COUNCIL MEETING

FINANCE DIVISION

REPORT FIN-2026-07
March 24, 2026

SUBJECT: **Development Charges 2025 Year End Statement**

AUTHOR: **Richard Bendell, CPA, CMA**
Development Finance Coordinator

APPROVER: **Melanie Steele, MBA, CPA, CA**
City Treasurer

RECOMMENDATION:

THAT Council receives the Treasurer's Statement attached to Report FIN-2026-07 in accordance with the *Development Charges Act, 1997* as amended; and further

THAT Council directs the Treasurer to make the statement available to the public by posting Treasurer's Statement on the City's website as per Section 43(3) of the *Development Charges Act, 1997*.

RELATIONSHIP TO STRATEGIC PLAN

This recommendation is aligned with Council's strategic priority of ensuring **"Economic Growth"** for creating a diverse economy through partnerships and emerging markets to ensure sustainable growth and quality employment.

EXECUTIVE SUMMARY:

Annually, the Treasurer is required to provide a statement to Council that outlines the opening and closing balances and transactions relating to the Development Charge (DC) funds of the City. The Treasurer's statement is to be made public by posting the statement on the City's website following Council approval. The Treasurer's statement is presented in Appendix I.

BACKGROUND:

The *Development Charges Act, 1997*, S.O. 1997, c.27 (the "*Development Charges Act, 1997*") requires that Development Charges (DCs) be reviewed on a ten-year cycle. The City of Welland's current Development Charges By-law's are 2022-163 and 2022-165 passed in August 2022. The services covered by these bylaws are:

- By-law 2022-163 – City Wide – No Transit
- By-law 2022-165 – North-West Service Area (Area Specific)

The City is currently planning to begin a new background study in 2026 and will look to have updated by-laws in place during 2027.

DISCUSSION:

The purpose of DCs is to help offset the increase in capital costs which are attributable to growth. DCs are collected relative to the increased capital costs involved with the provision of:

1. Administration
2. Parks & Recreation
3. Fire
4. Public works
5. Roads
6. Storm Sewer
7. Water
8. St. Andrews Terrace - Water
9. Wastewater
10. Library

DCs on new development are imposed by the City of Welland when the development of the land will increase the need for service and where the development requires approvals with respect to zoning, minor variance and conveyance of land, subdivision approval, consent for servicing development, or the issuance of a Building Permit.

DCs are generally collected immediately prior to the issuance of a Building Permit. Due to Provincial DC legislative changes, starting November 2025, some applicants may now choose to defer their DC payments until occupancy and the City has implemented a process to track these instances.

The various 2025 development charges imposed by the City of Welland are outlined in the City's current Development Charges By-law's 2022-163 and 2022-165.

FINANCIAL:

The Treasurer's statement on DCs is attached as Appendix I to this report.

During fiscal 2025, the City collected $2.9 million (net of DC Refunds/Adjustments and including $0.3 million in interest income allocation). The City incurred expenditures of $6.0 million (including 0.7 million managed through developer credit agreements). Therefore, the net decrease in DCs during fiscal 2025 was $3.1 million.

Due to Provincial DC legislative changes, the deferred DC charges owing to the City, but yet to be collected, are $116,029 as of December 31st, 2025, which are not included in the Treasurer statement attached and will be incorporated when they are actually collected.

The City has four (4) DC accounts with negative balances, which means that as of December 31, 2025 we have spent more funds on development than the charges we have collected in those areas. Per the *Development Charges Act, 1997*, individual accounts can be in a negative balance if the overall DCs remain positive (in essence, borrowing against other DC accounts). The overall DC balance as of December 31, 2025 is $11.9 million as outlined in Appendix I. With that said, the City currently has $9.0 million in DC funding committed to approved capital projects currently underway.

The City would look to replenish the DC accounts over time as we continue to collect DC revenue. The City is entering into a new DC background study in 2026, and any costs not captured in the previous study but that contributed to the negative balance will be identified and captured when setting the new DC rates. We would expect this to result in an increase in the DC rates in some areas to help replenish these negative balances.

Considering these new legislative changes and the negative balance in certain accounts, the City will need to carefully monitor the pace of DC collections relative to growth-related capital spending and delivery. We may need to consider deferring growth-related projects if the collection of DCs is impacted significantly.

