

To	Carolyn Paton & Lindsay Gillies, City of Hamilton
From	Daryl Abbs, Watson & Associates Economists Ltd. Gary Scandlan, Independent Policy Advisor
Date	November 14, 2024
Re:	2024 Development Charges Background Study Update – Amendments as per Bill 185

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1. Introduction

The City of Hamilton currently imposes Development Charges (D.C.) via by-law 24-072 for the following services:

- City-wide:
 - Services related to a highway;
 - Public works;
 - Transit services;
 - Fire protection services;
 - Policing services;
 - Parks and recreation services;
 - Library services;
 - Long-term care services;
 - Provincial offences act services;
 - Public health services;
 - Ambulance; and
 - Waste diversion.
- Urban areas:
 - Water services;
 - Wastewater facilities; and
 - Wastewater linear services.
- Area-specific:
 - Stormwater – separated sewer system area; and
 - Stormwater – combined sewer system area.

The D.C. by-law was passed on May 8, 2024 to update capital costs and to implement amendments made to the Act (Bills 23, 109 and 134) during the 2022/23 period.

On April 10, 2024, the Province released proposed changes to the *Development Charges Act* (D.C.A.) via Bill 185: *Cutting Red Tape to Build More Homes Act, 2024*. The Bill received Royal Assent on June 6, 2024. This Bill reversed many of the key changes that were implemented through Bill 23: *More Homes Built Faster Act*. As such, the purpose of this memo is to provide for updates to the D.C. by-law to align with the D.C.A. as amended by Bill 185.

2. Legislative Background

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

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.

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).

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 2 and 3 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).

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.

It is noted that the timeframe for the rate freeze provided in the City’s by-law refers directly to the clause in the Act which establishes the timeframe. As a result, the by-law has established the reduction in the rate freeze timeframe and has been in effect since Bill 185 received Royal Assent. No further amendments are required to the City’s by-law to align with this legislative change.

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.

3. Changes to the Current D.C. By-law – Minor Amendments

The City is undertaking a minor amendment to the existing D.C. by-law to add growth studies into the D.C. calculations and by-law. The calculated rates in this study may take immediate effect upon passage of the amending by-law, unless Council chooses to impose the charges at a later date. The new calculated rates and a comparison to existing rates are presented in Tables 3-16 and 3-17 below.

In addition, a housekeeping amendment is being undertaken to remove the clause related to mandatory phase-in.

3.1 Removal of Phase-in

The phase-in as per Bill 23 required that all D.C. by-laws passed after January 1, 2022 must be phased-in annually over the first five years the by-law was in force, as follows:

- Year 1 – 80% of the minimum charge;
- Year 2 – 85% of the minimum charge;
- Year 3 – 90% of the minimum charge;
- Year 4 – 95% of the minimum charge; and
- Year 5 to expiry – 100% of the minimum charge.

As noted above, Bill 185 removed this mandatory phase-in. Given that the phase-in clause in the City's by-law refers to a specific section of the Act, and this section has now been repealed, this change has been in effect since Bill 185 received Royal Assent. The City is undertaking a housekeeping amendment to remove the phase-in clause from the D.C. by-law.

3.2 Addition of Growth Studies

The D.C.A. permits the inclusion of studies undertaken to facilitate the completion of the City's capital works program. These studies have been included as a class of service referred to as Growth Studies, based on the eligible D.C. services to which the studies relate.

Studies related to water and wastewater, stormwater, and services related to a highway are calculated separately from all other services, given that the growth targets used for these services differs from all other services calculated on a ten-year forecast. A discussion on each of the above groupings is provided in the subsections below.

3.2.1 Growth Studies – All Services Other than Water, Wastewater, Stormwater, and Services Related to a Highway

As set out in Table 3-1, the City has identified \$33.40 million in costs for growth-related studies (in 2023 dollars). These studies include various master plans, an official plan update, various secondary plan studies, space needs studies, etc. Deductions to recognize benefit to non-D.C. eligible services have been made in the amount of \$8.47 million. In addition, a deduction of \$99,000 has been made to account for the portion of the police space needs study that relates to development in the Elfrida area. The development of this area is outside of the ten-year growth forecast horizon, and as such, the portion of the costs that relate to this area have been deducted from the calculation. Further, a deduction of \$7.90 million has been made to account for the share of the various studies that is anticipated to benefit the existing development. As of December 31, 2022, the City had a reserve fund deficit of \$1.49 million related to growth studies. As a result, the net D.C. recoverable cost for studies is \$15.45 million.

The capital costs have been allocated 73% to residential development, and 27% to non-residential development based on the incremental growth in population to employment for the 10-year forecast period (2023 to 2032), consistent with the 2023 D.C. background study and by-law.

