

**Subject:      Transportation Master Plan Development Charges Amendment  
                  File Number: ACS2026-FCS-FIN-0004**

**Report to Planning and Housing Committee on 4 March 2026  
                  and Council 11 March 2026**

**Submitted on February 23, 2026 by Isabelle Jasmin, Deputy City Treasurer,  
                  Corporate Finance, Finance and Corporate Services Department**

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**Ward: Citywide**

**Objet :        Modification des redevances d'aménagement du Plan directeur des  
                  transports**

**Numéro de dossier : ACS2026-FCS-FIN-0004**

**Rapport présenté au Comité de la planification et du logement le 4 mars 2026  
                  et au Conseil le 11 mars 2026**

**Soumis le 23 février 2026 par Isabelle Jasmin, Trésorière municipale adjointe,  
                  Finances municipales, Département des finances et des services  
                  organisationnels**

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**Quartier : À l'échelle de la ville**

## **REPORT RECOMMENDATIONS**

**That the Planning and Housing Committee recommend that Council approve:**

- 1. The 2026 Amended Development Charge Background Study dated  
          January 9, 2026, as detailed in Document 1.**

2. **The City-wide Development Charge By-law, 2024-218, be amended in accordance with Document 2.**
3. **The budget adjustments as detailed in Document 3.**
4. **That pursuant to the Development Charge Act, subsection 12(3), no further public meeting is necessary.**

## **RECOMMANDATIONS DU RAPPORT**

**Que le Comité de la planification et du logement recommande au Conseil municipal d'approuver :**

1. **l'étude préliminaire 2026 sur les redevances d'aménagement dans sa version modifiée, datée du 9 janvier 2026, présentée dans le document 1;**
2. **que le *Règlement municipal sur les redevances d'aménagement* (n° 2024-218) soit modifié conformément au document 2;**
3. **les ajustements budgétaires présentés dans le document 3.**
4. **qu'en vertu du paragraphe 12(3) de la *Loi sur les redevances d'aménagement*, aucune autre assemblée publique n'est nécessaire.**

## **EXECUTIVE SUMMARY**

This report is required as an interim update to the 2024 Provisional Development Charges Background Study and By-laws ([ACS2024-PDB-GEN-0004](#)) to incorporate the changes from the newly adopted [Transportation Master Plan \(TMP\) - Part 2](#), approved by Council in July 2025.

The TMP identifies a prioritized, realistic, and affordable project delivery schedule to support growth. As part of Council approval in July 2025 of the [Transportation Master Plan – Part 2](#), the City has updated certain aspects of the methodology to calculate the share of transportation projects that is required because of new growth, and what portion benefits existing residents. The proposed amendments support timely infrastructure delivery to better maintain transportation network performance.

Development charges are an important financial tool that helps to ensure serviced lands are available for future development and redevelopment. Development charges are one-time fees levied by municipalities on new residential and non-residential properties to help pay for a portion of the growth-related capital infrastructure

requirements. Development charges are an important tool to ensure that growth pays for growth.

The 2026 Amended Development Charge Background Study includes the various TMP approved capital projects, their costs, allocations, and proposed implementation timing. The corresponding rates listed within the amended by-law will help to ensure development charges will be collected to deliver essential infrastructure to support the required projected ten years of forecasted growth.

The total gross capital project costs for Roads and Related Services are \$1.97 billion. Of this amount, \$1.28 billion has been deemed to be development charge eligible costs recovered from DC rates, a \$259 million amount is deemed to be a benefit to existing (BTE) taxpayers and \$319 million is anticipated in Public Transit-related grant funding. The total gross capital land acquisition costs for the Land Acquisition Capital Program added, as part of Bill 60: *Fighting Delays, Building Faster Act, 2025*, are \$82 million. Of this amount, \$78.28 million has been deemed to be development charge eligible costs recovered from DC rates, a \$3.68 million amount is deemed to be a benefit to existing (BTE) taxpayers. For Public Transit Services, Transit Priority Measures (\$159 million or 11% of the total DC eligible costs under the 2024 Provisional Study) is being removed and realigned within Roads and Related Services, resulting in an 11% reduction to the Public Transit DC rate.

With the interim update, residential rates decrease on average inside the greenbelt by one percent, outside the greenbelt two percent, and rates increase on average in the rural area by 0.1 percent. Non-residential rates decrease on average by three percent.

