

Development Charges

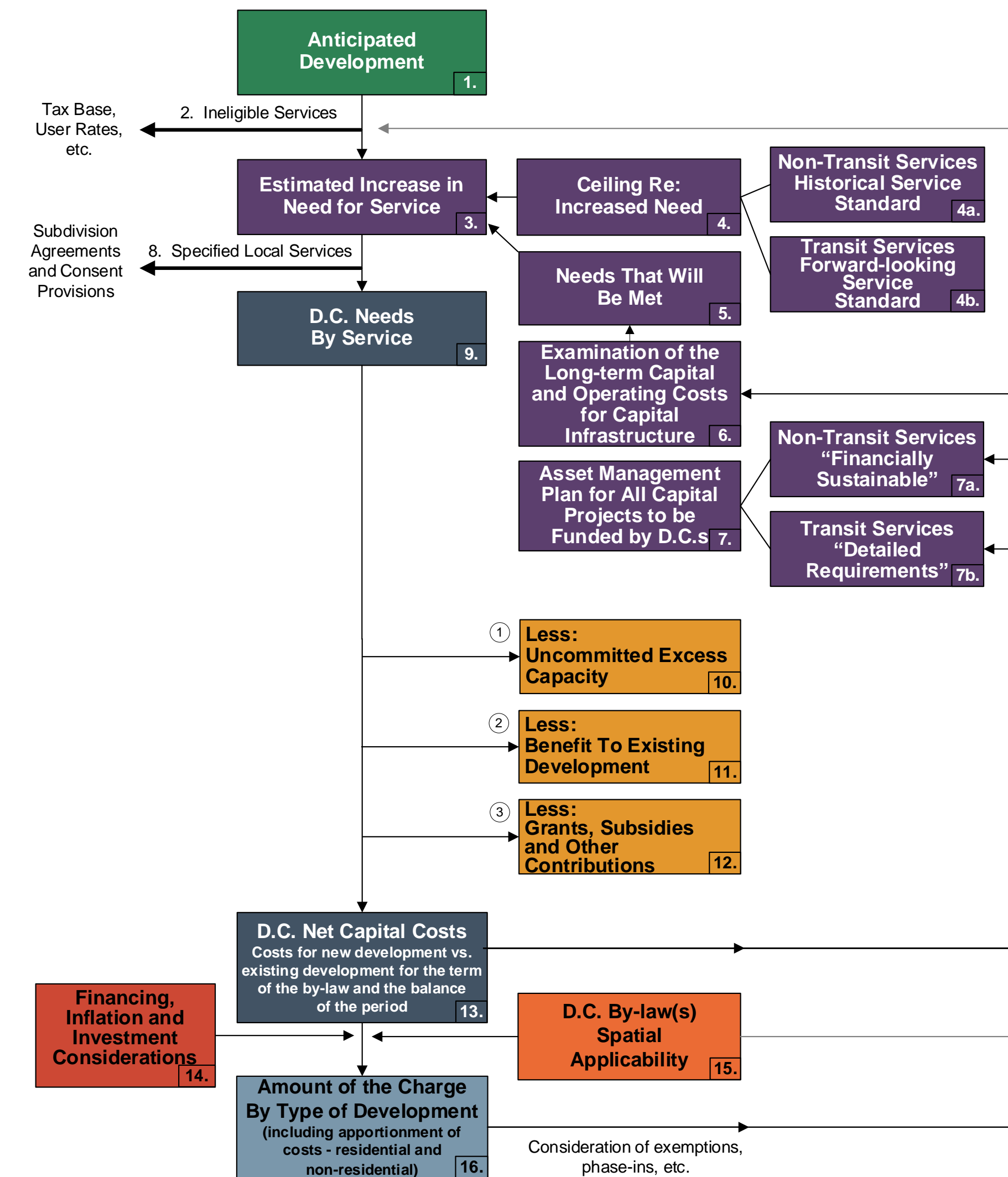
What are Development Charges (D.C.s)?

