



# Development Charges Update Study

Town of Greater Napanee

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May 4, 2026

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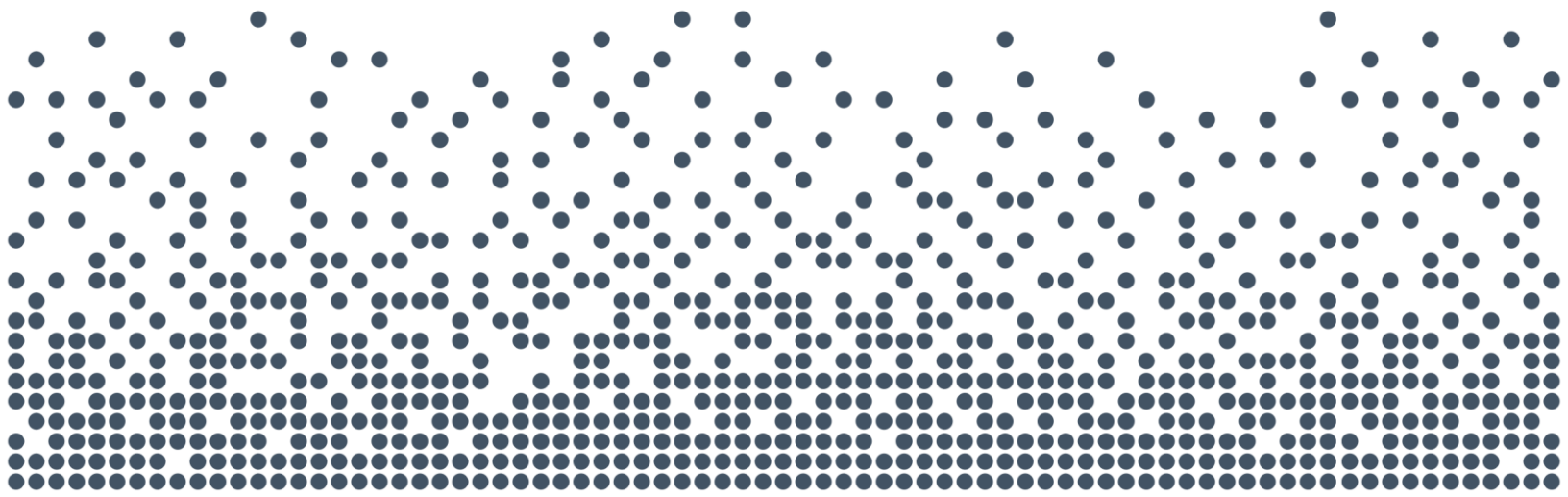
# Table of Contents

	Page
<b>1. Introduction.....</b>	<b>1</b>
1.1 Background.....	1
1.2 Recent Legislative Changes .....	2
1.3 Existing Policies (Rules) .....	3
1.4 Basis for the D.C. By-law Update .....	3
1.5 Summary of the Process.....	4
1.6 Policy Recommendations .....	5
<b>2. Anticipated Development.....</b>	<b>8</b>
2.1 Growth Forecast from the 2022 D.C. Study .....	8
<b>3. Updates to the Town’s D.C. Study .....</b>	<b>10</b>
3.1 Growth Studies .....	10
3.2 Wastewater Services .....	13
3.3 Water Services .....	16
3.4 D.C. By-law Revised Schedule of Charges.....	19
3.4.1 Updated D.C. Calculation (2022\$) .....	19
3.4.2 Revised D.C. Rates (2022\$ and 2026\$) .....	20
<b>4. Updates to the D.C. By-law .....</b>	<b>26</b>
<b>5. Recommendations .....</b>	<b>28</b>
<b>Appendix A Existing Policies Under By-law 2022-0059 .....</b>	<b>A-1</b>
<b>Appendix B Changes to the Development Charges Act, 1997 .....</b>	<b>B-1</b>
<b>Appendix C Draft Amending Development Charge By-law .....</b>	<b>C-1</b>



## List of Acronyms and Abbreviations

<b>Acronym</b>	<b>Full Description of Acronym</b>
B.T.E.	Benefit to existing
CSRIF	Community Sport and Recreation Infrastructure Fund
D.C.	Development Charge
D.C.A.	Development Charges Act
G.F.A.	gross floor area
Sq.ft.	square foot
Sq.m.	square metre



# Report



# Chapter 1

## Introduction



# 1. Introduction

## 1.1 Background

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The Town of Greater Napanee (Town) imposes development charges (D.C.) to recover capital costs arising from the increased needs for municipal services related to growth. The Town currently imposes D.C.s for the following services:

- Town-Wide Services and Classes of Services:
  - Services Related to a Highway;
  - Public Works (Facilities and Fleet);
  - Fire Protection Services;
  - Parks and Recreation Services;
  - Provincial Offence Act (P.O.A.) including By-law Enforcement; and
  - Growth Studies
- Urban Area Services:
  - Water Services; and
  - Wastewater Services.

The basis for the D.C. by-law is documented in the “Town of Greater Napanee Development Charges Background Study”, dated July 14, 2022 (the 2022 D.C. Study). The D.C.s came into effect on September 14, 2022, and are imposed through by-law 2022-0059.

In accordance with Section 5 of by-law 2022-0059, the Town’s D.C.s are indexed annually on January 1, without amendment to the by-law. The 2022 unindexed D.C. rates are summarized in Table 1-2.

The purpose of this D.C. Update is to reflect updates to growth-related capital projects and cost estimates identified through discussions with Town staff, recent tender pricing, and funding assumptions (such as grants and other contributions) for Growth Studies, Water Services, and Wastewater Services. In addition, the Town’s D.C. by-law is being amended, as necessary, to ensure consistency with applicable legislative changes introduced through Bill 185, Bill 17, and Bill 60.



For the purposes of the D.C. background study, all capital cost estimates have been deflated to a 2022 base year to align with the valuation framework of the original D.C. study.

## 1.2 Recent Legislative Changes

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Since the enactment of the Town's current D.C. by-law, the Province has introduced further amendments to the Development Charges Act, 1997 (the D.C.A.).

In June 2024, the Province enacted *Bill 185, Cutting Red Tape to Build More Homes Act, 2024*, which received Royal Assent on June 6, 2024, and came into force on the same date. Bill 185 reinstated studies as an eligible capital cost, removed the mandatory phase-in of development charges, and revised the D.C. rate freeze provisions. While Bill 185 does not impact the capital cost updates or development charge calculations addressed through this D.C. Update, the Town is amending its D.C. by-law to reflect the revised rate freeze provisions, as required to ensure consistency with the amended legislation.

Subsequently, the Province enacted *Bill 17, Protect Ontario by Building Faster and Smarter Act, 2025*, which received Royal Assent on June 5, 2025, and came into force on the same date. Bill 17 introduced additional exemptions, changes to the timing of payment for residential D.C.s, and regulation-making authority to implement further changes.

More recently, *Bill 60, Fighting Delays, Building Faster Act, 2025* received Royal Assent on November 27, 2025, introducing additional amendments to the D.C.A., including:

- Addition of class of service for land acquisition (with removal of land costs from level of service calculations);
- Additional requirements related to providing a local service policy;
- Merging of credits for water supply services and wastewater services;
- Requirement to provide greater details in the background study with respect to how capital costs are determined and how growth-related and non-growth-related shares of costs are determined;
- Additional requirements to provide documents to the Minister;
- Deadlines provided for Treasurer's Statement completion and submission to the Minister of Municipal Affairs and Housing; and



- Additional reporting requirements for the Treasurer's Statement.

In addition, the D.C.A. includes transition provisions related to local service policies. Municipalities that impose D.C.s for services that may include a local service component are required to establish or amend a Local Service Policy identifying works or classes of works intended to be provided as local services on the earlier of:

- the date the municipality establishes or amends its Local Service Policy; or
- 18 months following Royal Assent of Bill 60 (i.e., May 27, 2027).

### **1.3 Existing Policies (Rules)**

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Appendix A of this report sets out the rules governing the calculation, payment, and collection of D.C.s as provided in By-law 2022-0059.

### **1.4 Basis for the D.C. By-law Update**

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The Town is undertaking a formal amendment to the existing D.C. by-law 2022-0059 for growth studies, wastewater services, and water services, which requires the completion of a statutory public process in accordance with the D.C.A.

The amendment to the D.C. by-law is being undertaken for the following purposes:

- to update the capital project listings and associated cost estimates for growth studies, wastewater services, and water services; and
- to amend the D.C. by-law, as necessary, to align with legislative changes introduced through Bill 185, Bill 17, and Bill 60.

The Town currently has a Local Service Policy that applies to the D.C. services addressed in the D.C. by-law. Amendments to the Local Service Policy will be addressed as part of the Town's next comprehensive D.C. study.

Details on the changes to the calculation and by-law are presented in Chapter 3 and Chapter 4 of this report, respectively. The draft amending by-law is presented in Appendix C to this report.