## **RÉSUMÉ**

Le présent rapport est requis en tant que mise à jour provisoire du document *Versions provisoires des études préliminaires sur les redevances d'aménagement et des règlements de redevances d'aménagement 2024* ([ACS2024-PDB-GEN-0004](#)), afin d'y intégrer les changements découlant du [Plan directeur des transports \(PDT\) – partie 2](#), nouvellement adopté et approuvé par le Conseil en juillet 2025.

Le PDT propose un calendrier de livraison réaliste de projets abordables classés par priorité, visant à soutenir la croissance. Dans le cadre de l'approbation par le Conseil en juillet 2025 du [Plan directeur des transports – partie 2](#), la Ville a mis à jour certains aspects de la méthodologie servant à calculer la part des projets de transport qui est requise en raison de la nouvelle croissance, ainsi que la portion qui profite aux résidents actuels. Les modifications proposées favorisent la livraison en temps voulu de

l'infrastructure afin de mieux maintenir le rendement des réseaux de transport.

Les redevances d'aménagement sont un outil financier important qui aide à garantir la disponibilité des terrains viabilisés pour de futurs aménagements ou réaménagements. Il s'agit de frais non récurrents imposés par les municipalités sur de nouvelles propriétés résidentielles ou non résidentielles; l'argent recueilli sert à payer une partie des investissements dans les infrastructures qui sont nécessaires en raison de la croissance. Grâce à ces redevances, on s'assure que la croissance paie pour la croissance.

L'étude préliminaire sur les redevances d'aménagement, modifiée en 2026, présente les divers projets d'infrastructures du PDT approuvés, ainsi que le coût, les fonds alloués et les calendriers de mise en œuvre proposés. Les taux correspondants présentés dans le règlement modifié feront en sorte que les redevances d'aménagement seront perçues, afin de mettre en place les infrastructures essentielles au soutien de la croissance prévue pour les dix prochaines années.

Les coûts bruts des projets d'immobilisations pour les routes et les services connexes totalisent 1,97 milliard de dollars. Sur ce montant, 1,28 milliard de dollars sont considérés comme des coûts admissibles au titre des redevances d'aménagement (RA), 259 millions de dollars profitent aux contribuables actuels et 319 millions de dollars devraient constituer un financement par subventions lié au transport en commun. Les dépenses d'immobilisations brutes liées à l'acquisition de terrains pour le Programme d'immobilisations pour l'acquisition de terrains, ajouté dans le cadre du projet de loi 60 : *Loi de 2025 visant à lutter contre les retards et à construire plus rapidement*, totalisent 82 millions de dollars. Sur ce montant, 78,28 millions de dollars sont considérés comme des coûts admissibles au titre des redevances d'aménagement (RA) et 3,68 millions de dollars profitent aux contribuables actuels. Dans le cas des Services de transport en commun, des mesures de transport en commun prioritaires (159 millions de dollars ou 11 % du total des coûts admissibles au titre des RA en vertu de l'étude préliminaire de 2024) sont retirées et réalignées au sein des routes et services connexes, ce qui réduit de 11 % le taux des RA du transport en commun.

En raison de la mise à jour provisoire, les taux résidentiels diminuent en moyenne de 1 % à l'intérieur de la Ceinture de verdure, de 2 % à l'extérieur de la Ceinture verte, et les taux augmentent en moyenne de 0,1 % dans le secteur rural. Les taux non résidentiels augmentent en moyenne de 3 %.

## BACKGROUND

In May 2024, City Council approved the 2024 Provisional Development Charges Background Study and By-laws ([ACS2024-PDB-GEN-0004](#)).

In July 2025, following the adoption of the by-law by Council, the City approved the Transportation Master Plan (TMP) – Part 2 ([ACS2025-PDB-TP-0012](#)), which directed staff to update the Development Charges Background Study based on the TMP Capital Infrastructure Plan.

In October 2025, Council approved the Housing Innovation Task Force Report and Housing Acceleration Plan ([ACS2025-SI-SPO-0002](#)). As part of the Housing Acceleration Plan, a comprehensive Development Charge (DC) Structure Review is scheduled to be brought forward to Council in Q3 2027. All DC eligible services will be reviewed as part of the upcoming DC Structure Review. This review will assess the DC By-law, rate structure, methodologies, and associated policies to ensure alignment with current legislation and best practices.

