



## **Administrative Report**

**To:** Warden MacDonald and Members of Essex County Council

**From:** Melissa Ryan, CPA, Director, Financial Services/Treasurer

**Date:** Wednesday, August 6, 2025

**Subject:** County Development Charges Initiative Update and Summary of Public Feedback

**Report #:** 2025-0806-FIN-R21-MR

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### **Purpose**

This report provides an update on the County of Essex Development Charges (DC) initiative, summarizes feedback received from public meetings held across the County, and presents administration's responses to key concerns. The report also outlines financial implications of implementing DCs and seeks Council's guidance on elements to include in the draft DC By-law to be presented for consideration later in 2025.

### **Background**

The County of Essex is exploring the adoption of Development Charges as a sustainable funding mechanism to support growth-related infrastructure and services. The Development Charges Act, 1997, enables municipalities to levy fees on new developments to ensure growth pays for the infrastructure it necessitates rather than existing taxpayers.

The County engaged Hemson Consulting Ltd. to conduct a comprehensive Development Charges Background Study, forecasting growth, assessing current service levels, and estimating eligible capital costs for County-wide services, including libraries, land ambulance, long-term care, roads, and waste diversion.

Public information meetings took place across all seven local municipalities between May and June 2025 to inform stakeholders and gather input on the proposed Development Charges initiative. Additionally, dedicated sessions were held with Community and Industry Partners, as well as with Local Treasurers and Planners, to discuss the initiative in detail and collect

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targeted feedback. This comprehensive engagement helped gauge the overall sentiment within the County, which is now being reported back to Council.

This initiative aligns with the County's Strategic Plan 2024-2027, aiming to provide reliable infrastructure to support economic growth.

## **Discussion**

### **Feedback from Public Meetings**

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The public engagement process for the DC initiative has been extensive, involving multiple stakeholder groups across the County. Public information meetings were held in all seven local municipalities, providing an opportunity for residents, developers, and other interested parties to learn about the proposed DC framework and share their views. In addition to these public sessions, focused meetings with Community and Industry Partners, as well as Local Treasurers and Planners, facilitated more detailed dialogue on specific concerns and technical aspects of the initiative.

The feedback received through the meetings, as well as through email and phone communication, highlighted a range of perspectives and concerns. Common themes included timing and economic conditions, the potential impact of DCs on housing affordability, the relationship between County and local municipal charges, and the importance of transparency regarding how collected funds will be used. Some stakeholders expressed concern that the proposed charges might discourage development or redirect investment to neighbouring jurisdictions, while others sought clarity on exemptions, particularly for industrial development, and how the DC funds align with the County's long-term infrastructure plans.

Some participants recognized that DCs are a necessary tool to ensure sustainable growth and fair cost distribution for infrastructure required to support new development. The initiative's focus on funding key County services such as roads, emergency medical services, and other growth-related infrastructure was generally supported, though stakeholders emphasized the need for continued communication and clarity throughout the process.

Two formal letters of feedback were also received, one from the Town of LaSalle and one from the Windsor Construction Association and the Heavy Construction Association of Windsor (WCA/HCAW). The WCA/HCAW letter was also submitted to the Town of LaSalle and Town of Tecumseh. These

letters reiterated several of the same themes heard throughout the broader consultation but raised a few additional points of emphasis. LaSalle expressed concern that the timing of the DC initiative was premature given that the County Road Rationalization and Master Plan studies are still underway. They also requested stronger consultation with municipal administrations earlier in the process and flagged potential equity concerns for high-growth municipalities contributing a large portion of DC revenue. The WCA/HCAW raised similar concerns and emphasized the need for clearer alignment between DC-funded projects and regional growth priorities.

In response, administration emphasizes that the current initiative remains in the consultation phase. While formal engagement began after the release of the draft of the background study, all seven municipalities were engaged through meetings, technical staff discussions, and working group input. The DC model remains subject to refinement as additional studies are completed, and feedback is being actively incorporated into the draft By-law that is planned to be presented in October 2025.

A detailed summary of the feedback received, along with the County's responses, is provided in Appendix A. Appendix B, a document from AMO outlining common myths and realities about DCs, is also included to help address some of the comments we received. Together, these appendices respond to key concerns and help clarify the purpose and workings of the Development Charges initiative, highlighting how it supports the County's broader growth management strategy. Formal letters from the Town of LaSalle and the Windsor Construction Association/Heavy Construction Association of Windsor are included in Appendix F for reference.

### **Exemption Options for Consideration in the Draft By-law**

It is important to recognize that certain exemptions under the Development Charges Act (DCA) are mandatory and non-negotiable for all municipalities. These provide a baseline that municipalities must follow, while still allowing some flexibility to tailor DC policies to local priorities.

#### **Mandatory Provincial Exemptions and Discounts (Mandatory):**

- Industrial building expansions
- Long term care homes
- Additional residential units in certain circumstances
- Affordable housing

- Non-profit housing
- Units in existing rental residential buildings
- Municipalities and school boards

In addition to exemptions, the DCA provides mandatory discounts for purpose built rental housing.