- 1 A mechanism to fund infrastructure expansion and upgrades needed due to development within the City (e.g., new/larger water and wastewater pipes, expansion of recreational facilities, etc.)
- 2 Municipalities are empowered to impose these charges via the *Development Charges Act*

City's Current D.C. By-law

- 1 The City's D.C. By-law (#2021-201) came into effect on Jan. 26, 2022
- 2 Current D.C. By-law includes discretionary exemptions from D.C.s for the following uses:
 - Industrial uses
 - Non-residential (other than industrial) uses in the *Belleville Downtown Improvement Area*
 - Non-residential farm buildings
 - Accessory use or structure not exceeding 10 m² of non-residential gross floor area
 - Private schools
 - College of Applied Arts and Technology buildings for teaching-related purposes only
 - Places of worship
 - Hospitals

The Process of Calculating a Development Charge under the Act that must be followed



Area	Residential (per unit)				Non-Residential (per sq.ft. of G.F.A.) ¹
	Single & Semi-detached	Duplex & 2+ Bedroom Apartments	<2 Bedroom Apartments & Special Care	Other Multiples	
Rural Area	\$21,346	\$15,099	\$8,716	\$13,939	\$6.17
Urban Area	\$30,884	\$21,845	\$12,611	\$20,165	\$9.43

¹ Charge was implemented at lower than full rate identified in 2021 D.C. Background Study
 Note: Charges are being reviewed as part of the Comprehensive D.C. Study



