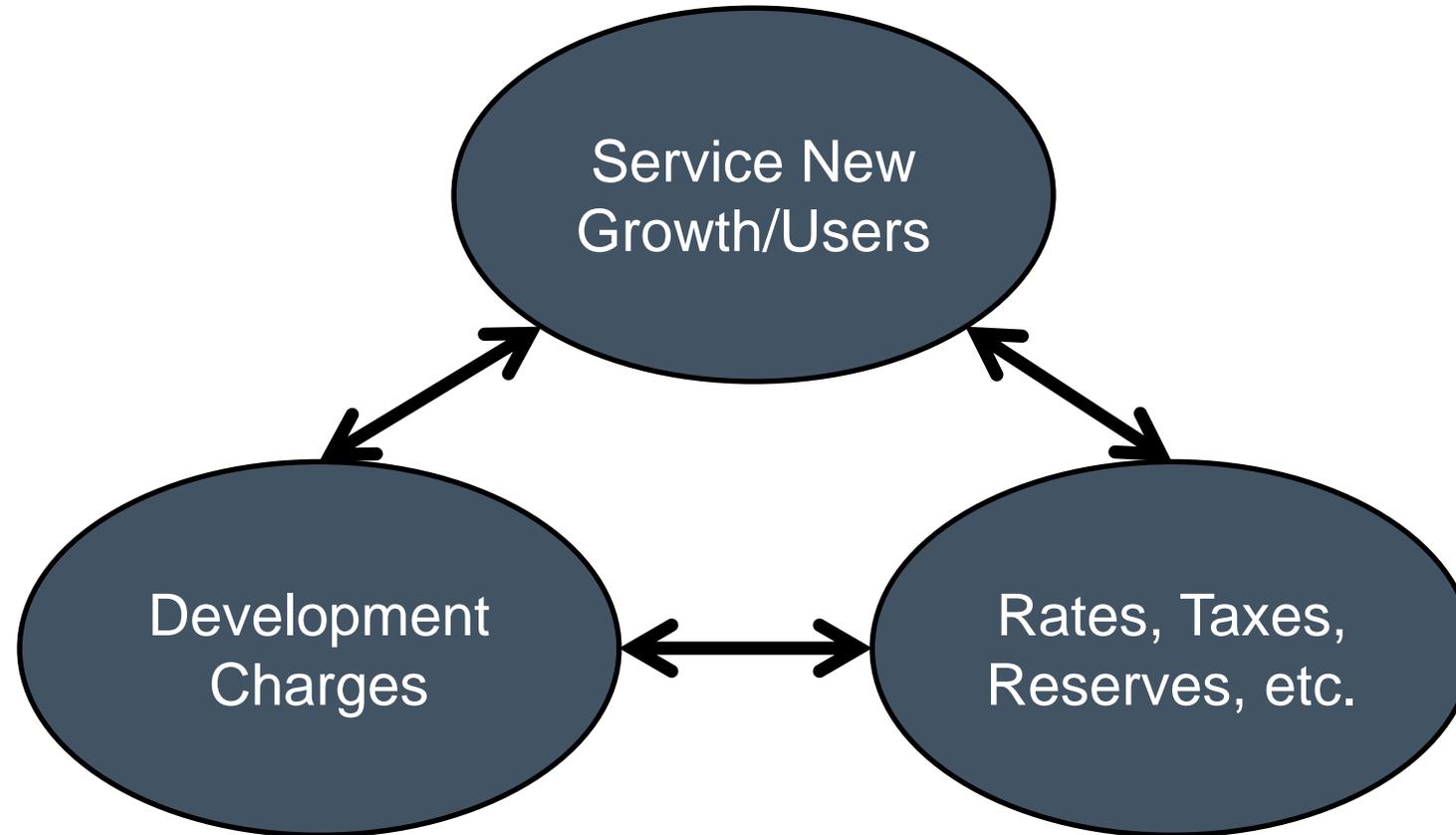
The following provides the overall methodology to calculating the charge:

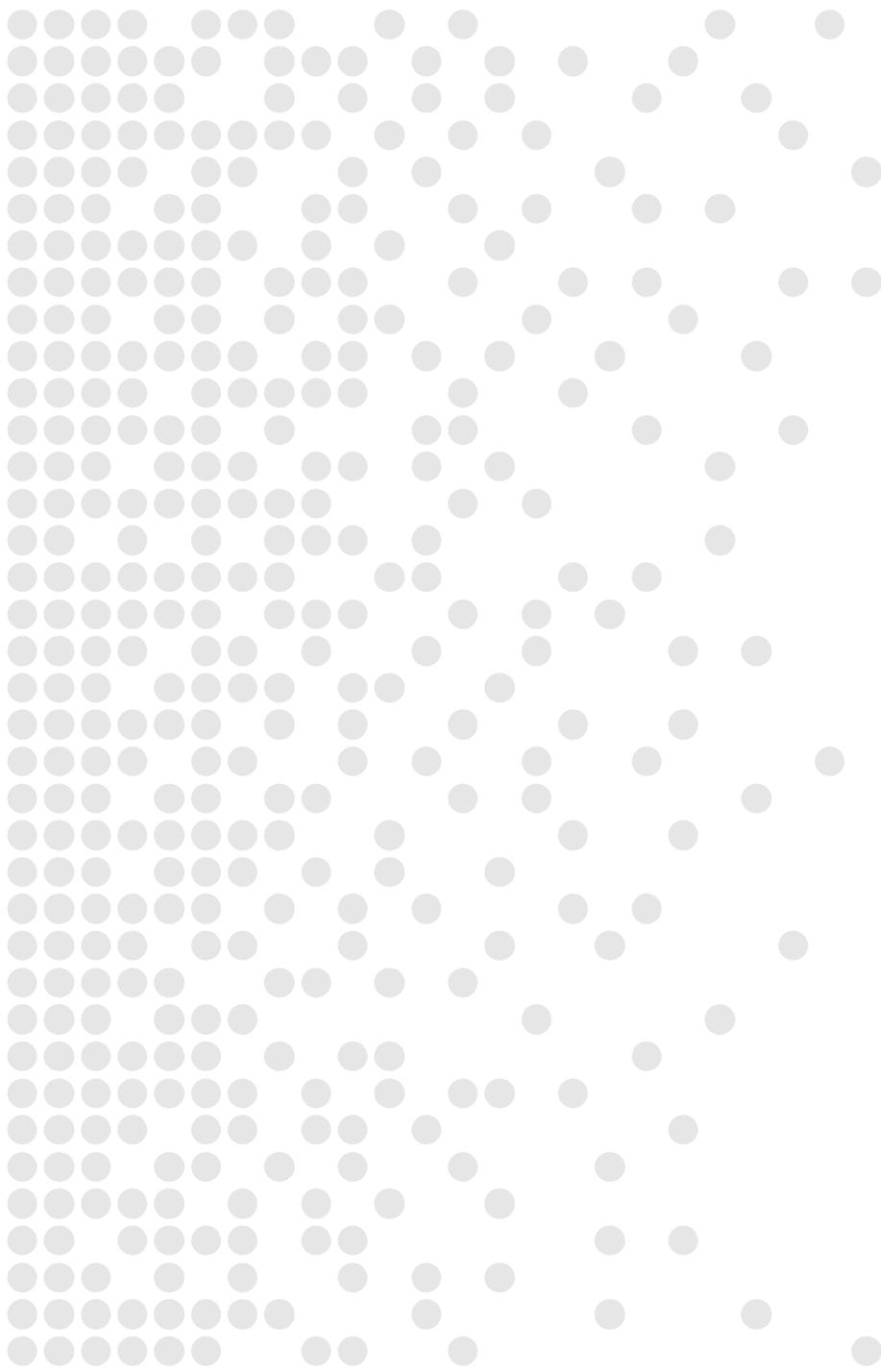
1. Identify amount, type and location of growth
2. Identify servicing needs to accommodate growth
3. Identify capital costs to provide services to meet the needs
4. Deduct:
 - i. Grants, subsidies and other contributions
 - ii. Benefit to existing development
 - iii. Amounts in excess of 15-year historical service calculation
 - iv. D.C. Reserve funds (where applicable)
5. Net costs then allocated between residential and non-residential benefit
6. Net costs divided by growth to calculate the D.C.

