

Development Charges Update Study 2026

Municipality of North Middlesex

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July 31, 2026

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Report

Chapter 1
Introduction

1. Introduction

1.1 Background

The Municipality of North Middlesex imposes development charges (D.C.) to recover capital costs arising from the increase in needs for service related to growth. The Municipality's D.C. by-law imposes charges for the following services:

- Municipal-Wide Services:
    - Services Related to a Highway;
    - Fire Protection Services; and
    - Parks and Recreation Services.
- Urban Services:
    - Water Services; and
    - Wastewater Services.

The D.C.s came into effect on April 20, 2022, and are imposed through by-law 041 of 2022, as amended. The basis for the calculations and policies of the Municipality's existing development charges are documented in the "2022 Development Charges Background Study and Draft By-Law". Note, two (2) options for the calculations were provided for Council's consideration; separated urban area D.C. calculations (Parkhill vs. Ailsa Craig, Nairn, and Petty) for water and wastewater services or combined urban area D.C. calculations for water and wastewater services. Council selected the combined urban area D.C. calculations for inclusion in the D.C. by-law. This approach has been maintained through the subsequent D.C. updates and is continued in this D.C. Update.

The Municipality's D.C.s have been indexed (in accordance with Section 5 of the by-law) annually on January 1st, beginning in 2023, and are currently 34% higher than the rates implemented under By-law 041 of 2022, as amended. The Municipality undertook a D.C. Update study in 2023 to update various water and wastewater capital project costs and provide for the legislative changes resulting from Bill 23 and Bill 109. The 2022 D.C.s from by-law 041-2022 (before any updates, and unindexed and un-discounted), are shown in Table 1-1. The 2022 D.C.s updated as per the 2023 D.C.

update study are shown in Table 1-2 (unindexed, and undiscounted). The updated D.C.s (unindexed and un-discounted), are shown in Table 1-3.

The purpose of this report is to update the current D.C. by-law to decrease the D.C. rates for water and wastewater to incorporate funding received for the Mount Carmel Water Reservoir Construction project and the William Street Wastewater Pumping Station Upgrade project. The inclusion of this funding results in revisions to the capital program and the associated D.C. rates. A summary of the changes contained in this D.C. Update study is provided below:

- An update to the capital program for water services related to the Mount Carmel Water Reservoir Construction project;
- An update to the capital program for wastewater services related to the William Street Wastewater Pumping Station Upgrade project; and
- Associated revisions to the water and wastewater D.C. calculations and rates resulting from two updates.

These changes will be addressed in the amending by-law, discussed in Chapter 4, and provided in Appendix B.

Table 1-1
Municipality of North Middlesex
Development Charges (unindexed and undiscounted - 2022$)
As per By-law 041 of 2022

Service/Class of Service	RESIDENTIAL					NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Special Care/Special Dwelling Units	Commercial, Institutional, and Small Industrial (per sq.ft. of Gross Floor Area)	Large Industrial (per sq.ft. of Gross Floor Area)
Municipal Wide Services/Class of Service:							
Services Related to a Highway	1,525	1,088	1,038	655	563	0.55	0.55
Fire Protection Services	1,405	1,002	956	603	518	0.50	0.50
Parks and Recreation Services	603	430	411	259	223	0.06	0.06
Growth Studies	972	693	662	417	359	0.38	0.38
Total Municipal Wide Services/Class of Services	**4,505**	**3,213**	**3,067**	**1,934**	**1,663**	**1.49**	**1.49**
Urban Services							
Wastewater Treatment	8,683	6,194	5,912	3,727	3,205	4.68	12.68
Wastewater Sewers	1,240	885	844	532	458	0.60	0.60
Water Storage	2,955	2,108	2,012	1,268	1,091	1.11	1.11
Water Distribution	1,805	1,288	1,229	775	666	0.88	0.88
Total Urban Services	**14,683**	**10,475**	**9,997**	**6,302**	**5,420**	**7.28**	**15.27**
GRAND TOTAL RURAL AREA	**4,505**	**3,213**	**3,067**	**1,934**	**1,663**	**1.49**	**1.49**
GRAND TOTAL - URBAN	**19,187**	**13,688**	**13,064**	**8,236**	**7,083**	**8.77**	**16.76**

Table 1-2
Municipality of North Middlesex
Development Charges (unindexed and undiscounted - 2022$)
As per By-law 041 of 2022, as amended by 058 of 2024