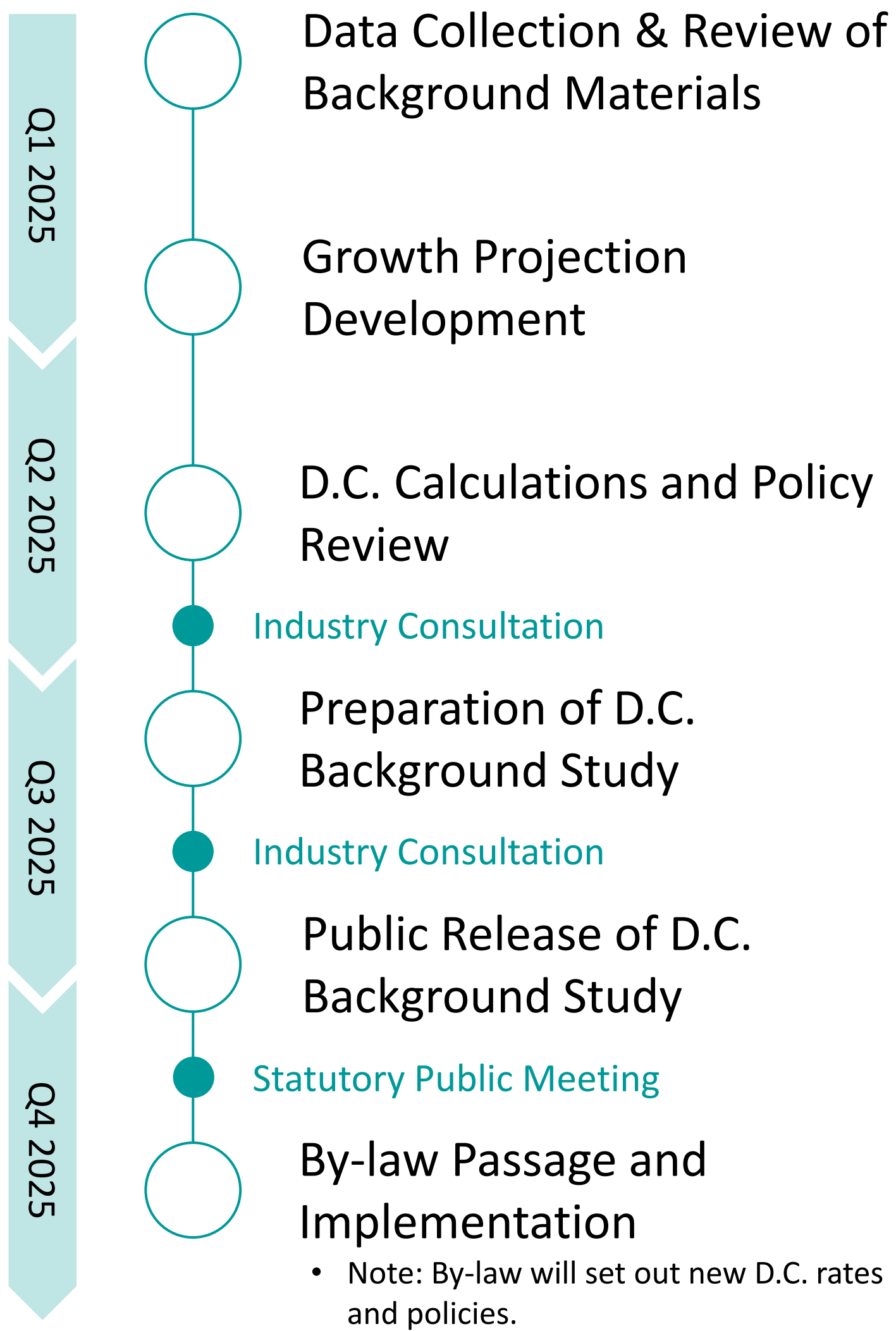
Development Charge Update Process

Comprehensive D.C. Background Study

Comprehensive D.C. background study being undertaken to reflect updated growth forecast and capital needs.

D.C. Update Study (interim step)

As an interim step, a D.C. Update study is being prepared. The D.C. Update Study will enable a scoped amendment of the City's current D.C. by-law to remove discretionary exemptions pertaining to industrial development.