The purpose of this report is to provide an interim update to the existing 2024 Provisional Development Charges Background Study and By-law, incorporating the TMP. The 2026 Amended Development Charge Background Study has been prepared in accordance with the *Development Charges Act (DCA)* and associated regulations, including the amendments that came into force most recently on November 27, 2025, as per Bill 60: *Fighting Delays, Building Faster Act, 2025*. This study also considers all amendments under Bill 23: *More Homes Built Faster Act, 2022* and Bill 185: *Cutting Red Tape to Build More Homes Act, 2024*.

The current TMP-focused interim update supports the Housing Acceleration Plan and results in a reduction in development charges for most areas, except for the rural area that has a slight increase of 0.1 percent.

If approved, the 2026 development charge rates listed within the revised by-law will be used as the basis to recover the costs of anticipated new development for Roads and Related Services, based on the approved 2025 Transportation Master Plan (TMP) – Part 2. The Public Transit capital program is not being updated, except to remove capital projects that have been replaced with new or revised project types within Roads and Related Services.

## **DISCUSSION**

### **Introduction to Development Charges**

Development charges are an important financial tool that helps to ensure serviced lands are available for future development and redevelopment. Development charges are one-time fees levied by municipalities on new residential and non-residential properties to help pay for a portion of the growth-related capital infrastructure requirements. Development charges are an important tool to ensure that growth pays for growth.

To pass a new Development Charges By-law, a background study must be prepared pursuant to Section 10 of the *DCA*. This document must be made available to the public, as required by Section 12 of the *DCA*, 60 days prior to the Council meeting. The background study was posted on Ottawa.ca on January 9, 2026. The 2026 Amended Study and by-law will be before Council on March 11, 2026. The charges calculated in the 2026 Amended Study represent those costs which can be recovered under the *DCA*, based on the City's capital spending plans and underlying assumptions. Since the release, changes have been made to the analysis to align with the new requirements under Bill 60 and based on feedback from stakeholders.

A decision is required by Council, after receiving input at the public meeting, as to the magnitude of the charge it wishes to establish, for residential and non-residential development. Property tax or other funding sources will be required to finance the non-growth component of the growth-related capital costs. The calculation methodology contained within the amended study represents a balanced approach in implementing the overall policy of having growth pay a share of growth-related infrastructure, while at the same time, distributing eligible capital costs between residential areas and non-residential development.

The sole purpose of development charges is to fund a portion of servicing costs, thereby enabling growth to offset the associated capital expenditures, which allow development to proceed in a timely and efficient manner.

### **2025 Transportation Master Plan Capital Infrastructure Plan**

The Transportation Master Plan (TMP) is the City of Ottawa's long-range strategy to guide the development of its transportation system to 2046. The TMP is a supporting document of the City's Official Plan and aligns with Official Plan objectives for growth and mobility. The TMP Capital Infrastructure Plan, approved in July 2025, identifies the

transit, road, and active transportation investments that are required to support Ottawa's projected growth and enable a connected and liveable City. It lays the foundation for long-term, coordinated investment in Ottawa's transportation system.

The TMP Capital Infrastructure Plan includes Needs-Based Networks for Roads and Transit that identify all the projects that are needed to address the City's mobility needs to the 2046 planning horizon, based on the Official Plan's population and employment growth projections. While the projects identified in the Needs-Based Networks are necessary to support growth, not all projects are affordable within the 2046 horizon. The TMP Capital Infrastructure Plan therefore also applies an affordability lens to transportation infrastructure investments; the "Priority Networks" for Roads and Transit identify the subset of projects that should be prioritized for implementation and are expected to be delivered by 2046, based on current funding assumptions.

The 2026 Amended Development Charges Background Study is based on the Priority Networks from the TMP Capital Infrastructure Plan and reflects a 2026-to-2035 time horizon. It includes "Committed" Road Capacity Projects that require additional funding (2026-2029) plus the Phase 1 (2029 to 2037) Capacity Projects, with project costs for the last two Phase 1 projects split between in-period and post-period. It also includes Road Urbanization and Development Sidewalk Projects, Mainstreet Mobility Improvement Projects, Continuous Bus Lanes, Isolated Transit Priority Measures, and Active Transportation Projects. As noted in the Background section, the Public Transit capital program is not being updated, except to remove capital projects that have been replaced with projects within Roads and Related.

Notable changes from the previous 2013 TMP that are reflected in the 2026 Amended Background Study include the following:

- New road capacity project priorities and project costs were identified, yielding a prioritized, realistic and affordable project delivery schedule to support growth.
- Smaller-scale road capacity projects were added to the City's Network Modification Program, where a localized or intersection-focused widening can cost-effectively address congestion bottlenecks, deferring or replacing a full road widening.
- An expanded set of road urbanization and development sidewalk projects were identified; these road projects support growth by providing basic multi-modal infrastructure such as sidewalks in new and growing communities; these sometimes replace widenings that were previously identified.