Service/Class of Service	RESIDENTIAL					NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Special Care/Special Dwelling Units	Commercial, Institutional, and Small Industrial (per sq.ft. of Gross Floor Area)	Large Industrial (per sq.ft. of Gross Floor Area)
Municipal Wide Services/Class of Service:							
Services Related to a Highway	1,525	1,088	1,038	655	563	0.55	0.55
Fire Protection Services	1,405	1,002	956	603	518	0.50	0.50
Parks and Recreation Services	603	430	411	259	223	0.06	0.06
Growth Studies	-	-	-	-	-	-	-
Total Municipal Wide Services/Class of Services	**3,533**	**2,520**	**2,405**	**1,517**	**1,304**	**1.11**	**1.11**
Urban Services:							
Wastewater Treatment	13,557	9,672	9,231	5,819	5,004	5.06	13.36
Wastewater Sewers	1,705	1,216	1,161	732	629	0.64	0.64
Water Storage	4,398	3,138	2,994	1,888	1,623	1.64	1.64
Water Distribution	1,561	1,114	1,063	670	576	0.58	0.58
Total Urban Services	**21,221**	**15,140**	**14,449**	**9,109**	**7,832**	**7.92**	**16.22**
GRAND TOTAL RURAL AREA	**3,533**	**2,520**	**2,405**	**1,517**	**1,304**	**1.11**	**1.11**
GRAND TOTAL - URBAN	**24,754**	**17,660**	**16,854**	**10,626**	**9,136**	**9.03**	**17.33**

Table 1-3
Municipality of North Middlesex
Development Charges (unindexed and undiscounted)
2026 D.C. Update

Service/Class of Service	RESIDENTIAL					NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Special Care/Special Dwelling Units	Commercial, Institutional, and Small Industrial (per sq.ft. of Gross Floor Area)	Large Industrial (per sq.ft. of Gross Floor Area)
Municipal Wide Services/Class of Service:							
Services Related to a Highway	1,525	1,088	1,038	655	563	0.55	0.55
Fire Protection Services	1,405	1,002	956	603	518	0.50	0.50
Parks and Recreation Services	603	430	411	259	223	0.06	0.06
Growth Studies	-	-	-	-	-	-	-
Total Municipal Wide Services/Class of Services	**3,533**	**2,520**	**2,405**	**1,517**	**1,304**	**1.11**	**1.11**
Urban Services:							
Wastewater Treatment	13,557	9,672	9,231	5,819	5,004	5.06	13.36
Wastewater Sewers	1,234	880	840	530	456	0.46	0.46
Water Storage	3,679	2,625	2,505	1,579	1,358	1.37	1.37
Water Distribution	1,561	1,114	1,063	670	576	0.58	0.58
Total Urban Services	**20,031**	**14,291**	**13,639**	**8,598**	**7,394**	**7.48**	**15.77**
GRAND TOTAL RURAL AREA	**3,533**	**2,520**	**2,405**	**1,517**	**1,304**	**1.11**	**1.11**
GRAND TOTAL - URBAN	**23,564**	**16,811**	**16,044**	**10,115**	**8,698**	**8.59**	**16.88**

1.2 Existing Policies (Rules)

Appendix A of this report sets out the rules governing the calculation, payment, and collection of D.C.s as provided in By-law 041 of 2022, as amended.

1.3 Basis for the D.C. By-law Update

This D.C. Update Study provides for an amendment to the Municipality's current D.C. by-law (By-law 041-2022, as amended). The purpose of this amendment is to incorporate funding received for the Mount Carmel Water Reservoir Construction project and the William Street Wastewater Pumping Station Upgrade project to decrease the D.C. rates for all types of development.

Details of the changes to the by-law are presented in Chapter 3 of this report. The draft amending by-law is presented in Appendix B.

1.4 Summary of the Process

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 require 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. study;
- A public meeting, including notice requirements; and
- The ability to appeal the by-law to the Ontario Land Tribunal.

Section 19(1.1) 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):

- To repeal a provision specifying the date on which the by-law expires or to amend such a provision to provide for the by-law to expire on a later date;

- To repeal a provision providing for the indexing of a development charge or to amend such a provision to provide for a development charge not to be indexed; or
- To decrease the amount of a development charge that is payable for one or more types of development in the circumstances specified in the amendment.

Given the purpose of this D.C. update study is to decrease the amount of development charges payable, the simplified process for minor by-law amendments can be followed.

The process to be followed in finalizing the report and recommendations includes Council review of the D.C. Update Study and consideration of the proposed amending by-law. Table 1-4 outlines the proposed schedule to be followed with respect to the D.C. by-law minor amendment process.

Table 1-4
Schedule of Key D.C. Process Dates for the Municipality of North Middlesex

Schedule of Study Milestone	Dates
1. Discussions with Municipal Staff	July 2026
2. Council considers adoption of background study and passage of amending by-law	Q3 2026
3. Newspaper notice given of by-law passage	By 20 days after passage
4. Municipality updates pamphlet	By 60 days after in force date

1.5 Policy Recommendations

It is recommended that the Municipality's current D.C. policies, as identified in Appendix A of this report, be continued.