ATTACHMENT:

Appendix I – Treasurer's Statement, Development Charges for the year ended December 31, 2025

CITY OF WELLAND
TREASURER'S STATEMENT
DEVELOPMENT CHARGES
FOR THE YEAR ENDED DECEMBER 31, 2025

	PROJECT #	TOTAL DEVELOPMENT CHARGES	ROADS	FIRE	ADMIN	SANITARY SEWER	WATER	STORM SEWER	LIBRARY	ST ANDREWS TERRACE-WATER	PUBLIC WORKS	RECREATION
BEGINNING BALANCE, JANUARY 1, 2025		**15,048,966.74**	**7,445,605.28**	**228,403.48**	**422,356.05**	**308,377.73**	**959,190.83**	**1,114,742.86**	**256,108.90**	**63,764.47**	**(27,409.61)**	**4,277,826.75**
ADD PRIOR YEAR ADJUSTMENTS:												
2023 ADJUSTMENT - REVERSE DC BORROWING		-				(688,083.32)	688,083.32					
2023/2024 ADJUSTMENT - INTEREST INCOME ALLOCATION		-				(38,850.00)	38,850.00					
2023 ADJUSTMENT - 555 CANAL BANK GP INC.		149,020.50	60,368.20			2,443.94	5,439.25					80,769.11
2024 ADJUSTMENT - 555 CANAL BANK GP INC.		288,762.18	116,977.56			4,735.70	10,539.82					156,509.10
ADD FUNDS RECEIVED:												
DEVELOPMENT CHARGES COLLECTED		2,162,093.65	391,663.13	291,493.92	26,821.29	519,573.23	72,238.47	65,120.73	32,169.90	-	92,911.25	670,101.73
DC INTEREST RECEIVED		3,153.93	875.45	-	-	1,176.92	166.20	135.28	30.92	-	204.85	564.31
INTEREST INCOME ALLOCATION		258,990.00	151,740.00	(41,060.00)	7,020.00	(27,790.00)	48,780.00	23,600.00	4,420.00	1,360.00	(4,940.00)	95,860.00
LESS DEVELOPER CREDIT & CAPITAL EXPENDITURES AGREEMENTS:												
555 CANAL BANK DEVELOPMENT GP INC. - 2024		288,762.18	116,977.56			4,735.70	10,539.82					156,509.10
-Forks Rd Bridge	21201											
-Dain East/West Parks	21407/21408											
-Forks/Kingsway Rd Urbanization	21199											
-Empire Facility Complex	21499											
555 CANAL BANK DEVELOPMENT GP INC. - 2025		263,144.14	106,599.69			4,315.56	9,604.76					142,624.13
-Forks Rd Bridge	21201											
-Dain East/West Parks	21407/21408											
-Forks/Kingsway Rd Urbanization	21199											
-Empire Facility Complex	21499											
LESS CAPITAL EXPENDITURES:												
GAISER RD TOP ASPHALT SPARROW- PH 3	20406	19,844.35	19,844.35									
KINGSWAY ROAD RECONSTRUCTION & WATERMAIN UPGRADE - PHASE 1 OF 2	23163	2,771.67	2,771.67									
ASSET MANAGEMENT PLAN UPDATE (LEVEL OF SERVICE)	22150	3,500.00	3,500.00									
TRANSPORTATION MASTER PLAN	22157	81,605.17	81,605.17									
KINGSWAY RD RECONSTRUCTION AND WATERMAIN UPGRADE PH 1 OF 2	23163	8,599.61	8,599.61									
ONTARIO RD TRUNK SANITARY SEWER PHASE 1 (ROADS)	25705	6,043.38	6,043.38									
WEST MAIN AREA PHASE 2 CONSTRUCTION	24165	117,000.00	117,000.00									
FIRE STATION 1 & 2 PROJECT CLOSE OUT REPORT	19005	2,533,054.00		2,533,054.00								
REPLACE PUMPER #2	23050	203,819.69		203,819.69								
MASTER FIRE PLAN	25053	8,454.02		8,454.02								
NEW DOWNTOWN COMMUNITY IMPROVEMENT PLAN	24650	24,915.94			24,915.94							
OFFICIAL PLAN UPDATE	21651	23,404.80			23,404.80							
UPDATE BROWNFIELD COMMUNITY IMPROVEMENT PLAN	24651	36,558.45			36,558.45							
SANITARY SEWER MODEL UPDATE 2023	23722	33,529.91				33,529.91						
ONTARIO RD TRUNK SANITARY SEWER DESIGN PH2	23720	21,078.14				21,078.14						
CONSOLIDATED LINEAR INFRASTRUCTURE REQUIREMENTS	24351	54,189.05				54,189.05						
SANITARY SEWER LINING	24707	250,000.00				250,000.00						
CSO & SEWER SYSTEM FLOW LEVEL MONITORING	25702	100,000.00				100,000.00						
SANITARY SEWER LINING & SPOT REPAIRS	25707	114,509.28				114,509.28						

