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MEMORANDUM

To: Erica Arkell, City of Peterborough
From: Bianca Whiffen and Stefan Krzeczunowicz, Hemson Consulting
Date: September 9, 2024
Re: Development Charge Rate Implementation

The City of Peterborough is currently in the process of updating its City-wide development charges (DC) by-laws. Part of the process involves reviewing current DC by-law policies and practices in alignment with the City's new Official Plan, which came into effect on April 11, 2023, as well as current DC legislation.

An initial memorandum released in May 2024 specifically evaluates two key policies:

1. DC exemptions provided to specific types of development within the City's Central Area, as defined in Schedule B: Land Use Plan of the Official Plan; and
2. Deferrals of DC payments provided to all residential development in the City, pursuant to an agreement struck in 2005 between the City and the Peterborough and District Home Builders Association under section 27 of the Development Charges Act.

This second memorandum describes how selected municipalities have implemented new DC rates in recent years. Municipalities that have been reviewed have been chosen on the basis that they have similar demographic characteristics and growth prospects as the City. As well, each municipality has faced increases in DC rates. For the purpose of this memo, the following municipalities have been considered including;

- Town of Newmarket,
- Town of Caledon,
- Town of Bracebridge,
- City of Niagara Falls,
- Town of Fort Erie,
- Town of Huntsville,
- Township of Muskoka Lakes,
- City of Barrie,

- City of Brampton,
- City of Brantford, and
- Town of Whitby.

A. MUNICIPAL COMPARATORS

This section considers how other municipal comparators have implemented newly calculated DC rates and the degree of which the DC rates increased and/or decreased.

i. Town of Newmarket

The Town of Newmarket renewed its DC study and bylaw in 2014 for both engineered services and general services. Five years later, in 2019, the Town renewed its DC study and bylaw, but the rates were phased in for General Government, Library, Parks & Recreation, and Municipal Parking from July 21, 2019, to August 31, 2019.

In 2022, the Town underwent a DC review of the general services to remove the 10% discount. The table below shows the previous DC charges prior to the 2022 DC study update and was indexed from the 2019 study as per bylaw provisions. The new charge column shows the newly calculated charges that came into place after the 2022 study.

Town of Newmarket	Previous Charge	New Charge 2022	Difference in Charge	
Residential SDU	\$ 30,680	\$ 30,913	\$ 233	1%
Non-Residential (sq.m.)	\$ 74.10	\$ 71.94	\$ (2.16)	-3%

ii. Town of Caledon

The Town of Caledon recently updated its DC study and bylaw in 2024. The study in 2019 was completed by Watson and included the removal of animal services as provincially legislated. The previous charge shown in the table below is the 2019 calculated development charges indexed to as per bylaw provisions.

Caledon	Previous Charge	New Charge 2024	Difference in Charge	
Residential SDU	\$ 56,605	\$ 58,255	\$ 1,650	3%
Non-Residential (sq.m.)	\$ 96.12	\$ 110.33	\$ 14.21	15%

iii. Town of Bracebridge

The Town of Bracebridge's 2019 DC study included an update to all general services. In 2024, the Town of Bracebridge released a new DC study and bylaw that introduced and

enacted a new non-residential rate. The general services rates for single detached units increased by about 219% and the Town opted to phase-in the general services rates over a 7-year time period.

Town of Bracebridge	Previous Charge	New Charge 2024	Difference in Charge	
Residential SDU - General Services Only	\$ 6,131	\$ 19,564	\$ 13,433	219%
Non-Residential (sq.m.)	\$ -	\$ 53.13	\$ 53.13	0%

The table below shows a breakdown of the 2024 residential and non-residential DC rates over the 7-year phase-in period. The Town released a staff report¹ explaining the changes from the 2024 DC study and noted that the residential rates phase-in schedule are discounted by an average of 30% from the maximum allowable rates in the first 7-years of the bylaw.

Effective Date	Charge by Unit Type				\$/m2 Non-Residential
	Single and Semi-Detached	Rows and Other Multiples	Apartments 2B or More	Apartments 1BR or Less	
July 4 th 2024	\$6,131	\$4,905	\$4,349	\$3,346	\$0.00
September 1 2024	\$8,050	\$6,590	\$5,659	\$4,345	\$3.80
January 1 2026	\$9,969	\$8,275	\$6,969	\$5,344	\$7.59
January 1 2027	\$11,888	\$9,960	\$8,279	\$6,343	\$11.39
January 1 2028	\$13,807	\$11,646	\$9,590	\$7,342	\$15.18
January 1 2029	\$15,726	\$13,331	\$10,900	\$8,341	\$18.98
January 1 2030	\$17,645	\$15,016	\$12,210	\$9,340	\$22.77
January 1 2031	\$19,564	\$16,701	\$13,520	\$10,339	\$26.57

iv. City of Niagara Falls

The City of Niagara Falls recently undertook a 2024 DC background study and bylaw update. The previous charges in place were from the 2019 DC background study and bylaw and were indexed as per bylaw provisions. The newly calculated 2024 DC rates were fully implemented. The 2024 DC background study and bylaws are currently under appeal.