Chapter 2
Anticipated Development

2. Anticipated Development

2.1 Growth Forecast in the 2022 D.C. Study

The 2022 D.C. study provided for the anticipated residential and non-residential growth within the Municipality of North Middlesex. The growth forecast associated with services included in the background study is provided in Table 2-1 below:

Table 2-1
Municipality of North Middlesex
2022 D.C. Background Study – Growth Forecast Summary

Measure	10 Year 2022 to 2031	20 Year 2022 to 2041	Parkhill 20-year 2022 to 2041	Ailsa Craig and Nairn 20-year 2022 to 2041
(Net) Population Increase	483	1,128	782	487
Residential Unit Increase	339	769	395	284
Non-Residential Gross Floor Area Increase (sq.ft.)	149,600	357,300	83,100	43,700

For the purposes of this D.C. update, the 2022 D.C. background study growth forecast remains unchanged for the 10-year and 20-year incremental growth. With respect to water and wastewater services, the anticipated development varies based on the capacity of the infrastructure identified. The anticipated development for each category of services is based on the anticipated number of Single Detached Equivalent (S.D.E.) units to be serviced.

A single-detached equivalent unit is calculated based on the assumed water and wastewater volume per capita or per employee required relative to a single-detached unit. For example, single-detached units are assumed to have a persons per unit of 2.980 and Other Multiples (Townhouses) are assumed to have a persons per unit assumption of 2.126 based on the Municipality's 2022 D.C. background study. Therefore, assuming the same volume per capita, one (1) townhouse would be

equivalent to 0.79 single-detached units. With respect to non-residential development, it is assumed that the volume required per capita is equal to the volume required per employee. Further discussion on the approach to the calculations is provided in Chapter 3.

The following provides for a summary of the total S.D.E.s anticipated for each service category as well as the source of the forecast information.

Table 2-2
Municipality of North Middlesex
2026 D.C. Update Study Growth Forecast Summary – Water and Wastewater Services

Service Category	Total S.D.E.s	Source of Forecast
Water Distribution	2,829	2022 D.C. background study forecast for Parkhill and June 2023 Ailsa Craig Sanitary Collection System Capacity Review prepared by CIMA+
Water Storage	633	Estimated based on additional capacity provided as per December 2019 Ailsa Craig Water Storage report prepared by Dillon Consulting Ltd.
Wastewater Sewers	5,516	August 2021 Parkhill Sanitary Sewer Capacity Review for Parkhill and June 2023 Ailsa Craig Sanitary Collection System Capacity Review prepared by CIMA+
Wastewater Treatment	2,623	Anticipated capacity added to Parkhill Treatment Plant (1,685 cu.m) and anticipated expansion of Ailsa Craig Treatment Plant (1,200 cu.m).

Chapter 3
Updates to the Municipality's D.C. Study

3. Updates to the Municipality's D.C. Study

3.1 Overview of Updates

As noted earlier, the Municipality's D.C. By-law 041-2022, as amended, came into effect on April 20, 2022, being a by-law for the purposes of establishing and collecting D.C.s in accordance with the provisions of the D.C.A. The 2022 D.C. Study identified anticipated capital needs for recovery through D.C.s for municipal-wide and urban area services.

This chapter of the report discusses the following:

- Updates to the water capital program funding sources to reflect funding received for the Mount Carmel Water Reservoir Construction project;
- Updates to the wastewater capital program funding sources to reflect funding received for the William Street Wastewater Pumping Station Upgrade project; and
- Revisions to the water and wastewater D.C. calculations and rates resulting from these changes.

3.2 Updates to Capital Project Funding

3.2.1 Overview

The following sections provide updates to the funding sources for water and wastewater capital projects included in this D.C. Update Study. Note that all project costs are presented in 2022 dollars to align with the previous D.C. Background Study and current D.C. by-law. Accordingly, the project costs presented throughout this report do not reflect current dollar values and therefore differ from actual project costs.

3.2.2 Water Storage

With respect to water storage, the funding sources for the Mount Carmel Water Reservoir Construction project have been updated to reflect funding received by the Municipality. Figure 3-1 provides the updated project listing and funding allocation.

The total estimated cost of the Mount Carmel Water Reservoir Construction project remains $4.80 million. The Municipality has received funding for 73% of the project cost.

As a result, the D.C.-recoverable share of the project cost has been reduced accordingly and reflected in the revised D.C. calculations. Note that these figures may change as work is completed.

In total, the net growth-related cost for water storage services has been updated to reflect the revised funding allocation for the project. This amount has been included in the D.C. calculations.

The D.C. calculation for water storage is provided on a single-detached equivalent (S.D.E.) basis; therefore, no allocation of the total recoverable costs between residential and non-residential development is provided.