Overview of the D.C. Calculation



Relationship Between Needs to Service Growth vs. Funding





Calculated D.C. Rates

City of Hamilton 2024 Development Charges
Background Study & By-laws

Rate Comparison – Residential (per Single Detached Unit)



Service/Class of Service	Current	Calculated (2023\$)	80% Phase-in (Year 1)	85% Phase-in (Year 2)	90% Phase-in (Year 3)	95% Phase-in (Year 4)	100% Phase-in (Years 5-10)
Municipal Wide Services/Classes:							
Services Related to a Highway	14,608	22,539	18,031	19,158	20,285	21,412	22,539
Public Works	1,092	1,335	1,068	1,135	1,202	1,268	1,335
Transit Services	2,600	1,601	1,281	1,361	1,441	1,521	1,601
Fire Protection Services	626	1,151	921	978	1,036	1,093	1,151
Policing Services	711	1,018	814	865	916	967	1,018
Parks and Recreation*	3,518	11,065	8,852	9,405	9,959	10,512	11,065
Library Services	1,554	2,061	1,649	1,752	1,855	1,958	2,061
Growth Studies**	549	-	-	-	-	-	-
Long-term Care Services	246	231	185	196	208	219	231
Child Care and Early Years Programs	21	-	-	-	-	-	-
Provincial Offences Act Services including By-Law Enforcement	55	52	42	44	47	49	52
Public Health Services	3	42	34	36	38	40	42
Ambulance	201	325	260	276	293	309	325
Waste Diversion	990	346	277	294	311	329	346
Total Municipal Wide Services/Classes	33,469	41,766	33,413	35,501	37,589	39,678	41,766
Water and Wastewater Urban Area Charges							
Wastewater Facilities	5,491	7,125	5,700	6,056	6,413	6,769	7,125
Wastewater Linear Services	7,346	10,878	8,702	9,246	9,790	10,334	10,878
Water Services	6,466	7,323	5,858	6,225	6,591	6,957	7,323
Total Water and Wastewater Urban Area Services	19,303	25,326	20,261	21,527	22,793	24,060	25,326
Stormwater Services - Combined Sewer System							
Stormwater Drainage and Control Services	5,355	9,553	7,642	8,120	8,598	9,075	9,553
Stormwater Services - Separate Sewer System							
Stormwater Drainage and Control Services	14,192	23,541	18,833	20,010	21,187	22,364	23,541
Grand Total - City Wide	33,469	41,766	33,413	35,501	37,589	39,678	41,766
Grand Total - Urban Area - Combined Sewer Sytem	58,127	76,645	61,316	65,148	68,981	72,813	76,645
Grand Total - Urban Area - Separate Sewer Sytem	66,964	90,633	72,506	77,038	81,570	86,101	90,633

*Parks & Recreation now combined as one D.C. eligible service

**Growth studies are no longer eligible when a new by-law is passed under Bill 23

Note: Rates will be indexed at by-law implementation to 2024\$

Rate Comparison – Apartments 2-Bedrooms+ (per Unit)



Service/Class of Service	Current	Calculated (2023\$)	80% Phase-in (Year 1)	85% Phase-in (Year 2)	90% Phase-in (Year 3)	95% Phase-in (Year 4)	100% Phase-in (Years 5-10)
Municipal Wide Services/Classes:							
Services Related to a Highway	8,555	13,818	11,054	11,745	12,436	13,127	13,818
Public Works	639	818	654	695	736	777	818
Transit Services	1,524	982	786	835	884	933	982
Fire Protection Services	367	706	565	600	635	671	706
Policing Services	416	624	499	530	562	593	624
Parks and Recreation*	2,059	6,784	5,427	5,766	6,106	6,445	6,784
	3,920						
Library Services	910	1,264	1,011	1,074	1,138	1,201	1,264
Growth Studies**	322	-	-	-	-	-	-
Long-term Care Services	145	142	114	121	128	135	142
Child Care and Early Years Programs	13	-	-	-	-	-	-
Provincial Offences Act Services including By-Law Enforcement	31	32	26	27	29	30	32
Public Health Services	2	26	21	22	23	25	26
Ambulance	119	199	159	169	179	189	199
Waste Diversion	579	212	170	180	191	201	212
Total Municipal Wide Services/Classes	19,601	25,607	20,486	21,766	23,046	24,327	25,607
Water and Wastewater Urban Area Charges							
Wastewater Facilities	3,216	4,368	3,494	3,713	3,931	4,150	4,368
Wastewater Linear Services	4,301	6,669	5,335	5,669	6,002	6,336	6,669
Water Services	3,787	4,490	3,592	3,817	4,041	4,266	4,490
Total Water and Wastewater Urban Area Services	11,304	15,527	12,422	13,198	13,974	14,751	15,527
Stormwater Services - Combined Sewer System							
Stormwater Drainage and Control Services	3,137	5,857	4,686	4,978	5,271	5,564	5,857
Stormwater Services - Separate Sewer System							
Stormwater Drainage and Control Services	8,312	14,432	11,546	12,267	12,989	13,710	14,432
Grand Total - City Wide	19,601	25,607	20,486	21,766	23,046	24,327	25,607
Grand Total - Urban Area - Combined Sewer Sytem	34,042	46,991	37,593	39,942	42,292	44,641	46,991
Grand Total - Urban Area - Separate Sewer Sytem	39,217	55,566	44,453	47,231	50,009	52,788	55,566

*Parks & Recreation now combined as one D.C. eligible service

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Note: Rates will be indexed at by-law implementation to 2024\$

Rate Comparison – Apartments Bachelor & 1-Bedroom (per Unit)