Based on the calculations provided herein, Growth Studies result in a D.C. of \$445 per residential single detached dwelling unit and \$0.27 per sq.ft. of non-residential gross floor area.

As noted, the Growth Studies capital sheet is presented in Table 3-1 and the corresponding D.C. calculations are provided in Tables 3-2 and 3-3.

Table 3-1
City of Hamilton
Growth Studies Capital Costs – All Services Other than Water and Wastewater, Stormwater, and Services Related to a Highway

Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Service to Which Project Relates	Gross Capital Cost Estimate (2023\$)	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	Non-Residential Share
2023-2032										73%	27%	
1	Development Charge Study	2023	All D.C. Eligible Services	750,000	-		750,000	-		750,000	547,500	202,500
2	Development Charge Study Update	2026	All D.C. Eligible Services	450,000	-		450,000	-		450,000	328,500	121,500
3	Development Charge Study	2032	All D.C. Eligible Services	750,000	-		750,000	-		750,000	547,500	202,500
Transit:												
4	Hamilton West Interregional Transit Terminal Location Study	2023-2032	Transit	117,000	-		117,000	105,300		11,700	8,541	3,159
Public Works:												
5	Yards Need Study	2032	Public Works	235,000	-		235,000	-		235,000	171,550	63,450
Police												
6	Police Business Plan	2026	Police	50,000	-		50,000	37,500		12,500	9,125	3,375
7	Police Business Plan	2029	Police	50,000	-		50,000	37,500		12,500	9,125	3,375
8	Police Business Plan	2032	Police	50,000	-		50,000	37,500		12,500	9,125	3,375
9	Space/Facility Needs Study - Development Impact Study - Station 20	2027	Police	150,000	-		150,000	75,000		75,000	54,750	20,250
10	Space/Facility Needs Study - Development Impact Study - Station 30	2030	Police	150,000	-		150,000	75,000		75,000	54,750	20,250
11	Space/Facility Needs Study - Development Impact Study - Station 50 - Elfrida Area	2027-2028	Police	150,000	99,000		51,000	-		51,000	37,230	13,770
12	Deployment Model and Staffing Distribution	2024-2025	Police	150,000	-		150,000	75,000		75,000	54,750	20,250
Waste Diversion:												
13	Waste Management Research & Development Program	2023-2032	Waste Diversion	2,780,000	-	556,000	2,224,000	2,001,600		222,400	162,352	60,048
14	Solid Waste Management Master Plan Approvals	2023-2032	Waste Diversion	1,650,000	-	412,500	1,237,500	185,600		1,051,900	767,887	284,013
Library												
15	Library Master Plan	2025-2026	Library	65,000	-		65,000	16,300		48,700	35,551	13,149
16	Library Master Plan	2030-2031	Library	65,000	-		65,000	16,300		48,700	35,551	13,149
17	Library Service Model Master Plan	2025	Library	50,000	-		50,000	12,500		37,500	27,375	10,125
18	Library Service Model Master Plan	2030	Library	50,000	-		50,000	12,500		37,500	27,375	10,125
19	Development Study - Former Discovery Centre	2025-2026	Library	250,000	-		250,000	62,500		187,500	136,875	50,625

Table 3-1 (Cont'd)
Growth Studies Capital Costs – All Services Other than Water and Wastewater, Stormwater, and Services Related to a Highway

Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Service to Which Project Relates	Gross Capital Cost Estimate (2023\$)	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	Non-Residential Share
	2023-2032										73%	27%
	Parks and Recreation											
20	Recreation Studies	2023-2027	Parks & Recreation Services	850,000	-		850,000	212,500		637,500	465,375	172,125
21	Recreation Studies	2028-2032	Parks & Recreation Services	850,000	-		850,000	212,500		637,500	465,375	172,125
	Planning Studies											
22	Official Plan (Urban and Rural) Review	2024-2032	All Services	5,000,000	-	500,000	4,500,000	2,500,000		2,000,000	1,460,000	540,000
23	GRIDS/MCR Update	2024-2027	All Services	3,000,000	-	300,000	2,700,000	-		2,700,000	1,971,000	729,000
24	Residential Intensification Strategy	2024-2026	All Services	500,000	-	50,000	450,000	-		450,000	328,500	121,500
25	Planning and Zoning Growth Area	2024-2027	All Services	2,500,000	-	250,000	2,250,000	-		2,250,000	1,642,500	607,500
26	Digital Planning Application Software/Hardware	2024-2026	All Services	8,000,000	-	6,000,000	2,000,000	-		2,000,000	1,460,000	540,000
	Secondary Plans and Strategies - Nodes and Corridors											
	Sub-Regional Nodes											
27	Limeridge Node	2026-2028	All Services	500,000	-	50,000	450,000	300,000		150,000	109,500	40,500
	Corridors:											
28	James/Upper James Corridor (A-Line)	2025-2027	All Services	500,000	-	50,000	450,000	300,000		150,000	109,500	40,500
	Community Nodes											
29	Waterdown Node	2030-2032	All Services	500,000	-	50,000	450,000	375,000		75,000	54,750	20,250
30	Centre Mall Node	2030-2032	All Services	500,000	-	50,000	450,000	350,000		100,000	73,000	27,000
31	Dundas Node	2030-2032	All Services	500,000	-	50,000	450,000	300,000		150,000	109,500	40,500
32	Stoney Creek Node	2030-2032	All Services	500,000	-	50,000	450,000	300,000		150,000	109,500	40,500
33	Community Planning Studies - Durand Neighbourhood	2030-2032	All Services	500,000	-	50,000	450,000	125,000		325,000	237,250	87,750
34	East of Downtown Secondary Plan	2030-2032	All Services	500,000	-	50,000	450,000	-		450,000	328,500	121,500
	Community Services:											
35	Long Term Care Services Needs Study	2027	Long-Term Care	340,000	-		340,000	170,000		170,000	124,100	45,900
	Paramedics:											
36	Paramedics - Space Needs Study	2028	Paramedics Services	160,000	-		160,000	-		160,000	116,800	43,200
	Fire											
37	Fire Master Plan Update	2025	Fire Protection Services	45,000	-		45,000	-		45,000	32,850	12,150
38	Fire Master Plan Update	2030	Fire Protection Services	45,000	-		45,000	-		45,000	32,850	12,150
39	New Station Space Study	2024	Fire Protection Services	75,000	-		75,000	-		75,000	54,750	20,250

Table 3-1 (Cont'd)
Growth Studies Capital Costs – All Services Other than Water and Wastewater, Stormwater, and Services Related to a Highway

Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Service to Which Project Relates	Gross Capital Cost Estimate (2023\$)	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	Non-Residential Share
	2023-2032										73%	27%
40	Expansion Study - Mechanical Maintenance & Stores Division	2025	Fire Protection Services	75,000	-		75,000	-		75,000	54,750	20,250
	Reserve Fund Adjustment			(1,489,909)	-		(1,489,909)	-		(1,489,909)	(1,087,633)	(402,275)
	Total			31,912,091	99,000	8,468,500	23,344,591	7,895,100	-	15,449,491	11,278,129	4,171,363

Table 3-2
City of Hamilton
Growth Studies (All Services Other than Water and Wastewater, Stormwater, and Services Related to a Highway) D.C.
Calculation

Service/ Class of Service D.C. Calculations	Residential	Non-residential
Growth Studies D.C. Eligible Costs	\$11,278,129	\$4,171,363
Population/G.F.A. Growth (sq.ft.)	89,627	15,617,600
Cost Per Capita/Non-Residential GFA (sq.ft.)	\$125.83	\$0.27

Table 3-3
City of Hamilton
Growth Studies (All Services Other than Water and Wastewater, Stormwater, and Services Related to a Highway) D.C.
Calculation – by Residential Unit Type

Residential Unit Type	Persons Per Unit	D.C. per Residential Unit
Single and Semi-Detached Dwelling	3.533	\$445
Other Multiples	2.637	\$332
Apartments - 2 Bedrooms or more	2.166	\$273
Apartments - Bachelor and 1 Bedroom	1.342	\$169
Residential Facility	1.100	\$138

3.2.2 Growth Studies – Services Related to a Highway

The City has identified \$3.03 million in costs for growth-related studies related to services related to a highway (in 2023 dollars). These studies include various master plans, transportation plans, an interchange study, etc. A deduction of \$756,300 has been made to account for the share of the studies that is anticipated to benefit the existing development. As result, the net D.C. recoverable cost for studies for services related to a highway is \$2.27 million.

The capital costs have been allocated 73% to residential development, and 27% to non-residential development based on the incremental growth in population to employment over the service target forecast period, consistent with the 2023 D.C. background study and by-law.

Based on the calculations provided herein, growth studies for services related to a highway, result in a D.C. of \$88 per residential single detached dwelling unit and \$0.06 per sq.ft. of non-residential gross floor area.

The Growth Studies capital sheet for services related to a highway is presented in Table 3-4 and the corresponding D.C. calculations are provided in Tables 3-5 and 3-6.