Figure 3-1
Infrastructure Cost Included in the Development Charges Calculation
Municipality of North Middlesex
Water Storage

Prj.No	Increased Service Needs Attributable to Anticipated Development 2022-Urban Buildout	Timing (year)	Gross Capital Cost Estimate (2022$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total
1	Mount Carmel Reservoir Expansion	2025-2026	4,800,000	-		4,800,000	1,127,500	3,504,000	168,500
2	Ailsa Craig Elevated Storage Tank	2022-2023	6,000,000	-		6,000,000	4,140,000		1,860,000
3	Parkhill Reservoir	2024-2025	3,000,000	-		3,000,000	2,700,000		300,000
	Total		**13,800,000**	**-**	**-**	**13,800,000**	**7,967,500**	**3,504,000**	**2,328,500**

3.2.3 Wastewater Sewers

With respect to wastewater services, the funding sources for the William Street Pump Station Upgrade and William Street Pump Station Forcemain Upgrade projects have been updated to reflect funding received by the Municipality. Figure 3-2 provides the updated project listing and funding allocation.

The total estimated cost of the two projects is approximately $6.10 million. The funding received for the William Street project is enough to cover the entirety of the project. As a result, the D.C.-recoverable amount for wastewater services - linear has been reduced accordingly and reflected in the revised D.C. calculations.

The D.C. calculation for wastewater services is provided on a single-detached equivalent (S.D.E.) basis; therefore, no allocation of the total recoverable costs between residential and non-residential development is provided.

Figure 3-2
Infrastructure Cost Included in the Development Charges Calculation
Municipality of North Middlesex
Wastewater Sewers

Prj.No	Increased Service Needs Attributable to Anticipated Development 2022-Urban Buildout	Timing (year)	Gross Capital Cost Estimate (2022$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost
							Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total
1	Gravity Sewer Upgrades on Parkhill Main Street (23m)	2023	266,000			266,000	119,700		146,300
2	Gravity Sewer Upgrades on Mill Street (279m)	2025-2026	388,000			388,000	174,600		213,400
3	Gravity Sewer Upgrades on Hastings Street (356m)	2023-2024	527,000			527,000	237,200		289,800
4	Gravity Sewer Upgrades on Station Street (55m)	2026-2027	85,000			85,000	38,300		46,700
5	Victoria Street Upgrades (Pump Station)	2025-2026	1,730,000			1,730,000	-		1,730,000
6	Replace and Upgrade Sewers on Petty Street - 1452m 300mm pipe and 16 Manhole Structures	2026-2027	2,870,000			2,870,000	1,148,000		1,722,000
7	Replace and Upgrade Sewers on Queen Street - 160m 300mm pipe sewer and 2 Manhole structures	2022	320,000			320,000	128,000		192,000
8	Replace and Upgrade Sewers on Queen Street - 932m 375mm pipe sewer and 10 Manhole structures	2023-2025	1,950,000			1,950,000	682,500		1,267,500
9	Replace and Upgrade Sewers on Annie Ada Shipley Street - 315m 375mm pipe sewer and 3 Manhole structures	2026-2027	650,000			650,000	227,500		422,500
10	Replace and Upgrade Sewers on Henderson Street - 113m 375mm pipe sewer and 1 Manhole Structure	2027-2028	230,000			230,000	80,500		149,500
11	Replace and Upgrade Sewers on William Street - 184m 375 mm pipe sewer and 3 Manhole Structures	2028-2029	400,000			400,000	140,000		260,000
12	New Ontario Pump Station Upgrade	2029-2030	390,000			390,000	23,400		366,600
13	William Street Pump Station Upgrade	2024-2025	4,676,015			4,676,015	233,800	4,442,215	-
14	William Street PS Forcemain Upgrade (600m 250mm diameter)	2025-2026	1,420,000			1,420,000	582,200	837,800	-
	Total		**15,902,015**	**-**	**-**	**15,902,015**	**3,815,700**	**5,280,015**	**6,806,300**

3.3 D.C. By-law Revised Schedule of Charges

3.3.1 Updated D.C. Calculation (2022$)

The following tables provide the updated D.C. calculations based on the revised capital program funding discussed in Sections 3.1 and 3.2.

Figures 3-3 and 3-4 provide the calculations for the proposed D.C.s to be imposed on anticipated development in the Municipality for water storage and wastewater sewers.

As noted in the previous sections, the D.C. calculations were undertaken using anticipated S.D.E.s that would benefit from the infrastructure identified. For the residential calculations, the net growth-related costs (as identified in section 3.2) are divided by the "gross" (new resident) S.D.E.s to determine the D.C. for a single-detached unit. The cost per single-detached unit is then multiplied by the ratio of average occupancy of the new units (Appendix A, Schedule 5 to the 2022 D.C. background study) to calculate the charges in Figures 3-3 and 3-4.

With respect to non-residential development, the charge per single-detached unit has been divided by the number of people to estimate the D.C. per capita. The assumed volume per employee used in the analysis is equivalent to the assumed volume per person. As such, the D.C. per capita is also the D.C. per employee. Based on the 2022 D.C. background study (Appendix A, Schedule 10), the average floor space per worker is 892.96 sq.ft. This figure is used to convert the D.C. per employee to a D.C. per sq.ft.