Service/Class of Service	Current	Calculated (2023\$)	80% Phase-in (Year 1)	85% Phase-in (Year 2)	90% Phase-in (Year 3)	95% Phase-in (Year 4)	100% Phase-in (Years 5-10)
Municipal Wide Services/Classes:							
Services Related to a Highway	5,853	8,561	6,849	7,277	7,705	8,133	8,561
Public Works	437	507	406	431	456	482	507
Transit Services	1,042	608	486	517	547	578	608
Fire Protection Services	251	437	350	371	393	415	437
Policing Services	285	387	310	329	348	368	387
Parks and Recreation*	1,409	4,203	3,362	3,573	3,783	3,993	4,203
Library Services	622	783	626	666	705	744	783
Growth Studies**	220	-	-	-	-	-	-
Long-term Care Services	99	88	70	75	79	84	88
Child Care and Early Years Programs	8	-	-	-	-	-	-
Provincial Offences Act Services including By-Law Enforcement	22	20	16	17	18	19	20
Public Health Services	1	16	13	14	14	15	16
Ambulance	80	123	98	105	111	117	123
Waste Diversion	396	131	105	111	118	124	131
Total Municipal Wide Services/Classes	13,407	15,864	12,691	13,484	14,278	15,071	15,864
Water and Wastewater Urban Area Charges							
Wastewater Facilities	2,200	2,706	2,165	2,300	2,435	2,571	2,706
Wastewater Linear Services	2,943	4,132	3,306	3,512	3,719	3,925	4,132
Water Services	2,592	2,782	2,226	2,365	2,504	2,643	2,782
Total Water and Wastewater Urban Area Services	7,735	9,620	7,696	8,177	8,658	9,139	9,620
Stormwater Services - Combined Sewer System							
Stormwater Drainage and Control Services	2,145	3,629	2,903	3,085	3,266	3,448	3,629
Stormwater Services - Separate Sewer System							
Stormwater Drainage and Control Services	5,685	8,942	7,154	7,601	8,048	8,495	8,942
Grand Total - City Wide	13,407	15,864	12,691	13,484	14,278	15,071	15,864
Grand Total - Urban Area - Combined Sewer Sytem	23,287	29,113	23,290	24,746	26,202	27,657	29,113
Grand Total - Urban Area - Separate Sewer Sytem	26,827	34,426	27,541	29,262	30,983	32,705	34,426

*Parks & Recreation now combined as one D.C. eligible service

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Note: Rates will be indexed at by-law implementation to 2024\$

Rate Comparison – Non-Residential (per sq.ft)



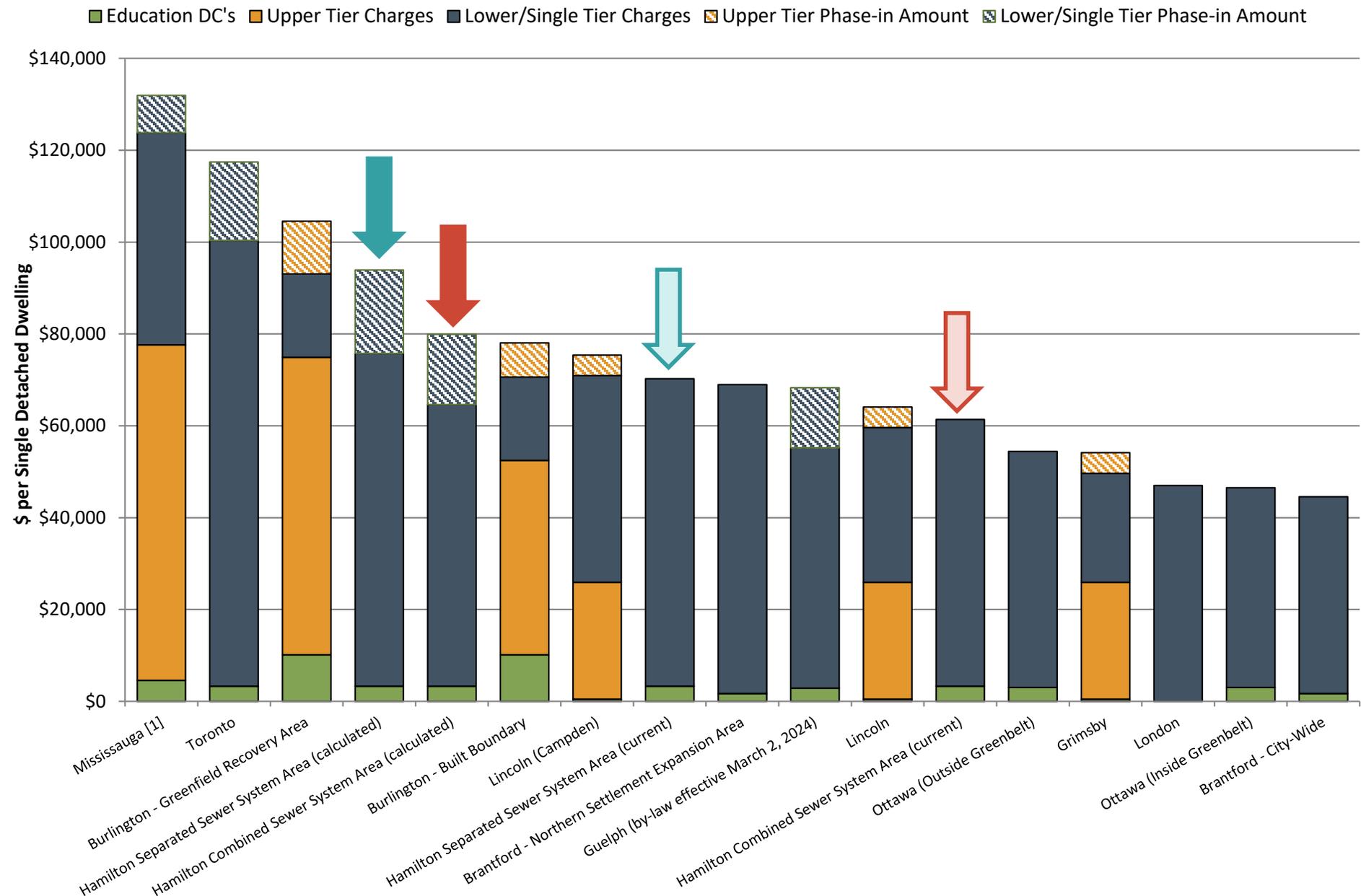
Service/Class of Service	Current	Calculated (2023\$)	80% Phase-in (Year 1)	85% Phase-in (Year 2)	90% Phase-in (Year 3)	95% Phase-in (Year 4)	100% Phase-in (Years 5-10)
Municipal Wide Services/Classes:							
Services Related to a Highway	10.92	16.28	13.02	13.84	14.65	15.47	16.28
Public Works	0.56	0.80	0.64	0.68	0.72	0.76	0.80
Transit Services	1.32	0.96	0.77	0.82	0.86	0.91	0.96
Fire Protection Services	0.31	0.69	0.55	0.59	0.62	0.66	0.69
Policing Services	0.36	0.61	0.49	0.52	0.55	0.58	0.61
Parks and Recreation*	0.16	0.95	0.76	0.81	0.86	0.90	0.95
Library Services	1.36	0.18	0.14	0.15	0.16	0.17	0.18
Growth Studies**	0.28	-	-	-	-	-	-
Long-term Care Services	0.02	0.04	0.03	0.03	0.04	0.04	0.04
Child Care and Early Years Programs	-	-	-	-	-	-	-
Provincial Offences Act Services including By-Law Enforcement	0.02	0.03	0.02	0.03	0.03	0.03	0.03
Public Health Services	-	0.01	0.01	0.01	0.01	0.01	0.01
Ambulance	0.02	0.06	0.05	0.05	0.05	0.06	0.06
Waste Diversion	0.17	0.03	0.02	0.03	0.03	0.03	0.03
Total Municipal Wide Services/Classes	15.80	20.64	16.51	17.54	18.58	19.61	20.64
Water and Wastewater Urban Area Charges							
Wastewater Facilities	2.65	4.53	3.62	3.85	4.08	4.30	4.53
Wastewater Linear Services	3.53	6.91	5.53	5.87	6.22	6.56	6.91
Water Services	3.10	4.65	3.72	3.95	4.19	4.42	4.65
Total Water and Wastewater Urban Area Services	9.28	16.09	12.87	13.68	14.48	15.29	16.09
Stormwater Services - Combined Sewer System							
Stormwater Drainage and Control Services	-	-	-	-	-	-	-
Stormwater Services - Separate Sewer System							
Stormwater Drainage and Control Services	2.93	4.75	3.80	4.04	4.28	4.51	4.75
Grand Total - City Wide	15.80	20.64	16.51	17.54	18.58	19.61	20.64
Grand Total - Urban Area - Combined Sewer Sytem	25.08	36.73	29.38	31.22	33.06	34.89	36.73
Grand Total - Urban Area - Separate Sewer Sytem	28.01	41.48	33.18	35.26	37.33	39.41	41.48