### **Discretionary Exemptions (Municipal Choice):**

Municipalities may elect to offer exemptions or reduced charges for certain types of development, such as:

- Local definition of affordable housing projects
- Specific expansions or redevelopment projects
- Certain industrial or commercial developments aligned with local economic strategies

Municipalities can also provide exemptions on a geographic basis. They can also phase-in DC rates over a period of time.

Details on mandatory and discretionary exemptions provided by the seven local municipalities in Essex County, as well as the City of Windsor and the Municipality of Chatham-Kent are provided in Appendix C.

### **Definition and Calculation of “Affordable Housing” (Under the Act)**

**Affordable housing** generally refers to housing where the price or rent is affordable to households earning below a specified percentage of the area median income—commonly set at 80% or less. While municipalities can define affordable housing categories consistent with provincial guidelines and local housing strategies, the following are key considerations:

- Affordability is based on income thresholds relative to housing costs (rent or purchase price).
- Eligibility may include programs such as rent-geared-to-income or subsidized housing.
- This definition guides which developments qualify for DC exemptions or reductions.

For context, Appendix C provides details about how the DCA defines affordable housing for the purpose of the statutory exemption. Appendix D

provides information on the average cost of housing in the Windsor-Essex area. As shown, the average house price is already well above the affordable housing threshold, suggesting that the introduction of DCs is unlikely to impact affordability. In most cases, DCs represent only a small percentage of the overall cost of a home.

## **Municipal Options for County Council Consideration**

Building on the mandatory provincial framework, Council may consider the following options to balance infrastructure funding needs with public concerns and economic realities:

### **1) Phased-In Implementation of DCs**

- **Description:** Gradually introduce DCs over a set period (e.g., 3–5 years) to ease immediate financial pressures on developers and the housing market.
- **Benefits:**
  - Mitigates market shock and allows adjustment time.
  - Provides a smoother transition for developers and municipal administration.
  - Addresses affordability concerns raised by stakeholders.
- **Considerations:**
  - Requires clear timelines and communication plans.
  - Will delay receipt of some necessary infrastructure funding. A detailed breakdown of the financial impacts of a phased-in approach can be found in Appendix E.

### **2) Exemptions or Reduced Charges for Affordable Housing**

- **Description:** Implement partial or full DC exemptions for developments meeting affordable housing criteria, in alignment with provincial definitions and local policies.
- **Benefits:**
  - Encourages the creation of affordable units.
  - Supports community social equity goals.
- **Considerations:**
  - Requires robust eligibility verification processes.

- Potential reduction in DC revenue, necessitating alternative funding strategies.

### **3) Exemptions for Large Industrial or Employment Lands**

- **Description:** Consider DC exemptions or reductions for large-scale industrial developments or designated employment lands to support economic development.
- **Benefits:**
  - Attracts and retains key employers.
  - Promotes local job creation and economic growth.
- **Considerations:**
  - Must balance economic incentives with infrastructure funding requirements.
  - Ongoing monitoring needed to ensure compliance with exemption criteria.

Administration is recommending that any exemptions or incentives for industrial and large industrial developments be handled through the County's upcoming Community Improvement Plan (CIP), rather than built into the Development Charges (DC) By-law. The CIP, which is expected to be finalized by the end of 2025, will provide a more flexible and targeted way to offer incentives. This approach keeps the DC By-law straightforward and consistent, while still giving Council a way to support economic development priorities through a separate program.

### **Next Steps and Timeline**

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Based on the original approved motion, the consultants will be presenting a draft Development Charges (DC) By-law to County Council at a public meeting. Administration will return in October with the draft By-law for Council's consideration.

Over the coming months, the consultants and administration will review all feedback received from both the public and County Council to help inform the final version of the By-law. This includes a review of key assumptions used in calculating the proposed charges, as well as expenses that formed the basis of the DC calculation. If any changes are warranted based on this review, they will be reflected in the draft By-law.

It is also worth noting that several items detailed in Bill 17 are currently in the consultation phase. While changes are possible, the consultants' recommendation is to proceed under the current legislation, as it is anticipated that any changes would be grandfathered for municipalities already well underway in their DC process. The timing and final outcome of Bill 17 remain uncertain, as although it has received Royal Assent, many key provisions affecting the County DC process are awaiting regulatory change. Any material legislative changes will be reviewed once finalized, and administration will bring forward any necessary updates at that time.

The letters from LaSalle and the Windsor Construction Association/Heavy Construction Association of Windsor will also be reviewed in detail as part of the draft by-law preparation process. Administration will assess their feedback in context with all other submissions to determine if additional clarification, engagement, or adjustments are warranted in the final by-law. All formal correspondence has been included in Appendix F for Council's reference.

## **Financial Implications**

The implementation of Development Charges will provide a dedicated and sustainable funding source to support the growth-related infrastructure needs of the County. Without the introduction of DCs, the financial responsibility for these costs would fall directly on existing taxpayers through increased property taxes. Based on current growth projections and planned infrastructure investments, this would result in an estimated increase of approximately \$200 per year per average household (valued at \$350,000) to cover the necessary expansion of County services.

