

**Subject: Development Charge Exemption Amendment - Rural Unserviced
Storage Structures**

File Number: ACS2026-FCS-FIN-0002

**Report to Agriculture and Rural Affairs Committee on 5 February 2026
and Council 11 February 2026**

**Submitted on January 27, 2026 by Isabelle Jasmin, Deputy City Treasurer,
Corporate Finance, Finance and Corporate Services Department**

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Ward: Citywide

**Objet : Modification apportée à l'exemption des redevances d'aménagement
– Structures d'entreposage non viabilisées**

Numéro de dossier : ACS2026-FCS-FIN-0002

**Rapport présenté au Comité de l'agriculture et des affaires rurales le 5 février
2026**

et au Conseil le 11 février 2026

**Soumis le 27 janvier 2026 par Isabelle Jasmin, Trésorière municipale adjointe,
Finances municipales, Département des finances et des services
organisationnels**

**Personne ressource : Gary Baker, Coordonnateur de programme, Direction
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Quartier : À l'échelle de la ville

REPORT RECOMMENDATIONS

**That the Agriculture and Rural Affairs Committee recommend that Council
approve:**

1. **Adding a discretionary exemption listed under the City-wide Development Charge By-law 2024-218 as Section 7(j.1) to read: Unserviced Storage Structures being not more than 600 sq meters in area on lands identified within Area 3 – Rural (Unserviced) as set out in Schedule A of this by-law and add (j.1) to Section 7(3).**
2. **Adding the following definition under the City-wide Development Charge By-law 2024-218 in Section 1: “Unserviced Storage Structure” means a building used strictly for the storage of goods or equipment and being not more than 600 sq meters in area, on lands identified within Area 3 – Rural (Unserviced) as set out in Schedule A of this by-law that is unserviced with water and sanitary facilities and does not include a dwelling unit, retail, office, or assembly activities.**

RECOMMANDATIONS DU RAPPORT

Que le Comité de la planification et du logement recommande au Conseil d’approuver :

1. **L’ajout au Règlement de la Ville d’Ottawa relatif à l’imposition de redevances d’aménagement (n° 2024-218) d’une exemption discrétionnaire à lire comme suit à titre de sous-alinéa 7(j.1) : Structures d’entreposage non viabilisées d’une superficie ne dépassant pas 600 mètres carrés sur des terrains identifiés à l’intérieur du secteur 3 – Zones rurales (non viabilisées) comme il est énoncé à l’annexe A du présent règlement; et l’ajout du sous-alinéa (j.1) au paragraphe 7(3).**
2. **L’ajout de la définition suivante aux termes de l’article 1 du Règlement de la Ville d’Ottawa relatif à l’imposition de redevances d’aménagement (n° 2024-218) : « Structure d’entreposage non viabilisée » s’entend d’un bâtiment utilisé strictement pour l’entreposage de marchandises ou d’équipement et dont la superficie ne dépasse pas 600 mètres carrés, sur des terrains identifiés à l’intérieur du secteur 3 – Zones rurales (non viabilisées) comme il est énoncé à l’annexe A du présent règlement, qui n’est pas viabilisé avec des aqueducs et des égouts sanitaires, et qui ne comporte pas de logement, de commerce, de bureau ou d’activités d’assemblage ».**

BACKGROUND

At the Council meeting on May 15, 2024, when the 2024 Provisional Development Charges Background Studies and By-laws ([ACS2024-PDB-GEN-0004](#)) were being considered, staff were directed to review the development charge rate for unserviced steel-framed buildings with fabric roofs (within the rural area). This report provides staff's recommendation of adding a new discretionary exemption to the City's development charges by-law which exempts unserviced storage structures located in rural unserviced area from paying development charges. The *Development Charges Act, 1997* authorizes municipalities to impose development charges to recover growth-related capital costs associated with new development. Development charges are intended to ensure that growth contributes toward the infrastructure and services required to support it, in accordance with a methodology set out in a municipal development charges background study and implemented through a development charges by-law.

In addition to legislated exemptions, the Act permits municipal councils to establish discretionary exemptions through by-law where it is determined that such exemptions support local policy objectives or respond to specific development circumstances. Council may also amend, refine, or remove discretionary exemptions over time to ensure they remain aligned with their original intent.

Any discretionary exemption approved by Council results in a reduction of development charge revenues and must be funded by the municipality from non-development charge sources, as required by the Act. As a result, discretionary exemptions are periodically reviewed to assess their financial implications, policy effectiveness, and consistency with the City's long-term capital funding plan.