**Table 3-4
City of Hamilton
Growth Studies (Services Related to a Highway) Capital Costs**

Prj.No	Increased Service Needs Attributable to Anticipated Development City-Wide Service Target for Services Related to a Highway	Timing (year)	Service to Which Project Relates	Gross Capital Cost Estimate (2023\$)	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 73%	Non-Residential Share 27%
1	Integrated Active Transportation and Recreational Trails Master Plan	2023-2032	Services Related to a Highway	550,000	-		550,000	137,500		412,500	301,125	111,375
2	Transportation Master Plan Review	2028-2031	Services Related to a Highway	650,000	-		650,000	162,500		487,500	355,875	131,625
3	Truck Route Master Plan Review	2028-2022	Services Related to a Highway	350,000	-		350,000	87,500		262,500	191,625	70,875
4	Post-Development Travel Surveys	2025-2028	Services Related to a Highway	80,000	-		80,000	20,000		60,000	43,800	16,200
5	Access Management Guidelines for Development	2025-2028	Services Related to a Highway	80,000	-		80,000	20,000		60,000	43,800	16,200
6	Downtown Transportation Plan	2025-2028	Services Related to a Highway	265,000	-		265,000	66,300		198,700	145,051	53,649
7	Centennial Parkway-QEW Interchange Study	2026-2030	Services Related to a Highway	270,000	-		270,000	67,500		202,500	147,825	54,675
8	Fifty Road-QEW Interchange Study	2025-2028	Services Related to a Highway	500,000	-		500,000	125,000		375,000	273,750	101,250
9	Escarpment Crossing People Mover Study	2023-2031	Services Related to a Highway	280,000	-		280,000	70,000		210,000	153,300	56,700
	Total			3,025,000	-	-	3,025,000	756,300	-	2,268,700	1,656,151	612,549

Table 3-5
City of Hamilton
Growth Studies (Services Related to a Highway) D.C. Calculation

Service/ Class of Service D.C. Calculations	Residential	Non-residential
Growth Studies D.C. Eligible Costs	\$1,656,151	\$612,549
Population/G.F.A. Growth (sq.ft.)	66,301	10,375,800
Cost Per Capita/Non-Residential GFA (sq.ft.)	\$24.98	\$0.06

Table 3-6
City of Hamilton
Growth Studies (Services Related to a Highway) D.C. Calculation – by Residential Unit Type

Residential Unit Type	Persons Per Unit	D.C. per Residential Unit
Single and Semi-Detached Dwelling	3.533	\$88
Other Multiples	2.637	\$66
Apartments - 2 Bedrooms or more	2.166	\$54
Apartments - Bachelor and 1 Bedroom	1.342	\$34
Residential Facility	1.100	\$27

3.2.3 Growth Studies – Water and Wastewater Services

The City has identified \$17.99 million in costs for growth-related studies related to water and wastewater services (in 2023 dollars). These studies include the water and wastewater master plan, servicing studies, neighbourhood studies, etc. A deduction of \$4.38 million has been made to account for the share of the studies that is anticipated to benefit the existing development. As result, the net D.C. recoverable cost for studies related to water and wastewater services is \$13.62 million.

The capital costs have been allocated 74% to residential development, and 26% to non-residential development based on the ratio of growth in population to employment in the urban area over the urban service target forecast period, consistent with the 2023 D.C. background study and by-law.

Based on the calculations provided herein, growth studies for water and wastewater services, result in a D.C. of \$543 per residential single detached dwelling unit and \$0.35 per sq.ft. of non-residential gross floor area.

The capital sheet for water and wastewater growth studies is presented in Table 3-7 and the corresponding D.C. calculations are provided in Tables 3-8 and 3-9.

**Table 3-7
City of Hamilton
Growth Studies (Water and Wastewater Services) Capital Costs**

Prj.No	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Service to Which Project Relates	Gross Capital Cost Estimate (2023\$)	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	Non-Residential Share
	Urban Service Area Forecast Target									74%	26%	
1	Integrated Water and Wastewater Master Plan	2023-2032	Water and Wastewater	2,100,000	-		2,100,000	-		2,100,000	1,554,000	546,000
2	Water and Sanitary Sewer Models	2023-2032	Water and Wastewater	5,000,000	-		5,000,000	2,500,000		2,500,000	1,850,000	650,000
3	Centennial Secondary Plan - Servicing Study	2024-2026	Water and Wastewater	200,000	-		200,000	-		200,000	148,000	52,000
4	Neighbourhood Area Intensification Studies (Wastewater) Lower City	2024-2032	Wastewater Services	1,500,000	-		1,500,000	375,000		1,125,000	832,500	292,500
5	Neighbourhood Area Intensification Studies (Water) Lower City	2024-2032	Water Services	1,500,000	-		1,500,000	375,000		1,125,000	832,500	292,500
6	West Mountain Intensification Servicing Review (Water & Wastewater)	2024-2032	Water & Wastewater Services	1,500,000	-		1,500,000	375,000		1,125,000	832,500	292,500
7	Central Mountain Intensification Servicing Review (Water & Wastewater)	2024-2032	Water & Wastewater Services	1,500,000	-		1,500,000	375,000		1,125,000	832,500	292,500
8	East Mountain Intensification Servicing Review (Water & Wastewater)	2024-2032	Water & Wastewater Services	1,500,000	-		1,500,000	375,000		1,125,000	832,500	292,500
9	Wastewater Master Plan and Additional Studies	2023-2027	Wastewater Services	1,420,000	-		1,420,000	-		1,420,000	1,050,800	369,200
10	Water Master Plan and Additional Studies	2023-2027	Water Services	1,420,000	-		1,420,000	-		1,420,000	1,050,800	369,200
11	Cherry Beach / Fruitland Outfall EA & Preliminary Design Study (Lower Stoney Creek) (Separated System)	2024-2031	Water and Wastewater	350,000	-		350,000	-		350,000	259,000	91,000
	Total			17,990,000	-	-	17,990,000	4,375,000	-	13,615,000	10,075,100	3,539,900