By allocating growth-related costs to new development through DCs, the County ensures a fairer distribution of expenses where those benefiting from new infrastructure contribute accordingly. This user-pay approach helps to protect current residents and businesses from disproportionate tax increases, while maintaining the ability to invest in critical services such as roads, emergency medical services, and other growth-supportive infrastructure.

Several additional factors contribute to the rationale for considering DCs at the County level:

- The Province has made it clear that DCs are an expected financial tool for municipalities. Failing to consider them could limit our eligibility for provincial infrastructure funding.
- As an upper-tier municipality, the County has limited revenue tools. Options for funding regional infrastructure are constrained.
- DCs promote fairness by ensuring that the costs of growth are borne by new development, rather than by existing taxpayers.
- Regional services—such as roads, waste diversion, land ambulance, and long-term care—are increasingly impacted by growth pressures. Funding these needs should be shared equitably across development across all municipalities.
- County DCs would apply only to services delivered by the County and would not interfere with local municipalities' existing authority to set and manage their own DCs.
- The development of the DC framework is guided by professional, data-driven studies and includes public transparency and opportunities for local input.
- Phasing in DCs and allowing for targeted exemptions (e.g. affordable housing, non-profits) are potential mechanisms to address community priorities.

As growth in the region continues, the County must be prepared to fund the infrastructure necessary to support it. The choice is not whether to accommodate growth, but how to fund it responsibly. Development Charges represent a proactive and equitable approach to ensuring growth pays for growth, while helping preserve quality of life for existing residents.

A detailed quantification of the potential foregone revenue if Development Charges are not adopted at the County level is provided in Appendix B.

## **Consultations**

- Brent Klundert, Vice-President, Windsor Essex Home Builders Association
- Norbert Bolger, President, Windsor Essex Home Builders Association
- Ryan Donally, President & CEO, Windsor Essex Chamber of Commerce
- Wendy Stark, Director, Business Retention and Expansion IWE  
Local Municipal Planners and Treasurers

**Strategic Plan Alignment**

<b>Working as Team Essex County</b>	<b>Growing as Leaders in Public Service Excellence</b>	<b>Building a Regional Powerhouse</b>
<ul style="list-style-type: none"> <li><input type="checkbox"/> Scaling Sustainable Services through Innovation</li> <li><input checked="" type="checkbox"/> Focusing “Team Essex County” for Results</li> <li><input checked="" type="checkbox"/> Advocating for Essex County’s Fair Share</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Being an Employer with Impact</li> <li><input type="checkbox"/> A Government Working for the People</li> <li><input type="checkbox"/> Promoting Transparency and Awareness</li> </ul>	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Providing Reliable Infrastructure for Partners</li> <li><input checked="" type="checkbox"/> Supporting Dynamic and Thriving Communities Across the County</li> <li><input type="checkbox"/> Harmonizing Action for Growth</li> <li><input type="checkbox"/> Advancing Truth and Reconciliation</li> </ul>

**Recommendation**

That Essex County Council receive approve report number 2025-0806-FIN-R21-MR, County Development Charges Initiative Update and Summary of Public Feedback as information and

THAT County Council Provide guidance on priorities for the draft Development Charges By-law, including potential exemptions, phased implementation and affordable housing considerations.

**Approvals**

Respectfully Submitted,

*Melissa Ryan*

Melissa Ryan, CPA, Director, Financial Services/Treasurer

Concurred With,

*Sandra Zwiers*

Sandra Zwiers, MAcc, CPA, CA, Chief Administrative Officer

<b>Appendix</b>	<b>Title</b>
A	Public Feedback and Administration Response Table
B	AMO Myths and Truths
C	Overview of Statutory and Non-Statutory Development Charge Exemptions in the Windsor-Essex Area
D	Average Home Price in Windsor-Essex
E	Financial Impact Analysis of Removing Long-Term Care DCs and Phase-in
F	Official Letters of Feedback on County DC Study

**Appendix A**

<b>Feedback Theme</b>	<b>Comment Summary</b>	<b>County Response</b>
<b>Affordable Housing</b>	Multiple comments that DCs will make affordable/attainable housing even harder to achieve.	DCs fund growth-related services, not general taxation. Appendix D provides data showing most new builds in the County are already well above affordable thresholds. Provisions for statutory exemptions for affordable housing are also included.
<b>Collection Concerns</b>	Concern raised about locals being questioned on the additional DCs since they will collect.	The local municipalities will collect the County DCs at the same time they collect their own, but the funds will be remitted to the County. This will be clearly communicated to avoid confusion.
<b>Consultation Process</b>	LaSalle noted that formal consultation with local administrations occurred after the draft study was released, missing earlier input opportunities.	While the draft was released prior to formal consultation, staff conducted meetings in all seven municipalities and with local technical staff. Feedback is actively being incorporated into the model as part of the consultation phase.
<b>Fairness Across Locals</b>	Comments about unequal impact due to varying growth and timing in different municipalities.	The charges are based on a uniform rate for County-wide services and consider planned growth over 10 years across all municipalities. Local projects and timing were considered during planning.
<b>Geographic Equity</b>	Concern from LaSalle that high-growth municipalities like theirs may bear a disproportionate share of costs without seeing proportional benefit.	Projects were selected based on a County-wide growth lens using objective service data and master plans. The goal is equitable investment based on need across all municipalities.