- New types of projects were identified to address growth-related congestion on road corridors that are critical for transit service: continuous bus lane projects and isolated transit priority measures will widen or reconfigure streets and/or intersections to address congestion-related delays for buses.
- A new type of project was identified to support intensification and sustainable transportation in areas experiencing growth where road widening is impractical or infeasible, requiring trips to be made by other modes: Mainstreet Mobility Improvement projects will add or upgrade walking and cycling infrastructure, improve transit access and enhance the public realm, enabling existing streets to move more people using the space available.
- Where a new road is being constructed, median transit facilities are considered to form part of the overall project, as per the City's Complete Streets policy. As these projects are intended to address travel demand generated from new development and ensure buses are not delayed from growth-related congestion, these integrated mobility projects will be funded through Development Charges for Roads and Related Services.

### **2026 Amended Development Charges Background Study (2026 Amended Study)**

The objective of this 2026 Amended Study is to provide growth-related funding for Roads and Related Services so that the City may continue to collect revenues to service growth until 2035.

The DCA sets out the essential steps necessary to create an amending background study. Most importantly, the DCA requires that a draft 2026 Amended Study be completed. Staff retained Hemson Consulting Ltd. to undertake the production of the revised documents and the resulting study is an important companion document to this report. The [2026 Amended Development Charges Background Study dated January 9, 2026](#) was made available on Ottawa.ca on January 9, 2026.

The 2026 Amended Study includes the various TMP approved capital projects, their costs, allocations, and proposed implementation timing. The amended study also includes an updated Public Works category, which is included in Roads and Related Services. The corresponding rates listed within the amended by-law will help to ensure development charges will be collected to deliver essential infrastructure to support the required projected ten years of forecasted growth. The 2026 Amended Study provides an estimate on the amount, type and location of development; a calculation for the Roads and Related Services and an adjustment to Public Transit included within the

amended development charge rates (i.e. growth/non-growth split, residential/non-residential allocations, capacity in existing systems); and other information that is required to help ensure that future financing and infrastructure plans are aligned.

Amendments have been made to the 2026 Amended Study posted on January 9, 2026. Changes include incorporating a separate land acquisition category, as required per Bill 60: *Fighting Delays, Building Faster Act*, 2025, reallocations to post period capacity for projects that extend beyond the planning period, and a non-residential allocation correction. These changes affected all rates.

Several key steps are required to amend the calculation of development charge rates; however, specific circumstances arise in each municipality that must be reflected in the amending process. In this 2026 Amended Study, the approach has been tailored to the City's unique circumstances. The overall process to the calculated development charges is focused on providing a reasonable alignment of development-related costs with the growth that necessitates them.

This process includes preparing a development forecast, establishing historical service levels, determining the increased needs for service arising from development, appropriate cost apportionment, and attribution to development types (both residential and non-residential). The projects listed also comply with the revised Local Service Guidelines, which identify the internal site servicing considered to be a direct developer responsibility versus those costs that have a city-wide benefit and are funded through development charges.

It is recognized that the amendment is still only a point-in-time analysis and is subject to changes in project timing, scope, and costs that are brought forward through the City's annual capital budget process that examines reserve fund account balances and overall tax supported funding envelopes for the non-growth related funding, in line with the Tax Long Range Financial Plan.

### **Growth Forecasts**

The *DCA* outlines the method that must be used to determine development charges. The "anticipated amount, type and location of development for which development charges can be imposed" must be estimated, along with the "increase in need for service attributable to the anticipated development...".

The 2026 Amended Study includes a growth forecast that provides the anticipated development for which the City will be required to fund growth-related Roads and

Related Services over a new 10-year time horizon (2026-2035). The forecast is based on the Council-approved Official Plan (OP) growth projections to 2046, based on the 2022 Official Plan. The Transportation Master Plan is a supporting document of the Official Plan and uses the same growth projections. As such, the Transportation Master Plan identifies the increased servicing needs attributable to the forecast development approved by Council in the OP; these needs are reflected in the 2026 Amended Study capital project list.

