



# 2025 Development Charges Update Study

City of Belleville

---

May 14, 2025

Watson & Associates Economists Ltd.  
905-272-3600  
[info@watsonecon.ca](mailto:info@watsonecon.ca)

# Table of Contents

	Page
<b>1. Introduction.....</b>	<b>1-1</b>
1.1 Background.....	1-1
1.2 Existing Policies (Rules) .....	1-3
1.2.1 Payment in any Particular Case.....	1-3
1.2.2 Determination of the Amount of the Charge.....	1-3
1.2.3 Application to Redevelopment of Land (Demolition and Conversion).....	1-4
1.2.4 Exemptions (full or partial) .....	1-4
1.2.5 Timing of Collection .....	1-6
1.2.6 Indexing .....	1-6
1.2.7 By-law Duration.....	1-6
1.3 Purpose of this Document.....	1-6
1.4 Summary of Proposed Amendments .....	1-7
<b>2. Anticipated Development.....</b>	<b>2-1</b>
<b>3. D.C. Policy Recommendations and D.C. By-law Rules .....</b>	<b>3-1</b>
3.1 Industrial D.C. Exemption .....	3-1
<b>4. Process for Adoption of the Amending Development Charges By-law.....</b>	<b>4-1</b>
<b>Appendix A Draft Amending D.C. By-law.....</b>	<b>A-1</b>



# 1. Introduction

## 1.1 Background

---

The City of Belleville (City) imposes development charges (D.C.s) to recover the increase in the needs for service arising from development. The basis for the calculation of the City's current municipal-wide residential and non-residential D.C.s is documented in the City's 2021 Development Charges Background Study dated October 6, 2021 (2021 D.C. Background Study). The 2021 D.C. Background Study provides the supporting documentation for the City's municipal-wide D.C. by-law 2021-201.

The current municipal-wide D.C.s by municipal service and development type are summarized in Table 1-1. This table reflects the indexed charges that are currently in force as of January 1, 2025. It is noted that the non-residential D.C. rate included in By-law 2021-201 was implemented at a rate lower than what was calculated within the 2021 D.C. Background Study.



Table 1-1  
City of Belleville  
Current (Indexed) Schedule of Municipal-wide D.C.s

Service/Class of Service	Residential				Non-Residential (per sq.ft. of Gross Floor Area)
	Single & Semi Detached	Multiples	Apartments with ≥ 2 Bedrooms	Apartments with < 2 Bedrooms	
<b>City-wide Services:</b>					
Roads and Related	\$ 11,522	\$ 8,151	\$ 4,704	\$ 7,524	\$ 5.13
Fire	\$ 572	\$ 405	\$ 234	\$ 374	\$ 0.26
Police	\$ 290	\$ 204	\$ 119	\$ 189	\$ 0.13
Parks and Recreation	\$ 7,839	\$ 5,545	\$ 3,199	\$ 5,120	\$ 0.23
Library	\$ -	\$ -	\$ -	\$ -	\$ -
Ambulance	\$ 146	\$ 103	\$ 60	\$ 95	\$ 0.05
Growth-related Studies	\$ 977	\$ 691	\$ 400	\$ 637	\$ 0.37
<b>Total City-wide Services</b>	<b>\$ 21,346</b>	<b>\$ 15,099</b>	<b>\$ 8,716</b>	<b>\$ 13,939</b>	<b>\$ 6.17</b>
<b>Urban Services:</b>					
Wastewater	\$ 8,370	\$ 5,921	\$ 3,417	\$ 5,465	\$ 2.42
Water	\$ 1,168	\$ 825	\$ 478	\$ 761	\$ 0.84
<b>Total Urban Services</b>	<b>\$ 9,538</b>	<b>\$ 6,746</b>	<b>\$ 3,895</b>	<b>\$ 6,226</b>	<b>\$ 3.26</b>
<b>GRAND TOTAL RURAL AREA</b>	<b>\$ 21,346</b>	<b>\$ 15,099</b>	<b>\$ 8,716</b>	<b>\$ 13,939</b>	<b>\$ 6.17</b>
<b>GRAND TOTAL URBAN AREA</b>	<b>\$ 30,884</b>	<b>\$ 21,845</b>	<b>\$ 12,611</b>	<b>\$ 20,165</b>	<b>\$ 9.43</b>



## 1.2 Existing Policies (Rules)

---

The following subsections summarize the rules governing the calculation, payment, and collection of the D.C. as provided in the City's municipal-wide D.C. by-law, in accordance with the *Development Charges Act*, 1997, as amended (D.C.A.).