**Appendix A**

<b>Feedback Theme</b>	<b>Comment Summary</b>	<b>County Response</b>
<b>Industrial Exemptions</b>	Requests were made to consider industrial exemptions to promote economic development.	Administration recommends addressing industrial exemptions through the upcoming Community Improvement Plan (CIP) instead of the DC By-law. This approach allows for more flexibility and keeps the by-law consistent.
<b>Master Plan Timing</b>	Request for the County finish its Transportation Master Plan before implementing DCs, particularly with regard to road downloads.	Any road downloads to local municipalities will be coordinated through individual agreements. No growth-related projects are currently scheduled for download.
<b>Overall Cost Increase</b>	Concerns raised about the increase from the previous \$139M 10-year road expansion program to over \$500M.	The increase reflects updated infrastructure costs, inflation, and anticipated growth projections over the next 10 years. All projects included were identified through approved master plans and strategic documents.
<b>Perceived Duplication</b>	Concerns about adding DCs when locals already collect DCs.	The County DCs are for upper-tier services (paramedic services, roads, etc.) that locals are not responsible for providing.
<b>Premature Timing</b>	Concern from LaSalle and WCA/HCAW that DCs are being introduced before foundational studies like the Road Rationalization and Master Plan are completed.	At this time, there are no growth-related projects in the DC model that would be affected by the Roads Rationalization or Master Plan studies. Should any downloading of roads occur in the future, any related growth infrastructure would be addressed and incorporated into the terms of those transfer agreements. The DC model remains subject to refinement as new studies are completed.

**Appendix A**

<b>Feedback Theme</b>	<b>Comment Summary</b>	<b>County Response</b>
<b>Public Burden</b>	Concern that the public is already taxed enough and that DCs are an additional burden.	Development Charges shift growth-related costs from existing taxpayers to developers, ensuring growth pays for growth.
<b>Regional Transit</b>	Public asked whether regional transportation costs are included.	Regional transit is not included in this DC by-law as there is no Council direction to proceed with it at this time.
<b>Timing</b>	Concern about poor timing given current economic climate.	A phase-in approach is being explored. Appendix E shows how the phase-in affects revenue.
<b>Transparency on Projects</b>	Some noted confusion about what the DCs will pay for.	A complete list of projects is available in the Background Study. These are based on approved Master Plans and reflect planned growth infrastructure needs (roads, EMS, etc.).

# 2024 Housing Targets in Ontario

Municipalities are doing everything in their power to increase housing supply and affordability, and work towards the province’s ambitious target of building 1.5 million homes over 10 years.

However, Ontario’s population continues to grow faster than homes are being built, and home prices continue to increase much faster than incomes. Many Ontarians still cannot afford to enter the real estate market.

Despite years of headlines, provincial policy changes and funding announcements, housing starts for 2024 are significantly lower than 2023. Between April and September, housing starts in 2024 were 17% lower than in 2023.<sup>1</sup> As part of its Fall Economic Statement, the provincial government revised down its forecasts for 2024 housing starts to 81,000 – well below its stated target of 125,000.

Why is this happening?

## Market factors behind developers’ decisions not to build

In Ontario, governments don’t build housing – developers build housing as part of a market system. Taking into consideration factors like demand, supply and input costs, developers make business decisions about what and when to build and how to price homes in a way that maximizes profits.

2024 housing construction numbers are only now reflecting the impacts of the significant macro-economic factors that reached their peak in 2023, making it a bad time to build. These include:

**Rising construction costs.** The historic inflation that rocked Canadian consumers in 2023 pales in comparison to the construction sector. Canada’s residential construction price index has soared 51% since 2020,<sup>2</sup> nearly four times more than Consumer Price Index for all goods and services. As well as eating into developer profits, inflation means municipalities are on the hook for much higher costs for infrastructure like water and sewer systems. This either translates into higher development charges or higher property taxes.



**A shortage of workers.** The lack of construction workers, particularly in the skilled trades, is driving up the labour costs for homebuilding. Wages in the sector grew 9% in 2022, nearly double the pace of other industries.<sup>3</sup>

**High interest rates.** Interest rates increased sharply by 4.75% in a sixteen-month period across 2022 and 2023. Rates didn’t start to decline until June 2024.<sup>4</sup> Increased borrowing costs not only squeezed more homeowners out of the market, but made financing significantly more expensive for developers, as well as municipalities.