Table 3-8
City of Hamilton
Growth Studies (Water and Wastewater Services) D.C. Calculation

Service/ Class of Service D.C. Calculations	Residential	Non-residential
Growth Studies D.C. Eligible Costs	\$10,075,100	\$3,539,900
Population/G.F.A. Growth (sq.ft.)	65,552	10,258,200
Cost Per Capita/Non-Residential GFA (sq.ft.)	\$153.70	\$0.35

Table 3-9
City of Hamilton
Growth Studies (Water and Wastewater Services) D.C. Calculation – by Residential Unit Type

Residential Unit Type	Persons Per Unit	D.C. per Residential Unit
Single and Semi-Detached Dwelling	3.533	\$543
Other Multiples	2.637	\$405
Apartments - 2 Bedrooms or more	2.166	\$333
Apartments - Bachelor and 1 Bedroom	1.342	\$206
Residential Facility	1.100	\$169

3.2.4 Growth Studies – Stormwater Services – Separate Sewer System Area

The City has identified \$35.29 million in costs for growth-related studies related to stormwater services in the separate sewer system area (in 2023 dollars). These studies include master plans and various servicing studies. A deduction of \$1.06 million has been made to account for the share of the studies that is anticipated to benefit the existing development. As result, the net D.C. recoverable cost for studies for stormwater within the separate sewer system area is \$34.23 million.

The capital costs have been allocated 73% to residential development, and 27% to non-residential development based on the benefiting lands associated with stormwater management works over the service target forecast period, consistent with the 2023 D.C. background study and by-law.

Based on the calculations provided herein, growth studies for stormwater services in the separate sewer system area, result in a D.C. of \$1,581 per residential single detached dwelling unit and \$1.24 per sq.ft. of non-residential gross floor area.

The capital sheet for stormwater growth studies in the separate sewer system area is presented in Table 3-10 and the corresponding D.C. calculations are provided in Tables 3-11 and 3-12.

**Table 3-10
City of Hamilton
Growth Studies (Stormwater Services – Separate Sewer System) Capital Costs**

Prj.No	Increased Service Needs Attributable to Anticipated Development Separate Sewer System Service Area Forecast Target	Timing (year)	Service to Which Project Relates	Gross Capital Cost Estimate (2023\$)	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 73%	Non-Residential Share 27%
1	Stormwater Management Monitoring (Separated System)	2023-2031	Stormwater Drainage and Control Services	11,100,000	-		11,100,000	-		11,100,000	8,103,000	2,997,000
2	Specific Area Watershed Master Plans for Separated System Area	2023-2031	Stormwater Drainage and Control Services	5,200,000	-		5,200,000	-		5,200,000	3,796,000	1,404,000
3	AEGD Block Servicing Studies (Separated System)	2024-2031	Stormwater Drainage and Control Services	6,000,000	-		6,000,000	-		6,000,000	4,380,000	1,620,000
4	Cherry Beach / Fruitland Outfall EA & Preliminary Design Study (Lower Stoney Creek) (Separated System)	2024-2031	Stormwater Drainage and Control Services	350,000	-		350,000	-		350,000	255,500	94,500
5	Stoney Creek Watercourse 6 Drainage Improvements Hwy. 8 to Lake Ontario (Separated System)	2024-2031	Stormwater Drainage and Control Services	2,100,000	-		2,100,000	-		2,100,000	1,533,000	567,000
6	Stoney Creek Watercourse 7 Drainage Improvements Upstream of Barton toward Hwy. 8 (Separated System)	2024-2031	Stormwater Drainage and Control Services	1,050,000	-		1,050,000	-		1,050,000	766,500	283,500
7	Watercourse 10 - S.C.U.B.E. Drainage Improvement Study (Separated System)	2024-2031	Stormwater Drainage and Control Services	697,000	-		697,000	-		697,000	508,810	188,190
8	Unidentified Studies (Separated System)	2024-2031	Stormwater Drainage and Control Services	3,500,000	-		3,500,000	-		3,500,000	2,555,000	945,000
Stormwater Studies - City-wide												
9	Wet Weather Master Plan - City-wide (Proportion for Separated Sewer System)*	2024-2031	Stormwater Drainage and Control Services	1,320,000	-		1,320,000	264,000		1,056,000	770,880	285,120
10	Stormwater Master Plan Update - City Wide (Proportion for Separated Sewer System)*	2023-2031	Stormwater Drainage and Control Services	3,970,000	-		3,970,000	794,000		3,176,000	2,318,480	857,520
Total				35,287,000	-	-	35,287,000	1,058,000	-	34,229,000	24,987,170	9,241,830