## 1.5 Summary of the Process

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A mandatory public meeting under Section 12 of the D.C.A. will be scheduled by the Town to present the D.C. Update Study to the public and to solicit public input. The meeting is also being held to answer any questions regarding the study's purpose, methodology, and the proposed modifications to the Town's D.C. by-law through the formal amending by-law.

The process to be followed in finalizing the report and recommendations includes:

- consideration of responses received prior to, at, or immediately following the Public Meeting; and
- Council consideration of the amending by-law in Q2 of 2026.

Table 1-1 outlines the proposed schedule to be followed with respect to the D.C. by-law adoption process for the formal amending by-law.

Table 1-1  
Schedule of Key D.C. Process Dates for the Town of Greater Napanee

Project Milestone	Timing for Formal Amendment
1. Data collection, staff review, D.C. calculations and policy work	July 2025 to March 2026
2. Background study and proposed amending by-law available to public	May 14, 2026
3. Public meeting advertisement placed in newspaper(s)	At least 20 days prior to the Public Meeting
4. Public meeting of Council	Q2 2026
5. Council considers adoption of background study update and passage of amending by-law	Q3 2026 (at least 60 days after May 14, 2026)
6. Newspaper notice given of by-law passage	By 20 days after passage
7. Last day for by-law appeal	40 days after passage
8. Town updates pamphlet (where by-law not appealed)	By 60 days after in force date



## 1.6 Policy Recommendations

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D.C. policies related to the legislative changes introduced through Bill 185, Bill 17, and Bill 60, as applicable to the services addressed in this update, are recommended to be revised to ensure consistency with the D.C.A. The Town currently has a Local Service Policy; however, it does not apply to all D.C. services. Matters related to the Local Service Policy, together with other amendments introduced through Bill 60 that are not addressed through this update, will be considered as part of the Town's next comprehensive D.C. study.

All other existing Town D.C. policies, as identified in Appendix A of this report, are recommended to be continued. These matters are discussed further in Chapter 2.



Table 1-2  
Town of Greater Napanee  
Development Charges as per By-law 2022-0059

Service/Class of Service	RESIDENTIAL					NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Special Care/Special Dwelling Units	(per sq.ft. of Gross Floor Area)	(per sq.m of Gross Floor Area)
<b>Municipal Wide Services/Class of Service:</b>							
Services Related to a Highway	2,915	2,165	1,922	1,289	1,162	1.57	16.90
Public Works (Facilities and Fleet)	1,705	1,266	1,124	754	680	0.93	10.01
Fire Protection Services	896	666	591	396	357	0.48	5.17
Parks and Recreation Services	1,534	1,139	1,012	678	611	0.11	1.18
Growth Studies	605	449	399	267	241	0.33	3.55
Provincial Offences Act including By-Law Enforcement	52	39	34	23	21	0.03	0.32
<b>Total Municipal Wide Services/Class of Services</b>	<b>7,707</b>	<b>5,724</b>	<b>5,082</b>	<b>3,407</b>	<b>3,072</b>	<b>3.45</b>	<b>37.13</b>
<b>Urban Services</b>							
Wastewater Services	7,822	5,810	5,158	3,458	3,117	3.94	42.41
Water Services	5,143	3,820	3,391	2,273	2,050	2.59	27.88
<b>Total Urban Services</b>	<b>12,965</b>	<b>9,630</b>	<b>8,549</b>	<b>5,731</b>	<b>5,167</b>	<b>6.53</b>	<b>70.29</b>
<b>GRAND TOTAL RURAL AREA</b>	<b>7,707</b>	<b>5,724</b>	<b>5,082</b>	<b>3,407</b>	<b>3,072</b>	<b>3.45</b>	<b>37.13</b>
<b>GRAND TOTAL URBAN AREA</b>	<b>20,672</b>	<b>15,354</b>	<b>13,631</b>	<b>9,138</b>	<b>8,239</b>	<b>9.98</b>	<b>107.42</b>



# Chapter 2

## Anticipated Development



## 2. Anticipated Development

### 2.1 Growth Forecast from the 2022 D.C. Study

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The 2022 D.C. study provided for the anticipated residential and non-residential growth within the Town of Greater Napanee. The growth forecast associated with services included in the background study is provided in Table 2-1 below.

For the purposes of this D.C. update, the 2022 D.C. Study growth forecast remains unchanged, as the incremental growth is anticipated to remain the same.

Table 2-1  
Town of Greater Napanee  
2022 D.C. Background Study – Growth Forecast Summary

Measure	10 Year 2022-2031	20 Year 2022-2036	Urban Build Out 2022-Urban Buildout
(Net) Population Increase	1,506	2,168	4,291
Residential Unit Increase	779	1,092	2,085
Non-Residential Gross Floor Area Increase (ft <sup>2</sup> )	568,400	775,800	966,100

Source: Watson & Associates Economists Ltd. Forecast 2022



# Chapter 3

## Updates to the Town's D.C. Study



## 3. Updates to the Town's D.C. Study

Subsequent to the release of the 2022 D.C. Background Study, the Town of Greater Napanee undertook a review and update of capital cost estimates for select services based on recent tender pricing and updated cost information. A detailed review of the updated capital cost estimates and their implications for the D.C. calculations is provided in the following section.

### 3.1 Growth Studies

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As part of this D.C. Update, the Town reviewed and updated its growth-related studies based on discussions with Town staff. The updated capital program now includes a zoning by-law study and a feasibility study for Parks and Recreation Services.

These two additional studies are estimated to cost \$116,000 (in 2022 dollars). When added to the original Growth Studies cost of \$748,000 identified in the 2022 D.C. background study, this equates to a revised gross cost of \$864,000.

Deductions have been allocated for the two additional studies in the amounts of \$4,400 for the portion of the studies benefiting non-D.C. eligible services and \$56,000 for the portion that benefits the existing community.

Therefore, the net D.C. capital costs are calculated to increase from \$636,076 to \$691,676.

The net D.C.-recoverable study costs have been allocated 70% to residential development and 30% to non-residential development, based on the incremental growth in population relative to employment over the 2022 to 2031 forecast period, consistent with the allocation methodology applied in the 2022 Development Charges Background Study and the current D.C. by-law.

Table 3-1 provides for the detailed capital project listing:



**Table 3-1  
Town of Greater Napanee  
Growth Studies Capital Costs – Updated**

Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Service to Which Project Relates	Gross Capital Cost Estimate (2022\$)	Post Period Benefit	Other Deductions (to recognize benefit to non-D.C. services)	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
								Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 70%	Non-Residential Share 30%
<b>1</b>	<b>Development Charges Study:</b>											
1a	Development Charges Study	2022	Services Related to a Highway	3,113	-		3,113	-		3,113	2,179	934
1b	Development Charges Study	2022	Fire Protection Services	957	-		957	-		957	670	287
1c	Development Charges Study	2022	Parks and Recreation Services	877	-		877	-		877	614	263
1d	Development Charges Study	2022	P.O.A. including By-law Enforcement Services	41	-		41	-		41	28	12
1e	Development Charges Study	2022	Water Supply Services	11,950	-		11,950	-		11,950	8,365	3,585
1f	Development Charges Study	2022	Wastewater Services	14,854	-		14,854	-		14,854	10,398	4,456
1g	Development Charges Study	2022	Public Works	2,209	-		2,209	-		2,209	1,546	663
	<b>Sub-total Development Charges Study</b>			<b>34,000</b>	-	-	<b>34,000</b>	-	-	<b>34,000</b>	<b>23,800</b>	<b>10,200</b>
<b>2</b>	<b>Development Charges Study:</b>											
2a	Development Charges Study	2027	Services Related to a Highway	3,113	-		3,113	-		3,113	2,179	934
2b	Development Charges Study	2027	Fire Protection Services	957	-		957	-		957	670	287
2c	Development Charges Study	2027	Parks and Recreation Services	877	-		877	-		877	614	263
2d	Development Charges Study	2027	P.O.A. including By-law Enforcement Services	41	-		41	-		41	28	12
2e	Development Charges Study	2027	Water Supply Services	11,950	-		11,950	-		11,950	8,365	3,585
2f	Development Charges Study	2027	Wastewater Services	14,854	-		14,854	-		14,854	10,398	4,456
2g	Development Charges Study	2027	Public Works	2,209	-		2,209	-		2,209	1,546	663
	<b>Sub-total Development Charges Study</b>			<b>34,000</b>	-	-	<b>34,000</b>	-	-	<b>34,000</b>	<b>23,800</b>	<b>10,200</b>
<b>3</b>	<b>Official Plan:</b>											
3a	Official Plan	2022	Services Related to a Highway	16,000	-	1,600	14,400	-		14,400	10,080	4,320
3b	Official Plan	2022	Fire Protection Services	12,000	-	1,200	10,800	-		10,800	7,560	3,240
3c	Official Plan	2022	Parks and Recreation Services	8,000	-	800	7,200	-		7,200	5,040	2,160
3d	Official Plan	2022	P.O.A. including By-law Enforcement Services	4,000	-	400	3,600	-		3,600	2,520	1,080
3e	Official Plan	2022	Water Supply Services	16,000	-	1,600	14,400	-		14,400	10,080	4,320
3f	Official Plan	2022	Wastewater Services	16,000	-	1,600	14,400	-		14,400	10,080	4,320
3g	Official Plan	2022	Public Works	8,000	-	800	7,200	-		7,200	5,040	2,160
	<b>Sub-total Official Plan</b>			<b>80,000</b>	-	<b>8,000</b>	<b>72,000</b>	-	-	<b>72,000</b>	<b>50,400</b>	<b>21,600</b>



**Table 3-1  
Town of Greater Napanee  
Growth Studies Capital Costs – Updated (continued)**

dc	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Service to Which Project Relates	Gross Capital Cost Estimate (2022\$)	Post Period Benefit	Other Deductions (to recognize benefit to non-D.C. services)	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
								Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 70%	Non-Residential Share 30%
	2022-2031											
4	<b>Official Plan Update:</b>											
4a	Official Plan Update	2026	Services Related to a Highway	8,000	-	800	7,200	-		7,200	5,040	2,160
4b	Official Plan Update	2026	Fire Protection Services	6,000	-	600	5,400	-		5,400	3,780	1,620
4c	Official Plan Update	2026	Parks and Recreation Services	4,000	-	400	3,600	-		3,600	2,520	1,080
4d	Official Plan Update	2026	P.O.A. including By-law Enforcement Services	2,000	-	200	1,800	-		1,800	1,260	540
4e	Official Plan Update	2026	Water Supply Services	8,000	-	800	7,200	-		7,200	5,040	2,160
4f	Official Plan Update	2026	Wastewater Services	8,000	-	800	7,200	-		7,200	5,040	2,160
4g	Official Plan Update	2026	Public Works	4,000	-	400	3,600	-		3,600	2,520	1,080
	<b>Sub-total Official Plan Update</b>			<b>40,000</b>	<b>-</b>	<b>4,000</b>	<b>36,000</b>	<b>-</b>	<b>-</b>	<b>36,000</b>	<b>25,200</b>	<b>10,800</b>
5	<b>Zoning By-law Update:</b>											
5a	Zoning By-law Update	2026	Services Related to a Highway	9,000	-	900	8,100	4,100		4,000	2,800	1,200
5b	Zoning By-law Update	2026	Fire Protection Services	7,000	-	700	6,300	3,200		3,100	2,170	930
5c	Zoning By-law Update	2026	Parks and Recreation Services	4,000	-	400	3,600	1,800		1,800	1,260	540
5d	Zoning By-law Update	2026	P.O.A. including By-law Enforcement Services	2,000	-	200	1,800	900		900	630	270
5e	Zoning By-law Update	2026	Water Supply Services	9,000	-	900	8,100	4,100		4,000	2,800	1,200
5f	Zoning By-law Update	2026	Wastewater Services	9,000	-	900	8,100	4,100		4,000	2,800	1,200
5g	Zoning By-law Update	2026	Public Works	4,000	-	400	3,600	1,800		1,800	1,260	540
	<b>Sub-total Zoning By-law Update</b>			<b>44,000</b>	<b>-</b>	<b>4,400</b>	<b>39,600</b>	<b>20,000</b>	<b>-</b>	<b>19,600</b>	<b>13,720</b>	<b>5,880</b>
6a	Water and Wastewater Master Plan	2023	Water Supply Services	125,000	-		125,000	-		125,000	87,500	37,500
6b	Water and Wastewater Master Plan	2023	Wastewater Services	125,000	-		125,000	-		125,000	87,500	37,500
7a	Water and Wastewater Master Plan	2028	Water Supply Services	125,000	-		125,000	-		125,000	87,500	37,500
7b	Water and Wastewater Master Plan	2028	Wastewater Services	125,000	-		125,000	-		125,000	87,500	37,500
8	Recreation Master Plan	2022	Parks and Recreation Services	60,000	-		60,000	30,000		30,000	21,000	9,000
9	Feasibility Study	2026	Parks and Recreation Services	72,000	-		72,000	36,000		36,000	25,200	10,800
10	Reserve Fund Adjustment	Reserve		-	-		-	69,924		(69,924)	(48,947)	(20,977)
	<b>Total</b>			<b>864,000</b>	<b>-</b>	<b>16,400</b>	<b>847,600</b>	<b>155,924</b>	<b>-</b>	<b>691,676</b>	<b>484,173</b>	<b>207,503</b>



## 3.2 Wastewater Services

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As part of this D.C. Update, the Town undertook a review of the Wastewater Services capital program originally identified in the 2022 Development Charges Background Study. This review reflects updated cost information based on recent tender pricing, as well as the identification of new growth-related capital requirements, to ensure the D.C. calculations continue to reflect the proposed infrastructure's buildout capacity.

Through this review, Projects 9 and 10 (Processed Biosolids Lagoon Upsize/Rehabilitation and Processed Biosolids Land Acquisition) identified in the 2022 D.C. Study have been removed from the updated wastewater capital program. These projects were identified prior to considering a sludge dewatering facility as the preferred long-term solution for biosolids management through an engineering feasibility review. With the inclusion of the Sludge Dewatering Facility (Project 13) in this update, the capacity and operational requirements previously addressed by Projects 9 and 10 are now accommodated through this alternative approach. As a result, Projects 9 and 10 are no longer required to support forecast growth over the planning horizon and have been excluded from the D.C. calculations.

### Updated Wastewater Capital Projects

The Water Pollution Control Plant Upgrade and Expansion (Project 11) has been updated to reflect recent tender estimates and new information regarding grants and other contributions for this project.

The gross capital cost of this project has increased from \$50 million to \$63.92 million. The following deductions have been applied:

- \$16.04 million to recognize the benefit to existing development, based on the current capacity of the treatment plant as a percentage of the new capacity provided by the expansion; and
- \$37.64 million to recognize funding anticipated from other sources (grants, subsidies, or other contributions).

After applying these deductions, the net D.C.-recoverable cost for the Water Pollution Control Plant Upgrade and Expansion project totals approximately \$10.24 million, which represents a decrease from the \$12.43 million originally identified in the 2022 D.C. study. These changes are summarized in Table 3-2.



### **New Wastewater Capital Projects (Projects 12 and 13)**

In addition to the Water Pollution Control Plant project, the Town has identified the inclusion of the associated financing costs for the aforementioned project. Additionally, with the removal of the Biosolids projects, a Sludge Dewatering Facility has been included as the preferred capital solution, subject to Council approval.

The combined gross capital cost of these new projects is approximately \$12.87 million. Deductions for benefit to existing development have been applied to both projects, totalling of \$7.86 million.

### **Summary of Wastewater D.C. Recoverable Costs**

Overall, the wastewater capital program included in this D.C. Update comprises approximately \$84.85 million in gross capital costs, compared to \$61.06 million identified in the 2022 D.C. study. After accounting for deductions related to the benefit to existing developments and other contributions, the total D.C.-recoverable cost for Wastewater Services has increased from \$17.29 million to approximately \$18.12 million.

The net D.C.-recoverable wastewater costs have been allocated 78% to residential development and 22% to non-residential development, based on the incremental population-to-employment growth over the 2022 to urban buildout forecast period, consistent with the allocation methodology applied in the 2022 D.C. Background Study.

A summary of the updated Wastewater Services capital projects and associated D.C.-recoverable costs is provided in Table 3-2.



Table 3-2  
Town of Greater Napanee  
Wastewater Services Capital Costs – Updated

Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2022\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 78%	Non-Residential Share 22%
<b>2022-Urban Buildout</b>											
1	Slash Road Trunk Main Upsize (850m)	2027	850,000	-		850,000	273,200		576,800	449,904	126,896
2	Victoria Street Pumping Station	2032	1,500,000	-		1,500,000	750,000		750,000	585,000	165,000
3	Highway #2 Pumping Station	2027	1,500,000	-		1,500,000	750,000		750,000	585,000	165,000
4	Highway #2 Pumping Station Force Main Upgrade (800m)	2027	800,000	-		800,000	400,000		400,000	312,000	88,000
5	Highway #2 Pumping Station Force Main Upsize Property Acquisition, 410 Dundas Street	2025	500,000	-		500,000	250,000		250,000	195,000	55,000
6	Highway #41 Pumping Station	2032	1,500,000	-		1,500,000	750,000		750,000	585,000	165,000
7	Centre Street/Advance Ave Trunk Main Upgrade - Hwy #41 Station (630m)	2032	630,000	-		630,000	315,000		315,000	245,700	69,300
8	Highway #41 Pumping Station Force Main Upgrade (780m)	2032	780,000	-		780,000	446,900		333,100	259,818	73,282
11	Water Pollution Control Plant Upgrade and Expansion	2026	63,920,000	-		63,920,000	16,039,900	37,640,000	10,240,100	7,987,278	2,252,822
12	WPCP Financing Costs - Discounted		5,600,000	-		5,600,000	3,417,900		2,182,100	1,702,038	480,062
13	Sludge Dewatering Facility	2026	7,270,000			7,270,000	4,437,200		2,832,800	2,209,584	623,216
14	Reserve Fund Adjustment	Reserve	-	-		-	1,263,973		(1,263,973)	(985,899)	(278,074)
	<b>Total</b>		<b>84,850,000</b>	<b>-</b>	<b>-</b>	<b>84,850,000</b>	<b>29,094,073</b>	<b>37,640,000</b>	<b>18,115,927</b>	<b>14,130,423</b>	<b>3,985,504</b>



### 3.3 Water Services

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Similar to the other services, the Town has identified updates to the Water Services capital program. This review reflects the need for additional water infrastructure to support the growth forecast identified in the 2022 D.C. background study.

#### **New Water Capital Projects (Projects 6–8)**

The water capital program is being updated to include three additional projects that are required to support the associated growth forecast. The following projects are proposed to be added for D.C. recovery:

- New Project 6: Upgrade of Water Fill Station – this involves the relocation and expansion of the portable water fill station to provide dual-fill capacity and is being included with the following calculations:
  - Gross Cost: \$160,000
  - Benefit to Existing Deduction: \$80,000
  - Net D.C.-eligible Cost: \$80,000
- New Project 7: Centre Street South Reconstruction (Dundas Street to Isabella Street) – this includes the upsizing of a watermain and is being included with the following calculations:
  - Gross Cost: \$1,570,000
  - Benefit to Existing Deduction: \$1,413,000
  - Net D.C.-eligible Cost: \$80,000
- New Project 8: D.C. Credit – Limestone Ridge Watermain and Booster Station – this reflects the installation of an off-site water booster station, off-site watermain, and watermain redundancy mechanisms benefitting new growth areas serviced by the growth-related infrastructure in alignment with the in-effect Local Service Policy, and includes:
  - Net D.C.-eligible Cost: \$4,580,000

#### **Summary of Water D.C. Recoverable Costs**

Overall, the three new capital items increase the water capital program from \$13.76 million to \$20.07 million. After accounting for the various deductions, the total D.C.-recoverable cost for Water Services has increased from \$11.36 million to approximately \$16.18 million.



The net D.C.-recoverable water costs have been allocated 78% to residential development and 22% to non-residential development, based on the incremental population-to-employment growth over the 2022 to urban buildout forecast period, consistent with the allocation methodology applied in the 2022 D.C. Background Study.

A summary of the updated Water Services capital projects and associated D.C.-recoverable costs is provided in Table 3-3.



**Table 3-3  
Town of Greater Napanee  
Water Services Capital Costs – Updated**

Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Gross Capital Cost Estimate (2022\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share 78%	Non-Residential Share 22%
<b>2022-Urban Buildout</b>											
1	Treated Water Storage (North of GoodYear Road)	2032	10,000,000	-		10,000,000	-		10,000,000	7,800,000	2,200,000
2	New West End Water Booster Station	2027	1,500,000	-		1,500,000	-		1,500,000	1,170,000	330,000
3	Brandon Booster Station	2032	1,500,000	-		1,500,000	750,000		750,000	585,000	165,000
4	McCabe Booster Station	2032	150,000	-		150,000	75,000		75,000	58,500	16,500
5	Centre Street North Water Main Upsize (410m -under 401)	2032	610,000	-		610,000	305,000		305,000	237,900	67,100
6	Upgrade of Water Fill Station	2026	160,000	-		160,000	80,000		80,000	62,400	17,600
7	Centre Street South Reconstruction (Dundas to Isabella)	2026-2027	1,570,000	-		1,570,000	1,413,000		157,000	122,460	34,540
8	D.C. Credit - Limestone Ridge watermain and booster station	credit	4,580,000	-		4,580,000	-		4,580,000	3,572,400	1,007,600
9	Reserve Fund Adjustment	Reserve	-			-	1,263,973		(1,263,973)	(985,899)	(278,074)
	<b>Total</b>		<b>20,070,000</b>	<b>-</b>	<b>-</b>	<b>20,070,000</b>	<b>3,886,973</b>	<b>-</b>	<b>16,183,027</b>	<b>12,622,761</b>	<b>3,560,266</b>



## **3.4 D.C. By-law Revised Schedule of Charges**

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### ***3.4.1 Updated D.C. Calculation (2022\$)***

The following tables provide the updated D.C. calculations based on the revised capital needs discussed in Sections 3.1, 3.2, and 3.3.

For the residential calculations, the total cost is divided by the “gross” (new resident) population to determine the per capita amount. The eligible D.C. cost calculations set out in Sections 3.1, 3.2, and 3.3 are based on the net anticipated population increase (the forecast new unit population less the anticipated decline in existing units). The cost per capita calculated in the tables below is then multiplied by the average occupancy of the new units (Appendix A, Schedule 4 to the 2022 D.C. background study) to calculate the charge in Table 3-8.

With respect to non-residential development, the total costs in the uniform charge allocated to non-residential development (based on need for service) have been divided by the anticipated development over the planning period to calculate a cost per sq.ft. of gross floor area.

The D.C. calculation for growth studies, wastewater services, and water services is provided in the following tables:



**Table 3-4**  
**Town of Greater Napanee**  
**2022 to Urban Buildout D.C. Calculation (\$2022)**

SERVICE/CLASS	2022\$ D.C.-Eligible Cost		2022\$ D.C.-Eligible Cost	
	Residential	Non-Residential	S.D.U.	per sq. ft.
	\$	\$	\$	\$
1. <u>Wastewater Services</u>				
1.1 Treatment plants, sewers	14,130,423	3,985,504	8,197	4.13
	14,130,423	3,985,504	8,197	4.13
2. <u>Water Services</u>				
2.1 Treatment plants, storage and distribution systems	12,622,761	3,560,266	7,322	3.68
	12,622,761	3,560,266	7,322	3.68
<b>TOTAL</b>	<b>\$26,753,185</b>	<b>\$7,545,770</b>	<b>\$15,519</b>	<b>7.81</b>
D.C.-Eligible Capital Cost	\$26,753,185	\$7,545,770		
Urban Buildout Gross Population/GFA Growth (sq.ft.)	4,758	966,100		
<b>Cost Per Capita/Non-Residential GFA (sq.ft.)</b>	<b>\$5,623</b>	<b>\$7.81</b>		
<b>By Residential Unit Type</b>	<b>P.P.U.</b>			
Single and Semi-Detached Dwelling	2.760	\$15,519		
Multiples	2.050	\$11,527		
Apartments - 2 Bedrooms +	1.820	\$10,233		
Apartments - Bachelor and 1 Bedroom	1.220	\$6,860		
Special Care/Special Dwelling Units	1.100	\$6,185		

**Table 3-5**  
**Town of Greater Napanee**  
**2022 to 2031 D.C. Calculation (\$2022)**

SERVICE/CLASS	2022\$ D.C.-Eligible Cost		2022\$ D.C.-Eligible Cost	
	Residential	Non-Residential	S.D.U.	per sq. ft.
7. <u>Growth Studies</u>				
7.1 Growth Studies	484,173	207,503	658	0.37
<b>TOTAL</b>	<b>\$484,173</b>	<b>\$207,503</b>	<b>\$658</b>	<b>\$0.37</b>
D.C.-Eligible Capital Cost	\$484,173	\$207,503		
10-Year Gross Population/GFA Growth (sq.ft.)	2,031	568,400		
<b>Cost Per Capita/Non-Residential GFA (sq.ft.)</b>	<b>\$238</b>	<b>\$0.37</b>		
<b>By Residential Unit Type</b>	<b>P.P.U.</b>			
Single and Semi-Detached Dwelling	2.760	\$658		
Multiples	2.050	\$489		
Apartments - 2 Bedrooms +	1.820	\$434		
Apartments - Bachelor and 1 Bedroom	1.220	\$291		
Special Care/Special Dwelling Units	1.100	\$262		

### **3.4.2 Revised D.C. Rates (2022\$ and 2026\$)**

Based on the changes noted above, the D.C. calculations have been revised to update the charge for growth studies, wastewater services, and water services. As a result, the total calculated Urban-wide D.C. (single/semi-detached unit), including water and wastewater services has increased from \$20,672 to \$23,281 (2022 \$).



With respect to the non-residential charges, the total Urban-wide calculated D.C., including water, and wastewater services, has increased from \$9.98 per sq.ft. (\$107.42 per sq.m) to \$11.29 per sq.ft. (\$121.52 per sq.m).

Tables 3-6 and 3-7 below outline the charges as calculated in the 2022 D.C. by-law passage, and the charges as amended for residential and non-residential, respectively.

Table 3-6  
Town of Greater Napanee  
Rate Comparison – Residential (per single detached unit in 2022\$)

Service/Class of Service	2022 DC Study	Calculated 2026 D.C. Update
<b>Municipal Wide Services/Classes:</b>		
Services Related to a Highway	2,915	2,915
Public Works (Facilities and Fleet)	1,705	1,705
Fire Protection Services	896	896
Parks and Recreation Services	1,534	1,535
Growth Studies	605	659
Provincial Offences Act including By-Law Enforcement	52	52
<b>Total Municipal Wide Services/Classes</b>	<b>7,707</b>	<b>7,762</b>
<b>Urban Area Specific Services:</b>		
Wastewater Services	7,822	8,197
Water Services	5,143	7,322
<b>Total Urban Area Specific Services</b>	<b>12,965</b>	<b>15,519</b>
<b>Grand Total - Urban Area</b>	<b>20,672</b>	<b>23,281</b>



Table 3-7  
Town of Greater Napanee  
Rate Comparison – Non-residential (per sq.ft. and per sq.m in 2022\$)

Service/Class of Service	2022 DC (per sq.ft.)	2022 DC (per sq.m.)	Calculated 2026 D.C. Update (per sq.ft.)	Calculated 2026 D.C. Update (per sq.m.)
<b>Municipal Wide Services/Classes:</b>				
Services Related to a Highway	1.57	16.90	1.56	16.79
Public Works (Facilities and Fleet)	0.93	10.01	0.93	10.01
Fire Protection Services	0.48	5.17	0.48	5.17
Parks and Recreation Services	0.11	1.18	0.11	1.18
Growth Studies	0.33	3.55	0.37	3.98
Provincial Offences Act including By-Law Enforcement	0.03	0.32	0.03	0.32
<b>Total Municipal Wide Services/Classes</b>	<b>3.45</b>	<b>37.13</b>	<b>3.48</b>	<b>37.45</b>
<b>Urban Area Specific Services:</b>				
Wastewater Services	3.94	42.41	4.13	44.46
Water Services	2.59	27.88	3.68	39.61
<b>Total Urban Area Specific Services</b>	<b>6.53</b>	<b>70.29</b>	<b>7.81</b>	<b>84.07</b>
<b>Grand Total - Urban Area</b>	<b>9.98</b>	<b>107.42</b>	<b>11.29</b>	<b>121.52</b>

Table 3-8 provides for the updated D.C.s in 2022 values, as the study was originally completed in 2022. Table 3-9 provides for the indexed 2026 values as the Town's current D.C.s have been indexed by 32.86% since the passage of the D.C. by-law.



Table 3-8  
Town of Greater Napanee  
Updated D.C. Schedule (2022\$)

Service/Class of Service	RESIDENTIAL					NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Special Care/Special Dwelling Units	(per sq.ft. of Gross Floor Area)	(per sq.m of Gross Floor Area)
<b>Municipal Wide Services/Class of Service:</b>							
Services Related to a Highway	2,915	2,165	1,922	1,289	1,162	1.56	16.79
Public Works (Facilities and Fleet)	1,705	1,266	1,124	754	680	0.93	10.01
Fire Protection Services	896	666	591	396	357	0.48	5.17
Parks and Recreation Services	1,535	1,140	1,012	679	612	0.11	1.18
Growth Studies	659	489	435	291	263	0.37	3.98
Provincial Offences Act including By-Law Enforcement	52	39	34	23	21	0.03	0.32
<b>Total Municipal Wide Services/Class of Services</b>	<b>7,762</b>	<b>5,765</b>	<b>5,118</b>	<b>3,432</b>	<b>3,095</b>	<b>3.48</b>	<b>37.45</b>
<b>Urban Services</b>							
Wastewater Services	8,197	6,088	5,405	3,623	3,267	4.13	44.46
Water Services	7,322	5,438	4,828	3,237	2,918	3.68	39.61
<b>Total Urban Services</b>	<b>15,519</b>	<b>11,526</b>	<b>10,233</b>	<b>6,860</b>	<b>6,185</b>	<b>7.81</b>	<b>84.07</b>
<b>GRAND TOTAL RURAL AREA</b>	<b>7,762</b>	<b>5,765</b>	<b>5,118</b>	<b>3,432</b>	<b>3,095</b>	<b>3.48</b>	<b>37.45</b>
<b>GRAND TOTAL URBAN AREA</b>	<b>23,281</b>	<b>17,291</b>	<b>15,351</b>	<b>10,292</b>	<b>9,280</b>	<b>11.29</b>	<b>121.52</b>



Table 3-9  
Town of Greater Napanee  
Updated D.C. Schedule (2026\$)

Service/Class of Service	RESIDENTIAL					NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Special Care/Special Dwelling Units	(per sq.ft. of Gross Floor Area)	(per sq.m of Gross Floor Area)
<b>Municipal Wide Services/Class of Service:</b>							
Services Related to a Highway	3,873	2,877	2,554	1,712	1,544	2.09	22.50
Public Works (Facilities and Fleet)	2,265	1,683	1,494	1,001	903	1.24	13.35
Fire Protection Services	1,190	884	785	526	474	0.64	6.89
Parks and Recreation Services	2,038	1,514	1,344	901	812	0.15	1.61
Growth Studies	876	650	577	387	349	0.49	5.29
Provincial Offences Act including By-Law Enforcement	69	51	46	31	28	0.04	0.43
<b>Total Municipal Wide Services/Class of Services</b>	<b>10,311</b>	<b>7,659</b>	<b>6,800</b>	<b>4,558</b>	<b>4,110</b>	<b>4.65</b>	<b>50.07</b>
<b>Urban Services</b>							
Wastewater Services	10,891	8,089	7,181	4,814	4,340	5.49	59.06
Water Services	9,728	7,226	6,415	4,300	3,877	4.89	52.63
<b>Total Urban Services</b>	<b>20,619</b>	<b>15,315</b>	<b>13,596</b>	<b>9,114</b>	<b>8,217</b>	<b>10.38</b>	<b>111.69</b>
<b>GRAND TOTAL RURAL AREA</b>	<b>10,311</b>	<b>7,659</b>	<b>6,800</b>	<b>4,558</b>	<b>4,110</b>	<b>4.65</b>	<b>50.07</b>
<b>GRAND TOTAL URBAN AREA</b>	<b>30,930</b>	<b>22,974</b>	<b>20,396</b>	<b>13,672</b>	<b>12,327</b>	<b>15.03</b>	<b>161.76</b>



# Chapter 4

## Updates to the D.C. By-law



## 4. Updates to the D.C. By-law

The amending by-law will update the D.C. by-law for the following changes:

- Updated schedule of charges for growth studies, wastewater services, and water services.
- Updated definition for existing industrial building to include:
- Aligning with the amended D.C.A., as per Bill 185: *Cutting Red Tap to Build More Homes Act, 2024*:
  - the reduction of the development charge rate freeze period from two years to 18 months following applicable planning approval.
- Aligning with the amended D.C.A., as per Bill 17: *Protect Ontario by Building Faster and Smarter Act, 2025*:
  - Addition of long-term care home exemption;
  - Deferral of D.C. payment for residential development to occupancy;
  - Removal of interest on installments for rental housing and institutional development;
  - Ability for early payment of residential or institutional D.C.s without the need to enter into an agreement with the Town; and
  - For developments proceeding through site plan/zoning by-law amendment application, the D.C. payable is based on the lower of the “frozen” rate or the rate at the time the D.C. is payable.
- Aligning with the amended D.C.A., as per Bill 60: *Fighting Delays, Building Faster Act, 2025*:
  - land values have been excluded from the historical level of service calculations.

The draft amending by-law that provides for these amendments is included in Appendix C to this report.



# Chapter 5

## Recommendations



## 5. Recommendations

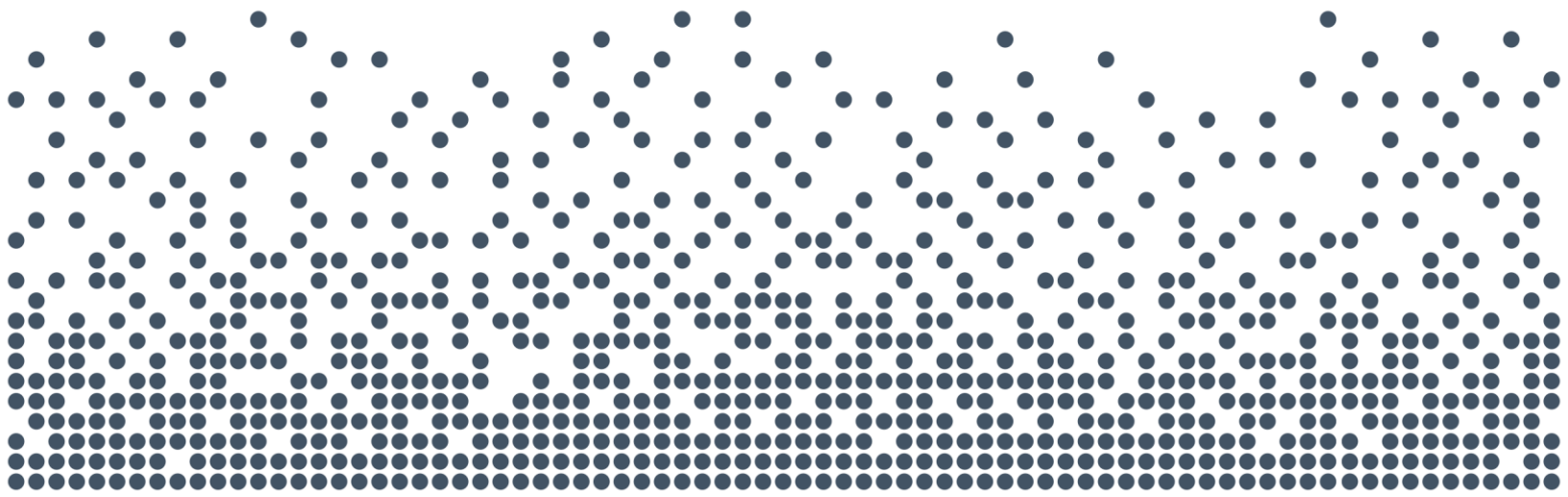
It is recommended that Council, following public release of the Background Study and Public Meeting:

“Approve the Development Charges Update Study dated May 4, 2026, as amended (if applicable)”;

“Approve the capital project listing set out in Chapter 3 of the Development Charges Update Study dated May 4, 2026, subject to further annual review during the capital budget process”;

“Determine that no further public meeting is required”; and

“Approve the amending D.C. by-law as set out in Appendix C”.



# Appendices



# Appendix A

## Existing Policies Under By-law 2022-0059



# Appendix A: Existing Policies Under By-law 2022-0059

The following subsections set out the rules governing the calculation, payment, and collection of D.C.s as provided in By-law 2022-0059 currently in-force, in accordance with the D.C.A.

## Approvals for Development

- a) Development charges shall be imposed on all lands, buildings or structures that are developed for residential or non-residential uses if the development requires:
  - I. the passing of a zoning by-law or of an amendment to a zoning by-law under section 34 of the *Planning Act*;
  - II. the approval of a minor variance under section 45 of the *Planning Act*;
  - III. a conveyance of land to which a by-law passed under section 50 (7) of the *Planning Act* applies;
  - IV. the approval of a plan of subdivision under section 51 of the *Planning Act*;
  - V. a consent under section 53 of the *Planning Act*;
  - VI. the approval of a description under section 50 of the *Condominium Act*;
  - VII. the issuing of a building permit under the *Building Code Act* in relation to a building or structure.
- b) No more than one development charge for each service designated in subsection 2.1 shall be imposed upon any lands, buildings or structures to which this By-law applies even though two or more of the actions described in subsection 3.4 (a) are required before the lands, buildings or structures can be developed.
- c) Despite subsection 3.4 (b), if two or more of the actions described in subsection 3.4 (a) occur at different times, additional development charges shall be imposed if the subsequent action has the effect of increasing the need for services.



## **Determination of the Amount of the Charge**

The calculation for residential development is generated on a per capita basis and is based upon different forms of housing types (single and semi-detached, multiples, apartments with two or more bedrooms, one-bedroom apartments and bachelors, and special care/special dwelling units). The total cost is divided by the “gross” (new resident) population to determine the per capita amount. The eligible D.C. cost calculations are based on the net anticipated population increase (the forecast new unit population less the anticipated decline in existing units). This approach acknowledges that service capacity will be “freed up” by the population decline in existing units. The cost per capita is then multiplied by the average occupancy of the new units to calculate the charges by type of residential dwelling unit.

The non-residential D.C. has been calculated based on a per square metre of gross floor area basis.

## **Reduction of Development Charges for Redevelopment**

Despite any other provisions of this By-law, where, as a result of the redevelopment of land, a building or structure existing on the same land within five years prior to the date of payment of development charges in regard to such redevelopment was, or is to be demolished, in whole or in part, or converted from one principal use to another principal use on the same land, in order to facilitate the redevelopment, the development charges otherwise payable with respect to such redevelopment shall be reduced by the following amounts:

- a) in the case of a residential building or structure, or in the case of a mixed-use building or structure, the residential uses in the mixed-use building or structure, an amount calculated by multiplying the applicable development charge under subsection 3.11 by the number, according to type, of dwelling units that have been or will be demolished or converted to another principal use; and
- b) in the case of a non-residential building or structure or, in the case of mixed-use building or structure, the non-residential uses in the mixed-use building or structure, an amount calculated by multiplying the applicable development charges under subsection 3.12, by the gross floor area that has been or will be demolished or converted to another principal use;



provided that such amounts shall not exceed, in total, the amount of the development charges otherwise payable with respect to the redevelopment.

### **Exemptions (full or partial)**

The following are exempted from D.C.s:

- Statutory exemptions:
  - industrial building additions of up to and including 50% of the existing G.F.A. (defined in O. Reg. 82/98, section 1) of the building; for industrial building additions that exceed 50% of the existing G.F.A., only the portion of the addition in excess of 50% is subject to D.C.s (subsection 4 (3) of the D.C.A.);
  - buildings or structures owned by and used for the purposes of any municipality, local board, or Board of Education (section 3);
  - 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;
  - a university in Ontario that receives direct, regular, and ongoing operating funding from the Government of Ontario;
  - affordable units;
  - affordable inclusionary zoning units;
  - attainable units (to be in force at a later date);
  - non-profit housing; and
  - discount for rental housing<sup>1</sup> units based on bedroom size (i.e. three or more bedrooms – 25% reduction, two bedrooms – 20% reduction, and all others – 15% reduction).
- Non-statutory exemptions
  - a public hospital receiving aid under the Public Hospitals Act, R.S.O. 1990, Chap. P.40, as amended, or any successor thereof; and;
  - the development of non-residential farm buildings constructed for bona fide farm uses.

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<sup>1</sup> Rental housing development” means the development of a building or structure containing four or more dwelling units that are intended to be used as rented residential premises, as defined under the Planning Act.



## **Indexing**

The Development charges imposed pursuant to this By-law shall be adjusted annually, without amendment to this By-law, commencing on the 1st day of January, 2023 and each year thereafter, in accordance with the prescribed index in the Act.

## **By-law Duration**

This By-law will expire at 12:01 AM on September 14, 2027 unless it is repealed by Council at an earlier date.

## **Timing of D.C. Payments**

Development charges imposed under this By-law are calculated, payable, and collected upon issuance of the first building permit for the development.

Notwithstanding subsections 3.14, development charges for rental housing and institutional developments are due and payable in 6 equal annual payments commencing with the first instalment payable on the earlier of the date the first occupancy permit is granted or the date of first occupancy, and each subsequent instalment, including interest calculated in accordance with subsection 3.17 of this by-law, continuing on the anniversary of that date.

Notwithstanding subsections 3.14 and 3.15, development charges for non-profit housing developments are due and payable in 21 equal annual payments commencing with the first instalment payable on the earlier of the date the first occupancy permit is granted or the date of first occupancy, and each subsequent instalment, including interest calculated in accordance with subsection 3.17 of this by-law, continuing on the anniversary of that date.

The annual interest rate to be imposed on developments proceeding with instalment payments subject to subsections 3.15 and 3.16 of this by-law, will be as provided in the Town's Interest Rate Policy.

Where the development of land results from the approval of a site plan or zoning by-law amendment received on or after January 1, 2020, and the approval of the application occurred within two years of building permit issuance, the development charges under subsections 3.11 and 3.12 shall be calculated on the rates set out in Schedule "B" on the date of the planning application, including interest as per subsection 3.17. Where



both planning applications apply, development charges under subsections 3.11 and 3.12 shall be calculated on the rates, including interest as per subsection 3.17, payable on the anniversary date each year thereafter, set out in Schedule “B” on the date of the later planning application, including interest.

Despite subsections 3.14 to 3.18, Council from time to time, and at any time, may enter into agreements providing for all or any part of a development charge to be paid before or after it would otherwise be payable, in accordance with section 27 of the Act.

### **Payment by Services**

Despite the payment required under subsections 3.11 and 3.12, Council may, by agreement, give a credit towards a development charge in exchange for work that relates to a service to which a development charge relates under this By-law.

*Note: given the legislative changes, as provided in Section 2 of this update study, the Town’s D.C. by-law is being amended to align with the new requirements with respect to timing of payment.*



# Appendix B

## Changes to the Development Charges Act, 1997



# Changes to the Development Charges Act, 1997:

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

The following section provides details on the revisions to the D.C.A. as a result of Bill 185.

### **1. Revised Definition of Capital Costs**

Bill 185 reversed the capital cost amendments of Bill 23 by reinstating studies as an eligible capital cost. The following paragraphs were added to subsection 5(3) of the D.C.A.:

- 5. Costs to undertake studies in connection with any of the matters referred to in paragraphs 1 to 4.*
- 6. Costs of the development charge background study required under section 10.*

The amendment allows municipalities to fund studies, consistent with by-laws passed prior to Bill 23.

### **2. Removal of Mandatory Phase-in**

Bill 23 required the phase-in of charges imposed in a D.C. by-law over a five-year term for any by-laws passed after January 1, 2022. Bill 185 removed this mandatory phase-in.

For site plan and zoning by-law amendment applications that were made prior to Bill 185 receiving Royal Assent, the charges payable will be the charges that were in place on the day the planning application was made (i.e., including the mandatory phase-in).

### **3. Process for Minor Amendments to D.C. By-laws**

Section 19 of the D.C.A. requires that a municipality must follow sections 10 through 18 of the D.C.A. (with necessary modifications) when amending D.C. by-laws. Sections 10 through 18 of the D.C.A. generally requires the following:

- Completion of a D.C. background study, including the requirement to post the background study 60 days prior to passage of the D.C. by-law;



- Passage of a D.C. by-law within one year of the completion of the D.C. background study;
- A public meeting, including notice requirements; and
- The ability to appeal the by-law to the Ontario Land Tribunal.

Bill 185 allows municipalities to undertake minor amendments to D.C. by-laws for the following purposes without adherence to the requirements noted above (with the exception of the notice requirements):

1. To repeal a provision of the D.C. by-law specifying the date the by-law expires or to amend the provision to extend the expiry date (subject to the 10-year limitations provided in the D.C.A.);
2. To impose D.C.s for studies, including the D.C. background study; and
3. To remove the provisions related to the mandatory phase-in of D.C.s.

Minor amendments related to items imposing D.C.s for studies and to remove the mandatory phase-in noted above may be undertaken only if the D.C. by-law being amended was passed after November 28, 2022, and before Bill 185 came into effect. Moreover, the amending by-law must be passed within six months of Bill 185 taking effect.

Notice requirements for these minor amending by-laws are similar to the typical notice requirements, with the exception of the requirement to identify the last day for appealing the by-law (as these provisions do not apply).

#### **4. Reduction of D.C. Rate Freeze Timeframe**

Changes to the D.C.A. in 2020 provided for the requirement to freeze D.C.s imposed on developments subject to a site plan and/or a zoning by-law amendment application. The D.C. rate for these developments is “frozen” at the rates that were in effect at the time the site plan and/or zoning by-law amendment application was submitted (subject to applicable interest). Once the application is approved by the municipality, if the date the D.C. is payable is more than two years from the approval date, the D.C. rate freeze would no longer apply. Bill 185 reduced the two-year timeframe to 18 months. Note, this change is not subject to the minor amendment provisions introduced and must follow the full D.C. by-law amendment process.



## **5. Modernizing Public Notice Requirements**

The D.C.A. sets out the requirements for municipalities to give notice of public meetings and of by-law passage. These requirements are prescribed in sections 9 and 10 of O. Reg. 82/98 and include giving notice in a newspaper of sufficiently general circulation in the area to which the by-law would apply. The regulatory changes modernize the public notice requirements by allowing municipalities to provide notice on a municipal website if a local newspaper is not available. Note, this change is in effect as of July 1, 2024.

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

On May 12, 2025, the Province released *Bill 17: Protect Ontario by Building Faster and Smarter Act, 2025*. The Bill received Royal Assent on June 5, 2025. This Bill introduces additional exemptions, changes to the timing of payment for residential D.C.s, and provides regulatory authority to make future changes. The following subsections provide a summary of the changes:

#### **1. Deferral of Residential D.C. Payments to Occupancy**

Changes to section 26.1 of the D.C.A. provide that a D.C. payable for residential development (other than rental housing developments, which are subject to payment in instalments) are payable upon the earlier of the issuance of an occupancy permit, or the day the building is first occupied. Only under circumstances prescribed in the regulations may the municipality require a financial security. As such, the prescribed circumstances may allow for securities when no occupancy permit is required.

Municipalities shall not impose interest on the deferral of D.C. payment to occupancy.

#### **2. Removal of Interest for Legislated Instalments**

Changes to section 26.1 of the Act remove the ability to charge interest on instalments for rental housing and institutional development. This also applies to future instalments for existing deferrals.

#### **3. Early Payment for Residential/Institutional**



Changes provide that a person required to pay a D.C. for residential or institutional development (i.e. instalments or at occupancy), can pay earlier without the requirement to enter into an early payment agreement.

#### **4. Exemption for Long-term Care Homes**

Before this change, long-term care homes were subject to the installment payment provisions of the D.C.A. As of June 5, 2025, Long-term care homes are exempt from D.C.s, as well as all future installment payments, where applicable.

#### **5. Revised Definition of Capital Costs**

Section 5(3) of the D.C.A. provides for a definition of capital costs that are eligible for inclusion in the D.C. calculations. The changes introduced by Bill 17 added the following wording to the beginning of the section: “Subject to the regulations”. As such, the Province may make changes to limit the definition of capital costs via changes to the D.C. regulations.

#### **6. Expanded Simplified D.C. By-law Amendment Process**

A D.C. by-law may be amended through the simplified amendment process to repeal the indexing provision or decrease the D.C. for one or more types of development.

#### **7. Lower Charge – Current vs. Rate Freeze**

This change provides that the municipality must charge the lower of the D.C. calculated with the rate freeze (including interest) and the D.C. at current rates at the time the D.C. is payable. This change assists where municipalities reduce their D.C. and therefore can impose the reduced D.C. in cases where the rate freeze applies.

#### **8. Grouping of Services for the Purposes of Using Credits**

This change enables the Province to consolidate D.C. services through regulations for the purpose of applying D.C. credits.

The draft amending D.C. by-law in Appendix D provides for updates to align with the amended legislation.



In addition to the legislative changes provided through Bill 17: *Protect Ontario by Building Faster and Smarter Act, 2025*, the Province also released Bill 60: *Fighting Delays, Building Faster Act, 2025* on October 23, 2025. At the time of writing, the proposed changes are not yet in effect. Appendix C provides commentary on the potential implications to this D.C. Update Study, based on the proposed changes.

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

The Provincial government introduced Bill 60, Fighting Delays, Building Faster Act, 2025 and Regulatory Proposals MMAH2018 and 25MMAH030 on October 23, 2025. The Bill received Royal Assent on November 27, 2025. The following subsections provide a summary of the changes:

#### **1. Addition of Class of Service for Land Acquisition**

The legislative change provides for land acquisition as a separate class of service . Anticipated land acquisition capital needs are to be grouped together for the purposes of the D.C. calculations. Land acquisition capital needs are also to be excluded from the historical Level of Service calculations.

The anticipated capital costs for land are restricted to 10 years for all services except the following:

- Water;
- Wastewater;
- Stormwater;
- Service related to a Highway;
- Electrical;
- Transit;
- Police; and
- Fire.

As land acquisition is considered a class of service, municipalities are required to establish a separate reserve fund for these capital costs. As such, funds are to be segregated for this purpose only and used solely for land costs. Similar to other reserve funds, monies in this reserve fund can be borrowed and repaid, with interest. With respect to credits, municipalities need to ensure appropriate accounting of credits for land separately from credits for other applicable services.



Section 35 of the D.C.A. is amended to add an exception to the use of monies in established reserve funds. This section states that monies in a reserve fund can be used for land acquisition, however, they cannot be used for land acquisition if those costs are to be paid for with the reserve fund established for land acquisition.

## **2. Required Timelines for the Annual Treasurer's Statement**

Section 43(1) of the Act has been amended to require the Treasurer's statements to be completed by June 30 of each year (previously based on a date determined by Council). Further, Section 43(3) of the Act is amended to require a copy of the Treasurer's statement to be submitted to the Minister by July 15 of each year.

## **3. Addition of Requirements for Local Service Policies**

Subsections 59(2.2) through 59(2.11) of the Act generally set out the following:

- A Local Service Policy is required for all D.C. eligible services to which a D.C. by-law imposes a charge and where some part of the service will be provided as a local service;
- A Local Service Policy is required to impose a condition of local services on development and only to the extent it has been identified in the Local Service Policy. That is, a municipality could not require a work or classes of work to be provided as a local service if it is not identified as such in the Local Service Policy;
  - This does not apply where a municipality does not impose a D.C. for that service;
  - This applies the day a municipality establishes the Local Services Policy or 18 months after Bill 60 received Royal Assent;
- Required content for a Local Service Policy:
  - Works or classes of works related to development that are intended to be required as a Local Service
- Optional content for a Local Service Policy:
  - Works or classes of works that are not intended to be required as a Local Service;
  - Works or classes of works that are partially required as a Local Service;
- The municipality shall give a copy of the Local Service Policy to the Minister of Municipal Affairs and Housing upon request, by the date requested; and



- The Local Service Policy must be reviewed, requiring a resolution of Council declaring if a revision is needed. The Resolution shall be passed at the time of passing any D.C. by-law or when a revision to the policy is required.