Figure 3-3
Municipality of North Middlesex
D.C. Calculations – Water Storage

SERVICE/CLASS		2022$ D.C.-Eligible Cost
		Capital Works
		$
2. Water Storage		
2.1 Parkhill, Ailsa Craig & Nairn Distribution		2,328,500
TOTAL		**2,328,500**
D.C.-Eligible Capital Cost		$2,328,500
Single-detached Equivalents (S.D.E.)		633
Cost Per S.D.E.		**$3,679**
By Residential Unit Type	**P.P.U.**	
Single and Semi-Detached Dwelling	100%	$3,679
Other Multiples	71%	$2,624
Apartments - 2 Bedrooms +	68%	$2,505
Apartments - Bachelor and 1 Bedroom	43%	$1,579
Special Care/Special Dwelling Units	37%	$1,358
Non-residential		
Per Sq.ft. of Building Space	892.96	$1.37

Figure 3-4
Municipality of North Middlesex
D.C. Calculations – Wastewater Sewers

SERVICE/CLASS		2022$ D.C.-Eligible Cost
		Capital Works
		$
3. Wastewater Sewers		
3.1 Parkhill, Ailsa Craig & Nairn Distribution		6,806,300
TOTAL		**6,806,300**
D.C.-Eligible Capital Cost		6,806,300
Single-detached Equivalents (S.D.E.)		5,516
Cost Per S.D.E.		**$1,234**
By Residential Unit Type	**P.P.U.**	
Single and Semi-Detached Dwelling	100%	$1,234
Other Multiples	71%	$880
Apartments - 2 Bedrooms +	68%	$840
Apartments - Bachelor and 1 Bedroom	43%	$530
Special Care/Special Dwelling Units	37%	$455
Non-residential		
Per Sq.ft. of Building Space	892.96	$0.46

3.3.2 Revised D.C. Rates (2022$ and 2026$)

Based on the calculations above, the total urban-wide D.C. (in 2022$) is calculated to decrease from $24,754 to $23,564 per single detached unit, from $9.03 per sq.ft. to $8.59 sq.ft. for commercial, institutional, and small industrial development, and from $17.33 sq.ft. to $16.88 sq.ft. for large industrial development.

Figure 3-5 provides for the updated Municipal-wide D.C.s in 2022 values, as the study was originally completed in 2022. This figure would be included as the amending schedule to the D.C. by-law. Figure 3-6 provides for the indexed 2026 values as the Municipality's current D.C.s have been indexed by 34% on January 1, 2026. The updated rates are decreasing by 5% from the rates currently in effect. A rate comparison of residential single-detached and non-residential D.C. rates is provided in Figures 3-7 and 3-8, respectively.

Figure 3-5
Municipality of North Middlesex
Updated Development Charge Schedule (2022$)

Service/Class of Service	RESIDENTIAL					NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Special Care/Special Dwelling Units	Commercial, Institutional, and Small Industrial (per sq.ft. of Gross Floor Area)	Large Industrial (per sq.ft. of Gross Floor Area)
Municipal Wide Services/Class of Service:							
Services Related to a Highway	1,525	1,088	1,038	655	563	0.55	0.55
Fire Protection Services	1,405	1,002	956	603	518	0.50	0.50
Parks and Recreation Services	603	430	411	259	223	0.06	0.06
Growth Studies	-	-	-	-	-	-	-
Total Municipal Wide Services/Class of Services	**3,533**	**2,520**	**2,405**	**1,517**	**1,304**	**1.11**	**1.11**
Urban Services:							
Wastewater Treatment	13,557	9,672	9,231	5,819	5,004	5.06	13.36
Wastewater Sewers	1,234	880	840	530	456	0.46	0.46
Water Storage	3,679	2,625	2,505	1,579	1,358	1.37	1.37
Water Distribution	1,561	1,114	1,063	670	576	0.58	0.58
Total Urban Services	**20,031**	**14,291**	**13,639**	**8,598**	**7,394**	**7.48**	**15.77**
GRAND TOTAL RURAL AREA	**3,533**	**2,520**	**2,405**	**1,517**	**1,304**	**1.11**	**1.11**
GRAND TOTAL - URBAN	**23,564**	**16,811**	**16,044**	**10,115**	**8,698**	**8.59**	**16.88**

Figure 3-6
Municipality of North Middlesex
Updated Development Charge Schedule (2026$)