*Parks & Recreation now combined as one D.C. eligible service

**Growth studies are no longer eligible when a new by-law is passed under Bill 23

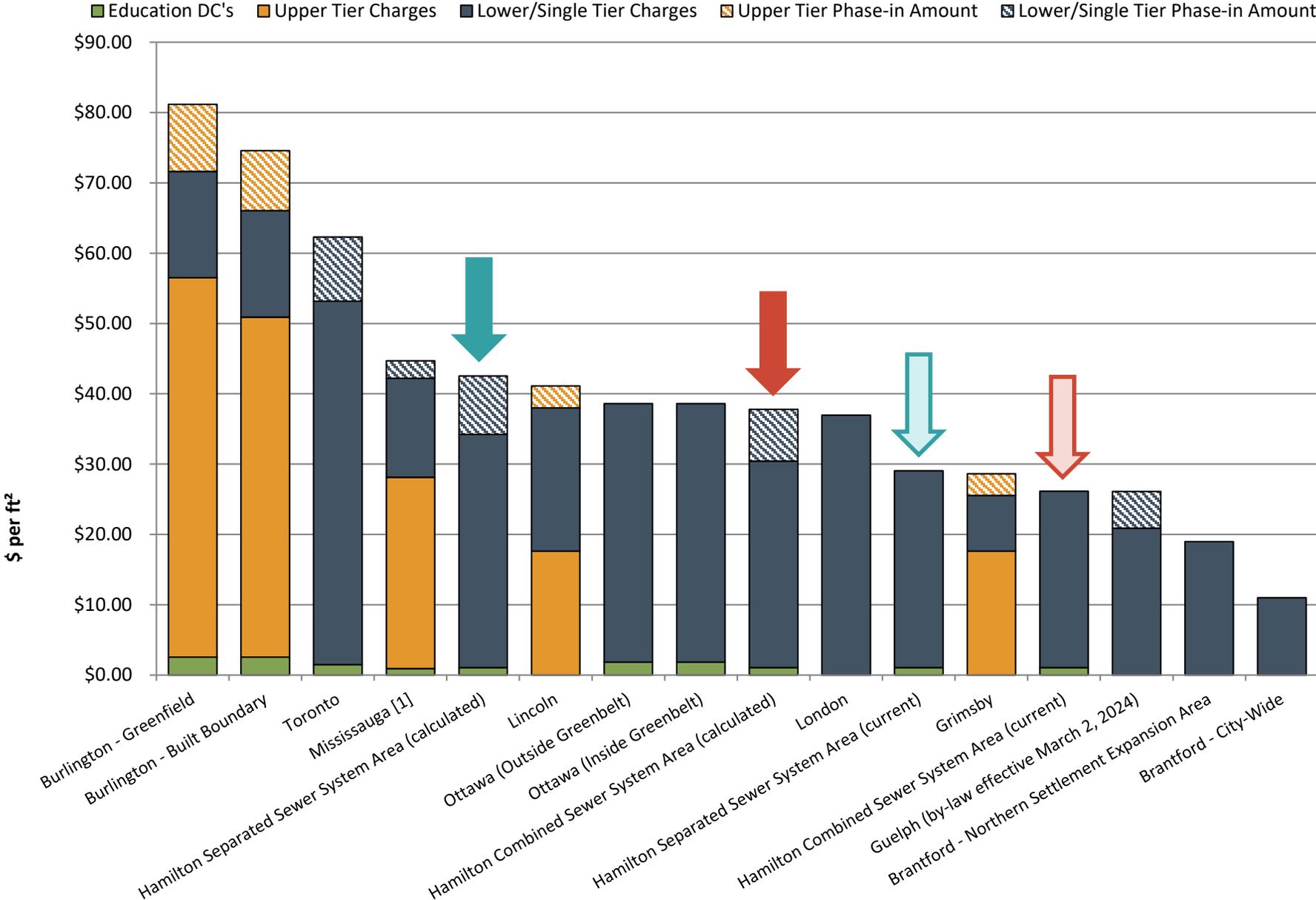
Note: Rates will be indexed at by-law implementation to 2024\$

Survey of Comparator Municipalities – Single/Semi Detached



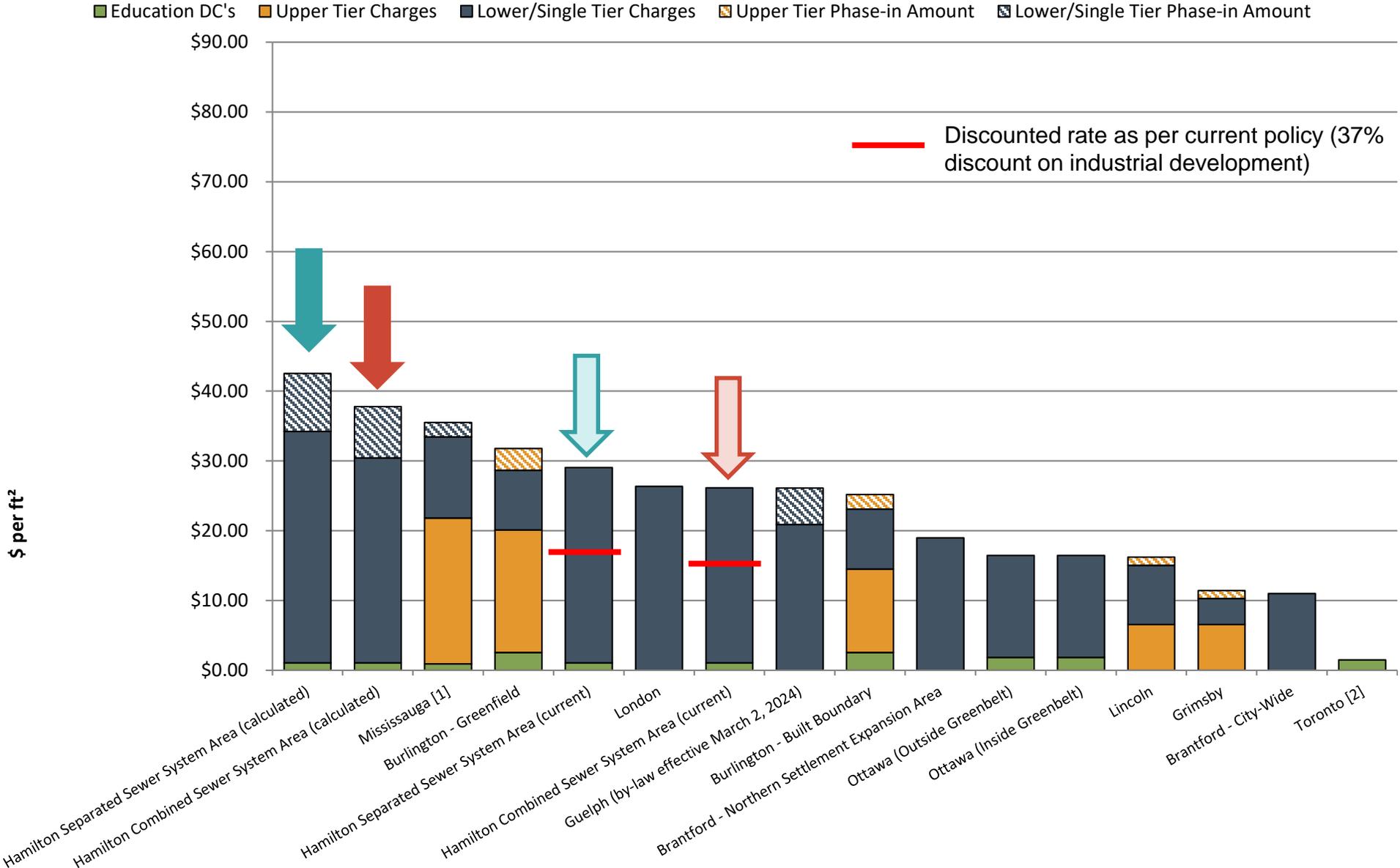
[1] Includes stormwater charge based on area – assuming 12 homes per acre