<sup>1</sup> Financial Accountability Office of Ontario. <https://www.fao-on.org/en/Blog/Publications/OEM-2024-Q3>

<sup>2</sup> RBC. <https://thoughtleadership.rbc.com/proof-point-soaring-construction-costs-will-hamper-canadas-homebuilding-ambitions/>

<sup>4</sup> Globe and Mail. <https://www.theglobeandmail.com/topics/bank-of-canada/>

## Myths vs Reality: Development Charges (DCs), Reserves and Municipal Housing Targets

Myth	Reality
If municipalities didn't collect DCs, home prices would go down.	Without DCs, there's no guarantee developers would pass along significant savings to homebuyers. Property taxes would have to cover the costs to extend services to new homes, impacting both homebuyers and existing residents.
We don't need DCs to pay for growth.	In 2022, property tax revenue would have had to increase about 20% to replace DC funds as a source of funding for all of the infrastructure – including sewers, water, roads, police stations – needed to support new housing.
Municipal DCs are a big part of government fees on a project.	Federal and provincial taxes make up 76% <sup>5</sup> of government fees on new homes. Unlike with DCs, none of these funds are required to be invested back into growth related costs.
Lengthy municipal planning approvals are also to blame for low new housing starts.	Municipalities have been taking steps to tighten up planning approval timelines, many shaving months off the process. Across Ontario, construction has not started on 330,000 housing units that already have municipal planning approvals in place. <sup>6</sup>
Municipalities have ample reserves to pay for growth.	Almost all reserve funds are committed to specific projects. <sup>7</sup> Reserve funds are heavily regulated by the province, which require municipalities to use these funds for specific purposes, including keeping assets in a state of good repair and investing in growth infrastructure.
Municipality-specific housing targets provide clear direction, accelerating housing development.	While municipality-specific housing targets can provide a useful framework for increasing housing supply, they don't always guarantee more housing starts. This is especially true as the annual targets Ontario assigned fifty municipalities are misaligned with reality. Targets were based on outdated growth projections and don't accurately reflect available development land, existing site servicing capacity, updated population growth projections, economic headwinds and developer decisions.

<sup>5</sup> The Canadian Centre for Economic Analysis. [CANCEA-TaxationOfOntarioHousing\\_2023.pdf](https://www.ccea.ca/wp-content/uploads/2023/07/CANCEA-TaxationOfOntarioHousing_2023.pdf)

<sup>6</sup> KPEC for BILD. <https://www.bildgta.ca/wp-content/uploads/2024/02/FINAL-Use-It-Optimizing-Municipal-Development-Pipelines-February-2024.pdf>

<sup>7</sup> Financial Accountability Office of Ontario. <https://www.fao-on.org/en/Blog/Publications/municipal-finances-2020>

**APPENDIX C**

**OVERVIEW OF STATUTORY AND NON-STATUTORY  
DEVELOPMENT CHARGE EXEMPTIONS IN THE  
WINDSOR-ESSEX AREA**



As part of the process to develop a new development charges (DC) by-law for the County of Essex, this appendix provides an overview of statutory and non-statutory DC exemptions in existing municipal DC by-laws across the Windsor-Essex region. The review includes by-laws from all seven lower-tier municipalities within the County, as well as the City of Windsor and the Municipality of Chatham-Kent.

## i. **Statutory Exemptions**

The *Development Charges Act* (DCA) mandates a number of exemptions from the payment of DCs, including:

- **Affordable housing**
  - **Rental Units** – exempt if the rent is no greater than the lesser of the income-based affordable rent (i.e. 30% of gross annual household income at the 60<sup>th</sup> percentile for renter households in the municipality) OR the average market rent;
  - **Ownership Units** – exempt if the price is no greater than lesser of the income-based affordable purchase price (i.e. a purchase price resulting in accommodation costs of 30% of gross annual income at the 60<sup>th</sup> percentile for households in the municipality) OR 90% of average purchase price.

These affordability thresholds are set out in an online bulletin published by the Minister. To qualify for exemption, rental or ownership agreements must be at arm's length, and the units must be subject to an agreement ensuring affordability for at least 25 years.

- **Attainable housing** – this exemption exists in legislation but is not yet defined or in force.
- **Non-profit housing** – means the development of a building or structure intended for use as a residential premises and developed by,
  - a not-for-profit corporation under the *Not-for-Profit Corporations Act* or *Canada Not-for-profit Corporations Act* in good standing, with a primary mandate to provide housing;
  - a non-profit housing co-operative that is in good standing under the *Co-operative Corporations Act*.
- **Long-term care homes** – as defined under the *Fixing Long-Term Care Home Act*.
- **Additional residential units** – exemptions apply in new and existing units for:



- A second residential unit in a detached house, semi-detached house or rowhouse provided all structures on the lot contain no more than one unit.
- A third unit in such dwellings, provided no ancillary building contains any residential units.
- One ancillary residential unit, if the primary dwelling contains no more than two residential units and no other structure contains residential units.
  
- **Units in existing rental residential buildings** – the creation of the greater of the following in an existing rental residential building, which contains four or more residential units, is exempt from DCs:
  - 1 residential unit;
  - 1% of the existing residential units.
  
- **Industrial expansions** – exempt if the gross floor area of an existing industrial buildings is enlarged by 50% or less.
  