#### **4. Requirement to Provide Documents to the Minister**

Changes to Section 10 and Section 13 of the D.C.A. require municipalities to provide copies of documents to the Minister upon request, by the date requested.

In addition, section 59(2.8) of the Act requires a copy of the Local Service Policy to be provided to the Minister upon request, by the date requested.

#### **5. Regulatory Changes**

Bill 60 also provided for regulatory changes to Ontario Regulation 82/98. These changes are with respect to the following matters:

##### **Merging of Credits**

This change merges water supply services and wastewater services for the purposes of credits. As provided in subsection 2 (4) of the D.C.A., the D.C. eligible services of water supply and wastewater include distribution and treatment, and sewers and treatment, respectively.

##### **Transparency of B.T.E. Calculations**

Regulatory changes require municipalities to provide greater details with respect to how capital costs are determined and how the growth-related and non-growth-related shares of the costs are determined. This appears to be required for each service, rather than on a project-by-project basis.

##### **Details of Land Acquisition**

Section 8 of Ontario Regulation 82/98 has been amended to require land acquisition costs to be included in the D.C. background presentation of:

- The total of the estimated capital costs relating to the service;
- The allocation of the total of the estimated costs between costs that would benefit new development and costs that would benefit existing development;



- The total of the estimated capital costs relating to the service that will be incurred during the term of the proposed development charge by-law;
- The allocation of the costs incurred during the term of the proposed by-law between costs that would benefit new development and costs that would benefit existing development; and
- The estimated and actual value of credits that are being carried forward relating to the service.

### **Information Accessibility**

The changes increase reporting requirements for the Annual Treasurer's Statements to include:

- The amount from each reserve fund that was committed to a project, but had not been spent, as of the end of the year;
- The amount of debt that had been issued for a project as of the end of the year; and
- Identify where in the D.C. background study the project's capital costs were estimated.

This does not apply in circumstances where a municipality uses a unique identifier in both background studies and treasurer's statements to identify each project.



# Appendix C

## Draft Amending Development Charge By-law



# Appendix D: Draft Amending By-law

**Town of Greater Napanee**

**By-law Number 26-xx**

**Being a By-Law To Amend By-Law 2022-0059, as amended, respecting Municipal-wide Development Charges**

**WHEREAS** subsection 2(1) of the Development Charges Act, 1997 (the "Act"), S.O. 1997, c.27, as amended, provides that the council of a municipality may by by-law impose development charges against land to pay for increased capital costs required because of increased needs for services arising from development of the area to which the by-law applies;

**WHEREAS** Section 19 of the Act provides for amendments to be made to development charges by-laws;

**WHEREAS** a development charges background update study has been completed in accordance with the Act;

**WHEREAS** the update study and proposed amending By-law were made available to the public on XX<sup>th</sup> day of XXXXX, 2026;

**WHEREAS** the Council of the Town of Greater Napanee has given notice and held a public meeting on the XX<sup>th</sup> day of XXXXX, 2026 in accordance with the Act and the regulations thereto;

**WHEREAS** the Council of the Corporation of the Town of Greater Napanee (the "Council") enacted and passed By-law 2022-0059 on September 14, 2022;

**Now therefore** the Council of the Corporation of the Town of Greater Napanee hereby enacts as follows:

1. By-law 2022-0059, as amended, is hereby amended as follows:

A. Addition of the following definitions in Section 1 as follows:

"ancillary residential building" means a residential building that would be ancillary to a detached dwelling, semi-detached dwelling, or row dwelling;



“affordable residential unit” means a residential unit that meets the criteria set out in subsection 4.1(2) or 4.1(3) of the Act;

“attainable residential unit” means a residential unit that meets the criteria set out in subsection 4.1(4) of the Act

“long-term care home” means development as defined in subsection 2(1) of the Fixing Long Term Care Home Act.

B. Delete the definition for “affordable housing” in Section 1.

C. Replace the definition for “existing industrial building” in Section 1 with the following

“existing industrial building” means lands, buildings or structures used, or designed or intended for use, for manufacturing, processing, fabricating or assembly of raw goods, or for warehousing or storage of goods, and includes accessory office uses and the sale of commodities to the general public, but excludes the sale of commodities to the general public through a warehouse club, which existed as to their number, use and size on the date of passage of this By-law.

D. Replace the definition for “non-profit housing development” in Section 1 with the following:

“non-profit housing development” means development of a building or structure that meets the criteria set out in subsection 4.2 of the Act

E. Addition of clause 3.5 to provide exemptions for the following

(f) long-term care homes

(g) affordable units;

(h) affordable inclusionary zoning units;

(i) attainable units (to be in force at a later date); and

(j) non-profit housing

F. Remove “including interest” from Section 3.15 to reflect the following:



“Notwithstanding subsection 3.14, development charges for rental housing and institutional developments are due and payable in six equal annual payments commencing with the first installment payable on the date of occupancy, and each subsequent installment.”

G. Replace Section 3.16 with the following:

“3.16 Notwithstanding subsection 3.14, in accordance with Section 26.1 of the Act, a development charge in respect of residential development, other than rental housing or institutional development, shall be paid in full on the earlier of:

- (a) The day a permit is issued under the Building Code Act, 1992 authorizing occupation of the building; and
- (b) The day the building is first occupied.

3.16.1 The Town may require the person required to pay the development charge to provide an instrument to be used to secure the payment of the development charge, subject to any prescribed limitations.

3.16.2 Notwithstanding Section 3.16, should the person required to pay the development charge waive the requirement to pay the development charge at occupancy, the development charge may be paid in accordance with Section 3.11 of this by-law, without entering into an agreement made under Section 27 of the D.C.A.”

H. Replace Section 3.17 with the following:

“3.17 The annual interest rate to be imposed in this by-law will be based on the Town’s Interest Rate Policy and in accordance with Section 26.3 of the Act.”

I. Replace Section 3.18 with the following:

“3.18. Where the development of land results from the approval of a site plan or zoning by-law amendment received on or after January 1, 2020, and building permit issuance occurs after the approval of the application and within the timeframe set out in section 26.2(5) of the Act, the development charges under subsections 5.1 and 5.2 shall be calculated based on the lower of:



- (a) on the rates set out in Schedule “B” on the date of the planning application, including interest. Where both planning applications apply, development charges under subsections 5.1 and 5.2 shall be calculated on the rates in effect on the day of the later planning application, including interest.
- (b) The rates set out in Schedule “A” on the day the development charge is payable.”

J. Replace Schedule “A” to By-law No. 2022-0059, as amended with Schedule “A” to this amending by-law 2026-xx;

K. Except as amended by this by-law, all provisions of By-law 2022-0059, as amended are and shall remain in full force and effect.

By-law read a first and second time this XX day of XX, 2026.

By-law read a third time and finally passed this XX day of XX, 2026.

Mayor: \_\_\_\_\_

Clerk: \_\_\_\_\_



Schedule "B" to By-law 26-xx  
Schedule of Residential and Non-Residential Development Charges

Service/Class of Service	RESIDENTIAL					NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Special Care/Special Dwelling Units	(per sq.ft. of Gross Floor Area)	(per sq.m of Gross Floor Area)
<b>Municipal Wide Services/Class of Service:</b>							
Services Related to a Highway	2,915	2,165	1,922	1,289	1,162	1.56	16.79
Public Works (Facilities and Fleet)	1,705	1,266	1,124	754	680	0.93	10.01
Fire Protection Services	896	666	591	396	357	0.48	5.17
Parks and Recreation Services	1,535	1,140	1,012	679	612	0.11	1.18
Growth Studies	659	489	435	291	263	0.37	3.98
Provincial Offences Act including By-Law Enforcement	52	39	34	23	21	0.03	0.32
<b>Total Municipal Wide Services/Class of Services</b>	<b>7,762</b>	<b>5,765</b>	<b>5,118</b>	<b>3,432</b>	<b>3,095</b>	<b>3.48</b>	<b>37.45</b>
<b>Urban Services</b>							
Wastewater Services	8,197	6,088	5,405	3,623	3,267	4.13	44.46
Water Services	7,322	5,438	4,828	3,237	2,918	3.68	39.61
<b>Total Urban Services</b>	<b>15,519</b>	<b>11,526</b>	<b>10,233</b>	<b>6,860</b>	<b>6,185</b>	<b>7.81</b>	<b>84.07</b>
<b>GRAND TOTAL RURAL AREA</b>	<b>7,762</b>	<b>5,765</b>	<b>5,118</b>	<b>3,432</b>	<b>3,095</b>	<b>3.48</b>	<b>37.45</b>
<b>GRAND TOTAL URBAN AREA</b>	<b>23,281</b>	<b>17,291</b>	<b>15,351</b>	<b>10,292</b>	<b>9,280</b>	<b>11.29</b>	<b>121.52</b>