### 1.2.1 *Payment in any Particular Case*

In accordance with the D.C.A., subsection 2 (2), a D.C. shall be calculated, payable, and collected where the development requires one or more of the following:

- the passing of a zoning by-law or of an amendment to a zoning by-law under section 34 of the *Planning Act*;
- the approval of a minor variance under section 45 of the *Planning Act*;
- a conveyance of land to which a by-law passed under subsection 50 (7) of the *Planning Act* applies;
- the approval of a plan of subdivision under section 51 of the *Planning Act*;
- a consent under section 53 of the *Planning Act*;
- the approval of a description under section 50 of the *Condominium Act*; or
- the issuing of a building permit under the *Building Code Act* in relation to a building or structure.

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

The calculation for residential development is generated on a per capita basis and imposed based on four housing types (i.e., single and semi-detached, two bedrooms and larger apartments, bachelor and one-bedroom apartments, and other multiples). The eligible D.C. cost calculations are based on the net anticipated population increase. The total eligible D.C. cost is divided by the “gross” (new resident) population to determine the per capita amount. 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 and imposed on a per square foot (sq.ft.) of gross floor area (G.F.A.) basis.



### **1.2.3 Application to Redevelopment of Land (Demolition and Conversion)**

Where development involves the demolition and replacement of a building or structure on the same site, or the conversion from one principal use to another, the developer shall be allowed a redevelopment credit equivalent to:

- the number of dwelling units demolished/converted multiplied by the applicable residential D.C. in place at the time the D.C. is payable; and/or
- the G.F.A. of the building demolished/converted multiplied by the current non-residential D.C. in place at the time the D.C. is payable.

The demolition/conversion credit is allowed only if the land was improved by occupied structures, and if the demolition permit related to the site was issued less than five years prior to the issuance of a building permit. The credit can, in no case, exceed the amount of D.C.s that would otherwise be payable.

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

#### **Statutory exemptions**

- Partial exemption for 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.);
- Full exemption for buildings or structures owned by and used for the purposes of any municipality, local board, or Board of Education;
- Full exemption for additional residential development within or ancillary to existing buildings: development that results only in the enlargement of an existing dwelling unit, or that results only in the creation of up to two additional dwelling units (based on limits set out in subsection 2 (3.2) of the Act);
- Full exemption for additional residential development within or ancillary to new dwellings: development that includes the creation of up to two additional dwelling units (based on limits set out in subsection 2 (3.3) of the Act);
- Full exemption for the creation of the greater of one residential unit or 1% of the existing residential units in an existing rental residential building;



- Full exemption for a university in Ontario that receives direct, regular, and ongoing operating funding from the Government of Ontario;
- Full exemption for affordable units;
- Full exemption for attainable units, (in effect on a day to be named by proclamation of the Lieutenant Governor);
- Full exemption for affordable inclusionary zoning units;
- Full exemption for non-profit housing developments; and
- Partial exemption through a discount for rental housing units based on bedroom size as prescribed (i.e., three or more bedrooms - 25% discount, two bedrooms - 20% discount, and all others - 15% discount).

### **Non-statutory exemptions**

- Full exemption for industrial buildings;
- Partial exemption (50% discount) for residential development within the Central Business District;
- Full exemption for development of land, buildings or structures owned by a College of applied arts and technology established pursuant to the *Ministry of Training, Colleges and Universities Act*, and used for teaching-related purposes on lands owned by and used for the purposes of the College but not including student residences;
- Full exemption for apartment units within a building containing a minimum of six units that is located outside the Central Business District, provided that the units are subject to an agreement with the City to charge affordable rents for a defined period of time;
- Full exemption for private schools as defined in the *Education Act*;
- Full exemption for places of worship classified as exempt from taxation under section 3 of the *Assessment Act*;
- Full exemption for hospitals under the *Public Hospitals Act*;
- Full exemption for non-residential farm buildings;
- Full exemption Non-residential land uses located within the Belleville Downtown Improvement Area; and
- Full exemption for development creating or adding an accessory use or structure not exceeding ten square meters of non-residential floor area.