- **Municipalities, Municipal Boards, and School Boards.**

In addition to exemptions, the DCA provides mandatory discounts for purpose built rental housing, defined as a “development of a building or structure with 4 or more residential units all of which are intended for use as rented residential premises”:

- **25% discount** – units with 3 bedrooms or more
- **20% discount** – units with 2 bedrooms
- **15% discount** – units with 1 bedroom or less

## ii. **Non-Statutory Exemptions**

The County may choose to include additional exemptions in its DC by-law beyond those required by the DCA. These *non-statutory* exemptions must be funded from non-DC sources (i.e. property taxes), as they cannot be recovered through increased charge on other types of development.

Table 1 below summarizes the non-statutory exemptions found in comparator municipal DC by-laws. Common exemptions include non-residential farm or agriculture buildings constructed for bona fide farm use, places of worship, and cemeteries.

Of particular note is that:



- he Municipality of Chatham-Kent provides a DC discount of up to 50% for rental housing with 50 or more dwelling units, and
- the Town of LaSalle exempts certain non-residential and apartment developments, provided development applications were executed prior to June 30, 2022.



**Table 1 – DC Non-Statutory Exemptions**

Municipality	Farming Uses	Places of Worship/Cemetery	Public Hospital	Private Schools	Brownfield Development	Industrial Use	Parking Garage	Student Accommodations	Airport	Conversion of Existing Non-Res Building to Residential	Residential Accessory Buildings with Service Connections
Town of LaSalle											
Town of Tecumseh	✓										
Town of Lakeshore	✓	✓									
Town of Amherstburg	✓	✓									
Town of Kingsville	✓	✓									
Town of Essex	✓	✓	✓								
Municipality of Leamington	✓ <sup>1</sup>			✓ <sup>3</sup>							✓ <sup>4</sup>
City of Windsor				✓	✓	✓			✓		
Municipality of Chatham-Kent	✓ <sup>1</sup>	✓	✓ <sup>2</sup>			✓	✓	✓			

<sup>1</sup> Excludes greenhouses and bunk houses

<sup>2</sup> Includes Chatham-Kent's Children's Treatment Centre

<sup>3</sup> Includes land vested or leased to a university that receives regular or ongoing operating funds from the government for the purposes of post-secondary education

<sup>4</sup> Excludes bunk houses



**APPENDIX D**  
**AVERAGE HOME PRICE IN WINDSOR-ESSEX**



As of May 2025, there were approximately 1,200 active real estate listings across the Windsor-Essex region. By June 2025, the number of listings had increased to roughly 1,340. The average house price in Windsor-Essex County in June 2025 was approximately \$582,100—an increase of \$16,800 or 2.9% compared to June 2024.

Figure 1, sourced from the Windsor-Essex County Association of Realtors, illustrates the change in average house prices from 2024 to 2025.<sup>1</sup>

**Figure 1 – Average House Price in Windsor-Essex (2024-2025)**



As noted above, the average price of a single-detached home in June 2025 was \$582,131. Figure 2 illustrates the share of development charges (DCs) relative to the average housing price in Windsor-Essex.

For example, the County’s calculated DC for a single detached unit is \$12,956, which is 2% of the average home price. When lower-tier municipal and area-specific DCs are included, the total DC burden ranges from:

- 8% of the average house price in municipalities such as Essex, Amherstburg, Lakeshore, and Tecumseh; and
- 4% in Leamington.

<sup>1</sup> [https://wecartech.com/wecfiles/stats\\_new/2025/25jun/](https://wecartech.com/wecfiles/stats_new/2025/25jun/)



**Figure 2 – Development Charges as a Share of Average Single-Detached Unit (SDU) House Price in Windsor -Essex**

<b>Municipality</b>	<b>Upper-Tier</b>	<b>Lower-Tier</b>	<b>ASDC</b>	<b>Total</b>	<b>Total DC Share of SDU Price</b>	<b>County DC Share of SDU Price</b>	<b>Local DC Share of SDU Price</b>
Essex (2024) – McGregor Service Area	\$12,956	\$19,971	\$15,144	\$48,071	8%	2%	6%
Amherstburg (2024)	\$12,956	\$34,744	\$0	\$47,700	8%	2%	6%
Lakeshore (2020) – Urban Area	\$12,956	\$34,581	\$0	\$47,537	8%	2%	6%
Tecumseh (2024) – Urban Area	\$12,956	\$21,356	\$12,560	\$46,872	8%	2%	6%
LaSalle (2020) – Town Centre Sanitary Service Area	\$12,956	\$27,775	\$2,546	\$43,277	7%	2%	5%
Kingsville (2023) – Urban Area	\$12,956	\$19,459	\$0	\$32,415	6%	2%	3%
Leamington (2022) – Urban Area	\$12,956	\$12,105	\$0	\$25,061	4%	2%	2%

**APPENDIX E**

**FINANCIAL IMPACT ANALYSIS OF REMOVING  
LONG-TERM CARE DCs AND PHASE-IN**



This appendix calculates the potential development charge (DC) revenue loss arising from:

- removing the long-term care service component of the residential DC calculation set out in the County of Essex Development Charges Background Study (April 2025); and
- phasing-in the fully calculated DCs over four years from January 1, 2026.