APPENDIX I

CITY OF WELLAND
TREASURER'S STATEMENT
DEVELOPMENT CHARGES
FOR THE YEAR ENDED DECEMBER 31, 2025

	PROJECT #	TOTAL DEVELOPMENT CHARGES	ROADS	FIRE	ADMIN	SANITARY SEWER	WATER	STORM SEWER	LIBRARY	ST ANDREWS TERRACE-WATER	PUBLIC WORKS	RECREATION
SANITARY SEWER MODEL UPDATE 2024	24722	2,055.55				2,055.55						
CONSOLIDATED LINEAR INFRASTRUCTURE REQUIREMENTS	24351	6,501.90				6,501.90						
SANITARY SEWER MODEL UPDATE 2024	24722	14,429.57				14,429.57						
SANITARY SEWER LINING & SPOT REPAIRS	25707	135,490.72				135,490.72						
MAJOR STREET AREA WASTEWASTER MASTER SERVICING PLAN	22742	15,892.37				15,892.37						
ONTARIO RD TRUNK SANITARY SEWER PHASE 1	25705	59,347.12				59,347.12						
MERRITT ST SEWER - CITY COST SHARE W/REGION	21161	53,223.18				53,223.18						
KINGSWAY WATERMAIN UPGRADE (KINGSWAY SUBDIVISION)	24771	15,846.17					15,846.17					
WATER MODEL UPDATE	25755	12,465.60					12,465.60					
DAVID ST FLOW DIVERSION STUDY	24352	34,572.96						34,572.96				
ASSET MANAGEMENT PLAN UPDATE (LEVEL OF SERVICE)	22150	15,000.00						15,000.00				
CLIMATE CHANGE ADAPTATION PLANNING	20341	17,299.20						17,299.20				
STORM SEWER MODEL UPDATE	24350	16,301.96						16,301.96				
2025 LIBRARY CAPITAL BUDGET	N/A	82,100.00							82,100.00			
LIBRARY BOOKMOBILE	N/A	20,000.00							20,000.00			
FLEET CAPITAL REPLACEMENT - GENERAL	25300	192,070.00									192,070.00	
2025 YSP RIVER ROAD OPERATING DEBT PAYMENTS	Operating	245,035.00										245,035.00
COMMUNITY TRAIL STRATEGY IMPLEMENTATION	23417	300,000.00										300,000.00
RECREATIONAL CORRIDOR IMPROVEMENTS 2023	23402	26,655.16										26,655.16
RECREATIONAL CORRIDOR IMPROVEMENTS 2024	24402	14,164.99										14,164.99
TRAIL STRATEGY IMPLEMENTATION	24408	135,712.52										135,712.52
PARKS, RECREATION & CULTURE MASTER PLAN - UPDATE	24469	25,000.00										25,000.00
GENERAL PARKLAND RENEWAL AND RESORTATION	25405	60,560.00										60,560.00
RECREATIONAL CORRIDOR IMPROVMENTS	24402	50,192.52										50,192.52
TRAIL STRATEGY IMPLEMENTATION	24408	164,287.48										164,287.48
ENDING BALANCE, DECEMBER 31, 2025		**12,001,999.25**	**7,704,288.19**	**(2,266,490.31)**	**371,318.15**	**(787,713.85)**	**1,774,831.54**	**1,120,424.75**	**190,629.72**	**65,124.47**	**(131,303.51)**	**3,960,890.10**

CITY OF WELLAND
TREASURER'S STATEMENT
DEVELOPMENT CHARGES
FOR THE YEAR ENDED DECEMBER 31, 2025

	TOTAL NORTHWEST SERVICE AREA DEVELOPMENT	NORTHWEST SERVICE AREA STORMWATER	NORTHWEST SERVICE AREA WATER	NORTHWEST SERVICE AREA WASTEWATER
BEGINNING BALANCE, JANUARY 1, 2025	-	-	-	-
ADD FUNDS RECEIVED:				
DEVELOPMENT CHARGES COLLECTED	-	-	-	-
DC REFUND/ADJUST	-	-	-	-
INTEREST INCOME ALLOCATION	(370.00)	-	(370.00)	-
LESS DEVELOPER CREDIT & CAPITAL EXPENDITURES AGREEMENTS:				
HARVEST OAK EXT SUBDIVISION	102,077.67		102,077.67	
ENDING BALANCE, DECEMBER 31, 2025	**(102,447.67)**	**-**	**(102,447.67)**	**-**