### **1.2.5 Timing of Collection**

The D.C.s for all services and classes are payable upon issuance of a building permit for each dwelling unit, building, or structure, subject to early or late payment agreements entered into between the City and an owner under section 27 of the D.C.A.

Rental housing and institutional developments pay D.C.s in six equal annual payments commencing at occupancy. Moreover, the D.C. amount for developments occurring within two (2) years of a Site Plan or Zoning By-law Amendment planning approval is determined based on the D.C. in effect on the day of the applicable Site Plan or Zoning By-law Amendment application was deemed complete.

Installment payments and payments determined at the time of Site Plan or Zoning By-law Amendment application are subject to annual interest charges. The interest rate imposed by the City is equal to the Bank of Canada prime lending rate on the date of building permit issuance.

### **1.2.6 Indexing**

Indexing of the D.C.s takes place annually on January 1, in accordance with the Statistics Canada Non-Residential Building Construction Price Index (currently Table 18-10-0289-01) for the most recent year-over-year period.

### **1.2.7 By-law Duration**

The City's municipal-wide D.C. by-law will expire as per section 9 of the D.C.A. (currently at 12:01 AM on January 26, 2027), unless it is repealed by Council at an earlier date.

## **1.3 Purpose of this Document**

---

This background study has been prepared pursuant to the requirements of the D.C.A. to amend the City's municipal-wide D.C. by-law. The proposed amendments comprise the removal of the industrial D.C. exemption.

This D.C. background study and draft amending by-law will be provided to the public to provide interested parties with sufficient background information on the legislation, recommendations, and an outline of the basis for these recommendations.





The following Chapters of this Study include:

- Chapter 2 – Anticipated Development
- Chapter 3 – D.C. Policy Recommendations and D.C. By-law Rules
- Chapter 4 – Process for Adoption of the Amending Development Charges By-law
- Appendix A – Draft Amending D.C. By-law

The notice of the Public Meeting will be advertised in accordance with the requirements of the D.C.A. – i.e., at least 20 clear-days prior to the public meeting. This background study document will be available for public review and will be posted on the City's website in accordance with provisions of the D.C.A. The statutory public meeting is planned to be held on June 23, 2025. A presentation will be made to the public regarding the recommendations of this study, and Council will receive oral and written comments on the matter.

It is anticipated that Council will consider for adoption the proposed amending by-law after the 60-day period from the release of the D.C. Background Study has been satisfied. The intended date for passage of the amending D.C. by-law is July 14, 2025.

## **1.4 Summary of Proposed Amendments**

---

Other than the changes identified within this report, all other D.C. calculations and policies (i.e., rules) contained in the City's municipal-wide D.C. by-law remain unchanged by this process.

The proposed amendment to the City's municipal-wide D.C. by-law removes the industrial D.C. exemption. Chapter 3 presents the proposed changes to the D.C. by-law policies and rules to reflect the proposed amendments.



## 2. Anticipated Development

It is a requirement of subsection 5 (1) of the D.C.A. that “the anticipated amount, type and location of development, for which development charges can be imposed, must be estimated”. The growth forecast contained in Chapter 3 of the 2021 D.C. Background Study (with supplemental tables in Appendix A) provides for the anticipated development for which the City will be required to provide services over a ten-year period (early-2022 to early-2032) and a 20-year time horizon (early-2022 to early-2041).

The growth forecast contained in the 2021 D.C. Background Study is summarized in Table 2-1. For the purposes of this update study, the growth forecast as contained within the 2021 D.C. Background Study remains unchanged.

Table 2-1  
City of Belleville  
2021 D.C. Background Study – Growth Forecast Summary

Time Horizon	Residential		Non-Residential	
	Population	Residential Units	Employment <sup>A</sup>	Gross Floor Area (sq.ft.)
Early-2022	54,252	23,887	30,561	
Early-2032	56,733	25,711	32,195	
Early-2041	56,777	26,243	32,694	
<b>Incremental Growth</b>				
10-year (2022-2032)	2,481	1,824	1,634	1,500,600
20-year (2022-2041)	2,525	2,356	2,133	2,036,300
20-year Urban (2022-2041)	2,562	2,220	2,133	2,036,300

<sup>A</sup> Excludes Work at Home and No Fixed Place of Work



### 3. D.C. Policy Recommendations and D.C. By-law Rules

The City's current municipal-wide D.C. by-law provides for uniform City-wide and area-specific (i.e., serviced area) recovery of growth-related costs. The municipal-wide D.C.s are imposed for all services through a single by-law. It is noted that the City imposes area-specific D.C.s for the Stanley Park Area separately through By-law 2020-16. The intent of the amendment does not alter the City's policy for the imposition of City-wide and area-specific D.C.s.