Survey of Comparator Municipalities – Non-Industrial (per sq.ft.)

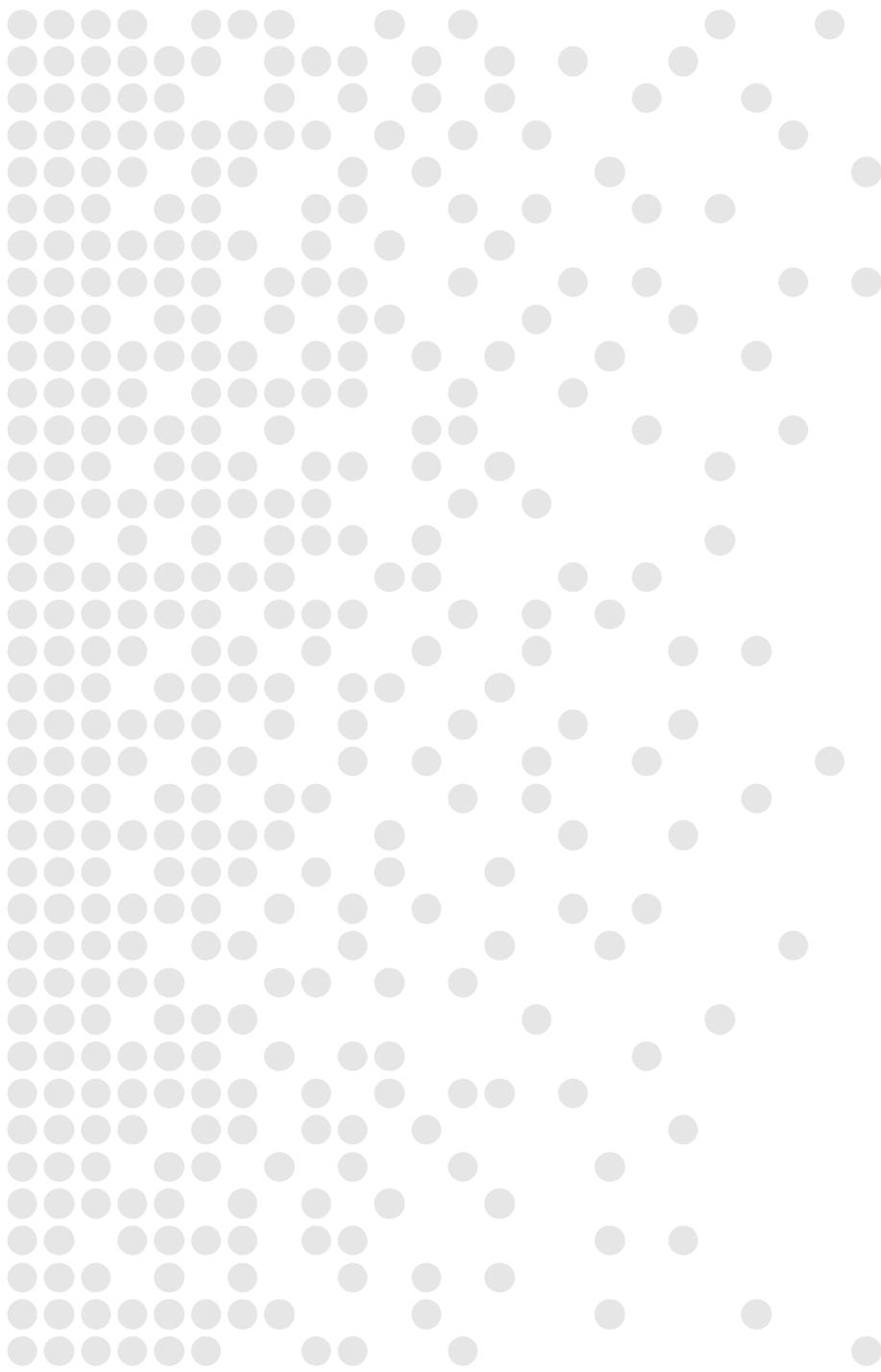


[1] Includes stormwater charge based on area – assuming 1/3 lot coverage

Survey of Comparator Municipalities – Industrial (per sq.ft.)



[1] Includes stormwater charge based on area – assuming 1/3 lot coverage
 [2] Industrial development is exempt in Toronto



D.C. Policies

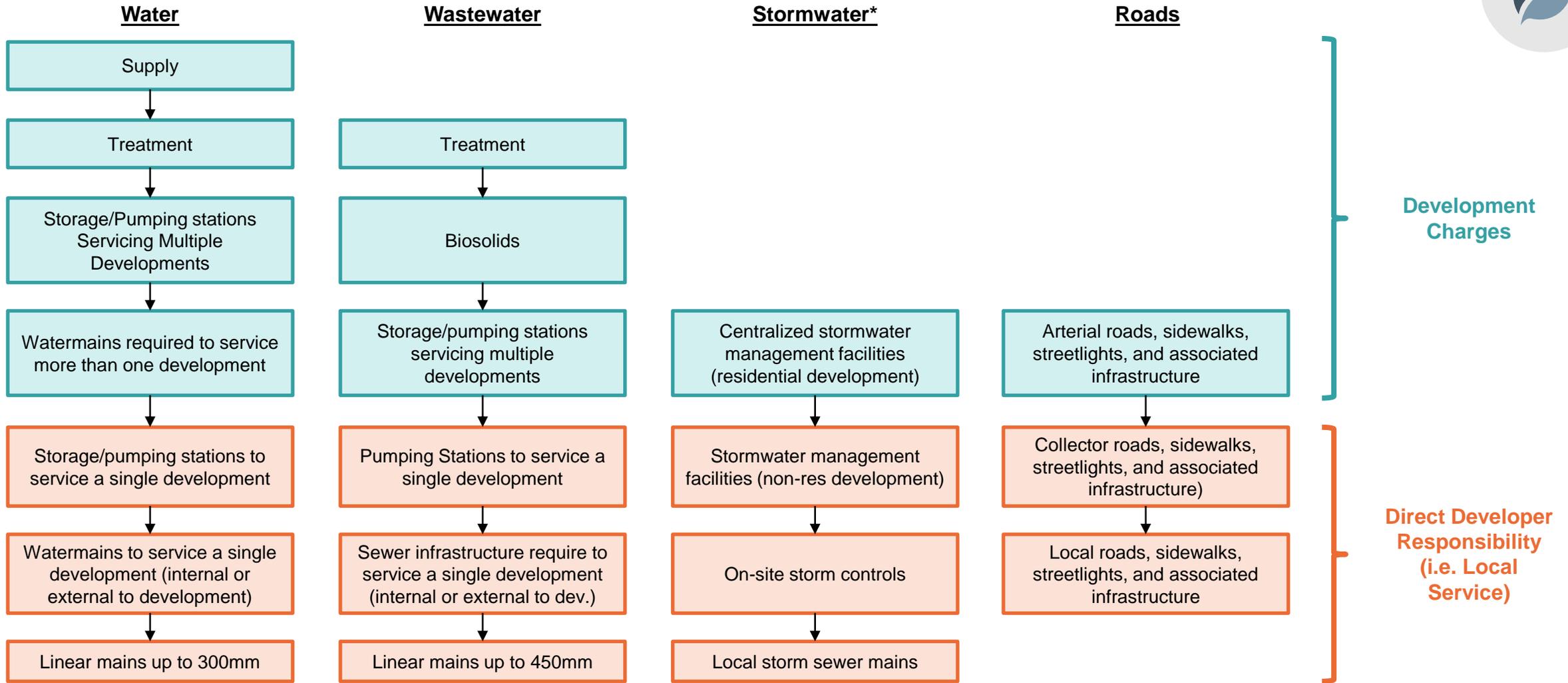
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Local Service Policy



