



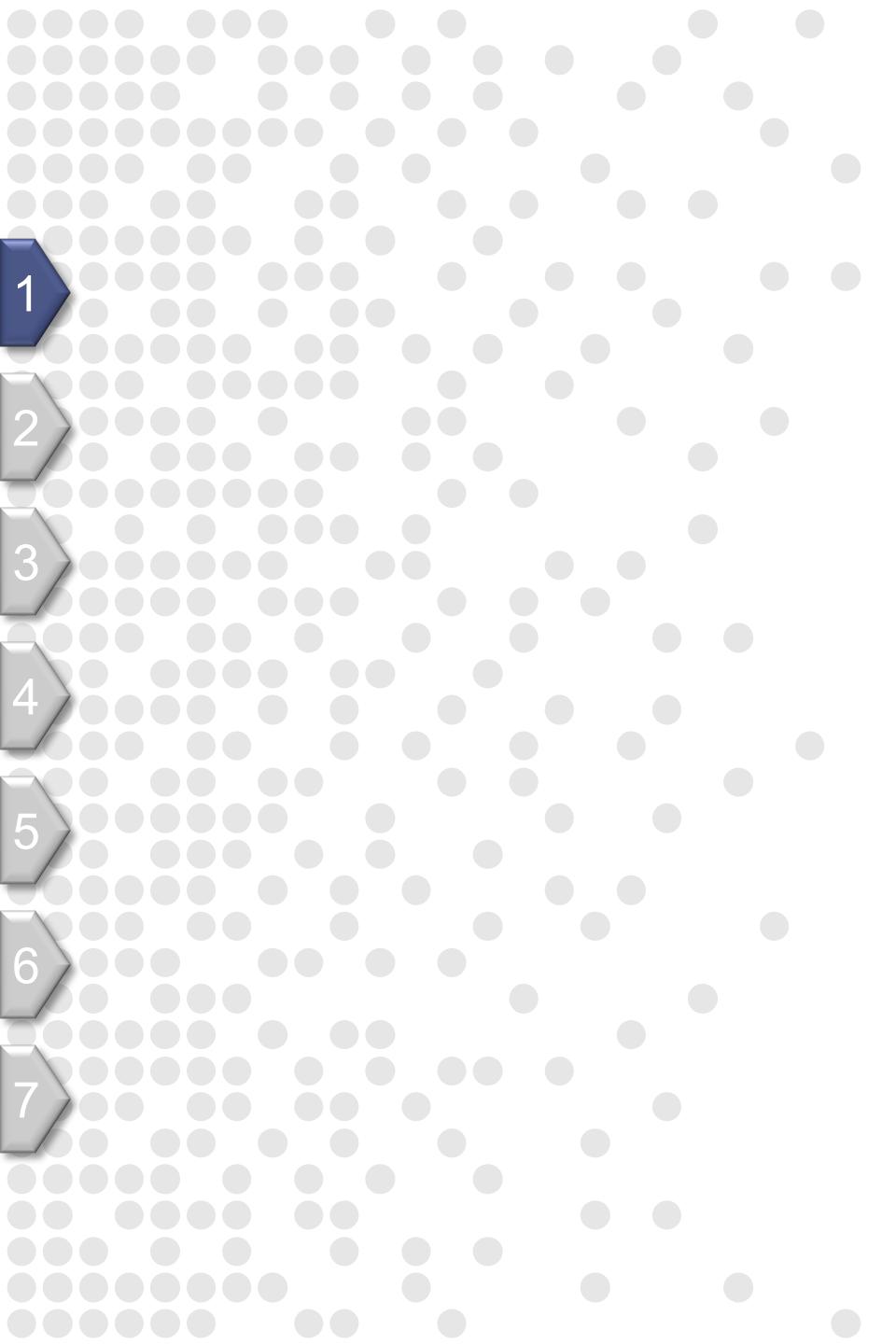
Township of Centre Wellington

Development Charges Public Meeting
February 9, 2026

Agenda



- 1 Public Meeting Purpose, Study Process and Timelines
- 2 Development Charges (D.C.) Overview
- 3 Recent Legislative Changes to the D.C.A.
- 4 D.C. Implementation – Policy Matters and Council Considerations
- 5 Growth Forecast Summary & Proposed D.C. Rates and Policies
- 6 Survey of Municipal D.C.s
- 7 Next Steps & Questions



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Public Meeting Purpose, Study Process and Timelines

Township of Centre Wellington

D.C. Public Meeting

Public Meeting Purpose



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- 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