Service/Class of Service	RESIDENTIAL					NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Special Care/Special Dwelling Units	Commercial, Institutional, and Small Industrial (per sq.ft. of Gross Floor Area)	Large Industrial (per sq.ft. of Gross Floor Area)
Municipal Wide Services/Class of Service:							
Services Related to a Highway	2,038	1,454	1,388	875	752	0.73	0.73
Fire Protection Services	1,877	1,339	1,278	806	693	0.67	0.67
Parks and Recreation Services	806	575	549	346	297	0.08	0.08
Growth Studies	-	-	-	-	-	-	-
Total Municipal Wide Services/Class of Services	**4,720**	**3,368**	**3,215**	**2,027**	**1,742**	**1.48**	**1.48**
Urban Services:							
Wastewater Treatment	18,116	12,924	12,335	7,775	6,687	6.76	17.85
Wastewater Sewers	1,649	1,176	1,123	708	609	0.62	0.62
Water Storage	4,916	3,507	3,347	2,110	1,815	1.83	1.83
Water Distribution	2,086	1,488	1,420	895	770	0.78	0.78
Total Urban Services	**26,767**	**19,095**	**18,225**	**11,488**	**9,881**	**9.99**	**21.08**
GRAND TOTAL RURAL AREA	**4,720**	**3,368**	**3,215**	**2,027**	**1,742**	**1.48**	**1.48**
GRAND TOTAL - URBAN	**31,488**	**22,463**	**21,440**	**13,515**	**11,623**	**11.47**	**22.56**

Figure 3-7
Municipality of North Middlesex
Comparison of Current Rates and Amending Rates (Single Detached) D.C.s (2026$)

Service/Class of Service	2026 Current Rates	2026 D.C. Update Study Rates (2026$)
Municipal Wide Services/Classes:		
Services Related to a Highway	$ 2,038	$ 2,038
Fire Protection Services	$ 1,878	$ 1,877
Parks and Recreation Services	$ 806	$ 806
Growth Studies	$ -	$ -
Total Municipal Wide Services/Classes	**$ 4,721**	**$ 4,721**
Area Specific Services:		
Wastewater Treatment	$ 18,117	$ 18,117
Wastewater Sewers	$ 2,279	$ 1,649
Water Storage	$ 5,877	$ 4,916
Water Distribution	$ 2,086	$ 2,086
Total Area Specific Services	**$ 28,359**	**$ 26,768**
Grand Total - Urban Area	**$ 33,080**	**$ 31,490**

Figure 3-8
Municipality of North Middlesex
Comparison of Current Rates and Amending Rates (Non-Residential) D.C.s (2026$)

Service/Class of Service	2026 Current Rates	2026 D.C. Update Study Rates (2026$)
Municipal Wide Services/Classes:		
Services Related to a Highway	$ 0.74	$ 0.74
Fire Protection Services	$ 0.67	$ 0.67
Parks and Recreation Services	$ 0.08	$ 0.08
Growth Studies	$ -	$ -
Total Municipal Wide Services/Classes	**$ 1.49**	**$ 1.49**
Area Specific Services:		
Wastewater Treatment	$ 6.76	$ 6.76
Wastewater Sewers	$ 0.86	$ 0.62
Water Storage	$ 2.19	$ 1.83
Water Distribution	$ 0.78	$ 0.78
Total Area Specific Services	**$ 10.59**	**$ 9.99**
Grand Total - Urban Area	**$ 12.08**	**$ 11.48**

Chapter 4
Updates to the D.C. By-law

4. Updates to the D.C. By-law

As summarized in Chapter 3, the D.C. by-law will require an amendment to the schedule of rates table to decrease the rates due to the incorporation of funding received for the Mount Carmel Water Reservoir Construction project and the William Street Wastewater Pumping Station Upgrade projects.

Chapter 5
Recommendations

5. Recommendations

It is recommended that Council:

"Approve the Development Charges Update Study dated July 31, 2026, as amended (if applicable)";

"Approve the updated capital projects set out in Chapter 3 of the Development Charges Update Study dated July 31, 2026"; and

"Approve the Amending Development Charge By-law as set out in Appendix B, as amended (if applicable)".

Appendix A
Existing Policies under By-law 041 of 2022

Appendix A: Existing Policies under By-law 041 of 2022

The following subsections set out the rules governing the calculation, payment and collection of D.C.s as provided in By-law 041 of 2022 as amended, in accordance with the D.C.A.

Development Charges Imposed

Subject to subsection (3.4), development charges shall be calculated and collected in accordance with the provisions of the by-law and be imposed on land to be developed for residential and non-residential uses, where, the development requires:

a) the passing of a zoning by-law or of an amendment to a zoning by-law under section 34 of the *Planning Act*;

b) the approval of a minor variance under section 45 of the *Planning Act*;

c) a conveyance of land to which a by-law passed under section 50 (7) of the *Planning Act* applies;

d) the approval of a plan of subdivision under section 51 of the *Planning Act*;

e) a consent under section 53 of the *Planning Act*;

f) the approval of a description under section 50 of the *Condominium Act, R.S.O. 1990, Chap. C.26, as amended,* or any successor thereof; or

g) the issuing of a permit under the *Building Code Act* in relation to a building or structure.