DISCUSSION

This report is in response to a direction to staff from the Council meeting on May 15, 2024. Staff were directed to review the development charge rate for unserviced steel-framed buildings with fabric roofs (within the rural area). The proposed exemption applies only to the following Wards: West Carleton-March (Ward 5), Rideau-Jock (Ward 21), Osgoode (Ward 20), Orléans South-Navan (Ward 19) and Orléans East-Cumberland (Ward 1). Under the City's current Development Charges By-law ([By-law No.2024-218](#)), unserviced steel-framed buildings with fabric roofs are included within the industrial definition when calculating the non-residential charge. Municipalities have the authority to modify discretionary exemptions should they not accomplish their intended objectives by developing guidelines to determine if a development charge is

payable for certain types of development. Staff are recommending a new discretionary exemption listed within the development charges by-law under Section 7(j), which exempts unserviced storage structures from paying development charges.

Development charges are designed to recover the growth-related capital costs for specific services based on a methodology that sets out the size and nature of infrastructure within a municipality. The City's Development Charges Background Study lists the total capital costs associated with growth and how those project costs are allocated across all anticipated development. Based on this calculation methodology total capital costs associated with non-residential growth are allocated city-wide across all anticipated development. This process, however, cannot ensure that each individual property that is subject to the development charge will receive a direct benefit or that the fees will be used to defray capital costs attributable to any development. In addition, municipalities cannot offload the growth-related cost recovery from one type of development to another use. Any discretionary exemption requires municipalities, under Section 5(6)3 of the *Development Charges Act*, to directly fund any resulting shortfall from tax and rate transfers, which shifts the burden of funding these costs directly to local revenue sources. For this reason, any such revenue reductions must be carefully scrutinized and evaluated, monitored, and separately funded to provide full growth-related cost recovery.

The current exemption within the development charges by-law under Section 7(j) exempts unserviced storage structures with a dirt floor and being less than 2,400 square feet (222.96 square metres) in area. In 2017, staff created the exemption that would allow "minor" storage hoop structures (less than 2,400 square feet / 222.96 square metres) that were not serviced or connected to water and sanitary, with a dirt floor, to be exempt from the payment of development charges. Typically, these structures were to be used for cold storage and not attached to an existing non-residential use building. The proposed exemption in this report would align with this existing practice where the structures are used for storage and reflect that such a development use typically creates a limited demand for municipal services.

The development charge rate applied will include Public Transit since the City assigns a collection priority for this service, with the other service components excluded from the overall calculation. Accordingly, the following development charge rate of \$64.80 versus \$155.76 per square metre is proposed for purposes of the revised calculation. This will limit the overall impact of foregone revenue and align with other discretionary exemptions. The proposed report recommendations also reflect the importance of

maintaining an overall clear and viable capital funding plan for assorted services that must be paid for in the future.

FINANCIAL IMPLICATIONS

Discretionary exemptions approved by Council must be funded from non-development charge sources. The new exemption is anticipated to have minimal cost implications based on similar applications in the past. Any exemptions that occur are funded from within existing resources, the Development Charge Exemptions account(s).

LEGAL IMPLICATIONS

Where an amendment to a development charges by-law has the effect of only decreasing the development charges payable, the provisions of the *Development Charges Act* requiring a background study, a public meeting and notice thereof and the right to appeal do not apply. The proposed amendment in this instance fulfils the requirement for relief from these provisions. Notice of adoption of the by-law nonetheless does have to be provided.

COMMENTS BY THE WARD COUNCILLORS

The proposed exemption applies to the following Wards: West Carleton-March (Ward 5), Rideau-Jock (Ward 21), Osgoode (Ward 20), Orléans South-Navan (Ward 19) and Orléans East-Cumberland (Ward 1). A draft copy of this report was circulated to the associated Councillors for their awareness.

ACCESSIBILITY IMPACTS

Finance and Corporate Services adheres to the requirements of the *Accessibility for Ontarians with Disabilities Act, (2005)* in its operations, programs and initiatives. This report is administrative in nature and has no associated accessibility impacts.

RURAL IMPLICATIONS

The proposed exemption revision aligns with existing practice in applying non-residential development charges within the rural unserved area of the City, which is a development use that creates a limited demand for municipal services. The proposed exemption applies only to the following Wards: West Carleton-March (Ward 5), Rideau-Jock (Ward 21), Osgoode (Ward 20), Orléans South-Navan (Ward 19) and Orléans East-Cumberland (Ward 1).

TERM OF COUNCIL PRIORITIES

This report supports the City's ongoing commitments the current 2023 - 2026 Term of Council Priorities of: a city that has affordable housing and is more livable for all; a city that is more connected with reliable, safe and accessible mobility options; a city that is green and resilient; and a city with a diversified and prosperous economy. The report also promotes the City's commitment to financial sustainability and transparency.

DISPOSITION

Legal Services will prepare the required by-laws and submit them to Council.