The 2026 Amended Study includes an updated development forecast compared to the 2024 Provisional Background Study. The following assumptions apply:

- The forecast to 2035 is based on the City achieving population and employment forecasts set out in its Official Plan, readily available Census data, and assumptions provided by City staff.
- The population and household growth determined the need for additional facilities and provides the foundation for the development-related capital program. The City's Census population is forecast to increase by roughly 111,600 people by 2035. The number of dwellings will increase by 59,000 units over the same planning period.
- In addition to the net population forecast, a forecast of "population in new units" that will result from the addition of new housing units has been made. In total, 147,000 is the forecasted population growth in new dwelling units to 2035.

Non-residential development charges are calculated on a per square metre/square foot of gross floor area (GFA) basis. The total GFA growth is forecast at roughly 2.1 million square metres (or 22.9 million square feet) with an accompanying growth of 42,000 employees.

The City is in the process of updating the growth framework supporting the Official Plan ([ACS2025-PDB-PS-0041](#)). Following the completion of this update, the City will update the Transportation Master Plan. This is expected to yield additional projects within Roads and Related Services to meet the City's growth needs and will result in another update to the Development Charges Background Study.

## Calculating the Development Charges

The *DCA* sets out the method that must be used to determine the rates. This method calls for different types of deductions to be made from municipal servicing costs, where applicable, which relate to the need for service attributable to new development anticipated over the planning period. In calculating the charge, it is necessary to:

- establish a development forecast for population and housing, and for employees based on floor area allocations;
- determine and cost the additional services such new development will require to provide the same level of service enjoyed by the existing community;
- ensure that the program has Council approval;
- make the cost reductions required by the *DCA* with respect to historical average service levels;
- identify benefits to existing development allocations, excess capacity, grants and contributions, etc.; and
- calculate provisional development charges by type of use and document this in a background study and by-law.

The *DCA* establishes that (i) the total of all development charges that would be imposed on an anticipated development must not exceed the capital costs determined for all services involved; (ii) if a specific type of development is identified, it must pay the development charges that exceed the capital costs that arise from the increase in the need for service for that type of development; and

(iii) if the rules provide for a type of development to have a lower rate than is allowed, any resulting shortfall may not be made up via other development.

To address these requirements, the City has adopted the following conventions:

1. Costs to residential uses have been assigned to different types of residential units based on the average occupancy for each housing type constructed during the initial years of occupancy; and
2. Costs are allocated to non-residential uses based upon several factors, as may be suited to each service-related circumstance.

## Changes to Methodology

The Study includes updates to methodologies for determining DC-ineligible shares to account for the extent to which growth is driving transportation projects, aligning with the TMP. Section 5(1)6 of the *Development Charges Act* states that the capital costs included in the DC rate calculations must be reduced by the amount that relates to providing service for existing development, i.e. the proportion of the infrastructure that is not growth-related. This is commonly referred to as the “Benefit to Existing” (BTE) Allocation. Amended Benefit to Existing (BTE) Allocations include:

- 0% BTE applied to net new roads that are being constructed to meet the needs of growth, including transit lanes within new roads. This was previously 5% BTE.
- 0% BTE applied to all net new intersections (defined or undefined) that are being constructed to meet the needs of growth. This was previously 0% BTE for defined projects and 5% for projects that had not yet been identified at the time of the Study.
- 1-5% BTE applied to road widenings, calculated on a project-by-project basis and with the BTE share comprising the cost of resurfacing/reconstruction of the existing road segment and sidewalks. This was previously 5% BTE.
- 5% BTE for adding capacity to existing intersections and other small-scale road projects as part of the Network Modification Program, aligning with the BTE for midblock widening of existing roads. This was previously 17% BTE.
- 4-5% BTE applied for road works to address growth-related congestion on key transit corridors through continuous bus lanes and isolated transit priority measures. These new project types replace the previous category, TMP Transit Priority Network, that was previously included in the Public Transit capital program with a 33% BTE. Continuous bus lanes are calculated on a project-by-project basis using the same methodology as road widenings. Isolated transit priority measures adopt the same BTE as intersection widenings for general purpose lanes.
- 51% BTE applied for the new mainstreet mobility improvement program, similar to the cycling facilities program, reflecting the importance of these projects to support intensification as well as their contribution to non-growth objectives.

BTE allocations were determined based on a clear set of principles and methodologies for establishing growth-related shares of new infrastructure, including project-specific calculations where applicable. Amendments to BTEs support timely infrastructure delivery to better maintain transportation network performance.

Budget Adjustments Requiring Council Approval, included in Document 3, includes two adjustments to align with the changes in methodologies and BTE allocations. The adjustments are to capture the change in funding sources for Transit Priority Isolated Measures and for the median transit facilities within new Greenbank Road (Chapman Mills to Cambrian).