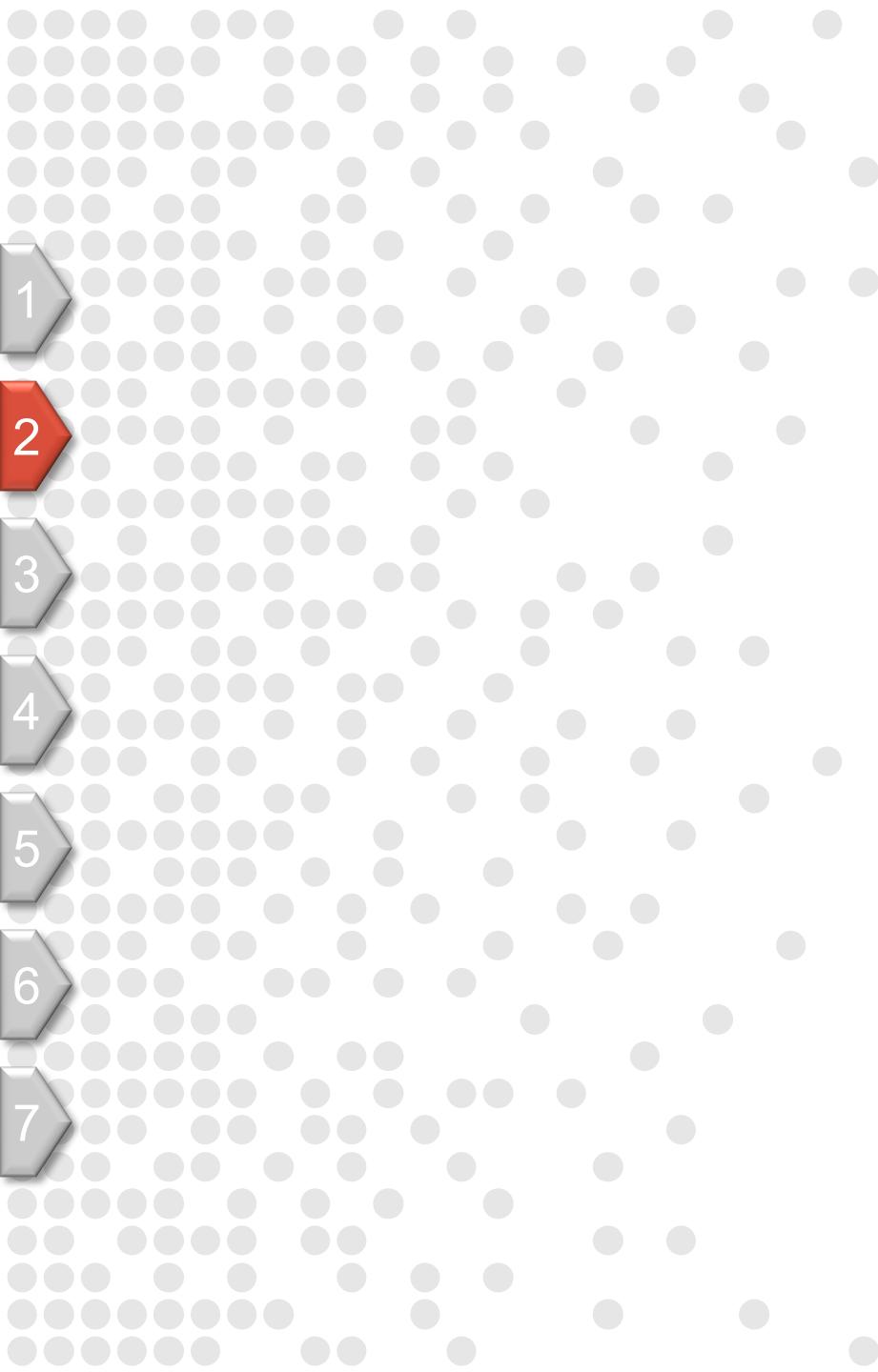


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Study Tasks	2025		2026	
	Q3	Q4	Q1	Q2
Rates and Calculations				
Draft Report				
Final Report				
Stakeholder Consultation				
Public Meeting				
Council Meeting (By-law Passage)				



Addendum Report released February 6, 2026



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Development Charges (D.C.) Overview

Township of Centre Wellington

D.C. Public Meeting

Development Charges (D.C.s)



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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.)
- Development Charges are typically calculated and imposed at the time of issuance of a building permit

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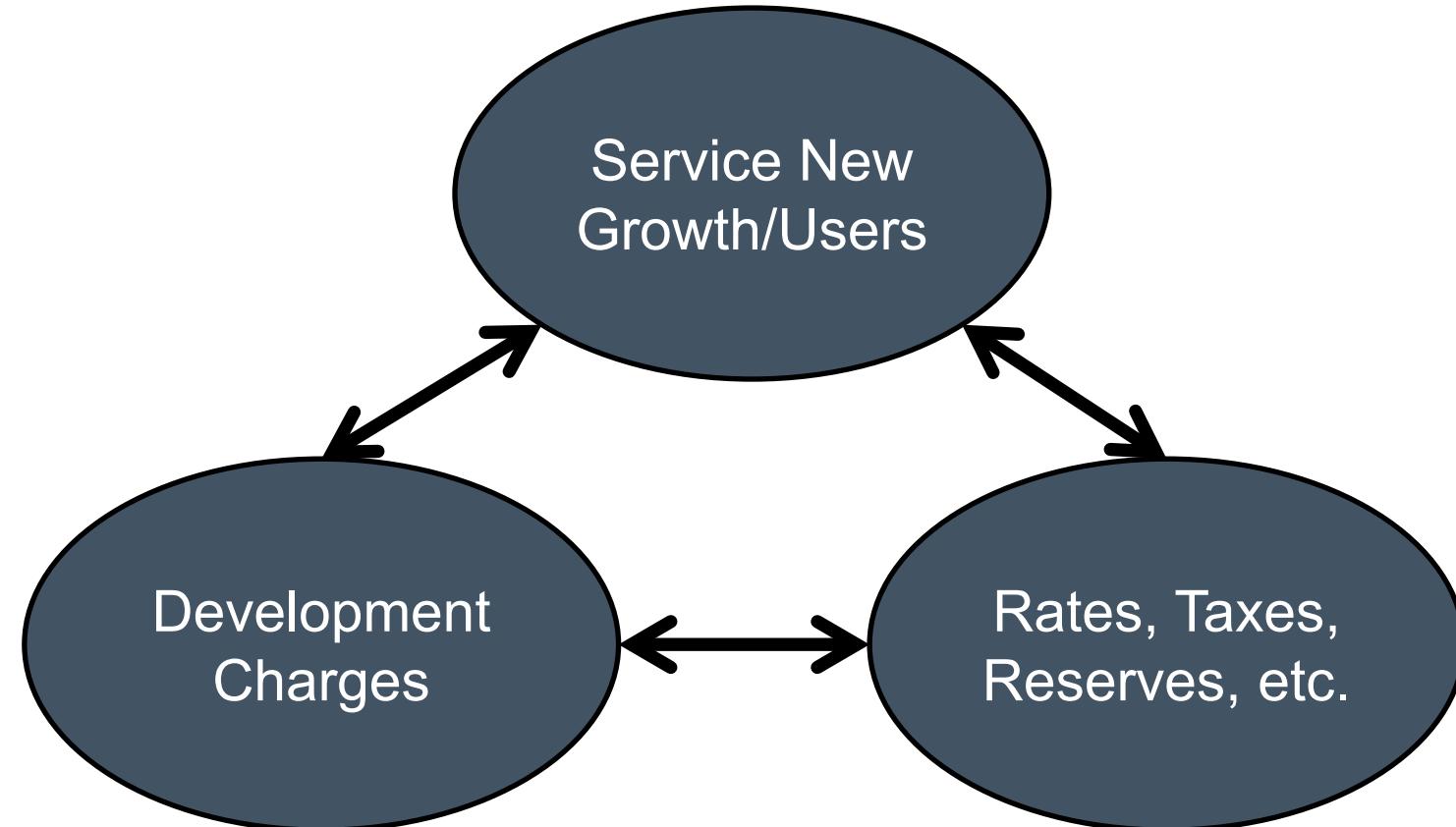
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Relationship Between Needs to Service Growth vs. Funding



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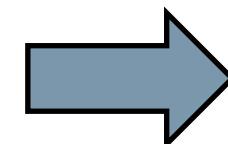


Overview of the D.C. Calculation



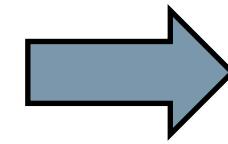
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Cost of Infrastructure
Required to
Accommodate
Growth

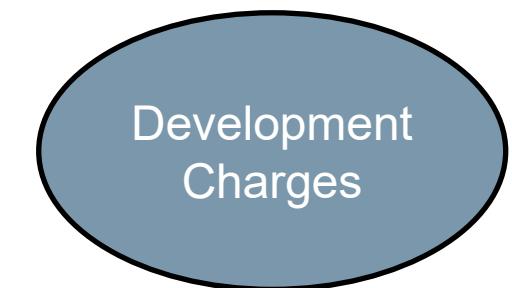


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Residential and Non-
residential Growth



Development Charge
per Unit
(for Residential Growth)



Development Charge
per Sq.ft.
(for Non-residential
Growth)

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.