*Note: Stormwater studies - City-wide - costs are related to proportion allocated to separated sewer system. Remaining costs are allocated to combined sewer system.

Table 3-11
City of Hamilton
Growth Studies (Stormwater Services – Separate Sewer System) D.C. Calculation

Service/ Class of Service D.C. Calculations	Residential	Non-residential
Growth Studies D.C. Eligible Costs	\$24,987,170	\$9,241,830
Population/G.F.A. Growth (sq.ft.)	55,841	7,470,100
Cost Per Capita/Non-Residential GFA (sq.ft.)	\$447.47	\$1.24

Table 3-12
City of Hamilton
Growth Studies (Stormwater Services – Separate Sewer System) D.C. Calculation – by Residential Unit Type

Residential Unit Type	Persons Per Unit	D.C. per Residential Unit
Single and Semi-Detached Dwelling	3.533	\$1,581
Other Multiples	2.637	\$1,180
Apartments - 2 Bedrooms or more	2.166	\$969
Apartments - Bachelor and 1 Bedroom	1.342	\$601
Residential Facility	1.100	\$492

3.2.5 Growth Studies – Stormwater Services – Combined Sewer System Area

The City has identified \$10.93 million in costs for growth-related studies related to stormwater services in the combined sewer system area (in 2023 dollars). A deduction of \$142,000 has been made to account for the share of the studies that is anticipated to benefit the existing development. As result, the net D.C. recoverable cost is \$10.79 million.

The capital costs have been attributed 100% to residential development as non-residential development is required to provide stormwater services as part of the local service policy. This is consistent with the 2023 D.C. background study and by-law.

Based on the calculations provided herein, stormwater growth studies for stormwater in the combined sewer system area, result in a D.C. of \$3,924 per residential single detached dwelling unit. There is no D.C. for non-residential development related to stormwater growth studies in the combined sewer system area.

The Growth Studies capital sheet is presented in Table 3-13 and the corresponding D.C. calculations are provided in Tables 3-14 and 3-15.

Table 3-13
City of Hamilton
Growth Studies (Stormwater Services – Combined Sewer System) Capital Costs

Prj.No	Increased Service Needs Attributable to Anticipated Development Combined Sewer System Service Area Forecast Target	Timing (year)	Service to Which Project Relates	Gross Capital Cost Estimate (2023\$)	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 100%	Non-Residential Share 0%
1	Specific Area Water Shed Master Plans for Combined Sewer Area	2023-2031	Stormwater Drainage and Control Services	5,200,000	-		5,200,000	-		5,200,000	5,200,000	-
2	Ainslie Wood Westdale Stormwater Drainage Master Plan (Combined System)	2023-2025	Stormwater Drainage and Control Services	1,045,000	-		1,045,000	-		1,045,000	1,045,000	-
3	Ainslie Wood/Westdale Neighbourhoods Class EA (Combined System)	2024	Stormwater Drainage and Control Services	474,000	-		474,000	-		474,000	474,000	-
4	Unidentified Studies (Combined System)	2023-2031	Stormwater Drainage and Control Services	3,500,000	-		3,500,000	-		3,500,000	3,500,000	-
Stormwater Studies - City-wide												
5	Wet Weather Master Plan - City-wide (Proportion for Combined Sewer System)*	2024-2031	Stormwater Drainage and Control Services	180,000	-		180,000	36,000		144,000	144,000	-
6	Stormwater Master Plan Update - City Wide (Proportion for Combined Sewer System)*	2023-2031	Stormwater Drainage and Control Services	530,000	-		530,000	106,000		424,000	424,000	-
Total				10,929,000	-	-	10,929,000	142,000	-	10,787,000	10,787,000	-

*Note: Stormwater studies - City-wide - costs are related to proportion allocated to combined sewer system. Remaining costs are allocated to separated sewer system.