### **Roads and Related Capital Program**

The gross capital project costs for Roads and Related Services based on the planning period listed in the 2026 Amended Study is \$1.97 billion. Of this amount, \$1.28 billion has been deemed to be development charge eligible costs recovered from DC rates; \$259 million amount is deemed to be a benefit to existing (BTE) ratepayers; and \$319 million in anticipated grant funding from other levels of government. The anticipated grant funding aligns with the City's in-process application for provincial and federal government funding for continuous bus lanes through the Canada Public Transit Fund Metro-Region Agreement Stream.

### **Land Acquisition Capital Program**

A Land Acquisition Capital Program has been added as part of Bill 60: *Fighting Delays, Building Faster Act*, 2025, to increase transparency on land costs. The total gross capital land acquisition costs are \$82 million. Of this amount, \$78.28 million has been deemed to be development charge eligible costs recovered from DC rates, a \$3.68 million amount is deemed to be a benefit to existing (BTE) taxpayers. The BTE is in alignment with the methodology used for the related projects within Roads and Related Services.

### **Public Transit Capital Program**

The 2024 Provisional DC Study included the growth-related capital needs associated with Public Transit in the city. Public Transit is calculated on a city-wide level and is not differentiated by area. As part of this amendment study, a realignment has been made to remove the TMP Transit Priority Network from the Public Transit category. Removing the Transit Priority Network (\$159.1 million or 11% of the total DC eligible costs under the 2024 Provisional DC Study) results in an 11% reduction to the Public Transit city-wide DC rate. The Southwest Transitway project is also being removed from the Public Transit

capital program, due to its expected delivery as part of the Greenbank Road project, though this has no impact on rates as these costs were identified as post-period in the 2024 Study.

The historical service levels used in the 2024 Provisional Study are still calculated based on the previous 2009-2023 time-period and are consistent with the service levels. The transit ridership analysis and cost allocations (benefit to existing, in-period growth-related and post period benefit) have remained unchanged from the 2024 Provisional DC Study. Furthermore, the Public Transit Cost of Growth Analysis previously provided is unchanged.

The TMP Transit Priority Network capital program is being replaced with new project types (Continuous Bus Lanes and Isolated Transit Priority Measures) within Roads and Related Services, to better align with the characteristics of these projects and their similarity to other Roads and Related projects that are required to address increasing congestion on City roads. It is noted that several past DC Studies have also included transit priority projects within Roads and Related Services, even though they were included with Public Transit in 2024.

**Overall Impact on Rates**

The amended development charge rates represent those which can be recovered under the *Development Charges Act*, and are based on the City’s capital spending plans and assumptions as identified in the Transportation Master Plan. The result of the combined changes to the Roads and Related, Land Acquisition, and Public Transit Services is that there is an overall net reduction of one percent on average to residential rates, shown in Table 1: Residential Changes to the Fee Schedule.

<b>Table 1: Residential Changes to the Fee Schedule</b>					
<b>Residential \$/unit</b>	<b>Single and Semi-detached</b>	<b>Multiple, Row and Mobile Dwelling</b>	<b>Apartment Dwelling, Back to Back and Stacked Townhouse</b>	<b>Apartment (less than 2 bedrooms)</b>	<b>Dwelling Rooms</b>

			<b>(2+ bedrooms)</b>		
<b>AREA 1: INSIDE THE GREENBELT</b>					
Difference \$	\$ (417)	\$ (375)	\$ (252)	\$ (202)	\$ (135)
Difference %	-0.7%	-0.8%	-0.8%	-0.9%	-0.8%
<b>AREA 2: OUTSIDE THE GREENBELT</b>					
Difference \$	\$ (1,177)	\$ (999)	\$ (688)	\$ (514)	\$ (374)
Difference %	-1.9%	-2.0%	-2.0%	-2.2%	-2.0%
<b>AREA 3: RURAL SERVICED &amp; UNSERVICED</b>					
Difference \$	\$ 130	\$ (60)	\$ 51	\$ 13	\$ 32
Difference %	0.3%	-0.2%	0.2%	0.1%	0.2%

For non-residential rates, the result of the combined changes to the Roads and Related Services and Public Transit Services is a three percent decrease, shown in Table 2: Non-Residential Changes to the Fee Schedule.