Calculation of Development Charges

The development charge with respect to the uses of any land, building or structure shall be calculated as follows:

a) The development charges described in the by-law shall be imposed on residential uses of lands, buildings or structures, including a dwelling unity accessory to a non-residential use and, in the case of a mixed-use building or

structure, according to the type of residential unit, and calculated with respect to each of the services according to the type of residential use.

b) The development charges described in the by-law shall be imposed on non-residential uses of lands, buildings or structures, and, in the case of a mixed-use building or structure, on the non-residential uses in the mixed use building or structure, and calculated with respect to each of the services according to the gross floor area of the non-residential use.

Rules with Respect to Redevelopment

Despite any other provisions of the by-law, where, as a result of the redevelopment of land, a building or structure existing on the same land within 5 years prior to the date of payment of development charges in regard to such redevelopment was, or is to be demolished, in whole or in part, or converted from one principal use on the same land, in order to facilitate the redevelopment, the development charges otherwise payable with respect to such redevelopment shall be reduced by the following amounts:

a) in the case of a residential building or structure, or in the case of a mixed-use building or structure, the residential uses in the mixed-use building or structure, an amount calculated by multiplying the applicable development charge under Subsection 3.9 and of the by-law by the number, according to type, of dwelling units that have been or will be demolished or converted to another principal use; and

b) in the case of a non-residential building or structure, or in the case of a mixed-use building or structure, the residential uses in the mixed-use building or structure, an amount calculated by multiplying the applicable development charge under Subsection 3.10 and of the by-law by the gross floor area that has been or will be demolished or converted to another principal use;

provided that such amounts shall not exceed, in total, the amount of the development charges otherwise payable with respect to the redevelopment.

Exemptions

This by-law shall not apply to lands that are owned by and used for the purpose of:

a) and Municipality or a “local board” thereof;

b) a “Board of Education”;

c) the Corporation of the County of Middlesex or a local board thereof;

d) land vested in or leased to a university that receives regular and ongoing operating funds from the government for the purposes of postsecondary education is exempt from development charges imposed under the Development Charges Act, 1997 if the development in respect of which development charges would otherwise be payable is intended to be occupied and used by the university.

e) For vacant lots within the Ailsa Craig, Nairn and Petty area which have paid a capital charge for sanitary services under the Development Charges Act, 1997 or Municipal Act, no further development charges for this service are payable.

f) Affordable units required to be included in a development or redevelopment pursuant to a by-law passed under section 34 of the Planning Act to give effect to the policies described in subsection 16 (4) of that Act.

g) Bona fide farms.

h) Discounts for Rental Housing (for profit)

The D.C. payable for rental housing developments, where the residential units are intended to be used as a rented residential premises will be reduced based on the number of bedrooms in each unit as follows:

(a) Three or more bedrooms – 25% reduction;

(b) Two bedrooms – 20% reduction; and

(c) All other bedroom quantities – 15% reduction.

i) Affordable residential units.

j) Attainable residential units.

Rules with Respect to an Industrial Expansion Exemption

If a development includes the enlargement of the gross floor area of an existing industrial building, the amount of the development charge that is payable in respect of the enlargement is determined in accordance with the following:

(i) Subject to subsection 3.6 (c), if the gross floor area is enlarged by 50 per cent or less of the lesser of:

1. The gross floor area of the existing industrial building, or
2. The gross floor area of the existing industrial building before the first enlargement for which:
    a) An exemption from the payment of development charges was granted, or
    b) A lesser development charge than would otherwise be payable under this by-law, or predecessor thereof, was paid,

    pursuant to Section 4 of the Act and this subsection, the amount of the development charge in respect of the enlargement is zero;

(ii) Subject to subsection 3.6 (c), if the gross floor area is enlarged by more than 50 per cent or less of the lesser of:

1. The gross floor area of the existing industrial building, or
2. The gross floor area of the existing industrial building before the first enlargement for which:
    a) An exemption from the payment of development charges was granted, or
    b) A lesser development charge than would otherwise be payable under this by-law, or predecessor thereof, was paid,

    pursuant to Section 4 of the Act and this subsection, the amount of the development charge in respect to the enlargement is the amount of the

development charge that would otherwise be payable multiplied by the fraction determined as follows:

c) Determine the amount by which the enlargement exceeds 50 per cent of the gross floor area before the first enlargement, and

d) Divide the amount determined under subsection (A) by the amount of the enlargement;

(iii) For the purposes of calculating the extent to which the gross floor area of an existing industrial building is enlarged in subsection 3.6 (b), the cumulative gross floor area of any previous enlargements for which:

1. An exemption from the payment of development charges was granted, or

2. A lesser development charge would otherwise be payable under this by-law, or predecessor thereof, was paid,

pursuant to Section 4 of the Act and this subsection, shall be added to the calculation of the gross floor area of the proposed enlargement.