Table 3-14
City of Hamilton
Growth Studies (Stormwater Services – Combined Sewer System) D.C. Calculation

Service/ Class of Service D.C. Calculations	Residential	Non-residential
Growth Studies D.C. Eligible Costs	\$10,787,000	\$0
Population/G.F.A. Growth (sq.ft.)	9,711	2,788,200
Cost Per Capita/Non-Residential GFA (sq.ft.)	\$1,110.80	\$0.00

Table 3-15
City of Hamilton
Growth Studies (Stormwater Services – Combined Sewer System) D.C. Calculation – by Residential Unit Type

Residential Unit Type	Persons Per Unit	D.C. per Residential Unit
Single and Semi-Detached Dwelling	3.533	\$3,924
Other Multiples	2.637	\$2,929
Apartments - 2 Bedrooms or more	2.166	\$2,406
Apartments - Bachelor and 1 Bedroom	1.342	\$1,491
Residential Facility	1.100	\$1,222

3.2.6 Summary of Charges

Based on the changes noted above, the D.C. calculations have been revised to include growth studies. As a result, the total calculated development charges are increasing as follows:

- **Separate Sewer System Area:** the residential D.C. (per single/semi-detached unit) for full services has increased from \$84,682 to \$87,339 (2023 \$). In regard to the non-residential charges, the total calculated D.C. (per sq.ft.) for full-services has increased from \$38.06 to \$39.98 (2023 \$); and
- **Combined Sewer System Area:** the residential D.C. (per single/semi-detached unit) for full services has increased from \$71,495 to \$76,495 (2023 \$). The non-residential charge (per sq.ft.) for full-services has increased from \$33.31 to \$33.99 (2023 \$).

The summary below outlines the charges as calculated in the December 21, 2023 D.C. background study and the charges calculated herein. In addition, the 2024 indexed rates (8.24% increase), including the above amendments are provided in the tables below as well as in Table 3-18.

**Table 3-16
City of Hamilton
Rate Comparison – Residential (Single/Semi-Detached)**

Service/Class of Service	2023 Charge Prior to By-law Passage	Calculated as per By-law 24-072	Calculated as per By-law 24-072 with Growth Studies (2023\$)	Calculated as per By-law 24-072 with Growth Studies (2024\$)
City Wide Services/Classes:				
Services Related to a Highway	14,528	18,103	18,103	19,596
Services Related to a Highway - Studies	80	-	88	95
Public Works	1,092	1,335	1,335	1,445
Transit Services	2,600	1,601	1,601	1,733
Fire Protection Services	626	1,151	1,151	1,246
Policing Services	711	1,018	1,018	1,102
Parks and Recreation*	3,518	11,065	11,065	11,977
Library Services	6,695			
Growth Studies	1,554	2,061	2,061	2,231
	500	-	445	482
Long-term Care Services	246	231	231	250
Child Care and Early Years Programs	21	-	-	-
Provincial Offences Act Services including By-Law Enforcement	55	52	52	56
Public Health Services	3	42	42	45
Ambulance	201	325	325	352
Waste Diversion	990	346	346	375
Total City Wide Services/Classes	33,420	37,330	37,863	40,985
Water and Wastewater Urban Area Charges				
Wastewater Facilities	5,491	7,125	7,125	7,712
Wastewater Linear Services	7,346	10,630	10,630	11,506
Water Services	6,466	6,856	6,856	7,421
Water and Wastewater Studies	49	-	543	588
Total Water and Wastewater Urban Area Services	19,352	24,611	25,154	27,227
Stormwater Services - Combined Sewer System				
Stormwater Drainage and Control Services	3,121	9,554	9,554	10,341
Stormwater Studies	2,234	-	3,924	4,247
Stormwater Services - Separate Sewer System				
Stormwater Drainage and Control Services	13,622	22,741	22,741	24,616
Stormwater Studies	570	-	1,581	1,711
Grand Total - City Wide	33,420	37,330	37,863	40,985
Grand Total - Urban Area - Combined Sewer Sytem	55,893	71,495	76,495	82,800
Grand Total - Urban Area - Separate Sewer System	66,394	84,682	87,339	94,539

*Parks & Recreation now combined as one D.C. eligible service

Table 3-17
City of Hamilton
Rate Comparison – Non-residential (per sq.ft.)