### A. REVENUE LOSS FROM REMOVING LONG-TERM CARE DC COMPONENT

The current calculated residential DC under the Background Study is \$3,913.84 per capita. If the long-term care component is removed, the charge decreases to \$3,788.77 per capita. As the long-term care service is fully attributable to residential development, the non-residential DC rate remains unchanged at \$46.34 per square metre.

Assuming the calculated DC rates are adopted, the County is projected to collect approximately \$165.1 million in DC revenues over the 2026-2035 period. Without the long-term care component, projected revenues fall to \$161.0 million, representing a reduction of \$4.1 million, or 2.5% over the 10-year period (approximately \$406,800 per year).

Scenario	10-Year Total	Average Annual
With Long-Term Care DC	\$165,109,077	\$16,510,908
Without Long-Term Care DC	\$161,041,165	\$16,104,117
Difference (\$)	\$4,067,912	\$406,791
Difference (%)	2.5%	2.5%

### B. REVENUE LOSS UNDER A 4-YEAR PHASE-IN

The table below shows the phased implementation of DC rates over four years:

Year	Phase-In %	Residential Charge Per Capita	Residential Charge Per SDU <sup>1</sup>	Non-Residential Charge Per Sq.M.
Year 1	25%	\$978.46	\$3,239.00	\$11.59
Year 2	50%	\$1,956.92	\$6,478.00	\$23.17

<sup>1</sup> SDU (Single Detached Unit)

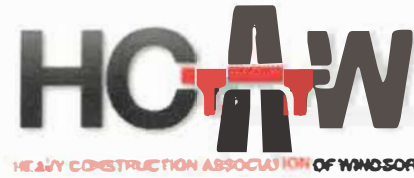


Year 3	75%	\$2,935.38	\$9,717.00	\$34.76
Year 4	100%	\$3,913.84	\$12,956.00	\$46.34

If a 4-year phase-in is applied, total DC revenues over the 10-year period are estimated at \$141.3 million, resulting in a revenue shortfall of \$23.8 million, or 14.4%, compared to full implementation. This equates to an average annual loss of approximately \$2.4 million.

<b>Scenario</b>	<b>10-Year Total</b>	<b>Average Annual</b>
Full DC Rates Implemented Immediately	\$165,109,077	\$16,510,908
4-Year Phase-In of DC Rates	\$141,280,834	\$14,128,083
Difference (\$)	\$23,828,243	\$2,382,824
Difference (%)	14.4%	14.4%





May 29, 2025

Mayor Meloche and Members of Council  
5950 Malden Road  
LaSalle, ON N9H 1S4

Dear Mayor Meloche and Members of Council,

On behalf of the Windsor Construction Association (WCA) and Heavy Construction Association of Windsor (HCA) membership which consists of over 400 member companies to include, General Contractors, Sub-Contractors, Suppliers and Associate members we write to you express our concerns on the outcomes and potential impacts that the most recent Development Charges study report recommends relative to the “potential” maximum fees to charge in various sectors and regions in the Town of LaSalle.

First, our Industry understands the need for the collection of such development fees, which effectively offset costs associated with Municipal growth, such as new public works capital expenditures and infrastructure capacity improvements, as well as the expansion of recreational, and other municipal services to maintain the same level of service which are made available to existing citizens of the Town of LaSalle. Moreover, most of our industry stakeholders are direct benefactors from the allocations of these financial resources when they are issued in the form of Construction tenders, so it stands to reason that as more fees are collected than a greater amount of Public Capital contracts will be issued to our benefit.

We also recognize and acknowledge that if such Development Charges were not collected, that Capital expenditure related to growth would otherwise be burdened on the existing rate payers by their annual property taxes.

In these regards, however, and with an abundance of caution, we strongly oppose a motion by County Council to immediately adopt the “maximum fee schedule per sector” as recommended in the study. These recommended increases are very significant and if adopted will most certainly have a negative effect on future investor intentions in all sectors and regions in the town.

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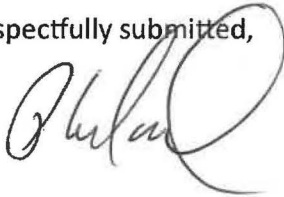
**The WCA and HCA, therefore, highly recommend Town of Tecumseh Council motion and approve a “phased increase approach over several years” for all sectors to include Commercial, Institutional, and Residential developments. Such a phased in approach will allow for existing project investors not to completely abandon their investment intentions and more readily absorb these costs.**

**In addition, we strongly advocate and recommend that Industrial Development Charges remain exempt from such fees as our community’s economy is extremely dependent on manufacturing, and imposing such fees would make our community less competitive and less desirable on a global scale.**

Please keep in mind, that whatever Council decide to charge, that these fees are merely being passed onto potential investors and clients by our Contractors. It is the homeowner, or office managers, retailers, or manufacturers that pay these fees. These clients will then evaluate their total investment costs considering these and all other cost factors and will compare these total costs in the Town of Tecumseh versus neighboring communities, or perhaps completely different regions of the Province or Country. Clearly if in their deliberations a customer feels they will receive the same service levels etc. in a community which is less expensive than they are more likely to invest there.