- Section 59.1(1) and (2) of the Act “No Additional Levies” - prohibits municipalities from imposing additional payments or requiring construction of a service not authorized under the D.C.A. therefore, the Local Service Policy identifies:
 - What will be included in the D.C.; and
 - What will be required by developers as part of their development agreements
- As part of the D.C. background study, the City’s current Local Service Policy has been updated and is included as Appendix E
- Items considered in the Local Service Policy include:
 - Roads & related infrastructure (e.g. traffic signals, streetlights, noise abatement measures, intersection improvements, etc.)
 - Active Transportation (e.g. sidewalks, bike lanes/multi-use trails, etc.)
 - Water & Wastewater
 - Stormwater
 - Parkland development & Natural Heritage Systems.

Current City of Hamilton Local Service Policy Schematic



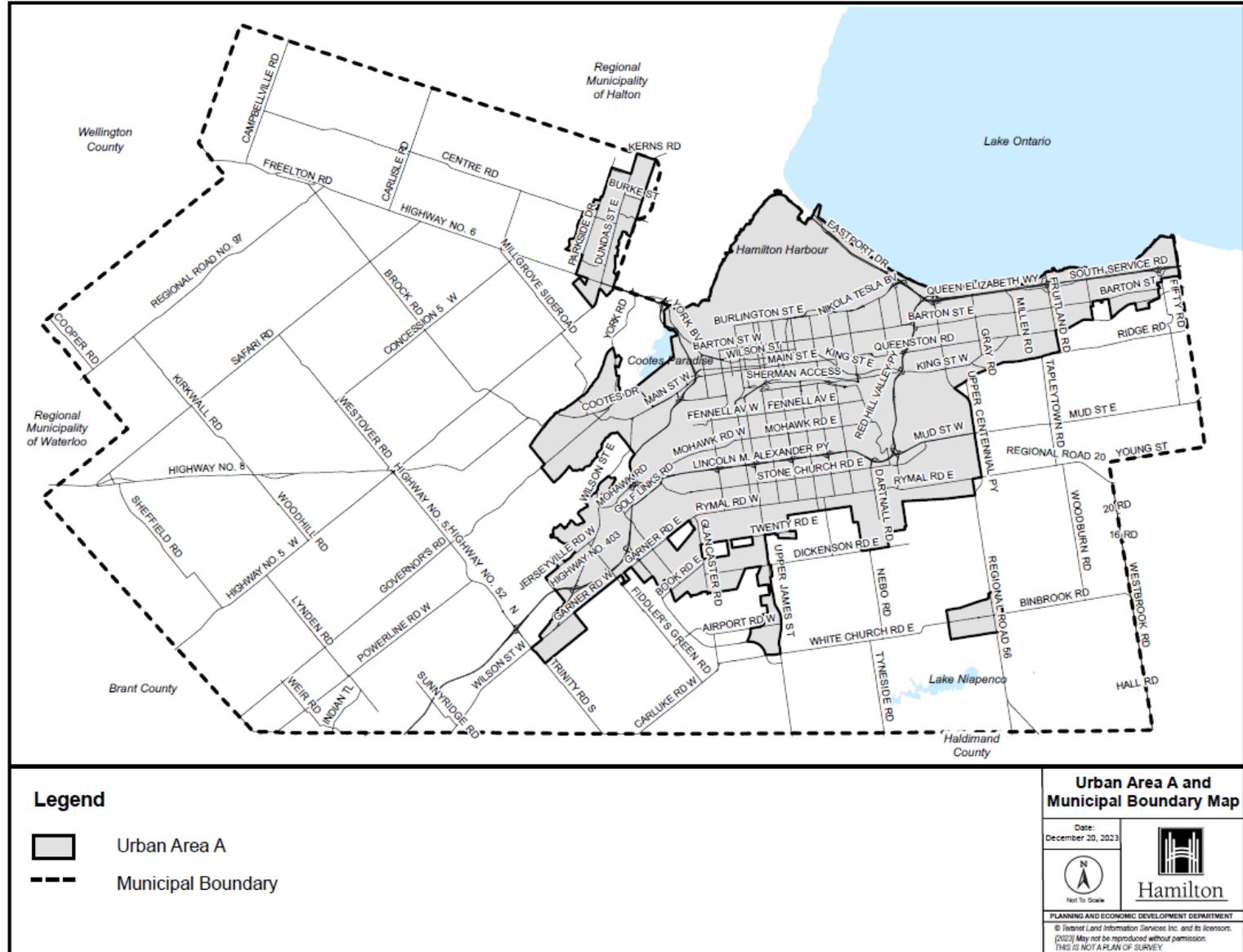
Note: Stormwater infrastructure in the combined sewer system area is 100% developer responsibility

Local Service Policy (LSP) Overview



The existing LSP has been subdivided based on location of development as follows:

- Within “Urban Area A” (lands within the Urban Area as identified in the map and are not subject to any expansion resulting from an amendment to the urban boundary in the Urban Hamilton Official Plan)
- Traditional local service policy requirements will apply as per the Local Service Policy