Niagara Falls	Previous Charge	New Charge 2024	Difference in Charge	
Residential SDU	\$ 17,239	\$ 38,491	\$ 21,252	123%
Non-Residential (sq.m.)				
Outside Core Tourist Area	\$ 57.26	\$ 140.04	\$ 82.78	145%
Core Tourist Area	\$ 33.68	\$ 140.04	\$ 106.36	316%

¹ [Bracebridge Development Charge By-law Staff Report](#), June 4, 2024.

v. Town of Fort Erie

The Town recently updated its DC background study and bylaw in 2023. The study was completed after Bill 23 received Royal Assent but before Bill 185 received Royal Assent, therefore Development-Related Studies were excluded. The previous charge in place before the 2024 update were the rates indexed as per the bylaw provisions. The residential charge for single detached units were increased by about 69% and the non-residential charge was increased by about 73%.

Fort Erie	Previous Charge	New Charge 2023	Difference in Charge	
Residential SDU	\$ 21,878	\$ 36,890	\$ 15,012	69%
Non-Residential (sq.m.)	\$ 85.05	\$ 146.91	\$ 61.86	73%

vi. Town of Huntsville

The current development charges in the Town of Huntsville were discounted by 42.5% from the maximum calculated charges presented in the 2019 DC background study. The 2024 DC background study and bylaw update is currently underway, and no decision has been made on the discount or phase-in of the newly calculated development charges. The discounted rates have been indexed as per bylaw provisions. The 42.5% discount was in conjunction with the mandatory 10% discount that was in place for library, outdoor rec, indoor rec/parking, development-related studies.

Huntsville	Previous Charge	New Charge 2024	Difference in Charge	
Residential SDU	\$ 7,071	\$ 18,414	\$ 11,343	160%
Non-Residential (sq.m.)	\$ 15.30	\$ 71.08	\$ 55.78	365%

vii. Township of Muskoka Lakes

The Township recently updated its DC background study and bylaw in 2024. The previous charge is from the 2019 DC background study and bylaw and was not indexed as per the bylaw provisions. The increase in the previous vs. new charge for single detached units would have been a 158.1% increase if indexing provisions had been applied.

Muskoka Lakes	Previous Charge	New Charge 2024	Difference in Charge	
Residential SDU	\$ 4,445	\$ 16,715	\$ 12,270	276%
Non-Residential (sq.m.)	\$ 19.87	\$ 52.06	\$ 32.19	162%

viii. City of Barrie

The City of Barrie’s 2023 DC background study and bylaw is currently being appealed. The 2023 calculated rates were implemented immediately following the passage of the bylaw. Watson completed the City’s previous 2019 DC background study and bylaw. The previous charge in the table below was indexed as per bylaw provisions.

City of Barrie	Previous Charge	New Charge 2023	Difference in Charge	
Residential SDU	\$ 76,349	\$ 98,268	\$ 21,919	29%
Non-Residential – Retail (sq.m.)				
General Services	\$ 47.41	\$ 49.86	\$ 2.45	5.2%
Engineered Services	\$ 333.10	\$ 492.54	\$ 159.44	47.9%
Total	\$ 380.51	\$ 542.40	\$ 161.89	42.5%

ix. City of Brampton

The City of Brampton 2024 DC background study and bylaws were passed on July 10, 2024. The previous charge in the table below represents the 2019 DC rates and were indexed as per bylaw provisions. The new DC rates were implemented and are taken from the new bylaws.

City of Brampton	Previous Charge	New Charge 2024	Difference in Charge	
Residential SDU	\$ 53,803	\$ 65,404	\$ 11,601	22%
Non-Residential (sq.m.)				
Industrial/Office	\$ 84.06	\$ 114.19	\$ 30.13	36%

x. City of Brantford

The table below shows the city-wide 2021 DC charges for the City of Brantford. The previous charge in the table below represents the 2016 DC rates were indexed as per the bylaw provisions.

City of Brantford	Previous Charge	New Charge 2021	Difference in Charge	
Residential SDU	\$ 24,079	\$ 38,392	\$ 14,313	59%
Non-Residential (sq.m.)	\$ 79.83	\$ 88.54	\$ 8.71	11%

xi. Town of Whitby

The Town of Whitby updated its DC background study and bylaw in 2021. The updated DC rates were fully implemented with no phase-ins. The previous charge in the table below represents 2016 DC study rates that were indexed as per the bylaw provisions.

Whitby	Previous Charge	New Charge 2021	Difference in Charge	
Residential SDU	\$ 24,418	\$ 35,345	\$ 10,927	45%
Non-Residential (sq.m.)				
Commercial	\$ 110.08	\$ 223.09	\$ 113.01	103%
Industrial	\$ 57.89	\$ 60.60	\$ 2.71	5%
Institutional	\$ 57.89	\$ 126.39	\$ 68.50	118%

B. CONCLUSIONS

This memo highlights that most municipalities stick to the principle of “growth pays for growth” even with development charge rate increases. Overall, 9 out of the 11 municipalities considered in the section above fully implemented the newly calculated development charge rates. The Town of Bracebridge was the only municipality in the municipal comparators scan that opted to phase-in the newly calculated DC rates for general services over a 7-year period. As previously mentioned, the residential rates phase-in schedule were discounted by an average of 30% from the maximum allowable rates in the first 7-years of the bylaw.

The Town of Huntsville’s 2024 DC is currently underway, and no decisions has been made on the discount or phase-in of the newly calculated development charges. However, the Town’s 2019 DC rates were discounted by 42.5% from the maximum calculates rates as presented in the background study.