These realities are for your consideration and the establishment of a well-balanced approach to recovering costs associated with Municipal growth and the allocations of these costs are completely at your discretion, so we ask you to consider these and the potential outcomes carefully.

Respectfully submitted,



Phil Morand  
President, WCA



Marco Gardonio  
President, HCA

CC: County of Essex Warden and Council



May 29, 2025

Mayor McNamara and Members of Council  
917 Lesperance Road  
Tecumseh ON N8N 1W9

Dear Mayor McNamara and Members of Council,  
On behalf of the Windsor Construction Association (WCA) and Heavy Construction Association of Windsor (HCA) membership which consists of over 400 member companies to include, General Contractors, Sub-Contractors, Suppliers and Associate members we write to you express our concerns on the outcomes and potential impacts that the most recent Development Charges study report recommends relative to the “potential” maximum fees to charge in various sectors and regions in the Town of Tecumseh.

First, our Industry understands the need for the collection of such development fees, which effectively offset costs associated with Municipal growth, such as new public works capital expenditures and infrastructure capacity improvements, as well as the expansion of recreational, and other municipal services to maintain the same level of service which are made available to existing citizens of the Town of Tecumseh. Moreover, most of our industry stakeholders are direct benefactors from the allocations of these financial resources when they are issued in the form of construction tenders, so it stands to reason that as more fees are collected than a greater amount of Public Capital contracts will be issued to our benefit.

We also recognize and acknowledge that if such Development Charges were not collected, that Capital expenditure related to growth would otherwise be burdened on the existing rate payers by their annual property taxes.

In these regards, however, and with an abundance of caution, we strongly oppose a motion by County Council to immediately adopt the “maximum fee schedule per sector” as recommended in the study. These recommended increases are very significant and if adopted will most certainly have a negative effect on future investor intentions in all sectors and regions in the town.

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These realities are for your consideration and the establishment of a well-balanced approach to recovering costs associated with Municipal growth and the allocations of these costs are completely at your discretion, so we ask you to consider these and the potential outcomes carefully.

Respectfully submitted,



Phil Morand

President, WCA



Marco Gardonio

President, HCA

CC: County of Essex Warden and Council



**Date: July 11, 2025**

To:

Warden and Members of Essex County Council  
County of Essex  
360 Fairview Avenue West  
Essex, ON N8M 1Y6

**Subject: Official Response to the Essex County Development Charge Background Study**

Dear Warden and Members of County Council,

On behalf of the Council of the Town of LaSalle, we wish to thank you for the opportunity to provide feedback on the draft Essex County Development Charge (DC) Background Study, as presented at the April 2, 2025 County Council meeting.

Following a thorough review of the study and in accordance with Council Report FIN-08-2025, we respectfully submit the following concerns and recommendations for your consideration during the public consultation period:

1. Timing of the Background Study

The timing of the DC Background Study appears premature given that the County Road Rationalization Study and the Essex County Roads Master Plan remain incomplete. These studies may significantly alter the ownership and responsibility for road infrastructure, which is particularly relevant as 91% of the proposed development charge is attributed to roads and highways. We recommend deferring finalization of the DC By-law until these foundational documents are complete to ensure accuracy and fairness in the allocation of costs.

2. Consultation with Local Municipalities

While we acknowledge and appreciate the County's efforts to engage with lower-tier municipalities following the April 2, 2025 County Council meeting—including hosting public meetings in each municipality—we remain concerned that no formal consultation with local municipal administrations occurred prior to the completion of the draft Development Charges Background Study.

This lack of early engagement meant that local municipalities were not given the opportunity to contribute their technical knowledge and project-specific insights during the formative stages of the study. As a result, key assumptions and project inclusions may not fully reflect local realities or priorities. We strongly recommend that future iterations of the study incorporate structured, formal consultation with municipal administrations from the outset to ensure a more collaborative and accurate planning process.

### 3. Equity and Geographic Distribution of Projects

Given LaSalle's status as a high growth municipality in Essex County, our developers are likely to contribute a disproportionately high share of County development charges. It is imperative that the projects funded through these charges demonstrably benefit the entire County, rather than primarily serving select municipalities. This could include consideration of geographic equity when determining location of services, and data-substantiated considerations in the use of services and infrastructure to determine the true 'county-wide' nature.

### Conclusion

The Town of LaSalle supports the principle that growth should pay for growth. However, we believe that the current draft of the DC Background Study requires further refinement to ensure it is equitable, transparent, and based on accurate and complete information. We respectfully request that the County consider the above concerns and recommendations before proceeding with the finalization of the Development Charges By-law.

We appreciate your attention to this matter and look forward to continued collaboration in planning for the future growth of Essex County.

Sincerely,



Dale Langlois CPA, CA

Director of Finance, Town of LaSalle  
On behalf of LaSalle Town Council