***Amended as per Bill 23**

Development Charge Eligible Services



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Water



Wastewater



Storm water drainage



Services related to a highway



Electrical power services.



Toronto-York subway extension.



Transit



Waste diversion



Policing Services



Fire protection



Ambulance



Library



Long-term Care



Parks and Recreation



Public Health services



Childcare and early years services



Provincial Offences Act



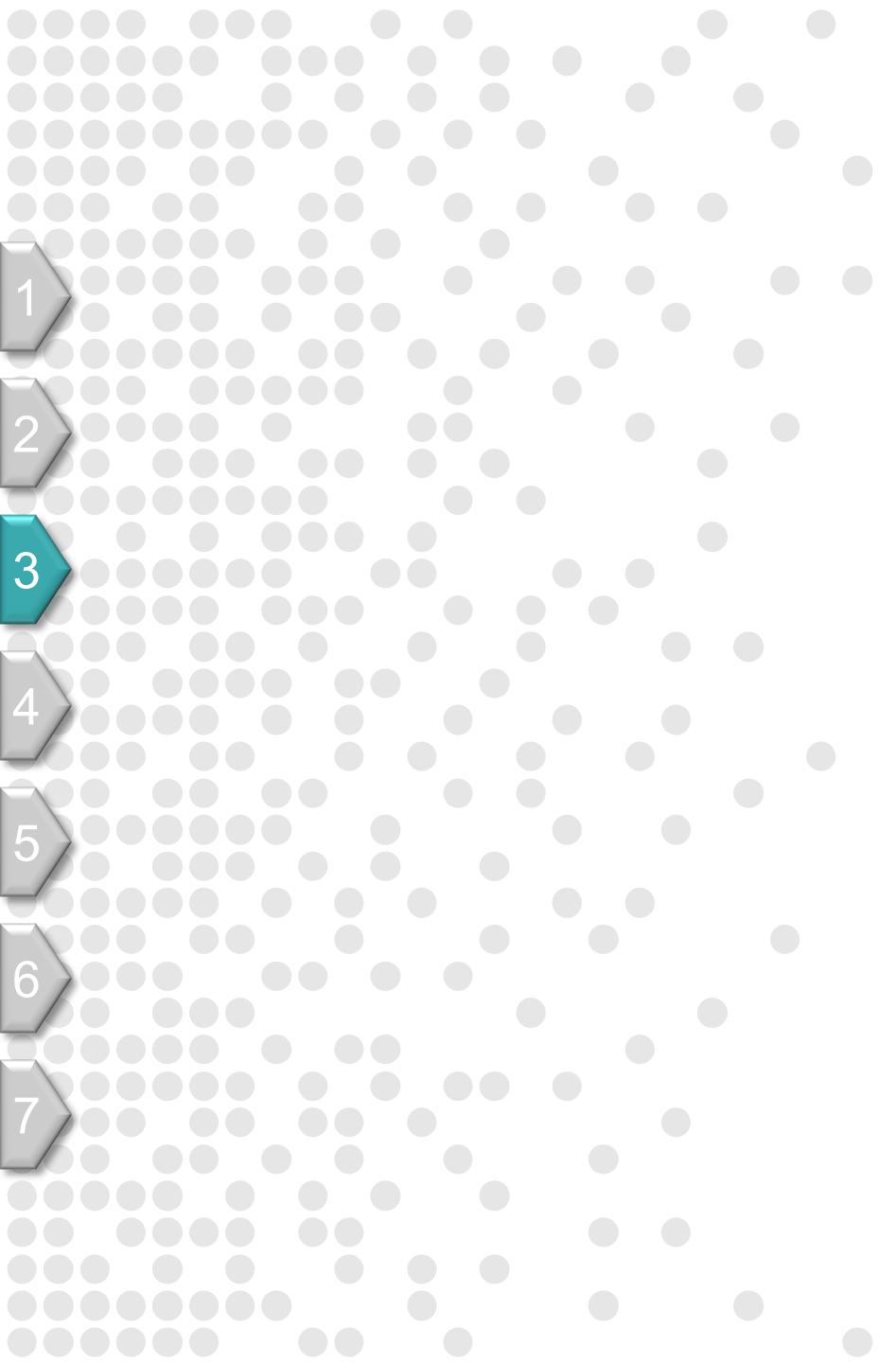
Emergency Preparedness



Airports (Waterloo Region only)

Current D.C. eligible services included in by-law 2021-11

Growth studies and public works operations are included in the D.C. as a class of service



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Recent Legislative Changes to the D.C.A.

Township of Centre Wellington

D.C. Public Meeting

Recent Changes to D.C. Legislation



Bill 23: *More Homes, Built Faster Act, 2022*

- Additional D.C. exemptions:
 - Inclusionary zoning units
 - Non-profit housing
 - Additional residential units
 - Affordable owned/rental units
 - Attainable units (currently not in force)
- Rental housing discount (based on number of bedrooms – 15%-25%)
- Removal of housing as an eligible D.C. service
- Capital cost amendments (**restrictions to remove studies** and potentially land)
- **Mandatory phase-in of D.C. (maximum charge of 80%, 85%, 90%, 95%, 100% for first five years of the by-law)**
- 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

Note: The Province passed Bill 185 on June 6, 2024, which removed these requirements (see next slide)

Recent Changes to D.C. Legislation – Cont'd



Bill 134: Affordable Homes and Good Jobs Act, 2023

- Revised definition for affordable unit:

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

Bill 185: Cutting Red Tape to Build More Homes Act, 2024

- Removal of mandatory phase-in of charges
- Re-inclusion of studies as an eligible capital cost
- D.C. rate freeze for zoning by-law amendment applications: reduction from two years to 18 months
- Process for minor amendments to D.C. by-laws
- Modernizing public notice requirements

Bill 17: *Protect Ontario by Building Faster and Smarter Act, 2025*



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Long-Term Care Home Exemption	<ul style="list-style-type: none">Previously subject to annual instalments (change applies to any future D.C. instalments)
Definition of Capital Costs	<ul style="list-style-type: none">Expands scope of Province's authority to limit eligible capital costs via regulation
Simplified D.C. by-law Process to Reduce Charges	<ul style="list-style-type: none">Repeal/change D.C. by-law expiry dateRepeal indexing provisionDecrease the D.C. for one or more types of development
Deferral of D.C. Payment to Occupancy	<ul style="list-style-type: none">Applicable to residential development (currently payable at building permit issuance)To be payable upon earlier of issuance of occupancy permit or day building is first occupied
Removal of Interest for Legislated Instalments	<ul style="list-style-type: none">Removes ability to charge interest on instalments for rental housing and institutional development
Early Payment for Residential/Institutional	<ul style="list-style-type: none">Change allows waiving of requirement to pay D.C.s in instalments (i.e. without an agreement with municipality)Also allows D.C.s for residential/institutional to be paid earlier than required by D.C. by-law