Other than those policy revisions identified in Section 3.1, all other rules and policies contained within the City's municipal-wide D.C. by-law remain unchanged.

#### 3.1 Industrial D.C. Exemption

---

As noted in section 1.2.2 of this report, the City's municipal-wide D.C. by-law provides the following discretionary exemption:

- Full exemption from payment of D.C.s for industrial development.

Paragraph 3 of subsection 5 (6) of the D.C.A. stipulates that any revenue shortfalls resulting from exemption policies cannot be recovered through increases in the charge for other types of development. Therefore, any revenue shortfalls resulting from discretionary D.C. exemptions must be covered by other City funding sources, such as property taxes or user fees. Since the City's current municipal-wide D.C. by-law was enacted, the City has granted approximately \$14.4 million<sup>1</sup> in D.C. exemptions for industrial developments. To help manage the impact on taxpayers and ratepayers, the City is considering removing the D.C. exemption for industrial developments.

The City is also conducting a Community Improvement Plan (C.I.P.) Study to review and update the current C.I.P. policies and grant programs. The C.I.P. grant program allows the City to provide grants that can fully or partially offset D.C. payments for developments that meet specific criteria. This approach is preferred because it allows

---

<sup>1</sup> This only includes the amounts exempted based on D.C. rates imposed under the City's current D.C. by-law. As noted earlier, the City's D.C. by-law imposed rates lower than what was calculated within the 2021 D.C. Background Study.



Council to evaluate each development individually rather than applying a one-size-fits-all exemption policy in the D.C. by-law.

Additionally, the City is conducting a comprehensive D.C. background study, which is expected to be completed later in 2025. The proposed policy changes in this report are being considered ahead of the comprehensive study to address the financial shortfalls resulting from the current exemption policies.

Based on the foregoing, the following section of the City's municipal-wide D.C. by-law is proposed to be repealed and replaced with the following:

2. (2) (e) REPEALED;



## 4. Process for Adoption of the Amending Development Charges By-law

If approved, the changes provided herein will form part of the 2021 D.C. Background Study. Appendix A to this D.C. Update Study includes the draft amending D.C. by-law being presented for Council's consideration. The D.C. Update Study and draft amending D.C. by-law will be presented to the public at a public meeting of Council to solicit public input on the proposed amending D.C. by-law.

It is anticipated that Council will consider adoption of the proposed amending by-law at a subsequent meeting of Council on July 14, 2025, witnessing the 60-day period between the release of the D.C. Background Study and the passage of the amending D.C. by-law. It is proposed that the amending D.C. by-law will come into effect on the date of passage.

If Council is satisfied with the proposed changes to the D.C. Background Study and D.C. by-Law, it is recommended that Council:

“Approve the Development Charges Update Study dated May 14, 2025, subject to further annual review during the capital budget process;”

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

“Approve the Amending Development Charge By-law as set out herein.”



# Appendices



# Appendix A

## Draft Amending D.C. By-law





## The Corporation of the City of Belleville

### By-Law No. 2025-###

#### A By-law to Amend Development Charges By-law 2021-201

**WHEREAS** the Council of the Corporation of the City of Belleville (the "Council") anticipates that the Corporation of the City of Belleville (the "City") will experience additional development, including redevelopment throughout the City and Council further anticipates that this development will increase the need for services;

**AND WHEREAS** Section 19 of the *Development Charges Act, 1997*, S.O. 1997, c. 25, as amended (the "Act") provides for amendments to be made to development charges by-laws;

**AND WHEREAS** the Council of the City of Belleville passed By-law 2021-201 on December 13, 2021.

**Now Therefore the Council of the Corporation of the City of Belleville Enacts as follows:**

1. By-law 2021-201 is hereby amended as follows:
  - 1.1 Paragraph (e) of subsection 2(2) be deleted and replaced with the following:
    - (e) REPEALED;
2. This by-law shall come into force and effect on the day it is passed.

Passed this \_\_\_\_ day of July 2025.

---

Mayor

---

Clerk