(iv) For the purposes of this subsection, the enlargement must not be attached to the existing industrial building by means only of a tunnel, bridge, passageway, canopy, shared below grade connection, such as a service tunnel, foundation, footing or parking facility.

Indexing

Development charges imposed pursuant to this by-law shall be adjusted annually, without amendment to this by-law, commencing on January 1, 2023, and on each January 1 annually thereafter, in accordance with the prescribed index in the Act.

Timing of Calculation and Payment

Development charges imposed under this section are calculated, payable, and collected upon issuance of the first building permit for the development.

Notwithstanding subsection 3.12 development charges for rental housing and institutional developments are due and payable in 6 equal annual payments commencing with the first instalment payable on the earlier of the date the first

occupancy permit is granted or the date of first occupancy, and each subsequent instalment, including interest calculated in accordance with section 26.3 of the Act.

Where the development of land results from the approval of a site plan or zoning by-law amendment received on or after January 1, 2020, and the approval of the application occurred within two years of building permit issuance, the development charges under subsections 3.9 and 3.10 shall be calculated on the rates set out in Schedule “B” on the date of the planning application, including interest in accordance with section 26.3 of the Act. Where both planning applications apply, development charges under subsections 3.9 and 3.10 shall be calculated on the rates, including interest in accordance with section 26.3 of the Act, payable on the anniversary date each year thereafter, set out in Schedule “B” on the date of the later planning application, including interest.

Despite sections 3.12 to 3.14, Council from time to time, and at any time, may enter into agreements providing for all or any part of a development charge to be paid before or after it would otherwise be payable, in accordance with section 27 of the Act.

Appendix B
Draft Amending Development Charge By-law

Municipality of North Middlesex

By-law Number ____ of 2026

Being a By-law of the Municipality of North Middlesex to Amend By-law 041 of 2022, as amended Respecting Development Charges

Whereas the Municipality of North Middlesex (the "Municipality") enacted By-law 041 of 2022, as amended pursuant to the *Development Charges Act, 1997*, S.O. 1997, c. 27, as amended (the "Act"), which Act authorizes Council to pass By-laws for the imposition of development charges against land;

And Whereas the Municipality has undertaken a study pursuant to the Act which has provided an updated Schedule to By-law 041 of 2022, as amended;

And Whereas Section 19(1.1) of the Act provides that a municipality may undertake a simplified amendment process if the effect is a reduction of the Development Charge for one or more types of development;

And Whereas the Council of the Municipality of North Middlesex ("Council") has before it a report entitled "Municipality of North Middlesex 2026 Development Charge Update Study" prepared by Watson & Associates Economists Ltd., dated July 31, 2026 (the "update study");

NOW THEREFORE Council hereby enacts as follows:

1. By-law 041 of 2022, as amended, is hereby amended as follows:

    A. Schedule "B" is deleted, and the attached Schedule "B" is substituted, therefore.

2. This By-law shall come into force and effect at 12:01AM on XX, 2026.

3. Except as amended by this By-law, all provisions of By-law 041 of 2022, as amended, are and shall remain in full force and effect.

By-law read a First, Second and Third time, and passed this Xth day of XXXX, 2026.

Mayor: _____

Clerk: _____

SCHEDULE "B"
TO BY-LAW __
SCHEDULE OF DEVELOPMENT CHARGES (2022$)

Service/Class of Service	RESIDENTIAL					NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Special Care/Special Dwelling Units	Commercial, Institutional, and Small Industrial (per sq.ft. of Gross Floor Area)	Large Industrial (per sq.ft. of Gross Floor Area)
Municipal Wide Services/Class of Service:							
Services Related to a Highway	1,525	1,088	1,038	655	563	0.55	0.55
Fire Protection Services	1,405	1,002	956	603	518	0.50	0.50
Parks and Recreation Services	603	430	411	259	223	0.06	0.06
Growth Studies	-	-	-	-	-	-	-
Total Municipal Wide Services/Class of Services	**3,533**	**2,520**	**2,405**	**1,517**	**1,304**	**1.11**	**1.11**
Urban Services:							
Wastewater Treatment	13,557	9,672	9,231	5,819	5,004	5.06	13.36
Wastewater Sewers	1,234	880	840	530	456	0.46	0.46
Water Storage	3,679	2,625	2,505	1,579	1,358	1.37	1.37
Water Distribution	1,561	1,114	1,063	670	576	0.58	0.58
Total Urban Services	**20,031**	**14,291**	**13,639**	**8,598**	**7,394**	**7.48**	**15.77**
GRAND TOTAL RURAL AREA	**3,533**	**2,520**	**2,405**	**1,517**	**1,304**	**1.11**	**1.11**
GRAND TOTAL - URBAN	**23,564**	**16,811**	**16,044**	**10,115**	**8,698**	**8.59**	**16.88**