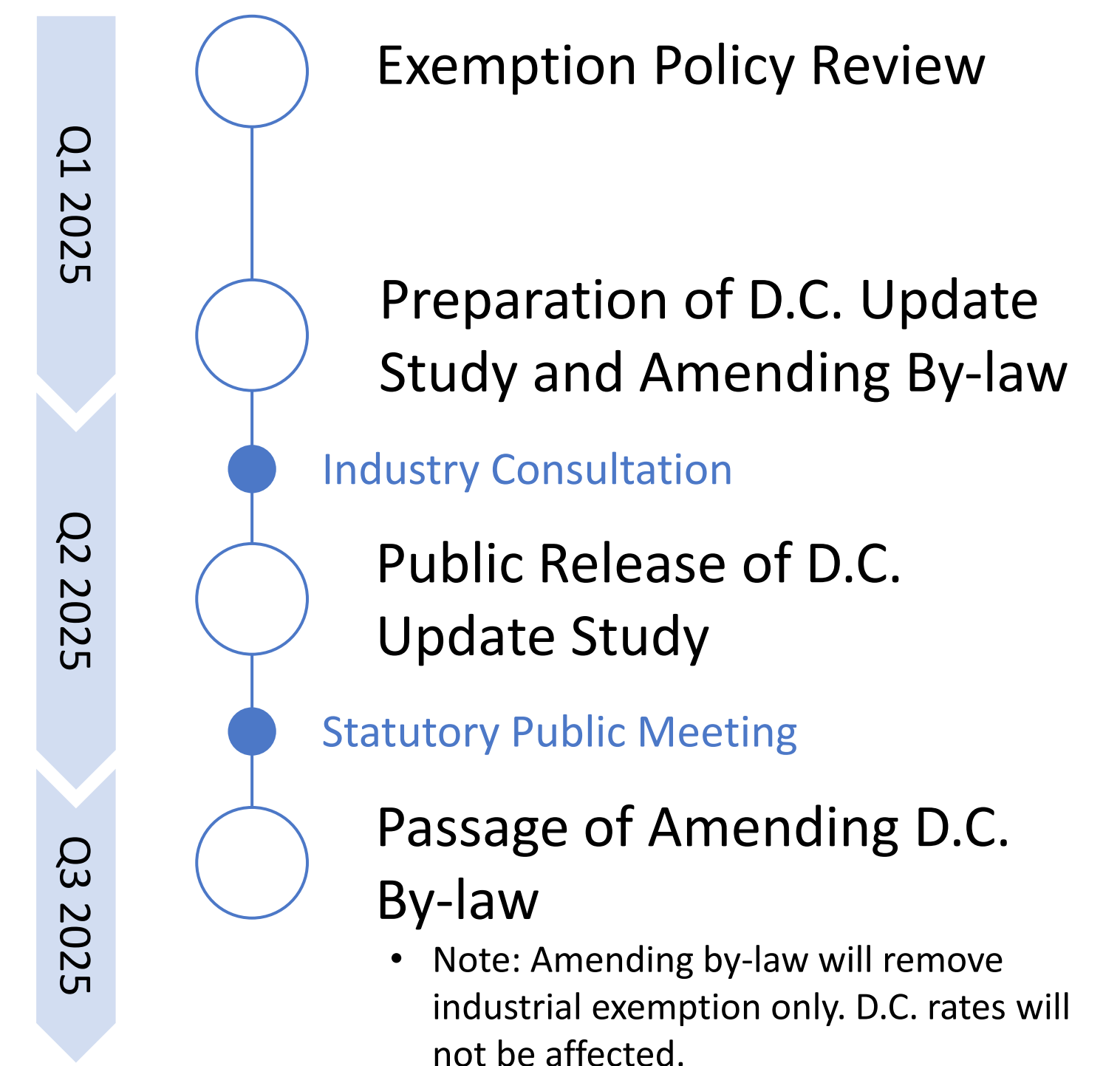


- The City's current D.C. By-law fully exempts industrial development from payment of development charges.
- The *Development Charges Act* stipulates that any revenue shortfalls resulting from exemption policies cannot be recovered through increases in the charge for other types of development
 - This means that D.C. exemptions get funded from the tax levy and water/wastewater rates
- To manage the impact on taxpayers and ratepayers, an interim step is being taken to remove the industrial exemption from the City's D.C. By-law
 - Various incentive programs being considered as part of the CIP Study

Industrial exemptions have totalled approximately **\$14.4 million** since Jan. 26, 2022, when the current D.C. By-law came into effect

The following statutory policies under the *Development Charges Act* will remain in effect:

- Statutory exemption on Industrial expansion, to a maximum of 50% of the existing gross floor area
- Freeze of D.C. rates for developments that proceed through a *Site Plan* or *Zoning By-law Amendment*, to D.C. rate when the Planning Application was made (subject to an 18- or 24-month limit)



Quick Facts on Community Improvement Plans (CIP)

What is a CIP?

- 1 A tool of the *Planning Act* to promote property development and investment which has clear public interest goals.
- 2 CIPs involve programs of financial, procedural and other incentives to encourage private sector investment.
- 3 CIPs are often part of larger strategies involving economic development priorities and sector strategies.

Who is eligible?

- > The CIP will develop eligibility criteria for each program which may include, but is not limited to:
 - Location of property (in CIPA/Priority Zone)
 - Targeted sectors / type of business
 - Scale of development
 - Number of employees/jobs generated
 - Type of employment (e.g., higher order employment)

City's Existing CIP Toolkit

- > The City's existing comprehensive CIP supports local revitalization, beautification, affordability and economic development by providing grants to private property owners for housing, downtown revitalization, façade improvement, and brownfield projects.

The CIP tools within the existing CIP include:

Rebates

An approved applicant receives money to reimburse incurred expenses on eligible costs to a maximum set by City Council.

Reduction

At the time a payment is due, an approved applicant only has to pay a portion of the usual amount.

Tax Increment Equivalent Rebate (T.I.E.R.)

An approved applicant receives partial tax relief in rebate form, to cover the incremental municipal tax increase that occurs when a property is improved or assessed.

Deferral

An approved applicant does not have to pay for something now but will have to at a later date.

Cancellation

An approved applicant does not have to pay for something that they would otherwise pay.

- > These tools are applied to the financial incentive programs in the CIP in a variety of ways.