Bill 17: *Protect Ontario by Building Faster and Smarter Act, 2025 (Cont'd)*



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Lower Charge for Rate Freeze

- For developments proceeding through site plan/zoning by-law amendment application, amendment requires municipalities to apply lower of the “frozen” rate or the current rate

Grouping of Services for Purposes of Using Credits

- Can deem two or more services to be one service for the purpose of applying Section 38 credits

Reporting

- Requirement to allocate 60% of reserve fund balances in the Treasurer's Statement has been extended to all D.C. eligible services

London Index

- London Non-Residential Building Construction Price Index series can be utilized to index the D.C. rates

Other Noted Areas for Future Changes

- Potential standardization of benefit to existing deduction approaches
- Defining local services in the regulations

Bill 60: *Fighting Delays, Building Faster Act, 2025*



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Addition of Class of Service for Land Acquisition

- Land acquisition to be included as a separate class of service
- Land acquisition capital needs excluded from the historical Level of Service calculations.
- Restricts capital costs for land to 10 years for all services other than water, wastewater, stormwater, roads, transit, police, and fire
- Establish separate reserve fund for land

Merging of Credits

- Merge water supply and wastewater services for the purposes of credits.

Benefit to Existing Allocations

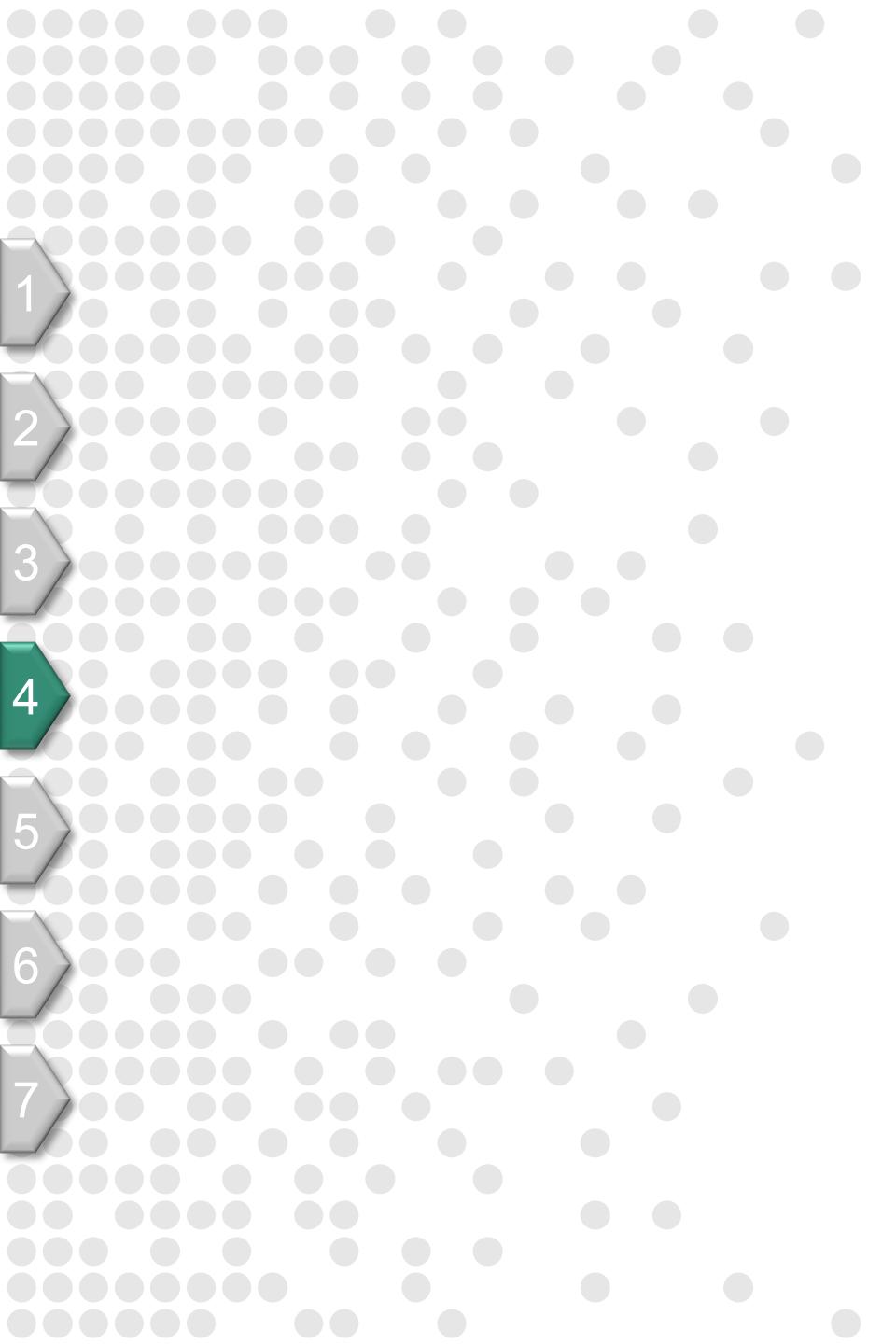
- Provide greater detail in background study by service with respect to:
 - How capital costs are determined
 - How non-growth-related shares are determined

Additional Reporting Requirements

- Treasurer's Statement to be completed by June 30 and submitted to Minister by July 15
- Additional reporting requirements for Treasurer's Statement
- Provide copies of background study/local service policy to Minister upon request

Local Service Policy Requirements

- Local Service Policy is required for all D.C. services where there is a local component
- Required content within Policy
- Must be reviewed at the time of passing a D.C. by-law.



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D.C. Implementation – Policy Matters and Council Considerations

Township of Centre Wellington
D.C. Public Meeting

Mandatory D.C. Exemptions/ Discounts



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- 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
- Up to 2 apartments in an existing or new detached, semi-detached, or rowhouse
- Add one additional unit or 1% of existing units in an existing rental residential building
- Affordable inclusionary zoning units
- Non-profit housing
- Discount for rental housing (based on number of bedrooms – 15% to 25%)
- Affordable rental unit
- Affordable owned unit
- **Attainable units (not yet in force)**

Discretionary Exemptions & Redevelopment Credits



- Reduce in part or whole D.C. for types of development or classes of development (e.g. industrial development or churches)
- May phase-in over time
- Redevelopment credits to recognize what is being replaced on site (not specific in the Act but provided by case law)

Proposed Township Exemptions:

- Place of worship for purposes of a churchyard or cemetery;
- Non-residential farm buildings for bona fide farm uses and/or agricultural research buildings for the use of a university;
- Public hospitals;
- Hospices;
- Silos for use for industrial, commercial and/or institutional uses; and
- Shipping containers used for industrial, commercial and/or institutional uses, only when these are an accessory use, as defined in the Township's Zoning by-law.