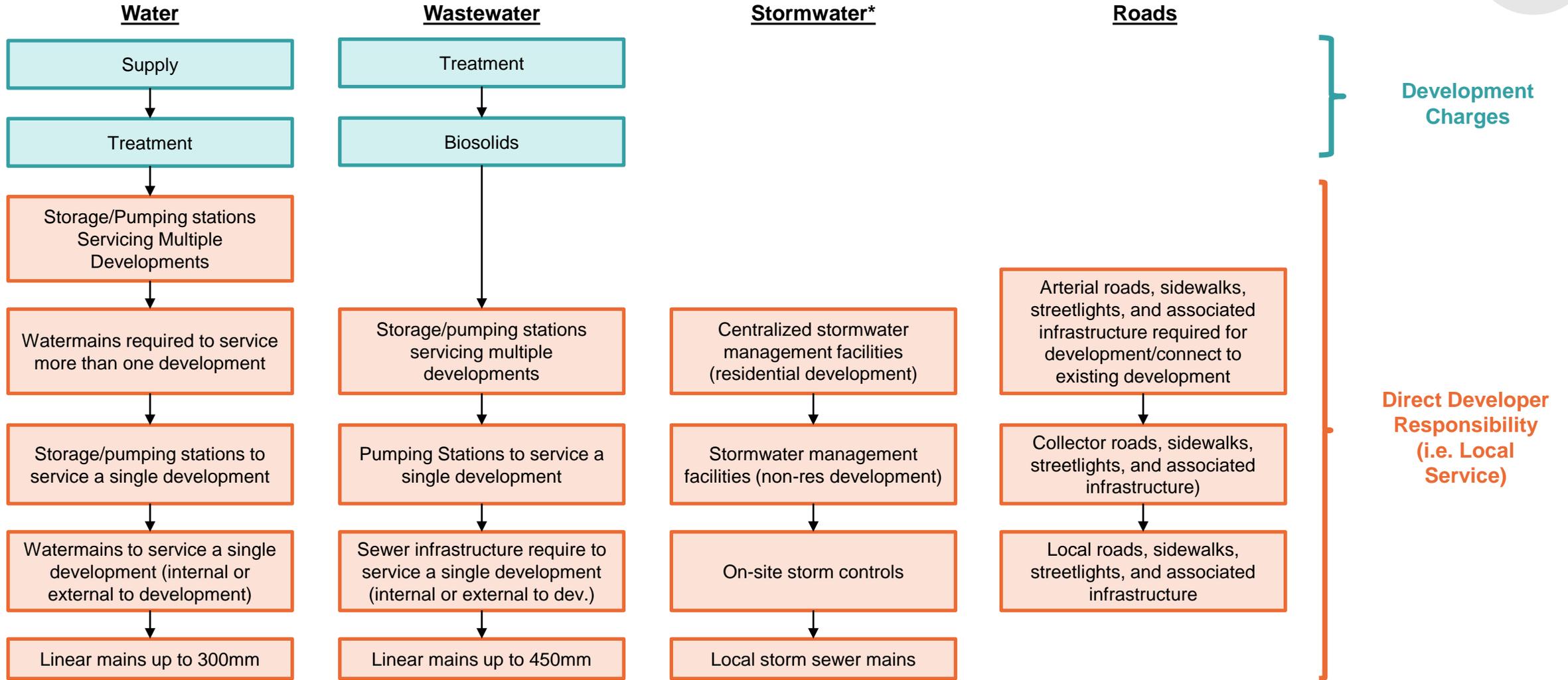
Local Service Policy (LSP) Overview - Continued



Within “Urban Area B” (any lands added to the Urban Area as a result of any amendment to the Urban Hamilton Official Plan expanding the Urban area beyond Urban Area A) – developer would be responsible for:

- All costs required to service the development and/or to connect the development area with existing infrastructure, including without limitation all water, wastewater, stormwater, transit, transportation works (in accordance with the Complete Street definition), any utility relocation/conversion costs, and land acquisition costs to meet City standards will be a developer responsibility, unless otherwise provided herein.
- In conjunction with the above bullet, the scope to service the development and/or connect the development area would be identified within approval authority accepted studies to support development areas.
- For projects occurring within Urban Area A, with an oversizing component, that are required to service development within Urban Area B, the oversizing component is a direct developer responsibility.
- Downstream and/or upstream water and wastewater infrastructure located within Urban Area A required to support development within Urban Area B would be a direct developer responsibility.
- Section E.3 (parkland development) of the local service policy applies

Proposed LSP Schematic Within Urban Area B



Note: Stormwater infrastructure in the combined sewer system area is 100% developer responsibility

Note 1: oversizing of works identified within Urban Area A to be direct developer responsibility

Note 2: Downstream and/or upstream water and wastewater infrastructure located within Urban Area A required to support development within Urban Area B would be a direct developer responsibility.

Mandatory D.C. Exemptions/Discounts

Amended as per Bill 23



- Upper/Lower Tier Governments and School Boards;
- Industrial building expansions (may expand by 50% with no D.C.);
- Development of lands intended for use by a university that receives operating funds from the Government (as per Bill 213);
- May add up to 2 apartments in an existing or new detached, semi-detached, or rowhouse (including in an ancillary structure);
- Add one additional unit or 1% of existing units in an existing rental residential building;
- Affordable and attainable units (to be in force at a later date);
- Affordable inclusionary zoning units;
- Non-profit housing;
- Discount for Rental units based on bedroom size; and
- Phase-in of D.C.s.

Discretionary Exemptions – Initial Recommendations



Discretionary D.C. Exemption	Current Policy	Recommendation	Recommended Policy
Downtown CIPA	Downtown Community Improvement Project Area (CIPA) - 40% D.C. discount except for office development 70%	Modify	<ul style="list-style-type: none"> Remove D.C. exemption of 40% for residential development Maintain 40% CIPA exemption for all non-residential development (standalone and mixed-use) and 70% CIPA exemption for standalone major office developments (Class A) greater than 20,000 sq.ft. gross floor area
Industrial Reduced Rate	City-wide 37% discount of the current industrial D.C. rate -applicable for industrial developments	Modify	<ul style="list-style-type: none"> Remove reduced rate exemption (37% reduction) for industrial development Maintain discount for Production and Artist Studios
Industrial Building Expansion (Detached)	No D.C.s on new industrial buildings on the same lot as an existing building(s), up to 50% of the combined gross floor area of the existing building	Remove	<ul style="list-style-type: none"> Remove industrial expansion (detached) D.C. exemption for all City-wide industrial developments
Downtown Public Art	In Downtown CIPA, 10% of D.C.s can be repurposed to contribute to the Public Art Reserve	Remove	<ul style="list-style-type: none"> Remove D.C. exemption. Similar benefit through new C.B.C.

Discretionary Exemptions – Initial Recommendations



Discretionary D.C. Exemption	Current Policy	Recommendation
Heritage Building	City-wide 100% D.C. exemption for adaptive reuse of a Protected Heritage Property	Keep with no change
Redevelopment for Residential Facility	City-wide 50% D.C. exemption provided for redevelopment of an existing residential development for the purpose of creating residential facilities within existing building envelope	Keep with no change
Stepped Non-Industrial Rates	<p>The rates for non-industrial developments within a CIPA or BIA and for office development (excluding medical clinics) is to be phased as follows:</p> <ul style="list-style-type: none"> • 1st 5,000 square feet: 50% of charge • 2nd 5,000 square feet: 75% of charge • 10,000+ square feet: 100% of charge 	Keep with no change
Non-Industrial Expansion	The initial 5,000 square feet of gross floor area of an office development expansion (medical clinics excluded) are D.C. exempt	Keep with no change
Agricultural Use	100% D.C. exemption for bona fide farming/agriculture uses.	Keep with no change
Place of Worship	100% D.C. exemption (must be exempted from property taxes)	Keep with no change
Transition Policy	Honour the previous DC rates if the permit is issued within 6 months of the rate increase	Keep with no change