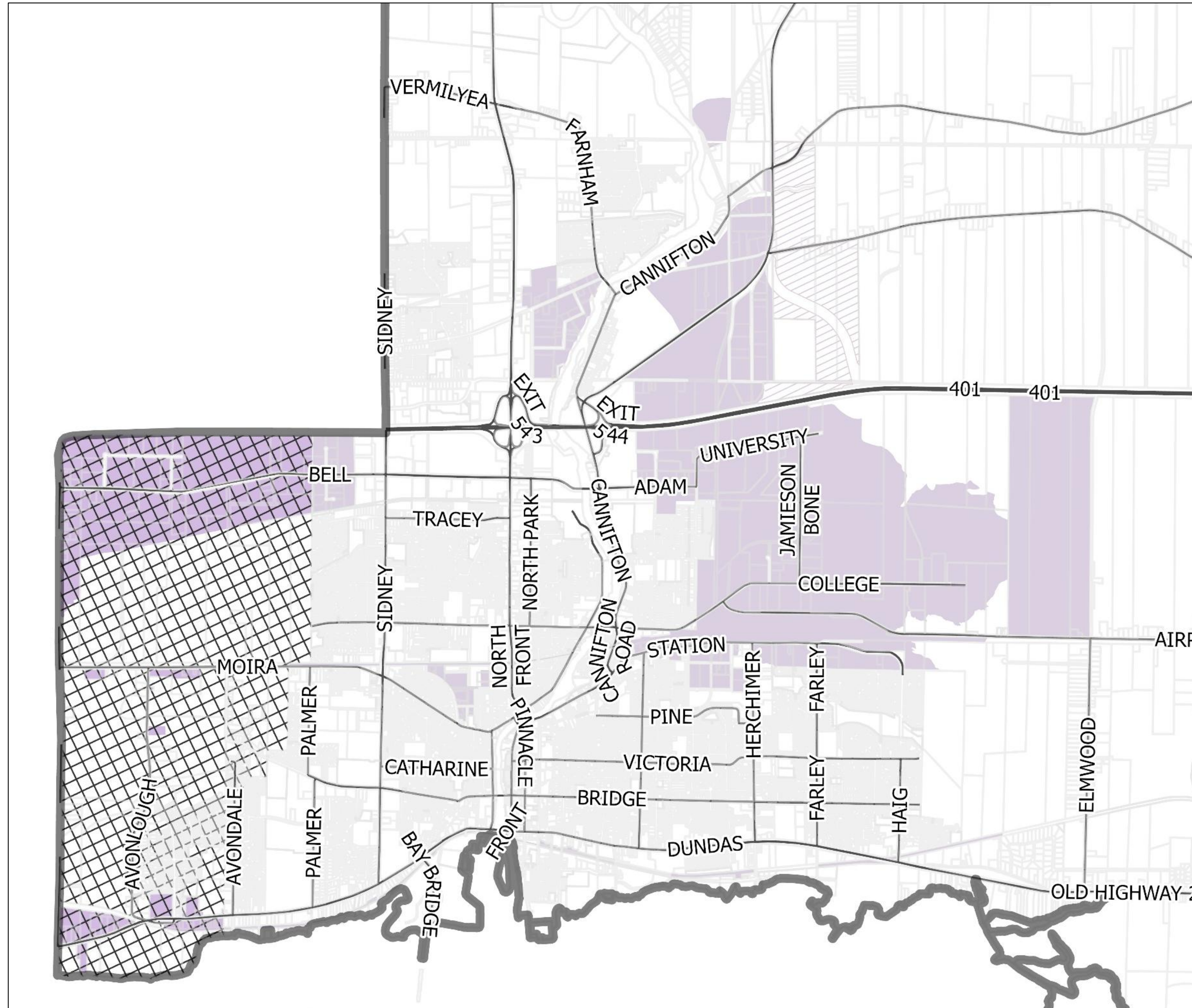
CIP Project Process + Timeline

		Timing Target
 DATA COLLECTION + ANALYSIS	<ul style="list-style-type: none"> - Background and Policy Review - Best Practice Review - Municipal + Stakeholder Discussions - Industrial/Employment Market Analysis 	April - May
DRAFTING THE CIP	<ul style="list-style-type: none"> - Objectives, Goals and Implementation Targets - Development and Presentation of Incentive Program Options - Development of the Draft CIP - Presentation of the Draft CIP to Committee/Council 	May
DEVELOP IMPLEMENTATION + MONITORING STRATEGY	<ul style="list-style-type: none"> - Resourcing the Plan - Monitoring Tools - Public Information Centre to present draft CIP programs - Seek Ministry Comment (MMAH) 	June
PUBLIC MEETING	<ul style="list-style-type: none"> - Statutory Public Meeting on the Draft CIP 	June
CIP FINALIZATION	<ul style="list-style-type: none"> - Submission of Final CIP for Council Adoption 	July



Potential Community Improvement Project Area

Map Showing Employment Areas



- > Entire City defined as Community Improvement Project Area (CIPA).
- > The CIP will relate only to Employment Land Use in City of Belleville Official Plan Area and Employment Area in Loyalist Secondary Plan Area.