Local Service Policies



- New subsection 59 (2.2) of the Act – municipalities shall establish a local service policy for each service for which a by-law imposes a D.C., and some part of the service will be provided as a local service
- Section 59.1 prohibits municipalities from imposing additional payments or requiring construction of a service not authorized under the D.C.A., therefore, need to be clear:
 - What will be included in the D.C.; and
 - What will be required by developers as part of their development agreements

Items considered in the Township's Local Service Policies include:

- Local, rural, collector and arterial roads
- Bridges and culverts
- Traffic control systems, signals, and intersection improvements
- Streetlights
- Sidewalks
- Active transportation
- Noise abatement measures
- Stormwater Management
- Recreational trails
- Natural heritage system
- Parkland development
- Watermains, treatment, storage, booster stations, re-chlorination/sampling stations, and wells
- Wastewater treatment plants, pumping stations, and transmission mains
- Studies

The existing local service policy has been updated as part of this background study and complies with the requirements set out in Bill 60

Additional updates to policy related to developer-initiated urban boundary expansions

Other Policy Items – Deferral Policy

A formal D.C. deferral policy has been drafted for Council consideration



Non-Residential and Mixed-Use:

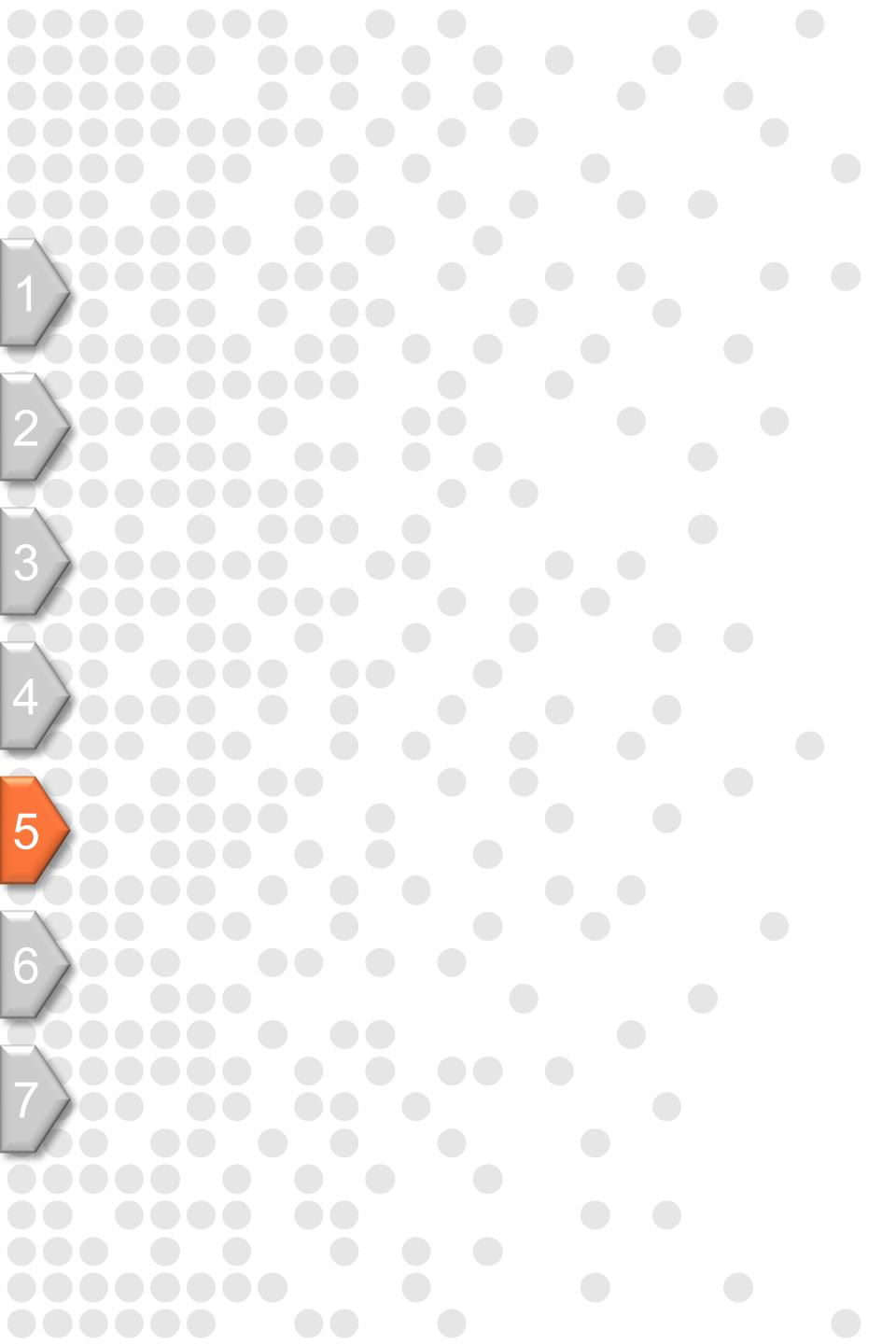
- Non-residential component of mixed-use development: D.C.s deferred until occupancy permit
- Non-residential development: D.C.s to be paid in equal installments over 6 years.
 - Specific eligibility criteria is noted in the policy

Affordable Housing:

- D.C.s to be paid in equal installments over 6 years.
- For residential units that do not meet the definition of Affordable Housing under the D.C.A., but are within 20% of the income-based affordable purchase price as set out in the Affordable Residential Units bulletin

General Policy Components:

- Unpaid DCs to be added to tax bill of the owner of the property (subject to interest)
- Developer may initiate the application process by providing a development application and deferral letter
- Applications to be approved by the Township's Development Charges Deferral Committee



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Growth Forecast Summary & Proposed D.C. Rates and Policies

Township of Centre Wellington
D.C. Public Meeting

Development Community Feedback and Addendum Report



- The D.C. Background Study was released on December 19, 2025
- A stakeholder consultation meeting was held on January 21, 2026
- Subsequent to the consultation meeting, a number of letters were provided to the Township along with questions regarding the calculations

Development Community Feedback and Addendum Report



- In response to some of the questions and comments, an addendum report has been released on February 6, 2026. The addendum addresses the following items:
 - Removal of the Developer Initiated Urban Boundary Expansion requirements from the Local Service Policy. Requirement for updates to Township studies included;
 - Land acquisition costs moved from water supply and wastewater treatment to Land Acquisition;
 - Additional deductions for benefit to existing and contributions from new development for certain water distribution and wastewater collection projects;
 - Remove duplicate projects from services related to a highway project listing (note: no impact on charge as these are local service works);
 - Adjustment of the Active Transportation deductions to place in appropriate column;
 - Revision to Level of Service calculations for recreation facilities; and
 - Proposed amended timeline - March 23 by-law passage

Growth Forecast Summary



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Measure	10 Year 2025 to 2034	2051 2025 to 2051	Urban 2051 Urban 2025 to 2051
(Net) Population Increase	7,439	20,559	20,168
Residential Unit Increase	3,249	8,794	8,564
Non-Residential Gross Floor Area Increase (sq.ft.)	2,699,700	7,037,600	6,836,400

Source: Watson & Associates Economists Ltd. Forecast 2025

Calculated D.C. Rates



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Service/Class of Service	RESIDENTIAL					NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Special Care/Special Dwelling Units	(per sq.ft. of Gross Floor Area)
Municipal Wide Services/Class of Service:						
Services Related to a Highway	6,952	5,672	4,703	3,430	2,618	3.10
Public Works (Facilities and Fleet)	3,265	2,664	2,209	1,611	1,230	1.46
Fire Protection Services	987	805	668	487	372	0.44
Parks and Recreation Services	16,552	13,503	11,197	8,166	6,233	0.95
Growth Studies	977	797	661	482	368	0.46
Land - 2051 Forecast	383	312	259	189	144	0.17
Land - 10 Year Forecast	777	634	526	383	293	0.04
Total Municipal Wide Services/Class of Services	29,893	24,387	20,223	14,748	11,258	6.62
Urban Services						
Wastewater Treatment	7,784	6,350	5,266	3,840	2,931	3.47
Wastewater Sewers	1,309	1,068	886	646	493	0.59
Water Treatment plants and storage	3,398	2,772	2,299	1,676	1,280	1.52
Water Distribution	4,718	3,849	3,192	2,328	1,777	2.11
Land - Urban 2051 Forecast	439	358	297	217	165	0.20
Total Urban Services	17,648	14,397	11,940	8,707	6,646	7.89
GRAND TOTAL RURAL AREA	29,893	24,387	20,223	14,748	11,258	6.62
GRAND TOTAL URBAN AREA	47,541	38,784	32,163	23,455	17,904	14.51

Rate Comparison

Residential – Single Detached



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Service/Class of Service	Current	Calculated (December 19, 2025 Report)	Calculated (Addendum Report)
Municipal Wide Services/Classes:			
Services Related to a Highway	12,557	6,952	6,952
Public Works (Facilities and Fleet)	2,312	3,265	3,265
Fire Protection Services	993	987	987
Parks and Recreation	6,405	16,552	16,552
Growth Studies	665	977	977
Land - 10 Year Forecast*	-	777	777
Land - 2051 Forecast*	-	420	383
Total Municipal Wide Services/Classes	22,932	29,930	29,893
Area Specific Services:			
Wastewater Treatment	4,140	7,961	7,784
Wastewater Sewers	3,011	1,529	1,309
Water Treatment plants and storage	3,894	3,622	3,398
Water Distribution	3,541	4,986	4,718
Land - Urban 2051 Forecast*			439
Total Area Specific Services	14,586	18,098	17,648
Grand Total - Urban Area	37,518	48,028	47,541

*Land costs were previously incorporated into the respective service categories

Rate Comparison

Non-Residential – per sq.ft



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Service/Class of Service	Current	Calculated (December 19, 2025 Report)	Calculated (Addendum Report)
Municipal Wide Services/Classes:			
Services Related to a Highway	5.16	3.10	3.10
Public Works (Facilities and Fleet)	0.93	1.46	1.46
Fire Protection Services	0.41	0.44	0.44
Parks and Recreation	0.24	0.95	0.95
Growth Studies	0.25	0.46	0.46
Land - 10 Year Forecast*		0.04	0.04
Land - 2051 Forecast*		0.19	0.17
Total Municipal Wide Services/Classes	6.99	6.64	6.62
Area Specific Services:			
Wastewater Treatment	1.48	3.56	3.47
Wastewater Sewers	1.08	0.68	0.59
Water Treatment plants and storage	1.39	1.62	1.52
Water Distribution	1.27	2.23	2.11
Land - Urban 2051 Forecast*			0.20
Total Area Specific Services	5.22	8.09	7.89
Grand Total - Urban Area	12.21	14.73	14.51