<b>Table 2: Non-Residential Changes to the Fee Schedule</b>		
<b>Non-Residential \$/square foot</b>	<b>Industrial</b>	<b>Non-Industrial</b>
<b>INSIDE THE GREENBELT, OUTSIDE GREENBELT AND RURAL SERVICED</b>		
Difference \$	(\$0.44)	(\$1.13)
Difference %	-2.6%	-2.9%
<b>RURAL UNSERVICED</b>		

Difference \$	(\$0.44)	(\$1.13)
Difference %	-3.1%	-3.3%

Detailed changes to City wide, each area and unit type are included in Document 1: 2026 Amended Development Charge Background Study.

### **Updates to Local Service Guidelines**

The 2026 Amended Study also includes an update to the Local Service Guidelines (attached as an Appendix to the Study). The Local Service Guidelines outline the road-related infrastructure that is included in the Development Charges Background Study as a development charge project, versus infrastructure that is considered as a local service, to be delivered separately by landowners, pursuant to a development agreement. The 2026 update clarifies the previous 2017 Guidelines to reflect existing practices regarding: sidewalks on arterial road frontages; and the delivery of new collector roads.

Within the updated Guidelines, sidewalks along frontages are the developer's responsibility for all road classifications. Short offsite sidewalk connections to adjacent pedestrian facilities or public spaces are also the developer's responsibility (the lesser of 50m or one block). The Guidelines clarify the definition of a "frontage" and address concerns about costs and complexity by noting that adding storm sewers to arterial roads is not a developer responsibility; sidewalks will be provided, where feasible, without converting roads from ditch drainage to storm sewers. Where there is also a development charge project such as road widening or urbanization along a frontage, interim pedestrian facilities are the developer's responsibility.

The updated Guidelines also clarify that, for collector and major collector roads, developers are responsible for the first 11 metres of motor vehicle road surface (two travel lanes) as well as other elements of the right-of-way including utilities, pedestrian and cycling infrastructure, boulevards, and transit stop pads.

A draft version of the Local Service Guidelines was shared with the Industry Steering Committee in April 2025 and revised based on feedback; an updated version was shared in December 2025. Cycle tracks along arterial frontages and intersection works to provide cycling connectivity were originally identified as a developer responsibility in the April version. In the revised version, these are no longer a developer responsibility due to their broader connectivity function, as well as cost and complexity.

## **Regulatory Alignment including Bill 60**

The 2026 Amended Study and by-law have been prepared in accordance with the *Development Charges Act (DCA)* and associated regulations, including the amendments that came into force most recently on November 27, 2025, as per Bill 60: *Fighting Delays, Building Faster Act, 2025*. This study also considers all amendments under Bill 23: *More Homes Built Faster Act, 2022* and Bill 185: *Cutting Red Tape to Build More Homes Act, 2024*.

In particular, Bill 60 now requires land acquisition costs to be tracked separately under a new development charge class with a 10-year horizon limit, requiring updates to administration systems, financial processes and reporting to track the land acquisition category. Changes to identify land acquisition costs were made following the release of the Amended Development Charge Background Study posted for consultation on January 9 and are included in the final Study attached as Document 1. Changes to incorporate the new land category will be implemented following approval of the report including creating a new Land Acquisition Development Charges Reserve Fund and amendments to the City's administrative systems to support future reporting. Going forward, the City will continue to monitor the legislative context and make updates, as needed, to remain compliant with the *Development Charges Act*.

## **FINANCIAL IMPLICATIONS**

The 2026 Amended Development Charge Background Study amends the Roads and Related and Public Transit Services. The Roads and Related total gross project costs are \$1.97 billion, \$1.28 billion is development charge eligible costs recovered from DC rates; \$259 million amount is a benefit to existing and \$319 million in grant funding from the in-process application for provincial and federal government funding for continuous bus lanes through the Canada Public Transit Fund Metro-Region Agreement Stream. The Land Acquisition total gross project costs, added as part of Bill 60: *Fighting Delays, Building Faster Act, 2025*, are \$82 million. Of this amount, \$78.28 million has been deemed to be development charge eligible costs recovered from DC rates, a \$3.68 million amount is deemed to be a benefit to existing (BTE) taxpayers. The Public Transit Services amendment includes a realignment to remove the Transit Priority Network, which has a 159 million DC eligible cost, resulting in a 11% reduction to the Public Transit city-wide DC rate. The interim update results in an overall average decrease of one percent to residential rates, while non-residential rates decrease by an average of three percent.

Capital projects included within the 2026 Amended Development Charge Background Study are subject to Council approval through the annual capital budget process and to be included in the upcoming Tax Supported Capital Long Range Financial Plan for the benefit to existing component.