Service/Class of Service	2023 Charge Prior to By-law Passage	Calculated as per By-law 24-072	Calculated as per By-law 24-072 with Growth Studies (2023\$)	Calculated as per By-law 24-072 with Growth Studies (2024\$)
City Wide Services/Classes:				
Services Related to a Highway	10.85	13.31	13.31	14.41
Services Related to a Highway - Studies	0.07	-	0.06	0.06
Public Works	0.56	0.80	0.80	0.87
Transit Services	1.32	0.96	0.96	1.04
Fire Protection Services	0.31	0.69	0.69	0.75
Policing Services	0.36	0.61	0.61	0.66
Parks and Recreation*	0.16	0.95	0.95	1.03
	0.30			
Library Services	1.36	0.18	0.18	0.19
Growth Studies	0.25	-	0.27	0.29
Long-term Care Services	0.02	0.04	0.04	0.04
Child Care and Early Years Programs	-	-	-	-
Provincial Offences Act Services including By-Law Enforcement	0.02	0.03	0.03	0.03
Public Health Services	-	0.01	0.01	0.01
Ambulance	0.02	0.06	0.06	0.06
Waste Diversion	0.17	0.03	0.03	0.03
Total City Wide Services/Classes	15.77	17.67	18.00	19.48
Water and Wastewater Urban Area Charges				
Wastewater Facilities	2.65	4.53	4.53	4.90
Wastewater Linear Services	3.53	6.75	6.75	7.31
Water Services	3.10	4.36	4.36	4.72
Water and Wastewater Studies	0.03	-	0.35	0.38
Total Water and Wastewater Urban Area Services	9.31	15.64	15.99	17.31
Stormwater Services - Combined Sewer System				
Stormwater Drainage and Control Services	-	-	-	-
Stormwater Studies	-	-	-	-
Stormwater Services - Separate Sewer System				
Stormwater Drainage and Control Services	2.29	4.75	4.75	5.14
Stormwater Studies	0.64	-	1.24	1.34
Grand Total - City Wide	15.77	17.67	18.00	19.48
Grand Total - Urban Area - Combined Sewer Sytem	25.08	33.31	33.99	36.79
Grand Total - Urban Area - Separate Sewer System	28.01	38.06	39.98	43.27

*Parks & Recreation now combined as one D.C. eligible service

Table 3-18
City of Hamilton
D.C. Rates (2024 dollars)

Service/Class of Service	RESIDENTIAL					NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms+	Apartments - Bachelor and 1 Bedroom	Residential Facility	(per sq.ft. of Gross Floor Area)
City Wide Services/Class of Service:						
Services Related to a Highway	19,596	14,626	12,014	7,443	6,101	14.41
Services Related to a Highway - Studies	95	71	58	36	29	0.06
Public Works (Facilities and Fleet)	1,445	1,078	885	549	450	0.87
Transit Services	1,733	1,294	1,063	658	539	1.04
Fire Protection Services	1,246	930	764	473	388	0.75
Policing Services	1,102	823	675	419	343	0.66
Parks and Recreation	11,977	8,940	7,343	4,550	3,729	1.03
Library Services	2,231	1,665	1,368	848	695	0.19
Long-term Care Services	250	186	154	95	78	0.04
Provincial Offences Act Services including By-Law Enforcement	56	42	35	22	17	0.03
Public Health Services	45	34	28	17	14	0.01
Ambulance	352	263	215	133	109	0.06
Waste Diversion	375	279	229	142	117	0.03
Growth Studies	482	359	295	183	150	0.29
Total City Wide Services/Class of Services	40,985	30,591	25,127	15,568	12,760	19.48
Urban Services						
Wastewater Facilities	7,712	5,756	4,728	2,929	2,401	4.90
Wastewater Linear Services	11,506	8,588	7,054	4,371	3,583	7.31
Water Services	7,421	5,539	4,550	2,819	2,311	4.72
Water and Wastewater Studies	588	438	360	223	183	0.38
Combined Sewer System						
Stormwater Drainage and Control Services	10,341	7,718	6,340	3,928	3,219	0.00
Stormwater Studies	4,247	3,170	2,604	1,614	1,323	0.00
Separated Sewer System						
Stormwater Drainage and Control Services	24,616	18,374	15,092	9,350	7,664	5.14
Stormwater Studies	1,711	1,277	1,049	651	533	1.34
GRAND TOTAL RURAL AREA	40,985	30,591	25,127	15,568	12,760	19.48
GRAND TOTAL COMBINED SEWER SYSTEM	82,800	61,801	50,764	31,451	25,779	36.79
GRAND TOTAL SEPARATED SEWER SYSTEM	94,539	70,563	57,960	35,910	29,434	43.27

3.3 Amendments to the D.C. By-law

The D.C. by-law will be amended as follows:

- Add growth studies as a class of service;
- Revise the rate schedules in the by-law to include growth studies; and
- Repeal the mandatory phase-in section of the by-law.

The draft amending by-law is included in Appendix A to this memo.

4. Recommendations

It is recommended that Council:

“Approve the capital project listings set out in Section 3.1.2 of the Development Charges Background Study Update – Amendments as per Bill 185 memo dated November 14, 2024, subject to further annual review during the capital budget process”;

“Approve the 2024 Development Charges Background Study Update – Amendments as per Bill 185

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

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

Appendix A

Amending By-law for Minor Amendments

APPENDIX A: DRAFT AMENDING BY-LAW

Provided under separate cover.