*Land costs were previously incorporated into the respective service categories



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Survey of Municipal D.C.s

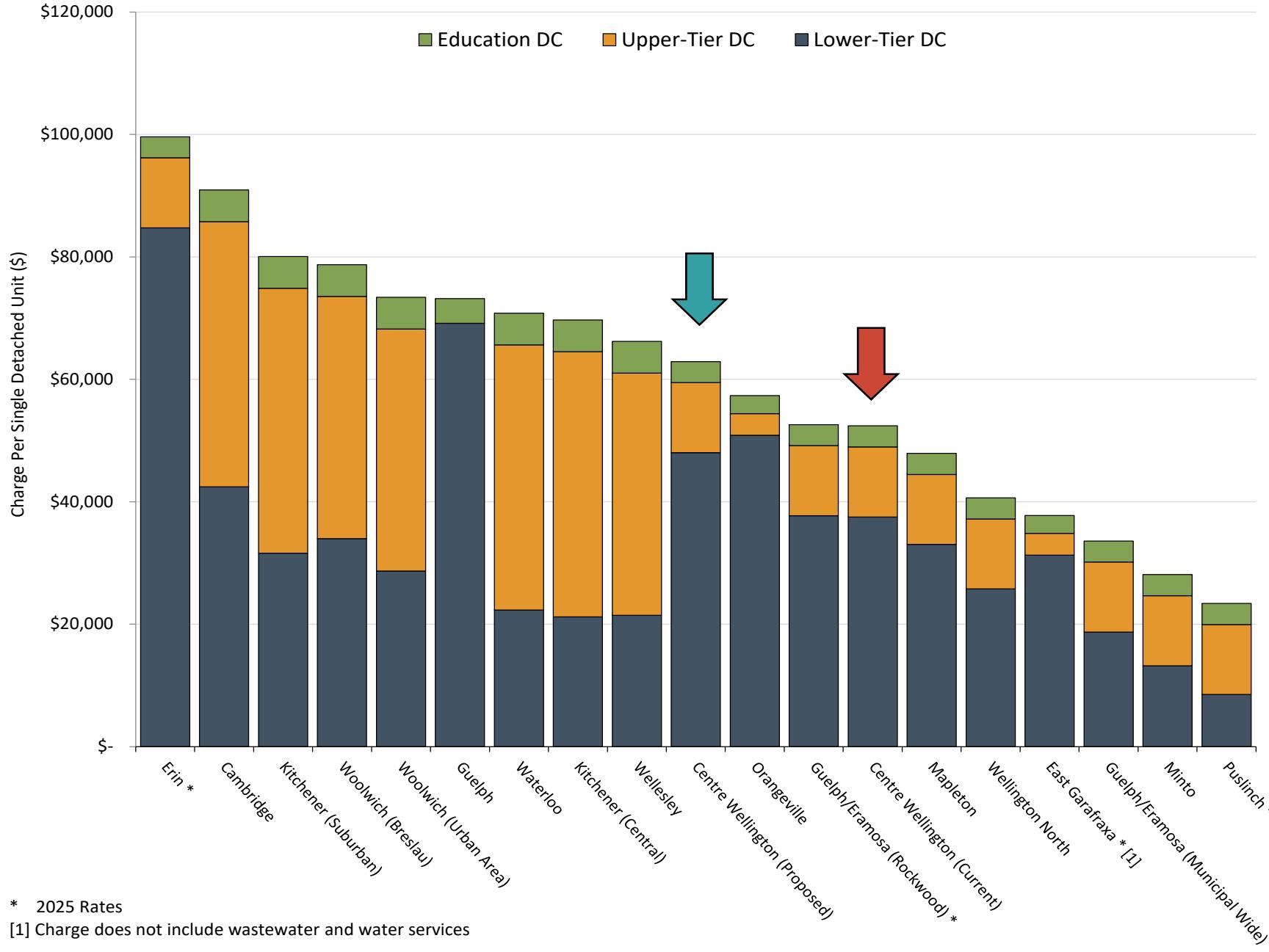
Township of Centre Wellington

D.C. Public Meeting

Survey of Comparator Municipalities – Single/Semi Detached



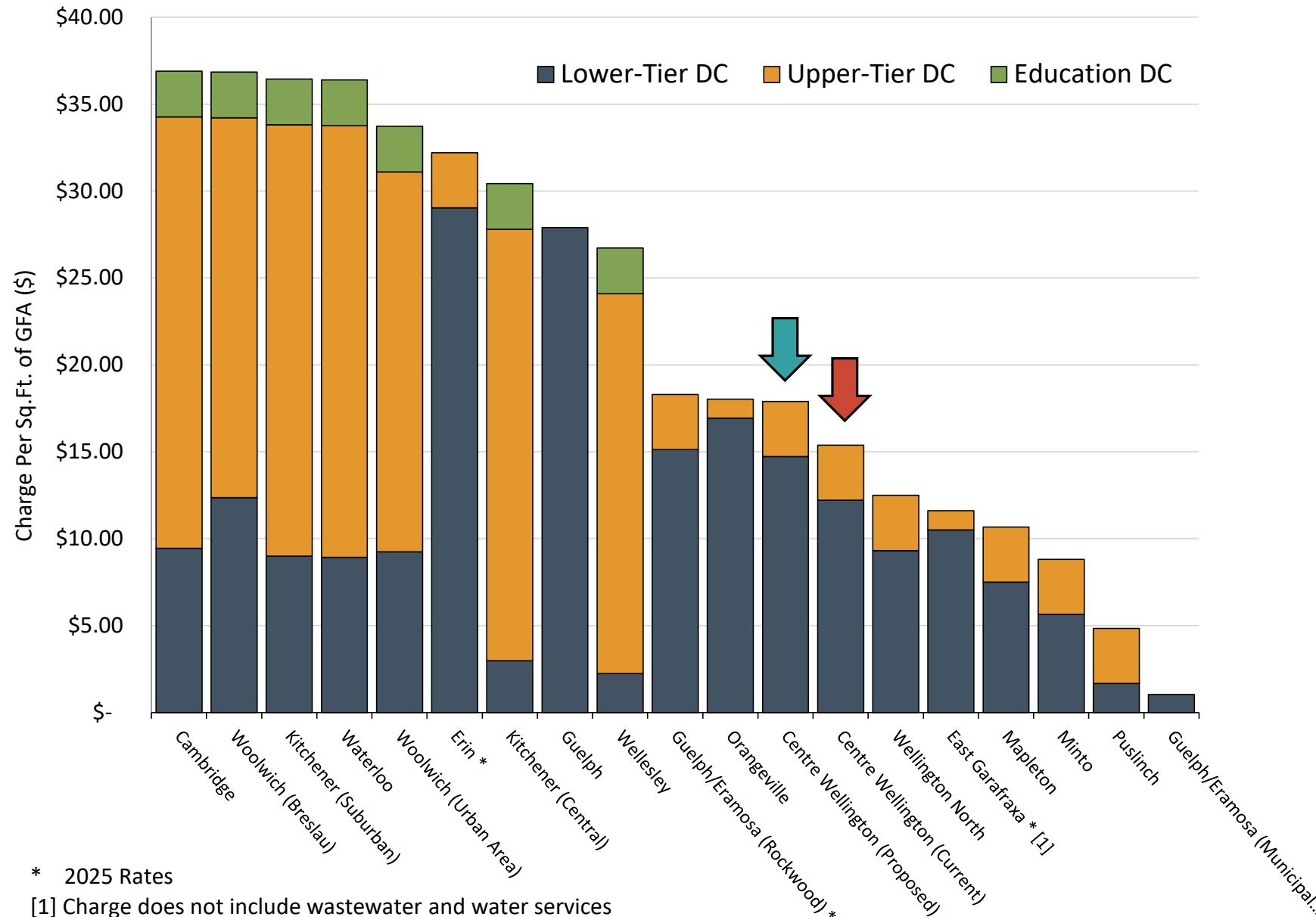
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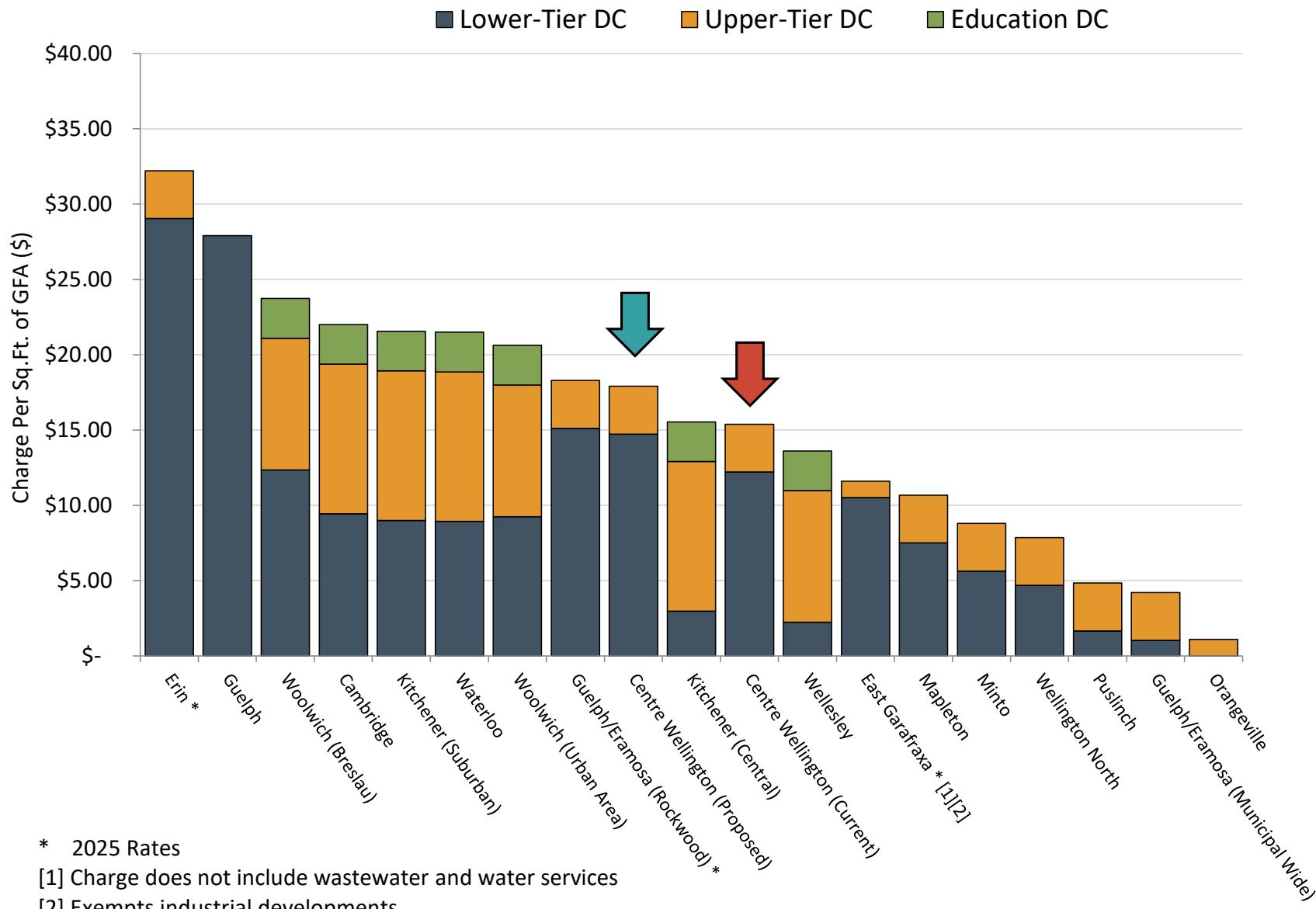
Survey of Comparator Municipalities – Commercial (per sq.ft.)