City of Belleville Key Map



LEGEND

- HAMLET
- Land Use OP Schedule B
- ▨ EMPLOYMENT AREA – EXCEPTION TWO
- EMPLOYMENT LAND USE
- Land Use Loyalist Secondary Plan
- EMPLOYMENT AREA
- ▨ Loyalist Secondary Plan Area



Examples of Potential Financial Incentive Programs

(Based on Historic and Current Practice Elsewhere)

TAX INCREMENT GRANT (TIG) PROGRAM



Goal

To leverage the increased assessment and property taxation generated by site redevelopment to reduce the financial costs of property rehabilitation and redevelopment or development (incl. greenfield development).



Typical
Funding
Range

Often a stepped approach to grant funding. Example: Year 1: 50% / Year 2: 40% / Year 3: 30% / Year 4: 20% / Year 5: 10% / or other combination.

Typically, there is a minimum increase in assessment value for application to this program (e.g. \$1M).



Implementation
Specifics

Owner or developer pays the full cost of eligible renovation or development costs as well as the resulting annual increase in property tax.

The City reimburses the Owner by way of an annual grant equivalent to the agreed Municipal Portion of the incremental property tax increase over an established “base” assessment.

DEVELOPMENT CHARGE (DC) GRANT PROGRAM



Goal

To provide assistance for the development and redevelopment of sites by further reducing the cost of development related to Development Charges.



Typical
Funding
Range

Maximum grant is often equivalent to a percentage of Development Charges levied by the City.

In some instances, a maximum dollar cap limits the extent of the grant.

Some DC grant programs have higher levels of funding (%) for targeted areas versus non-targeted areas (as defined by the CIPA).



Implementation
Specifics

Owner or developer pays 100% of the DC. The approved DC grant is reimbursed to the owner based on the in-force DC rates at a specified period (e.g., time of planning application or at building permit).

Timing of pay-out of the grant is also variable – at time of payment of DC, or at a later stage as determined by the program.



Examples of Potential Financial Incentive Programs

(Based on Historic and Current Practice Elsewhere)

DEVELOPMENT CHARGES (DC) DEFERRAL - INTEREST GRANT PROGRAM



Goal

Encourage development by deferring the cost of development related to Development Charges and providing a grant equivalent to the interest accrued from such deferral.



Typical
Funding
Range

Interest on the deferred fees will accrue and is funded through a CIP grant.

The amount of the grant is subject to a maximum (often between \$25,000 and \$250,000+) or the amount of interest accrued as of the date the deferred DCs are due to be paid in full, whichever is less.



Implementation
Specifics

Deferral of 50% to 100% of Development Charges levied by the City for a set period (typically up to a maximum of 18-24 months after the issuance of building permits).

LANDSCAPE & SIGNAGE GRANT PROGRAM



Goal

Grants for signage development or street-fronting landscape improvement or a combination of these property enhancements.



Typical
Funding
Range

Often matching grant (up to 50%) of eligible landscape/signage improvement costs up to a maximum value per property (e.g., \$20,000).



Implementation
Specifics

Owner pays 100% of the project costs, a portion of which is reimbursed to the owner upon project completion to the satisfaction of the City.



Examples of Potential Financial Incentive Programs

(Based on Historic and Current Practice Elsewhere)

PLANNING FEES & BUILDING PERMIT GRANT PROGRAM



Goal

Offers a reduction in applicable planning and building permit fees to encourage new development by reducing initial regulatory costs.



Typical Funding Range

Maximum grant can range (e.g. from \$5,000 to \$15,000 for either fees or permits) per property or up to 50% to 75% reduction in planning fee or permit costs, whichever is less.

Some programs consider planning fees and building permits together with maximum ranges of \$20,000 to \$50,000 per property or up to between 50% and 100% reduction, whichever is less.