Discretionary Exemptions Review



- Subsequent to the initial exemption recommendations, in-person and virtual public open houses were undertaken.
- Feedback was received from the development community related to the industrial and downtown CIPA exemptions.
- The proforma/market feasibility analyses were reviewed to determine if any adjustments to the recommendations should be provided. Revised recommendations are as follows:
 - Industrial Reduced Rate: revised recommendation is to maintain the 37% discount for manufacturing facilities only, and this is to be provided through a CIP as a grant equivalent to the D.C.
 - Industrial Expansion Exemption (Detached Buildings): revised recommendation is to provide the exemption for manufacturing facilities only, and this is to be provided through a CIP as a grant equivalent to the D.C.
 - Residential CIPA DC Exemption: a change in recommendation given updated proforma analysis

Development Charges – Residential and Non-Residential

Existing and Proposed under Various Scenarios



Development Type	Current DC Rates	Proposed DC Rates ^[1]		
		With Residential CIPA Discount (40%)	With Residential CIPA Discount (40%)	With Residential CIPA Discount (20%)
Residential ^[2]	With Residential CIPA Discount (40%)	With Residential CIPA Discount (40%)	With Residential CIPA Discount (20%)	No Residential CIPA Discount
1 Bedroom Condominium Downtown (per Unit)	\$ 13,972	\$ 13,974	\$ 18,632	\$ 23,290
1 Bedroom Purpose Built Rental Downtown (per Unit) ^[3]	\$ 11,876	\$ 11,878	\$ 15,837	\$ 19,797
Non-Residential ^[4]	With Industrial Reduced Rate 37% Discount	Proposed with 37% Discount	Proposed with 20% Discount	Proposed with No Discount
Industrial Development (New Build) (per sq.ft.)	\$ 16.70	\$ 20.90	\$ 26.54	\$ 33.18

[1] All proposed DC rate calculations reflect the mandatory phase-in of 80% for Year 1.

[2] Located in Combined Sewer System.

[3] The proposed DC rate calculation for the purpose-built rental includes a 15% mandatory discount for 1-bedroom units.

[4] Located in Separate Sewer System

Development Parameters



Development Type Condominium - 23 Storey with Ground Floor Commercial

Building G.F.A.	245,419	sq.ft.
Residential G.L.A.	287	units
Commercial Space	4,845	sq.ft.

Current Rates

	Full DC	Payable	Difference
Residential \$	8,788,040	\$ 5,272,824	\$ 3,515,216
Commercial \$	126,600	\$ 75,960	\$ 50,640

DC Exemptions/Discounts

Residential CIPA (40%) and Non-Residential CIPA (40%)	\$ 3,565,856
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Proposed Rates

	Full DC	Payable	Difference
Residential \$	11,502,471	\$ 5,521,186	\$ 5,981,285
Commercial \$	177,957	\$ 85,419	\$ 92,538

DC Exemptions/Discounts

Mandatory Phase-In of 80% for Year 1	\$ 2,336,086
Residential CIPA (40%) and Non-Industrial CIPA (40%)	\$ 3,737,737
\$	6,073,822

Proposed Rates

	Full DC	Payable	Difference
Residential \$	11,502,471	\$ 7,361,581	\$ 4,140,890
Commercial \$	177,957	\$ 85,419	\$ 92,538

DC Exemptions/Discounts

Mandatory Phase-In of 80% for Year 1	\$ 2,336,086
Residential CIPA (20%) and Non-Industrial CIPA (40%)	\$ 1,897,342
\$	4,233,427



Development Parameters



Development Type Purpose-Built Rental - 28 Storey with Ground Floor Commercial

Building G.F.A.	405,422	sq.ft.
Residential G.L.A.	322	units
Commercial Space	5,340	sq.ft.

Current Rates

	Full DC	Payable	Difference
Residential \$	7,950,124	\$ 4,011,670	\$ 3,938,454
Commercial \$	214,663	\$ 128,798	\$ 85,865

DC Exemptions/Discounts

Mandatory Discount for Rental Units	\$ 1,264,007
Residential CIPA (40%) and Non-Residential CIPA (40%)	\$ 2,760,312
\$	4,024,319

Proposed Rates

	Full DC	Payable	Difference
Residential \$	10,125,262	\$ 4,131,107	\$ 5,994,155
Commercial \$	301,744	\$ 144,837	\$ 156,907

DC Exemptions/Discounts

Mandatory Phase-In of 80% for Year 1	\$ 2,085,401
Mandatory Discount for Rental Units	\$ 1,215,031
Residential CIPA (40%) and Non-Industrial CIPA (40%)	\$ 2,850,629
\$	6,151,062

Proposed Rates

	Full DC	Payable	Difference
Residential \$	10,125,262	\$ 5,508,143	\$ 4,617,119
Commercial \$	301,744	\$ 144,837	\$ 156,907

DC Exemptions/Discounts

Mandatory Phase-In of 80% for Year 1	\$ 2,085,401
Mandatory Discount for Rental Units	\$ 1,215,031
Residential CIPA (20%) and Non-Industrial CIPA (40%)	\$ 1,473,594
\$	4,774,026



Discretionary Exemptions – Recommendations



Discretionary D.C. Exemption	Current Policy	Recommendation	Recommended Policy
Downtown CIPA	Downtown Community Improvement Project Area (CIPA) - 40% D.C. discount except for office development 70%	Modify	<ul style="list-style-type: none"> • Reduce D.C. exemption of 40% for residential development to 20%. Thereafter, reduce exemption amount by 5% every year until phased out entirely in five years. • Maintain 40% CIPA exemption for all non-residential development (standalone and mixed-use) and 70% CIPA exemption for standalone major office developments (Class A) greater than 20,000 sq.ft. gross floor area
Industrial Reduced Rate	City-wide 37% discount of the current industrial D.C. rate - applicable for industrial developments	Modify	<ul style="list-style-type: none"> • Reduced rate exemption (37% reduction) to apply only to industrial developments with primary economic activity identified as manufacturing (Employment NAICS code 31-33) as well as for Production and Artist Studios
Industrial Building Expansion (Detached)	No D.C.s on new industrial buildings on the same lot as an existing building(s), up to 50% of the combined gross floor area of the existing building	Modify	<ul style="list-style-type: none"> • Modify industrial expansion (detached) D.C. exemption so that applies only to industrial businesses with primary economic activity identified as manufacturing (Employment NAICS code 31-33).

Farm Help Houses

Consideration for D.C. Exemption



- Definition: Farm Help Houses or Farm Labour Residences are rural temporary accommodations for farm labourers necessary to support agricultural production. Located on same lot or farm site as the primary farm dwelling.
- Some comparator municipalities such as Lincoln, Brant County, London and Woodstock exempt Farm Help Houses along with other bona fide farm buildings.
- Recommendation: Farm Help Houses to be 100% D.C. exempt (same as for non-residential buildings) if they are for bona fide farming/agriculture uses.

Next Steps



September 2022 to November 2023

Data collection, staff review, D.C. calculations and policy work



April 13, September 18, and November 9, 2023

Development Charges Stakeholders Sub-Committee Meeting



December 21, 2023

Release of Background Study and draft by-laws



January 23/24, 2024

Public open house sessions



February 22, 2024

Public Meeting at Audit, Finance & Administration Committee



April/May 2024

Audit, Finance & Administration Committee considers passage of by-laws



June 1, 2024

New D.C. By-laws in Effect



June 12, 2024

Expiry of Existing D.C. By-law (note: existing by-law will be repealed at the time the new by-laws come into effect)



Questions?