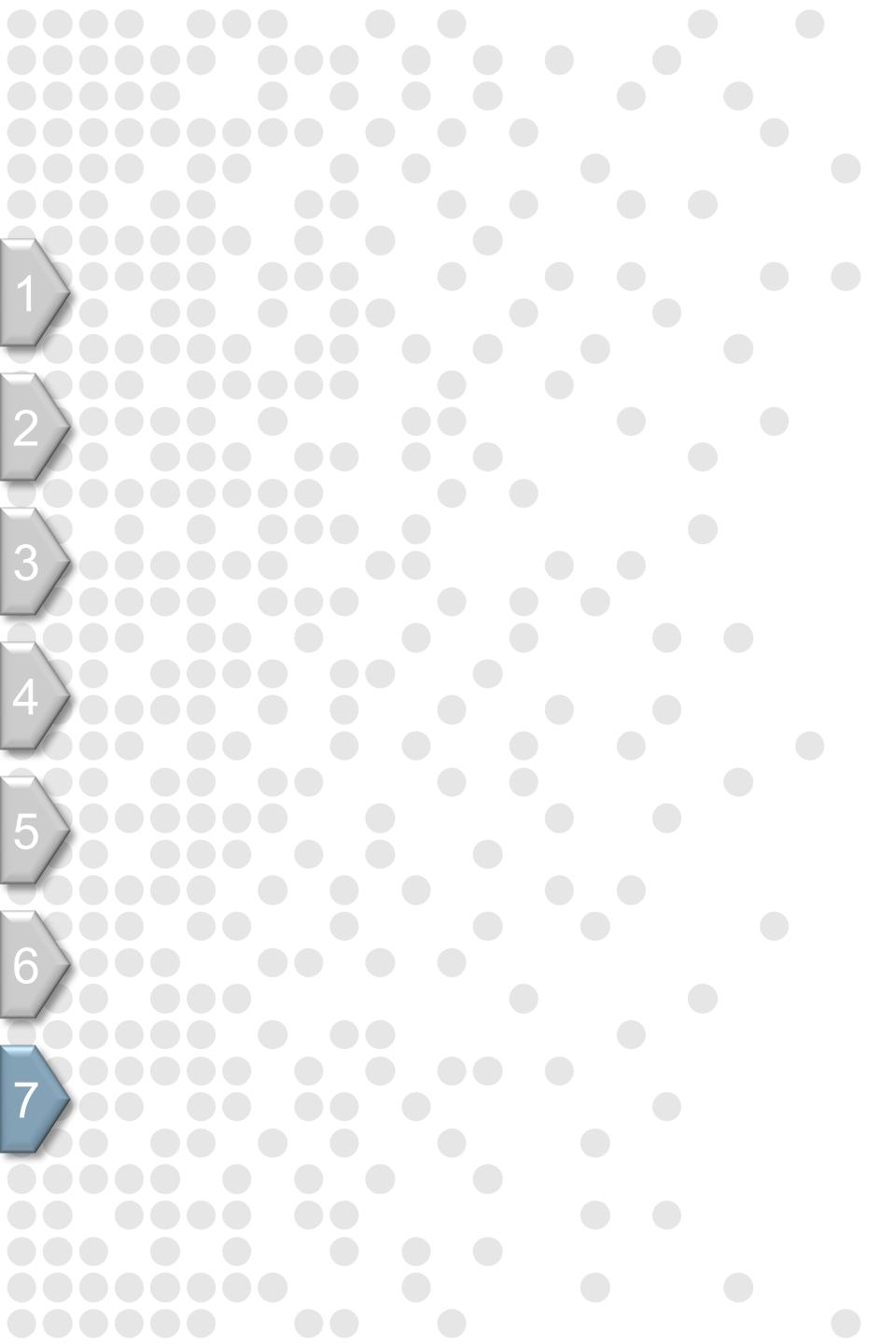


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Survey of Comparator Municipalities – Industrial (per sq.ft.)





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Next Steps & Questions

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D.C. Public Meeting

Overview of Process – Timelines



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Study Tasks	2025		2026	
	Q3	Q4	Q1	Q2
Rates and Calculations				
Draft Report				
Final Report				
Stakeholder Consultation				
Public Meeting				
Council Meeting (By-law Passage)				

Note, based on responses from development community, Council consideration of the by-law now anticipated for March 23



Addendum Report released February 6, 2026

Questions



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Questions