If approved, budget adjustments included in Document 3 will be processed to realign the road projects that support transit including Transit Priority Measures funding amendment and realignment of Southwest Transit Extension (Barrhaven Centre-Kilbirnie) to Greenbank Road (Chapman Mills to Cambrian).

## **LEGAL IMPLICATIONS**

There is no legal impediment to adopting the recommendations in this report. The Development Charges Act provides that by-laws adopted under the Act can be appealed to the Ontario Land Tribunal.

If changes are made to the recommendations at Committee or Council, consideration is to be given as to whether further public notice is necessary or to adopt a recommendation that pursuant to the *Development Charges Act*, subsection 12(3) no further public notice is necessary.

## **COMMENTS BY THE WARD COUNCILLOR(S)**

This is a citywide report.

## **ADVISORY COMMITTEE(S) COMMENTS**

This section contains any comments or recommendations made by one or more Advisory Committees relating to this report. This section is mandatory if applicable.

## **CONSULTATION**

Staff consulted broadly with residents and stakeholders throughout the TMP update process, with these consultations summarized in the Council-approved Transportation Master Plan – Part 2 staff report (July 2025; file number ACS2025-PDB-TP-0012). As part of the consultations, the public was informed that following approval of the TMP Capital Infrastructure Plan, the City will proceed with Official Plan amendments to incorporate the relevant TMP changes.

Notification and public consultation were undertaken in accordance with the requirements for City wide Official Plan Amendment applications in the Public Notification and Public Consultation Policy for Development Applications approved by City Council.

Staff consulted with industry stakeholders November 25, 2025 and provided additional documentation on December 4, 2025 with materials presented, including the proposed schedule, a memorandum from Hemson in response to previous inquiries, and the Roads and Related Services Capital Program, with requested feedback by January 9, 2026.

On January 9, 2026, the [Amended Development Charges Background Study](#) was posted on Ottawa.ca, as required by Section 12 of the DCA, 60 days prior to the Council meeting.

Public circulation occurred on January 16, 2026, with a deadline for comment submission by February 13, 2026. As part of the circulation, the proposal was shared to all ward Councillors, all registered community organizations, and technical agencies throughout the City. A notice was also published in the Ottawa Citizen and Le Droit on January 17, 2026.

### **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.

### **ASSET MANAGEMENT IMPLICATIONS**

Asset management implications were described in the Council-approved Transportation Master Plan – Part 2 staff report in July 2025 ([ACS2025-PDB-TP-0012](#)).

### **CLIMATE IMPLICATIONS**

Climate implications were described in the Council-approved Transportation Master Plan – Part 2 staff report in July 2025 ([ACS2025-PDB-TP-0012](#)).

### **ECONOMIC IMPLICATIONS**

Economic implications were described in the Council-approved Transportation Master Plan – Part 2 staff report in July 2025 ([ACS2025-PDB-TP-0012](#)).

### **ENVIRONMENTAL IMPLICATIONS**

Environmental implications were described in the Council-approved Transportation Master Plan – Part 2 staff report in July 2025 ([ACS2025-PDB-TP-0012](#)).

## **INDIGENOUS, GENDER AND EQUITY IMPLICATIONS**

As part of the Transportation Master Plan – Part 2 ([ACS2025-PDB-TP-0012](#)), staff have initiated consultation with the following indigenous communities, providing them with technical circulation regarding the Official Plan Amendments and offering an opportunity for further discussion:

- Algonquins of Pikwakanagan First Nations (AOPFN)
- Kitigan Zibi Anishinabeg First Nation
- Anishinabeg Algonquin National Tribal Council
- Algonquin Nation Secrétariat
- Algonquins of Ontario (AOO)
- Alderville First Nation
- Curve Lake First Nation
- Hiawatha First Nation
- Mississaugas of Scugog Island First Nation

## **RISK MANAGEMENT IMPLICATIONS**

There are no risk implications.

## **RURAL IMPLICATIONS**

The Rural Area Specific Charge for Roads and Relates and Public Transit Services are proposed to be adjusted upwards for rural residential, with a proposed increase of 0.1%, on average. The proposed increase is primarily a result of rural intersection control measures and multi-use pathways.

## **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.

## **SUPPORTING DOCUMENTATION**

Document 1: 2026 Amended Development Charge Background Study

Document 2: City-wide Development Charge By-law, 2024-218

Document 3: Budget Adjustments Requiring Council Approval

**DISPOSITION**

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