Implementation Specifics

Funds for the planning fees are disbursed only at building permit approval to ensure incentives lead to the actual implementation of the project.

Funds for the building permit fees are also back-ended to ensure pay-out of grant occurs on project completion.

ENVIRONMENTAL SITE ASSESSMENT (ESA) GRANT PROGRAM



Goal

To encourage and support land contamination assessment by helping to further specify the extent and nature of environmental contamination through grant assistance for a Phase II ESA study (Phase I ESA completed) and development of any Remediation Action Plan.

Often open to other types of land use as well but provides opportunity to address serious contamination that might be relevant to employment lands.



Typical Funding Range

Maximum individual grant range: \$15,000-\$25,000 or 50% of cost of ESA, whichever is less.

Maximum assistance per project range: Max. 2 studies per project (total of \$30,000-\$40,000 over CIP duration).



Implementation Specifics

Owner or developer pays 100% of the cost associated with eligible studies and reimbursed by the City upon study completion.



Example of Potential Financial Impacts



Example Details:

- New Industrial Building: 100,000 sq. ft.
- Greenfield development/no expansion
- Located within urban area
- Building Construction Cost*: \$13,000,000

*Based on Altus 2025 Construction Cost Guide (using rates for Industrial Facilities – Warehouse, GTA)

Note: Example assumes assessment value is equivalent to the building construction cost.

Example: Development Charge (DC) Grant Program

Development Charge Rate: \$9.43 / sq. ft.

Building Size (sq. ft.)	Non-Residential DC Fees, Urban Area (per sq. ft. of GFA)	Total Chargeable DCs	Grant Amount (50%)
100,000	\$9.43	\$943,000	\$471,500

Municipalities often put a maximum dollar value on the DC grant amounts available (e.g. grant equivalent to 50% of DC paid up to \$500,000; maximum grant of \$250,000).

OR

Example: Tax Increment Grant (TIG) Program

Urban Industrial Tax Rate (Municipal Portion): 0.042691

Year	Example Grant Amount (Municipal Portion of Property Tax Increment)	
Year 1	50%	\$277,492
Year 2	40%	\$221,994
Year 3	30%	\$166,495
Year 4	20%	\$110,997
Year 5	10%	\$55,498
Total Grant Amount		\$832,477

TIG Programs often vary by one or a combination of the following aspects:

- Duration (years)
- Grant amounts (%)
- Approach to grant amount (stepped or consistent % across the applicable years)

Example of Potential Financial Impacts



Example Details:

- New Industrial Building: 100,000 sq. ft.
- Greenfield development/no expansion
- Located within urban area
- Building Construction Cost*: \$13,000,000

*Based on Altus 2025 Construction Cost Guide (using rates for Industrial Facilities – Warehouse, GTA)

Note: Example assumes assessment value is equivalent to the building construction cost.

Example: Development Charge (DC) Deferral Interest Grant Program

2025 Non-Residential DC Fees, Urban Area: \$9.43 / sq. ft.

Building Size (sq. ft.)	DC Fees (per sq. ft. of GFA)	Total Chargeable DCs	Deferred DC Amount (50%)	Duration of DC Deferral	Grant Amount / Interest Charged (5% p.a. compound)
100,000	\$9.43	\$943,000	\$471,500	24 months	\$48,329

Example: Planning Fees & Building Permit Grant Program

2025 Application for Site Plan Approval Fee (Industrial): \$5,390

2025 Building Permit Fees (Industrial): \$12 / sq. ft

Potential Planning Fees & Permit Costs	Grant Amount (50% to max. of \$50,000)
\$1,205,390	\$50,000

How to Get Involved

1

ASK US QUESTIONS

Members of City staff and the Consulting Team are here to answer your questions.

2

LEAVE A STICKY NOTE ON THE INFORMATION BOARDS



3

FOLLOW THE PROCESS AS WE PREPARE THE PLAN

Leave your name on the sign-in sheet and follow the scheduling of the Draft Plan and Statutory Public Meeting (on City's website).

4

REVIEW AND SUBMIT COMMENTS ONLINE

Scan the QR code to go to the project page on the City's website:



General Comments:

